



Trump and the Iran deal: Not yet the nuclear option?

by Luigi Scazzieri
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Trump has placed the international nuclear agreement with Iran in jeopardy. The EU should try to save the deal, but be prepared in case it fails.

The leading international powers congratulated themselves in 2015 on curbing Iran's nuclear weapons programme with the Joint Comprehensive Plan of Action (JCPOA), commonly known as the 'Iran deal'. But in October, US President Donald Trump 'decertified' Iranian compliance with the agreement, placing it in jeopardy. Trump called the JCPOA "[one of the worst and most one-sided transactions the United States has ever entered into](#)". This move was criticised by the other signatories: the EU sharply condemned Trump's decision while China and Russia argued that Tehran was abiding by the terms of the JCPOA.

The decision to decertify Iran's compliance did not kill the deal. Trump passed the buck to Congress, encouraging it to "[fix](#)" the deal or re-impose sanctions on Tehran. Congress had until December 12th to re-impose sanctions under an expedited procedure – but was not obliged to. But Congress seems to have little appetite for re-imposing sanctions, as it has missed the deadline. It has also been unable to reach agreement over how to fix the deal. Unless Trump responds by immediately deciding to re-impose sanctions, all eyes will be on January 2018. The terms of the JCPOA require the US President to waive sanctions regularly – with the next waiver expiring in January. It is possible that Trump may choose to re-impose at least some sanctions.

If the US re-imposed sanctions on Iran, the JCPOA would be severely undermined. But even if Congress and Trump do not impose sanctions in the immediate future, the future of the deal is uncertain. Trump's unpredictability and long-standing hostility to the deal make it possible that at some point in the future he will torpedo the deal – and there are plenty of Republicans in Congress who would support that move. This uncertainty means international business will steer clear of Iran, which will limit the already small economic benefits of the lifting of sanctions. In time, this is likely to prompt the Iranians to lose interest in the agreement, as its economic benefits were the main selling point.

Trump has accused Iran of “[multiple violations of the agreement](#)”. However, the International Atomic Energy Agency (IAEA), which is in charge of monitoring the deal, has confirmed on many occasions that Tehran is in compliance with the deal. [Director General Yukiya Amano stated](#) in October 2017 that “the nuclear-related commitments made by Iran under the JCPOA are being implemented”. It is true that Tehran has sometimes pushed at the agreement’s limits, but the JCPOA’s monitoring body, the Joint Commission, quickly resolved these issues, which did not constitute violations of the agreement.

Trump is on stronger ground when he argues that Iran is not complying with the spirit of the JCPOA. Indeed, while Tehran may be complying with the letter of the agreement, this does not mean that it has become a constructive international actor. Iran’s foreign policy is as destabilising as it was prior to the agreement. Tehran is involved, either directly or through its proxies, in Syria, Lebanon, Iraq, the Gulf and Yemen. Even though Tehran is not single-handedly responsible for destabilising the region, the US sees Iranian foreign policy as uniquely responsible. Trump, like Israel and Saudi Arabia, sees Iran as an inherently evil actor, regularly placing it in the same box as North Korea.

The nuclear agreement itself has shortcomings. While it halts Iran’s nuclear enrichment activities, it does not prevent Tehran from attempting to develop ballistic missiles that could be fitted with nuclear warheads. And many of the JCPOA’s provisions that limit Iran’s uranium enrichment [expire 10 to 15 years](#) from 2016. Unless Iran’s foreign policy changes in the meantime, that will be a major problem for regional and global security from the mid-2020s.

Proponents of a tough approach argue that by threatening to re-impose sanctions, the US will [gain leverage](#) with Iran to renegotiate the nuclear deal and iron out its alleged shortcomings. But the EU, Russia and China do not want to break their commitments and re-impose sanctions as long as Iran is respecting the agreement. If the US reneges on its international commitments and re-imposes sanctions alone, the other powers will not follow it. US sanctions alone would not be sufficient to extract concessions from Tehran. They would only play into the hands of the hardliners who want to restart the nuclear programme. And if Iran does restart enrichment, it would be difficult to revive the international sanctions regime that forced it to sign the JCPOA. It took many years to get all players on board. In the short term, the alternative to the JCPOA is not a better deal but no deal at all – and probably the full-throttle resumption of Iran’s nuclear enrichment.

The EU needs to persuade the US that its approach is counterproductive. The agreement is an essential but insufficient element of a broader strategy towards Iran. By itself, it cannot address the challenges posed by Iran’s foreign policy and by its missile programme – but it increases the chances of dealing with them successfully. To convince the US, Europeans need to persuade the administration and Congress that they are serious about ironing out problematic issues in the implementation of the agreement. They also need to find a framework to address concerns over Iran’s missile development and over the long-term future of its nuclear programme. The EU should stress that by re-imposing sanctions, the US will make it harder to assemble the broad international coalition that is needed to ensure the full implementation of the deal and address the future of Iran’s nuclear programme.

Europe should steer the US, China and Russia towards renewing talks with Iran to eliminate ambiguities from the JCPOA. The key step should be to formally clarify the extent to which the IAEA can monitor Iran’s military sites and possible nuclear development research activities. While the IAEA is supposed to monitor these, IAEA director general Amano stated that [the Agency’s tools in this regard are “limited”](#)

and that more clarification would be helpful. The US argues that the IAEA should widen its inspections to include military sites as a matter of routine – rather than only where there is suspicion of a violation. But [Russia backs the Iranian position](#) that the IAEA does not have the authority to monitor research activities and inspect military sites at all. The EU should raise the issue formally in the Joint Commission and persuade the other parties to address the concerns expressed by Amano.

The EU should work with the US, Russia and China to start a discussion on the future of Iran's nuclear programme after the JCPOA's restrictions begin to expire in the mid-2020s. If no follow-up deal is agreed by then, the risks of the JCPOA falling apart will increase, even if it survives the Trump presidency. The parties should work towards an addendum to the JCPOA based on a 'more for more' logic. Iran would agree to restrict its nuclear activities, in exchange for continued relief from those sanctions removed with the JCPOA, relief from remaining US sanctions, and greater Western efforts to reduce barriers to trade and investment with Iran.

In the medium term, the EU should also craft a common approach to tackling Iran's missile development programme, focused on talks with Tehran outside the JCPOA framework. At a minimum, talks should aim to steer Iran away from developing missiles capable of delivering a nuclear warhead. But ideally it would be possible to establish a forum to discuss regional security issues more broadly.

Negotiating the addendum to the JCPOA and attempting to restrict Iran's missile programme will be very challenging, given the state of US-Iran relations and the rivalry between Iran and Saudi Arabia. The EU must try to get the US and the Saudis talking to the Iranians. Regular, high-level contacts could help to manage tensions. Europeans should first try to reduce tensions between Iran and its neighbours (and their allies) by offering to mediate in regional conflicts. In the first instance this would mean taking a more active role in ending the ongoing conflict and humanitarian catastrophe in Yemen, trying to involve both the Saudis and the Iranians. The EU should also look to step up people-to-people contacts with Iran within the scope of existing sanctions. Iran is politically polarised between conservatives and moderates, and over the medium to long term, building social ties with the West may strengthen moderates within the country.

If at any point the US re-imposes sanctions on Iran while Tehran remains in compliance with the JCPOA, the EU should work closely with China and Russia to keep the deal alive. The prospects for the agreement's survival would be slight: Iran might immediately restart enrichment. Even if it did not, US sanctions would probably persuade Western companies to steer clear of Iran, weakening the agreement's economic incentives, and eventually leading Tehran to restart enrichment. To prevent this, the EU, China and Russia would have to keep the hope of economic benefits alive despite US sanctions.

This will not be easy as the EU's leverage is limited. The EU would gain little by reviving its 'blocking statute'. Introduced in 1996 following the adoption of new US sanctions on Cuba, the statute prohibits EU-based companies from complying with certain US extraterritorial sanctions. The blocking statute did not work: companies were more fearful of US sanctions than the consequences of failing to comply with the statute. Other types of concessions to Tehran, such as easing trade barriers, would probably be politically impossible: they would be seen as rewarding Tehran for its destabilising foreign policy and would further widen the rift between the EU and US. Member-states could attempt to ease financial constraints European businesses face when doing business in Iran, but in practice, the EU would have few incentives to offer Tehran to try to keep the deal alive. The only viable course of action would

be to rely on diplomacy, communicating to Iran that violations of the agreement would result in the re-imposition of EU sanctions while attempting to bring the US back on board.

If the deal fails, Iran's foreign policy is likely to become even more interventionist and destabilising. Tehran will be more confrontational towards the US, Saudi Arabia and Israel. Meanwhile, Tehran will continue to progress towards obtaining a nuclear arsenal, and the world will eventually be faced with another dilemma like North Korea.

Luigi Scazzieri is a research fellow at the Centre for European Reform.