



POLICY BRIEF

All Quiet on the Eastern Front? Iran's Evolving Relationship with an Afghanistan in Transition

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The planned U.S. military withdrawal has triggered significant uncertainty about Afghanistan's stability and security and the international community's future engagement in the region. In a post-withdrawal scenario, which conditions are anticipated for development and security cooperation in Kabul, Tehran, and European capitals? What is Iran's expectation, position and leverage in Afghanistan? In which areas is trilateral cooperation possible and where are common goals likely to be achieved?

Afghanistan is one of Iran's most important neighbours, not only because of its long-shared border and rich cultural, historical and linguistic ties but also on account of geopolitics and economic exchange.¹ Since the 1979 Islamic Revolution, Iran's approach to Afghanistan has been far more prudent than its foreign relations extending westward. Still, it has often been overshadowed by hostile relations with the U.S., to an extent even during the country's Soviet invasion. After the 1998 murder of Iranian diplomats in the northern city of Mazar-e Sharif, Tehran deescalated a crisis that nearly led to war with the Taliban, then ruling in Kabul. Soon after that, Iran initially offered support for the NATO military intervention in 2001. Yet in the following years, Washington's rhetorical and covert confrontations with Iran soured the early steps of what might have been a strategic "re-set".²

Over the past two decades, Iran has followed a coldly pragmatic strategy toward Afghanistan, multifaceted and often seemingly contradictory.³ This (risky) policy of "strategic hedging", as one commentator puts it, included support for political stabilisation in Kabul while expanding ties with the Taliban, even arming its fighters, to subtly stymie U.S. counterinsurgency efforts. Recently, Iran has begun defending Kabul's sovereignty in its messaging on the Afghan peace process: via conciliation and confrontation both covert and overt, Tehran's position seems to shift according to what may maximise efforts to frustrate the United States.⁴ In

response to the planned U.S. military withdrawal, Iran may well pursue a more ambitious Afghanistan strategy. By continuing to cosy up to Kabul, Iran could simultaneously leverage its softer power with several different Afghan actors and even ramp up support for local armed proxies, potentially tipping the country's fragile political equilibrium.

Iran's Diverse Leverage in Afghanistan

Since 2001, Iran has maintained and extended its influence amongst various Afghan stakeholders, several which have come to control strategic parts of the state and security institutions. During the Soviet invasion of Afghanistan, Iran supported Shia factions of mujahedin resistance fighters, one part of a host of efforts to force the Soviets out. Iran's contribution also sought to balance the dominance of an exclusively Sunni "government-in-exile" sitting in Pakistan, sponsored by its foes: the host country, Saudi Arabia and the U.S. During the civil war of the 1990s, Iran backed the Rabbani Government, primarily dominated by ethnic Tajiks. After the government's collapse in 1996 and confronted with a hostile Taliban regime, Iran facilitated the establishment of the anti-Taliban coalition (often referred to as Northern Alliance).⁵

¹ The project "From Uncertainty to Strategy: What are the odds for future win-win scenarios in Afghanistan's Neighborhood?" is an independent effort of the Friedrich-Ebert-Stiftung (FES) to develop and discuss likely scenarios for Afghanistan's neighbours, policy adjustments, and the need for a comprehensive strategy among European foreign policymakers. This brief is part of a series authored by Dr Timor Sharan and Andrew Watkins to discuss the implications of the US withdrawal and the ongoing Afghan Peace Negotiations on existing policy tools, strategic interests, and challenges for key stakeholders in- and outside of Afghanistan. The complete list of policy briefs may be accessed here: <https://afghanistan.fes.de/publications>

² In the aftermath of the September 11 attacks, relations between Washington and Tehran had begun to thaw, with Iran playing a constructive role at the 2001 Bonn Conference and offering support for the U.S. military campaign against the Taliban.

³ See Bruce Koepke, (2013), "Iran's policy on Afghanistan: The Evolution of Strategic Pragmatism", *Stockholm International Peace Research Institute*, September 2013.

⁴ Maysam Behraves, (2019), "What Does Iran Want in Afghanistan?", *Aljazeera*, 4 February 2019.

⁵ In August 1998, when the Taliban captured the strategic city of Mazar-i-Sharif, they killed eight of its diplomats and a journalist at the Iranian consulate.

In contrast to pre-2001, Tehran treats its relations with the Taliban as an additional element of its strategic leverage-kit to undermine U.S. interests, maintain influence in Afghan politics and minimise risks to its own regional standing. Iran has covertly aided elements within the Taliban, particularly those based in Western Afghanistan.⁶ Mullah Omar's successor, Mullah Akhtar Mansour, returned from a trip to Iran in May 2016, when he was killed in a drone strike in Baluchistan, close to Pakistan's border with Iran. In the last three years, Iran has publicly acknowledged such contacts and even hosted the Taliban for talks in Tehran, recently in January 2021.⁷ However, Iranian officials argue that this policy is driven by threats posed by the Islamic State and to aid the struggling Afghan peace process.⁸

Iran exerts significant soft power in Afghanistan. It has committed more than half of a billion USD towards Afghanistan's reconstruction since 2001 and attended the November 2020 Geneva Conference. Iranian officials maintain that it could have contributed more, but the U.S. sanctions have prevented it from being more generous. Overtaking Pakistan, in 2017-2018, Iran became Afghanistan's biggest trading partner and exported around two billion USD (22 per cent of the Afghan consumer market share) despite sanctions.⁹ To consolidate its strategic economic influence, Iran has invested in some key trade and transit infrastructure projects in Western Afghanistan. The Khawf-Herat Railway, completed recently, and the Chabahar port, give Iran faster commercial transport routes and the possibility of regional connection and access to Central Asian markets.¹⁰

Tehran has consistently used officially registered Afghan refugees as additional foreign policy pressure toolkit to push for its interests in Afghanistan – or even simply in its conflict with the United States.¹¹ According to official estimates from 2014 until early 2020, around 3.5 million Afghans were living in Iran – of these, just over 950,000 were registered Afghan refugees and 2.5 million were undocumented migrant workers.¹² Many registered refugees are second and third-generation residents who partially have access to health, education and employment. In May 2019, the Iranian Deputy Foreign Minister warned that Iran would consider deporting Afghan refugees if the U.S. continues to apply further sanctions on Iran.¹³

Finally, another factor weighs over Iran's influence in the country, which profoundly concerns many Afghans. Since 2015, Iran recruited Afghan Shia refugees into paramilitary formations



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to join the fight against ISIS in Syria, promising young Afghans a path to legal and social recognition in Iran.¹⁴ Now known as the Fatemiyoun Brigade, these formations were recently offered by Iran's foreign minister to support Afghanistan's security forces. This proposal alarmed and offended many Afghans worried about the impact such an arrangement would have on sovereignty and the security environment. It is unclear if Iran would deploy or empower these fighters if the situation in Afghanistan worsens considerably, and if so how and to what aim. Iran's precedent with its eastern neighbour often trends toward prudence. However, its foreign policy has grown more assertive overall, and a post-American Afghanistan might pose too tempting a power vacuum.

Iran's Expectation and Position on the Afghan Peace Process

Iran is closely watching the Afghan peace talks and is attempting to mitigate the impact of several potential outcomes on its regional standing. Iran has done what it can to engage with the process. Despite being largely shut out of the process by the U.S., Tehran has reached out to the Taliban's Doha and Quetta leadership and has hosted Taliban delegations. Yet unlike some

⁶ Yochi Dreazen, "Exclusive Iran teams with Taliban to fight Islamic State in Afghanistan", *Foreign Policy*, 26 May 2016.

⁷ Ayaz Gul, (2021), "Iran Hosts Taliban to 'Exchange Views' on US-backed Afghan Peace Process", *Voice of America*, 26 January 2021.

⁸ "Transcript of TOLONews Interview with Iran's Javad Zarif, *TOLONews*, 21 December 2020.

⁹ The main exports are electricity, construction materials, food and fuel. See "Iran Biggest Trade Partner of Afghanistan in 2017-2018", *Financial Tribune*, 8 April 2018 (<https://financialtribune.com/articles/economy-domestic-economy/84309/iran-biggest-trade-partner-of-afghanistan-in-2017-18>)

¹⁰ In May 2016, India, Iran, and Afghanistan finalized the parameters of a trilateral agreement known as the Chabahar Agreement. Afghanistan will benefit by diversifying its list of partners beyond South and Central Asia, with a fully operational port potentially generating trade. Among the 500 companies licensed to operate in Iran's Chabahar, 165 are reportedly Afghan.

¹¹ Sirwan Kajjo and Mehdi Jedinia, (2019), "Iran Criticized for Threat to Deport Afghan Refugees", *Voice of America*, 15 May 2019.

¹² Note that numbers of refugees, immigrants and temporary migrant workers have changed dramatically over the past year due to COVID-19, but even the process of repatriation and returns proved politically contentious and several incidents at the border throughout 2020 threatened to impact relations between Kabul and Tehran. <https://www.unhcr.org/ir/refugees-in-iran/>

¹³ <https://www.al-monitor.com/pulse/originals/2019/05/iran-nuclear-deal-ultimatum-europe-afghan-refugees-drugs.html>

¹⁴ Tobias Schneider, (2018), *The Fatemiyoun Division: Afghan Fighters in the Syrian Civil War*, Middle East Institute, October 2018.

other regional states, Iran's approach to Afghanistan does not seem likely to be ultimately driven by the talks' outcome (and the future dominant authority in Kabul). Tehran has consistently demonstrated a deep pragmatism and ease in fluctuating its relations with its eastern neighbour. Beyond reactivity, another consistent theme appears set to steer Iran's policy: whether the U.S. continues its disengagement trajectory and entirely withdraws its military from the region.

Iran has been a prominent critic of the U.S.-Taliban deal, calling it "flawed" in the absence of the Afghan government and other key regional stakeholders in the peace talks. Although Tehran has welcomed the intra-Afghan negotiations in Doha, it has also questioned the U.S. approach and the Taliban's commitment to the peace process, which is evident from the group's failure to reduce violence. Iran has too stressed how the U.S. ignored Afghanistan's sovereignty by making commitments on behalf of the Afghan government. Moreover, Iran has expressed its willingness to participate in future peace talks. Tehran has reiterated that a successful peace process requires an inclusive dialogue with all political segments of the Afghan society and an Afghan-owned and -led process with Kabul at the centre.

Iran asserts that the U.S.-Taliban deal has upset the political balance of power inside and outside the country, prompting the Taliban to negotiate and operate from a stronger position, which Tehran has said could jeopardise the opportunity of peace in Afghanistan. Aside from expressions of frustration at being shut out from a vital regional affair, Tehran has thus far suffered few tangible negative impacts. Its warnings of Taliban ascendancy ring somewhat hollow, given Tehran's track record of having increased its engagement with the group well before the U.S. pursued peace. Indeed, Iran seems set to gain a great deal if the process progresses and the U.S. achieves conditions it deems sufficient to finalise its withdrawal. Thus, Iran's stance toward Afghan peace seems to confirm that its posture is driven as much by opportunistic opposition to U.S. policy manoeuvres as anything.

Since 2019, President Ghani's rapprochement towards Iran has been well received- perhaps a reflection of how great the divide between Kabul and Washington has grown- and as a result, Tehran has aligned its key messages around peace according

to Kabul's agenda. In backchannel contacts, both countries have been flirting with the idea of signing a bilateral security agreement, with Kabul giving concessions to Iran in appointing key Iranian clients to strategic government positions. It is not clear whether this is just a flirtation to send a signal to the U.S., or a serious attempt to scale up a bilateral relationship far beyond any precedent in recent history.

Tehran has been calling for a timetable for NATO withdrawal from Afghanistan since 2003. However, they also now advocate for a "responsible exit" to prevent the collapse of Afghanistan's existing political structure and to ensure the Taliban does not seize power completely. Iran has also maintained that ceasefire should be a pre-condition to moving forward, a position Kabul has also lobbied for. Officials warn against attempts to replace the current administration with an interim government, cautioning that this could lead to a legal and political vacuum, and hence to disorder and violence, if not full disintegration. Tehran has also pushed hard to preserve the last decades' achievements such as women's and ethnic and religious minorities rights and for a more substantial and active role for the United Nations, e.g. by advocating for a UN Special Envoy for the Peace Process.

Despite all this, Tehran has begun to openly signal its ability to influence Afghanistan's peace process and conflict dynamics in potentially unhelpful ways (e.g. January's comments on the Fatemiyoun and a high-profile Taliban delegation hosted by Tehran). The timing coincides with the new U.S. administration's deliberations on whether it should adhere to the Doha agreement.

All of the above aligns with Tehran's theme of parrying U.S. policy shifts with its own. Other core interests have also guided Iran's pragmatic engagement in Afghanistan; its increased outreach to the Taliban certainly was caused, in part, by threats presented by the Islamic State since 2014/15. Although covertly, however, Iran was ramping up relations with the insurgent group well before then. Iran's concern that a quick exit might usher in a new wave of terrorist activity, difficult to contain, is likely genuine. But Iran's confrontational posture toward the U.S. is the only common thread running through many of the country's complex, contradictory positions on peace and Afghanistan's future.

Iran and the European Union: Achieving Common Goals?

Afghanistan may provide Iran with an additional political platform to engage with the international community, including the EU, on several broader converging interests. There is already a constructive working relationship between Iran and European powers – UK, France, Germany, and the EU as a whole – since the 2015 Joint Comprehensive Plan of Action (JCPOA), commonly known as the Iran Nuclear Deal, that can be revived by the incoming Biden administration. The EU has already said it will support a JCPOA convention, followed by a business cooperation convention on energy if the U.S. lifts sanctions.

With the U.S. withdrawal, and anticipating that under Biden, the potential for sanctions to be eased or even lifted, the EU, Iran, and Afghanistan, have an excellent opportunity to redefine their relations on key objectives and interests. These can include countering terrorism, economic and trade integration, cross-border immigration and narcotic smuggling management.

The EU could benefit from Iran's full potential considering its cultural-linguistic, economic and political leverage in Afghanistan to help with reconciliation, reintegration, and reconstruction efforts after a peace settlement. Iran can play a constructive role in taming some of the potential political spoilers and those within the Taliban that control violent means and weaponry.

Given the U.S. sanctions and Iran's inability to access world markets, Afghanistan has emerged as Iran's key trade partner. The EU and Iran could work closely in facilitating further regional economic cooperation and trade integration. Iran's key infrastructure projects are best suited towards this goal, but a more comprehensive and holistic approach is required with

the Central Asian countries, which the EU could take the lead in facilitating. Italy is working on completing the 4th phase of a railway, which will be linked with the Khawf-Herat railway connecting Iran with Central Asia through Afghanistan. Iran hopes to include Afghanistan in its plans to export 80 billion cubic meters of its natural gas annually to Asian and European countries by 2025 while also planning a boost in non-oil exports to Afghanistan. In a post-conflict scenario, Tehran could become an investor in education, technical and professional development, including healthcare and others.

Beyond the security agenda, Iran has cooperated in several regional and international forums and has shown that it prefers trilateral and multilateral arrangements to solve regional challenges. For instance, Iran has been a vital member of the Heart of Asia / Istanbul Process since 2011, aiming to foster cooperation and political dialogue between countries in the region. It has worked closely with Pakistan in the Afghan Solutions Strategy facilitated by the UNHCR to enable sustainable repatriation and reintegration of Afghan refugees. Since then, Iran has been a member of the International Contact Group on Afghanistan and Pakistan.

Both the EU and Iran suffer from narcotic trafficking with both being big consumers. EU could explore the possibility of facilitating a regional mechanism for border control and information sharing to manage and curb illicit transnational trade and drug smuggling across the Afghan borders. Both countries could invest in communities around the border and encourage people to cultivate alternative crops to poppies.



Afghan migrants are returning from Iran at the Islam Qala border crossing, Herat 2020. FES/Mohammad Aref Karim)

Recommendations

- For the ongoing peace process to succeed, there is a need for a more significant investment by the EU in a more formalised regional approach. Any such regional framework would be an excellent opportunity to engage directly with Iran. As Iran felt side-lined from the process by the previous U.S. administration, and it will take some time for the new Biden administration to thaw bilateral relations, the EU should help to fill the gap in the meantime.
- If the peace process fails and the U.S. military withdraws from Afghanistan, rivalry and strains amongst regional players are likely to intensify. Even if eased by Biden, the anti-Iran coalition the previous administration had pursued with Saudi Arabia, the Gulf countries, and Israel could linger and complicate regional dynamics. The EU should use its convening power and positive relations, particularly with the U.S., Pakistan, and India, to ensure that Iran's legitimate interests are addressed.
- The EU should mediate discussions between Iran and Afghanistan to solve other long-simmering disputes, including the historical disagreement over the Hari Rud River. The EU's role could also be more indirect, perhaps encouraging the UN to mediate Afghan-Iran water disputes over the Helmand and Hari Rud Rivers.
- Brussels should help boost intra-regional connectivity between South Asia and Central Asia via Afghanistan and consider inviting Iran to join efforts to encourage neighbouring states to liberalise tariffs and transit agreements.
- Iran should refrain from using Afghan refugees as a pressure point. Such a policy is likely to fuel negative public sentiments in Afghanistan. The EU should work with Iran and other UN agencies, including UNHCR, to develop comprehensive solutions to repatriation and support for Afghan refugees.
- Iran should also refrain from any encouragement or deployment of the activation of the Fatemiyoun fighters in Afghanistan. The country's history of externally-supported militias and armed factions is already far too full of negative impacts. As pragmatists in Tehran should remember, these often came along with spillover effects into neighbouring states.

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About the cover photo

Afghan money changers gather to deal with foreign currency at a money change market in Herat October 4, 2012. REUTERS/Mohammad Shoib

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