The annual meeting of the Israeli-European Policy Network (IEPN) in Herzliya focused on the Annulation of the E3/EU+3 Iran Deal by the United States and its Impact on EU-Israel Relations.

The May 8th withdrawal from the 2015 Joint Comprehensive Plan of Action (JCPOA), also known as the Iran Nuclear Deal, by the United States, marked a dramatic shift in the manner in which relations between Iran and the rest of the world were approached. It also raised doubts about the reliability of the US as a party to international treaties. The deal, which was negotiated between Iran and the “E3/EU plus 3” - the United States, Great Britain, France, Russia, China, and the European Union, aimed to reduce the nuclear capabilities of the Iranian regime in exchange for a reduction in economic sanctions on the country. Many observers considered this as a significant step in the right direction to ensure a future of peaceful co-existence between the Islamic Republic of Iran and the Western World in general and Iran vis-à-vis its neighbors in the Middle East in particular.

While the reaction of political decision-makers in the United States was much more divided, Europe appeared to be overwhelmingly in favor of the progress brought on by the JCPOA. One of the most vocal opponents to the agreement, both before the signing and after it, was the Israeli Prime Minister, Benjamin Netanyahu, who kept claiming that the deal was a ‘bad deal’ with insufficient provisions for effective enforcement. As part of the campaign to endorse US-President Trump’s decision to depart from the agreement, signed by his predecessor, President Barack Obama, in April 2018, PM Netanyahu publicly exposed materials which he claimed proved that Iran did not abandon its nuclear weapons ambitions.

Another reason for objecting the JCPOA, recently raised by Israel and the US, lies in its isolation from other regional security issues, something which was foreseen from the start of the negotiations, as they were not devised to include regional security issues at large, to be dealt with in other formats. Accordingly, while progress was made in terms of nuclear disarmament, Iran continued to pursue an expansionist and interventionist foreign policy which has, from the perspective of Israel and the US, significantly destabilized the Middle East.

Almost three years after the signing of the JCPOA, the fragile agreement has been nullified. On May 8th, 2018, President Donald Trump announced he would reinstate sanctions against Iran, therefore unilaterally exiting the United States from the deal. The importance of Netanyahu’s vocal opposition to the agreement in Trump’s decision remains a subject of controversy. Many believe that Trump’s decision was made first and foremost as part of his attempts to erase from history former President Obama’s legacy.

Reinstating the sanctions on Iran by the US posed a unique dilemma for the remaining parties to the agreement, with many unsure on the status of the accord, and if Iran would still adhere to its terms in the absence of the United States. This question was answered two weeks later, when Ayatollah Khamenei published a list of seven steps to be taken...
by Europe if Iran is to remain party to the JCPOA. These steps include the safeguarding of Iranian trade by European banks, the full guarantee of Iran’s oil sale by Europe, and that Europe is to ‘stand up’ to the perceived American violations of the resolution which established the JCPOA. The decision of Europe to either adhere to or ignore these terms will prove to have massive implications for the future. In other words, the manner in which Europe handles the upcoming negotiations with Iran will inevitably affect both the future of the agreement itself and the EU-Israel relations for the years to come.

Minutes and Conclusions from the Conference

The meeting focused on three main topics. The first related to the consequences of the US withdrawal on EU-Israel relations. Among other things, discussions were held on Israel’s current governmental approaches to the US and EU and the implications of the shifts of power. The second topic was the future of the Iran Agreement focusing mainly on its threats to Israel and Europe on different levels and its implications for Israel-EU relations. Discussions also touched upon the status of Israel and the extent to which the Palestinian-Israeli conflict relies on Israel-Iran issues and represents a threat to national security interests. The third topic focused on the new challenges for EU-Israeli relations following Trump’s foreign policy and included a brief history of the relation between Israel and Europe and a discussion about future scenarios.

The European Perspective:

The first time the Iranian nuclear topic was raised as an important issue in Europe was in 2003 when the E3 (the United Kingdom, France and Germany) expressed their concern about Iranian nuclear aspirations. While not officially released, it is widely assumed that the discussion within the E3 was initiated due to new intelligence information presented by the Israeli intelligence services. In the following years the Iraqi war created a vacuum in the region which allowed Iran to become a much more dominant player. In the EU, the 2015 signing of the agreement was a moment of glory for EU diplomacy and of relief for what was thought to be an agreement keeping the risks of a regional Israel-Iran war far away.

European presenters at the conference highlighted the importance of the deal, which they still uphold. Israeli security concerns were taken into account in Europe at all stages of the formulation of Europe’s Iran policy. Nonetheless, many in Europe are underestimating the credibility and the seriousness in which the Iranian threats are perceived in Israel. The EU is not likely to support neither an American nor an Israeli attack on Tehran, since the former invasions in the Middle East are still traumatic memories. Britain as well as the EU is supportive of the maintenance of the deal, which demonstrates the power of diplomacy in solving international issues. According to the EU, the JCPOA stands for the smart power of diplomacy, and highlights the ability of the EU to reach positive global impact when all its members work in concert.

The EU considers the integration of the Iranian economy into the global economy as a positive step as embedding Iran in global economic flows could diminish nationalistic impulses and also raise prosperity in the country. Additionally, Europeans expressed their belief that the US approach to impose sanctions shift Iran towards a greater exchange with China and EU may also follow a more intense exchange with China to replace the ties to Iran.

At the same time, Iran’s reaction to the American withdrawal was a positive surprise. It did not automatically leave the agreement and did not demand equal treatment to the Israeli nuclear program. Iran has also allowed inspectors to remain in the country. Iran’s reaction to the American move strengthens the bargaining position of European countries if renegotiating a deal between all the involved parties is to take place. Pragmatic debate within Europe should not focus on whether Trump’s decision was good or bad, but rather on the opportunity to save and potentially improve the deal. In renegotiating an agreement the involved parties could demand the stop of intervention of Iran in the Syrian civil war and to stabilize the situation in the divided country. In the past the US’s position was to restrict the deal to the nuclear issue and not to include other regional aspects in it. This does not mean that the new situation could not be used in order to produce better stability in the region. As long as US and the EU don’t try to intervene in Iran’s internal issues and doesn’t challenge the existence of the regime itself, it is more likely that renegotiations might lead to the renewal of the deal.

On the Palestinian issue, European governments continue to be vocal supporters of the two state solutions. Most EU countries condemned Trump’s administration decision to move the American embassy to Jerusalem as it would harm the prospect of a two states solution. This position would not change in the foreseeable future, and Europeans believe that due to their policies, the Americans are no longer considered to be a legitimate mediator for the peace process. It was widely agreed that the Israeli-EU relations might be hurt more due the lack of progress on the Palestinian issue and not the Iranian issue.

The Israeli Perspective:

Back to the time when the deal was signed, many senior Israelis at the security system reacted quite positively to the deal. As Iran was on the verge of achieving nuclear capabilities, they did not consider it a historic mistake. Even if they weren’t as enthusiastic as their Europeans counterparts about the deal, they considered it to be good enough at the time. Even
today, many believe that Israel was better off with the deal, compared to the current situation, a proof that
the European foreign policy worked to Israel’s favor. Another strong belief is the fact that the Israeli military
option was militarily operative, and could have been carried out if the politicians ordered it, influenced
the decision making process of Iran as well as the EU when the deal was signed.

Previous to Trump’s decision, Israeli officials raised the concern that if Trump would leave the agreement,
Iran would banish any type of inspection, and as a result the Israeli intelligence would lose any type
of ability to supervise on the Iran nuclear program. Therefore, as many believed this scenario to be quite
realistic, and as there was no evidence that the Iranians were violating the terms of the agreement,
many Israeli officials did not support an American withdrawal for the JCPOA. At best, the members of
the Israeli security establishment supported a move that would require a rethinking of the deal and
adjusting loopholes within it. However, Netanyahu was already expressing a vocal and critical opposition
to the deal and was deeply devoted to cancel it. Therefore, Netanyahu’s position in the two countries trade war.

Israel and Iran are in two different situations. While Israel enjoys a flourishing economy but a very
challenging situation in Gaza, Syria, and Lebanon; Iran manages to promote its regional foreign policies
successfully, mostly in asymmetric ways through proxies, however it suffers from a stagnating
economy and significant internal challenges. The American withdrawal and renewal of sanctions
further complicates the economic situation in Iran. The new sanctions imposed by the United States are
shifting Iran’s oil exports to Turkey and China, and the question which appears is whether the sanctions are
sufficient enough in stopping Turkey and China from trading with Iran. Turkey has already been in dispute with the US over several issues, and China might take this opportunity to further weaken the American position in the two countries trade war.

Nonetheless, even if the bargaining position for renegotiating an agreement has been strengthened, some of the possible implications of the American withdrawal from the agreement could be alarming for the Israeli economy and its foreign relations. First, if Netanyahu chooses to bring once again the military option to the table, this could scare away foreign investors and companies from Israel. In addition, even though the political ties between Israel and the EU are limited to non-existence, Israel’s government considers its scientific and economic ties with the EU to be very important. Therefore, Netanyahu’s policies are to separate the two issues. As long as European leaders continue to enable this separation, Israel’s relation with the EU might not be affected following the American withdrawal. However, if European leaders choose to combine the economic and political aspects of the relations with Israel this might have a severe impact on Israel. Another possible complication for Israel is that due to the Iran would be much more motivated to deepen their presence in Iraq, Lebanon and Syria. Thus far, even after great efforts, Israel is not successful in cutting Iran’s influence in the region.

Another pressing issue is the upcoming elections in Israel that are to take place in 2019. According to
all estimates it is most likely that Netanyahu would be reelected as the Prime Minister of Israel. Nonetheless, it is important to note that he is possibly facing severe legal charges and might need to stand trial. If his legal entanglement will force him to step down this might cause chaos in the Israeli political system. It is estimated that when Netanyahu will step down, at least some of the narratives that he created will fade away with him. There will be a civic awakening, and Israelis will begin to doubt the alleged success of his foreign policy, the Iran deal included.

For Netanyahu time works to his advantage. For example, over time the Palestinian issue has been receiving less attention. However, when Israel will return to the negotiation table with the Palestinians, and promote a peace agreement, it will be vital to cut off Iran’s influence in Gaza. At the moment Iran is in the position to call the shots there. In order to achieve cessation of Iranian intervention in Gaza, it might be necessary to better implement Iran’s economy into the global economy. Renewal of the Iran deal might be one of the prices that will have to be paid in order to cut Gaza from Iran. Therefore it is suggested, that in order to achieve a long and lasting agreement with the Palestinians, a new agreement with Iran is necessary. Europe has to better use its power in order to challenge the involved parties and to initiate policies that will promote the two states solution.

It is vital to improve the political ties between Israel and the EU. Netanyahu tries to build his own group of supporters within Europe. His method is to break the EU consensus and to work with countries that are willing to accept his policies. He started doing this by creating a political dialogue with Hungary, Poland, Czech Republic, Slovakia and Austria and forming an alliance of right wing parties. Furthermore, he has aligned himself with Baltic States as well as with Greece and Cyprus. In order to tackle this policy, the EU has to react, support the peace process with the Palestinians more actively, and to build itself as a much more independent player in the region. On the Palestinian issue Americans are not going to be considered as honest brokers as long as Trump is in the White House. What Europe could do in order to support the peace process is to work with other countries, such as Japan and India in order to offer the two sides incentives for promoting dialogue between them. If consensus on that issue could not be achieved, mini-literalism should be an option – small group of countries should unite in order to promote this issue.

Conclusions:

On May 8th 2018, US president, Donald Trump, decided to withdraw from the JCPOA agreement with Iran, and reinstate sanctions on the country. This decision was accompanied by great frustration from the European Union. The EU considers the JCPOA as one of the most successful foreign achievements of the Union in recent years and as a proof to the fact that when all European countries work in concert they manage to achieve global influence. In Israel, senior officials at the security system expressed concern about the move; however it was celebrated by Israel’s Prime
Minister Benjamin Netanyahu. Netanyahu expressed a very vocal opposition to the agreement from the very beginning, and credit himself for convincing Trump to withdraw from it. He also considers himself the winner of the move. Iran on the other hand reacted quite moderately and did not leave the agreement, as many expected it would. The 2015 nuclear deal (known as the Joint Comprehensive Plan of Action) between Iran and the five permanent U.N Security Council joined by Germany and the European Union High Representative, has become a divisive instrument between the United States under President Trump on the one hand and the other partners. Israel which opposed the JCPOA as faulty and invested a massive diplomatic effort to prevent it has been supportive of President Trump’s decision to pull the US out of the arrangement and resume sanctions on Iran. In doing so its relations with the EU which continues to adhere to the JCPOA will further worsen. Iran’s nuclear activity is not the only issue driving Israel and Europe apart. The difference between the two on the Israeli-Palestinian conflict and the ways to solve it are probably more influential on the future of these relations. Nonetheless, the Iranian issue manages to touch very sensitive issues evoking past experiences.

It is clear that the EU and the US are on a collision course on several issues but mostly on the Iran nuclear deal and Israel is not just a by-stander. The Prime Minister of Israel views Iran’s nuclear activity and intentions as an existential threat to Israel and he can take the credit for leading the opposition to the JCPOA in its current formulation until Trump’s election. The EU on the other hand views the deal as a great achievement to its diplomacy determined to preserve it as long as no evidence certified by the International Atomic Energy Agency is provided.

The combined effect of the deep disagreements between the EU and Israel on the Israeli-Palestinian conflict and the Iran nuclear deal is lethal. The relations gradually deteriorated since the collapse of the 2000 Camp David and the fall of the last Labor Party led Israeli government in 2001. The political dialogue between Brussels and Jerusalem has been abandoned by both sides. The Prime Minister of Israel evidently prefers conducting direct state to state diplomacy by-passing the EU central institutions in Brussels. Relations with Cyprus and Greece, for example, are blooming either because of the mutual concern created by Turkey’s unpredictable and aggressive conduct in the East Mediterranean or the economic prospects in cooperation in the natural gas industry. Similarly, relations with the Visegrad group are flourishing and members of this group often block anti-Israeli initiatives by other EU members.

No significant change should be expected in this state of relations between Israel and the EU. Neither is about to change its policies on these key issues. Without a clear violation of the JCPOA committed by Iran the EU will adhere to it. Israel will continue to denounce it even if President Trump is not re-elected though a different Israeli Prime Minister may act less ferociously against it. Leadership changes in Germany, internal crises in the EU, ideological, social and economic conditions may increase the distance between Brussels and Jerusalem frustrating the wishes on both sides of the Mediterranean to see a strong European-Israeli alliance.

The Israeli-Palestinian conflict has lost its center-stage position on the regional Middle East and international agenda due to the other, more pressing crises. The two protagonist themselves are incapable at present to negotiate a comprehensive agreement and implement it. But to a majority of the Israelis the current so called status quo is not acceptable either as it pushes Israel towards being a one un-Jewish, un-
EU-Israel relations in the Trump era
Eran Etzion, Former Deputy National Security Advisor

Executive Summary
EU Israel relations have seen multiple tensions in the last decade. If one were to create a simple diagram depicting these relations, it would have to include at least three variables – volume of trade, the Iranian nuclear issue (and Iran-related affairs more generally), and of course the Israeli-Palestinian conflict. The Trade line would run freely and smoothly across the entire X axis, depicting a steady if minor growth in bilateral trade. The Iran-line would demonstrate dozens of slumps, some deeper than others. The Israeli-Palestinian depiction would have to be broken in so many points that it could hardly qualify as a contiguous line. Such were already the circumstances before Trump’s surprising upset of the 2016 US Presidential elections.

In order to assess the EU's vantage point, one needs to differentiate between various sub entities. The Brussels bureaucracy is overstretched with internal challenges and has no real bandwidth to deal with Israel or Israel-Palestine. It operates under real and present danger from both the US and Russia, and is on a seemingly-permanent defense, without the necessary tools. Faced with the new global alliances map, the EU is unable to adjust, certainly not quickly enough.

The EU should redefine its priorities and reexamine the policy tools at its disposal. While the twin issues of refugees and terrorism will have to remain at the top of the agenda, and the struggle to maintain the EU's political integrity will not be easily won, the EU must design and build new policies and levers to play a role on the global stage, especially towards the US, Russia and the Middle East. More than an issue of budgetary priorities or strategic policy planning, what must take place is a change of the union's collective mind set. The EU cannot continue to bring a check book to a gun fight. Trump's brutal political, economic and financial force must be met with a different European posture, one that doesn’t aim to please, but rather answers in kind.

On Iran, the EU should work with all interested parties in an attempt to prevent the collapse of the JCPOA. There is no viable alternative to that agreement in the foreseeable future. While this approach puts the EU in direct confrontation with Trump, it highlights the new division between Trump, Netanyahu, MBS – and the rest of the world. Iran should be cautioned and encouraged not to abrogate the JCPOA's provisions, as well as to avoid regional provocations and proxy wars. An ad-hoc coalition of the EU, Russia and China – as strange as it may sound - is capable of salvaging the JCPOA and preventing further regional conflicts.

On Israel, the EU should aspire to clarify its common positions, and in their absence, should respond to Netanyahu's wedging tactics in kind. Those members that are able to agree on a coherent policy, should formulate and communicate it clearly. For the EU, Israel should continue to be an important partner, formulate and communicate it clearly. For the EU, Israel should continue to be an important partner, one that shares most if not all of its values, and many of its strategic interests. The Trump era will come to an end, and so will Netanyahu’s. Too much is at stake in order for the Europeans and the likeminded Israelis to perpetuate the current divergence.

For the full-text article: https://bit.ly/28A2r51

The Iran Nuclear Deal and the US-Iran Standoff
Dr. Joost Hiltermann, International Crisis Group

Executive Summary
It is said that one cannot jump into the same river twice: today's realities are not those of the 1980s. Mutual hostility may endure, or be rekindled, but the United States and Iran are two very different players now in a world that has been radically transformed. This means that we should view their relationship through changes that have occurred in their respective societies, their resources and alliances, and their shifting weight in the regional and global order. Such an analysis could shed light on how effective a renewed US drive to squeeze Iran will be. It may also point to an alternative course that would reduce the risk of uncontrolled escalation by accommodating, not denying, one of the key stakeholders’ core interests.

Outgunned by US allies in the region and with limited access to the international arms market since the revolution, Iran sought to compensate for its sense of encirclement and relative conventional military weakness by building toward self-sufficiency in asymmetric military capabilities and increasing its strategic depth. Iran heavily invested in its ballistic-missile program, a legacy of having been a victim of these weapons during the war with Iraq and something it sees as a reliable deterrent against Israel. It also built a network of partners and proxies to protect against external threats. Tehran dubs this its “forward-defence” policy: an effort to exploit weak states, such as Lebanon and post-2003 Iraq, where it can meet its enemies on the battlefield through proxies without direct harm to Iran and its people. Of course, regional power projection may well have a defensive origin.

What matters is that Iran's adversaries experienced it as aggressive and threatening, acompanied as it was by rhetoric about Tehran wanting to export its revolution.
Iran also tried to diversify its economy away from an over-dependence on oil, and became increasingly self-reliant in security; its growing nuclear program, even if ostensibly for civilian purposes, was an essential element of this. As it faced ever more stringent sanctions, especially related to its nuclear program, Iran actually accelerated the development of its nuclear capability. This produced a breaking point, at which Israel and the US found themselves needing to decide whether to attack Iran in order to destroy its nuclear sites or to settle with it by acquiescing to a certain level of nuclear development for a specified time, including Iran’s right to enrich. The Obama administration’s choice of the latter approach inspired the negotiations that led to the JCPOA. To the Iranian leadership, this was a signal that the US might be on the way to accept the Islamic Republic instead of seeking its demise.

As Iran cycled through successive governments under Khomeini and then Ali Khamenei as supreme leader, regained a degree of political pluralism, and reasserted its society’s rich diversity, Washington’s Iran policy remained monochrome: it consisted of rhetorically attacking Iran and studiously refraining from diplomatic overtures (though Europeans tried during Mohammad Khatami’s presidency). The absence of formal relations and an active discouragement of bilateral exchanges ensured that the two societies became largely ignorant of one another, and their respective decision-makers were navigating policy toward each other in near-blindness.

It took an opponent of the Iraq invasion to break the cycle, shred Washington’s vendetta-based policy, and hold out the possibility of Iran’s re-entry into the community of states. Yet Obama’s partial strategic disengagement from the region (refusing to stand up for beleaguered allies in the face of internal challenges to their rule) in response to Arab state collapse created a vacuum that Iran was best-placed to fill, especially after Saudi Arabia and the United Arab Emirates helped Egyptian army officers overturn the rule of the Muslim Brotherhood, the only organized opposition force in the Sunni Arab world. Iran’s support for allies in Syria, Iraq, Lebanon and Yemen strengthened its enemies’ perception that it seeks a hegemonic role in the Gulf, if not the wider Middle East, enabled by financial returns from the abolition and loosening of sanctions. Its ballistic-missile program and supply of these weapons to Hezbollah set off further alarms.

After the election of Donald Trump, the monochromatic US agenda has returned, literally with a vengeance. Iran is back in Washington’s crosshairs: Trump has pulled the US out of the JCPOA, imposed new sanctions, and presented Iran with a list of twelve demands relating to its nuclear and missile programs, its military support for non-state proxies, and its detention of dual nationals.

Through its good-faith negotiating posture and willingness to adhere to the resulting deal, Iran signalled that it is primarily a pragmatic, not an ideological power. Through an accumulation of goodwill, it thus has built a foundation for growing trust with Europe, as well as Russia and China. The clear signals European states are sending to Tehran that they are keen to find a way, however limited in economic impact, to circumvent US sanctions also serve as a message to Washington that it will have to go alone in its Iran policy. As a result, the US looks isolated and distrusted, supported only by Israel and Saudi Arabia. Iran feels quite comfortable in this position, and far more shielded from harm than it was in the aftermath of the revolution.

This cycle must be broken if it is not to erupt into a conflagration. The Trump administration does not favor a de-escalation of tensions with Iran; to the contrary, it appears to want to push Iran to the maximum level that would produce the results it seeks: an engineered implosion, the overthrow of the Islamic Republic, a resulting reduction in Iran’s regional footprint, an end to both its nuclear and ballistic missile programs, or all of the above. By comparison, the Europeans may have concerns about Iran’s missile program and policies in the region, but are otherwise keen to preserve the JCPOA – and to convince the Iranian leadership not to withdraw in turn. In this, they have the backing of Russia and China.

For the full-text article: https://bit.ly/2A9N4Rc
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