

ENGAGING WITH IRAN:: A EUROPEAN AGENDA

Author(s): Ellie Geranmayeh

European Council on Foreign Relations (2015)

Stable URL: <http://www.jstor.com/stable/resrep21600>

---

JSTOR is a not-for-profit service that helps scholars, researchers, and students discover, use, and build upon a wide range of content in a trusted digital archive. We use information technology and tools to increase productivity and facilitate new forms of scholarship. For more information about JSTOR, please contact [support@jstor.org](mailto:support@jstor.org).

Your use of the JSTOR archive indicates your acceptance of the Terms & Conditions of Use, available at <https://about.jstor.org/terms>



*European Council on Foreign Relations* is collaborating with JSTOR to digitize, preserve and extend access to this content.

JSTOR



EUROPEAN  
COUNCIL  
ON FOREIGN  
RELATIONS

ecfr.eu

**BRIEF**  
**POLICY**

# ENGAGING WITH IRAN: A EUROPEAN AGENDA

Ellie Geranmayeh

## SUMMARY

- Europe can now move beyond its exclusive nuclear focus with Iran, and shift to a relationship based on engagement not containment. This would allow the EU to pursue its interests with Iran across a range of issues, in particular on de-escalating conflicts in the Middle East in which Iran is involved.
- Although Iran's regional policies have often caused grave problems, it has not consistently or exclusively opposed Western objectives. Europeans should explore whether Iran can deliver more constructively on regional issues, while recognising that progress may require trade-offs and be incremental at best.
- The largest EU countries and the EU High Representative should endorse an ambitious initiative on regional security, using their respective proximity to Iran and Saudi Arabia to facilitate dialogue aimed at reducing tensions and promoting a security architecture in which all regional actors participate.
- The EU should also establish a formal structure for deepening its diplomatic and economic relations with Iran, including the negotiation of an energy partnership. The goal would be for cooperation and competition to coexist across different arenas, with better management of contentious issues.

The announced nuclear agreement with Iran presents Europe with an opportunity to shift away from a containment policy on Tehran towards constructive engagement as a more effective means to secure European interests. The West's nuclear-centric focus on Iran over the past decade has contributed to a diplomatic breakthrough over non-proliferation. But it has also paralysed Europe's ability to develop a comprehensive policy on Iran, despite the country's growing – and, at times, troubling – role in a region of strategic importance. Europe needs to come up with a meaningful agenda for engaging with Iran on conflict resolution in the Middle East, especially in light of the priority and resources being invested in this region after the rise of the so-called Islamic State (ISIS) and the increase in the threats to Europe's homeland security. If Europe is committed to creating a more stable region in its neighbourhood, it must recognise the position taken by the principal regional stakeholders, and as a matter of urgency it must engage all of them, including Iran, as participants in the creation of a regional security order.

Iran's policies have at times undercut the West and have fuelled instability in the region. Even so, it would be simplistic to see Tehran as consistently working against Western interests. President Barack Obama has taken the lead by quietly acknowledging that his administration's regional objectives may be better served by engaging rather than containing Iran, particularly in building a counter-ISIS strategy in Iraq. Obama has had limited space to pursue openings with Iran on regional issues because of American domestic politics and the United States' historic enmity with the Islamic Republic, two factors that represent grave obstacles to the normalisation

of US relations with Tehran. Paradoxically, in spite of the fact that it is more politically acceptable and necessary for Europe to deepen its relations with Iran given its proximity to Middle Eastern turmoil, Europeans have made a less coherent case than the US president on how far to engage with Iran.

The Joint Comprehensive Plan of Action (JCPOA), announced on 14 July 2015 between Iran and the E3+3, is likely to move ahead with the signing and implementation phase, even though there will probably be bumps in the road.<sup>1</sup> This deal lowers the threshold for cooperation with Iran, but Europe's ability to work with the Islamic Republic is constrained by internal divisions and logistical shortfalls, together with the fact that Europe's traditional regional allies remain wedded to the policy of containing an Iranian regime that they perceive to be bent on regional hegemony. These factors have already prevented Europe from being able to formulate a bold or at least a more exploratory stance with Iran, as might have been hoped for after the interim nuclear deal signed on 24 November 2014. In the immediate aftermath of the JCPOA, deeper engagement with Tehran will be further complicated if regional allies step up their adversarial pushback against Iran in the region's proxy war theatres.

The existing policy has done little to change Iran's regional foreign policy or to hinder its capabilities. Therefore, Europe should move past this strategy in favour of engaging with Iran and thereby confronting it on contentious issues. The Iranian leadership has recognised the benefits of cooperation with Europe in developing its economy and escaping from its pariah status through reintegration into the global community. This recognition by Tehran, together with the conclusion of the nuclear deal, should serve as a catalyst for Europe to explore new openings for engagement and possibilities for trade-offs with Iran.

Going forward, Europe's policy on Iran should no longer be based simply on opposing Iranian interests and regional conduct, especially in areas where Iran's actions can strengthen European strategic priorities. Instead, the relationship should go further. On the transactional level, it should be extended so that no topics of mutual interest are off limits, while at the same time exploring more ambitious options on tackling thorny regional files. It would be unwise for Europe to ignore Iran's active involvement in a stagnating regional landscape and to deal exclusively with non-contentious files. Europe should also engage with Iran on contentious issues in which interests conflict, such as on Syria, so as to at least begin a frank dialogue on realistic options for de-escalation that could ease Iran's open hostility towards Western interests.

### Iran's strategic importance

Beyond the nuclear file, relations with Iran matter to Europe, in particular because of Iran's deep footprint in almost every crisis that is currently unfolding in a region of strategic importance. Europeans have to deal with the

<sup>1</sup> The E3+3, also known as the P5+1, consists of France, the United Kingdom, Germany, the US, China, and Russia. The JCPOA will first be reviewed by the US Congress before full signing of the deal.

repercussions of the Iraqi state's disintegration after the US-led invasion in 2003, their incorrect calculations on how quickly Bashar al-Assad would fall in Syria, and the rising extremism across the region. The surge of ISIS has further underscored the volatile nature of the threats to Europe from internal radicalisation and the backlash in the form of Islamophobia, the potential return to Europe of citizens now fighting in Syria, terrorism, and the human cost of the regional crises.<sup>2</sup> This year, Europe was confronted with a vast influx of refugees fleeing Syria, while terrorist attacks were carried out by al-Qaeda and ISIS affiliates in Paris and Copenhagen. These are stark reminders that Europe does not have the luxury of pivoting away from the turmoil in the Middle East. The costs for Europe are likely to worsen in light of the effects the crises are having in North Africa, Lebanon, and the Gulf Cooperation Council (GCC) states, which are already coping with deeply polarised communities that are at risk of exploitation by ISIS and other extremist groups.<sup>3</sup>

Iran is a large country located between the tumultuous Middle East and troubled Afghanistan. Its geographical access to both areas, together with its deep-rooted historical ties to the region, have bolstered its influence in countries from Afghanistan and Iraq to Lebanon, Syria, and Yemen. The aftermath of the invasion of Afghanistan in 2001, followed by that of Iraq in 2003, presented opportunities for Iran to expand its influence in areas that suddenly lacked leadership or governance. These power vacuums made it easier for the Quds Force of the Iranian Revolutionary Guard Corps (IRGC) to manoeuvre and to have an impact in the region in spite of the results of a decade of unprecedented Western sanctions and domestic economic strain. The Quds Force has implemented Tehran's foreign policy in part by means of operations that have severely undermined Western interests. But in other instances, although their actions have been problematic, they have broadly advanced the West's priorities.

Despite the regional disorder, Iran is one of the few countries in the region that has a fully functioning state, security, and intelligence apparatus. This has shielded Iran from any serious ISIS threats and kept the risks of internal radicalisation very low, especially as compared to other parts of the region. Iran and its allies have suffered extensive setbacks in Syria and have had to accept the economic and reputational costs of backing Assad. But Tehran's predictions on and handling of concurrent regional crises has broadly boosted its confidence, and its counter-ISIS strategy has increased the IRGC's popular domestic support.

Another of Europe's strategic concerns in the region is energy security. Iran's neighbourhood provides the source and access routes for a large part of Europe's energy supplies, and this will be undermined if regional instability grows. Europe's energy imports have already been dealt a blow by the civil war in Libya and complicated by the

<sup>2</sup> On the numbers of European residents or nationals fighting in Syria, see Peter R. Neumann, "Foreign fighter total in Syria/Iraq now exceeds 20,000; surpasses Afghanistan conflict in the 1980s", ICSR, 26 January 2015, available at <http://icsr.info/2015/01/foreign-fighter-total-syria-iraq-now-exceeds-20000-surpasses-afghanistan-conflict-1980s/>.

<sup>3</sup> As witnessed by the ISIS bombings against Shia targets in Saudi Arabia in May 2015.

standoff with Russia over Ukraine, and further volatility would cause still more harm. Moreover, Iran's energy resources, industrial infrastructure, and largely educated youth could widen Europe's options in meeting its goal of energy diversification.<sup>4</sup>

### What Europe can get from Iran

Most Europeans hope that diplomatic success on the nuclear issue will have a spin-off effect, allowing broader engagement with Iran on regional files. For the past decade, Europe has adopted a containment policy on Iran, which has been pursued through a mixture of sanctions, threats of military strikes by the US and Israel, and a diplomatic freeze with Iran on regional conflicts.<sup>5</sup> This has given Europe leverage in the nuclear negotiations, while allowing it to reduce Israeli fears and prevent the risk of a long and costly military confrontation with Iran. But the deliberate exclusion of Iran has been counterproductive to Europe's strategic objectives on regional files. Iran's striking absence from the Geneva conferences on Syria has shrunk Europe's options for constructive progress and de-escalation in Syria. In some instances, the containment policy exacerbated Tehran's fears and paranoia about a Western plot for regime change and, as a result, caused the IRGC to intensify its anti-Western regional action. Moreover, given the lack of alternatives, Europe has been forced to side consistently with its traditional regional allies, even when their proposals proved less effective than Iran's or further fractured the region.

It has been difficult for political actors in Europe to think outside the "containment box" about a possible role for Iran on non-nuclear issues – and, in any case, it would have been futile to do so, given the nuclear-centric orientation of Europe's relations with Iran.<sup>6</sup> In formulating expectations on regional security, Europe will need to consider Tehran's priorities as well as the current geopolitical realities. Iran's regional priority is to create sufficient stability to prevent direct attacks at its borders from extremist groups that would threaten the Iranian state system and the country's majority Shia population, while at the same time working to strengthen its influence abroad. Tehran is first and foremost concerned with its neighbours, Iraq and Afghanistan, seeking at a minimum that leaders in those countries are unthreatening to Iran and to some degree dependent on Tehran's support.<sup>7</sup> On its border with Pakistan, Iran is actively tackling hostile Sunni extremists and working to prevent the "Talibanisation of Pakistan".<sup>8</sup> Iran wants to preserve the Axis of Resistance against what it believes to be a US and Israeli plan for regime change in Tehran. Maintaining access routes to Hezbollah, and consequently a loyal security apparatus in Syria and Lebanon, is critical to this strategy.

4 Iran has the world's fourth-largest oil reserves and second-largest natural gas reserves, the majority of which is under-explored. The southeastern coast of Iran borders the Strait of Hormuz, which is one of the main routes for the export of oil and liquefied natural gas from the Middle East into Europe.

5 Europeans were united through a common stance on non-proliferation, in addition to the headline rhetoric taken by Iran's former president, Mahmoud Ahmadinejad.

6 Author interview with European official, 21 May 2015.

7 The stability of neighbouring Afghanistan is a high priority for Iran – so much so that it has recently set aside its historic enmity with the Taliban in an effort to maintain political order.

8 Author interview with Iranian official, 24 April 2015.

As part of implementing these priorities and expanding its influence in areas with power vacuums, Iran has become entangled in a zero-sum battle with other regional powers. After the succession in January 2015 of its new king, Salman bin Abdulaziz Al Saud, Saudi Arabia has taken a much more assertive position in uniting a "Sunni front", including Turkey, to overturn what it perceives to be Iran's hegemonic goals, particularly in Syria. This has placed Tehran and the House of Saud in a more violent state of proxy war than ever before. It is likely to be years before any significant rapprochement between Iran and Saudi Arabia takes place; in fact, the two countries' relations are likely to deteriorate in the short term after the JCPOA. Even the ISIS surge, and the existential threat that it represents to the region, has not raised the threshold enough for either Iran or Saudi Arabia to abandon the current approach in order to fight a common threat. It is likely that anything Iran could realistically offer would be dismissed as too little by Saudi Arabia, and vice versa. Given Iran's relative position of strength after the endorsement of the JCPOA, Europe would like to see Tehran making a more meaningful outreach to Riyadh – if not directly, then either through impartial European member states or through Oman.

The proxy war between Iran and Saudi Arabia has had a toxic effect on the situation in Syria. The future of Assad, a longstanding ally of Tehran, will be the most challenging and slow-moving frontier for diplomacy with Iran. Tehran's support for Assad has extended Damascus a lifeline that has enabled it to continue fighting moderate and extremist opposition groups, which has had grave humanitarian costs for the Syrian people and caused destruction in the country. Even though Iran plays a critical role in Syria, it has neither been invited to nor participated in United Nations-brokered political tracks where these have been preconditioned on endorsing Assad's departure. For member states that have backed Syrian opposition groups, it will be extremely difficult to forgo the precondition of Assad's removal in order to accept Iran's inclusion in such talks.

So far, Europeans have not sufficiently tested the possibility that Iran might be able to cause the Assad regime to change its behaviour in advance of a comprehensive political settlement. After a nuclear deal, this should be investigated, albeit with the understanding that progress might require trade-offs and is likely to be incremental at best. One method would be to ascertain whether and how far Iran can provide the UN with humanitarian access into Syria by instructing Hezbollah forces and IRGC personnel on the ground to allow deliveries through. Europeans would like to see Tehran exerting pressure on Damascus to halt the use of barrel bombings and other egregious methods being used by the regime in civilian-populated areas.<sup>9</sup> As part of exploratory dialogue on the broader political arrangement in Syria, Iran could perhaps be persuaded to narrow its goals to focus on maintaining strategic access routes into Lebanon and protecting Shia shrines and Alawite areas as a way of reducing sectarian tensions with Sunnis.

9 Author interviews with officials from three EU member states, 22 April and 27 May 2015.



Including Iran in a serious diplomatic initiative on Syria could increase the prospects for a durable solution. However, two factors complicate any such effort. The first relates to whether Tehran is willing to cooperate on piecemeal efforts without agreement on an overarching political settlement. It is true that Iran is likely to postpone the grand Assad question until it can be assured that any group hostile to Iran, such as ISIS, Jabhat al-Nusra, and the Jaish al-Fateh, would not be able to take hold of Damascus or the critical resupply routes to Hezbollah.<sup>10</sup> But four-plus years into the fighting, Europeans remain divided as to the endgame in Syria and are unable to make assurances on behalf of extremist opposition groups. Secondly, in spite of Iran's leverage and ability to halt critical aid to Syria, its sway over the elite decision-making circle of the Syrian regime is far from absolute – especially at a time when the leadership in Damascus is focused on survival. Nevertheless, some consider that a political track would be worth revisiting in light of recent blows to the Syrian regime. There are also indications that, in order to prevent the dissolution of Syria's Tehran-friendly security apparatus, Iran would be willing to accept the eventual replacement of Assad with a figure that is not hostile to Tehran.<sup>11</sup>

The military campaign against ISIS in Iraq has triggered a more pragmatic Iranian approach towards the West, somewhat similar to their tactical cooperation in defeating al-Qaeda and the Taliban after the 2001 invasion of Afghanistan. Some European member states have joined the US-led anti-ISIS air coalition, while others have provided training and arms to Iraq's central army and to Kurdish Peshmerga forces. In private, Western officials say that Iran has been the most willing and effective force in coordinating ground troops with the coalition's air campaign against ISIS.<sup>12</sup> Europeans would have preferred a strong Iraqi security force that could act independently of Iran, but they recognise that no Iraqi or foreign actor has the appetite or ability to replace Iran.<sup>13</sup>

However, the West faces a real dilemma in cooperating with Iran on a counter-ISIS strategy. Iran's role in mobilising Iraqi Shia militias has been integral to recapturing ISIS-held territories and preventing further ISIS gains. But the excesses of Shia militia have also fuelled the Sunni buy-in to ISIS. Tehran agreed to the removal of Iraq's divisive prime minister, Nouri al-Maliki, which was a positive step in addressing the legitimate grievances of Sunni communities. But the change in the administration has not brought about shifts in state policy sufficient to reduce sectarian strife. The abuses carried out by Shia militia groups after entering ISIS-held territories have been a major factor in causing some Sunni tribal leaders to declare allegiance to ISIS. Another matter for concern is the possibility that the Popular Mobilisation Units (PMUs), commanded by IRGC advisers, could one day become a resistance force to government control, like Hezbollah in Lebanon. This would increase Iran's capacity to benefit from future security gaps in Iraq at Baghdad's expense.

10 Author interviews with advisers to the Iranian Ministry of Foreign Affairs and Iranian officials, 23 April 2015.

11 Author interviews with sources close to the Iranian Ministry of Foreign Affairs, February–May 2015.

12 Currently the ground troops include the central army, various Kurdish factions, and Shia militia forces – Iran has developed strong ties to these factions.

13 Author interviews with current and former European policymakers, February–June 2015.

Europe can tolerate and, to a degree, welcome Iran's operations against ISIS, as long as they do not weaken Iraq's central government or ignite sectarian divisions. In theory, the PMUs receive their mandate and payroll from Baghdad – but, in practice, the IRGC orchestrates their movements. To address Iraqi and Western concerns, Iran is likely to continue to support the integration of Iraq's Shia militias into the PMUs, which now include Sunni forces. If the majority of Shia militias can be fully integrated into the PMUs and kept loyal to the state structure, their ability to challenge the central security forces would be reduced. In addition, Europe will want to see Iran taking a more active part in tackling the actual and perceived sectarian tensions associated with its role in Iraq. One way that might be acceptable to Iran would be for its high-ranking political, military, and religious figures to follow the example set by Iraq's Grand Ayatollah Ali al-Sistani in condemning sectarian acts and working with Baghdad to shape inclusive political representation for Sunnis and other minorities.

Hezbollah, under the IRGC's guidance, has stepped up its military involvement in Iraq and Syria, and in doing so it has proven loyal to implementing Iranian regional policies. Although the group has suffered fatalities and is stretched in Syria, it sees both fights as crucial to its preservation and self-interest in preventing the spill-over of ISIS- or al-Qaeda-allied groups into Lebanon. Europeans are concerned about Hezbollah's expanded regional involvement and particularly about the threat it poses to Israeli security. In the early 2000s, Europe initiated a candid discussion with Iran on reducing its backing for Hezbollah's military wing; at that time, Iran reportedly made a secret offer to the White House to halt its support for Hezbollah.<sup>14</sup> But Iran will not now enter discussions with Europe on downgrading its relationship with Hezbollah, at a time when the two have become interdependent in managing parallel regional conflicts.

Nevertheless, Tehran is likely to try to avoid provoking new military confrontation in the region; to achieve this, it could be willing to control Hezbollah's tit-for-tat exchanges with Israel, particularly in the Syrian-controlled Golan Heights, as long as someone asserts reciprocal control over the Israeli side. As a precondition to continued engagement with Europe, Iran will have to prevent Hezbollah attacks from being carried out inside Europe. On the political track, Iran and Europe have a shared interest in solidifying the Lebanese state through supporting Hezbollah's political wing in becoming more deeply integrated into official structures, thus increasing its accountability. Iran is likely to continue assisting Hezbollah in consolidating its power base within Lebanon's political structure and in maintaining order by working with the Saudi-backed March 14 alliance. The Europeans have broadly supported both sides.

Any shift in Hezbollah's hostility towards Israel will have to await a broader change in Israeli-Iranian relations and a shift in Israeli policy – but this is unlikely to happen for some time. For now, the Iranian administration is likely to continue distancing itself from former president

14 See Nicholas D. Kristof, "Iran's Proposal for a 'Grand Bargain'", the *New York Times*, 28 April 2007, available at <http://kristof.blogs.nytimes.com/2007/04/28/irans-proposal-for-a-grand-bargain/>.

Mahmoud Ahmadinejad's outlandish Holocaust denial, which contributed to the breakdown of Iran's relations with Europe. Iran may also endorse future positive developments on Palestinian reconciliation or an Arab League peace initiative. Ironically, if escalation between Hezbollah and Israel seems likely, then Iran could be encouraged by the West to play the external guarantor role for Hezbollah – effectively substituting for Damascus, which took a similar position in ending 1996's Operation Grapes of Wrath.

Yemen is the site of the latest proxy conflict in the rivalry between Iran and Saudi Arabia, and tensions have considerably worsened since March 2015 as a result of the Saudi-led coalition airstrikes. Many saw this mission as a kneejerk reaction to the seizure of Sana'a by the Houthis opposition in alliance with ex-president Ali Abdullah Saleh, because the group has been deepening its links with Iran. Some European member states have voiced concerns about the prospects for and humanitarian costs of this airstrike campaign, but others have either turned a blind eye to or been complicit in Saudi behaviour. The warring sides in Yemen are now further away from returning to a political track – and meanwhile, al-Qaeda in the Arabian Peninsula, one of the al-Qaeda affiliates that has proved most harmful to Western interests, is gaining territory and consolidating its power base in Yemen.

Unlike in Syria or Iraq, Iran has few interests at stake in Yemen and may therefore be willing to aid Western efforts at conflict resolution, which could set a useful precedent. The Houthis are far from being Iran's proxies, although its leaders have good relations with Tehran and have sought, but not necessarily followed, the IRGC's guidance.<sup>15</sup> Iran could play a constructive role in pressing the Houthis to agree to a permanent ceasefire, and to accept a middle-way political outcome if the West can encourage Saudi Arabia to do the same. In the longer term, Iran could encourage the Houthis to integrate into a political track aimed at instituting power-sharing in Yemen.<sup>16</sup> There has already been some convergence between Europe and Iran on coordinating humanitarian aid in Yemen so as to prevent further tension with Saudi Arabia.<sup>17</sup>

### What Europe can offer Iran

Given the realities of the region, Europe has limited leverage over Iran's regional calculations. However, Iran sees benefits in creating more positive diplomatic and economic relations on a broad range of issues with Europe, which it has always differentiated from the US.

On regional security, Tehran might find useful Europe's closeness with the GCC states and its potential to utilise its influence and resources to facilitate future dialogue among

15 US intelligence indicates that while Iran has influence with Houthi and opposition leaders in Yemen, they are far from being directed by Tehran as proxies. See Ali Watkins, Ryan Grim, and Akbar Shahid Ahmed, "Iran Warned Houthis Against Yemen Takeover", the *Huffington Post*, 20 April 2015, available at [http://www.huffingtonpost.com/2015/04/20/iran-houthis-yemen\\_n\\_7101456.html](http://www.huffingtonpost.com/2015/04/20/iran-houthis-yemen_n_7101456.html).

16 Author interview with Iranian official, 9 May 2015

17 Tehran's ultimate decision to coordinate its humanitarian cargo vessel to Yemen with the UN mission in May 2015 was viewed by Europeans as a responsible and positive act in de-escalating tension with Saudi Arabia, which had insisted on searching the cargo before delivery.

regional actors. President Hassan Rouhani's administration has recognised the need for outreach to Saudi Arabia, but it has failed to formulate a genuine offer of rapprochement that might be agreeable to the House of Saud. The IRGC is faring better than GCC-supported forces in the region, but the stakes are rising for Iran: its military resources are stretched across multiple conflicts, and high-level Quds Force commanders have been killed. The threat of escalation and of the contagion of sectarianism and extremism is real, particularly in Lebanon. Any such developments there would strain the IRGC, endanger Iran's links to Hezbollah, and increase the direct risks posed to Iran. Tehran could be persuaded to make constructive movements on regional files if it were brought into a European-mediated dialogue to find middle-way diplomatic solutions with the GCC states. Before any rapprochement, both Iran and Saudi Arabia will need to reach their thresholds for confrontation; not until then will they look to Europeans to help them navigate out of violent regional rivalries.

On the economic front, Europe has largely lost the commercial leverage it had before it imposed unilateral oil and banking sanctions on Iran. From Iran's largest trading partner, it has become its sixth-largest.<sup>18</sup> The European Union has also broadly reached the high watermark of the sanctions that its member states are willing to impose in response to Iran's current regional behaviour. But there will be a window of time after the JCPOA during which Europe will have economic weight with Iran at both member state and EU level, as it opens its markets and offers energy cooperation. During this initial phase, Europe's private sector will be extremely cautious about agreeing to major or long-term business deals with Iran. Before doing so, they will want to see positive steps in the nuclear deal's implementation and ensure the snap-back mechanisms for sanctions are not abused either by the US Congress or the next US president.<sup>19</sup>

This opening will give Europe a chance to tie discussions on economic development with Iran to a heightened degree of regional stability, which will be essential in allowing for energy cooperation and trade. Iran is likely to rebuff preconditions attached to commercial incentives in the first instance. But Iran also understands that if it is to benefit from global economic markets, it must reintegrate into the international political sphere. Trade with Europe will undoubtedly advance Iran's economic priorities and therefore bolster Tehran's domestic legitimacy.<sup>20</sup> Economic ties between Europe and Iran will also build confidence in the diplomatic stream. Moreover, allowing Iran access to open markets would make it more costly in the future for Tehran to directly undercut Western interests and those of its regional allies in ways that would threaten that access.

One way that the EU could take advantage of this initial opening would be to propose negotiations with Iran on an energy cooperation agreement. Europe would have great leverage in this deal, since Iran is in dire need of Western technology to help it to efficiently explore and export its

18 "European Union, Trade in goods with Iran", European Commission, 10 April 2015, available at [http://trade.ec.europa.eu/doclib/docs/2006/september/tradoc\\_113392.pdf](http://trade.ec.europa.eu/doclib/docs/2006/september/tradoc_113392.pdf).

19 Author interview with representatives from the European oil and banking sector, February–June 2015.

20 Author interview with Iranian official, 9 May 2015.

vast oil and gas revenues. Chinese and Russian technologies have been unable to match Europe's energy knowhow, and it is currently unfeasible for the US and Iran to enter any sort of trade cooperation. The EU is likely to find Iran eager to collaborate on energy ties which, unlike other fields, are not a sensitive area for cooperation with the West.

The European Commission has made similar energy cooperation arrangements with other resource-rich countries. When negotiating such an agreement, Europe could highlight the need for stability in Iran's neighbourhood and the need to reduce the risks of disturbance to energy flows so as to better attract European investment. These talks would also act as a confidence-building exercise, which could be critical at a time when European energy companies are hesitant to make large investments in Iran. Meanwhile, the Rouhani administration could sell the JCPOA as resulting in economic prosperity for Iranians. Once an actual energy partnership is in place, it would secure Europe's energy demands and serve its goal for diversifying oil and gas imports, as well as provide it with a share in Iran's emerging market and enhance protection for European investors.<sup>21</sup>

At member state level, one immediate incentive that could be offered to Iran would be backing Tehran's longstanding bid to become a permanent member of the World Trade Organization (WTO).<sup>22</sup> This would be a low-cost measure for Europe in normalising its relations with Iran, but it is a measure that is important to Tehran.<sup>23</sup> Rouhani's administration aims to breathe new life into Iran's 1996 WTO bid; in doing so, it will need to manage a small yet powerful domestic faction, including the IRGC's economic arm, that has monopolised certain commercial sectors and is opposed to international regulations that would shrink their profit margins. In the long run, full WTO membership for Iran would benefit European companies by obliging Iran to enhance protection for foreign investors, liberalise its economy, and cut trade tariffs.

### Managing engagement

The E3+3 framework will soon be discontinued as a political structure for maintaining active contact with Iran. Europe will need to create a platform to normalise its relations with Iran and to discuss in a meaningful way strategic priorities that have often differed from those of the US, Russia, and China in the nuclear negotiations. This is not to say that Europe should disregard the development in US–Iran relations or build a new alliance with Tehran – but the relationship between Europe and Iran ought to follow similar lines to relations maintained with other countries that have both convergent and conflicting interests with Europe.

<sup>21</sup> Although big European energy companies have a huge interest in returning to the Iranian market, the National Iranian Oil Company has struggled to draft lucrative joint venture offers that bypass constitutional restrictions on foreign ownership of oil. Iran's Ministry of Petroleum has entered exploratory talks on a post-sanctions project for exporting gas through Eastern Europe.

<sup>22</sup> The status of Iran's application for WTO accession is pending and was at one point blocked by the US, although Obama has since removed such objections. It is expected that once sanctions are lifted under the JCPOA, Iran's application to join the Shanghai Cooperation Organisation and the South Asian Association of Regional Cooperation will move forward.

<sup>23</sup> The West's support for WTO applications from China, Vietnam, and Saudi Arabia were seen as largely symbolic.

### Precedents for engagement

In formulating this new relationship, instead of reinventing the wheel, Europe can cherry-pick from three valuable precedents for engagement with the Islamic Republic of Iran. The first is the phase of Critical Dialogue launched by the European Council in 1992, which focused discussions with Iran on terrorism, human rights, and energy cooperation. Member states engaged bilaterally with Iran on similar issues.<sup>24</sup> Few concrete results arose from this engagement, but the exchanges were useful in allowing European and Iranian officials to stake out positions and to listen to one another on core issues.

Secondly, following President Mohammad Khatami's election in 1997 and his unprecedented outreach to the West, the EU endorsed the Comprehensive Dialogue with Iran. This mandated broad engagement on global issues (including terrorism, nuclear weapons, Afghanistan, and the Middle East Peace Process), human rights, trade, and energy. Deeper and more frequent interaction with Tehran at both EU and member state level led to breakthroughs on thorny issues such as Hezbollah and human rights. In 2002, formal negotiations began between Iran and the EU on normalising ties through a trade and energy cooperation pact as well as a political dialogue agreement. But these negotiations and the Comprehensive Dialogue were halted after the election of Ahmadinejad; from then on, the nuclear dossier overshadowed all discourse on Iran.

A third phase in European relations with Iran was born out of concerns over the nuclear programme. EU High Representative Javier Solana and the E3 spearheaded a new formula for dialogue with Iran focused on non-proliferation. This evolved into the E3+3.<sup>25</sup> Over the next decade, member states maintained their bilateral ties with Iran to various degrees, but the nuclear talks and the related sanctions framework defined the parameters of relations. Europe deserves credit for its adoption of "effective multilateralism", as outlined in the 2003 European Security Strategy, to find a diplomatic resolution to one of the most complex nuclear negotiations in history. But by suspending practically all non-nuclear channels of contact with Iran, Europe deprived itself of the knowledge and options it needed to address other areas of strategic importance.

### Constraints on normalisation

The extent to which Europe can deepen its engagement with Iran towards a more normal relationship, and the pace at which this happens, will be limited by multiple factors. In the immediate aftermath of the JCPOA, some leading Western countries may double down on their adversarial approach towards Iran on regional files, in an effort to compensate irked allies and mitigate fears that the nuclear deal means the West is switching regional alliances or rewarding Iran's regional behaviour. Evidence of this is already apparent in the backing given by the US, France, and the United

<sup>24</sup> France led an initiative with Iran to resolve tensions caused by the fatwa issued against Salman Rushdie for his publications, while Germany led on clearing the political standoff caused by a legal case against Iranian officials alleged to be responsible for the 1992 "Mykonos assassinations" of exiled Iranian Kurdish leaders in Germany.

<sup>25</sup> This format was proposed by the E3 but opposed by Italy and others who sought a more EU-wide initiative.



Kingdom to Saudi Arabia's military campaign in Yemen, at a time when the Western countries were trying to sell the political parameters for a final nuclear deal, agreed on 2 April 2015, to their Gulf allies. If the West increases its adversarial stance against Iran, Tehran is likely to reciprocate in kind. This could endanger cooperation even in non-controversial areas and further destabilise the Middle East.

Some policymakers in Iran and Europe are against normalising relations, because each sees the other as an inherently confrontational and untrustworthy counterpart. There are also some on both sides who doubt the other's ability or willingness to deliver on any regional file in a way that would allow constructive progress – whether because of an increasingly hostile stance towards Tehran on the part of the US and regional actors, or because of fundamentally different worldviews. In fact, there is no certainty that either Iran or regional actors will be willing to shift, at least in the near term, their respective positions on critical points of disagreement. Neither is it guaranteed that France and the UK will overturn the preconditions on including Iran in the Syria talks. If the West is slow to engage with Iran on contentious issues, it will lose the opportunity to make full use of future openings for conflict resolution.

The EU's capacity to engage with Iran is undermined by internal disunity among member states about the extent to which they would benefit from this engagement. For example, the French political system remains intrinsically at odds with the foundations of the Islamic Republic, and France is unenthusiastic about normalising relations. On the other hand, Germany and Italy have had direct contact and cooperation with Iran with regard to the stabilisation of Afghanistan, and both are keen to explore possibilities on other regional issues. Some member states fear the "first-mover disadvantage"; they worry that if they are seen as the first to engage with Iran, they will automatically be penalised in their competitive relations with the Gulf states and, to a lesser extent, Israel.<sup>26</sup> But, in the long run, a more pragmatic, balanced, and normal relationship with Iran will increase Europe's flexibility and options for protecting its interests – and this could strengthen its leverage with the regional actors that compete for partnership with it.

For some member states, such as Denmark, Sweden, and the Netherlands, Iran's human rights record will be the most important factor and will present real challenges to engagement. Rouhani's administration has indicated its readiness to advance civil and political rights, but progress is likely to be slow and subordinated to economic goals.<sup>27</sup> However, Europe has perhaps more scope to openly discuss human rights issues with Iran's officials and its active civil society than it does with other countries in the region.<sup>28</sup> And, as with other countries, concerns over human rights should not prevent engagement with Iran on other pressing issues.

26 Author interview with European officials, 9 and 27 May 2015.

27 In 2015, Iranian and Italian officials restarted a human rights dialogue on the death penalty that had been halted in 2005.

28 During Khatami's presidency, the EU and member states were able to support grassroots movements, with noticeable progress on human rights issues, after open discussion with Tehran. Such dialogue became harder under the Ahmadinejad presidency and virtually impossible after the 2009 Green Movement street protests.

As it tries to expand economic ties with Iran, Europe will face pushback from Israel and the GCC states, which believe that reintegrating Iran into the global markets not only increases the funds available for its troublesome regional conduct but also condones its behaviour. The US administration has already tried to assuage these fears by pointing out that Iran's most harmful policies, such as the supplies it provides to Hezbollah or the training it offers militias in Syria and Iraq, come with a low price tag and have not been affected by sanctions.<sup>29</sup> Rather than halting engagement with Iran, Europe, like the US, could more effectively address these concerns by offering enhanced assistance in intercepting Iran's covert operations and bolstering the defence capabilities of regional allies. For its part, the Iranian leadership will be motivated to cooperate by its need to cater to public demands for economic growth and job creation.<sup>30</sup>

The lack of serious engagement with Iran over the past decade has created a gap on both sides in understanding decision-making processes. Iranian officials grapple with the role played by EU institutions in building consensus and creating a common foreign policy. Similarly, Europeans have difficulty identifying the decision-shapers and decision-makers within Iran's opaque political system. The result is a tendency to overplay the significance of factional politics, and to downplay options for engagement.

In the immediate aftermath of endorsing the JCPOA, domestic pressure on Rouhani is likely to increase; the president will have to deal with a backlash from hardliners along with high public expectations for swift economic relief. Political jockeying is likely. The IRGC may seek to deepen its control over regional files as proof that it has not been weakened relative to Iran's Supreme National Security Council (SNSC). However, even though the IRGC will still dominate Iran's frontline policies abroad, Rouhani may also enjoy a post-deal bounce that, in the longer term, could well have a moderating effect. Moreover, the IRGC is not uniformly bent on animosity with the West.<sup>31</sup> Although anti-Israeli and anti-American rhetoric is still widespread, top IRGC officials pragmatically supported direct nuclear talks with the US.<sup>32</sup> In a rare remark, Iran's Supreme Leader Ayatollah Ali Khamenei noted that if nuclear talks yielded a positive result, it would be "an experience showing it is possible to negotiate with [the West] on other issues".<sup>33</sup> One key (if particularly tricky) test might be Syria, where strategic differences between Iran and Europe appear to be as insurmountable as the nuclear dossier once did.

29 See Jeffrey Goldberg, "'Look ... It's My Name on This': Obama Defends the Iran Nuclear Deal", *the Atlantic*, 21 May 2015, available at <http://www.theatlantic.com/international/archive/2015/05/obama-interview-iran-isis-israel/393782/#Iran>.

30 See article by former US nuclear negotiator Richard Nephew, "Calibrating the risk of Iran sanctions relief", *Reuters*, 16 June 2015, available at <http://af.reuters.com/article/energyOilNews/idAFL1NoZ12B220150616>.

31 See Akbar Ganji, "Revolutionary Pragmatists", *Foreign Affairs*, 10 November 2013, available at <https://www.foreignaffairs.com/articles/middle-east/2013-11-10/revolutionary-pragmatists>.

32 Statement by IRGC Commander General Mohammad Ali Jafari, "The Children of the Revolution have protected our national interest in the course of diplomatic negotiations", 7 April 2015, *Fars News*, Farsi text available at <http://www.farsnews.com/newstext.php?nn=13940118001015>. See more generally Scott Peterson, "Why Iran's Revolutionary Guard backs a nuclear deal with Iran: It's just business", *the Christian Science Monitor*, 3 June 2015, available at <http://www.csmonitor.com/World/Middle-East/2015/0603/Why-Iran-s-Revolutionary-Guard-backs-a-nuclear-deal-It-s-just-business>.

33 Speech by Ayatollah Ali Khamenei, Tehran, 9 April 2015, Farsi text available at <http://farsi.khamenei.ir/speech-content?id=29415>.



The logistical and bureaucratic structures necessary to lead a process of engagement between Europe and Iran are not in place. After the interim nuclear deal, virtually no agenda for debate was drawn up across EU institutions and among member states on what a roadmap with Iran could look like after the JCPOA. Moreover, limited resources and competing priorities will now reduce the bandwidth for diplomacy on both sides. After the extensive time and political commitment accorded by Europe and Iran to reaching the JCPOA, there may also be a natural tendency on both sides to break from intense diplomacy. Any serious engagement on regional issues will require a political and formalised structure that is led and pushed forward by committed European officials with backing and occasional direct involvement from the highest levels.

### *Engaging without taboos*

Since Rouhani's election and the interim nuclear deal, Europeans have made political overtures that could set the stage for deeper engagement with Iran. These have included at least 17 foreign ministerial trips to Iran, the first ever visit by the EU High Representative, then Catherine Ashton, and reportedly 103 European trade delegations.<sup>34</sup> Europeans have preconditioned future political and economic relations with Iran on a nuclear agreement and the removal of sanctions. The JCPOA creates new openings for engagement with Iran, but it will take time and extensive trust-building measures to reach the degree of normalisation arrived at during the Comprehensive Dialogue phase – particularly now that the region is far more troubled and conflicted. To achieve a pan-European political framework, member states will need to agree on a lowest common denominator for engagement with Iran. But the benchmark chosen cannot be so low that it becomes superficial. During the Comprehensive Dialogue with Iran, Europeans tackled regional issues alongside an array of bilateral concerns. Today, given the tectonic shifts in the region, these portfolios are of a higher magnitude of importance and should not be treated with equal weight to soft areas of cooperation.

Europe needs to formulate an agenda to engage with Iran in a transactional fashion, unimpeded by the taboos of the past. The ensuing relationship should be business-like, allowing both sides to make necessary trade-offs across a range of areas, especially the most contentious ones. Given Iran's critical role in regional crises, it would be unwise for Europe to limit engagement to piecemeal, non-controversial areas such as countering drug trafficking from Afghanistan or mitigating climate change. Mutually beneficial projects should be encouraged to create a record of positive achievements, but a far more aspirational approach is needed if Europe's regional security objectives are to be advanced.

Europe now has the political space to hold a frank and regular dialogue with Iran on contentious regional files – even if progress is slow or seemingly impossible at first.

That Europe should play this role is even more critical at a time when the US remains restricted in its ability to engage with Iran and may pivot away from the region in the medium term. On Iran, Europe should have five priorities. First, it should find ways to reduce Iran's tensions with Saudi Arabia and to avoid further provocations over Yemen. Second, it should work towards instituting a political track in Syria and pushing for the de-escalation of the proxy war between regional rivals, which must happen before the Syrian factions can end their conflicts. Third, in Iraq, Iran and Europe should attempt to openly and quickly intensify coordination on the anti-ISIS campaign and make positive movements towards a more inclusive government in Baghdad. Fourth, Europe must address Hezbollah's future military and political role. And finally, Europe should outline for Iran Israel's legitimate concerns.

### **Formula for engagement**

In order for Europe to deepen its engagement with Iran and address a range of strategic and technical issues, the following measures are recommended:

#### *(1) Develop a High Representative + E3 political framework on regional security*

Europe should initiate a diplomatic outreach with regional stakeholders, including Iran, in which it should push for de-escalation and conflict resolution. To begin with, the aim should be to prevent regional rivals from provoking existing anxieties and to try to contain the region's crises. A high-level and high-intensity model should be adopted, similar to that used to address Iran's nuclear programme. An appropriate political framework would endorse the leadership of the EU High Representative, Federica Mogherini, in addition to the E3, which are the countries that carry the greatest influence with regional actors.<sup>35</sup> France and the UK have the strongest political channels and strategic proximity in driving forward regional participation, particularly from Saudi Arabia, while Germany is best placed to lead the outreach with Iran.

The combination of an Italian High Representative and the E3 would reinforce the pan-European perspective and maximise Europe's ability to present their case to regional stakeholders. The EU umbrella would be a comfort to those member states that fear that engagement with Iran would be penalised by the "first-mover disadvantage" or those that have taken a polemic stance on regional conflicts that is severely at odds with Tehran's position. The EU is also well placed to facilitate and convene regional security dialogues because it does not carry the political baggage on Iran associated with certain member states or with the US.

The EU High Representative should check and coordinate positions between the E3 on regional files and set an agenda for engagement with regional actors. The case of Syria is the most urgent, but it is also the most controversial. For that reason, it might be better to begin the conversation with a

<sup>34</sup> The number of trade delegations comes from author interview with Iranian official, 9 June 2015.

<sup>35</sup> Member states closer to the GCC states "will not push for this structure but will not block it either" – author interview with European official, 21 May 2015.

wider agenda under the umbrella of “EU regional security”. The EU High Representative and the E3 (ideally at foreign ministerial level) should visit Tehran and Riyadh back-to-back for consultations and to offer support in working towards setting up regional security dialogues. Europe should encourage Iran and Saudi Arabia to ease their hostile rhetoric and to avoid over-exaggerating each other’s role in every context. As part of consultations, meetings should be held with Iran’s Arab-friendly representatives, such as former president Akbar Hashemi Rafsanjani and Iran’s current SNSC Secretary, Ali Shamkhani. The European outreach will be a separate process to UN regional missions, but the two should be closely coordinated. To this end, the European External Action Service (EEAS) could create a new role for a special representative on regional affairs with a broad mandate to oversee European regional strategy after the nuclear deal.

### *(2) Formalise the structure and agenda for engagement*

Europe should prepare a bureaucratic structure for engaging with Iran based on the foundations for the normal channels that are used to do business with most countries. The EU is best placed to signal that this political decision has been made, after which member states can organically evolve their relations with Iran. Over the coming months, the Rouhani administration will be occupied with selling the JCPOA at home – so the EU High Representative is better placed than Iranian officials to take the necessary first step by proposing a formal political dialogue to Iran’s foreign minister, Mohammad Javad Zarif.<sup>36</sup>

The EU will need to increase and consolidate its capacity for engaging with Iran. One step could be to form a new Iran focus group based within the EEAS, bringing together the different strands and experts currently working on Iran across the EU system (from human rights, to the economy/trade, to the geographical desks). This focus group should be charged with coordinating the EU’s outreach to Iran and helping to shape complementary positions among member states.

The EU should use funds already available to establish a permanent mission in Tehran as soon as possible. In the meantime, it should ask European embassies on the ground to report and give advice on best protocol for engagement with the Iranian government and civil society networks in areas that may have become more securitised in the decade since the EU was last active in Iran.

The Iran focus group should consult with counterparts in Tehran to set up an agenda and identify feasible projects for cooperation as well as to assess how member states could contribute. Europe and Iran may need to adopt a “talk and listen” attitude on areas of disagreement, such as human rights issues, while jointly undertaking small but high-profile projects that benefit both sides.<sup>37</sup> Successful cooperation in these areas would build confidence, enhance regular official contacts, and build deeper engagement

<sup>36</sup> This outreach must eventually draw in competing decision-shapers from within Iran’s political system.

<sup>37</sup> Suggestions – based on author’s interviews with Iranian and European officials and policy advisers, April–May 2015 – include the fields of science and technology, the environment, the rights of children and women, job creation, and tourism.

on more contentious issues. The EU and Iran should also work towards instating a formal contractual arrangement for their political and commercial cooperation, using their negotiations in the early 2000s as a precedent.

### *(3) Frontload symbolic economic incentives*

As soon as is feasible, after the signing of the JCPOA, the EU should begin negotiating a memorandum of understanding for an energy partnership with Iran. It is estimated that negotiating such an agreement would take roughly two years – during which time Iran would have extra incentives to adhere to the JCPOA, while the EU would be reassured by a track record of positive implementation. At member state level, those with strong economic interests in Iran should privately communicate to the Iranian administration that they are willing to openly support its bid for WTO membership. This kind of support would be a relatively low-cost measure that would ultimately protect and advance European interests. During these commercial discussions with Iran, the EU and member states should stress that regional stability is essential to securing future energy cooperation and trade flows. Economic exchanges should also be used as a platform for confidence building to encourage improved relations between Iran and Europe in other spheres.

### *(4) Plan future regional security architecture*

Europe should begin a forward-planning exercise with counterparts in the US and Russia on how all sides can contribute towards and support actors in the Middle East in designing and owning a regional security architecture. A successful outcome may be a long time coming, but Europeans have experience and expertise to offer regional actors in this area. The European Council should be charged with producing a report for the Foreign Affairs Committee on the role that Europe could play in developing a regional security arrangement. As part of this, regional stakeholders should be consulted at official and non-official levels.

## **Conclusion**

Europeans need to begin a deep conversation among themselves and with Iran on the future of the Iran–Europe relationship and to explore ways that Europe can contribute towards order in a fractured region on its doorstep. A shift away from the containment policy on Iran would allow Europe to engage with Tehran on the basis of interests, prioritising the goal of regional problem-solving, rather than sticking to an overarching ideological standoff. A more normal relationship between Europe and Iran would allow cooperation and competition to coexist across different arenas. This would put Europe in a better position to encourage all regional stakeholders, including Iran and the GCC states, to take ownership of de-escalating conflicts in their neighbourhood in ways that are increasingly necessary and yet still glaringly

absent. This would lay the groundwork for a European-supported regional settlement to which all key regional stakeholders are partners – even if this settlement cannot be achieved for a long time.

To reach this stage, Europe will need to create a formal political structure and establish organisational support to take forward its engagement with Iran. Europe's expectations from Iran should take into consideration the geopolitical realities and Iran's priorities. Under existing conditions, Tehran will not be persuaded to overhaul its regional security strategy or to withdraw its backing from local actors such as Hezbollah. Neither will more intense engagement result in a new regional alliance between Europe and Iran. Europe should not disregard the grave scale of problems faced by both sides in the region, so its relationship with Iran should go beyond merely ad hoc cooperation on areas of common interest. While time and confidence building are required to reach a more normalised stance, Europe now has the political space to engage with Iran on more contentious issues – even if progress advances at a slow rate.

The JCPOA gives policymakers the liberty to step out of the nuclear-centric vision on Iran and to highlight areas in which Europe can benefit from engaging with Tehran, notably on regional security. Difficult though it may be, to make the greatest contribution towards establishing regional order, Europe should distance itself from taking sides in regional struggles and allow for maximum flexibility in policy choices by considering the option of actively dealing with Iran where this best serves European security. The US administration has signalled that it wishes to follow this path, which makes it easier for Europe to intensify its own engagement with Iran. In the coming year, US political capital will be spent on selling, implementing, and verifying the nuclear deal, essentially as part of Obama's legacy. Europe now has the capacity to take on a more ambitious and critically important role in recalibrating regional security approaches after the nuclear deal.

## About the author

*Ellie Geranmayeh* is a policy fellow for the Middle East and North Africa Programme, joining ECFR in October 2013. She has closely followed Iran's involvement in the region and developments in the nuclear negotiations between world powers and Iran. She previously worked at Herbert Smith Freehills LLP law firm (based in London and Tokyo), where she gained experience practicing public international law and advising on sanctions regimes. Ellie received a BA in Law and an MA from the University of Cambridge. She later earned a Masters in Laws, focusing on public international law and international relations at the University of Virginia, where she was a McClure Human Rights Fellow.

## Acknowledgements

This publication would not have been possible without the time and expertise offered by officials across Iran, the EU institutions and European member states, particularly France, the UK and Germany. Special mention is deserved for my colleagues Daniel Levy, Mark Leonard, Julien Barnes-Dacey and Anthony Dworkin for their valuable feedback. The views expressed in this publication are not necessarily shared by those who gave input.

ECFR extends its thanks to the governments of Norway and Sweden for their ongoing support of ECFR's Middle East and North Africa programme.



## ABOUT ECFR

The **European Council on Foreign Relations** (ECFR) is the first pan-European think-tank. Launched in October 2007, its objective is to conduct research and promote informed debate across Europe on the development of coherent, effective and values-based European foreign policy.

ECFR has developed a strategy with three distinctive elements that define its activities:

- **A pan-European Council.** ECFR has brought together a distinguished Council of over two hundred Members – politicians, decision makers, thinkers and business people from the EU's member states and candidate countries – which meets once a year as a full body. Through geographical and thematic task forces, members provide ECFR staff with advice and feedback on policy ideas and help with ECFR's activities within their own countries. The Council is chaired by Carl Bildt, Emma Bonino and Mabel van Oranje.
- **A physical presence in the main EU member states.** ECFR, uniquely among European think-tanks, has offices in Berlin, London, Madrid, Paris, Rome, Sofia and Warsaw. Our offices are platforms for research, debate, advocacy and communications.
- **A distinctive research and policy development process.** ECFR has brought together a team of distinguished researchers and practitioners from all over Europe to advance its objectives through innovative projects with a pan-European focus. ECFR's activities include primary research, publication of policy reports, private meetings and public debates, 'friends of ECFR' gatherings in EU capitals and outreach to strategic media outlets.

ECFR is a registered charity funded by the Open Society Foundations and other generous foundations, individuals and corporate entities. These donors allow us to publish our ideas and advocate for a values-based EU foreign policy. ECFR works in partnership with other think tanks and organisations but does not make grants to individuals or institutions.

[www.ecfr.eu](http://www.ecfr.eu)

The European Council on Foreign Relations does not take collective positions. This paper, like all publications of the European Council on Foreign Relations, represents only the views of its authors.

Copyright of this publication is held by the European Council on Foreign Relations. You may not copy, reproduce, republish or circulate in any way the content from this publication except for your own personal and non-commercial use. Any other use requires the prior written permission of the European Council on Foreign Relations

© ECFR July 2015.

ISBN: 978-1-910118-39-9

Published by the European Council on Foreign Relations (ECFR),  
35 Old Queen Street, London,  
SW1H 9JA, United Kingdom

[london@ecfr.eu](mailto:london@ecfr.eu)