Iran towards 2021 – Challenges and Opportunities

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Iran is starting 2021 after one of the most difficult periods that the Islamic Republic has known. The previous year began with the assassination of Qassem Soleimani, commander of the elite Quds Force, and the downing of a Ukraine Airlines flight, and the accompanying riots, and continued with the most dramatic and influential event the world over, the outbreak of the COVID-19 pandemic, which in the Middle East affected Iran most severely. To these were added the assassination of the head of the nuclear weapons program, Mohsen Fakhrizadeh, and Israel's normalization agreements with the United Arab Emirates (UAE) and Bahrain, all against the backdrop of a dire economic situation and deep political polarization in Iran.

Despite this string of difficult events, and additional pressures, Iran remained steadfast in its stance. As Sanam Vakil emphasizes, for example, neither the US' "maximum pressure" policy nor the targeted assassinations succeeded in causing Iran to alter its policies. Furthermore, Iran continued to advance its nuclear program and to violate the majority of the nuclear deal's articles. According to the report published by the International Atomic Energy Agency (IAEA), in September 2020, Iran possessed over 2.5 tons of uranium enriched to a low level, and the enrichment continues at two sites. In addition, gas has been fed into advanced centrifuges and a new site has been built deep underground for assembling new centrifuges, to replace that severely damaged in the sabotage attack that took place in August at Natanz. The IAEA also claims that Iran is not abiding by its commitments to the nuclear non-proliferation treaty, which go beyond the nuclear deal. Following the assassination of Fakhrizadeh, along with Iran's pledge of

a serious response against the perpetrators – and the finger is pointed at Israel – a threatening message aimed at the incoming Biden administration could be heard in the law passed by the Iranian parliament demanding that the government raise the enrichment level to 20 percent, that work proceed to restore operation of the research reactor at Arak, and that cooperation with the IAEA be downgraded, all within two to three months if all of the US sanctions on Iran are not lifted. On the enrichment clause, it should be noted, Iran has already started to enrich to 20 percent.

The main significance of the election of Joe Biden as the next president of the United States, in the eyes of the Iranian regime, is the fact that Tehran will no longer need to deal with President Donald Trump, who, along with the strict sanctions that he imposed on Iran, appeared to be unpredictable in his military responses. Foremost among these was of course the Soleimani assassination, which marked a serious blow to the regime and its leader, Ali Khamenei, personally. However, as Michael Singh notes, there is little difference between the objectives of the two administrations – Trump's, which is coming to a close, and Biden's, now at the beginning of his term: both want a better agreement, and I would add that both are also committed to preventing Iran from attaining nuclear weapons, even if their means to that end are very different. As Biden has stated, and as his national security appointments have made clear, the preferred path is diplomacy, while being willing to return to the US' commitments in removing the nuclear sanctions if Iran renews all of its commitments in the agreement. This policy is already raising concerns in Israel and the Gulf States. The possibility that Iran will again receive economic relief that it desperately needs while continuing to consolidate its military and economic presence in the region's countries – Iraq, Syria, Lebanon, and Yemen – and that with the help of those funds it will even be able to deepen its grip on them is certainly very disconcerting.

Iran, for its part, presumes that the Biden administration does indeed want to reverse Trump's policy towards Tehran, and in the first stage has set the objective of returning Iran to the JCPOA framework and keeping it from achieving quick nuclear breakout capability. But it is also attentive to statements regarding the need for changing some of the parameters of the agreement, as well as the need for a discussion of its missile project and its regional policy. These demands are supported by the E3 (France, Germany, and the UK). As Raz Zimmt notes, in the Iranian political system a heated

debate is already underway regarding Iran's return to negotiations with the US. The pragmatic circles, led by President Hassan Rouhani, support in principle the renewal of a dialogue with Washington. In contrast, the radical and conservative circles, who objected to the agreement and to Rouhani's willingness for compromise with the West in the first place, reject a return to negotiations, arguing that the US cannot be trusted. This debate will be decided, ultimately, by Iran's supreme leader, who will determine whether to permit the president to return to the negotiating table or to persist with his recalcitrant approach despite the country's worsening economic crisis and the ongoing COVID-19 pandemic. His decision will of course be derived in part from the nature of the American offer presented. Vakil argues that after four especially difficult years, Tehran has the opportunity to manage three crises that it is facing – increasing international pressure, economic suffering, and internal rivalries between the political camps. Easing these pressures through dialogue and agreements with the US is also necessary in order to address the question of succession after the departure of Khamenei in the future.

The question of the role of the European signatories to the JCPOA will be central in the coming year. President Biden places great importance on renewing the transatlantic relationship with the US' natural allies. This is his strategic doctrine and it is essential to many topics on his agenda, from cross-border issues like climate, epidemics, and immigration to relations with Russia and China, as well as the Iranian issue. During the Trump presidency, Iran benefited from the tension between the US and its European allies, and even adopted a policy aimed at keeping Europe on its side as part of its efforts to isolate the American administration. This Iranian policy bore significant fruit, which was illustrated both in the votes of European countries at the UN Security Council against the extension of the weapons embargo on Iran (October 2020) and in their opposition to the American attempt to restore the Security Council sanctions by employing the snapback mechanism.

Now, as Cornelius Adebahr proposes, what is needed first and foremost is a consolidated European position and then a shared transatlantic position, with Europe perhaps able to bridge the chasm of distrust that exists between Iran and the US. In this regard, Hans-Jakob Schindler suggests the possibility that the Biden administration will use the INSTEX mechanism to carry out monetary transfers for the purchase of medicine and food as a first step in

facilitating Iranian commerce and also as an immediate confidence-building measure. The role of mediator was already attempted by France's President Emmanuel Macron vis-à-vis the Trump administration, when he proposed compromise formulas for jumpstarting the American-Iranian dialogue, and even invited Iran's foreign minister, Mohammad Javad Zarif, to Paris during the G7 summit in an effort to convince Trump to meet him; but the attempt failed when it became clear that Tehran had demanded a commitment to removing the sanctions as a precondition for the meeting. As for Paris' role, Clément Therme's insightful article throws light on the internal struggle underway within the French administration between supporters of the strategic approach, who believe in taking a hard line towards Iran and maintaining close relations with the US, and supporters of the realistic approach, who place importance on economic interests with respect to Iran.

In any case, the US will require "diplomatic time" with the European countries, as well as with Russia and China, which are part of the nuclear deal. We can assume that in the period of time between Biden's entry into the White House (January 20, 2021) and the elections in Iran (June 2021), and assuming that the US and Iran are both interested in resuming the dialogue, two main scenarios are possible: one is a joint declaration about returning to the agreement, with each side taking the necessary steps to reinstate all of the agreement's conditions on a date determined by them, including the American removal of all the sanctions related to the nuclear program. These processes, on both sides, will take time but are possible. The second scenario is that, given the difficulties that each side will face, domestically and abroad, only initial and partial steps will be possible, mainly confidence-building measures (CBMs), without fully taking on the substantial problems that exist. There have already been hints of Biden's intention to revoke the ban on entering the US imposed on citizens of certain Muslim countries, including Iran, and there has been discussion of improving the banking routes for purchasing food and medicine, and to this end perhaps even a partial thawing of frozen Iranian assets held abroad.

An issue that is no less challenging is how the Biden administration will want to involve its allies in the Middle East. There is increased understanding in Washington, including among Biden's advisors, that there can be no progress on the nuclear issue while neglecting and ignoring Iran's actions in the region, including the supply of weapons to its proxies and contributing

in this way to regional instability, and the threat that it poses to Israel, Saudi Arabia, Bahrain, and the UAE. In this context, Neil Quilliam suggests that the Gulf States set red lines and try to implement them in dialogue with Washington. Israel too will no doubt make its positions clear regarding Iran's military entrenchment in Syria and the transfer of weapons to Hezbollah, precision missiles specifically. Israel, which is working in many arenas to reduce the Iranian activity, including by striking weapons stockpiles and thwarting weapons transfers to Lebanon, will continue this policy; thus, without addressing this issue the potential for escalation on the ground will hover over any dialogue that the US conducts with Iran. Consequently, as Singh states, the Biden administration will need to define the minimum necessary for an internal and international coalition, including those who criticized the JCPOA, in order to advance a policy that not only succeeds with respect to Iran but is also stable and successful over time.

Israel and the Gulf States have a shared interest in preventing a swift removal of the sanctions without adequate compensation. There is consequently room for coordinating positions and presenting them separately and together to the Biden administration. However, Israel must consider three main points: first, the problematic standing of these states, especially Saudi Arabia, among members of the future administration and in the eyes of Biden himself, as well as in the American Congress (including among some Republicans); second, these states are afraid of Iran and will prefer any step as long as it does not lead to a full-scale war in which they will be the first to suffer; and third, the regional priorities of Israel and the Gulf States are different: while Israel views Iran's entrenchment in Syria and its support of Hezbollah as a central issue, for Saudi Arabia and the UAE the Houthis in Yemen are currently the main priority. And in any case, from Israel's perspective, the nuclear matter is and will remain the main strategic issue, far more important than any other, and thus it must ensure that addressing other important issues is done separately from the nuclear program, without conditions or trade-offs between them.

On the nuclear issue, too, there is room for considering alternative measures to the idea of returning to the agreement without preconditions, as the Iranians demand. For example: instead of a full return to the JCPOA, one option might be to freeze the status quo in return for relief on oil exports and open the discussion on problematic issues in the agreement; Iran would have

difficulty refusing this option, though it does not provide all of the financial advantages that it would want. An alternative option is an American demand, which would be presented to the US Congress, that as part of its return to the JCPOA, Iran would commit to discussing changes to the agreement.

In detailing the demands regarding the nuclear program, beyond what exists in the JCPOA, three main points should be emphasized:

- The end of the agreement: Along with extending the sunset clause to at least 30 years, five-year intervals should also be defined for examining the issue and the possibility of an additional extension;
- R&D of new centrifuges: A freeze on the activity that has taken place in violation of the agreement, a prolonged period of at least a decade until returning to initial stages of activity in this field; and
- IAEA supervision: A demand that IAEA inspectors be permitted to enter any site, even if it is not declared by Iran, that shows signs of suspicious activity related to the nuclear program.

In conclusion, in the dialogue that the Biden administration wants to conduct with Iran, together with its European partners, it is important not to place the desire to reach an agreement above the need to ensure a good and stable agreement. The balance of power is not equal, and while Iran *needs* an agreement, the world powers *want* an agreement. The negotiators must keep this gap in mind and work hard to ensure a truly tenable agreement.