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Europe, Iran and the United States: A Roadmap for 2020

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REPORT

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Europe, Iran and the United States: A Roadmap for 2020

Introduction

It is becoming increasingly clear that Europeans hold a weak hand on Iran that they must play as skillfully as possible.

They have chosen not to stand up to the US threat of secondary sanctions and as a result are being comprehensively coerced by their closest ally. Consequently, they cannot offer the economic benefits that Iran expects from the Joint Comprehensive Plan of Action (JCPOA), nor have other JCPOA participants (Russia and China) and Iran's traditional trading partners (such as India and South Korea) filled the gap. In response, Tehran has set a tempo of progressive steps away from full implementation of the deal that we may not have seen the full effects of yet. These have already reduced Iran's break-out time, although not significantly, and are starting to irreversibly augment Iran's nuclear expertise through research and development on uranium centrifuges.

The US-Iran confrontation has already produced heightened tension over the sanctioning of a great deal of the Iranian economy with rising humanitarian consequences, hostage-taking, ship hijacking and attacks, the shooting down of a US surveillance drone, cyber warfare, cruise missile and suicide drone strikes, the US assassination of the Islamic Revolutionary Guard Corps (IRGC) Lieutenant General Qassem Soleimani, and ballistic missile retaliation by Iran. Most recently, Ukrainian Airlines Flight 752 also fell victim to increased anxiety given the recent admission that it was accidentally shot down by the IRGC due to fear of imminent US missile strikes. However, throughout, including in the latest developments, Iran has confirmed it is still willing to cooperate with the International Atomic Energy Agency (IAEA) and its inspectors, and snap back to full implementation should other signatories do so as well. While Iran has carefully calibrated its responses to "maximum pressure" by offering both resistance and restraint at different moments, it has also maintained to this day that it is still sitting at the negotiation table.

While the goal of almost all Europeans – officials and experts alike – remains to preserve the JCPOA, prevent a spiraling military crisis, and sustain Iranian breakout time at a year or more, the E3 (United Kingdom, France, and Germany) and European External Action Service (EEAS) are left with much weaker diplomatic tools to get us there compared to before the US repudiated the JCPOA. The present Iranian government would clearly prefer not to exit the JCPOA wholly. But it is unlikely to reverse its calibrated escalation across multiple theatres until it gets at least the ability to sell oil, repatriate the earnings and use those earnings in trade. Numerous indications point to US President Donald Trump preferring a deal to US military action, especially ahead of the US election. But, although there is some political movement in Washington with bipartisan interest in back channel work, the current US administration is unlikely to give up zero enrichment as a goal and maximum pressure as the means. In addition, recent demonstrations in response to the economic hardship brought on by sanctions on Iran, as well as protests in reaction to the downing of Ukrainian Airlines Flight 752, have made certain US officials prematurely infer that the Iranian government is heading towards collapse.

Looking at the 2020 timetable, there is, for now, a strong sense of a potential car crash by the summer: a final collapse of the JCPOA, Iran halting voluntary implementation of the IAEA Additional Protocol (AP) and/or issuing a notice of withdrawal from the Non-Proliferation Treaty (NPT), a further military crisis, or all these things and more.

So what is the best path for Europe to take in 2020? A December 2019 meeting of experts and officials convened by the European Leadership Network (ELN) in partnership with the Hanns Seidel Foundation (HSF) weighed the options. These can loosely be grouped under the headings: Duck, Divert, Disrupt and/or Develop.

Option I. Duck

Europeans could stop trying and transfer responsibility for what happens next more explicitly to Washington while preparing for worst-case scenarios. Iran permitting, they could put the JCPOA on ice – neither killing it nor enforcing it, but keeping it as a benchmark and quarry for better times.

The time gained could be used to put in place European structures to prevent repeats of such US foreign policy coercion. This could combine with continued attempts to win moral high-ground for the JCPOA internationally, for example in European approaches to the NPT. Instead of continuing to state that the E3 are fully compliant with the JCPOA, genuinely acknowledging that Europe cannot compensate Iran over the United States' abrogation of the agreement and that its hands are largely tied could be helpful to managing expectations in Tehran; as could a renewal of public E3/EU "regret" about the United States' abrogation of the JCPOA or a stronger expression of dissatisfaction such as "deploring" the US "maximum pressure" approach. This could be coupled with calling more explicitly on Russia and China to take on more responsibility to help the Iranian economy.

This option would presumably undermine E3 counter-proliferation credentials to an extent, run counter to the ambitions of the new 'geo-strategic' European Commission and undercut Iran's moderates who are looking to Europe for solutions. Placing the burden of responsibility more squarely on the US is, however, not incompatible with other options.

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Option II. Divert

To deter Iran from more destructive steps away from the breakout capacity established by the JCPOA and dissuade the United States (and perhaps Israel) from more destructive measures such as the snapback of UN/EU sanctions or further military action, the E3 were actively considering triggering the JCPOA's Dispute Resolution Mechanism (DRM) in December. The sentiment amongst officials was that it was not only possible but probable.

European non-governmental experts more or less unanimously opposed the DRM. Most importantly, they felt that Iran's adherence to the NPT and IAEA Additional Protocol alone makes the JCPOA worth preserving, even if only the basic scaffolding can survive for the foreseeable future. Instead, they favoured diplomatic initiatives outside of the DRM that could identify an incentive structure for Iran to restore more of its JCPOA implementation. Experts argued that the DRM was never intended to work in the context of the United States having exited the deal eighteen months prior, but to tarry with technical disputes. Thus, it was not seen as fit-for-purpose under these circumstances. In addition, since the DRM was not triggered against the US after clear threats to leave the agreement, the sentiment was that the Iranians would see the DRM as punitive and one-sided, with potentially catastrophic consequences (such as Iran limiting access to IAEA inspectors or, less likely, repudiating adherence to the NPT).

It was also not conceivable for the Iranians to trigger the DRM with the Europeans to make the process more consensual, as Iran contends that it has been in a dispute resolution process under the terms of the JCPOA for months and that the steps taken to reduce implementation are legally compliant with the text of the JCPOA:

"Iran has stated that it will treat such a re-introduction or re-imposition of the sanctions specified in Annex II, or such an imposition of new nuclear-related sanctions, as grounds to cease performing its commitments under this JCPOA in whole or in part" (emphasis added, Paragraph 26, JCPOA).

Lastly, experts warned that European companies could grow fearful of the DRM becoming a potential route to UN and EU sanctions on Iran and pre-maturely leave the market, substantially cutting down already limited Europe-Iran trade and harming European credibility to negotiate in the future.

Now formally invoked, the DRM has moved from threat to action and hopes to create a “safe(er) space” for European diplomacy in 2020 despite the aforesaid challenges. In some ways, the DRM can be seen as a method to protect the JCPOA from President Trump because it has, momentarily at least, given Washington an impression of European pressure on Iran while giving the E3/EU control of the process. Additionally, if the DRM is successful in identifying a middle-ground solution, it could help protect European credibility on counter-proliferation and delay Tehran’s march towards a meaningfully lower breakout time.

Although it is unclear how long the dispute resolution process can remain open-ended by consensus, flexibility could buy time to create a less-for-less arrangement until there is a change in circumstances. For this to occur, there will need to be active participation from the Iranian, Russian, and Chinese delegations to the JCPOA Joint Commission that will next convene in mid-February.

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Option III. Disrupt

As an alternative to ducking or diverting, exploiting non-JCPOA areas of the confrontation with Iran could be a means of disrupting the agreement’s downward spiral:

1. Economics/Trade

International movement on economic issues could create political space for negotiation. If Iran feels it is in a position of weakness, it

will not be open to talks, as it is felt that this violates the dignity of the country and could lead to unwelcomed coercion. However, numerous indicators show that the Iranian economy is expected to return to a growth pattern in 2020/21. In turn, Europeans should prioritise identifying ways to support such stabilisation and growth. There are three core ideas for Europe:

a. Increasing the volume of trade between the Instrument in Support of Trade Exchanges (INSTEX) and its Iranian mirror entity Special Trade and Finance Instrument (STFI) by itself will not sway Iran back to full JCPOA implementation. But it is still worth pursuing to try to undercut the humanitarian consequences of US sanctions and to rebuild long-term EU credibility and resilience. Presenting INSTEX as a humanitarian mechanism, not a JCPOA-specific one, would likely award it better protection.

As a much-trumpeted European tool, INSTEX deserves a larger team and more political, technical, and financial (e.g. EUR 50 million liquidity) support. The nine European shareholder governments should prepare for tough 2020 conversations about INSTEX with Washington whilst working with the growing chorus of Congressional officials concerned about the humanitarian impacts of US sanctions. They should consider how to develop better US understanding (and more neutral language) on INSTEX, as well as move toward scenario-based discussions with interested parties.

b. For Europe to have leverage in Tehran on economic grounds, European governments must first want to play a role in Iran’s economic development and persuade the Iranian authorities it could deliver more than just a return to zero growth in the coming year. This could include freeing up Iran’s access to its foreign exchange reserves held in Europe and other countries, helping improve efficiency in various sectors, and increasing the flow of developmental aid.

For example, it is expected that the EU's Development Cooperation Instrument (DCI) will approve a third special measure in favour of Iran of EUR 16 million this year, which is based on a total 2018-20 allocation of EUR 50 million. This allocation should be carefully invested to have the most economic impact, namely through Iranian small-to-medium enterprises (SMEs). If effective, more investment could be promised for the next budgetary cycle.

c. A common theme is for Europeans to work with Russia and China, either to get them to do more or to stay in a closer coalition with Europeans. It is a fair point that Europe is not the only actor that has drastically reduced its corresponding trade with Iran, as Russia and China are no different. Whilst Russia and China have both expressed interest in joining the European humanitarian special purpose vehicle, INSTEX, this is not legally feasible as it could leave the mechanism more vulnerable to being designated under US sanctions.

Thus, instead of working in *direct partnership* with Europeans on that effort, Russia and China must work in *concert* with them. Russia, for example, could help influence political bargaining in Tehran by curtailing recently agreed upon infrastructure loans worth around USD 5 billion unless Iran reverses at least some steps taken away from the JCPOA. In addition, China could offer to import more oil in exchange for an Iranian reversal back towards fuller implementation. Although it will be difficult to get Russia and China to exert more economic weight towards Tehran, it is also their responsibility to build incentives.

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2. Regional Issues

The E3/EU or E3/EU+2 (including Russia and China), could convene an event to hear presentations on current regional security proposals, holding discussions on their relative merits and consolidating agreed concepts.

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A strong E3/EU move such as being prepared to lead and fund the convening of such an event might help sidestep JCPOA confrontation. For example, some mixture of:

a. An E3/EU- or E3/EU+2-led initiative based on a diplomatic statement or letter to Iran, similar to the one from E3 ministers in August 2003, stating they are:

- (i) prepared to politically and perhaps financially facilitate regional de-escalation by working with Iran and others without endorsing any one set of proposals; acknowledging that all regional states have legitimate security interests (i.e. putting Iran on a par with others and not as a pariah) while offering to keep outside parties informed;
- (ii) prepared to divide such multilateral dialogue into topics not limited to: principles (there are several texts to draw on); nuclear questions not limited to those addressed by the JCPOA; ballistic and cruise missiles, rockets and drones; ongoing regional questions such as displacement and migration spawned by conflict in Syria and Yemen; military cooperation in crisis communication and other fields; and institutions building.

b. Use that opportunity to respond seriously to Iran's Hormuz Peace Endeavour (HOPE) initiative on regional security. Tehran would welcome European help in working on obtaining meaningful Gulf Cooperation Council (GCC) cooperation with the HOPE initiative. If it proves to be useful, the E3 could then ask Iran to also pursue additional maritime measures, such as a Charter for the Persian Gulf based on United Nations Convention on the Law of the Sea (UNCLOS) principles. It could include early warning, notification of exercises, and nuclear accident crisis management (overcoming Saudi objections).

c. Rationalise and coordinate the plethora of existing governmental and non-governmental regional efforts. Support ongoing mediation efforts, especially between Iran and Saudi Arabia, and exploit Saudi Crown Prince Mohammad Bin Salman Al Saud's need for positive outcomes from the G20 Riyadh summit. Intensify/expand the already wide range of practical issues on which the EU is engaged with Iran. Pursue strategic dialogue with Iran that engages the IRGC and its allied groups. This might include multilateral regional dialogue on missiles, but it is hard to separate from conversations on WMDs and the supply of weapons by outside powers.

3. Humanitarian Obligations

Placing an emphasis on global humanitarian obligations towards the Iranian population may be the best way of influencing US behaviour in 2020. Europeans should encourage Congress to exert pressure on the US Departments of Treasury and State and ask them to give the clarity that is needed for at least the trade of agro-food and medicine to be made easier. By taking INSTEX out of the JCPOA box and making it part of humanitarian diplomacy, this would allow Europe to address Washington differently. If this leads to continued threats that INSTEX could be sanctioned, senior European leaders ought to publicly deplore the US approach and potentially even legally challenge it.

Option IV. Develop

Moves to disrupt the JCPOA dynamic from *outside* the agreement's framework could be combined with direct moves to alter that dynamic on the *inside* by further developing it:

1. A revived Macron initiative and/or other back channels that result in a US-Iran compromise:

At the opening of the 2019 UN General Assembly (UNGA), French President Emmanuel Macron engaged in shuttle diplomacy between the US and Iran. President Macron is said to have come close to an agreement between both sides based on a series of principles. Although post-mortem reports indicate that there were issues in terms of sequencing and substance with the Macron plan that led to a dead-end, can it be revived? At this point, there is likely fatigue from both sides with French mediation attempts, so fresh voices are needed. If another mediator, especially one from the region itself, picked up from where Macron left off, there might be a chance for success.

Although post-mortem reports indicate that there were issues in terms of sequencing and substance with the Macron plan that led to a dead-end, can it be revived?

Broadly, the Macron initiative involved Iran restoring its implementation of its nuclear commitments under the JCPOA and agreeing to never acquire nuclear weapons through a "long-term framework". It is unclear what is meant by this language, as Iran ratified the NPT 50 years ago and continues to voluntarily applying the IAEA Additional Protocol (AP). Both of these aforesaid provisions will outlive the JCPOA and act as the basis for an evolving "long-term framework" for the entire international community to ensure that nuclear weapons are not proliferated to more actors.

In addition, the Macron plan also called on Iran to pursue regional and maritime peace through negotiations. It is important to note that this did not infer any specific commitments other than dialogue. The Iranian reaction to such language, especially when paired with a request for Iran to pledge it will stop its “aggression” in the region, was that it felt one-sided. Interestingly, Iran launched its Hormuz Peace Endeavour (HOPE) initiative at UNGA and subsequently reached out to all states in the region, including those that Iran has no diplomatic relations with, to join a dialogue on a potential non-aggression pact and other confidence building measures. Given reports of progress in back-channel diplomacy between Iran, Saudi Arabia, and the UAE, perhaps there is room for HOPE to fulfill this goal in a meaningful way that also allows the regional actors to convene conversations on their own terms.

Although not explicitly mentioned in the draft text that was accepted in principle by the US and Iran, the topic of ballistic missiles was said to be understood by all parties as under consideration for negotiation. As Iran is one of eleven states with long-range missile systems in the region, it would be unlikely for Iran to accept any major unilateral rollbacks or concessions on the future of its missile programme. However, there could be room for a wider missile dialogue to take place that achieves US and European aims to limit the spread of missiles in the region as well as improvements in their accuracy and range.

In exchange for all of this, the US would agree to lift its sanctions on Iran and immediately allow the resumption of oil trade so that Iran could repatriate the earnings and use those earnings in trade. Unfortunately, it became clear at UNGA that the lack of trust between both sides meant that neither party was willing to take the first step: Iranian President Hassan Rouhani would not meet with President Trump without a public declaration that all sanctions since the JCPOA would be

lifted; President Trump would not make such a declaration without meeting President Rouhani and announcing the overall plan. Given the outstanding issues with the wording, as well as the need for President Rouhani to ensure other power centres in Iran were also approving of such a critical decision, it was not possible for him to indulge President Trump’s desire for a meeting yet.

Now that over four escalation-riddled months have passed since UNGA, President Macron or other potential back-channels should find a way to get both parties to agree on the substance of these four points. At the same time, there should be an acknowledgment that it may be best that the US and Iran act in a stepwise fashion, with the US granting certain waivers (namely on oil trade and then expanding to other sectors) whilst Iran slowly restores its JCPOA implementation and perhaps takes some additional steps outside the JCPOA like early ratification of the IAEA AP. If both sides follow through in their commitments, there could be room for a public meeting in the future, although this would now be nearly impossible for the Iranians to agree to after President Trump ordered the strike on IRGC Lieutenant General Qassem Soleimani.

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Russia (and perhaps China) could also play a role by more vocally supporting a revitalisation of the Macron plan, including as part of France’s ongoing reset with Russia.

2. **A more-for-more approach that brings the US back into the fold through a new multilateral “grand bargain”:**

A more-for-more approach would be highly difficult to achieve at this point because it would require the US to participate in multilateral negotiations again, as Iran refuses bilateral talks. This would be a difficult task for the current US administration, as Iran and other parties would want a new framework to build upon the JCPOA as opposed to replace it, effectively isolating the US. Ironically, this is primarily because the vast majority of the international community accepts that the JCPOA set a new precedent in terms of the verification and monitoring of nuclear programs.

Iran would want to make any deal permanent by putting it into US legislation beyond the reach of presidential executive orders, and this would not be entirely guaranteed to work despite party loyalty from the Republican majority Senate. A more-for-more approach would be further complicated by the fact that Iran would have new demands on sanctions relief, and potentially for US compensation, that would require the current US administration to make economic concessions that would run contrary to its bold opposition to “handing Iran cash” as seen when the US settled debts with Iran after the JCPOA was reached under President Obama.

Although the other parties would likely be willing to help with such compensation through renewed foreign direct investment and other projects, it would still require the US to create an environment that is amicable towards trade with Iran. Iran could ratify the International Convention Against Transnational Organized Crimes (i.e. the Palermo bill) and the Convention Against Funding Terrorism (CFT) to make renewed trade more feasible.

In return, the US and other parties might want Iran to extend the sunset provisions found in the JCPOA. So far, Iran has not

publicly commented on the potential to extend the sunsets but has offered to ratify the IAEA Additional Protocol (AP) ahead of schedule. Although this would not change anything operationally on-the-ground as it is already being voluntarily implemented, it would be an easy win for all. In addition, although Iran has not yet signed or ratified the Treaty on the Prohibition of Nuclear Weapons (TPNW), it actively participated in the negotiation of the treaty in 2017 and voted in favour of its adoption. However, it is unclear if the other JCPOA parties would be willing to accept Iran’s ratification of the TPNW as a way to say it will never pursue nuclear weapons. Although a TPNW ratification would “add teeth” to Iran’s JCPOA and NPT obligations, the current position by the others does not place much legitimacy in the TPNW. Although other non-proliferation add-ons such as the Comprehensive Nuclear-Test-Ban Treaty (CTBT) may face difficulty to pass through the different Iranian channels, especially a more hard-line parliament, the TPNW could align well with the Supreme Leader’s *fatwa* (Islamic decree) against the possession of nuclear weapons and should be explored.

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In terms of regional security, it is difficult to know what would be deemed as acceptable changes in Iranian “behaviour” by the other parties. The best possible way for there to be progress in this area is to change threat perceptions and resulting anxieties through increased dialogue and confidence building. If such diplomacy can lead to communication channels and institutions that better manage military-to-military relations in the region, the risk of conflict can be meaningfully reduced.

At the same time, the specific issue of Iran’s missile programme will likely be a

necessary component of any follow-on agreement. It has been a long-standing sentiment in Iran that any unilateral rollback of its missile programme would result in it losing leverage against its adversaries and possibly be destabilising for its security due to an imbalance in conventional weapons strength compared to its neighbours. While it may seem that Iran could unilaterally codify its pre-existing 2000km missile range limit and join the International Code of Conduct against Ballistic Missile Proliferation (HCOC) with little cost, it may not even be possible for those steps to be taken in the current political environment without it being seen a blow to the country's dignity. One should not underestimate how integral Iran sees its missiles to its national defence.

In turn, negotiating parties would be wise to take a regional approach to fold in Iran's missiles into a dialogue with the nearly dozen countries in the region that also have long-range missile systems. If there is explicit buy-in from Iran and other key states to such a process, this could fulfill the need to cover Iranian missiles in a more-for-more arrangement whilst also averting a missile race in the region in the long-run.

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3. A less-for-less approach that is pursued by the Europeans, Russians, and Chinese to restore as much of the JCPOA as possible without US buy-in:

If the objective is to stop the JCPOA from completely unraveling, a "JCPOA-lite" that freezes the situation at some form of a middle ground would be far easier to achieve than a "more-for-more" deal. The remaining JCPOA participants should think creatively about the best economic

offering they can possibly make without the US playing a role, especially as the DRM has been triggered. For example, Iran could keep at least observance of the IAEA Additional Protocol in place and stop any irreversible steps taken until now (namely research and development) as well as refrain from any further operational steps away from JCPOA implementation. In exchange, Iran would likely expect the Europeans to work more closely with Russia and China on an economic package that foresees a higher volume of trade that is broader in scope and can be operationalised in the short-term. In addition, each party can make unilateral measures to complement the coalition approach, as well as ask other countries to also help join their efforts. For example, the UK could find a way to finally settle its GBP 400 million Chieftain tanks debt to Iran, as well as continue working with France and Germany to expand the INSTEX shareholder structure to other "like-minded" European states and identify more sources for liquidity.

Such an arrangement could help guard against worst-case outcomes such as Iran issuing a notice of withdrawal from the Nuclear Non-Proliferation Treaty (NPT) or limiting IAEA inspections access. If political circumstances change and there is a US administration willing to engage in good-faith, reasonable negotiations based on no pre-conditions or demands, at least there will still be the skeleton of the JCPOA as a springboard to achieve other goals on both sides.

Conclusions

The US Administration appears bound to continue its policy of "maximum pressure" on Iran through 2020, making Europeans peripheral to a central US-Iran dynamic. Europeans must influence that dynamic if they are to be relevant and protect their interests. Time may be short. And the best approach is likely to change.

There is no alternative to the JCPOA that could protect Europe's interests. There

are no silver bullet solutions to Europe's predicament purely from inside the JCPOA's mechanisms, including the DRM under these circumstances. Yet neither experts nor officials seem to believe that any of the "disrupt" approaches – economic, regional or humanitarian – can, on their own, reverse the confrontation. This points to a continued, mixed E3+EU diplomatic approach.

There are limits to the capacity of E3 governments to promote multiple simultaneous initiatives and limits to how much diplomacy different stakeholders can absorb in any given period. But, in principle, the E3 should push forward in 2020 on economic, regional and humanitarian proposals both on their own merits and for the contributions they could make to de-escalating the US-Iran confrontation. INSTEX, for example, has a value beyond the JCPOA crisis but could be a modestly helpful contribution to building confidence with Iranians. The instinct of experts was to be bolder towards the United States on this issue, especially in the face of threats that the mechanism could be designated as a sanctioned entity either in whole or part.

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At the same time, the E3 and EEAS must address the core of the US-Iran confrontation. Here there are choices facing all players between aiming for de-escalation and delay and hoping for real solutions. Should Europeans seek merely to keep the JCPOA on life support beyond the US presidential election in the belief that nothing can be worse than Trump and he may be impeached or defeated? Or should they reckon – as the Iranians may do – that Trump may be re-elected and only he can deliver a renewed US deal with Iran that enshrines commitments in binding US legislation? Perhaps all that the E3 can do is to travel hopefully and back any emerging solution.

These considerations suggest that the E3 in 2020 should pursue something like President Macron's hybrid approach. Macron's four-point plan combined core JCPOA issues with external factors; the possibility of a dramatic "grand bargain" breakthrough with the implicit fallback of negotiations that might bog down but that would at least de-escalate and delay. Moreover, it still allows for the emphasis placed on different elements to be varied as circumstances evolve.

A resulting road map would have to be continually revised, but components could roughly include:

1. Macron may have come closer than some presume at UNGA in 2019. Try revitalising the Macron initiative or a variant again. Try to do enough to get Tehran to keep its fifth step as something merely rhetorical. At the same time, use the DRM to push for a less-for-less arrangement that avoids worst potential outcomes and gives space for full JCPOA restoration (as well as a "more for more" deal) to be possible when circumstances change.
2. Support old and new back channels to explore potential areas of convergence, especially those with reach into both Tehran and Washington. Japan is but one. Use increased attention to highlight that the JCPOA still contains elements worth preserving, as Iran has stated that it will still provisionally apply the so-called Additional Protocol, as well as the 'modified Code 3.1,' which together enables the IAEA to have broad insight into Iran's nuclear activities. Quantify the depth and quality of such access and share those facts.
3. Activate a more energised E3/EU diplomacy to put in place European structures to prevent repeats of US foreign policy coercion. Show autonomy by taking more leadership on the regional de-escalation side: review different proposals, including Russian ones, and facilitate discussions on their relative merits before consolidating some agreed concepts between them. Europeans

should actively welcome and engage with Iran's Hormuz Peace Endeavour (HOPE) initiative and help obtain GCC cooperation in a wider conversation.

4. Launch wider E3/EU economic initiatives (e.g. Iranian foreign exchange revenue repatriation, development aid, etc). If responses are positive, make a public commitment to invest more especially in developmental aid, perhaps under the Neighborhood, Development and International Cooperation Instrument (NDICI) proposed under the EU Multi-annual Financial Framework (MFF) 2021-27. For example, this would be an opportunity for Europeans and Iranians to work together on a technical level to improve efficiency in sectors such as agriculture. Also, Iran should be encouraged to ratify the International Convention Against Transnational Organized Crimes (i.e. the Palermo bill) and the Convention Against Funding Terrorism (CFT).
5. Make humanitarian concerns a stronger element of E3/EU-28 diplomacy and centre INSTEX on a humanitarian basis. Back INSTEX more politically and financially. Use non-governmental expert visits to Washington to explain INSTEX to US audiences. See it quietly not just as a JCPOA project but a European resilience one. Continue to explore what clarity would be needed from the US government for European businesses and banks and seek it. Secure more funds for the mechanism by expanding the shareholder structure and injecting liquidity from other sources.
6. In parallel, European experts and E3/EU officials should try to align. For example, they should stick to elevating the facts and science behind the JCPOA, AP, and NPT and deepen their mutual understanding about different potential trajectories ahead. For example, European experts and officials should stay in communication on the evolving DRM process and game it together. European non-governmental efforts should try to combine or at least make coherent their numerous different initiatives and channel their US engagement coherently through one or more US counterparts.
7. Continue to try to understand Iranian viewpoints through real dialogue inside and outside of the JCPOA Joint Commission. Whilst it may have been more effective to do so under a deliberately protracted consideration of triggering the DRM, an E3 foreign ministers trip to Iran could still help the DRM process be seen as a genuine attempt at mediation. This could be coupled with stronger language towards the US on its JCPOA violation of the JCPOA and humanitarian performance as well as towards Iran on its reduced JCPOA implementation, namely in the irreversible area of research and development. A visit to Tehran could be followed by a trip to Washington to continue to engage Republican persuaders of President Trump and persuaders of those persuaders. It would also be wise to have a channel of communication with the Democratic presidential nominee's team in the event that they win the election in November 2020.
8. Against the possibility of a Democratic US administration from January 2021, Europeans should work with interested Congressional officials and committees on:
 - (a) expectation-lowering about European support for JCPOA add-ons before the original agreement is restored;
 - (b) strategies for navigating dialogue with Tehran in the context of such a US return to the JCPOA;
 - (c) legislation to enshrine and strengthen renewed US commitments, especially sanctions relief.