



# Chronicle of a death foretold? Europe and the unclear fate of Iran's nuclear agreement

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Much has been already said about the profound sense of political myopia president Trump's decision that he is withdrawing the United States from the Joint Comprehensive Plan of Action (JCPOA) represents and the equally profound risks of greater instability and military escalation it poses for the Middle East. The Iran deal can survive an American withdrawal, but it cannot survive an Iranian one. Shaping the unclear fate of Iran's nuclear agreement, Europe can now finally demonstrate that it does not intend to be taken as an idle bystander in this chronicle of a death foretold. For this, it needs to act. More boldly, with more unity, and greater confidence.





What everyone expected finally happened. After a long period of speculation, any misplaced hopes created by some last-minute European diplomatic massaging on president Trump not to scrap Iran's nuclear deal were quickly dashed by his announcement on May 8<sup>th</sup> that he is withdrawing the United States (US) from the agreement.

Much has been already said about the profound sense of political myopia this move represents and the equally profound risks of greater instability and military escalation it poses for Syria, Lebanon and the wider Middle East. It is now clear that the rationale of this decision has never been couched on a sincere interest in 'fixing' the 2015 nuclear pact, formally known as the Joint Comprehensive Plan of Action (JCPOA). The very fact that Mr Trump saw this as a chance for a quick win on erasing his predecessor's legacy, particularly on an issue that featured prominently in the 2016 campaign, should give pause to any such analyses. As should the fact that the US president now finds himself surrounded by key advisors, such as national security adviser John R. Bolton, who have in the past vociferously opposed the nuclear agreement and have argued for regime change in Tehran.

Instead, this move is primarily targeted at significantly raising the level of confrontation with Iran and its regime. Yet, even amongst those commentators who see undeniable risks in this move but also potentially big rewards if it is carefully implemented within the framework of a larger strategy, there are very few who suggest that the current US leadership is either equipped with or capable of implementing such a strategy. This is reminiscent of Otto von Bismarck's quip about preventive war: committing suicide out of fear of death.

For Europe, this might be the very icing on the cake of realising how slippery the slope of appeasing president Trump can be. It has been proven time and time that no country and no ally is immune to his mono-prismatic political lens of transactionalism. From his reneging on the Paris climate agreement to his announcement about the move of the US embassy to Jerusalem, the complex balancing act of trying to safeguard the transatlantic alliance has become more challenging by the day. Similarly, despite months of negotiations between Washington and the European Union (EU) alongside the E3 (France, Germany, and the United Kingdom) to avert an unwarranted crisis over Iran, the inclination of the Trump White House to escalate matters rather than diffuse tensions prevailed.

This failure to dissuade Trump from taking these actions should not be seen as a failure of Europe, but as a reflection of Mr Trump's temperamental judgement. It should also be taken as a valuable lesson about the way forward.

Not allowing this imperfect, painstakingly negotiated but extremely thorough agreement to fall apart is a strategic imperative for the EU. Doing everything that is possible towards this direction is as much about safeguarding stability in the Middle East as it is about preserving Europe's security, legitimacy, and diplomatic gravitas. This is of course not to confuse ability with intention: what is now abundantly clear is *not* that averting the deal's unravelling is entirely in Europe's hands (it is not), but that if its salvaging has any chances of success, Europe needs to play its critical part.



As Europe looks inward for the appropriate measures that could keep the deal alive (at least to an extent and in some form), there are three key considerations that need to be taken into account.

First, the time for merely defending the agreement rhetorically, arguing that it is effectively containing Iran's nuclear program, is now past. It is now time to not just talk the talk, but also walk the walk. The stakes are now so high that bold rhetoric needs to be combined with *bold action*: neither lukewarm support of the deal nor fading patience with Washington would be of benefit in this moment. A collapse of the deal will most likely embolden the hard-liners within Iran, re-securitising the domestic political discourse. Iranian President Rouhani will be hard-pressed to abandon the more moderate tone and strategic self-restraint he has by and large showcased so far. If the Ahmadinejad years are of any indication, such a development could very well plummet the entire region further into a vortex of conflict, while substantially increase the nuclear proliferation risks. A more assertive EU stance could therefore be key for reversing the negative trends underway and averting their potentially detrimental repercussions.

Second, and perhaps a more important consideration as it is a prerequisite for a bolder stand, this action needs to be *concerted*. As well intentioned as they might have been, the slew of unilateral proposals that have been offered by the E3 over the last few months have undercut the Union's capacity both at contingency planning and at forming a policy consensus that would go past rhetorical overtures. What is more, differentiation amongst these parallel negotiation tracks offered Washington the luxury of thinking it could exact further concessions from the EU as it went along, while *de facto* reducing its willingness to come to a reasonable compromise with the Europeans.

As the drums of conflict start sounding less remote, working to rectify this should be a top priority both for Brussels and of course for national capitals. An exclusively E3 driven exercise will not convince Iran to continue abiding by the rules of the JCPOA. Europe needs to act and sound united, as this would allow a much larger diplomatic footprint, much better responsiveness to the intensifying regional risks that the EU will need to be attentive to from now on, and of course maximising its own potential for salvaging the deal. The European External Action Service and Federica Mogherini, the Union's High Representative for Foreign Affairs and Security Policy should be supported and allowed to play their key role in this regard. This concerns the coordination of all necessary policy measures at member state level to keep the nuclear deal alive (not least in the credit, banking, and insurance sectors). But it also very much involves injecting European rather than national leadership in designing the overall strategy through which the deal, truly one of the signature achievements of European foreign policy, can be (best) preserved.

Admittedly, this is much easier said than done. Doing this in the face of a precedent-breaking president, who is disdainful of multilateralism and who demands blind loyalty instead of constructive alliances makes things even harder. Nonetheless, now is the opportunity for all member state leaders that have in the past gone to great lengths to publicise their pro-EU agenda to practice what they



have preached. The trajectory of the Iran deal might exacerbate tensions between Europe and the US, but it must not be allowed to sow discord within the Union.

This last point is the third and final consideration: Europe should also stand and remain firm in its antithesis to the current policy posture of the US. The real question that lies at the core of the problem for the EU is not whether the Union will uphold the terms and will work to keep Iran in the agreement. Rather, it is the extent to which the Union and its member states will be ready and willing to confront the US efforts to cause the implosion of the deal. Trump's ultimate strategy to bring Iran to its knees through sanctions cannot succeed without the EU, and therefore if his administration's next move were to truly weaponise secondary sanctions on Europe, active measures must be taken aimed at protecting the European companies and banks exporting to and trading in Iran.

There are some options on the table as to how this can be done, ranging from financing of some companies through euro-denominated export credits, loans from the European Investment Bank or the Bank's participation in national financial vehicles, extending to the careful revival of the EU blocking regulations. Additional non-financial measures, such as visa facilitation, could be thrown into the policy mix, so as to alleviate further the pressure. The momentum behind the first encouraging signs of political consensus demonstrated during the recent EU Summit in Sofia and the EU/E3-Iran meetings held in Brussels in the immediate aftermath of president Trump's announcement needs to be sustained and strengthened both at technical and at political level.

Whatever the policy course that will be chosen, however, it is crucial to note that it will not have the capacity to rectify the situation fully. Nonetheless, it can at least produce the least sub-optimal results for all those companies and banks that would be penalised under such a scenario, despite having lived up to their commitments under the JCPOA, unlike the US. A bold, united front towards Washington will be also needed in thwarting US efforts to enlarge the framework of negotiations with Europe to include any (further) commitments to counter Iran's missile program. This, unless (or until) it becomes clear that Washington commits to refraining from secondary sanctions, or at least to decreasing their implementation to the minimum.

Ultimately, advocating for this firmer stance is not to suggest a separation from the transatlantic alliance as many commentators have hastily argued for, following Trump's announcement last week. It calls nonetheless for taking a hard look at the current state and future trajectory of things. Following Mr Trump's 15 or so months in office and his confrontational stance vis-à-vis Europe regarding NATO's article 5, the climate agreement, trade tariffs, and so on, it is now abundantly clear that auto-pilot cannot be the preferred policy mode. The transatlantic relationship is much larger and the bond much deeper than one person, but the way of preserving it is not to continue a posture of inertia. Signalling to Washington that ignoring the advice and appeals of all its European allies is - simply put - unsustainable, especially on an issue of such significance for European security *and* integrity, is essential.



If Europe is not to be overestimated by Iran in terms of what it can deliver to save the JCPOA, it needs to not be underestimated by the US on how it can react. Reversely, however, it also needs to not be underestimated by Iran about what its support to the JCPOA means for the wider region. Trump's reckless move has placed a tremendous onus on the shoulders of a Europe that is often divided on the issues that matter, and the Iranian leadership needs to be mindful of the equally tremendous effort it will require for the EU to do all of the above. In this milieu, Tehran will need to strengthen even more its strategic restraint in the region, avoiding any inflammatory rhetoric and actions, even if other regional actors, such as Israel, might be tempted to add fuel to the region's incandescent fire, feeling buoyed by the US administration's actions. Any escalation of violence between Israel and Iran (via its proxies in Syria and Lebanon) will be make it very difficult for the EU to continue its meaningful engagement vis-à-vis the nuclear pact. Other positives moves, such as the opening of the EU delegation in Tehran, that will make it easier for Europe to bear the heat of a collision course with Washington would also be advisable to be considered. Finally, it is worth noting that any actions undertaken by the EU to safeguard the JCPOA should not be misconstrued as a *carte blanche* for Iran's overall regional behaviour, especially in areas where European opposition to the ways and means Tehran chooses to buttress, shield, and support its regional allies is more than emphatic.

The Iran deal can survive an American withdrawal, but it cannot survive an Iranian one. Facing a defiant White House, Europe needs to quickly discover what it takes to convince Tehran to continue adhering to the deal, and how this something will measure up to the fury and fervour with which Washington tries to undo it. Following the first EU/E3-Iran meeting after Trump's announcement and the EU summit in Sofia, the initial impression is that Europe is cognisant of the difficult task ahead, but has indicated its determination to proceed.

We will soon know whether and the extent to which this effort will be crowned with success. Whatever the outcome, however, shaping the unclear fate of Iran's nuclear agreement, Europe can now finally demonstrate that it does not intend to be taken as an idle bystander in this chronicle of a death foretold. For this, it needs to act. More boldly, with more unity, and greater confidence.