



**EUROPEAN
LEADERSHIP
NETWORK**

Building better security
for wider Europe

Workshop report: Getting the JCPOA through 2022 and the US and Europe effectively engaged with Iran

A track 1.5 meeting hosted by the European
Leadership Network in partnership with the Hanns
Seidel Foundation.

Jane Kinninmont
London, October 2022

Highlights

- Prospects for reviving the JCPOA have dimmed further in recent months mainly because of developments outside of the JCPOA framework: Iran's objections to an IAEA investigation into its historic nuclear programme, its provision of drones to Russia for use in the invasion and occupation of Ukraine, and European sympathy for the women and youth-led protests in Iran.
- While many observers are increasingly pessimistic, they are generally reluctant to declare the JCPOA to be dead because alternative scenarios seem unpalatable.
- In October, the European Leadership Network and Hanns Seidel Foundation partnered on a track 1.5 meeting in London which brought together a range of European and Iranian participants both to assess how the JCPOA could still be revived and to consider alternative scenarios in more detail.
- One alternative scenario is an interim "less for less" agreement where Iran would move on two issues of primary importance to the P5+1: restore key transparency measures and limit its level of uranium enrichment to below 5%. Meanwhile, the US would lift sanctions on the two most important economic sectors for Iran, oil, and banks. Participants noted that, in particular, easing sanctions on banks could be done in ways that are directly beneficial for the Iranian population.
- Another scenario is an informal understanding among all sides not to escalate because further escalation would be a lose-lose scenario. Under this scenario – which is perhaps the closest to the status quo – Iran would not cross the threshold of 90% enrichment or take other steps to weaponization, while Western governments would refrain from pursuing snapback sanctions and would dissuade Israel from attacks. However, this approach of "no deal, no crisis" may not be stable or sustainable over time.
- As risks of more escalatory scenarios are rising, European governments should engage actively with regional stakeholders who want to prevent a war. They should support regional dialogue, including track twos, to reduce broader risks of conflict in the Persian Gulf region and the broader Middle East. Maritime security and cybersecurity should be among the areas of focus. Europeans should also explore possibilities for dialogues involving Iranians and Israelis (which have been explored far less than GCC-Iran dialogue).
- Bandwidth may be limited by the focus on the Ukraine crisis, but another major crisis may be brewing in the Middle East and requires preventative attention.
- Geopolitical tensions between Western countries and Russia pose risks to arms control in general. This does not rule out continuing cooperation on the JCPOA, but diplomats will have to work hard to ensure that all sides see a diplomatic solution as being firmly in their own interests.

Introduction

The chances of reviving the JCPOA have dimmed further in recent months. On one hand, the US and Iran have continued to show interest in negotiations, while the remaining signatories of the JCPOA have continued to respect the agreement. In the meantime, however, Iran remains under US sanctions and the non-proliferation benefits of the deal are in question, because the restrictions and inspections that the JCPOA put in place on Iran's nuclear programme are now entirely suspended.

The agreement has acted as an important pillar of nonproliferation efforts, but it does not currently represent a means of enforcing nonproliferation. It offers a framework that the parties could potentially return to, and as such, it might represent a continued safety net, or a disincentive for Iran to go all the way to becoming a nuclear weapons state. While many observers are increasingly pessimistic, they are generally reluctant to declare the JCPOA to be dead, since there is no clear diplomatic alternative in sight and the other alternative scenarios are unpalatable. Unfortunately, this does not mean those alternative scenarios can be ruled out.

In October, the European Leadership Network and Hanns Seidel Foundation partnered on a track 1.5 meeting in London which brought together a range of European and Iranian participants both to assess how the JCPOA could still be revived and to consider alternative scenarios in more detail.

Why negotiations have stalled

The benefits of returning to the deal are perceived by both the US and Iran as lower than when Biden took office. The initial JCPOA was based on a careful compartmentalisation of interests: Iran would receive relief from nuclear-related sanctions in exchange for commitments to restrict its nuclear programme and bring it under an extensive IAEA inspection regime. Biden had said he would return to the agreement on taking office. However, instead of coming straight back to the original agreement, each side has at different times been tempted to bring more issues into the mix, which have complicated and delayed the negotiations.

The US administration was initially divided over whether to bring in some of the questions of Iran's regional behaviour that US allies wanted to have addressed. Since then the Iranian negotiators have also added issues into the mix: first the US designation of the IRGC as a foreign terrorist organisation into the mix of demands, and, more recently, the issue of requests by the International Atomic Energy Agency for information on Iran's historic nuclear programme – despite the IAEA's independence from the P5+1 governments.

Now relations between the US and Iran are under further strain because of two new factors. One is the ongoing protests in Iran under the banner of Women, Life, Freedom. Protests in Iran are not in themselves new, and it has been clear all along that the Iranian system is an autocratic one, but the women and youth-led nature of these "Gen Z" protests, along with their evident bravery, has caught international

imagination. Many in the Iranian diaspora, including some that previously supported the JCPOA, have warned against reviving the JCPOA at this time on the basis that sanctions relief could strengthen the regime.

This is no simple picture, however, as the failure of the JCPOA would also have negative repercussions for the protest movement, if it increased Iran's incentives and ability to pursue a nuclear weapon. There is a potential lose-lose scenario where the nuclear agreement collapses while protests are also repressed. However one participant said that in the US, protests have increased the political costs of making a deal with Iran, "but the current consensus in the administration is that Iran is closer to reaching the nuclear weapons threshold than to regime collapse".

A participants suggested that the US should identify and prioritise sanctions relief that would benefit the general Iranian public more than the government. It was argued that the Supreme Leader was unwilling to undertake significant reforms in response to the protests, and that he had reportedly instructed the authorities not to do anything that could be interpreted as weakness or concessions¹. The view was "We can have some reforms in future but it must be after this crisis, otherwise we will not be able [either] to contain the crisis or have a good deal with the west" In practice the police had already stopped enforcing the hijab ban, it was said². But "this will no longer be enough for the people...the system is not capable of making the larger changes that would satisfy them". This pointed to continuing unrest and heavy repression.

The other new factor is Iran's growing role as an arms supplier to Russia in its invasion and occupation of Ukraine – specifically, by providing drones that are being used against civilian population centres. Later in the month the US and UK said³ that Iran's provision of drones to the Russian army constituted a violation of UN Security Resolution 2231, which enshrined the JCPOA in international law, and the P3 called on the UN to investigate.

Iran's involvement in a conflict in Europe was a new factor with far-reaching consequences. To some extent, the ability to export drones could be a source of pride and prestige to Iran, given that the whole MENA region has historically been dependent on imports of arms. But it appeared that Iran and Russia were growing closer just as Russia's relations with the West were becoming more bitter and polarised, raising questions about whether and how the international cooperation that made the JCPOA possible can be sustained.

¹ In the words of one Iranian participant, " There was an internal report suggesting some responses to the protestors and Khamenei rejected it saying any flexibility would mean weakness, and this is not the time to have any retreat, and you should act very strongly."

² Moreover, in December Iran's Attorney-General was reported as having said that the morality police had been closed down, although at the time of writing it was unclear whether this was indeed official policy. See e.g. <https://www.bbc.co.uk/news/world-middle-east-63850656>

³ UK Government, '**UK sanctions Iran over kamikaze Russian drones**', <https://www.gov.uk/government/news/uk-sanctions-iran-over-kamikaze-russian-drones>; <https://www.voanews.com/a/us-says-iranian-drone-supplies-to-russia-violate-un-resolution/6794394.html>; <https://www.reuters.com/world/france-says-iranian-drone-sales-russia-would-violate-un-security-council-2022-10-13/>

Scenarios

- **JCPOA restoration with US re-entry.** Through months of negotiations, the P5+1 had agreed with Iran on text that would provide a basis for restoring the JCPOA, including sanctions relief, what to do with enriched materials and IAEA verification. This draft agreement remains “ready to go”, European diplomats said. “A deal is on the table but we haven’t been able to get it over the line,” said one.
 - *Obstacles:* According to European diplomats, Iranian negotiators have stalled the implementation of the new draft agreement by adding conditions about the IAEA. However, their responsibilities to the IAEA came from the Non-Proliferation Treaty and Comprehensive Safeguards Agreement, not from the JCPOA.
 - What lies behind this? Perhaps Iran genuinely did not understand that it is not within the gift of the P5+1 to overrule the IAEA, one diplomat suggested. The independence of the IAEA was vital. “The IAEA cannot fudge the issue or look away when nuclear material is concerned, as accounting for nuclear materials is part of its core *raison d’être*.”
 - Alternative views were that Iran was deliberately making impossible asks to buy time and “maximise profits” from stalling negotiations; or that Iran was too internally divided over JCPOA restoration to make a clear decision, although the country always has one ultimate arbiter in the form of the Supreme Leader. In any case there seemed to be an issue of political will.
 - *Incentives:* One view was that the protests would give the Iranian government an added incentive to rejoin the deal, for an “economic reprieve”, overcoming the political will problem. In this view, the protests would “remind the authorities that they have a dire need to address living standards and give at least economic hope”. Another participant argued Iran does not like to negotiate when it is perceived to be in a position of weakness, so it might wait longer rather than negotiate seriously when the protests remain widespread. But participants had different views on this. Another suggested Raisi might now have more interest in being seen to reach an agreement with the P3, in order to send the protestors the message that “the West does not care about you”. Meanwhile, for the same reason, the P3+1 would want to avoid photos with Iranian officials with smiles and handshakes.
 - *How could the IAEA issue be resolved?* One participant suggested one more thing that could be done: the P5+1 had clarified that the sanctions “snapback” mechanism could only be used if the IAEA reports that Iran is in violation of its obligations under the JCPOA and [UN Security Council Resolution 2231](#) of 2015. Given this, perhaps they could add an additional sentence to make it clear that any activities by Iran prior to 2003 (when the IAEA found Iran to be [in breach](#) of its nuclear safeguards obligations) would not be regarded as a violation of

UN Security Council Resolution 2231. This could reassure Iran that an [archive of documents](#) on Iran's nuclear programme, obtained by Israeli intelligence in 2018, would not be used by its adversaries to turn it into a pariah. However, another participant argued that Iran would object to any IAEA report that found it had been untruthful about its previous activities.

- Could Moscow – and Beijing – help solve the IAEA safeguards issue and revive the deal?

A participant concluded that: “Without a restored JCPOA we will head into a massive and major confrontation with Iran. It could be a crisis parallel to the Ukraine crisis that we currently have.”

There were some scenarios for mutual accommodation, in the form of either a formal interim agreement or a tacit “gentleman’s agreement”. These were preferable to confrontation, but the question was how long they could be relied upon, especially given the fractious state of broader international geopolitics.

- **An interim agreement.** If JCPOA revival was out of reach, the parties might consider agreeing a “less for less” agreement to restore at least some key elements. One Iranian participant proposed the idea of “two for two”: Iran would move on two issues of primary importance to the P5+1, by restoring transparency measures (including reimplementing the additional protocol, and modified code 3.1 of the Subsidiary Arrangements of its Comprehensive Safeguards Agreement), cease its current practice of enriching uranium up to 60% , and reduce its level of uranium enrichment to below 5%. Meanwhile, the US would lift sanctions on the two most important economic sectors for Iran, oil and banks.
 - *Incentives:* Similar to scenario 1, Iran would be hoping for a short term economic reprieve; “even one year of sanctions relief would have some economic value”. Meanwhile some argued that with “crisis fatigue” and many governments preoccupied with Ukraine, most international governments would prefer not to escalate the Iranian nuclear issue. “But we can’t let it drift forever.”
 - *Obstacles:* One participant noted that the JCPOA itself had been intended as a time-limited solution, “a kind of interim deal”, and questioned whether the political incentives existed to reach a deal that gave even less to each side. Another argued that an interim agreement would require direct talks between Iran and the US, which have so far been elusive, and contended that the EU’s mandate for talks does not extend that far, as it is tasked specifically with restoring the JCPOA and implementing UNSC Resolution 2231.
- **Tacit accommodation.** Given the difficulty of direct Iran-US talks, and the political difficulties of reaching a deal, another option might be a mutual, informal understanding not to escalate, or broadly to respect each other’s red lines, especially as Western governments were preoccupied with Ukraine and Iran had plenty to preoccupy it domestically. One participant described this as a “gentleman’s agreement”: Iran would not cross threshold of 90% enrichment

or take other steps to weaponization, while Western governments would refrain from pursuing snapback sanctions and would dissuade Israel from attacks. There might also be some diplomacy on other matters, including prisoner releases.

- *Incentives:* To prepare for such an option, it was suggested that European governments should talk to regional stakeholders who have an interest in preventing an explosion if the JCPOA fails. Could Qatar or Oman provide some economic relief? Would Israel prefer this outcome – a tacit understanding bolstered by deterrence – to more escalatory scenarios?
- *Obstacles:* The concern was less about how to reach this situation – which is arguably the current, prevailing one – than about whether it could be sustained. One participant argued “this current situation of “no deal, no crisis” is not sustainable. The potential for miscalculations is high. A new administration in 2024 could kill off any vestiges of hope for the JCPOA and potentially return to a “maximum pressure” approach.
- **The P3 implement snapback sanctions.** Immediate consequences could include Iran withdrawing from the NPT. One participant said that Iran would be reluctant to leave the NPT as it valued the forum as a place where it could address many non-aligned countries. However, Iran could also consider suspending the NPT. This in turn might be a trigger for a more substantial Israeli attack, it was said. “If they attack, Iran’s supreme leader will be convinced Iran is under existential threat and will lift the [fatwa on having a weapon](#).”
- **Potential for military conflict.** There were other routes to escalation beyond the P3 going for snapback – including possible Iranian actions. For instance one participant said “If Iran opted to enrich to 90% it could provide a casus belli for Israel.” However it is still unlikely that Israel would have the capability to attack Iranian nuclear facilities without help from the US, raising further complexities. Another participant noted that “Obama said the alternative to the JCPOA was war.” Iran is already active in a number of regional conflicts and might seek other ways to “retaliate” against its adversaries, for instance to distract from the domestic protests which it is trying to blame on outside forces. Attacks in the Gulf, on shipping in the Strait of Hormuz, and on targets in Iraqi Kurdistan could all get worse. Iran’s supply of drones to Russia for use in Ukraine are a sign that the continuing deterioration of Middle East security might not be contained in the region in the way that many Europeans have assumed.
- *Mitigations:* It was noted that nuclear talks are not enough to address the wider set of conflict risks. “Maritime security talks are wise,” it was said, as there is a likelihood of disruptions to shipping, not through the old scenarios of a blockade of the Strait of Hormuz, but through asymmetric attacks on vessels as seen in the last few years.

- An Iranian participant argued that “We need some initiative to bring a ceasefire between Iran and Israel, as they are practically at war, whether you call it a shadow war or a cyber one”.
- It was suggested that Europeans could potentially facilitate contacts between the US and Iran on wider issues beyond the JCPOA, so there is a channel that can continue if the JCPOA falls apart altogether. Europe should also support the continuation of Iranian security dialogue with the GCC. “We need to think about plan B and think more broadly about the steps that can be taken to bring more confidence between Iran and regional countries and de-escalate between Iran and US.” To an extent the states in the region are already trying to do this through some small steps towards dialogue – even, significantly, Israel’s recent agreement with Lebanon on their maritime border.

The role of Russia and implications of the Ukraine war

The JCPOA was a product of P5 cooperation, and Russian support for the nuclear agreement has so far survived the wider rift in the international system catalysed by Russia’s invasion of Ukraine. Participants discussed whether geopolitical tensions could change this or whether Russia’s own interest in nonproliferation would remain strong.

To date, Russia has had its own interests in blocking Iran from obtaining a nuclear weapon. It does not want a new nuclear power with ambitions in Central Asia, nor does it want wider nuclear proliferation in the Middle East. More generally it shares a common interest with other P5 countries in keeping the circle of nuclear weapons states tightly limited . But could this change as geopolitical competition heats up? Could Russia move from being a supporter of the JCPOA to a spoiler?

Several participants set out Russian incentives to help preserve the JCPOA. In security terms, “Russia will be less safe if Turkey and Saudi Arabia also want to go nuclear,” said one. In economic terms, another argued Russia wants Iran to get sanctions relief – partly because it wants to use Iran as a conduit for its own trade. In general, Russia will continue both military and economic cooperation with Iran whether or not the JCPOA is restored, so the agreement is not a prerequisite for trade, but it would make it easier. noted that Russia is proud of its diplomatic role in the JCPOA. As for diplomacy, it was said that Russia also sees the JCPOA as a significant diplomatic achievement for itself: “I would assume Russia would be willing to help facilitate some sort of constructive conclusion, potentially including a “less for less” agreement”.

In addition, it was argued that “Russians no longer see JCPOA as a prelude to a greater realignment between Russia and the west, so it’s a win-win for Russia” as they now have no fear of “losing” Iran to partnerships with the West. The same

argument could be made about Saudi Arabia, which has always worried that the nuclear deal would be a gateway to a larger Iran-US rapprochement in which its own security concerns would be forgotten.

But there are of course a number of factors that will complicate cooperation between the P3+1, Russia and China in the current circumstances.

So far the Middle East has largely avoided being drawn in to the Russia-West confrontation but this may now be changing, and may narrow the areas on which the P5 countries are willing to cooperate. Iran's supply of drones to Russia for use in Ukraine signals an intensifying partnership between the two countries. One participant said Iran is becoming more confident as a result of the Ukraine war, as it believes it is becoming more important to Russia as the latter becomes more isolated.

Supplying drones has also been an opportunity for Iran to "show off" – "we have a capability that a great power like Russia needs". Another participant felt that the impact of the drones might be overstated – Iran has certain niche capacities but is not going to be a major international arms supplier.

But there are structural shifts underway, amid "a wider sense of extreme geopolitical uncertainty". It was said that "Iran is shifting to an alignment policy rather than the "neither east nor west" position it traditionally held," as the leading Iranian decision makers see international politics in a phase of transition to a more multipolar world, in which Western countries will no longer be so hegemonic. As Iran's rivals in the region make new coalitions (notably between Israel and some Gulf Arab states), Iran is seeking "counter coalition building" by strengthening its relations with Russia and China.

Meanwhile Israel feels it can no longer sit on the fence when it comes to Ukraine, largely because of Iran becoming more involved there. As Iran and Israel shift their positions on Ukraine – from bet-hedging to more direct support for their allies – Russia's role in deconflicting between the two countries in Syria may become a casualty of the growing tensions, it was said.

This does not rule out continuing cooperation on the JCPOA, but as arms control increasingly suffers from short term geopolitical calculations, diplomats will have to work hard to ensure that all sides see a diplomatic solution as being firmly in their own interests.