

MONTHLY REPORT



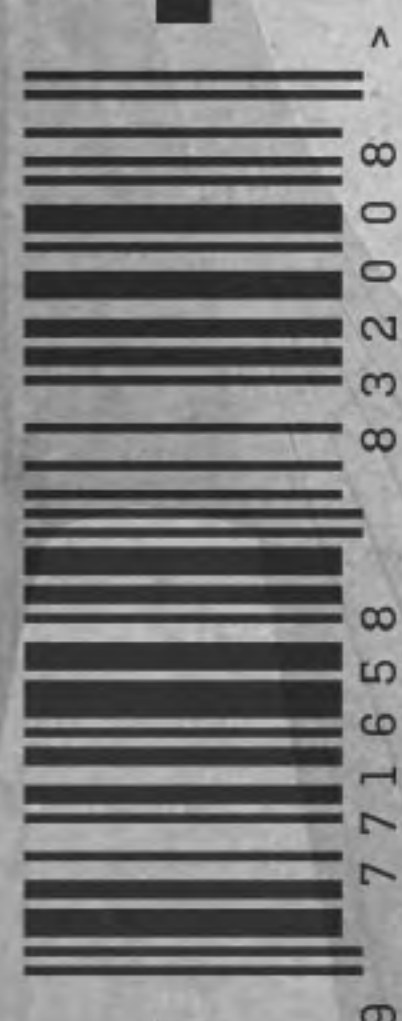
# IRAN CASE FILE

Your window on Iran from inside and abroad

May 2020



**RASANA**  
المعهد الدولي للدراسات الإيرانية  
International Institute for Iranian Studies



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May 2020

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# THE EXECUTIVE SUMMARY

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In May 2020, Iran undertook several steps in regards to its outstanding issues. These steps occurred while Iran partially lifted the lockdown that has been in place in the country since the outbreak of the coronavirus. Internally, there has been an ongoing debate about the ramifications of reopening religious seminaries on May 28, 2020, and the impact of this on the number of coronavirus infection cases. Iran has been unmindful of the impact of the pandemic on its general policies, particularly those concerning its political project at home, across the Arab world and globally. Iran's political project aims to strengthen the power of clerics within Iran as well as their clout and influence across the region. These clerics continue to reject negotiations with global powers on outstanding issues such as changing the behavior of the Iranian government and the future of the nuclear deal.

During May, Iranian hardliners cemented their control of all state apparatuses when they took their seats in Parliament. This led to the election of Mohammed Bagher Ghalibaf, who is a former IRGC commander, as Parliament speaker. After being elected, he lashed out at the Iranian President Hassan Rouhani. By analyzing the performance of the Parliament speaker a few days after his selection, we can predict Iran's trajectory in the coming year until the presidential elections and the implications of his selection for the country's domestic policy.

At the economic level, the Iranian government has not provided meaningful solutions to its economic crisis. Rather, it has resorted to politically-motivated and propaganda-oriented steps instead of undertaking well-advised policies to alleviate the suffering of the Iranian people at the economic level.

Iran exporting gasoline to Venezuela via five oil tankers was a political gesture, not a solution to the embargo imposed on its oil exports. The price which Iran reaped from exporting gasoline to Venezuela is ten-fold its real value. The reasons for this are explained in the report.





The Military File discusses the possibility of the snapback of UNSC sanctions . It concludes that the arms embargo might be extended for a year if the US accepted back as a compliant JCPOA party in return for Washington lifting its unilateral sanctions on Iran. Tehran for its part would have to agree to fully comply with the JCPOA's enrichment-related clauses. Meanwhile, the dispute resolution mechanism process should be frozen as well. Such a compromise can be a precursor to a long-term solution especially if Trump loses in the upcoming US presidential elections.

On the Arabian affairs level, Iranian presence in Syria faced two main challenges: Israeli missile strikes targeting Iranian forces in Syria and Russia's divergence with Iran on whether Assad should remain in power or not Both challenges could reduce Iran's presence significantly or, perhaps, totally wipe it out.

Iran's response to these two challenges was to obtain more long-term economic contracts in oil exploration as well as in building oil refineries. Iran's objective is to strengthen its role in Syria and to reap benefits to cover the costs of its presence in the country.

In regards to the future political set-up in Syria, Iran was unable to reach an agreement with Russia on this matter. Russia seemed to be more interested in reaching an agreement with Turkey in this matter with the aim of reducing Iran's role as much as possible. In response to intensified Israeli strikes on Iranian positions, Iran has pursued a tactic of redeploying its forces in Syria. The move was interpreted by some as an Iranian withdrawal. But others believed it was merely a redeployment of its forces. In both cases, Iran appeared unable to defend its forces in Syria, especially in light of Russia's control over Syrian air defenses.

In the framework of these interactions, the report analyses Iranian policies in Syria during this delicate phase in the Syrian conflict, which is expected to witness major political transformations.

In Lebanon, where popular protests failed to reduce the political role of the Iran-backed Hezbollah, the German decision to designate Hezbollah, both its political and military



wings, as a terror organization dealt a huge blow to the party's movements overseas, especially in Germany and Europe in general. The German decision had repercussions in Europe, as Austria followed in its footsteps only a few days after Berlin announced its decision. Other European countries are expected to follow suit.

The impact of the decision on Iran-German relations has been clear. Iran has launched a media campaign against Germany, branding it as a US puppet and accusing it of selling weapons in conflict zones.

But, the Lebanese domestic front, which is the most important dimension, was unable to blame Hezbollah for isolating Lebanon and causing economic and political havoc in the country due to its role as a political actor within the Lebanese state.

The report discusses what could happen if there is a political and economic boycott imposed on the entire Lebanese state due to the terror activities of Hezbollah.

At the international level, the US is still implementing its maximum pressure strategy by imposing more sanctions on Iran. On top of these sanctions, this month Washington revoked the nuclear cooperation sanctions waivers that were granted to foreign companies.

The US believes that the maximum pressure strategy is achieving its ends, but Iran believes that it has managed over the past two years to endure US pressures. As the US elections, to be held by year-end, are drawing near, Iran believes it has not yielded to US conditions nor has it renegotiated the nuclear deal. As for Europe, it appears that it has shifted closer to the US position on Iran over the past few months. Europe shifted its position as Tehran reduced its nuclear commitments and conducted missile tests. Europe differed with the US on two main points in relation to the Iranian file: extending the arms embargo imposed on Iran and the US decision to revoke the nuclear cooperation sanctions waivers granted to foreign companies. Europe explained its position by arguing that the arms embargo being lifted on Iran is its right as stipulated in the nuclear deal which is still in place. In addition, Europe argued that the presence of foreign companies in Iran granted Western countries regulatory powers over Iran's nuclear program, preventing Iran from taking steps beyond what was agreed in the nuclear deal.

The *Internal Affairs* file deals with Iranian interactions via four files, foremost of which is the *Ideological File*.

This file discusses the religious seminaries' interactions in light of the decision to reopen seminaries and shrines. In addition, it examines the attempts by Iranian clerics to influence the Iraqi decision to keep its border crossings with Iran shut.

In *The Political File*, the most highlighted development was the election of the Iranian Parliament's Presidium, which is now controlled by the conservatives, setting the scene for a new phase of adopting radical policies in Iran and the imminent rise of the conservatives to the presidential position in the elections to be held next year.

*The Economic File* discusses Iran dispatching five fuel tankers to Venezuela. This



# Internal Affairs

**C**ountry is suffering due to an economic embargo that has been imposed on it by the United States. Iran's decision to dispatch tankers was for political ends and propaganda purposes within Iran and not for temporary financial relief.

Despite Iran's announcement that it is ready to send more fuel to Venezuela, in the future, some domestic circumstances along with fears that US threats could be actually real will no doubt restrict Tehran. Militarily, the Iranian frigate Jamaran's firing of a missile at the support vessel Konarak which claimed the lives of some Iranian soldiers sparked debate over the competency and training of the Iranian forces. This incidence follows the downing of the Ukrainian jetliner via a missile launched by the IRGC.





# THE IDEOLOGICAL FILE

This file sheds light on the ideological developments during the month of May 2020 and the impact of these developments on the religious and political scene in Iran.

During the month of April, the *Ideological File* shed light on the debate within Iran's religious elite concerning calls to reopen holy shrines. This is in addition to Iranian officials linking Imam Mahdi's reappearance with the coronavirus pandemic. The file this month casts light on the decision to reopen shrines, allow religious gatherings, resume scholastic activities in the seminaries and the Iraqi authorities' refusal to reopen border crossings to Iranian visitors.

The report seeks to answer questions about the reopening of shrines (aims/objectives), the entities responsible for this decision, and the relationship between reopening shrines in Iranian cities and the ongoing calls by Iranian officials to allow Iranians to visit holy shrines in Iraq.

## I- Officially Reopening Mosques and Shrines

There were statements by officials earlier this month that shrines and religious centers would remain closed until health officials gave the green light to reopen them whether for the Night of Power or for other occasions. However, there were some adjustments to the plans to reopen shrines and allow prayers after the National Committee on Combating Coronavirus had agreed to the aforementioned. The supreme leader himself stated that he did not initiate any plans to accelerate the reopening of shrines and that he follows the opinion of experts of the National Committee on Combating Coronavirus.<sup>(1)</sup> However, he said, "But we should pay heed to prayers and supplication to God Almighty, especially in the holy month of Ramadan and the Night of Power, which is one of the basic and indispensable needs of citizens."<sup>(2)</sup>

He also hinted at the possibility of outlining strict rules in case of religious centers reopening, pointing out that "believers and mosque goers will abide by them."<sup>(3)</sup> It seems that this was to prepare public opinion for the reopening. Ayatollah Alamulhuda echoed his remarks. He expressed the readiness of officials in Mashhad and at the Razavi Shrine to receive visitors while implementing the necessary health measures set by those concerned.<sup>(4)</sup>

It seems that the supreme leader and Iran's religious elites exerted pressure on health officials to reach a decision to end the closure of religious centers and seminaries in the country. The Minister of Health Saeed Namki announced that a meeting was held at the request of the supreme leader to find a way to reopen mosques to worshippers. He said, "Fortunately we have reached a suitable solution which will be announced soon."<sup>(5)</sup>

As a result, the National Committee on Combating Coronavirus on May 16, 2020, took a series of decisions, including the reopening of shrine courtyards, which reopened at the beginning of Shawwal, permitting Eid prayers across the country, and allowing gatherings on World Qods Day in the white zone provinces.<sup>(6)</sup> The shrines were opened on May 25 after a 70-day long closure.

The decision to reopen shrines was premised on the condition that they shall be open to visitors one hour before sunrise and one hour before sunset every day. But this condition was later reversed in response to health precautions and guidelines.<sup>(7)</sup>



However, Ayatollah Alamulhuda expressed opposition to the conditional and restricted reopening of shrines.<sup>(8)</sup> He said, “People have contact with each other in the market. They speak and deal with each other. But in the shrine, all people visit the place, but the sole communication they can do is stand together. Which medical or scientific justification could allow for the closure of shrines during the night and opening them during the day?”<sup>(9)</sup> This was echoed by the Minister of Interior Abdul-Reza Rahmani Fazli, who said, “We should be able to adapt peacefully with the coronavirus. Life should go smoothly and activities in society should be undertaken. This should happen while taking into account full commitment to health protocols and guidelines by the people and officials.”<sup>(10)</sup>

## II- Resuming Religious Seminary Lessons

The religious seminary in Qom has resumed its scholastic activities on May 28. The Bahath e Kharij (postgraduate) and (al-Sutuh al-Ulya) intermediate lessons have also resumed.





Ayatollah Al-Arafi has called on teachers in the seminary to do their utmost s to deliver the Bahath e Kharij and al-Sutuh al-Ulya lessons in the seminary in the beginning of July. He called for instructions to be observed to make up for and complete the curricula of the religious seminary.<sup>(11)</sup>

Iranian President Hassan Rouhani announced last month that the director of religious seminaries called on the government to move forward the date to reopen shrines. It seems that President Rouhani at the time understood these pressures. He said: "The government reversed its decision at the request of the director of religious seminaries and put forward the date of reopening the religious places by 15 days."<sup>(12)</sup>

In conclusion, clerics since the beginning of the crisis opposed the closure of shrines and religious centers and their opinion to accelerate their reopening has been given precedence over the opinion of health experts.

Moreover, people working in the health sector may come under pressure to endorse this decision.

### III- Pressures on Iraq

It seems there are still Iranian pressures being exercised on Iraqi authorities to open the border crossings to visitors from Iran. Iraqi officials said that the opening of the crossings with Iran has not been decided yet. The spokesman for the Border Ports Commission in Iraq Alaaeddin al-Qaisi said: "Fars news agency cited reports that Iran plans to resume visits to the holy shrines in Iraq despite the closure decision. We, on our part, reiterate that the border crossings with Iran and Kuwait are totally closed to trade and travelers."<sup>(13)</sup>

He also reiterated that the closure will continue and the reopening of border crossings will depend on the health situation and the statements issued by the Ministry of Health.<sup>(14)</sup>

It is important to note that these Iranian remarks about resuming cross border visits with Iraq were made on two different occasions. These remarks were made unilaterally and without the approval of the Iraqi side

Last April, the head of the Iranian Hajj and Pilgrimage Organization, Alireza Rashidian, commented on plans to resume visits to the holy shrines in Iraq and Syria while taking into account health guidelines. At the time, the Iraqi government denied this via Najaf's governor Louai al-Yasseri.<sup>(15)</sup>

This is another indication to highlight that the decision to reopen shrines within Iran was not in line with the opinion of experts or those who possess knowledge as the religious elites have argued. The whole matter has depended on the will of Iran's religious elites.

### Conclusion

The Ideological File has casts light on the decision to reopen shrines and religious centers and the decision of the Supreme Council of the Seminary to resume lessons and scholastic activities. The file also touched on Iraqi officials denying for the second time,, that they had decided to reopen shrines and tombs to Iranian visitors.

Two important conclusions can be made. There are pressures exerted on experts to reopen religious shrines. The remarks of some clerics last month about the urgent need to reopen shrines and resume activities within religious seminaries supports this conclusion. It seems that the opinion of medical experts was sought to reassure the public, rather than to make a principled decision.

The second conclusion is the eagerness of the Iranian government to accelerate the reopening of border crossings with Iraq to permit Iranian pilgrims to visit Shiite shrines in Iraq, and vice versa. The aim is to meet the interests of the religious elites and boost their sectarian legitimacy and the unity of the pro-Velayat-e Faqih bloc. This is in



addition to the guardianship that Iran is attempting to impose on Iraq and Najaf, with the aim of hijacking Shiite religious discourse. Also, the keenness to reopen shrines is linked to their financial importance, with their financial revenues providing a means to kick-start the stalled economic wheel resulting from the coronavirus pandemic and US sanctions.



# THE POLITICAL FILE

Three months after Iran's parliamentary elections in February, the Iranian Parliament headquarters in the capital city Tehran on May 27 saw the opening of the 11<sup>th</sup> parliamentary session. The Guardian Council, which is controlled by the radicals, paved the way for the conservatives to overwhelmingly win the elections after disqualifying thousands of moderate and reformist candidates who support the Rouhani government. Despite the landslide victory of the conservatives, the turnout in the elections was the lowest since the victory of the Islamic Republic in 1979.

The Supreme Leader Ali Khamenei who is aware of the conservative mindset of most of the lawmakers and their absolute obedience to his directives, outlined the general priorities of the new Parliament in the coming period. This came in a message he delivered to lawmakers and was read out by the head of his office Mohammadi Ghalibaghani. The economy and culture are among the key priorities of the new Parliament.

## I- The Makeup of the New Parliament: Conservative Domination and Reformist Decline

The legislative elections produced a new balance within the Parliament, with the conservatives dominating the parliamentary seats. They have captured the majority of seats by winning 230 seats. The reformists' presence has plummeted as they got only 16 seats while the independents captured 30 seats. The elections also led to the selection of a senior IRGC commander, Mohammad Bagher Ghalibaf, as Parliament speaker.

There are 14 members remaining who will be elected in conjunction with the presidential elections which will be held next year. Candidates in 11 constituencies failed to reach the minimum number of votes in the parliamentary elections.<sup>[16]</sup> Also, two elected members died from the coronavirus: Fatemeh Rahbar and Mohammed Ali Ramazani.<sup>[17]</sup>





Yet the membership of one of the lawmakers has been struck down as he forged his university degree.<sup>(18)</sup>

Although the new Parliament included 172 young legislators, who were elected for the first time, the Parliament also included 104 seasoned legislators who in the past had represented their constituencies in the legislature.

**Table No. 1: The Makeup of the New Iranian Parliament**

The Makeup of the New Parliament	The Number of Members
The total number of members of the Iranian Parliament	290
The current membership	276, including 16 women
The conservatives	230 members
The reformists	16 members
The independents	30 members
The remaining members (who will be elected later)	14 members

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## **II- The Conservatives Contest Among Themselves for the Speakership**

The conservatives could not agree on who should be the next speaker of Parliament. After elections, differences often appear among the conservatives. The overall objective was to prevent Ghalibaf from becoming Parliament speaker. The differences among the conservatives reached such an extent that some conservative lawmakers leveled accusations at Ghalibaf. In the past Ghalibaf was the IRGC Air Force commander, and the national police chief as well as the mayor of Tehran. He was involved in corruption during his time as mayor of Tehran.

Those affiliated with the Resilience Front, which has 116 parliamentary seats, believed that they had the majority of parliamentary seats, thus the right to ensure that the speaker of Parliament is from their bloc. As a result of these differences, several leaders of parties and blocs belonging to the conservative current announced they would run for the post, on top of them was Mostafa Mir Salim, the former Minister of Culture and member of the Central Committee of the Islamic Coalition Party. He ran in the recent presidential elections. This is in addition to the head of the Resilience Front Mortaza Agha Tehrani and the radical lawmaker Alireza Zaghani. Also, individuals supportive of the former President Mahmoud Ahmadinejad also surfaced. Most of them worked as ministers in his cabinet, including the Minister of Education under Ahmadinejad Hamid-Reza Haji Babaee and the Minister of Financial and Economic Affairs in the same cabinet Shamseddin Hosseini. This is in addition to the former Minister of Roads Ali Nikzad and the former head of the Iranian Atomic Energy Organization Fereydoon Abbasi.

But the heated contest was narrowed down to three candidates: Mohammad Bagher Ghalibaf, Mostafa Mir Salim and Fereydoon Abbasi. The rest of the candidates pulled out of the race in favor of these three candidates, especially Mohammad Bagher Ghalibaf. Ghalibaf, who is backed by the Supreme Leader Ali Khamenei, won 230 votes.



This result enabled him to become Parliament speaker, becoming one of the three-pillars of the Iranian government's decision-making after he failed on several occasions in the past to become the republic's president.. In the internal elections for choosing the deputy speakers of the Parliament and the rest of the members of the Parliament's presidential body, conservative members Amir-Hossein Ghazizadeh Hashemi and Ali Nikzad won the votes, claiming their positions as deputies to Ghalibaf.

**Figure No. (1): The Presidential Body of the Iranian Parliament (11<sup>th</sup> Session)**



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### III- Ghalibaf's Criticism of the Government Forebodes a Possible Standoff Between Rouhani and the Parliament

The position of the conservatives towards the government was clearly evident during the opening session of the new Parliament. This was illustrated when the interim speaker of Parliament and the oldest among the members, Reza Taqavi, said that the Parliament will not continue the mistakes committed by the three branches of power in the past. It will not support any mistakes and will work to amend these errors according to the law.<sup>(19)</sup>

As for Mohammed Bagher Ghalibaf, after winning the Parliament speakership, he was keen to use a relatively tough tone, unlike his predecessor Ali Larijani who was moderate in his dealings with the government.

He leveled criticisms at Rouhani's government, accusing it of inefficiency and administrative confusion. He reiterated that the relationship between the government and the Parliament will be "logical and revolutionary."<sup>(20)</sup>

This means that there could be a possible face-off between the government and the members of the new Parliament in the remaining year of Rouhani's tenure in office.

Rouhani gave an inaugural speech before the Parliament members at the opening session of the new Parliament. He defended the performance of the government, called on legislators to cooperate with the government and called for national interests to be given precedence over the private interests of individuals, political currents and electoral constituencies.<sup>(21)</sup> Perhaps this displays Rouhani's concern about the likelihood of the conservative majority that controls the Parliament impeding bills that he might want to



introduce to overcome the crises and challenges gripping his government.

Also, his remarks indicate that he wants to spend the rest of his presidential term engaged in less disagreements with the conservatives. The differences over the past seven years arose due to the failure of the nuclear deal, the US withdrawal from it and Rouhani's position supporting negotiations with the United States to overcome the economic crisis resulting from sanctions.

But the makeup of the new Parliament indicates that the course of events may not be in favor of Rouhani. Rather, there will be a change in the political balance in favor of the conservatives. This will further weaken the grip of the reformists and moderates supportive of the current government. The aim of the conservatives is to win the presidency to tighten their grip over all the apparatuses of the Iranian government. This means that the crises faced by the Rouhani government will continue and the president may not see any significant breakthroughs during the remaining year of his presidency.

Along with his tough tone in addressing the government, Ghalibaf's statements expressed his radical tendencies towards the outside world. He said: "Confronting enemies, especially the US and Israel, are among the basic principles of the new Parliament. He also pledged to continue in the footsteps of the former chief of the Quds Force, Qassem Soleimani, in regard to supporting the axis of resistance."<sup>(22)</sup>

This means that the radicals within the Iranian government intend to continue their path which involves meddling in the affairs of other countries and supporting Iran-backed militias in different countries in the region.

## Conclusion

By winning the majority of seats in the Iranian Parliament, the conservatives have solidified their presence across different apparatuses within the Iranian political system. Their most important objective now is to win the presidency next year to complete their domination over the three branches of government and the remaining institutions within the Iranian political system.

It is as if they are informing the Iranian people that, "you experienced the rule of the moderates and reformists in the outgoing Parliament and the current government whose tenure is about to end and you have seen the results. It is now time to provide space for the conservatives to make a comeback."



# THE ECONOMIC FILE

The diplomatic standoff between the United States and Iran over the latter's deployment of fuel tankers to Venezuela, which is under a US embargo, was one of the most significant economic developments in May. Therefore, the *Economic File* provides detailed information on Iranian-Venezuelan relations and Iran's objectives and messages of support for the government of Nicolas Maduro as well as the future of this support in light of US threats.

## I- The Economic Developments Between Iran and Venezuela

Relations between Venezuela and Iran date back to the era of Mohammad Khatami in Iran. The period witnessed slight cooperation in the fields of energy and private investment.<sup>(23)</sup>

Since Mahmoud Ahmadinejad was elected in 2005, relations between Tehran and Caracas deepened in the economic field.

The average trade between the two countries jumped from \$1 million in 2004 to \$50 million by the end of 2006. The volume of trade between the two countries doubled by the end of 2008, surpassing \$100 million.<sup>(24)</sup> The two countries also signed several agreements, including commercial deals and construction, automobile, and banking transaction agreements. This included the establishment of a joint development bank in 2009 in Caracas to support joint ventures. On the contrary, the tenure of Hassan Rouhani's presidency, especially between 2013 and 2015, witnessed a sort of decline in economic relations between the two countries.<sup>(25)</sup>

But this decline did not last long. With the United States imposing economic sanctions on Venezuela<sup>(26)</sup> and Iran between 2017 and 2018 respectively, the two countries sought to resist the sanctions and break free from the economic isolation by shifting from commercial exchange to a strategic alliance. In April 2019, the Iranian airline, Mahan Air, resumed commercial flights between Tehran and Caracas. Later that year, the two countries signed new scientific and technological agreements for cooperation in the fields of nanotechnology and oil.

There was a turning point in the relations between the two countries, which stirred up a diplomatic standoff between Iran and the United States. It happened when Tehran announced in April 2020 that it intended to send five fuel tankers and technical supplies to Caracas despite the US embargo on both countries. Iran's support helped Venezuela to counter its fuel shortage and reopen suspended oil refineries in the country.

The first tankers arrived at Venezuelan ports on May 24,<sup>(27)</sup> and then the remaining tankers successively docked at Venezuela under escort from the Venezuelan army after entering Venezuelan territorial waters. This was a clear violation of the US sanctions that include a ban on commercial transactions with the Venezuelan state oil company PDVSA.

This prompted the US government to threaten both countries. It said it will consider appropriate options in response.<sup>(28)</sup>

The Iranian foreign minister responded by describing the US threats as illegal and dangerous, calling on the United States to stop thuggery in the international arena, and that Iran will not bow to it.<sup>(29)</sup>





Venezuela possesses the largest proven oil reserves in the world, and has a population of about 28 million people. However, its economy is verging on collapse with the government unable to manage the affairs of the country and tame unruly inflation which exceeded 15,000 percent. Venezuela's foreign debt rose to \$150 billion, twice the country's gross domestic product.

Among the many local crises facing the Venezuelan people, such as shortages in food and electricity, the fuel crisis worsened. This came as the Trump government tightened sanctions on Venezuela as Washington does not accept the government of President Nicholas Maduro and pressured US companies —that were exporting equipment and refinery parts to produce gasoline to Venezuela —to tighten the noose around Caracas.

Therefore, the fuel crisis was aggravated amid the decline in oil prices globally and the announcement by Russia's Rosneft that it will halt its activities in Venezuela. Then Iran intervened in the crisis to help its old revolutionary ally.

## II- The Iranian Objectives and Messages of Support for Caracas

Despite the financial hardship and the deteriorating economic situation in Iran, seeking financial gains was not the prime motive behind the export of fuel to the government of Venezuelan President Nicolas Maduro. But it primarily sought to achieve political and propaganda objectives. This does not negate the fact Iran obtained some revenues, although limited and temporary.

The total value of the five fuel tankers is estimated at about \$50 million.<sup>(30)</sup> A report by the US Bloomberg news agency revealed that in exchange for material and technical support, Iran obtained 9 tons of gold, equivalent to \$500 million,<sup>(31)</sup> which the Iranian foreign minister denied.

In any case, the total amount of money is still too little to resolve Iran's financial hardship considering that the Iranian government needs \$30 billion to tackle the deficit in its budget until the end of the year.



Also, Venezuela cannot offer financial support in the short run as the country's total debts exceed \$150 billion, double its gross domestic product. On the other side, the Iranian fuel shipments take 45 days to sail across the 14,000-kilometer distance between the two countries. The amount is not sufficient to cover one week of Venezuela's fuel consumption. Hence, Venezuela cannot rely on Iran in terms of fuel imports. Therefore, it seems that economic reasons are not the prime motive behind Iran's export of fuel to Venezuela.

On the other side, Iran wanted to achieve political and propaganda aims at home and overseas. At home, public attention would be diverted from internal problems such as the high exchange rate of the dollar, soaring prices of edibles, and distract from the government's mismanagement of the coronavirus pandemic. The government also wants to promote revolutionary slogans such as victory over US imperialism to rally the people behind the government. As for the outside world, Iran sought to promote the idea that it succeeded in defying US sanctions and standing head-to-head against the United States in the latter's areas of influence, especially since US companies used to export gasoline and spare parts to Venezuela before the embargo.

Moreover, Tehran wanted to promote the idea that it broke the sanctions imposed on other countries by dispatching a flotilla made up of more than one tanker to Venezuela. For this, Iran bore additional shipping costs as it could have sent the entire gasoline shipment in one giant tanker which Iran possesses (whose capacity reaches 2 million barrels) instead of five tankers. The tankers also intentionally showed their itinerary on GPS devices: crossing the Arabian Gulf through the Suez Canal and entering the territorial waters of Venezuela. This indicates the Iranian desire to spread propaganda messages.

### **III- The Continuation of Gasoline Supplies From Iran Considering US Threats and Domestic Circumstances**

There is no doubt that Iran needs some sources of financial income at the present time. All the indicators of the economy are poor as the economy suffers a downturn which plunged to more than -12 percent at least during the current year, according to the Economist Intelligence Unit. The Iranian economy is suffering due to US sanctions and the fallout of the coronavirus outbreak. The unemployment level is unprecedented due to disruptions in production and services, and tourism coming to a halt which is a vital source of hard currency. In addition, the semi-disruption of oil exports, and the decline in nonoil exports to neighboring countries have impacted the Iranian economy. This has contributed to the trade deficit and currency shortages worsening. In addition, the value of the local currency declined sharply and the exchange rate of the dollar rose to the extent that one dollar reached 18,000 toman during the month of May. This prompted the government to sell part of the shares of public sector firms under the name "justice shares."

These factors combined tightened the noose around Tehran at the financial and popular level. This led the government to vigorously pursue any means to contain popular discontent, and to defy the United States by supporting Venezuela, the old arch-foe of Washington, and to propagate that the US sanctions on it have failed. Although both countries fall under US sanctions, their cooperation will not help them bypass the sanctions. However, Iran is keen to maintain receiving hard currency or gold from Venezuela. But sooner or later, it will be hard to sustain the flow of Iranian fuel to Venezuela, whether due to US objections or because of the fact that Caracas will no longer need to import fuel after repairing its refineries.

As to the technical aspects, it will be hard for Iran to continue providing equipment or



expertise in the future to help Venezuela resume operations of its suspended gasoline refineries for two reasons. The first reason: Iran's expertise is confined to refining light crude oil and it does not possess the technology or the expertise to refine other kinds of oil. This is because all the Iranian refineries operate in the field of refining light and semi-heavy crude oil which requires simple technology.

However, it attempts to provide possible technical support or spare parts if possible.

The second reason is related to local demand for fuel after Iranians resumed work following the coronavirus outbreak which had caused a slump in fuel demand. This prompted the government to store fuel until all the tanks were filled to the brim. There is no way to dump this fuel except for selling it to a state like Venezuela which will face no new sanctions for purchasing gasoline from Iran since it is already under sanctions. Of course, the two countries don't want to escalate tensions with the United States to the extent of armed clashes.

In conclusion, Iran's deployment of five oil tankers to Venezuela which faces an economic blockade by the US was intended to achieve political ends and send propaganda messages at home and abroad rather than to reap financial gains. Despite Iran's announcement that it is ready to send more gasoline to Venezuela in the future, domestic circumstances and the fear that US threats may translate into actions on the ground will deter Iran from pursuing this path.



# THE MILITARY FILE

## *Iran Caught Between the IAEA and the Snapback Clause*

The International Atomic Energy Agency (IAEA) has concluded that Iran is in violation of the Joint Comprehensive Plan of Action (JCPOA) as its enriched uranium stockpiles continue to increase.<sup>[32]</sup> The speculative analysis of stakeholders and experts has turned out to be correct. On May 29, the IAEA had noted that Iran's stockpile of low-enriched uranium (LEU) weighed 1,571.6 kilograms registering an increase of 550.7 kilograms in its stockpile until February 19. The JCPOA limits Iran's LEU stockpile to 202.8 kilograms. Besides, Tehran has been deliberately violating the qualitative threshold as well, by enriching uranium to 4.5 percent, thus exceeding the 3.67 percent limit.<sup>[33]</sup>

The Rouhani government blames the United States for suspending the JCPOA in May 2018, forcing Iran to commit gradual violations of the JCPOA so that it can bargain with the United States to remove the sanctions imposed on it.<sup>[34]</sup>

Iran's 4.5 percent LEU is not sufficient to permit it to produce a nuclear weapon unless it is increased to 90 percent. There are alleged unreported, secret enrichment sites that provide Tehran with the infrastructure to boost its LEU to meet its strategic ambitions. In March, the IAEA resumed its probe into Iran's alleged undeclared sites, which are not mentioned in the 2015 nuclear deal. The UN watchdog reported the discovery of anthropogenic, or man-made, uranium particles in a secret facility built to store enriched uranium. It is situated in Turqezabad, south of Tehran.<sup>[35]</sup>

Tehran, unequivocally, declared in January that it would disregard all JCPOA-imposed restrictions on its enrichment activities.<sup>[36]</sup> However, it opted to continue to cooperate with the IAEA. While the entire world is under lockdown due to COVID-19, Iran has not banned foreigners travelling to the country. IAEA inspectors can visit Iran to inspect sites and return.<sup>[37]</sup>

The new IAEA Director General, Rafael Grossi, released two reports on March 3, 2020. One report mentioned Iran's non-compliance was blocking IAEA investigations into sites where Iran may have engaged in undeclared nuclear activities nearly 20 years ago.<sup>[38]</sup>

Iran wrote back to the IAEA with a strong rebuttal. It emphasized that the IAEA's information was based on Israeli fabrications.<sup>[39]</sup> Iran has consistently denied accusations of it having such clandestine facilities.<sup>[40]</sup>

With pressure growing on Iran to permit investigations into unaccounted suspected secret facilities, there is risk that Iran may deny the IAEA online access to its unattended but sealed enrichment monitors installed within nuclear sites for measurement recordings. As per the IAEA's last released Safeguards Implementation Report, it had 1,563 cameras connected to 940 systems operating or ready to use at 277 facilities, including Iran.<sup>[41]</sup> Tehran to stall IAEA investigations further could use the pretext of the COVID-19 pandemic to ban foreign visitors, including IAEA inspectors.

In its recent report, the IAEA made three specific and damning findings:

- "Natural uranium[...] had been used in particular activities at an unspecified location, and where any such material is currently located,"
- "Iran had used or stored nuclear material and/or conducted nuclear related activities





[...] at a location specified by the Agency,”

■ and “Iran had used or stored nuclear material at another location specified by the Agency [...] where activities had been observed by the Agency [...] from early July 2019 onwards, that were consistent with efforts to sanitize part of the location.”

However, Iran responded to the IAEA report by referring to the JCPOA text, “the Islamic Republic of Iran will not recognize any allegation on past activities and does not consider itself obliged to respond to such allegations.”<sup>(42)</sup>

### **Is the Snapback of UNSC Sanctions Inevitable?**

Tehran’s violations of its JCPOA obligations are intended to create a deeper wedge between the United States and its western allies while having the support of China and Russia. With Washington’s status in the JCPOA still up in the air, its unison with three other western stakeholders also known as the E-3 i.e. the United Kingdom, Germany and France, is vitally important to deny Iran access to weapons. To add insult to injury, the successful launch of the Noor-1 military satellite in April has heightened regional and global concerns about Tehran’s technological capabilities and aspirations. Before complying with the JCPOA timeline to remove the UN arms embargo on Iran in October 2020, the UNSC will have to review the IAEA reports.

In addition to , the IAEA’S inquiry into the Turqzabad site, its reports about whether Iran has complied with JCPOA agreed enrichment levels or not, will be a key factor in the UNSC’s eventual decision. The Rouhani government believes that Washington is no more a party to the JCPOA, , thus it doesn’t have the right to invoke the snapback clause, which revives all pre-2015 curbs against Tehran. There is bipartisan consensus within the US Congress to extend the arms embargo on Iran beyond October.

The stand-off between the IAEA and Iran poses a serious diplomatic challenge, and comes at a time when the United States is embroiled in its upcoming presidential



elections. Even if all the remaining five members of the JCPOA agree not to invoke the snapback clause, the White House won't stand down. There is a likelihood that the UK will back the US and object to the complete or even partial removal of the arms embargo on Iran. However, as per the nuclear deal, none of the parties will be armed with veto power against the reimposition of sanctions under UN Resolution 2231.

Not only will Iran quit the JCPOA if UNSC curbs are reimposed but it is likely also to quit the Nuclear Non-Proliferation Treaty (NPT) as it has threatened on many occasions. Already, as reported by the IAEA, Tehran possesses LEU stockpiles five times more than the prescribed limit. The mistrust between Iran and the West will peak, leaving little prospect for meaningful and result-oriented negotiations.

With the IAEA taking more proactive actions ahead of the October milestone, the E-3 as well as Russia and China will have to adjust their respective policy positions. Iran, nonetheless, will play the victim card while defying JCPOA obligations. So far, it has been increasing pressure on the West by engaging in reckless behavior in the region to avert the snapback clause.

The hawks in the United States must weigh the costs and benefits of extending the arms embargo on Iran. If it is lifted, it will not change the balance of power equations in any significant way. However, it would be a victory for Iran and a defeat for Trump while he is in the middle of his presidential campaign.

**There does exist some space for a compromise:** The arms embargo could be extended for a year, and the US accepted back as a compliant JCPOA party in return for Washington lifting its unilateral sanctions on Iran. Tehran for its part would have to agree to fully comply with the JCPOA's enrichment-related clauses and hand over access to its LEU and heavy water to Russia, China or an E-3 state for a mutually-agreed timeframe. Meanwhile, the dispute resolution mechanism process should be frozen as well. Such a compromise can be a precursor to a long-term solution especially if Trump loses in the upcoming US presidential elections.



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# Arab Affairs

**T**he Arab Affairs addresses Iran's presence in Syria and Lebanon through analyzing the latest developments in both arenas. Regarding Syria, the report monitors Iran's steps to strengthen its military presence in light of the deepening divergence between itself and Syria over a number of issues such as the future of the Syrian political process, and its plans to deploy forces near the Iraqi border not far from the scope of Israeli strikes that could target them near the Golan region and the vicinity of the capital, Damascus. This is in light of Russia's refusal to provide Iranian forces protection from aerial attacks.

The Lebanese scene was affected by the German government's decision to designate both the political and military wings of Hezbollah as a terrorist organization. The report addresses the implications of the decision for German-Iranian relations, and its impact on the presence of Hezbollah in the European arena. Also, the report analyzes the impact of the decision on the Lebanese internal position toward Hezbollah's activities and the Lebanese state.





# IRAN AND SYRIA

In light of the relentless power struggle between regional and international parties to the Syrian crisis, the Iranian role in Syria witnessed the following developments during May 2020:

## I- Iran's Continuous Moves for a Long-Term Stay in Syria

According to *Fox News*, Iran is building a tunnel at the Imam Ali military base near the eastern Syrian town of Abu Kamal, near the border with Iraq. This tunnel is to be used to store advanced weapons systems and vehicles carrying them to protect them from Israeli or American air strikes. The images of the tunnel captured by *ImageSat International* (ISI) highlighted bulldozers at the entrance to the tunnel which is estimated to be about 4.5 meters wide (see Image no. 1).<sup>(1)</sup>



Image no. 1: ImageSat International (ISI), "Iran Building new Weapons Storage at Military Base in Eastern Syria, Satellite Images Show," *Fox News*, accessed May 30, 2020, <https://fxn.ws/3gGn3wx>.

On May 5, 2020, the Syrian Ministry of Oil and Mineral Resources signed contracts with Iranian oil companies, permitting them to drill for oil in Al-Bukamal, which is located in the Deir Ezzor Governorate. This would increase Syrian oil production to 90,000 barrels per day by the end of 2020.<sup>(2)</sup>

Iran's continuous policies and moves to strengthen its military, economic and political presence in Syria despite the crises it is experiencing intend to convey certain messages to Russia. In particular, that Syria's importance to Iran is no less important than Damascus's importance to Russia. In addition, Iran wants the Israelis to be aware that repeated air strikes will not force it out from Syria and its presence in Syria is legitimate and without time restriction. Iranian companies obtaining the right to drill for oil in Deir Ezzor provides Iran with the legitimacy to expand further into the provinces controlled by the Syrian Democratic Forces. However, this agreement may escalate the conflict

between the Iranians and the Russians who are trying to control Syrian oil production, especially after Russian media highlighted Russia's resentment toward Assad and his loss of control over the country.

## **II- Israel's Continuous Targeting of Iranian Concentrations in Syria**

The Israeli Air Force targeted Iranian concentrations and the headquarters of pro-Iran armed militias in Syria three times during May 2020. On May 4, 2020, the first Israeli strike targeted militia sites near the city of Al-Mayadeen in eastern Syria, killing at least 14 militia members. The second strike targeted a research center in Aleppo and destroyed it completely. The center is believed by Tel Aviv to be cooperating with Iran to conduct missile development experiments. Finally, on May 17, 2020, Israeli air strikes targeted weapons depots belonging to Iranian forces and the Lebanese Hezbollah in the Al-Kiswa region in the Damascus countryside, which has been subject to Israeli strikes in the past.

The former Israeli Defense Minister Naftali Bennett, whose portfolio was taken up by Benny Gantz on May 17, 2020, reiterated the continuation of Israeli air strikes against Iranian sites in Syria until all pro-Iran armed militias are removed. He said, "We are determined, more determined, and I will tell you why: For Iran, Syria is an adventure 1,000 miles from home, but for us it is life."<sup>(3)</sup>

Since the beginning of January to the end of April 2020, Israel launched dozens of strikes against Iranian concentrations in Syria. These intense air attacks may be due to Israel's awareness of the heightened risks posed by Iran's presence on its northern borders. Israel has obtained advanced air weapon systems, while Syria has not activated the S-300 system yet. Although 20 months have passed since Assad obtained the S-300 system from Russia, not a single missile has been launched against Israeli strikes due to Russia's objection as it seeks to limit Iranian influence in Syria. In addition, the Russians are concerned about the S-300 system failing to hit Israeli aircraft if targeted. This would demonstrate Israel's technological superiority. This could have a potentially adverse impact on the sale of Russian defense systems.

## **III- The Indications of the Russians Giving up on Assad**

In May 2020, a debate erupted in Syria concerning Russia abandoning Assad and making a deal with influential regional and international actors in the Syrian crisis to overthrow Assad's regime and remove pro-Iranian armed militias completely from Syria to settle the long-standing crisis which has raged on for nearly a decade.

Although the news about the Russians abandoning Assad is just speculation, with no real evidence verifying this, however, there are many indications supporting the deal between the various parties to the Syrian crisis. For example, the Russians generally upheld the ceasefire in Idlib and gave Turkey the green light to establish a military presence in Idlib and the countryside of Aleppo. Also, the United States strongly reasserted its presence east of the Euphrates region, despite the decision of the US administration to withdraw from Syria.

Apart from Syria and Iran, all the other parties to the conflict halted their operations due to Russian pressure except for Israel which continued with its air strikes against militia headquarters. In addition, Russian-Israeli and Russian-Turkish coordination is increasing. There is also a possible Russian-American understanding regarding the future of pro-Iran armed militias in Syria.

More importantly, Russian media attacked Assad on several occasions, such as the Russian Federal News Agency, which described him as weak and unqualified to be president and unable to control the situation in the country. It accused Syrian



government officials of corruption due to their involvement in the theft of oil and gas revenues.<sup>(4)</sup> The official Russian news agency TASS has published several articles, one of which stated, “Russia does not only suspect that Assad is unable to lead the country, but also the head of the Syrian government is seeking to drag Moscow toward an Afghan scenario.”<sup>(5)</sup> This reflects Russian awareness of the dangers involved in remaining too close to Assad. Thus, the Russians started to have second thoughts in Syria. At the beginning of the crisis, the Russian evaluation was to support Assad and cooperate with the Iranians so as to end the crisis within months at the latest.

However, this goal was not actually achieved. The reality was more complicated than the Russians believed due to the different agendas of the parties to the crisis. The crisis has been ongoing for nearly a decade. Syria was divided into safe areas and Iranian, Turkish and American spheres of influence. Some areas were under the control of terrorist organizations and opposition forces. The Russians changed their position towards Assad when they forced him to include pro-Iran militias into the Syrian army, in order to build a Syrian army under Russian influence.

Although the development in Russia's position towards Assad, indicates a possible end to the rule of the Assad family, it seems that the Russians and the rest of the parties to the crisis have realized the complexity of the Syrian scene under Assad's rule. Thousands of Syrians have been killed and millions displaced, and millions oppose his rule inside and outside Syria. In addition, it is impossible to discuss the return of refugees under Assad's rule because he is unable to control the country's entire geographical area due to Syria being divided between several internal and external parties. However, Moscow and the parties that wish to remove Assad still face the challenge of selecting a suitable alternative who is favoured by all internal parties and is capable of preserving the interests of external parties. The Russians may seek to pressure Assad to make the maximum number of concessions so that the political process can be completed in the country.

#### IV- The Controversy Over the Movement of Iranian Militias in Syria

During May 2020, a second debate erupted in Syria concerning the movements of Iranian militias in some Syrian governorates, and whether their movements pointed to Iranian withdrawal or redeployment to serve Iran's agenda in the country. On May 18, 2020, Naftali Bennett reiterated that Iran had begun withdrawing its forces from Syria by saying, “Iran is significantly reducing the scope of its forces in Syria, and it has also begun to evacuate a number of military bases,”<sup>(6)</sup> without providing any evidence to support his assertion. He urged his successor Gantz to maintain pressure on Iran until its militias are removed from Syria.

On 5 May, 2020, an Israeli security official – whose name was not given – revealed to Yedioth Ahronoth that the Israeli security services observed that Iran is shrinking the size of its forces and arms transfers via transport flights to Syria, and has evacuated a significant number of military bases in recent months which were established as part of Tehran's plans to be located close to the border with Israel.<sup>(7)</sup>

At the Iranian level, a source in the Iranian Quds Force verified the movements, but stated that the militias were repositioning in phases, and indicated that their locations had been handed over to the Syrian army. The second phase resulted in militias redeployed to Iraq to counter the re-emergence of ISIS. The third phase saw militias go back to Iran after they completed their military service in Syria. Iran was unable to send new forces to Syria due to the restrictions imposed in the wake of the coronavirus pandemic. In addition, Quds Force Commander Major General Esmail Qaani made changes to the elite unit's leadership operating in Syria, however, the new leaders were

unable to assume their duties in Syria due to the coronavirus pandemic.<sup>(8)</sup>

These developments reveal that Iran is having a hard time in Syria due to the country's pressing economic crisis, the catastrophic repercussions of the coronavirus pandemic, the high financial costs of maintaining forces in Syria, and Israel increasing its military strikes with American support and Russian cooperation against the concentrations of its armed militias deployed in Syria. Israel believes that Iranian concentrations on the Israeli border in Syria are similar to what Tehran has done in southern Lebanon and they a violation of Tel Aviv's redlines, as well as a direct threat to the country's national security and a gain for Iran in the context of ongoing Iranian-Israeli competition to extend their regional influence.

Other observers believe that these developments are merely tactical in response to internal and external pressures and do not yet reflect a change in Iran's strategic position in Syria, given the material and human costs Iran has incurred and it will therefore wait to reap the benefits. It can be said here that an Iranian official confessed to providing financial support to the militias in Syria. Heshmatollah Falahatpisheh, the head of the National Security and Foreign Policy Committee, announced that, "His country spent between \$20 billion to \$30 billion in Syria to support Assad."<sup>(9)</sup> He called on his country to recoup this money. However, Iran's defense budget was equivalent to \$1.6 billion in 2019.<sup>(10)</sup>

In addition, Syria is central to Iran's expansionist strategy and the Iranian corridor which links Tehran to the Mediterranean Sea. Some believe that Iran does not view these developments as a setback due to the internal crises it is facing and concerns that its expansionist activities may spark a new wave of internal protests.

## Conclusion

Iran's role in Syria faces a number of complex challenges, such as Russia's increasing divergence from it after Moscow realized the complexity of the crisis in the country as a result of growing Iranian influence, the escalation of Israeli air strikes against Iranian concentrations, and the difficulty of reconstructing the country due to ongoing battles within Syrian territories. It also seems that Russia is having second thoughts about keeping Assad in power, and the size of Iranian influence in Syria. In addition, it is thinking to pressure Assad to make concessions to solve the political crisis, which ultimately strengthens Russia's hand to reach a settlement that can end the crisis and place Syria under Moscow's control.



# IRAN AND LEBANON

Germany's designation of the Lebanese Hezbollah's political and military wing as a terrorist group is a turning point that will have repercussions for the Iranian government's and Hezbollah's activities, inside and outside Lebanon. Iran's reaction to the German decision reflects the prominent role of Hezbollah in implementing its policies through the movement controlling the Lebanese government, Parliament, and the country's security services. On the other hand, the decision discloses the integral role Hezbollah plays in Iran's expansionist policies and it is because of this reason that German-Iran relations have taken a downturn in the aftermath of the decision. Therefore, the Iranian reaction to the German decision was a turning point in the nature of the Iranian-German relationship. The reaction of Iranian officials indicates Iran's strong relationship with Hezbollah, with the German decision negatively affecting the activities of both. The party is the Iranian government's agent that carries out its terrorist activities. We will be reviewing the implications and repercussions of the German decision and the Iranian reaction toward the decision:

## I- The Implications of Designating Hezbollah as a Terrorist Organization

On April 30, 2020, Germany designated the Lebanese Hezbollah's political and military wings as a terrorist organization, a step that reflected a shift in Germany's political position towards the terrorist activities undertaken by the Iranian government through its arm in Germany, the Lebanese Hezbollah. This decision has impacted the nature of the German government's relationship with Iran and Lebanon. This is reflected in the statements issued by officials from both sides.

The Lebanese Hezbollah had in the past played a prominent role in changing the European Union's view towards the policies of the Iranian government through its political wing, which implements Iran's strategy in Europe. Hezbollah had propagated that its activities- which are closely tied to the policies of the Iranian government- are part of its efforts to defend Lebanon, combat ISIS and contribute to security in the Middle East. The German decision was influenced by international trends as several countries have designated Hezbollah as a terrorist proxy of the Iranian government. This changed the equation. "The activities of Hezbollah violate criminal law, and the organization opposes the idea of international understanding," said the German Interior Ministry in a statement. In response to the banning, the German authorities raided a number of organizations and four mosques close to Hezbollah in several German cities. They also detained several suspected members of the group that is backed by the Iranian government.<sup>(11)</sup>

The reason for Germany's designation of the political and military wings of Hezbollah as a terrorist organization is due to the party's suspicious activities in Europe generally and Germany in particular. The activities of the party include financing terrorism via collecting money in Germany and Europe, participation in criminal operations, drug trafficking, money laundering, and recruiting people to send to conflict areas

who carry out terrorist acts to serve Iran's strategic interests. In this context, German Parliament member Marian Vandt stated, "With the weapons of they [IRGC-backed party, Hezbollah] collected, they can organize their crimes and drug smuggling. They can also organize their money and collect it from business owners who own shops or restaurants, and they need all this for illegal weapons." He believes that Hezbollah is trying to finance its terrorist activities all over the world. At the same time, he stressed on the need to cut the financial streams of Hezbollah in Germany.<sup>(12)</sup>

## II- Hezbollah Terrorism Is an Extension of the Iranian Government's Policies

The Iranian reaction to the decision confirms that the party is Tehran's tool implementing its terrorist activities. The decision has negative repercussions for the party and the Iranian government. This can be sensed in the statements of Iranian officials in response to the German decision. They indicate a change in Iran-German relations when compared to the relations between the two countries before the decision was taken. Iran's Supreme National Security Council Secretary Ali Shamkhani said, "A new surprise has been unveiled. Sellers of weapons of mass destruction are now defending human rights." He also described Hezbollah terrorists as heroes, and added it is good that, "The mask fell from the face of terrorism supporters."<sup>(13)</sup>



The Spokesman for the Guardian Council Abbas Ali Kadkhodaei said, "The German government's restriction on the Muslim people of Lebanon has shown that the Western countries' approach is still to defend state-terrorism, and that human rights is a meaningless word that was occasionally used as a tool against defenseless peoples."<sup>(14)</sup>

Iran's parliamentary National Security and Foreign Policy Commission member, Alaeddin Boroujerdi said, "It is hard to believe that Germany, given its status in Europe, is still unaware that the party is part of a state system. It exists both in Parliament and the government. The German move is like Germany announcing that part of its system is terrorist." He added that it is unacceptable to the Iranians and is considered as offensive to Lebanon. He called on the German government to apologize to the Lebanese people for this offense.<sup>(15)</sup>



The extent of Hezbollah's influence on decision-making in Lebanon was highlighted when the Lebanese Ministry of Foreign Affairs summoned the German ambassador to Lebanon to protest the designation of Hezbollah as a terrorist organization, just 24 hours after the speech of Hezbollah's Secretary General Hassan Nasrallah. He said, "The government and the Ministry of Foreign Affairs is mainly concerned with this issue. The whole state must protect the Lebanese around the world and assume this responsibility."<sup>(16)</sup>

On the other hand, the international community supporting the German decision reflects its awareness about the terrorist risk posed by the Iranian government through its proxies. Many parties at the Arab, European and international levels welcomed the decision. The US State Department welcomed this decision in its statement, "The German decision will undermine Hezbollah's efforts to plan terrorist attacks and raise funds, thereby limiting Iran's influence and malicious behavior." The Yemeni government, which is severely affected by Hezbollah's activities, also welcomed Germany's decision. It said in a statement published by the official Yemeni news agency, "This decision is a step in the right direction, because the Hezbollah militia, like other militias and Iranian arms, is a destructive factor undermining the region's security and stability and interferes in the internal affairs of other countries to serve the Iranian project." The Yemeni government's statement added that Hezbollah is a partner in the crimes committed by the Houthi militia against the Yemeni people such as bloodshed, displacement, bombings, arrests, torture, and kidnappings. . In addition, they also recruited children and continue to threaten national security. The Lebanese Hezbollah has not hidden its cooperation with the Iran-backed Houthi militia.<sup>(17)</sup>

### III- The Implications of Designating Hezbollah as a Terrorist Organization

Many observers believe that Germany's decision to designate Hezbollah as a terrorist organization will have repercussions on the nature of the relationship between the Iranian government and Germany and on the activities of Hezbollah in Lebanon and Europe. The decision is not only limited to restricting the movement of Hezbollah members, and restricting/monitoring their activities, in particular fundraising campaigns, but it is expected that the decision will also lead to NATO members adopting a more common position to combat Iranian influence. The German-American position will pressure France, which is the only major European country which has not made a similar decision against Hezbollah.<sup>(18)</sup>

Many observers believe that the German decision will have a significant impact on other European countries that don't want security and stability in Europe to be disturbed. The German step will impact the Iranian government's and Hezbollah's activities, especially after the United States and other countries designated Hezbollah as a terrorist organization. This decision will have a significant impact on the rest of the terrorist entities of the Iranian government. Other countries will likely follow in Germany's footsteps.<sup>(19)</sup>

The Austrian Parliament passed a resolution to blacklist Hezbollah. On May 4, 2020, the Austrian state news agency reported that the Austrian Parliament approved by a large majority the draft resolution which stated, "The division of Hezbollah into military and political wings is false. Hezbollah is fully a terrorist organization." The decision, to combat Hezbollah's activities such as financing terrorism via money laundering was welcomed by the majority of the Austrian Parliament. It called on the government and European Union to step up its actions. "We call on the government to prevent Hezbollah from being financed through money laundering activities, and to reassess the patterns of how to deal with Hezbollah within the European Union."<sup>(20)</sup>

The Lebanese street is experiencing difficult conditions because of the ongoing

political turmoil since the popular movement erupted against Hezbollah and its factions and the other forces in Lebanon. These critical conditions are being exacerbated by the difficult economic situation which has coincided with the coronavirus pandemic. Many observers thus believe that the members of Hezbollah and its factions realize that all their movements are monitored. Therefore, they operate under organizations and associations that do not have Hezbollah's name and do not disclose their relationship with the party. Externally, the party realizes that its role will be limited gradually to only Lebanon because more countries are designating it as a terrorist group. This will also affect its role within Lebanon's political set-up in the long term. On the other hand, the decision will cast a shadow over the Iranian-German relationship. In fact, Germany played a prominent role in the nuclear agreement and was the main supporter of the agreement in addition to the economic exchanges between the two countries. Following the party's designation as a terrorist organization, the equation is likely to change. Germany may establish an unspoken alliance to combat Hezbollah.<sup>(21)</sup>

### Conclusion

Germany and Austria joining the United States, Britain, Canada, Australia, and some Arab countries in designating Hezbollah as a terrorist organization reflects the scale of the party's terrorist activities which serve the Iranian government's policies, especially in Lebanon, they pose risks to international peace and security. It is a turning point in the course of the German and European relationship with the Iranian government, and for Lebanese-German relations. This decision will contribute to Germany and other countries that have designated Hezbollah as a terrorist organization creating a mechanism to deal with the Lebanese state and its institutions away from Hezbollah. As a result, this will affect the role of Hezbollah in Lebanon and other militias of the Iranian government and limit their terrorist activities that serve the Iranian government at the expense of Lebanese and regional security and stability.



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# International Affairs

**T**his part of the Iran Case File looks at the interactions between Iran and the United States, as well as the interactions between Iran and European countries. It will focus on the American maximum pressure strategy and the Iran's reaction to it.

The United states revoked the sanctions waivers granted to foreign companies operating in Iran's nuclear facilities. The United States also added Iran to the list of countries that are not fully cooperating with its counterterrorism efforts. This will lead to the re-imposition of the UN arms embargo. This prompted the US move to call for the extension of the UN arms embargo on Iran, which will be lifted in October 2020 under the nuclear agreement. Europe opposed both steps. This part of the Iran Case File will address the divergence and clarify the European position in regards to the latest US steps against Iran.





# IRAN-US RELATIONS

Both the United States and Iran maintained their positions. The United States has intensified its pressure on Iran by targeting the Iran nuclear deal and turning it into an empty shell. Iran still adopts what it calls “extreme resistance” and tests its ability to withstand American pressure, despite the Iranian political system experiencing difficult circumstances. The most important developments in the relationship between the two sides during May 2020 can be noted through a number of elements: the nature and limits of US pressure on Iran, Iranian reaction to US escalation, and signs of mutual escalation between the United States and Iran.

## I- The Nature and Limits of American Pressure on Iran

The United States still focuses on sanctions to add further pressure on the Iranian political system to push it to negotiate. Table 1 shows the various sanctions the United States imposed on Iran in May 2020.

Table 1: US Sanctions on Iran (May 2020)

Date	Sanctions
May 1 <sup>st</sup>	The United States imposed sanctions on an Iranian-Iraqi businessman and his mining company, accusing him of involvement in attempts by Iran’s elite Quds Force to generate revenue illegally and smuggle weapons abroad.
May 2 <sup>nd</sup>	Two Iranians with IRGC support were charged with creating a financial channel to purchase a now-detained Liberian-flagged oil tanker and seize \$12 million.
May 14 <sup>th</sup>	The US State Department added Iran to the list of countries that are not cooperating with US counterterrorism efforts in 2019, under Section 40A(a) of the Arms Export Control Act. This certification prohibits the sale or license to export defense items and services to Iran.
May 19 <sup>th</sup>	The US sanctioned a China-based company for providing services to Iranian airline Mahan Air.
May 20 <sup>th</sup>	The US Department of the Treasury sanctioned the Iranian Interior Minister, Abdolreza Rahmani Fazli, the Chief Commander of Law Enforcement Force Hossein Ashtari, the IRGC Brigadier General and the Commander of the IRGC’s Vali Asr Base in Khuzestan province Hassan Shahvarpour Najafabadi and a number of internal security commanders. Also, the internal security services NAJA, the Greater Tehran Central Penitentiary and Gohardasht Prison were sanctioned.

Date	Sanctions
May 27 <sup>th</sup>	The United states ended the sanctions waivers to European, Chinese, and Russian companies working in Iranian nuclear facilities. It also added two Iranian scientists Majid Agha'i and Amjad Sazgar to its sanctions list for their involvement in developing and producing centrifuges used to enrich uranium.

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To undermine the nuclear agreement, the United States revoked the Iranian nuclear cooperation sanctions waivers. . A 60 day wind- down period was stipulated for foreign companies, however, the United States extended for 90 days some sanctions waivers to foreign companies working at a nuclear power site, which was built by the Russians at Bushehr, to ensure operational safety.<sup>(1)</sup>

Trump vetoed a resolution that would have limited his ability to take military action against Iran on May 6, 2020 to maintain the deterrence component within his strategy. This move was a bipartisan-led effort to prevent the president from using military force against Iran without congressional approval. The Congress attempted to override Trump's veto but was unable to achieve a two-thirds majority.

At the maritime confrontation level in the region, the US Navy announced that it would take lawful defensive actions against ships in the Middle East that come within 100 meters to its warships. This is indicative of the US Navy executing Trump's instructions in response to Iranian threats.

The confrontation between Iran and the United States has shifted internationally to the Caribbean, after Washington announced the deployment of warships there to intercept Iranian oil tankers carrying oil to Venezuela. The United States considered Iranian shipment of oil to Venezuela a violation of the sanctions imposed on both countries. At the same time, Washington warned governments, seaports, shipping companies and insurers that they could face stifling US sanctions if they aided Iranian tankers transporting oil to Venezuela.

The US State Department revealed that it is undertaking diplomatic efforts to extend the arms embargo, due to end on October 18, 2020. These efforts are not only intended to prevent Iran benefitting from an important aspect of the nuclear deal , but also to prevent Russia and China – which reject the US position to extend the arms embargo –from changing the balance of power in the Middle East. It is worth noting here that the Pentagon reported that Beijing and Moscow are planning to sell arms to Iran, which raises the concerns of the Trump administration.

As a proactive step to counter the expected deals between Iran and China and Russia, and to preempt the expected failure of its efforts to extend the UN arms embargo on Iran, the United States added Iran to the list of countries that are not cooperating with US counterterrorism efforts under Section 40A(a) of the Arms Export Control Act.

Although the Europeans share some of the United States' concerns about Iran's missile development and regional behavior, they believe that the nuclear agreement restricted Tehran's nuclear program, and it has wide international acceptance. Therefore, the Europeans do not support activating the dispute resolution mechanism to extend the arms embargo on Iran. If the United States fails to convince these parties to extend the arms embargo, Washington says it will activate the dispute resolution mechanism clause, which allows any of the signatories to reimpose or restore all sanctions that were imposed on Iran before, according to the remarks by the US Especial Envoy for Iran, Brian Hook.



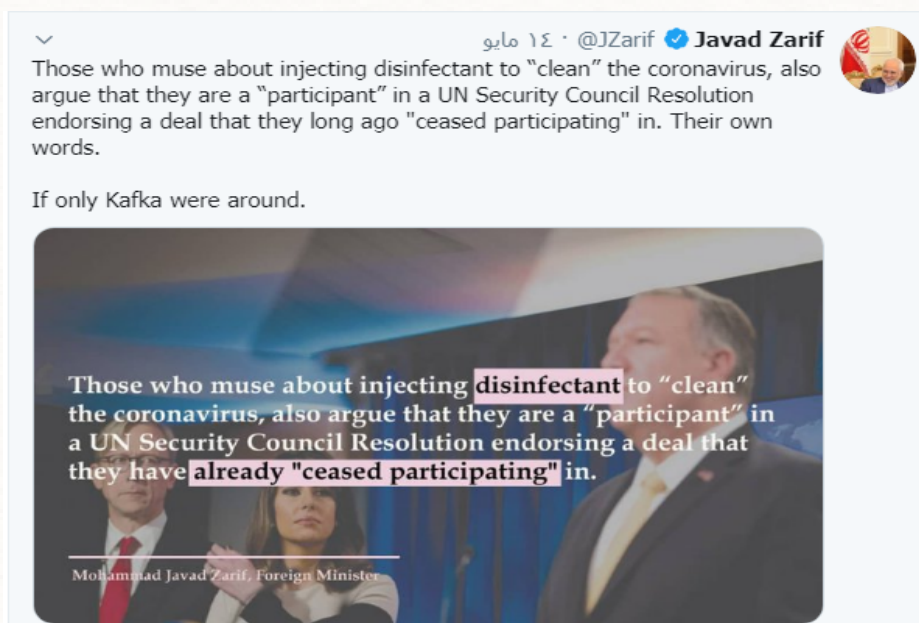
## II- Iranian Reaction to US Escalation

Iran still holds on to the nuclear deal and refuses to start fresh negotiations with the Trump administration over a new agreement. However, Iran is still adopting what it calls “extreme resistance” against American pressure. It bets on a change in the upcoming US elections, especially after the latest US protests.

As one of the major military benefits of the nuclear agreement, Iran rejects the US position to extend the arms embargo on Tehran. Tehran believes the US maximum pressure strategy has failed because Washington is now exerting efforts to activate the dispute resolution mechanism.

From Iran’s perspective, if the United States wants to return to the nuclear agreement, it must first abide by its terms and commitments, such as lifting the arms embargo on Iran. “If America wants to return to the deal, it should lift all the sanctions on Tehran and compensate for the reimposition of sanctions [...] Iran will give a crushing response if the arms embargo on Tehran is extended,” Iran’s President Hassan Rouhani said.

Iran counts on China, Russia, and the European countries that do not agree with the US decision to extend the arms embargo because it is – according to Iran – incompatible with international law. It is reported that China and Russia are planning to sign arms contracts with Iran just after the embargo is lifted.



Iran condemned the US decision to revoke the nuclear cooperation sanctions waivers, and considered this step to be ineffective. At the same time, Iran has threatened that if the western parties to the nuclear deal violate their obligations, Iran will not implement the additional protocols of the Treaty on the Non-Proliferation of Nuclear Weapons (NPT), and will reconsider its cooperation with the International Atomic Energy Agency (IAEA).

In response to American naval threats, Iran launched cyberattacks targeting the accounts of the employees of the US-based Gilead Sciences Inc., which is working to develop a coronavirus vaccine. Iran announced that its navy will carry out its regular

duties and confront any threats. The IRGC's Navy Commander Rear Admiral Alireza Tangsiri announced that his forces will chase the Americans everywhere they are in the Arabian Gulf or the Strait of Hormuz.

Simultaneously, Iran maintained its diplomatic campaign against US sanctions amid the coronavirus outbreak. This issue was raised during the discussions between Iranian diplomats and officials from Japan, Switzerland and Austria. Rouhani also discussed it at a virtual summit of the Non-aligned Movement Contact Group on May 4, 2020.

Majid Takht Ravanchi, Permanent Representative of the Islamic Republic of Iran to the UN, when addressing a virtual meeting at the United Nations on May 9, said that the US sanctions and the coronavirus pandemic are a global threat. "Switzerland's humanitarian channel known as Swiss Humanitarian Trade Arrangement (SHTA) is insufficient to meet Iran's needs. The US requirements are so strict that it is so difficult to trade this way," Ravanchi added.

Iran anticipates possible military confrontation in the region. In this context, Iran accuses Washington of reviving the ISIS project in Iraq to achieve its goals and attempting to eliminate the pro-Iranian Popular Mobilization Forces (PMF) in Iraq. Iran established the Al Harir Base 115 kilometers away from the Iran-Iraq border in response to broader regional measures against it. Iran is calling on Al-Kazemi's government to push American forces out of Iraq.<sup>(2)</sup>

To balance American pressure, Iran has provided Venezuela with gasoline, and sent five oil tankers to help it overcome its crisis in light of the sanctions imposed by the Trump administration on the Caracas government. Venezuelan officials announced that Iran had received full payment for its gasoline shipments. The US special envoy for Venezuela, Elliot Abrams, said that Iran was paid in gold for airlifting equipment to Venezuela, and it will be used in the country's oil industry.

After the recent US moves against Iranian oil tankers, Iran has sent a message to the International Maritime Organization, expressing its deep concern about reports concerning America's decision to take action against Iranian fuel tankers in international waters, thus threatening international security. The Iranian Minister of Defense, Brigadier Amir Hatami, stressed that his country would not tolerate any troubles facing its oil tankers, saying: "If the disturbance continues and escalates, it will certainly receive a decisive and crushing response."

### **III- The Indications of Mutual Escalation Between the United States and Iran**

The United States continues to stifle the Iranian government by imposing more sanctions to deter Iranian threats. For example, the United States' continues to target the nuclear agreement to undermine Iran's remaining gains. It plans to extend the arms embargo on Iran, an important benefit to Tehran from the nuclear deal. In addition, the US imposed further pressure on Tehran by revoking the nuclear cooperation sanctions waivers granted to foreign companies.

Iran has exerted much effort to undermine US sanctions by carrying out an international campaign to highlight their illegal nature, particularly in the context of the coronavirus pandemic and the humanitarian repercussions resulting from it. It engaged in further discussions on this matter with the signatories of the nuclear deal and other countries. Iran has succeeded in winning the support of some countries because of their differences with the US toward Tehran. Thus, Iran may succeed in thwarting US efforts to undermine the gains it achieved from signing the nuclear agreement such as its right to sell and export arms and nuclear cooperation in regards to its nuclear program. In addition, Iran could be successful in preventing





the US creating an international consensus against it, thus minimizing the chances of UN sanctions before the JCPOA being reimposed. Tehran has managed to achieve its nuclear gains by exploiting the divisions and rivalries between countries in the international arena.

### Conclusion

Apparently, Iran is taking advantage of America's preoccupation in addressing the coronavirus crisis and Trump's preparations for the upcoming elections. It is working to escalate its threats and confrontations, especially by launching cyberattacks, and trying to impose security and political challenges on US presence in Iraq. Iran has totally disregarded the US sanctions on Venezuela by supplying it with oil and offering it technical assistance to improve its oil installations. By doing this, Iran has benefited economically, allowing it to address its economic crisis and violated the US sanctions on its oil exports.

The United States will not permit this channel to remain open (i.e. Iran selling oil to Venezuela) as it thwarts its sanctions and policies intended to confront both countries. The presence of naval vessels from both sides in the Arabian Gulf opens the

door to further incidents that may trigger more fiction and tensions between the two countries. Trump's re-election will be a key issue in the relationship between Tehran and Washington. Iran continues to resist, and refuses to negotiate and it insists on maintaining the nuclear agreement despite the fact that the other signatories have failed to abide by their commitments.



# IRAN-EUROPE RELATIONS

The Americans and Europeans have made official statements, expressing their positions, on the Iran nuclear deal and the latest regional developments. The most prominent regional interactions this month were: the US efforts to extend the UN arms embargo on Iran; the US revoking nuclear cooperation sanctions waivers for foreign companies; the second anniversary of the US withdrawal from the Iran nuclear deal; Germany's designation of the Lebanese Hezbollah as a terrorist organization; and finally the European statement on Khamenei's remarks against Israel. This part of the Iran Case File is divided into two main topics:

## *European Positions on Iran's Latest Developments and Iran's Threats and Demands Towards the Europeans*

### **I- European Positions on Iran's Latest Developments**

At the regional and international levels, three major developments happened during May 2020 which resulted in the Europeans clarifying their positions toward Iran via official channels.

#### **1- The Extension of the UN Arms Embargo on Iran**

Through the remarks he made on May 9, 2020 – marking the second anniversary of the US withdrawal from the Iran nuclear deal<sup>(3)</sup>—Secretary of State Mike Pompeo reaffirmed the United States' eagerness to use all means possible to extend the UN arms embargo on Iran which is due to expire in October.

Despite the nuclear deal signatories having different positions, the US Special Representative for Iran Brian Hook insisted on his country's right to reimpose sanctions on Iran if the UN Security Council did not extend the arms embargo.<sup>(4)</sup> The Europeans have not officially expressed their position in this regard. However, some news outlets expect that France, Germany and the United Kingdom may oppose the US in its efforts to extend the arms embargo which was stipulated under UN Security Council Resolution 2231. The Europeans believe that lifting the arms embargo on Iran is its legitimate right.<sup>(5)</sup>

Nevertheless, some analysts believe that the US intent to extend the arms embargo on Iran is legitimate because the UN Security Council Resolution 2231 gives the United States – through the deal's dispute resolution mechanism – the ability to reimpose UN sanctions on Iran if it violated the deal — though Washington has withdrawn from the deal. Without a doubt, if the United States manages to achieve its goal, the European efforts to maintain the nuclear deal may fail.

Consequently, the Europeans may resort to taking two options, and they are fully aware of their complexities as well as the potential ramifications for the future of the nuclear deal. On one side, the Europeans supporting the US position may lead to Iran's withdrawal from the nuclear deal and from the Treaty on the Non-Proliferation of



Nuclear Weapons (NPT), according to remarks made by Iranian officials.<sup>(6)</sup> On the other side, if the Europeans oppose the US position, Washington may resort to triggering the snapback mechanism under resolution 2231 – which will lead to the reimposition of UN sanctions on Iran – which may eventually lead to the nuclear deal collapsing.

## **2- Ending Sanctions Waivers on Foreign Companies Working at Iranian Nuclear Installations**

Following the US State Department's imposition of economic sanctions on foreign companies operating at Iran's nuclear facilities, on May 27 the foreign ministers of France, Germany and the United Kingdom said in a joint statement, that they “deeply regret the US decision.”<sup>(7)</sup> “These projects, endorsed by UN Security Council resolution 2231, serve the non-proliferation interests of all and provide the international community with assurances of the exclusively peaceful and safe nature of Iranian nuclear activities,” they added. The cancellations will provide foreign companies with 60 days to wind-down their operations. The Europeans expressed their discontent with this US decisions as the waivers allowed foreign powers to supervise Iran's nuclear activities. However, according to some observers, the US decision – which overlooked the role of inspectors in supervising Iran's nuclear activities – would push Iran to violate more of its commitments under the nuclear deal. This will eventually lead the Europeans to align with the United States and join its maximum pressure campaign against Iran.<sup>(8)</sup>

## **3- The European Statement on Khamenei's Remarks Against Israel**

On May 21, the European Union issued a statement condemning “the threatening remarks of Iran's Supreme Leader Ayatollah Ali Khamenei bringing into question Israel's legitimacy.”<sup>(9)</sup> Josep Borrell, the EU High Representative for Foreign Affairs



stated that Khamenei's statement is a threat to international peace and security. He also said on Twitter – after Khamenei's comments sparked an angry response from Israel's Prime Minister Benjamin Netanyahu – “I condemn in the strongest possible terms the call by the Iranian Supreme Leader @khamenei\_ir to fight Israel.”<sup>(10)</sup> Borrell replied to Khamenei's remarks, posted on the same day in three languages: Persian, English and Arabic. Khamenei called for the “elimination of Israel” and affirmed that Iran “will support and assist any nation or any group anywhere who opposes and fights the Zionist regime, and we do not hesitate to say this.”<sup>(11)</sup>

## II- Iran's Demands and Threats to the Europeans

Iran, in May, dealt with three prominent developments related to its nuclear file and its relationship with European Union.

### 1- The Second Anniversary of the US Withdrawal From the Nuclear Deal

Following the second anniversary of the US withdrawal from the nuclear deal on May 8, Iranian lawmakers, diplomats, and politicians raised their voices condemning the US decision and called on the Europeans to take a more decisive and tougher position against the US policies targeting Iran's nuclear file. Also, Iranian media outlets, such as *Ettela'at* newspaper posted a headline saying, “Europe has to play a more effective role in the JCPOA.”<sup>(12)</sup>

In the same vein, Iran's Ambassador to Belgium Hossein Dehghani wrote an article for *Euronews*, reviewing the political, economic and security benefits of the nuclear deal for the Europeans. To convince the Europeans to meet Iran's demands and oppose the United States' anti-Iran policies, he tried, in his article, to shed light on how the agreement has added value to the Europeans. The European troika can “maintain the existing frail balance on the multi and bilateral front [...] [and] restore the balance on the economic front, thereby resuscitating the moribund nuclear agreement,” Dehghani wrote.<sup>(13)</sup>

### 2- US Efforts to Extend the UN Arms Embargo on Iran

In media outlets, many Iranian politicians have been quite keen to shed light on Iran's intent to withdraw from the NPT as Tehran's first option if the United States extends the UN arms embargo. Iran is targeting the whole international community by threatening to withdraw from the NPT. Tehran also attempts to push the European signatories, the European troika, to think seriously of the ramifications and dangers of being ‘submissive’ to US demands — from an Iranian perspective.

Ali Shamkhani, the secretary of Iran's Supreme National Security Council, tweeted that the nuclear deal “will die forever” by “circumventing 2231 Resolution.” He also wondered, “What will #EU do: Save dignity & support multilateralism or accept humiliation & help unilateralism?”<sup>(14)</sup>

### 3- Germany's Designation of Lebanese Hezbollah as a Terrorist Organization

Following Germany's designation of the Lebanese Hezbollah – its military and political wings – as a terrorist organization, the Iranian foreign minister issued an official statement on May 1, condemning the German decision, criticizing Berlin's move “as a measure serving the objectives of the US and the Zionist regime of Israel.”<sup>(15)</sup> Iran accused Germany of undermining the Lebanese people, stressing that Hezbollah “is a formal and legitimate part of [Lebanon]'s government and parliament.”<sup>(16)</sup>

Without a shadow of a doubt, the German decision created a big debate inside Iran since Khamenei's political system considers Hezbollah its right arm in West Asia — Iran relies on it to implement its expansionist and strategic goals at the regional and international level. The consequences of the German decision will curb a great deal of

the party's capabilities, especially if other European countries follow the German move. It is worth mentioning here that the rest of the European countries, except for Germany, have outlawed only the military wing of Hezbollah.

### **Conclusion**

The aforementioned developments — interactions within the framework of the nuclear deal, the extension of the UN arms embargo on Iran, the German designation of Hezbollah as a terrorist organization, and Khamenei's remarks against Israel — prompted both Iran and the Europeans to make official statements expressing their condemnation of each other's positions.

The mutual criticisms will impact the relationship between Iran and the Europeans, thus exacerbating their conflicts of interest. Iran did not miss the chance to exploit the second anniversary of the US withdrawal from the nuclear deal to urge the Europeans to take a more robust position against anti-Iran US policies.



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## 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.





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