

Inter-Parliamentary Conference for the Common Foreign and Security Policy and the Common Security and Defence Policy (CFSP/CSDP)

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Background Paper

Workshop A: The Future of the Nuclear Agreement with Iran after US Withdrawal

Starting in 2006, the UN Security Council adopted a series of resolutions calling on Iran to cease uranium enrichment for nuclear proliferation purposes. Intensive diplomatic efforts then led to agreement on a Joint Comprehensive Plan of Action (JCPOA), which laid out a series of steps aimed at lifting sanctions, which was endorsed by the UN Security Council.

The JCPOA is a central pillar in the global nuclear non-proliferation architecture and crucial for the security of Europe, the region and the world as a whole. Its continued implementation is a matter of respecting international agreements and international security. The lifting of nuclear-related sanctions is a central element of this agreement; the objective is to create a positive impact, not only on trade and economic relations with Iran, but also, and above all, on the lives of the people in the country.

In a separate agreement, the United States reserved the right to require the president of the United States to confirm every 90 days that Iran was upholding its commitments. On 8 May 2018, US President Donald Trump announced that the US was withdrawing from the JCPOA and reinstating all sanctions that had been lifted on the basis of the JCPOA. He justified this decision by citing Iran's covert continuation of work on its nuclear programme, even though the International Atomic Energy Agency had determined that Iran was in fulfilment of its obligations under the JCPOA.

The EU has already shown its determination to adhere to the JCPOA and has taken several steps to protect the interests of European economic actors legally operating in Iran in accordance with EU law and UN Security Council Resolution 2231. The other parties to the agreement have also undertaken a commitment to further implement the nuclear agreement and have supported efforts aimed at normalising trade and economic relations with Iran. As the first round of reactivated US sanctions against Iran has since entered into force, the updated EU Blocking Regulation entered into effect on 7 August 2018 aimed at mitigating the impact of these sanctions on EU companies lawfully trading with Iran.

In order to keep the agreement alive in the long term, however, concrete solutions are needed to keep payment channels open and trade with Iran possible. With the help of a new funding institution, a so-called special purpose vehicle (SPV), the EU plans to make it possible to carry out legitimate financial transactions outside of the usual financial channels dominated by the dollar.

The US withdrawal from the agreement has serious implications at the multilateral level. It calls into question the integrity of the IAEA, which certified Iran's compliance with the agreement in 11 reports, and entails the risk of a nuclear arms race in the region, as well as a threat to European security and economic interests.

- How can the EU's initiatives in response to the US withdrawal and to the enforcement of US sanctions be assessed?
- How can it be ensured that all other parties fulfil their obligations to prevent a long-term failure of the agreement?
- What implications does the US withdrawal from the agreement have for the future of multilateral nuclear disarmament efforts?