REPORT

on EU strategy towards Iran after the nuclear agreement (2015/2274(INI))

Committee on Foreign Affairs

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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on EU strategy towards Iran after the nuclear agreement
(2015/2274(INI))

The European Parliament,

– having regard to the joint statement made by the Vice-President of the Commission / High Representative of the Union for Foreign Affairs and Security Policy (VP/HR), Federica Mogherini, and the Iranian Minister of Foreign Affairs, Mohammad Javad Zarif, on 16 April 2016 in Tehran,

– having regard to UN Security Council resolution 2231 (2015) adopted on 20 July 2015,

– having regard to the Council conclusions on the agreement on Iran's nuclear programme of 20 July 2015,

– having regard to its previous resolutions on Iran, in particular those of 10 March 2011 on the EU’s approach towards Iran¹, 14 June 2012 on the situation of ethnic minorities in Iran², 17 November 2011 on Iran – recent cases of human rights violations³, and of 3 April 2014 on the EU strategy towards Iran⁴,

– having regard to the EU Strategic Framework and Action Plan on Human Rights and Democracy; having regard to the EU Annual Reports on Human Rights,

– having regard to its previous resolutions on the EU Annual Reports on Human Rights;

– having regard to its resolution of 8 October 2015 on the death penalty⁵,

– having regard to the report of the UN Special Rapporteur on the situation of human rights in the Islamic Republic of Iran of 10 March 2016, to his recent statements of 20 May and 8 June 2016 expressing concern on imprisonments of human rights defenders and the recent wave of incitement of hatred of the Baha'i community, and to the report of the UN Secretary-General of 3 March 2016 on the situation of human rights in the Islamic Republic of Iran,


– having regard to the statement by the VP/HR Federica Mogherini on the execution of a juvenile offender in Iran of 14 October 2015 and on the condemnation of Iranian human rights defender Narges Mohammadi of 20 May 2016,

¹ Texts adopted, P7_TA(2011)0096.
³ Texts adopted, P7_TA(2011)0517.
– having regard to Rule 52 of its Rules of Procedure,

– having regard to the report of the Committee on Foreign Affairs and the opinion of the Committee on International Trade (A8-0286/2016),

A. whereas following the Iran Nuclear Deal and internal political developments in Iran, there is now an opportunity for reforms in the country and for improvement of its relations with the European Union;

**EU-Iran relations**

**Political dialogue**

1. Believes that the Joint Comprehensive Plan of Action (JCPOA), otherwise known as the Iran Nuclear Deal, was a notable achievement for multilateral diplomacy, and for European diplomacy in particular, which should not only make a substantial improvement in EU-Iran relations possible but also help to promote stability across the whole region; believes all sides are now responsible for ensuring its strict and full implementation; welcomes the establishment of the Joint Commission comprised of representatives of Iran and the E3/EU+3 (China, France, Germany, the Russian Federation, the United Kingdom and the United States, with the VP/HR); fully supports the High Representative of the European Union for Foreign Affairs and Security Policy in her role as Coordinator of the Joint Commission established under the JCPOA, and believes that strict and full implementation of the JCPOA continues to be of utmost importance;

2. Welcomes the visit to Iran, on 16 April 2016, of VP/HR Mogherini together with seven European commissioners as an important milestone towards setting an ambitious agenda for bilateral EU-Iran relations in areas of mutual interest; notes that several Commission statements and EU delegations to Iran – the latest of which comprised the Vice-President / High Representative and seven Commissioners – have focused on trade and economic ties;

3. Recalls that the Council’s decision to lift all nuclear-related sanctions against the Islamic Republic of Iran as a result of implementation of its commitments under the Joint Comprehensive Plan Of Action allows a reengagement with Iran and will create opportunities and benefits for both sides, by providing the potential to reopen the Iranian market for European businesses; recalls that Iran has a large, relatively highly educated and young population, has one of the most diverse GDP compositions in the region, needs investment and is a potential market for high-quality European goods;

4. Welcomes openness in the relations with Iran; points out that the development of EU-Iran relations should advance hand in hand with the implementation of the nuclear agreement/JCPOA; recalls that under the terms of the agreement a failure in its implementation by Iran can lead to the reintroduction of sanctions; encourages a renewed relationship between the EU and its Member States, and Iran, with both sides working closely on bilateral and multilateral issues to ensure a more stable region and effective implementation of the nuclear deal; believes that EU-Iran relations should be developed through multi-layered dialogue involving political, diplomatic, economic, academic, technical, and people-to-people contacts that include civil society actors,
NGOs and human rights defenders; supports the opening of EU-Iran relations for the mutual benefit of both parties, based on a realistic assessment of common interests and differences, with a view to encouraging step-by-step expansion of cooperation in a climate of confidence-building, first and foremost for the benefit of the peoples of Iran and the EU; supports, in this regard, the European Union’s commitment to a renewed engagement with Iran based on ‘a dialogue of the four Cs’: a dialogue that is comprehensive in scope; cooperative in the fields where Iran and the EU have mutual interests; critical, open and frank in areas where Iran and the EU disagree but are looking for common ground; and, overall, constructive in tone and practice;

5. Welcomes the institutional changes made within the European External Action Service (EEAS) to reflect the results of the JCPOA, in particular the establishment of an Iran Task Force in the EEAS with the objective of coordinating the different strands of action of all Iran-related issues; welcomes the steps taken by the EEAS for the establishment of an EU Delegation in Tehran, as called for in previous EP resolutions, as it will allow the EU to work with the Iranian authorities to enable better public knowledge within the country about the EU itself, to counter misunderstandings and to build a growing cooperation between the EU and Iran; emphasises, in this regard, that trade and investment are EU competences, and that the establishment of an EU Delegation in Tehran would facilitate EU-Iran cooperation in the fields of trade, education, culture, human rights and environmental sustainability, and strongly contributing to the fulfilment of the expectations of both sides; underlines that Euronews Farsi should in the future also be an important media bridge between the European Union and Persian-speaking audiences;

6. Recalls that the EU and Iran have decided to face issues of common concern in a constructive manner; calls for an EU strategy for re-engagement with Iran to be based, initially, on confidence-building measures in technical areas that would create positive precedents of EU-Iranian joint work and could pave the way for more meaningful long-term cooperation;

7. Insists on the importance of developing the parliamentary dimension of EU-Iran relations as part of the strategy for re-establishing mutual trust; reiterates its support, in this regard, for the proposal discussed between Parliament and the Majlis for an interparliamentary dialogue on counter-terrorism as a recognition of the common challenges of radicalisation in Iran, across the Middle East and within the EU itself; welcomes the renewed political dialogue between the EU and Iran, including on human rights; encourages the development of a human rights dialogue in the future to include representatives of the judiciary, security forces and civil society; recognises that while there is suspicion and mistrust on both sides, there is also a long history between many Member States and Iran and that Iran has the ambition to have good relations with the EU, which provides the potential for a relationship based on mutual trust and respect; recognises the complexities of Iran's own internal politics and reiterates that the EU does not seek to interfere in internal political choices in this country or in any other, but seeks cooperation based on mutual respect for international standards and principles; believes that full normalisation of relations can only occur in parallel with continued implementation of the Joint Comprehensive Plan of Action (JCPOA) by means of regular and sustained dialogue, and that the immediate priority should be to broaden the scope of EU-Iran relations in areas where there is common agreement to do so; believes,
however, that the ultimate aim must be the establishment of a partnership between Iran and the EU;

8. Reiterates the European Union’s strong, principled and long-standing opposition to the death penalty in all cases and under all circumstances, and emphasises once again that the abolition of the death penalty is a key objective of EU human rights and foreign policy; remains highly critical of Iran's frequent use of the death penalty; sees it as a major objective within the political dialogue to reduce the application of the death penalty; calls for an immediate moratorium on the carrying out of death sentences in Iran; notes that most of the executions are for drug-related offences; understands the challenge faced by Iran as one of the main drug transit routes in the world, with 86% of worldwide seizures of opium taking place on its territory; nevertheless believes that engagement on death penalty concerns such as the use of the death penalty for drug-related offences and against individuals under the age of 18, both of which violate Iran's voluntarily accepted international commitments under human rights and humanitarian law, could provide a common agenda for addressing this question; calls on the Members of the Iranian Parliament as a first step to revise Article 91 of the 2013 penal code in order to abolish the death penalty for people under 18 years of age; notes the presentation of a bill to the Iranian parliament that, if approved, would reduce the punishment for non-violent drug-related crimes from death to life imprisonment; notes that, if approved, the bill could significantly reduce the number of executions in Iran;

9. Underlines the fact that eliminating the death penalty for drug-related offences would drastically reduce the number of executions (by up to 80% according to Iranian estimates); calls for EU-Iran cooperation in the fight against the illegal drug trade as one way of addressing the issue of executions in the country, while respecting human rights norms; calls on the Commission to provide technical assistance and administrative capacity-building aimed at bolstering the rule of law in Iran, including by promoting reform of the justice system to improve accountability and alternatives to imprisonment and the death penalty; calls on the Commission to ensure that any technical or other assistance offered to Iran is not used to commit human rights violations;

Trade and economic matters

10. Takes note of Iran’s stated objective of achieving a yearly growth rate of 8%; believes that European investments are key to Iran’s achieving this goal; underlines the fact that the European Union does not stand in the way of permitted business activity with Iran, and will not stand in the way of international firms’ or financial institutions’ engaging with Iran, as long as they follow all applicable laws; stresses that for Iran to realise its economic potential, it will have to take steps to create a transparent economic environment conducive to international investment and take anti-corruption measures at all levels, particularly regarding compliance with the recommendations of the Financial Action Task Force (FATF) addressing questions such as the cessation of financial flows to terrorist organisations; calls on the EU to fully support Iran’s efforts in this process via, in particular, support for work towards forging a bilateral investment treaty between the EU and Iran;

11. Stresses that trade and renewed access to the global rule-based trading system is a potential way to break Iran’s isolation, and that trade could be an important tool for
strengthening the political dialogue and stimulating cooperation among countries in the region, with a view to increasing regional development, employment and stability in the wider region;

12. Notes that Iran is the second-largest economy in the Middle East, with an estimated nominal GDP of USD 397 billion in 2015; further notes that EU trade with Iran currently stands at about USD 8 billion and is expected to quadruple in the next two years; recalls that the EU used to be Iran's main trading partner and believes it should aim at recovering that position; supports the expansion of the EU's trading relationship with Iran, and calls for the EU to develop commercial, financial and economic cooperation with Iran, in the interest of improved living conditions and employment of the Iranian people and increased regional development; believes the expansion of trade and investment with Iran can, in the long term, contribute to promoting peace and stability in the wider region, if the EU can seek opportunities for regional investment schemes, for example in relation to energy and transport connectivity;

13. Takes the view that, although many contracts have been signed with European firms, Iran is unable to honour its commitments because of a lack of liquidity, meaning that the process of opening up Iran is caught in a vicious circle;

14. Notes that Iran is the world’s largest economy outside the WTO; supports Iran’s bid to join the WTO; notes that the current EU mandate for negotiations for a Trade and Cooperation Agreement with Iran is outdated; calls on the Commission to explore options for strengthening trade and investment ties with the aim of bringing Iran more closely into line with WTO rules and protecting European investment; stresses that a formal negotiation framework would allow the EU to use its full leverage as the largest integrated market and economic bloc and to create a forum for exchange and dialogue; calls on the EU to explore the possibility of restarting Iran’s accession talks with the World Trade Organisation, as membership of the WTO would bring a further liberalisation of Iran’s economy to drive growth, embed the country in the global rule-based system, provide a mechanism to support necessary economic reforms with Iran and hold Iran to account on international commitments; calls on the Commission to use these negotiations as an opportunity to push for key labour rights reforms, based on the ILO’s core conventions; is concerned about the delay in the appointment of a chair of the WTO working group on Iran’s accession; calls on the Commission to fully exert its influence in order to remove this obstacle without delay and start the process of Iran’s accession to the WTO; believes that, to conclude the accession process, Iran should be removed from the Financial Action Task Force (FATF) Public Statement list;

15. Considers the lack of freedom of expression online, the systemic surveillance and monitoring of internet traffic and the lack of digital freedoms to be an obstacle to trade with Iran, as well as a violation of people’s rights and freedoms; underlines the potential of an open and secure internet in Iran for the digital economy; reiterates its call for an effective European export control regime to prevent dual-use goods and technologies from being misused for human rights violations and against the EU;

16. Stresses also the importance for Iran to develop economic and trade relations with regional players, with due regard for WTO rules, with a view to forming a cohesive economic and trading bloc; points out that the EU can provide its expertise and backing
for developing and building this regional dialogue;

17. Believes that the lifting of the nuclear-related economic and financial sanctions by the EU and the international community, as laid down in the JCPOA, is an important element in demonstrating that the EU has implemented its commitments towards Iran, as well as in providing evidence of the willingness to strengthen economic cooperation for the mutual economic benefit; notes, however, that while most economic and financial sanctions have now been lifted, some remain in place and are not affected by the nuclear deal; calls on the EU to engage EU-based business companies to ensure full transparency of their activities in Iran; calls for emphasis to be placed on the quality as well as the quantity of investments, and for an initiative to assess whether new investments uphold the UN Guiding Principles on Business and Human Rights similar to that undertaken when sanctions were lifted in Myanmar/Burma; notes that the effective implementation of Corporate Social Responsibility guidelines is crucial if increased trade relations between the EU and Iran are to have a positive effect on Iranian society as a whole;

18. Recalls the legal uncertainty that US primary sanctions and the fact that transactions are conducted in dollars create for EU businesses willing to invest in Iran, which is undermining the delivery of expected economic benefits from the JCPOA to the Iranian people; insists on the need to address this and other financial matters, in line with FATF recommendations, to create the necessary clarity and legal certainty for EU businesses to operate in Iran; calls for a change in approach to trading with Iran; calls for the euro to be the currency for transactions with Iran so as to prevent the US authorities from imposing penalties as they have done in the past against some European banks; is in favour of a close dialogue with the United States in order to ensure the continuity of European trade and investment in Iran;

19. Stresses, at the same time, that greater efforts to ensure an environment conducive to international investment is essential in order for Iran to realise its economic potential; calls, in this regard, on Iran to ensure transparency of its financial sector and to fight corruption and money laundering, in line with the recommendations of the Financial Action Task Force (FATF); welcomes the Iranian Government's Action Plan on the recommendations of the FATF, as well as the technical meetings held on 12 July between EU and Iranian officials to undertake the necessary reforms in this regard;

20. Welcomes the positive results already achieved by the JCPOA, such as the 43% increase in trade between Iran and the EU during the first six months of 2016, compared with the same period of 2015, the fact that 30 Iranian banks have reconnected to SWIFT, and the JCPOA's positive impact in reinforcing the trend of diminishing inflation and interest rates in Iran; welcomes the fact that a growing number of small European banks are now active in Iran, facilitating credit to SMEs; calls for special attention to be given to the role of SMEs from Europe and Iran in strengthening trade relations;

21. Welcomes the fact the Iranian Government is keen to attract foreign investment, with foreign direct investment needed across all major economic sectors; notes that more than USD 1 trillion of investment in infrastructure is likely to be needed over the next 10 years, providing opportunities for European businesses, including in the energy,
automotive and airline manufacturing sectors; welcomes the 180 trade delegations that have visited Tehran since the signature of the JCPOA, including those from 15 EU Member States, as a sign of growing interest in economic relations with Iran; calls on the EU and its Member States to explore the use of export credit guarantees to boost trade, project-financing and investment in Iran; supports the positive conclusion of the agreements between the Iranian Government and Airbus and Boeing, as a further confidence-building measure following the adoption of the JCPOA;

**Sectoral cooperation**

22. Notes that Iran has the second-largest gas reserves in the world and the fourth-largest oil reserves; believes that energy cooperation can play a significant role in diversifying the sources of energy supply to the EU and reducing Member States' energy dependency on single suppliers, thereby contributing to the EU’s energy security; believes the lifting of economic sanctions has the potential to unlock significant spending on the oil and gas industry as well as other sectors of the economy, which would benefit from investment and access to new technology; calls for European companies to invest in the Iranian energy sector; calls, in particular, for the EU’s support in developing LNG technology in Iran; believes that investment in Iran must be fully in line with the EU’s long-term decarbonisation commitments;

23. Notes that currently more than half of Iranian households’ energy needs are met by natural gas; stresses the great potential of developing renewable energies in Iran, a country with on average 300 days of sunshine per year, and an estimated production capacity equivalent to 13 times Iran’s total energy consumption; calls on the Commission to support the development of renewable energies in Iran as a contribution to diversifying the country’s energy mix;

24. Calls on Iran to join the Extractive Industries Transparency Initiative (EITI) and for EU-Iran energy cooperation to be consistently underpinned by the aim of improving environmental and social, as well as economic, benefits for the people of both Iran and the EU;

25. Emphasises that Iran faces many environmental challenges, including water scarcity and land degradation, and that, while taking advantage of the full potential of business cooperation, the EU should engage with Iran to enhance the protection of the environment and promote environmentally sustainable development; calls for environmental cooperation in the areas of water conservation management, including supporting Iran in saving Lake Urmia, the fight against desertification, and earthquake monitoring, as well as addressing air pollution and waste management; expresses its particular concern in this context over the pollution levels of the Caspian Sea and urges active support by the EU and the Member States for the efforts by the Iranian Government to reverse its severe degradation; welcomes the fact that Iranian environmental NGOs have developed partnerships with other NGOs in the region; welcomes their participation in the IUCN and the Ramsar Convention; calls on the Commission to assist Iranian NGOs in the development of participatory management projects;

26. Believes that regional dialogue and cooperation on environmental issues between Iran and its neighbours is indispensable to tackling such challenges as air pollution, water
sacrifice and desertification; stresses that the EU should facilitate such regional cooperation as an important confidence-building measure and build on the willingness of regional actors to benefit from European expertise in this field;

27. Takes note of studies stating that nuclear energy might not be competitive in Iran because of low reserves of uranium and the cost of extracting it; calls, nevertheless, on the Commission to explore the potential for civilian nuclear cooperation with Iran, in line with the commitment of the JCPOA, and to encourage Iran to sign the Convention on Nuclear Safety; welcomes the proposal by some Iranian officials on establishing a regional dialogue on safety and security of civil nuclear programmes;

28. Stresses the potential for cooperation in the area of aviation safety, providing technical assistance and access to the necessary components for Iranian companies to be removed from the European black list;

29. Takes note of the fact that Iran hosts 3 million Afghan nationals, of whom only 950,000 have formal legal status in Iran as refugees, making Iran one of the major refugee-hosting countries; welcomes the additional EUR 6.5 million of EU funding to support Iran in the education and health care of the Afghan population in the country; stresses the need to take concrete measures that safeguard the human rights of Afghan migrants and Afghan refugees in Iran, including their right to due process and equality before the law; believes that EU-Iran cooperation on refugee management can enhance mutual understanding, promote improved respect for international law and the human rights of asylum seekers and refugees themselves, as well as contributing to conflict resolution with a view to reducing the causes of current and future refugee movements; believes that EU-Iran cooperation on refugee management would improve the wellbeing of refugees in Iran and prevent human trafficking; believes that EU-Iran cooperation should also include a comprehensive dialogue on migration, especially on policy and legislative approaches and priorities in relation to regular and irregular migration, asylum seekers and refugees, at both the national and the regional level;

30. Recognises that, with more than 60% of the population estimated to be under 30 years old, the young, educated and technologically advanced population in Iran and the vibrancy of its society can provide particular opportunities for advancing people-to-people contacts with the EU, based on principles of reciprocity and mutual respect; believes that youth exchange programmes are among the most successful activities in bringing societies and cultures closer together; welcomes therefore the increase in Erasmus Mundus students coming from Iran to European universities as a way to combat misperceptions and stereotypes; calls for increased cooperation in the field of education, research and innovation via increased exchanges of students and researchers, including cooperation between universities, in the fields, inter alia, of environment, renewable energies, justice, human rights and good governance; calls on the Commission to increase the budget for Erasmus Mundus students from Iran; welcomes the workshops that recently took place in Tehran University to raise awareness of the potential benefits that Iranian Universities can draw from participating in Horizon 2020; calls on the Iranian Government to appoint a Horizon 2020 national coordinator to provide technical assistance and advice to Iranian universities on applying for Horizon 2020 projects; calls on the Commission to study the possibility of improved facilitation for Iranian academics and researchers to study and undergo training in European
universities; calls for the establishment of an EU programme to bring together researchers and students from Iran, GCC countries and Europe to study the experience and lessons learned from regional integration in Europe;

31. Expresses grave concern over the arrest of EU-Iranian dual-nationals upon their entering Iran, and stresses that these arrests hinder the possibilities for people-to-people contacts; calls on the Iranian authorities to allow the Iranian diaspora in Europe to safely travel to their country of birth;

Regional security

32. Underlines the important influence that the various peoples and cultures of Iran have exerted over thousands of years, including on Europe; notes that because of its geostrategic location, the size of its population and economy, its oil and natural gas reserves and its influence in the region, Iran is a major player in the Middle East and the Gulf region; stresses that Iranian strategic interests are best served by restored regional stability, and that their pursuit does not and should not be in competition with other major players in the region;

33. Believes that the nuclear deal opens the possibility for cooperation in resolving the region’s security crisis; believes that Iran can and should play a stabilisation role in the region; believes that the whole region can benefit from a normalisation of relations with Iran; takes the view that Iran’s status as a major regional player should lead it to play a stabilising role in the region; points out that the review of the European Neighbourhood Policy (ENP), put forward on 18 November 2015, includes plans to involve third countries that are neighbours of the EU’s neighbourhood partner countries in the context of extended cooperation frameworks; urges, therefore, that thematic frameworks be set up to offer cooperation between the Union, the southern neighbourhood partner countries and key regional players such as Iran on regional issues such as security, energy and the management of refugees;

34. Calls on all the states of the region, in particular Saudi Arabia and Iran, to refrain from hostile rhetoric fuelling conflicts, action and support for hostile armed groups in the region, including the military wing of Hezbollah and Al-Nusra; expresses concern about growing militarisation in the wider region and supports efforts towards greater arms control, non-proliferation and countering terrorism, while recognising legitimate defence concerns, but within a context of seeking to promote full respect for sovereignty of all the countries in the region itself; expresses concern at the development of Iran's ballistic missile tests, which, despite not constituting a breach of the JCPOA, are inconsistent with the spirit of UN Security Council Resolution 2231 (2015);

35. Believes EU-Iran political dialogue should call on Iran as well as other major players in the region to play a constructive role in solving the political crises in Iraq, Yemen, Syria, Lebanon and Afghanistan, on the basis of respect for international law and the sovereignty of these countries; calls for a model of EU diplomacy based on political priorities rather than religious identities and on the principle of ensuring respect, safety and security for peoples in all countries in the Middle East, including Israel and the Palestinian people, with the aim of fostering a more stable and harmonious Middle East; considers EU-Iran cooperation in countering terrorism and violent extremism in the
region to be an important part of the political dialogue;

36. Believes that there can be no solution to conflicts in the Middle East, North Africa and the Gulf region without all players being present at the table; welcomes, therefore, Iran’s engagement in the Syrian peace talks via its participation in the International Syria Support Group (ISSG); regrets the fact, however, that Iranian input has to date not led to a marked improvement in the situation, and calls for it to contribute at least to further facilitating the delivery of humanitarian aid to increase protection of the civilian population from attacks and to continuously seeking a long-term solution to the conflict; notes in this context that the Assad regime in Syria has become increasingly dependent on Iran for its own survival and therefore calls on the Iranian authorities to use their leverage to bring the Syrian conflict to a peaceful conclusion;

37. Welcomes Iran’s readiness to support the current efforts to bring stability to Iraq, urges it to play a meaningful role in ending sectarian violence, and calls for additional efforts to bring all the militias operating in the country under the authority of the Iraqi Government in order to be inclusive of all interests; stresses that the EU and Iran face common enemies in the shape of ISIS/Da’esh, Al-Qaeda, Al-Nusra and similar UNSC-designated terrorist organisations, which are inspired by an extremist perversion of Islam; welcomes Iran’s contribution to the fight against ISIS/Da’esh, including its early support for the Kurdish Regional Government in Erbil, and recognises its decisive contribution in Iraq, which halted ISIS/Da’esh’s advance and recovered territories that had been subject to jihadist terrorism; is concerned, however, at repeated reports of the release of Al-Qaeda cadres; notes the agreement between Iran and Australia to share intelligence on the fight against ISIS/Da’esh;

38. Believes that regional rivalries are an underlying factor in conflicts in several countries in the region; is very concerned at the rise of sectarian violence in the region and emphasises the need for sustained and comprehensive EU diplomatic engagement in order to address the underlying dynamics of the conflict with long-term support for ethno-sectarian reconciliation; notes with concern the worsening struggle between Iran and Saudi Arabia for political and religious influence, and warns of its implications for conflict resolution and security in the Middle East and beyond; believes that a policy of rapprochement between Iran and Saudi Arabia, and their constructive cooperation, is essential to defusing regional tensions, as a path towards finding ways of ending the armed conflicts in Iraq, Syria and Yemen, and the resulting migration flows, and in order to address the root causes of terrorism and extremism, which are a threat to the region as well as to the European Union and beyond; calls for active EU diplomacy to de-escalate tensions between Tehran and Riyadh, including confidence-building, track II diplomacy and de-escalation measures aimed at the resumption of Saudi-Iranian diplomatic relations, as a first step in the normalisation of their relations; calls on the EU to work with the US and Russia to that end and, in particular, to support the development of a new regional security infrastructure that takes into account Iran’s and Saudi Arabia’s threat perceptions and legitimate security concerns, and provides security guarantees to both Iran and the countries of the Gulf Cooperation Council; stresses that cooperation on maritime security in the Persian Gulf, including the signing of a charter on free navigation, could be a first confidence-building measure in developing regional trust and cooperation;
Socio-economic issues, rule of law, democracy and human rights

39. Believes that Iran’s revolutionary legacy and its constitution as an Islamic Republic, as well as the major differences between Iran and the EU as regards politico-institutional systems, must not be an impediment to openness and a frank and direct dialogue and to finding common ground on matters related to democracy, the rule of law and human rights; calls on the Islamic Republic to enlarge the space for political pluralism; while underlining that the Majlis is pro-reform and pro-Europe, believes that the results of the elections to the Parliament and Assembly of Experts in February 2016 reflect the will of the Iranian people, offer an opportunity for further engagement with the European Union and its Member States, which should lead to constructive relations, as well as the possibility of internal economic, political and social reforms; calls on Iran to fully allow free and fair elections according to international standards;

40. Notes that Iran has opened up because it needs help in order to satisfy the needs of its citizens and to keep young and well-educated people in the country, which is important for its stability;

41. Notes with concern that Iran has the highest level of death-penalty executions per capita in the world; stresses that eliminating the death penalty for drug-related offences would dramatically decrease the number of executions; welcomes, in this regard, the possibility that the newly-elected Majlis is considering legislation to exclude some drug-related offences from the list of crimes punishable with the death penalty;

42. Welcomes the fact that the adoption of the 2013 Islamic Penal Code and Iran’s ratification of the UN Convention on the Rights of the Child prohibit child executions and allow all juvenile offenders sentenced to death prior to 2013 to seek retrial; calls on Iran to ensure that this prohibition is fully implemented and that all relevant offenders are made aware of this right; calls on Iran to declare a moratorium on the death penalty;

43. Further encourages Iran to cooperate fully with all UN human rights mechanisms and to work towards the application of the recommendations set forth in that context, including the Universal Periodic Review, by enabling international human rights organisations to carry out their missions; this development will raise the profile of Iran in European public opinion; highlights the fact that the Iranian Government has increased its engagement with UN special procedures through dialogue; calls on the Government of Iran to address the substantive concerns highlighted in the reports of the UN Special Rapporteur and the UN Secretary-General on the situation of human rights in Iran, as well as the specific calls to action found in resolutions of the UN General Assembly;

44. Calls on the EEAS and the Commission to support the creation of an environment allowing for proper and independent functioning of civil society organisations; stresses the importance of upholding the EU human rights guidelines, including on human rights defenders, in the context of EU Iran relations;

45. Calls on Iran to respect, protect and fulfil its commitments under the Constitution of the Islamic Republic of Iran, the International Covenant on Political and Civil Rights, the Convention on the Rights of the Child and the International Covenant on Economic, Social and Cultural Rights by respecting the rights to freedom of expression both online and offline, of opinion, of association and peaceful assembly, of thought, conscience,
religion or belief and by guaranteeing in law and in practice the enjoyment by its citizens of individual, social and political rights without discrimination or persecution on grounds of sex, language, religion, political or other opinion, national, ethnic or social origin, gender, sexual orientation or other status, as provided for in these instruments; points out that this includes a basic right to equality before the law, as well as the right of equal access to education, health care and professional opportunities;

46. Welcomes the reforms carried out under the new Code of Criminal Procedure, but expresses serious concerns that the Code does not fully guarantee international due process safeguards; calls on Iran to undertake a review of the 2014 Code of Criminal Procedure to ensure the inclusion of fair trial guarantees; calls on Iran to review and amend the law in order to ensure that statements elicited as a result of torture, ill-treatment or other forms of coercion are excluded as evidence in criminal proceedings, and that all allegations of torture and other ill-treatment brought to the authorities' attention are automatically investigated;

47. Calls for the release of all political prisoners; calls on Iran to free imprisoned EU citizens who have been detained or convicted under a judicial process that did not meet international standards, including: 58-year-old Nazak Afshar, held since March 2016, 76-year-old Kamal Foroughi, held since May 2011, 65-year-old Homa Hoodfar, held since June 2016, and 37-year-old Nazanin Zaghari-Ratcliffe, held since April 2016;

48. Recognises the existence of a wide variety of faiths and beliefs in Iran; notes that some religious minorities and their basic religious freedoms are formally protected by the constitution of the Islamic Republic of Iran; is, however, concerned that the number of individuals imprisoned from religious minority communities or because of their beliefs has increased; calls on the Iranian authorities to ensure that the rights of religious and ethnic minorities are fully respected and protected in law and that religious freedom is extended;

49. Notes the advances made by Iranian women in the fields of education, science and research, exemplified by the fact that the majority of students in Iranian universities are female; encourages the EU and its Member States to continue to raise issues relating to gender equality in bilateral engagement with the Iranian authorities; calls for full gender equality through measures to eliminate the existing legal and practical discrimination against women and to ensure women's equal participation in the labour market and in all aspects of economic, cultural, social and political life; welcomes attempts to draft a bill ‘on the Protection of Women against Violence’ and hopes that the newly elected Parliament will consider legislation that fully criminalises violence against women, including domestic violence and marital rape;

50. Welcomes President Rohani’s campaign promise to present a charter for citizens’ rights and his statements on promoting the rights of ethnic minorities; believes the charter should build upon and comply fully with Iran's international human rights obligations; underlines the importance of respecting the rule of law and the independence of the judiciary in providing the necessary legal certainty required for foreign direct investments to take place, but first and foremost in the interests of the people of Iran themselves; calls on the judiciary to respect fair trial and due process and to grant suspects access to a lawyer; calls on the EEAS and the Commission to work together
with the Iranian authorities in areas such as judicial reform and reform of the prison system, including prison conditions, government accountability, respect for the rule of law, freedom of speech, citizens’ universal human rights and fundamental freedoms, and the fight against corruption;

51. Instructs its President to forward this resolution to the government and parliament of Iran, the Council, the Commission, the Vice-President of the Commission / High Representative of the Union for Foreign Affairs and Security Policy, and the EEAS.
14.7.2016

**OPINION OF THE COMMITTEE ON INTERNATIONAL TRADE**

for the Committee on Foreign Affairs

on the EU strategy towards Iran after the nuclear agreement (2015/2274(INI))

Rapporteur: Marietje Schaake

**SUGGESTIONS**

The Committee on International Trade calls on the Committee on Foreign Affairs, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

1. Recalls that the Council’s decision to lift all nuclear-related sanctions against the Islamic Republic of Iran as a result of implementation of its commitments under the Joint Comprehensive Plan Of Action allows a reengagement with Iran and will create opportunities and benefits for both sides, by providing the potential to reopen the Iranian market for European businesses; recalls that Iran has a large, relatively highly educated and young population, has one of the most diverse GDP compositions in the region, needs investment and is a potential market for high-quality European goods;

2. Notes that several Commission statements and EU delegations to Iran – the latest of which comprised the Vice-President / High Representative and seven Commissioners – have focused on trade and economic ties;

3. Stresses that trade and renewed access to the global rule-based trading system is a potential way to break Iran’s isolation, and that trade could be an important tool for strengthening the political dialogue and stimulating cooperation among countries in the region, with a view to increasing regional development, employment and stability in the wider region;

4. Calls for coherence between EU trade policy and the principles of EU energy policy, and believes that all current and future EU projects and investments in Iran must be fully in line with EU long-term decarbonisation commitments;

5. Expresses concern about the high levels of corruption and trade-circumventing sanctions, which have led to a grey economy and pose a risk to European investments; stresses, therefore, the need to fight corruption, for increased transparency and for a truly private sector and market economy to develop in Iran;
6. Recalls that EU trade policy contributes to the protection and promotion of the values defended by the Union; emphasises that a potential renewal of trade ties between the EU and Iran must go hand in hand with substantial improvements in respect for human rights and fundamental freedoms in Iran, as well as labour, social and environmental international standards; considers tangible improvements in these areas to be of utmost importance for a renewal of commercial and investment ties with a view to improving the living conditions and wellbeing of the Iranian people; recalls that Iran is a signatory to the International Covenant on Civil and Political Rights (ICCPR) and the Convention on the Rights of the Child (CRC), and calls on Iran to honour its international commitments more consistently;

7. Notes that up to 70% of the Iranian economy is state controlled, potentially creating problems for European companies in Iran, and that increased trade could strengthen the economic, military and political power of certain unelected individuals; asks the Commission to present a report, two years after the sanctions were lifted, on potential obstacles for European companies in Iran and on the impact these trade relations might have in Iran; stresses that it is important that Iran develop an enabling environment for international investment and that this take place in accordance with the recommendations of the Financial Action Task Force on money laundering (FATF);

8. Emphasises that Iran faces many environmental challenges, including water scarcity and land degradation, and that, while taking advantage of the full potential of business cooperation, the EU should engage with Iran to enhance the protection of the environment and promote environmentally sustainable development;

9. Notes that the current EU mandate for negotiations for a Trade and Cooperation Agreement with Iran is outdated; calls on the EU to explore the possibility of restarting Iran’s accession talks with the World Trade Organisation, as membership of the WTO would bring a further liberalisation of Iran’s economy to drive growth, embed the country in the global rule-based system, provide a mechanism to support necessary economic reforms with Iran and hold Iran to account on international commitments; stresses also the importance for Iran to develop economic and trade relations with regional players, with due regard for WTO rules, with a view to forming a cohesive economic and trading bloc; points out that the EU can provide its expertise and backing for developing and building this regional dialogue; calls on the Commission to explore options for strengthening trade and investment ties with the aim of bringing Iran closer in line with WTO rules and protecting European investment; stresses that a formal negotiation framework would allow the EU to use its full leverage as the largest integrated market and economic bloc and to create a forum for exchange and dialogue;

10. Takes the view that, although many contracts have been signed with European firms, Iran is unable to honour its commitments because of a lack of liquidity, meaning that the process of opening up Iran is caught in a vicious circle;

11. Notes that, importantly, some US sanctions are not affected by the nuclear deal and will remain in place, in particular sanctions related to human rights abuses, support for terrorism and testing of ballistic missiles; regrets that the US sanctions still in place restrict EU policy space, obstructing European companies with US business activities doing business in Iran; considers it inappropriate that the EU should be dependent on the
US Government to provide legal certainty and predictability, and asks the Commission and the EEAS to continue dialogue and cooperation with the US, including by granting waivers on a temporary basis until a final permanent solution is agreed on;

12. Takes the view that legal uncertainty surrounding investment in Iran, because of US extraterritorial laws and the fact that transactions are conducted in dollars, calls for a change in approach to trading with Iran; calls for the euro to be the currency for transactions with Iran so as to prevent US authorities from imposing penalties as they have done in the past against some European banks;

13. Notes that the EU is aiming to diversify energy resources and that Iran is a key player on the international energy market, and therefore supports further cooperation with Iran in this field; encourages Iranian oil and gas exports to Europe and enhanced cooperation in the development of new technological solutions, renewable energies and energy efficiency;

14. Underlines the potential of an open and safe internet in Iran for the digital economy; reiterates its call for an effective European export controls regime to prevent dual-use goods and technologies from being misused for human rights violations and against the EU;

15. Notes that the effective implementation of Corporate Social Responsibility guidelines is crucial if increased trade relations between the EU and Iran are to have a positive effect on Iranian society as a whole;

16. Calls for special attention to be given to the role of SMEs from Europe and Iran in strengthening trade relations;

17. Underlines the particular need for gender-balanced and inclusive growth in Iran; urges a particular focus on the role of women in Iran, who face legal discrimination, and on European women visiting Iran, who may be deterred from traveling to Iran by the requirement to wear religious symbols.
RESULT OF FINAL VOTE IN COMMITTEE ASKED FOR OPINION

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<td>William (The Earl of) Dartmouth, Laima Liucija Andrikienė, Maria Arena, Karoline Graswander-Hainz, Yannick Jadot, Ska Keller, Jude Kirton-Darling, Alexander Graf Lambsdorff, Bernd Lange, Emmanuel Maurel, Anne-Marie Mineur, Sorin Moisă, Godelieve Quisthoudt-Rowohl, Inmaculada Rodríguez-Piñero Fernández, Marietje Schaake, Helmut Scholz, Joachim Schuster, Joachim Starbatty, Iuliu Winkler, Jan Zahradil</td>
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<td>Substitutes present for the final vote</td>
<td>Reimer Böge, Victor Boștinaru, Klaus Buchner, Gabriel Mato, Bolesław G. Piecha, Pedro Silva Pereira, Ramon Tremosa i Balcells, Wim van de Camp, Jarosław Wałęsa, Pablo Zalba Bidegain</td>
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<td>Substitutes under Rule 200(2) present for the final vote</td>
<td>Mara Bizzotto, Bernd Kölmler, Jozo Radoš, Dariusz Rosati, Mylène Troszczynski</td>
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## RESULT OF FINAL VOTE IN COMMITTEE RESPONSIBLE

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<td>Lars Adaktusson, Michèlle Alliot-Marie, Petras Auštreivičius, Bas Belder, Goffredo Maria Bettini, Mario Borghezio, Elmar Brok, Klaus Buchner, James Carver, Fabio Massimo Castaldo, Javier Couso Pernuy, Georgios Epiteideios, Knut Fleckenstein, Eugen Freund, Iveta Grigule, Richard Howitt, Sandra Kalniete, Tunne Kelam, Afzal Khan, Janusz Korwin-Mikke, Andrey Kovatchev, Eduard Kukan, Ilhan Kyuchyuk, Arne Lietz, Barbara Lochbihler, Sabine Lösnig, Ramona Nicole Mânescu, David McAllister, Tamás Meszerics, Francisco José Millán Mon, Pier Antonio Panzeri, Demetris Papadakis, Ioan Mircea Paşcu, Vincent Peillon, Alojz Peterle, Tonino Picula, Kati Piri, Cristian Dan Preda, Jozef Radoš, Sofia Sakorafa, Jacek Saryusz-Wolski, Charles Tannock, László Tökés, Ivo Vajgl, Elena Valenciano, Johannes Cornelis van Baalen, Boris Zala</td>
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<td>Laima Liucija Andrikienė, Angel Dzhambazki, Christian Ehler, Andrzej Grzyb, András Gyürk, Liisa Jaakonsaari, Marek Jurek, Marietje Schaake, Jean-Luc Schaffhauser, Igor Šoltes, Dubravka Šuica</td>
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<td>Liliana Rodrigues, Judith Sargentini, Bogdan Brunon Wenta</td>
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