



IRAN CASE FILE

Your window on Iran from inside and abroad

March 2020



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International Institute for Iranian Studies

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March 2020

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CONTENTS

The Executive Summary	4
Internal Affairs	7
The Ideological File	8
I. Closing Shrines and Tombs	8
II. Opposition to the Decision Taken by Some People	8
III. Reaction of Clerics	9
IV. Affiliations of Protesters.....	11
The Political File	12
I. Khamenei Politicizes the Epidemic and Accuses Enemies of Creating the Virus to Target the Iranian Genome	12
II. President Hassan Rouhani's Slow Response in Taking Precautions to Face the Crisis	13
The Economic File.....	16
I. Forcible Passage of the Budget.....	16
II. Exceptional Financial Measures to Combat the Coronavirus	17
III. The Possible Consequences of the new Budget on the Financial and Economic Situation Amid the Continuation of the Coronavirus Crisis	18
The Military File.....	20
I. Claiming That the Coronavirus Is Biological Warfare Against Iran	20
II. The Military Establishment Takes Over the Coronavirus Issue.....	20
III. Popular Anger as the Army Takes Over the Coronavirus Battle Efforts.....	22
Arab Affairs	25
Iran and Iraq	26
I. The Political Implications of Shamkhani's Visit to Iraq.....	26
II. The Resurgence of the US-Iranian Conflict in the Iraqi Arena.....	27
III. Iranian Efforts to Nominate the Head of the Iraqi Government	28
International Affairs	31
Iran and the United States.....	32
I. The Intensification of American Pressure on Iran	32
II. Iranian Reactions to the American Escalation.....	34
III. The Implications of the American-Iranian Escalation	35
Iran-Europe Relations	38
I. The Future of the Nuclear Deal After the IAEA Reports.....	38
II. Iran's Demands the Lifting of US Sanctions Amid the COVID-19 Pandemic	39
III. Europe's Humanitarian Aid to Iran	40
Iran-Russia Relations	42
I. Russia-Iran Position on US Sanctions Amid the Coronavirus Crisis	42
II. Iran-Russia Cooperation	43

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THE EXECUTIVE SUMMARY

The coronavirus is still impacting the Iranian state more than the rest of the region's countries. The rampant spread of the virus has made it among the hardest hit countries in the world. Despite the unambiguous failure of the Iranian state in combating the spread of the coronavirus on its soil for political and sectarian reasons, it now seeks to turn the threat into an opportunity by utilizing all its diplomatic, economic, political and even military capabilities. The government seeks to seize this opportunity to achieve its ends which are inconsistent with those of the international community or even plainly contradict them.

At home, at the ideological level, the Iranian government did not manage to keep the holy shrines and tombs open as they have turned out to be a hotbed for the spread of the virus. Local and international criticism mounted against the ongoing visits and gatherings at holy sites under the guise of seeking blessings.

After the government issued a decision to close the shrines, pro-Velayat-e Faqih clerics suddenly shifted their position from rejecting the closure of shrines to supporting the decision. When some people attempted to storm the shrines in protest at the closure, they accused the Shirazis, who oppose the Velayat-e Faqih current, of doing so. They are accused of being Western stooges and opponents of Velayat-e Faqih. In the end, everyone settled in favor of the government's decision. Hence, the pro-Velayat-e Faqih current proved that its fatwa was aligned with the government's decisions. It was appropriate for pro-Velayat-e-Faqih clerics to announce their alignment with the government from the perspective of supporting the supreme leader instead of engaging in debates about whether it was necessary to close the shrines.

Politically, the Iranian state's foremost concern was on politicizing the coronavirus crisis and accusing the United States of being responsible for creating the virus. This is what was stated by the supreme leader when he mentioned that the United States created the virus according to the genetic data of the Iranian people. He also justified Iran's rejection of the aid offered by the United States, arguing that the aim behind the

aid was to further the spread of the epidemic in the country. But these accusations did not achieve the desired aims at home and abroad.

Up to 100 Iranian activists filed a petition, accusing Khamenei and Rouhani of being responsible for the spread of the virus as they delayed announcing the spread of the virus and did not take precautionary measures for political reasons. In the meantime, Khamenei continued to delay the withdrawal of funds from the National Development Fund to fight the virus. He did the same thing when Iran was hit by floods last year. This comes as he disbursed huge amounts of money from the fund to increase the budget of the IRGC and the Quds Force after the death of Qasem Soleimani.

Khamenei also exploited the suspension of the Iranian Parliament to pass the general budget for 2020-2021 as many of its members have been infected with the virus. The Parliament turned down the budget bill several times since last December due to the unrealistic figures of the budget and the dependence of budgetary items on an increase in tax revenues, which is an unrealistic goal given the economic depression which Iran is suffering. This is in addition to the new challenges due to the outbreak of the coronavirus and the damage caused to most economic sectors in Iran, especially the services sector, which includes medical, entertainment and religious tourism. Although Iranian President Hassan Rouhani announced a package of economic measures to help Iranian citizens cope with the economic damage caused by the outbreak of the coronavirus, he did not clarify the mechanism via which he shall finance these measures given the clear budget deficit and Khamenei's refusal to release funds from the National Development Fund. The Iranian government has no option but to sell state-owned holdings, which can barely find local buyers or borrow from abroad. Both options will lead to nothing but further economic subordination to China and Russia. It could even go beyond this, with the state selling its national resources and ceding its economic sovereignty.

At the military level, assigning responsibility for combating coronavirus to the armed forces, especially the IRGC, had several aims, most prominently changing the negative public perspective towards the IRGC— especially after the crash of the Ukrainian aircraft which was reportedly brought down by an IRGC missile. This incident killed hundreds of Iranians. However, this decision has resulted in the Iranian people mocking the IRGC, because deaths and infection cases have risen among the Iranian people and the IRGC's echoing of the remarks of Khamenei, from a military perspective, that the coronavirus is a biological war waged by the United States against Iran.

On the Arab arena, Iran continued its efforts aimed to maintain influence in Iraq despite mounting popular opposition against the Iranian presence on Iraqi soil.

Iranian efforts for the time being revolve around pushing Iraqi militias to attack the United States in order to control the political arena and facilitate the exclusion of political currents rejecting Iranian interventions in Iraq. This is in addition to picking a new prime minister for Iraq who is not opposed to the implementation of Iran's agenda, but rather supports it. Due to the impact



caused by the absence of Qasem Soleimani from the Iraqi scene, Tehran is using all its heavyweight elements among Iraqi militias such as Ali Shamkhani and others in order to achieve the aforesaid ends.

As for the international arena, Iran's efforts focused on showing that US sanctions hinder its efforts to combat the spread of the coronavirus on Iranian soil and that the US sanctions represent medical terrorism. In its campaign, Iran used its diplomatic team to influence countries and organizations. But the United States, on the other side, imposed more sanctions and said that the Iranian government is directly responsible for the spread of the disease. The United States also called on Khamenei to use Iran's foreign exchange reserves to tackle the impact of the crisis instead of Tehran's militant activities and waiting for the arms exports embargo imposed on Iran to be lifted in order to spend the country's foreign reserves on purchasing weapons from Russia and China.

Europe has been subject to a great deal of Iranian pressure to help in easing or suspending US sanctions. To lift British sanctions imposed on Iran, Tehran exerted pressure on the UK via collecting signatures of British citizens. This prompted the UK to make an official response. Though the Europeans responded to Iranian requests by offering medical and humanitarian assistance to Iran, they reiterated that Iran exceeded the permissible limits when it comes to its nuclear activities, given the increasing amounts of enriched uranium, reaching a level which could enable Iran to make nuclear weapons in a period spanning from six months to one year in case Tehran continues its nuclear activities at the same pace.

When it comes to Russia, it deemed it necessary for US sanctions imposed on Iran to be lifted given the current circumstances which the world is going through, the outbreak of the coronavirus. It also offered medical and humanitarian aid to Tehran and worked to solidify economic cooperation with Iran while reiterating the Iranian role in the Astana talks for fostering peace in Syria. This comes as it has been working to reduce the Iranian role in the Syrian crisis over the past few months following the Turkish incursion into the Syrian city of Idlib.

Internal Affairs

This section analyzes Iran's internal affairs and focuses on the spread of the coronavirus and the response of the state and society to it. Perhaps the increasing number of infections last month made the Iranian state more rational compared to the past few months in terms of the precautionary measures that should be taken. This changed the course of the religious elite's handling of the epidemic. Interpretations and justifications about the creation and spread of the disease continued for political objectives, but they did not offer a practical approach to manage the crisis.



THE IDEOLOGICAL FILE

This file casts light on the ideological developments concerning the Iranian religious elite during the month of March 2020 and the impact of these developments on the political and religious scenes in Iran.

The ideological file in the month of January-February focused on the position of the religious elite concerning the outbreak of the coronavirus in the country, the impact of the religious dimension on Iran's health system, and how far the crisis has been politicized. In this month's file, we cast light on the developments concerning the position of the religious elite on the coronavirus crisis in the country, as the crisis is dominating the Iranian scene at present.

I. Closing Shrines and Tombs

The Iranian authorities decided to close the shrines and tombs in Qom and Mashhad on Monday, March 16. The decision came after the spread of the coronavirus epidemic across the country. The authorities delayed taking this step for many reasons especially due to the status of these shrines in the collective mind of the Iranian people and the government's dependence on these shrines to boost its sectarian legitimacy. This is in addition to clerics opposing the closure of these shrines.

A joint statement made by the Razavi Shrine and Fatima Masumeh Shrine mentioned that "given the beginning of the new Iranian year and flocking of visitors to the holy shrines in Qom and Mashhad, and in order to prevent the spread of diseases and epidemics, we announce that the reception of visitors shall stop at these two holy shrines as of Tuesday, March 17, until further notice."⁽¹⁾

The public relations department at Abdel-Azim al-Hossni shrine said that the shrine shall close until further notice in order to maintain the safety of visitors. Jamkaran Mosque⁽²⁾ took the same decision.

The decision's outcomes can be summed up in the following points:

II. Opposition to the Decision Taken by Some People

Iranian President Hassan Rouhani attempted to contain the anger of those opposed to the closure of shrines and tombs. He said, "This year, our bodies shall part with the holy places, but our souls shall remain close to them."⁽³⁾

Some people protested the closure of mosques and shrines, especially Fatima Masumeh Shrine. Some groups attempted to storm the shrine and forcibly open it. Several of those who took part in storming the shrine were arrested and referred to the judiciary. The attorney general in the city of Qom said in this respect that 11 people who breached the sanctity of Ahl al-Bayt shrine are still in detention.⁽⁴⁾

Those people were described by officials as radicals and even as *Khawarij* (a Muslim sect which was accused of killing Imam Ali). According to Ali Muthari, a lawmaker in the Iranian Parliament, "The individuals who have radical mindsets and stormed Fatima Masumeh Shrine in protest at the closure and broke through its doors should be detained and punished, because they either caused the virus to spread further or weakened the image of Islam and Shiites. These people have revived the memory of the *Khawarij*."⁽⁵⁾

In the meantime, some lawmakers attempted to thank the clerics for their strict implementation of the decision, despite what they called the “dangers” that they are exposed to. According to Gholam Jafarzadeh Abadi,⁽⁶⁾ these protests indicate how those who take care of the shrines strictly implement the government decisions in the provinces. Thus, appreciation and support should be expressed to clerics. The people will appreciate their dedication and the dangers they face.⁽⁷⁾

Protesters drew a comparison between Reza Khan’s failure to shut down the shrines and tombs while the government of the supreme leader managed to do this. An Iranian academic⁽⁸⁾ responded to this unfair comparison since Reza Khan was opposed to religious rituals while the current closure is happening temporarily in order to protect the lives of the people as the gatherings cause the coronavirus to further spread.

He then cited the laws of Velayat-e Faqih and the laws of the Islamic government which grant the supreme leader the right to block any religious ritual, even if they are prayers or Hajj, in case this shall achieve a certain benefit perceived by him.

“The laws of the Islamic government, on top of them being the decisions of the supreme leader, shall be obliged on everybody. Khomeini believed that exceeding the redline is unlawful as it constitutes a breach of the laws of the Islamic government.”⁽⁹⁾



III. Reaction of Clerics

The pro-Velayat-e Faqih clerics attempted to remain consistent with the decision of the government when it came to the closure of shrines. They justified the closure on sectarian and jurisprudential grounds. This included clerics who opposed the decision in the beginning.

Ayatollah Alamulhuda called on those who love Ahl Al-Bayt to control their feelings so that enemies do not to take advantage of the situation. He focused on several issues in order to contain the angry people:

■ If seeking help from Ahl al-Bayt is the best cure for alleviating calamities, people should stand on the rooftops and turn to Imam Kazem, recite the *ziyarah* prayers and supplicate to him for this calamity to come to an end.

- The people's presence at Imam Reza Shrine is impossible because the order to close the shrine is taken by medical experts and officials in charge of combating the coronavirus.
- Officials in charge of this matter are annoyed and concerned about the closure, as is the case with the rest of the people.
- There is no one to blame for this. Enemies did not close the doors of the shrines for Iranians to resist them. The requirements of social life and the spread of the virus led officials to make such a decision.⁽¹⁰⁾

Hence, we find that Alamulhuda attempted to attribute the closure of the shrines and tombs to the rule of the Velayat-e Faqih government which protects the interests of the lovers of Ahl Al-Bayt, as decided by the supreme leader.

As for Ayatollah Misbah Yazdi, he cited the fundamental rule of '*dispute between two jurisprudential issues*.'⁽¹¹⁾ He measured the issue against this fundamental rule as follows:

- The supreme leader's cancellation of his annual program to visit the city of Mashhad and abstaining from giving a sermon in the sacred shrine.
- There is a conflict between benefit and harm. The most important among them should be determined, and such a determination has nothing to do with feelings and sentiments.
- If the closure continues for several years, and the people are neglected, this shall require the development of a special program.
- Some people want to exploit the closure for political reasons and personal purposes. This leads to sowing discord among people.⁽¹²⁾

Yazdi focused on the act of the supreme leader abstaining from visiting Mashhad. The command of the supreme leader is obligatory under the rule of the guardian jurist. It is not a secondary command. It could also be called the command of the imam, not the command of the ruler. Then he reinforced his argument, citing the rule '*dispute among two jurisprudential issues*.' Jurists have the only say over it. But if the matter is related to the affairs of the state, the command of the supreme leader, shall take precedence given his guardianship, unlike other jurists. But the paradox here is that he likened visiting shrines to Hajj, which contradicts the fundamental rule. But this similarity indicates the luminous position that these shrines occupy in the Shiite-Iranian collective mind, hence pointing to the reasons why the closure had been delayed.

As for the other currents, it seems that the Shirazi movement was among those rejecting the closure of shrines. Although it did not take responsibility for storming Fatimah Masumeh Shrine officially, an official condemnation of the arrests made against those who stormed the shrine was issued.

Cleric Yasser al-Habib said, "The arrests are a crime added to the crimes of this draconian government, which knows no means but repression and does not respect the ties of kinship or covenant."⁽¹³⁾

Iranian media outlets accused cleric Sadeq al-Shirazi, the movement's top cleric in Qom, of being behind such incidents.⁽¹⁴⁾

In the meantime, traditional clerics not affiliated with Velayat-e Faqih issued fatwas reiterating the necessity of referring to doctors as they are qualified for giving opinions about this calamity. Defying the opinion of doctors is unlawful in this situation. Hence, they rendered lawful the closure of shrines based on the advice of significant health organizations. Perhaps the fundamental and jurisprudential basis is the difference between the two schools of thought, even if they agree on the result. Traditionalists believe that the fundamentals on which they base their fatwa is the opinion of specialists in the medical industry while the clerics supportive of Velayat-e Faqih believe that the opinion of doctors, though important, shall not be enforced unless it is seconded by the opinion of the supreme leader, given the public interest and the rule of Velayat-e Faqih.⁽¹⁵⁾

IV. Affiliations of Protesters

Iranian officials said the people protesting the closure of Fatimah Masumeh Shrine are affiliated with the Shirazi movement. A government source said that among the 11 detainees, there were five clerics and activists affiliated with the Shirazi movement known as the British Shiites.

One of them oversees the Marjaeyat Global Network channel affiliated with the movement and six among them are 'sword strikers' in Ashoura celebrations in Qom. Others are affiliated with a group which sought to stir up chaos, according to their confessions. Official sources blamed the Shirazi movement for the incident and that the rumor that another current is responsible for the incident is untrue.⁽¹⁶⁾

Regardless of the accusations against the Shirazi movement which did not claim responsibility for storming the Fatimah Masumeh Shrine, the government has found a sufficient justification to contain the anger of some grassroots and the non-opposition religious segments due to the closure of the shrines by blaming the storming of the shrines and protests on the Shirazi movement. However, opposition in the beginning of the crisis came from pro-government clerics before the government took the decision to close the shrines.

In Najaf, there has been some opposition to the closure of shrines. But they were not accused of being affiliated with a certain movement or being stooges to outside parties and so forth by the Supreme Marjaya even when the Imam Ali Shrine and Imam Kazem Shrine were stormed by certain movements.⁽¹⁷⁾ Moreover, cleric Bashir al-Najafi said that the closure came in order to protect the lives of the Shiites who love the Imams and are faithful to their sect, asking them to turn to the imams for recovery thereafter.⁽¹⁸⁾

Conclusion

The ideological file sheds light on the developments concerning the closure of shrines and tombs and the position of religious elites regarding this decision. Clerics have justified the decision of the government through fundamental and jurisprudential rules. They also condemned the protesters, branding them as "intellectually stubborn" people who follow in the footsteps of Khawarij. Then the authorities said that the protesters are affiliated with the Shirazi movement who have been embroiled in a long history of hostility with the pro-Velayat-e Faqih current. Accusing the detainees of being affiliated with the Shirazi movement is an attempt by the government to politicize and sectarianize the virus crisis.

We can come up with two important conclusions in this context: First, the Iranian government is able to mobilize clerics supportive of Velayat-e Faqih who can be used for jurisprudential justifications and politicization. Second, the Iranian ruling system's religious elite made a mistake when they delayed the closure of Qom and shutting down tombs and shrines. This raises questions about the government's ability to protect public peace and the Iranian community against emergency crises such as epidemics, floods and earthquakes. All in all, this issue may be a tool used by the Iranian opposition in the future to expose the failure of the government, and its lack of management strategies that has resulted in thousands of Iranian losing their lives.

THE POLITICAL FILE

The rapid spread of the coronavirus across Iran's provinces and the mismanagement of the crisis which has claimed the lives of thousands opened the floodgates for criticism of Iranian President Hassan Rouhani and Supreme Leader Ali Khamenei. The criticism included mismanagement of the crisis, attempts to cover up the outbreak, a lack of transparency, insufficient and ineffective measures to combat the virus, keeping pandemic-hit cities open, not placing infected cases under quarantine, ineffective medical screening, shortage of medical supplies, absence of campaigns to raise awareness and the sale of medicines and medical equipment on the black market.

Due to the record-breaking and harrowing statistics about the number of deaths and infections as a result of the virus, the government found itself prompted to respond to some demands such as imposing a ban on all forms of movement between Iranian cities. This was in addition to closing the religious shrines in Qom and Mashhad and preventing gatherings in public places. However, some criticized these measures, saying they were insufficient because they did not align with expectations or the severity of the crisis. In addition, the measures were delayed, coming into effect after the disease spread in most Iranian cities.

I. Khamenei Politicizes the Epidemic and Accuses Enemies of Creating the Virus to Target the Iranian Genome

After the number of deaths and infections from the coronavirus mounted and reached record-breaking figures, the supreme leader resorted to a conspiracy theory. He wanted to distract attention from the criticisms leveled at him as he covered up the disaster and failed to contain it.

Khamenei made some controversial statements regarding the source of the virus instead of harnessing all government resources to stop its outbreak. In his speech during the Iranian new year (Nowruz) celebrations he said that the enemies of the Iranian government used all means to collect data about the genome of the Iranian people to create strains of the virus to target the Iranian people.⁽¹⁹⁾ The Iranian authorities expelled the organization Doctors Without Borders from Esfahan, the second hardest hit city, after pressure on the Iranian Health Ministry from radicals close to Supreme Leader Ali Khamenei.

Hossein Shariatmadari, who is the editor-in-chief of Keyhan newspaper and close to the supreme leader, justified the expulsion of the Paris-based organization, citing France's support for projects and policies that are hostile to Iran. He also lashed out at the Iranian Health Ministry for allowing the organization to enter the country.⁽²⁰⁾

A conservative lawmaker in the Iranian Parliament representing the province of Esfahan which was hit by the virus, Hossein Ali Dalighani, adopted the same position as Khamenei. He said: "Maybe Doctors Without Borders seeks to conduct research on the virus behind the back of specialists in our country to reach conclusions about the scope of the virus's impact on the genome of the Iranian people."⁽²¹⁾

Up to 100 political and civil activists sent a message to the supreme leader in which

they accused him of being behind the spread of the coronavirus in the country and letting the crisis turn into a disaster. He kept secret and covered up the outbreak in the country for more than a month. Moreover, they leveled accusations at President Hassan Rouhani, who has covered up the truth since the outbreak of the virus. The signatories of the message said that the government deliberately covered up the number of deaths and infections resulting from the epidemic in the country to ensure the participation of the biggest possible number of people in the rallies marking the anniversary of the Islamic revolution organized on February 11, 2020 and to ensure a large turnout for the elections held on February 21.⁽²²⁾

A number of Iranians blame the supreme leader for his delayed response to the financial demands of President Hassan Rouhani to contain the crisis. As a result of the pressure and economic sanctions imposed on Iran and the government's inability to meet the demands at this difficult stage in the history of the Iranian government, President Hassan Rouhani asked the supreme leader to approve the withdrawal of \$1 billion from Iran's foreign exchange reserves (the National Development Fund) to fight the virus and for the purchase of medicines and hospital equipment. But the supreme leader has not approved this request thus far despite the Ministry of Health's dire need for financial aid at the present time.

The supreme leader, over the past years, has approved the withdrawal of \$150 million for Iran's Radio and Television Organization and \$200 million for the Quds Force after the killing of its commander Qasem Soleimani.⁽²³⁾

Supreme Leader Ali Khamenei's approach was also criticized as he securitized the outbreak of the virus in the country. He assigned the task of fighting the virus to the IRGC, which launched a crackdown against journalists and activists who criticized the government's mismanagement of the crisis.

II. President Hassan Rouhani's Slow Response in Taking Precautions to Face the Crisis

President Hassan Rouhani's government also faced significant criticism. Rouhani was criticized for not taking the coronavirus crisis seriously and failing to close pandemic-hit cities and impose home quarantine on citizens. In addition, instead of playing a proactive role in managing this crisis, he delegated his powers to the minister of health. He only attended the meetings of the National Committee on Combating Coronavirus just once a week on Saturdays. The Iranian street has experienced this administrative approach of Hassan Rouhani, represented in downplaying crises and delegating ministers to manage them.

Five months ago, during the massive protests which broke out in different Iranian cities against the decision to raise gasoline prices, Rouhani said that he granted his powers to the minister of interior – who heads *Iran's Security Council** – to manage and implement the gasoline price decision. Moreover, Rouhani asked the minister not to tell him when the gasoline price hike would be implemented. He wanted to hear of the price hike like any other Iranian citizen.⁽²⁴⁾

The government's lack of transparency in announcing the real figures is among the important factors behind the spread of the virus not only in Iran but also in regional countries. The tallies issued by the government on the deaths and infections from the coronavirus are not consistent with those released by hospitals and local authorities.

For example, official tallies put the number of infections on April 29, 2020, at 35,408 people and 2,517 deaths.⁽²⁵⁾ Meanwhile, the tallies of the Ministry of Health and local authorities in different provinces suggest that the number of infections on that day in 31 Iranian provinces reached 66,657 while deaths reached 4,300.⁽²⁶⁾



Unlike the previous remarks of President Rouhani in which he claimed that the first coronavirus infection was reported on February 18, 2020, the government has recently admitted, according to the head of the Endemics Committee at the National Center for Combating Coronavirus Ali Akbar Haqdest, that the coronavirus had broken out in the country in the last 10 days of January.⁽²⁷⁾

Additionally, former Iranian Minister of Health Hossein Qadizadeh Hashemi revealed that he was concerned about the government's approach in managing the coronavirus crisis and he had been warning senior officials in the government of the dangers of the coronavirus in Iran since December 2019. But this advice went unheeded.⁽²⁸⁾

This approach of managing the coronavirus crisis has been exploited by radicals within the Iranian government to level fresh criticism at President Rouhani. The front-runner in the Iranian presidential elections Ebrahim Raisi, who is the current Chief Justice, criticized President Rouhani.

He said that because the National Committee on Combating Coronavirus is a supreme committee, its decisions are binding as it includes the country's senior officials. Therefore, it was imperative for the president to chair its meetings to follow up the decisions issued. He also criticized the decision to convene meetings only once a week and called for holding meetings daily if the need arises.⁽²⁹⁾

As for Mohammad Bagher Ghalibaf, who is among the heavyweight conservative figures and is expected to chair the new Iranian Parliament after winning the elections held last February, he expressed resentment at the government's ineffective approach in managing the coronavirus crisis, ignoring realities and creating unjustified optimism.

He also accused President Rouhani of aggravating the crisis, seeking help and blaming others for the disaster.⁽³⁰⁾ Mohammad Bagher Ghalibaf's criticism of President Rouhani came when he asked those who criticize him to help the government fight the coronavirus outbreak instead of blaming the government because "it is not the time for mobilizing supporters and followers nor is it the time for a political conflict."⁽³¹⁾

Conclusion

A lack of transparency, slowness and stumbling in taking the required measures to fight the virus created distrust among Iranians towards the government. The aforementioned also created a state of deep concern about the ongoing deteriorating economic situation which has worsened since the coronavirus outbreak in the country.

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THE ECONOMIC FILE

The economic file for the month of March focuses on the approval of the new Iranian budget despite objections, the measures taken by the government to combat the coronavirus outbreak and the possible consequences of the controversial budget. This budget comes at a time when Iran is experiencing a sharp economic downturn which started long before the coronavirus outbreak in the country.

Passing the Iranian budget was an exceptional event this year. It was turned down by the Iranian Parliament on several occasions. The budget was approved by the Guardian Council without the approval of Parliament under the pretext that parliamentary sessions have been suspended due to some lawmakers contracting the virus, which has infected tens of thousands of Iranians and left more than 3,000 dead through the end of March 2020.

The virus also led to the suspension of all economic activities which the Iranian economy needs at the current time such as revenues from tourism and exports. This is in addition to the collapse of oil prices globally and the US sanctions strangling all economic sectors in Iran, let alone the forecasts of several international and credit institutions that the downturn of the Iranian economy will continue for the third straight year, resulting in Iran being among the worst performing economies.

Considering the difficult health and economic realities, the ruling system was prompted to intervene to pass the budget despite the measures undertaken by the government. In the current report, we will cast light on these measures to fight the virus and their dimensions.

I. Forcible Passage of the Budget

Rouhani presented the budget for the new Iranian year 1399, March 2020-2021, to the Iranian Parliament in mid-December 2019 for debate and approval. Since then until the beginning of February 2020, the coronavirus crisis did not escalate. In the span of nearly two months, most Iranian lawmakers continued to reject the budget, referring it back to the government for changes. The government had already changed parts of its terms. The two sides continued to go back and forth on this issue for a while.

In the end, Parliament did not approve the budget. It believed that the budget was unrealistic considering the circumstances of the country, citing the US sanctions and the coronavirus. The supreme leader intervened and referred the budget to the Guardian Council. With half of its members directly appointed by the supreme leader, the Guardian Council approved the budget, saying it neither defies the Sharia nor the Constitution. Hence, the budget for the new year was approved after making changes to its volume.

The total value of the budget reached 596 trillion tomans (\$142 billion), according to the official exchange rate and \$36 billion based on the average exchange rate on the free market, where the dollar reaches 16,500 tomans, according to the website of the Iranian budget.⁽³²⁾

More than 77 percent of the budget has been allocated for current expenditures such

as wages, pensions and management and operation of the country's facilities.

The main point of disagreement between the government and Parliament was the former's decision to increase taxes by 23 percent compared to the previous year in order to finance the budget. This hike would come at a time when economic activities and incomes are suspended due to the coronavirus outbreak.

Hence, the government will depend on taxes to secure one third (33 percent) of the budget, in addition to government fees and services. The rest will be secured from transferring financial assets such as selling government bonds (which make up 13 percent of the budget), withdrawing from the National Fund for Development (at least 5 percent of the budget), and other sources such as selling state-owned holdings or getting foreign loans.⁽³³⁾

Although the current budget expected oil exports to be worth 48 trillion tomans (\$11.4 billion according to the official exchange rate and nearly \$3 billion according to the exchange rate on the free market, or what is equivalent to 8 percent of the budget), there is still ambiguity about the volume of oil exports that the government expects in the budget that has already been approved.

Previously, Iran expected revenues nearing 78 trillion tomans (\$18.6 billion according to the official exchange rate and \$4.7 billion according to the exchange rate on the free market) via exporting 800,000 barrels of oil per day in the initial budget bill introduced to Parliament last December before it was struck down.⁽³⁴⁾

Meanwhile, in reality Iranian oil exports never exceeded 250,000 barrels of oil per day from the beginning of the current year and before the outbreak of the coronavirus around the world.

II. Exceptional Financial Measures to Combat the Coronavirus

In order to face the dangerous economic and social consequences of the coronavirus epidemic, the government was encouraged to undertake several financial stimulus measures to prevent the collapse of the economy and maintain social control as business has been suspended and millions of workers have lost their daily incomes. These measures included:



- 1- Iranian President Hassan Rouhani's announcement that 20 percent of the budget of the new Iranian year will be dedicated to combating the coronavirus, or the consequences of the virus, via concessional loans to support businesses and workers.
- 2- Allocating 75 trillion tomans (nearly \$18 billion according to the official exchange rate, and \$4.5 billion according to the exchange rate on the free market) to bail out businesses and firms impacted by the suspension of economic activities at an interest rate of 12 percent for two years. The loans stipulate the impermissibility of laying off workers in travel and tourism offices, as well as in economic sectors such as aviation and transportation. In addition, workers in sports and entertainment complexes and handicraft workshops cannot be dismissed.⁽³⁵⁾
- 3- Offering support to approximately 4 million affected families and to day-to-day workers who lost their sources of income.
- 4- Delaying the payment of taxes, insurance, municipal fees, bank installments and the costs of gas for those impacted.
- 5- Bearing 90 percent of the cost of treating those infected with the coronavirus who do not have health insurance.⁽³⁶⁾

III. The Possible Consequences of the new Budget on the Financial and Economic Situation Amid the Continuation of the Coronavirus Crisis

There is no doubt that the financial stimulus measures undertaken by the Iranian government will help mitigate the negative impacts of the coronavirus on businesses and the millions of workers who have lost their jobs.

The measures shall also grant the Iranian government more time to control the Iranian street. But the government's success in sustaining public support depends on the timespan of the coronavirus. As long as the crisis drags on, businesses shall go bust, livelihoods shall remain suspended, resources shall be depleted, and the government will head into a financial limbo. It may lose its ability to continue providing financial support for the millions who have been affected as well as controlling the lower brackets of society.

High inflation rates will inevitably return, driven by several policies, on top of which comes the pumping of cash into the economy and banking facilitations at a time when production is totally, or in part, suspended. This is in addition to Iran's dwindling foreign exchange reserves given the suspension of tourism and declining exports and oil prices globally as OPEC members failed to reach an agreement to curb output.

This is added to the likelihood that the world economy is heading for a phase of unprecedented recession not seen in decades according to the estimates of the World Bank. This shall impact global trade and supply chains, especially agricultural supplies.

Long-term effects will cast a shadow for a period over certain Iranian sectors even after the end of the coronavirus crisis. The services sector comes on top, as it makes up more than 50 percent of the total Gross Domestic Product of Iran.

Tourism in general and all connected services such as restaurants, hotels, land and air transport, as well as medical tourism, will be affected. Iran has a good reputation among neighboring countries in this regard. But surely that reputation will be affected by the way the country deals with the spread of the coronavirus among Iranians.

The unrealistic sources of revenues for the budget such as increasing taxes and oil exports in light of the ongoing circumstances could lead the government to incur a tremendous financial deficit in case the coronavirus crisis drags on. It is highly likely that it could continue until the end of the year if no vaccine is discovered.

Given this situation, the government has no option but to resort to borrowing from local or foreign entities (China, Russia and international institutions) to cover its future deficit. The Economist Intelligence Unit has forecasted that the deficit in the Iranian budget would rise to 7 percent of GDP compared to 5.8 percent in 2019.⁽³⁷⁾

The harsh financial predicament of the government, amid the spread of the coronavirus, will prompt the different apparatuses of the state to push for US sanctions on Iran to be lifted, presenting Iran as a victim before the whole world as the infections and deaths from coronavirus rise on a daily basis. The United States may respond to international demands to ease the sanctions imposed on Iran considering Iran's inability to combat the coronavirus on its own. If this happens, this will be a godsend for the Iranian economy and an opportunity to take a breath and remobilize its financial resources – unless the United States limits international dealings with Iran to specific areas such as medical equipment related to combating the coronavirus.

Conclusion

In the end, the extent of the Iranian government's difficult financial and economic situation is clear considering the current local and international circumstances.

Therefore, the Guardian Council had no option but to pass the budget despite its unrealistic goals and attempts to compensate those affected by implementing some short-term financial stimulus measures which could help them deal with the crisis as well as enabling the government to control society.

This is in addition to searching for short-term financing channels, without considering any long-term implications, such as increasing taxes, borrowing, taking foreign loans, withdrawing savings, selling assets or possibly printing more bank notes. This way, the situation will further deteriorate at the governmental and social level in case the coronavirus crisis drags on. Therefore, the government is tirelessly attempting to ramp up international efforts to pressure the United States to lift sanctions, or at least ease them, so that it can take a breath.

THE MILITARY FILE

The Military File for the month of March 2020 sheds light on the most prominent military developments. The coronavirus pandemic dominated the scene as the virus spread from China throughout the entire world. Iran's military leaders spoke frequently about the virus. The military establishment and all its offshoots spearheaded the fight against the coronavirus instead of the Ministry of Health in Iran. As a result, the pandemic was used and exploited for the benefit of the government in Iran and the military establishment, especially the IRGC.

I. Claiming That the Coronavirus Is Biological Warfare Against Iran

It was not ruled out that the military commanders in Iran would take advantage of the coronavirus outbreak and employ it politically within Iran's strategy of hostility towards the West. They attempted to rally the people behind the government which has lost popularity amid the current economic conditions. Therefore, the government attempted to win back much of its lost popularity.

According to the statements issued by Mehr and other news agencies in Iran, the commander in chief of the IRGC, Major General Hossein Salami, suggested that the coronavirus may be an outcome of a biological attack targeting China in the first place and then Iran and the entire world.⁽³⁸⁾

He also went on to say that his country today is facing a biological battle. But it shall pursue this battle steadily and firmly.

II. The Military Establishment Takes Over the Coronavirus Issue



The spread of the coronavirus all over Iran after it broke out in the main epicenter in China, resulted in Tehran becoming another epicenter for the virus. This came as the country complacently took precautionary measures to combat the virus. The country did not suspend flights from China to Iran and the Iranian Ministry of Health was unable to take the necessary measures to fight this pandemic which gripped all Iranian cities and provinces and killed a large number of people including government officials. According to sources, those killed by the virus include ministers and several lawmakers, with some reports estimating that 20 public officials had died. This is in addition to several members of the military establishment who contracted the virus. The spokesman for the IRGC, Brigadier Ramadan Sharif, announced on March 11 that five IRGC members died because of the

coronavirus while delivering healthcare services to the Iranian people. He indicated that more than 100,000 IRGC personnel are working to combat the coronavirus.⁽³⁹⁾



Source: Radio Farda, quoting IRNA.

Considering this, the Iranian government assigned responsibility to the military establishment to do everything possible to combat the coronavirus. The Iranian Armed Forces and the country's internal security forces announced preparedness to do this. The IRGC joined them on the frontline.

The military forces, at the beginning of the task, took to the streets under the guise of sterilization, and used slogans for propaganda purposes such as 'We Will Repress the Coronavirus' and 'We Will Defeat the Coronavirus.' This prompted segments of the Iranian people to mock the slogans written on military vehicles, which were deployed for combating the coronavirus in Iran.

The IRGC announced the establishment of a special headquarters for combating the coronavirus and declared that it had harnessed all its capabilities and apparatuses to combat the virus. The IRGC also deployed vehicles to conduct initial testing for this virus.

On the other side, Commander of the Ground Force of the IRGC, Kiumars Haideri, announced the launch of a maneuver dubbed 'We Came to Obey You Khamenei.' On March 23, IRNA news agency, the official news agency, quoted Haideri as saying that the reason behind the maneuver was to show Iran's ability to defend itself against biological attacks. He added that this maneuver included the surveillance of travelers and identifying suspected coronavirus cases in addition to implementing a package of measures linked to the sterilization of public areas. In addition, he announced the preparedness of the army's air defense forces in this respect, as well as the preparation of field hospitals.⁽⁴⁰⁾

Khamenei delegated the Chief of Staff of the Iranian Armed Forces, Major General Mohammed Bagheri, to establish a military headquarters for combating the coronavirus. He added that the headquarters will act as a front against biological warfare. This is in

addition to the remarks of the Deputy Commander of the Iranian Army for Coordination Admiral Habibullah Sayyari that the Iranian ground forces will establish a medical complex where 2,000 beds can be set up in 48 hours if the need arises to treat those infected.⁽⁴¹⁾

III. Popular Anger as the Army Takes Over the Coronavirus Battle Efforts

The intervention of the military establishment led to nothing but popular anger against the methods it was using to combat the coronavirus. Also, the public mocked its methods, especially after the IRGC launched a sterilization drive across Qom. This is in addition to the public accusing the government of mismanaging the pandemic and hiding the true number of infections and deaths.

The IRGC mentioned that the Basij Forces will eliminate the virus so that life can return to normal. The performance of the political system has led to the Iranian people losing confidence in it as well as in the capabilities of the IRGC in containing the virus.

Hossein Rajabi, among other Iranian journalists, said in a statement to Al Mashareq that the incompetence and inefficiency of the government and IRGC in managing this pandemic raised the anger of the Iranian people.⁽⁴²⁾

The Iranian people believe that the IRGC should not have been deployed to fight the virus, as this could lead to a huge disaster for them.

He added that the IRGC is involved in the deteriorating situation in Iran as it did not impose a quarantine at the beginning and decided to continue flights to China via Mahan Air which is affiliated with it. It attempted to enhance its position by exploiting the crisis. The journalist mentioned that the number of flights undertaken to China reached at least 55.⁽⁴³⁾

Conclusion

The coronavirus pandemic dealt a blow to the Iranian government and dented the people's confidence in it. In order to tackle the crisis, it assigned responsibility for combating the virus to the military establishment. However, the military establishment, particularly the IRGC, caused the virus to spread further across Iran. It attempted to exploit the crisis in order to appear as a hero considering its declining popular support.

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Arab Affairs

The armed confrontation that broke out between Iraqi militias and US forces escalated in Iraq. The red lines the United States imposed on Iran following its killing of Qassim Soleimani almost vanished. As a result, Iraq has turned once again into a battlefield. Iran strives to end US presence in Iraq in order to help it consolidate its political domination. However, America perceives Iraq as a strong platform to hinder the Iranian project which aims to dominate and infiltrate the region and threaten its allies. On the other hand, the Iraqi people look forward to establishing a secular state free of sectarianism and corruption. Through the interactions of the three parties, we will monitor and analyze Iran's moves in Iraq.



IRAN AND IRAQ

While the international community is engaged in confronting the new coronavirus pandemic, Iran invests its political and financial efforts to maintain its external agendas in Iraq specifically expelling US forces from the Iraqi arena and forming a pro-Iraqi government to further Iranian interests in Iraq. Therefore, it dispatched Ali Shamkhani, the Iranian Secretary of the Supreme National Security Council, to Iraq to unify Shiite parties on a singular nominee to head the government, who would implement Iran's agendas and increase pressure to expel US forces from the Iraqi arena.

I. The Political Implications of Shamkhani's Visit to Iraq

Heading a high-level political and military delegation, Shamkhani visited Iraq. The visit lasted for two days from March 7 to March 8, 2020. He was the highest Iranian official to visit Iraq after the killing of Qassim Soleimani in Baghdad on January 3, 2020. He met with the three Iraqi presidencies, leaders of political alliances and members of parliamentary blocs who are influential in the Iraqi equation.

Given the timing of the visit, the meetings held, and the content of Shamkhani's statements, it can be said that there were two hidden goals behind the visit. The first goal was to unify Shiite parties to agree upon a candidate to head a new Iraqi government who would meet Iranian specifications, and keep Iraq within the Iranian sphere of influence,



as well as, preserve its gains and allow the implementation of the rest of its expansionist plans in the Iraqi arena. The second goal was to instruct its militias to intensify pressure to expel US forces.

The visit came at a time when the country was facing a crisis in government formation; resulting from Iraqi protests spread across densely populated southern governorates, rejecting the selection of a prime minister from among the same old political elite—who has sectarian and partisan affiliations and works for external agendas while ignoring Iraqi national interests. The protests and the Iraqi government's response led the country to be included on the list of the most corrupt and fragile countries in the world. Therefore, Muhammad Allawi was unable to form a government because he was rejected by the protesters and the Sunni and Kurdish alliances.

Apparently, the commander of the Quds Force Esmail Qaani failed to rearrange the political alliances in a way that would overcome the crisis of naming a prime minister as Iran wished due to his lack of experience in the complex Iraqi file and his poor knowledge of the Iraqi political game. Moreover, he does not possess the charisma of his predecessor Qassim Soleimani and does not have the same deep relationships with the leaders of the Shiite and non-Shiite alliances. Shamkhani's visit aimed to bridge the gaps caused by Soleimani's absence. However, Qaani was unable to influence Iraqi decision making and to organize the Shiite house in accordance with Iran's interests.

In addition to the three Iraqi presidencies, Shamkhani met with the Iraqi Intelligence Director Mustafa Al-Kazmi because he is expected to be nominated as prime minister, and the main leaders of active political currents and alliances in the Iraqi equation that have influence over Iraqi decision making. These meetings aimed to arrange the Shiite house in order to nominate a prime minister in accordance with the Iranian perspective and to exert pressure to expel US forces from Iraqi territories. He met the leader of the Wisdom Movement, Ammar Hakim, the leader of the State of Law Alliance, Nouri al-Maliki, the leader of the Al-Fatah Alliance Hadi al-Amir, the leader of the Victory Alliance, Haider al-Abadi and the Chairman of the Popular Mobilization Forces (PMF), Faleh Alfayyadh.

During his meetings with allies, leaders and Iraqi officials, Shamkhani stated, "Forming a strong and efficient government in Iraq based on the vote of the people is Iran's constant desire [...] Given the political and security conditions in Iraq, the role of the intelligence and security organizations to manage the current situation is very important and complex and the demonstration by millions of Iraqis indicated that the Iraqi people are the flagship on the path of expelling the US forces."⁽¹⁾

II. The Resurgence of the US-Iranian Conflict in the Iraqi Arena

The conflict between the United States and pro-Iran militias in the Iraqi arena intensified after the rocket attack carried out by an Iran-backed militia which targeted the US Camp Taji where international coalition forces fighting against ISIS are based in central Baghdad on March 11, 2020, killing two American soldiers and a British soldier. The following day, American fighters bombed four bases used for weapons and ammunition storage by the pro-Iranian militia the PMF and five Hezbollah Brigades in Jurf al-Sakhar in the Babil governorate. Hours later, the militias re-attacked American bases by targeting the American K-1 base in Kirkuk.

These developments prompted the United States to take a decision to deploy anti-aircraft and anti-ballistic missile systems in Iraq to protect American forces in Iraq from Iranian missile attacks.⁽²⁾

A great deal of evidence proves that Iran instructed the militias to target American bases in Iraq. The attack was carried out just three days after Shamkhani's visit to Iraq

where he praised the role of the Iraqi resistance, referring to the armed militias on the Iraqi scene. These flattering words were seen by the militias as an Iranian green light to launch attacks against American forces in Iraq. In addition, the type of missiles used in the attack against Camp Taji were Katyusha rockets owned by the Lebanese Hezbollah, Iran's military arm in the region.

The Iranian Press TV channel praised the attacks, reporting that 12 missiles were used in the attack targeting the US camp. Media reports had previously indicated that Iran had transferred ballistic missiles to the PMF militia between 2018 and 2019. The Hezbollah Brigades played a role in transferring numerous weapons to the PMF.^[3]

In the past few month, the armed militias sent warnings to Iraqi officials and soldiers to keep away from the US-led anti-terror international coalition. The Hezbollah Brigades threatened the Iraqi prime minister with consequences if voting in parliament failed to expel US forces from Iraq.^[4]

In addition to the foregoing, the organization which claimed responsibility for the rocket attacks on Camp Taji was Asa'ab al-Thaireen, announcing that this attack was to retaliate the killing of Abu-Mahdi al-Muhandis, the deputy head of Iraq's Hashd al-Shaabi or PMF, the former commander of the Quds Force Qassim Soleimani, and their friends near Baghdad International Airport on January 3, 2020. It announced that the organization's attacks will continue until American forces leave Iraq.^[5]

In light of this announcement, Asa'ab al-Thaireen is seen as a new arm which is more radical and violent than other Shiite militias in Iraq since it adopts a militant and resistance approach against American forces to ensure their departure from Iraq, unlike other militias that intended to fight ISIS when it was first established. It is understood from its statement and name as 'revolutionaries' that it adopts Hezbollah's approach with regard to training, armouring, and resistance but is even more violent in order to cause a high number of casualties among American forces until it achieves its goal of pushing the United States out of Iraq. The organization's slogan is very similar to the slogans of other pro-Iranian militias: the Iraqi Hezbollah Brigades, Asa'ib Ahl al-Haq and the Al-Nujaba Movement. Apparently, Iran has sought to establish such groups like As'ab al-Thaireen under its direct command to avoid causing any embarrassment to the active militias that are included under the Iraqi military institution. Asa'ab al-Thaireen cannot be separated from the Iranian project in Iraq although it was denounced by Shiite protesters, in densely populated Shiite governorates once demonstrations broke out against Iranian influence.

III. Iranian Efforts to Nominate the Head of the Iraqi Government

On March 17, 2020, the President of Iraq, Barham Salih, assigned the former governor of Najaf and the head of the trans-sectarian Victory Alliance, Adnan al-Zurfi, to form a transitional government, due to Mohammad Allawi's failure to gain the confidence of the Iraqi Parliament. He was rejected by the Sunni and Kurdish blocs as well as by several Shiite representatives. Allawi has 30 days to form the next Iraqi government. The 30 days are calculated from the day when he was appointed by Salih.

Iranian media indicated the difficult challenges facing Al-Zurfi in gaining Parliament's confidence for several reasons, most importantly: he was rejected by the Al-Fatah and the Rule of Law alliances, unlike Allawi, who was relatively accepted by both Salih and Shiite alliances. However, he was rejected by the militias especially by Asa'ib Ahl al-Haq because of his background and history. Although he started his political activities with the Dawa Party, he left Iraq in 1991 and lived in Saudi Arabia for three years. Afterwards, he moved to the United States from 1994 to 2003. Upon his return to Iraq after the fall of Saddam Hussein's government in 2004, he established the Iraqi Al-Wafa Movement that

had a different approach from the Dawa party. He then took the post of Najaf governor from 2009 to 2015.⁽⁶⁾

He also adopted political positions that rejected sectarianism and external dependence. He supported the protests in the southern provinces that stood against sectarian projects. He said, "I am a democratic nationalist who believes in Iraqi independence away from foreign dependency. Iraq must overcome the religious and ethnic differences in accordance with the foundations of its national values. Iraq is an Arab Islamist country that plays an important role in the region's stability."⁽⁷⁾

However, it seems that Iran and the Iraqi Shiite alliances intended to designate Mustafa Al Kazmi as prime minister. Shamkhani's meeting with Al- Kazmi during his visit to Iraq reflected this position prior to the nomination of Al-Zurfi and the praise given to the intelligence and security forces in managing the next stage. His name was strongly proposed during the meeting of the Iranian ambassador to Iraq, Erj Masjidi with leaders of the Shiite alliances and elements of Hezbollah and the IRGC because of his pro-Iranian positions. It seems that these meetings did not work on the Iraqis who announced plans to organize massive demonstrations to hinder Al-Kazmi being nominated as prime minister. Reports indicated that these reasons prompted Salih to nominate Al-Zurfi as the head of the government. There were reports indicating that he is welcomed by the protesters because he supported the protest movement from the outset.

Conclusion

Iranian moves and trends reflect that its expansionist agenda remains a top priority for the ruling government in Tehran, although a majority of countries are focusing and directing their capabilities to counter the risks of the coronavirus pandemic and despite the fact that the death toll and spread of the infection in Iran is among the highest in the world. It believes that its presence in Iraq is linked with the nature of the political system itself and the supreme leader's project. Though any Iranian loss in Iraq will negatively impact its influence in Syria and Lebanon, Iran continued to deploy its militias to fight against US troops. Iran has no choice but to maintain its influence over Iraqi internal and external decision making, after ensuring the nomination of a new pro-Iran prime minister so that he can maintain Iranian gains as far as possible, and implement the rest of its plans and push for the expulsion of US forces from the Iraqi arena.

Although Iran tried to raise the cost of Soleimani's assassination, the American response for the second time had a stronger deterrence messages than the one sent by the killing Soleimani as the United States used fighters, not drones, to attack Iranian targets. This means that the United States would never fail to protect its interests even if it takes to launching large-scale military operations of special quality and stronger than the operation that led to Soleimani's assassination.

Endnotes

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International Affairs

In March 2020, Iranian international moves included calls on the US to lift its sanctions for humanitarian reasons. This call was endorsed by several countries. However, the US administration has decided to continue with its strategy of maximum pressure on Iran because Iran continues to breach its nuclear obligations, increase its nuclear capabilities, implement policies that undermine security and stability in the Middle East region, and implement schemes in order to turn Iraq into a battleground between Iraqi militias and American forces. All these factors, however, thwarted Iranian efforts to lift US sanctions under the pretext of enabling Iran to confront the coronavirus outbreak.



IRAN AND THE UNITED STATES

American-Iranian relations witnessed several developments during March 2020. The most important of these developments and their implications can be outlined as follows:

I. The Intensification of American Pressure on Iran

In spite of the massive diplomatic campaign Iran carried out against the United States, with Tehran claiming that the US sanctions hinder its efforts to confront the coronavirus epidemic, the US administration, however, imposed more sanctions on Iran. In addition, the United States has intensified its internal pressure on the Iranian government. Pompeo accused the Iranian authorities of hiding the truth about the coronavirus, and misusing humanitarian funds that were meant to fight the spread of the virus. He accused Iranian officials of stealing more than 1 billion euros allocated to fight the virus, and hoarding masks, gloves and other medical equipment needed by the Iranian people to sell on the black market.

In response to the statements of the Iranian supreme leader with regard to the creation of the coronavirus by the United States, Pompeo said, as Khamenei knows, the best biological defense would have been to tell the Iranian people the truth about the Wuhan virus when it spread to Iran, instead of jailing those who spoke out.



Secretary Pompeo

@SecPompeo



As @khamenei_ir knows, the best biological defense would've been to tell the Iranian people the truth about the Wuhan virus when it spread to #Iran from China. Instead, he kept Mahan Air flights coming and going to the epicenter in China, and jailed those who spoke out.



Khamenei.ir

@khamenei_ir

Since there is some evidence that this may be a '#BiologicalAttack,' the establishment of this Base in the Armed Forces for confronting the #Coronavirus may also be regarded as a biological defense exercise & add to our national sovereignty & power. /3

7:37 PM · Mar 12, 2020 · Twitter Web App

Nevertheless, Trump stated that if Iran asked for assistance, the United States would help it to counter the coronavirus. Pompeo linked the offer of US assistance with the condition of Iran releasing dual-national detainees. He urged other countries helping Tehran to demand the release of all dual citizens and warned Tehran against putting any American prisoner at risk.

Date	Sanctions
March 9	America calls on ship captains to take pictures in case they notice an exchange of Iranian banned oil between ships
March 12	The United States extends the state of emergency with Iran that was declared in 1995
March 17	The US Department of Commerce added six individuals and 18 corporations to the US blacklist because of activity or cooperation with Iran on its nuclear and missile programs. This list includes five Iranian nuclear officials, one company in Iran, two entities in China, nine individuals in Pakistan, five individuals in the UAE and two Russian companies for circumventing the license requirements.
March 18	The US Treasury Department imposed sanctions on several entities based in China, Hong Kong and South Africa for cooperating with Iran in the petrochemical sector.
March 19	Five corporations based in the UAE for concluding deals with an Iranian oil company.
March 23	Two individuals and four Iranian and Chinese petrochemical and oil companies were sanctioned for transferring petroleum products of the National Iranian Oil Company. The company was accused of funding the Islamic Revolutionary Guard Corps-Quds Force and its proxies.
March 27	20 officials, individuals and companies based in Iran and Iraq were also sanctioned. The US Treasury accused them of supporting terrorist groups. Iran employs them to fund terrorist groups across the region.

In its efforts to reduce Iranian oil exports, the US administration threatened shipping and insurance companies, as well as ports with sanctions if they stored Iranian oil.

On a related level, in its annual human rights report, the United States accused the Iranian government of using excessive force to suppress the protests in November 2019, killing 1,500 people and detaining 8,600 others, according to the report.

Due to its position on Iran, the American administration was under internal pressure. 34 members of Congress issued a letter urging the secretaries of state and the treasury to suspend the current sanctions and stop any further sanctions as long as the health crisis

is ongoing, as this has repercussions on the region and the interests of the United States.

Within the framework of the regional confrontation, American air strikes targeted five locations of pro-Iranian militias in Iraq, after these militias attacked the American base in Taji, killing three personnel: An American and British soldier, and an American contractor. US Defense Secretary Mark Esper announced that the US President Donald Trump has given him all the authority to respond to these terrorist attacks.

This escalation was preceded by the announcement of the commander of the US Central Command, General Kenneth Mackenzie on March 10, 2020 that the American army is in the process of bringing and deploying anti-aircraft and anti-ballistic systems in Iraq in order to protect American forces in Iraq from Iranian missile attacks.⁽¹⁾

On the international level, American efforts are ongoing to extend the United Nations arms embargo imposed on Iran that ends in October 2020, and Pompeo recently told Congress that Russia is preparing to sell advanced weapons to Iran the minute the embargo ends. Russia has indeed announced its intention to use its veto against any new Security Council resolution to extend the embargo. Meanwhile, the International Atomic Energy Agency (IAEA) has questioned Iran's nuclear obligations. The United States seeks to leverage this in order to create an international consensus against Iran.

II. Iranian Reactions to the American Escalation

Iran has undertaken an extensive official diplomatic campaign entitled “Stop the sanctions imposed on Iran” because it considers the economic pressure imposed by the United States in view of the coronavirus outbreak as medical terrorism.⁽²⁾ In this regard, President Rouhani sent a message to many of his counterparts around the world urging them to disregard American sanctions, and to put pressure on the Trump administration in order for it to suspend the sanctions. Iran's parliamentary speaker Ali Larijani made similar efforts with his counterparts in some countries. The foreign minister also tweeted: “The world can no longer remain silent as US economic terrorism is supplanted by its medical terrorism.”⁽³⁾

The Iranian grassroots campaign has been conducted to counter US sanctions. This campaign, named “80 Hours for 80 Million,” aims to pressure the Office of Foreign Assets Control (OFAC) of the US Department of the Treasury (OFC) to lift its sanctions against Iran.

In response to Trump's offer of assistance to Iran, Khamenei said that America is untrustworthy to help Iran in its fight against coronavirus. He accused the US government of “making the coronavirus” by saying the coronavirus was specifically created to target Iran.

The Iranian diplomatic campaign resulting in a positive response from some parties. In this regard, the representatives of Iran, Russia, China, Cuba, North Korea, Iraq, Venezuela and Nicaragua sent a letter to the United Nations secretary-general calling for the need to lift sanctions on Iran. Hilal Elver, United Nations Special Rapporteur on



Javad Zarif ✓ @JZarif · Mar 7

.@realDonaldTrump is maliciously tightening US' illegal sanctions with aim of draining Iran's resources needed in the fight against #COVID19—while our citizens are dying from it.

The world can no longer be silent as US #EconomicTerrorism is supplanted by its #MedicalTerrorism.

the right to food, called for international sanctions on countries like Iran, Syria and Venezuela to be lifted due to the spread of the coronavirus.

On the regional level, Iran rejected US accusations of being indirectly responsible for the attack on Camp Taji that killed American and British personnel. However, the escalation that followed Shamkhani's and Esmail Qanni's visit to Iraq, the new commander of the Quds Force, gives an indication of Iranian priorities in Iraq in the post-Soleimani phase, especially after Iran has repeatedly called for American withdrawal from Iraq.



On the other hand, Iran sensed the seriousness of the agreement signed between the United States and the Taliban in Afghanistan. Thus, the Iranian Foreign Ministry through Javad Zarif criticized the agreement and declared it lacked a legal basis. Iran is concerned that the agreement will lead the Taliban to gain power again, which may pose a challenge to Iran.

Internationally, Iran still bets on the position of the international powers that oppose the unilateral US withdrawal from the nuclear agreement. It continues to discuss the issue of keeping the agreement intact with these parties through the Vienna talks⁽⁴⁾ while Iran ensures that none of these parties join the American position. It would never allow the IAEA to visit some sites, if it believes that the IAEA's requests are based on US pressure. In addition, Iran also threatens to withdraw from the NPT if the international community does not meet Iran's demands.⁽⁵⁾ At the same level, the mechanism INSTEX concluded its first transaction of medical supplies offered by Germany. The United States has been working to disrupt this mechanism since its inception. Thus far, the activity of this mechanism falls short of Iran's ambition.

III. The Implications of the American-Iranian Escalation

Although the coronavirus crisis overshadowed the disputes between the American and Iranian sides, and despite the human dimension of this crisis and the sympathy exhibited by some international powers to Iran and their calls on the United States to ease its pressure against Iran, these countries have provided only medical and humanitarian assistance so long as it does not violate US sanctions. The two sides have, however, maintained a policy of escalation as the United States intensified its economic pressure on Iran, and Iran maintained its policy of confrontation and indirect escalation. In addition to its preoccupation with the coronavirus crisis, the US administration is still facing temporary pressure on its policies towards Iran which may affect its maximum pressure strategy.

As a result of the ongoing escalation, Iran's internal situation has deteriorated. This has been more visible after the spread of the coronavirus that has exposed the poor

efforts and capabilities of the government to counter it, even as the government tried to exploit the crisis, shifting responsibility for it to outside pressures, and even to win international sympathy.

On the other hand, the tension has escalated in some of the region's conflict zones. The features of this tension become more apparent on the Iraqi scene given the escalation and the attacks carried out by each party against each other's interests. It appears that this arena will be a stage for confrontation between the two sides during the next stage, especially after the US National Security Council recommended punishing Iran for launching an attack on Camp Taji and holding it responsible for killing Americans, which is a redline for Trump, as well as for the escalation by the Houthi militia against targets inside Saudi Arabia, thus resuming its aggression against US regional allies.

Finally, Iran took advantage of the state of confusion on the international scene and the declining possibility of confrontation by accelerating the pace of uranium enrichment in order to exert pressure on international parties to find solutions to the nuclear agreement crisis.

The supreme leader has closed any door that could lead to positive understandings with the United States, as is the case with the American position. It seems that Iran's resistance economy policy, calculated regional escalations, threats of uranium enrichment, the use of advanced centrifuges, the development of missiles and waiting the results of the American presidential elections will be among Iran's pressure cards during the coming stage. Iran also exploits American and international concerns regarding the coronavirus, and the possible effect of this crisis on Trump's fortunes.



Military Institution in Iran, Between Revolution and Statehood

This book is translated from Arabic into English. It includes seven studies discussing Iran's military institution, as it is an integral player in the Iranian political system based on a top-down approach moving from specific details to a general overview.

IRAN-EUROPE RELATIONS

The COVID-19 outbreak, rapidly spreading across Iran, has dominated Iranian foreign policy. The economic blow of the coronavirus pandemic along with the US maximum pressure campaign have pushed Iran to call on its European allies to lift sanctions and not to follow US policy on nuclear deal. Moreover, the International Atomic Energy Agency (IAEA) reports which condemned Iran's non-transparent nuclear program played a key role in Iran-Europe relations in March.

Here we review Iran-Europe relations through analyzing three main topics: The future of the nuclear deal after the IAEA reports; Iran's calls to lift US sanctions amid the COVID-19 outbreak; and European humanitarian aid to Iran.

I. The Future of the Nuclear Deal After the IAEA Reports

On March 3, the IAEA accused Iran of failing to cooperate with the agency in answering questions related to sites Iran uses for enriching uranium after uranium particles were detected at an undeclared site in Iran.⁽⁶⁾ The IAEA Director General, Rafael Mariano Grossi said, "Iran had not provided access to the sites in question and had failed to clarify inspectors' questions [...] I call on Iran to cooperate immediately and fully with the Agency, including by providing prompt access to the locations specified by the Agency."⁽⁷⁾



According to the IAEA's report, as of February 2020, Iran's stockpile of Low Enriched Uranium (LEU) increased by 648 kilograms reaching up to 1,020 kilograms, more than three times the amount allowed under the JCPOA.⁽⁸⁾ At the same time, Iran has kept its enrichment level at 4.5 percent—more than the 3.67 percent specified in the deal.⁽⁹⁾ Theoretically speaking, some experts believe that if Iran keeps enriching uranium at this rate along with its current stockpile, it will probably be able to produce unsophisticated nuclear weapons within six to 12 months. It is worth mentioning here that Iran has been gradually reducing its commitments under the nuclear deal; Iran made its fifth breach of the JCPOA when it declared that it would no longer be committed to the operational restrictions set in the nuclear deal.

Following his meeting with the IAEA director on Tuesday March 3, French President Emmanuel Macron called on Iran to cooperate immediately and fully with the IAEA and disclose its past nuclear activities.⁽¹⁰⁾ In response, Iran's Foreign Ministry Spokesman Seyed Abbas Mousavi said on March 11 that the IAEA's allegations were based on false reports from countries hostile to Iran.⁽¹¹⁾ "The Islamic Republic of Iran will not recognize any allegations on past activities and does not consider itself obliged to respond to such allegations," Iran's Ambassador to the IAEA Kazem Gharib-Abadi said.

In response to the European inability to mitigate Iran's economic crisis as a result of the US sanctions, Iran has gradually and repeatedly breached its commitments under the nuclear deal. After the European troika triggered the JCPOA's Dispute-Resolution Mechanism (DRM), Iran reduced its escalation and responded to the demands of the EU High Representative for Foreign Affairs and Security Policy, Josep Borrell. Iran was careful not to lose one of its most significant international allies. Regardless of its repeated breaches under the nuclear deal disclosed in the IAEA reports, Iran keeps trying to convince its European counterparts that it is fully willing to return to its commitments under the nuclear deal once they [the European countries] put forward effective solutions to the US sanctions. "Everything we are doing is reversible," Mohammad Javad Zarif, Iran's foreign minister, confirmed.⁽¹²⁾

II. Iran's Demands the Lifting of US Sanctions Amid the COVID-19 Pandemic

In response to the COVID-19 pandemic, the Iranian government launched a massive diplomatic attack against the United States through its embassies in Europe, claiming that US sanctions hinder government endeavors to address the pandemic. During phone calls with his British and Croatian counterparts and discussions with the EU high representative,⁽¹³⁾ Iran's Foreign Minister Javad Zarif urged the Europeans to violate US sanctions on Iran under the pretext of addressing a human catastrophe resulting from the coronavirus pandemic.⁽¹⁴⁾ The Iranian ambassadors to the UK, Georgia and Sweden echoed the Iranian government's demand, calling for the lifting or violation of US sanctions.

In a post on his Twitter account, Iranian Ambassador to the UK Hamid Baeidinejad expressed his discontent over the UK government's response to the Petitions Committee of the House of Common which called for the immediate suspension of US sanctions on Iran amid the coronavirus pandemic. 14,000 people in Britain have already signed this petition. "The British government in response to the petition to lift sanctions against Iran responded that limited UK human rights sanctions and export of special equipment for military use, did not have much of an effect on Iran's ability to counter coronavirus," Baeidinejad tweeted on March 31.⁽¹⁵⁾

In March, the United States placed further pressure on the Europeans to adopt stricter measures against Iran and its proxies in the region—which they had rejected before. The Europeans had also refused to impose new sanctions⁽¹⁶⁾ in the second half



of 2019, confirming that the European troika is not aligned with the US maximum pressure campaign on Iran. With caution, the European troika expressed its independence from US policy towards Iran and triggered the DRM, stressing clearly that its goal is to maintain the nuclear deal. At the meeting of G7 foreign ministers on March 25, Secretary of State Mike Pompeo urged the Europeans to follow US policy towards Iran⁽¹⁷⁾— no European response was reported.

It is worth mentioning here that the Trump administration faces internal pressure: US Democratic senators called for the lifting of US sanctions on Iran. The US government also faces external

pressure: international calls, whether from the European Union, United Nations or other international powers,⁽¹⁸⁾ demanding that the Trump administration lift or ease US sanctions on coronavirus-affected countries like Iran, so it can address the pandemic. However, the United States still refuses to lift sanctions, stating that humanitarian and medical aid to Iran is not sanctioned.

III. Europe's Humanitarian Aid to Iran

To help Iran and those affected by the massive spread of COVID-19, the European troika sent 5 million euros in humanitarian aid to Iran including medical equipment, the UK ambassador to Iran reported on March 16.⁽¹⁹⁾ The first humanitarian package of medical supplies was shipped from Paris to Tehran by Iran Air on Wednesday March 18. It was prepared and sent by the French Organization of Humanitarian Aid (BIP), Fars News Agency reported.⁽²⁰⁾

At a press conference on March 23, High Representative for Foreign Affairs and Security Policy and Vice-President of the European Commission Josep Borrell announced that the European Union will send 20 million euros in humanitarian aid to help Iran address the COVID-19 pandemic.⁽²¹⁾ "We also agree in supporting the request by Iran and also by Venezuela to the International Monetary Fund (IMF) to have financial support," Borrell said.

The European Union, particularly the troika, would not want to lose their regional ally, Iran, over humanitarian and political considerations. A year-and-a-half of mutual finger pointing led to a trust deficit in the Iran-Europe relationship which was further eroded by Iran breaching its commitments under the nuclear deal and the European countries failing to keep their promises to the Iranian government. Thus, it is not shocking to see the Europeans offering humanitarian aid and political support to help the Iranian government survive the coronavirus outbreak.

Part of the European support, the first financial transaction via the INSTEX mechanism concluded on March 31, received a great deal of attention⁽²²⁾ because it was activated 14 months after its implementation (January 2019) and amid a global pandemic that demolished the Iranian government's abilities and killed thousands of Iranians. The transaction was for approximately 500,000 euros of medical equipment a German exporter had developed for several months.⁽²³⁾ The transaction is not linked to the coronavirus pandemic in Iran.⁽²⁴⁾

Conclusion

The Iranian government has been suffering from the rapid spread of COVID-19 across the country. It has received humanitarian aid, including medical supplies from its European allies. The first transaction of the long-awaited INSTEX, implemented 14 months ago, was finally concluded in late March. In spite of the IAEA reports confirming Iran's non-compliance and refusal to allow access to IAEA inspectors to specific sites and clarify its past nuclear activities, the European Union still clings to the negotiations undertaken by the joint committee to maintain the nuclear deal and make Iran return to its commitments under the 2015 JCPOA.

IRAN-RUSSIA RELATIONS

The COVID-19 outbreak amid US sanctions has impacted the Iran-Russia relationship. Iran's repetitive claim that US sanctions hinder its ability to address the crisis were strengthened by remarks made by Russian officials. Russia increased its support to the Iranian government, especially to its medical sector to fight COVID-19 and their bilateral economic relationship will continue. Here, we will review the developments in the Iran-Russia relationship in March 2020.

I. Russia-Iran Position on US Sanctions Amid the Coronavirus Crisis

For political considerations, Russia and Iran turned a deaf ear to the US offer of humanitarian aid to help Iran combat its coronavirus crisis after its initial outbreak in the country. The Iranian President Hassan Rouhani described it as "Washington's vague offer." Instead of accepting the US humanitarian aid, Iranian officials made remarks accusing the United States of triggering biological warfare against Iran. Russia is aligned with Iran in rejecting US sanctions; the Russian Foreign Ministry described US sanctions as 'anti-human' citing the remarks of Rouhani and other Iranian officials about them.⁽²⁵⁾

The massive spread of the coronavirus in Iran is reportedly due to the reckless policies of the Iranian government. Following the initial outbreak of the virus, the government did not adopt strict measures and failed to impose a complete lockdown across the country especially in the Iranian hotbed of the coronavirus, Qom. Also, it did not oppose the illogical remarks and behavior of radical clerics. Consequently, the country's health system has almost collapsed, overburdened due to the pandemic. Iranian officials resorted to blaming US sanctions for their inability to address the crisis. Though Iran failed to fight the coronavirus, Russia praised Iranian efforts to combat the coronavirus. Russia is keen to maintain its interests with Iran, including Iran's nuclear deal with the world's powers. The Russians have also called for the immediate lifting of US sanctions imposed on Iran, highlighting that it is not the time for geopolitical calculations. They have argued that US sanctions are baseless and imposed by Washington to achieve its ambitions.⁽²⁶⁾

Though US sanctions do not ban humanitarian aid to Iran, the Russians and Iranians have seized the opportunity to place further pressure on the US administration by calling on the international community to condemn US sanctions. Russian officials have called on the "illegal and baseless" US sanctions imposed on Iran to be lifted immediately as they block Iran's access to humanitarian aid. In international forums, Russia promised Iran that it would exert efforts to help ease or suspend US sanctions imposed on it and to continue sending medical supplies to combat the coronavirus.⁽²⁷⁾

In a tweet posted on March 10, the Iranian Ambassador to Russia Kazem Jalal said, "The spread of coronavirus sounds the alarm bell across the world. This global pandemic does not recognize borders and attacks all humans with no mercy. To combat this catastrophe, we, humans, need to work together. We all will fail or defeat coronavirus

with global measures. I had highlighted when meeting with Russian officials that the international community shall work to lift the shameful, illegal and tough US sanctions which are crimes against humanity. Sanctions limited Iran's financial revenues and ability to combat coronavirus."⁽²⁸⁾

In a tweet, Iran's Foreign Minister Mohammad Javad Zarif said that the United States has "gone from sabotage and assassinations to waging an economic war and economic terrorism on Iranians to medical terror amidst COVID-19." The US State Department's spokesperson replied to the Iranian authorities' allegations and to Zarif's tweet saying, the regime could access the billions in Khamenei's "tax-free hedge fund" to fight the coronavirus pandemic.⁽²⁹⁾

II. Iran-Russia Cooperation

Russia attempts to help the Iranian government by calling for US sanctions to be lifted amid the massive spread of coronavirus which has overwhelmed the country's health system. The Iranian Embassy in early March announced that Russia sent medical supplies to Iran, including 50,000 coronavirus testing kits. On a phone call with the Iranian Ambassador to Russia Kazem Jalali on March 17, Russian Deputy Foreign Minister Sergei Ryabkov stressed that his country will continue sending humanitarian aid to the Iranian government and that Russian officials will study the measures required in this regard. He also said that Russia has taken steps to help lift the sanctions imposed on Iran. The Russian measures came in the context of the two countries' efforts to enhance their cooperation through all means possible, including the activation of INSTEX.⁽³⁰⁾

In a phone conversation with his Russian counterpart President Vladimir Putin, President Hassan Rouhani said, "The Iran-Russia relationship is solid and growing. We are ready to boost collaboration in all fields of mutual interest." According to the latest developments in the nuclear deal, Rouhani praised Russia's support saying, "We will adhere to the commitments under the nuclear deal as long as Iran enjoys its benefits. We hope all parties under the agreement maintain the deal." Putin stressed the significance of mutual collaboration between the two countries in all fields, including the nuclear deal saying, "The recent summit of experts in Vienna laid the ground for settling this issue, especially with regard to the fact that Tehran has cooperated with the International Atomic Energy Agency (IAEA)."⁽³¹⁾

In the context of the Astana talks, President Putin announced Russian plans to hold a trilateral summit on Syria between Russia, Turkey, and Iran. He also said that the Astana talks have been instrumental in resolving the Syrian crisis, adding that the creation of de-escalation zones must be included in fighting terrorism.

In the context of parliamentary cooperation, Iranian Ambassador to Russia Kazem Jalali met with Konstantin Kosachev, the head of the Foreign Affairs Committee in the Russian Parliament's upper house on Tuesday, March 3. Kosachev expressed his satisfaction over the joint support of Russian and Iranian parliament members for their initiatives in international organizations, including the Shanghai Cooperation Organization (SCO). He also stressed the significance of bilateral parliamentary relations to boost Iran-Russia economic projects.⁽³²⁾

In a phone conversation with State Duma Speaker Vyacheslav Volodin on March 26, Iranian Parliament speaker Ali Larijani discussed the potential means to boost bilateral relations in all fields. Volodin said that his country will send medical and humanitarian aid to Iran, stressing the importance of continuously enhancing mutual collaboration. "The Duma seriously seeks to implement all agreements concluded with Iran," Volodin added.⁽³³⁾

Conclusion

The coronavirus outbreak deepened the trust deficit between the Iranian people and their ruling system. They held Khamenei and Rouhani responsible for the deteriorating situation in Iran. The Iranian people do not trust the effectiveness of government measures to combat the coronavirus nor do they trust the health care system provided by the government to Iranians in minority regions.

Internationally, Iranian efforts to place further pressure on the international community under the pretext of humanitarian aid, claiming that US sanctions hinder government efforts to combat the virus, failed. The US administration has said that medicines and medical supplies are not sanctioned, adding that Iran could access its money reserves to improve its performance in fighting the virus. The Iranian supreme leader refuses to use this money to combat the coronavirus and previously declined to use it to combat the flood crisis last year.

The suspension of the Iranian Parliament led the supreme leader to submit the general budget to the Guardian Council for ratification. The new budget includes new taxes and illogical figures. Apparently, it will be subject to a second modification just as what happened with last year's budget. A new wave of public protests is likely to spread across the country due to the new taxes listed in the budget.

Despite its internal woes, Iran has not stopped its expansionist projects in the region, especially in Iraq. Iranian officials have played a role in controlling the political developments in some countries by supporting specific political parties that are loyal to Iran's expansionist project. Iran also kept violating the nuclear deal and is now more capable of producing nuclear weapons compared to the pre-2015 nuclear deal situation. As the arms embargo imposed on Iran is supposed to be lifted in October 2020, Iran's intention to increase its arms is clear; the government has refused to use its reserves to combat the coronavirus outbreak and improve the deteriorating economy.

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