EU strategy towards Iran after the nuclear agreement

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The Committee on Foreign Affairs adopted the own-initiative report by Richard HOWITT (S&D, UK) on the EU strategy towards Iran after the nuclear agreement.

The report noted that following the Iran Nuclear Deal and internal political developments in Iran, there is now an opportunity for reforms in the country and for improvement of its relations with the European Union. Members stressed that all sides are now responsible for ensuring its strict and full implementation.

Political dialogue: the report recalled that the Council's decision to lift all nuclear-related sanctions against Iran as a result of implementation of its commitments under the Joint Comprehensive Plan Of Action (Iran nuclear deal) allows a **reengagement with Iran** and will create opportunities and benefits for both sides, by providing the potential to reopen the Iranian market for European businesses.

It is pointed out that the development of EU-Iran relations should advance hand in hand with the implementation of the nuclear agreement. Under the terms of the agreement a failure in its implementation by Iran can lead to the reintroduction of **sanctions**.

The report welcomed the institutional changes made within the European External Action Service (EEAS) to reflect the results of the nuclear agreement, in particular the establishment of an Iran Task Force in the EEAS with the objective of coordinating the different strands of action of all Iran-related issues and the establishment of an EU Delegation in Tehran.

Members called for an **EU strategy for re-engagement** with Iran to be based, initially, on confidence-building measures in technical areas that would create positive precedents of EU-Iranian joint work and could pave the way for more meaningful long-term cooperation.

As regards the death penalty, they emphasised that the abolition of the death penalty is a key objective of EU human rights and foreign policy and called for an **immediate moratorium** on the carrying out of death sentences in Iran.

The report also called for EU-Iran cooperation in the fight against the illegal drug trade as one way of addressing the issue of executions in the country.

Trade and economic matters: the report noted Iran's stated objective of achieving a yearly growth rate of 8 % and that European investments are key to Iran's achieving this goal. For Iran to realise its economic potential, it will have to take steps to create a transparent economic environment conducive to international investment and take anti-corruption measures at all levels, particularly regarding compliance with the recommendations of the Financial Action Task Force (FATF) addressing questions such as the cessation of financial flows to terrorist organisations.

The EU should fully support Iran's efforts in this process.

The report highlighted that although many contracts have been signed with European firms, Iran is **unable to honour its commitments** because of a lack of liquidity, meaning that the process of opening up Iran is caught in a vicious circle.

Members stressed that the **lifting of the nuclear-related economic and financial sanctions** by the EU and the international community is an important element in demonstrating that the EU has implemented its commitments towards Iran.

Sectoral cooperation: noting that Iran has the second-largest gas reserves in the world and the fourth-largest oil reserves, Members stated that energy cooperation can play a significant role in diversifying the sources of energy supply to the EU and reducing Member States' energy dependency on single suppliers, thereby contributing to the EU's energy security. Lifting economic sanctions has the potential to unlock significant spending on the oil and gas industry as well as other sectors of the economy, which would benefit from investment and access to new technology.

European companies are called upon to invest in the Iranian energy sector.

The report noted that nuclear energy might not be competitive in Iran because of low reserves of uranium and the cost of extracting it. Therefore, they called on the Commission to explore the potential for civilian nuclear cooperation with Iran and to encourage Iran to sign the Convention on Nuclear Safety.

As regards **conflicts** in the Middle East, North Africa and the Gulf region, Members welcomed Iran's engagement in the Syrian peace talks via its participation in the International Syria Support Group (ISSG).

Members welcomed Iran's contribution to the fight against ISIS/Da'esh, including its early support for the Kurdish Regional Government in Erbil, and recognises its decisive contribution in Iraq, which halted ISIS /Da'esh's advance and recovered territories that had been subject to jihadist terrorism.

Socio-economic issues, rule of law, democracy and human rights: Iran is called upon to enlarge the space for political pluralism. It is also called upon to release of all political prisoners and to free imprisoned EU citizens who have been detained or convicted under a judicial process that did not meet international standards. The Iranian authorities are urged to ensure that the rights of religious and ethnic minorities are fully respected and protected in law and that religious freedom is extended.

Lastly, the EEAS and the Commission are called upon to work together with the Iranian authorities in areas such as judicial reform and reform of the prison system, including prison conditions, government accountability, respect for the rule of law, freedom of speech, citizens' universal human rights and fundamental freedoms, and the fight against corruption.