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Iran, Covid-19, sanctions and the nuclear issue

Executive summary

The Covid-19 epidemic in Iran is a health issue that has not long remained independent of the implementation of sanctions against the regime or of the nuclear issue managed by the International Atomic Energy Agency (IAEA) in a context of particularly high regional tension.

While the political and sanitary reaction of the regime to the spread of the coronavirus was slow and disorderly, the diplomatic offensive on the grounds of Covid-19 was very reactive, voluntary and orchestrated throughout the month of March.

The Trump administration puts forward four arguments for strengthening, rather than relaxing, the sanctions regime against Iran: Iran's failure to respect the embargoes in place, its March rocket attacks at Camp Taji in Iraq, its financing of terrorism, and its failure to respect its commitments under the JCPOA.

With regard to the JCPOA latest report, the IAEA clearly indicates that Iran's enrichment programme has far exceeded the limits originally imposed by the 2015 agreement. With regard to the NPT, the IAEA reports that Iran has not responded to requests for information and access to sites where the regime may have engaged in undeclared nuclear activities nearly two decades ago.

At the beginning of June 2020, the health crisis linked to the spread of Covid-19 in Iran has not resulted in any change in the parameters of the diplomatic aspect of the nuclear dossier. The difficulty faced by the Iranian authorities in the context of the Covid-19 pandemic is, in fact, perceived in the Trump Administration as an opportunity to double down on its maximum pressure campaign. Moreover, there is little concrete evidence to support the idea that the health crisis in Iran

could positively dispose the Iranian regime to open discussions on the nuclear programme, the ballistic missile programme and the country's involvement in regional hotbeds of instability if the United States agreed to a freeze on sanctions.

To date, the Covid-19 epidemic does not seem to offer any leverage for Western diplomacy despite encouraging European signals. In this context, the scenario of a more voluntary involvement of China and/or Russia could emerge.

Finally, the question of the possible effects of the Covid-19 epidemic on the stability of the Ira-

The Covid-19 continues to grip Iran at the beginning of June 2020, albeit to an extent that is difficult to accurately assess due to a lack of reliable data. Nevertheless, the health situation is worsening¹ in line with the complexity of the strategic situation. Of note, the nuclear variable, which has been very volatile since the withdrawal by the United States from the agreement of 14 July 2015 between Iran and the E3/EU+3 (Joint Comprehensive Plan of Action- JCPOA), has quickly resurfaced.

Basic facts

The Covid-19 epidemic in Iran is a health issue that has not long remained independent of the implementation of sanctions against the regime or of the nuclear issue managed by the International Atomic Energy Agency (IAEA) in a context of particularly high regional tension.

First of all, in terms of health, the spread of the virus on Iranian territory from the city of Qom, 200 kilometres southwest of Tehran, starting in February 2020, was² initially denied and then strongly minimised by the authorities until the second half of March³. Since then, it has become clear that the country is one of the worst affected in the world, with more than 150,000 cases testing positive and 8,000 deaths officially declared at the beginning of June 2020. Official figures also indicate that the epidemic curve slowed down at the beginning of April but has notably increased since the beginning of May. These statistical estimates remain highly uncertain: both foreign experts and national officials point to a significantly higher actual number of victims. The deputy from Racht (in the far north of the country on the Caspian Sea) Gholamali Jafarzadeh declared in mid-March: *"I do not want to cause panic, but I must be frank and say that many people with corona symptoms have died in our province without being included in the statistics, since they have not been tested"*. In any case, the national health situation worsened considerably between the end of February and the beginning of June; the country is the first

¹ Iran announced on June 1 nearly 3,000 new contaminations in the last 24 hours. This is the largest increase in the country in the last two months. Health Minister Said Namaki warned: "People seem to think that the coronavirus is over," but it is "far from being over" and "we could see a (further) dangerous spike at any time". See *La Croix* (with AFP), 1st June 2020.

² The first case of Covid-19 in Iran was officially announced on 19 February 2020 but in reality, it is likely to have spread to the country in January.

³ See, for example, Ghazal Golshiri and Allan Kaval, "L'Iran, le coronavirus et le 'complot de l'ennemi'", *Le Monde*, 26 February 2020. See also Ershad Alijani, "En Iran, les autorités 'dissimulent' de nombreux décès liés au Covid-19", *Les Observateurs*, France 24, 12 March 2020.

⁴ See Marmar Kabir, "Dans un Iran fragilisé, le coronavirus fait des ravages", *Orient XXI*, 21 March 2020.

outbreak of the pandemic in the Middle East and the eleventh most affected country in the world⁵. Strong doubts about the official discourse have accompanied this worsening situation in Iran.

The issue of sanctions against Iran soon became a subject of debate. The first half of March saw Iran launch a diplomatic offensive, on the grounds that the fight against the Covid-19 epidemic required to alleviate the pressure exerted on the country's economy by the reimposition of unilateral American sanctions. This offensive has sparked the debate within international institutions, within the "E3/EU+2", as well as in Washington. In particular, candidates for the Democratic Party nomination have spoken out against the Trump Administration's sanctions on Iran in the context of Covid-19. The Trump administration continues to stress the distinction between legitimate trade on humanitarian grounds and the necessary strengthening of targeted sanctions against the nuclear programme and against support for armed groups in the Middle East.

Moreover, the tension between Iran and the United States has not decreased since January. The escalation at the turn of the year 2019 culminated in the elimination of General Qassem Suleimani on 3 January 2020, to which Iran retaliated on 8 January with the firing of a dozen Fateh type missiles against the air base hosting American forces at Ayn Al-Asad in Iraq. A total of 13 missiles were fired, according to Iran, and 16 according to the United States, at the two air bases at Ayn Al-Asad in western Iraq and Erbil in northern Iraq. These attacks were neither isolated nor particularly unique. Since then, nearly ten attacks have been carried out, both in the Green Zone of Baghdad, not far from US diplomatic posts, and in the vicinity of US military bases in Iraq. For example, a barrage of some thirty Katyusha rockets against Camp Taji, an Iraqi army base north of Baghdad⁶, killed two American and one British soldiers on 11 March. According to the American Secretary of Defence, Mark Esper, relayed by the Secretary of State, Mike Pompeo, these attacks are attributable to the Shiite militias. On 13 March, the United States targeted five sites of an Iraqi militia supported by Iran⁷. In total, more than twenty-two attacks against American installations in the region, of an asymmetrical nature and directly or indirectly attributed to Iran, have been carried out since the autumn of 2019.

Finally, in addition to the debate on sanctions against a backdrop of intense retaliatory rocket and missile attacks, the nuclear issue resurfaced with the 11 March publication of the IAEA's report on Iran's implementation of the JCPOA⁸. Specifically, the document attests to a worsening of the situation towards the possibility of an international diplomatic crisis in 2020⁹. In mid-January 2020, the Iranian nuclear dossier entered a pre-litigation phase with Germany, France and the United Kingdom triggering the JCPOA's dispute resolution mechanism following Iran's accumulating violations of the agreement since May 2019.

⁵ The Iranian case is particular in that about 100,000 survivors of chemical attacks perpetrated by Iraq during the Iran-Iraq war (1980-1988) continue to live on Iranian territory with chronic respiratory problems. This vulnerable population is at higher risk of coronavirus infection.

⁶ Camp Taji was initially selected as a target by Iran for the January 8 strikes.

⁷ See Robert Malley, Ali Vaez, "The Coronavirus Crisis is a Diplomatic Opportunity for the United States and Iran", *Foreign Policy*, 17 mars 2020.

⁸ "Verification and Monitoring in the Islamic Republic of Iran in the Light of United Nations Security Council Resolution 2231 (2015)", Report of the IAEA Director General, 4 March 2020, 8 p., released March 11.

⁹ See the joint statement of Tuesday 14 January 2020 by the Foreign Ministers of the E3 countries: France, Germany, United Kingdom.

These initiatives do not necessarily fall under the same agenda. They have been combined or used in combination since mid-March. In this specific sequence, the Iranian authorities are exacerbating the rivalry with the United States by using humanitarian arguments aimed at Iranian, American and European public opinions.

The humanitarian argument and the debate in Washington

While the political and sanitary reaction of the regime to the spread of the coronavirus was slow and disorderly, the diplomatic offensive on the grounds of Covid-19 was very reactive, voluntary and orchestrated throughout the month of March.

The Islamic Republic of Iran first applied to the International Monetary Fund (IMF) in early March for an emergency credit line of \$5 billion through the IMF's Rapid Financing Instrument (RFI) to help it respond to the epidemic¹⁰. **This is a historically unprecedented step**. Iran had not received IMF assistance since a credit granted in 1960. In a televised speech in early April, the Iranian Prime Minister urged the IMF to “*assume [its] responsibilities*”¹¹.

In addition, the targeting of US sanctions has been carried out through various parallel channels: in mid-March, the Iranian embassy in London called for the lifting of sanctions by warning that the country's hospitals were overwhelmed. At the same time, the spokesperson of the Iranian Mission to the United Nations, Alireza Miryousefi, stated that “*the new sanctions in the context of the coronavirus pandemic - of which Iran is one of the most affected¹² - are more than cruel and illustrate the total lack of humanity of the American administration¹³*”. In an open letter published by the state media on Friday, 20 March, President Rouhani urged Americans to put pressure on their administration to lift the sanctions imposed on Iran's economy in the context of the fight against the pandemic: “*The sanctions of the American government have led many ordinary Iranians to lose their health, their jobs and their income. (...) It is time for the American people to call loudly and clearly on the United States government to demand a response (...) and not allow the history of the United States to be further blackened¹⁴*”. Finally, in early April, the Iranian authorities rejected an offer of direct American humanitarian aid because Iran does not “*need the charity*” of Donald Trump, according to a tweet from Foreign Minister Mohammad Javad Zarif (dated 7 April). He added: “*What we want is for him to stop preventing Iran from selling oil and other products, from financing its needs, from making and receiving payments¹⁵*”.

In fact, not only has the US Administration failed to accede to Tehran's repeated requests to lift the existing sanctions, but it has also decided to strengthen unilateral sanctions. On Monday, March 16, the Department of Commerce added five Iranian nuclear scientists to its list of targeted individuals. On March 18, the State Department listed eight companies and three

¹⁰ The RFI “*provides rapid and low-access financial assistance to member countries facing an urgent balance of payments need, without the need to have a full-fledged program in place. It can provide support to meet a broad range of urgent needs, including those arising from commodity price shocks, natural disasters, conflict and post-conflict situations, and emergencies resulting from fragility*”. Fact sheet, The IMF's Rapid Financing Instrument (RFI), International Monetary Fund, 9 April 2020.

¹¹ “*Virus: Iran urges the IMF to grant the emergency loan it has requested*”, AFP, 8 April 2020.

¹² At the same time, Iranian health authorities continued to minimize the actual number of victims among the population.

¹³ Quoted by Ian Talley, “*U.S. Steps up Iran Sanctions amid Coronavirus, as Tehran Charges Cruelty*”, *The Wall Street Journal*, 19 March 2020.

¹⁴ “*Rouhani Urges Americans to Call on U.S. to Lift Sanctions as Iran Fights Coronavirus – State Media*”, Reuters, Dubai Newsroom, 21 March 2020.

¹⁵ Quoted by Radio Free Europe - Radio Liberty, 7 April 2020.

executives accused of helping Iran sell petrochemicals. On March 19, Treasury Department sanctions implicated five UAE-based companies, including Alam Althra General Trading LLC, and Alwaneo LLC Co. for their collective purchase of hundreds of thousands of tons of petroleum products from the National Iranian Oil Company. According to statements by the Treasury, three of these companies allegedly falsified documents to conceal the Iranian origin of the cargoes¹⁶.

The Trump administration puts forward four arguments for strengthening, rather than relaxing, **the sanctions regime against Iran**: Iran's failure to respect the embargoes in place, its March rocket attacks at Camp Taji in Iraq, its financing of terrorism¹⁷, and its failure to respect its commitments under the JCPOA (the Department of Commerce strengthened its sanctions in response to Tehran's decision to intensify its uranium enrichment operations). In a less detailed manner, several officials of the American Administration, during the month of March, reaffirmed that the sanctions will only be lifted if Tehran accepts Washington's requests to withdraw from regional conflicts in which the country is involved, to abandon its efforts to acquire nuclear weapons and to accept restrictions on its ballistic missile programme. The official American approach adds, since the beginning of the health crisis, that American sanctions spare humanitarian aid to Iran, which is what Secretary of State Pompeo said at a press briefing in mid-March: "*The whole world should know that humanitarian aid to Iran is largely open; it is not subject to sanctions*¹⁸". Moreover, American officials have countered the Iranian health argument aimed at alleviating the sanctions regime. For example, Treasury Secretary Mnuchin has argued that revenues from sales of Iranian petrochemical products are being used to finance terrorist activities "*instead of the health and well-being of the Iranian people*¹⁹". As for Secretary of State Pompeo, he believes that "*The Iranian leadership is trying to avoid responsibility for their grossly incompetent and deadly governments*²⁰".

At the beginning of April, it appeared, according to media sources, that the United States had decided to block Iran's request for a loan from the IMF²¹, which was later confirmed. The IMF has responded to an unprecedented number of calls for emergency financing, from more than 102 countries so far²². Financing has already been approved by the IMF's Executive Board for nearly 60 countries as of the end of May 2020, of which Iran is not a recipient. Here again, the US administration is pointing to the risk of diversion of funds for purposes unrelated to the health crisis, that are possibly illegal under US anti-terrorism legislation. Section 1621 of the International Financial Institutions Act provides that the United States shall vote against a request for a loan to an international institution by a state designated as a "sponsor of terrorism". However, US diplomacy has the discretion to abstain or not to vote negatively on humanitarian grounds in certain circumstances²³. No member state of the IMF has a right of veto in the literal sense. However, as Mohammad Nahavandian, the Iranian Vice President in

¹⁶ Quoted by Ian Talley, "U.S. Steps Up Iran Sanctions Amid Coronavirus, as Tehran Charges Cruelty", *op. cit.*

¹⁷ "*The Iranian regime is using revenues from the sale of oil and petrochemicals to finance its terrorist agents*", Treasury Secretary Steven Mnuchin said 19 March, cited *in Ibid.*

¹⁸ Quoted by John Krzyzaniak, "How Joe Biden's Statement Falls Short on Calling for Iran Sanctions Relief", *Bulletin of the Atomic Scientists*, 3 April 2020.

¹⁹ Ian Talley, "U.S. Steps Up Iran Sanctions Amid Coronavirus, as Tehran Charges Cruelty", *op. cit.*

²⁰ Statement of 24 March 2020, cited *in Ibid.*

²¹ Ian Talley, Benoit Faucon, "U.S. to Block Iran's Request to IMF for \$5 Billion Loan to Fight Coronavirus", *The Wall Street Journal*, 7 April 2020.

²² "The IMF's Response to COVID-19", IMF Website, 20 May 2020.

²³ Kenneth Katzman, "Covid-19 and U.S. Iran Policy", *Insight*, Congressional Research Service, 25 March 2020, p. 2.

charge of economic affairs, pointed out at the beginning of April²⁴, the IMF's system of governance implies that the modalities of decision-making give the United States, which holds more than 15% of the voting rights, a right of veto. American approval is therefore indispensable.

By contrast, the United States has agreed to the opening of two specific channels of humanitarian assistance: one in the form of practical assistance through the World Health Organization (WHO), and the other through a U.S.-Swiss humanitarian funding mechanism that has been operational since January 30. The latter is intended to alleviate the country's need for medical supplies and other basic necessities while preventing any attempt by the Iranian state to evade the sanctions regime. The Secretary of the Treasury promised on 30 January: "*The United States is determined to ensure the Iranian people have access to food, life-saving medicines, and other humanitarian goods, despite the regime's economic mismanagement and wasteful funding of malign activities across the region*"²⁵. Nevertheless, American humanitarian aid is presented as conditional. Mike Pompeo stated at the beginning of March: "*Any nation considering humanitarian assistance to Iran should seek the release of all dual and foreign nationals*"²⁶. This approach, generally not shared by European states since the beginning of the health crisis, has not been accepted by Iran so far.

Unsurprisingly, **the question of the impact of American sanctions against the Covid-19 epidemic became a topic in the campaign for the Democratic nomination** at the beginning of March. While still in the running, Bernie Sanders very clearly positioned himself against the policy of the Trump Administration: "*Iran is confronted with a catastrophic assessment of the coronavirus pandemic. American sanctions should not contribute to this humanitarian disaster*", the candidate then declared on Twitter, saying: "*We must lift all sanctions that harm Iran's ability to deal with this crisis*"²⁷. Contrasting somewhat with his competitor's view, Joe Biden's April 2 position did not mention lifting or easing sanctions, but rather suggested that the Trump Administration should take a number of measures to ensure that they do not apply to humanitarian goods, including licensing pharmaceutical and medical equipment companies. This was rather surprising from a candidate who has always advocated the return of the United States to the 2015 nuclear agreement and the corresponding lifting of sanctions. Much more aggressive was a letter written by eleven Democratic Senators led by Chris Murphy (26 March) asking the Trump Administration for a "*short-term abeyance of sanctions*" and lists a series of specific measures, including "*a 90-day waiver of sectoral sanctions that impede a rapid humanitarian response*" and "*an easing of sanctions barring technology companies from delivering services to the Iranian people, which inhibits the spread of public information on how to combat the virus*"²⁸. In the same vein, more than 30 parliamentarians, including Senators Bernie Sanders, Elizabeth Warren and Alexandria Ocasio-Cortez, issued a statement on 31 March asking the Trump administration to "*substantially suspend sanctions*" against critical parts of the Iranian economy, including the banking and oil sectors²⁹.

²⁴ "Iran says US cannot veto its IMF loan request", Xinhua, 9 April 2020.

²⁵ "U.S. Announces New Swiss Humanitarian Channel to Iran", Radio Free Europe – Radio Liberty, 30 January 2020.

²⁶ See for example Patrick Wintour, "UK Presses US to Ease Iran Sanctions to Help Fight Coronavirus", *The Guardian*, 18 March 2020.

²⁷ *Ibid.*

²⁸ "Murphy Organizes Senate Effort to Call for Ease of U.S. Sanctions Hindering Response to Covid-19", Senator Murphy's website, 26 March 2020.

²⁹ John Krzyzaniak, "How Joe Biden's Statement Falls Short on Calling for Iran Sanctions Relief", *op. cit.*

The IAEA, the E3/EU + 2 and the nuclear pre-litigation

The tenor of the American and international debate since the beginning of March is also linked to the nuclear issue itself. The latest IAEA report on Iran's implementation of its commitments under the JCPOA dated 4 March 2020³⁰ states that the Iranian nuclear issue is worsening. On the same day, the new Director General of the IAEA, Argentine Ambassador Rafael Grossi, published a second report, customary for all States Parties to the Treaty on the Non-Proliferation of Nuclear Weapons (NPT), on the implementation by Iran of its Safeguards agreement with the Vienna Agency under the NPT. This second report indicates a failure by Iran to provide information with respect to its past activities.

With regard to the JCPOA report, the IAEA notes no change in Iran's implementation of its commitments to cooperate with the Agency "*as in the past*"³¹, despite Tehran's decision not to implement certain JCPOA measures since May 2019. Moreover, Iran announced on 5 January 2020 that its nuclear programme would no longer be "*subject to any operational limit*"³². In this context, it is important to confirm that the verification and control activities by the Agency under the agreement were carried out normally during the first quarter of 2020: the sequence opened by the Iranian authorities in May 2019 therefore does not appear to have changed in nature. In addition, Iran has not pursued the construction of the heavy water research reactor at Arak³³, nor has it carried out any activities related to reprocessing at the Tehran research reactor, and the IAEA has been able to verify that the stock of heavy water had slightly exceeded 130 tons as at 17 February 2020 (heavy water production plant - HWPP - in operation and a stock of heavy water of 132.7 tons). This being the case, **the report clearly indicates that Iran's enrichment programme has far exceeded the limits originally imposed by the 2015 agreement**³⁴. The previous IAEA report of 3 November 2019 indicated a 4.5 % enriched uranium stockpile of 159.7 kg, which means that an additional 378.1 kg was produced between the two reports. In addition, the March report indicates that all of the uranium enriched to 2 % was also produced during that period. Ultimately, this rapid increase in production allows stakeholders to update calculations for the time it will take Iran to produce sufficient enriched uranium for a first nuclear explosive device. The JCPOA had sought to limit Iran's nuclear program in a way that provided confidence that Iran maintain at least a one year "breakout time" for the ten-year duration of the agreement's implementation. It is not the purpose of this note to enter into this debate, which has naturally been very lively since the beginning of March. **It is important to note here that this one-year period is no longer guaranteed by consensus among the experts. However, the estimates of one and a half months that have been made since March are clearly not realistic, not least because of the time required to reconfigure the centrifuge cascades to obtain weapon-grade enrichment.** Furthermore, it should be recalled that the time needed to manufacture an operational weapon should always be factored in.

With regard to the NPT, the IAEA reports that **Iran has not responded to requests for information and access to sites where the regime may have engaged in undeclared nuclear activities nearly two decades ago.** In particular, Iran denied access by Agency inspectors to two

³⁰ "Verification and Monitoring in the Islamic Republic of Iran in the Light of United Nations Security Council Resolution 2231 (2015)", *op. cit.*

³¹ *Ibid.* §5, p. 2.

³² *Ibid.*

³³ Reactor IR-40.

³⁴ The uranium enrichment rate permitted by the JCPOA for an initial 15-year term is 3.67%. Enrichment is to be carried out only at the Natanz site. The quantity of enriched uranium shall not exceed 300 kg.

sites in January. In Iran's view, the conclusion of the JCPOA closed the file on past nuclear activities. The Iranian authorities therefore continue to claim that the IAEA's requests are illegitimate. In reality, while the nuclear agreement closed the file on past activities on the basis of the evidence that existed at the time, it can be reopened in principle on the basis of new evidence that could be provided to the Agency. Equally worrying is Rafael Grossi's initiative to publicly dramatize the Iranian nuclear situation with regard to its obligations under the NPT by declaring on the occasion of his visit to Paris in early March to meet with President Macron: *"I am sounding the alarm"*. The Director General then added in an interview for the French press agency AFP: *"Iran must decide to cooperate in a clearer manner with the Agency to give the necessary clarifications,"* referring precisely to the discovery of traces of anthropogenic uranium in Tehran in November 2019³⁵. In a press release, the Elysée indicated at the time: *"The President of the Republic wants strict compliance by Iran with its commitments and obligations in terms of verification, and calls on Tehran to cooperate immediately and fully with the Agency"*³⁶. After 9 March, the Permanent Representation of Iran in Vienna indicated its readiness to open a political dialogue on this subject, an invitation rejected by Rafael Grossi, who has since reiterated his **request for access to the suspected sites for independent verification by IAEA inspectors**³⁷.

The worsening of the situation on the Iranian nuclear file in March 2020 has not prevented the export by the E3 of medical equipment to Iran as part of the first implementation of the INSTEX mechanism³⁸ announced by Germany on 31 March. This first transaction, unrelated to the Covid-19 epidemic, was decided in December 2019. It finally gave substance to the mechanism, which was joined in November 2019 by Belgium, Denmark, Finland, Norway, the Netherlands and Sweden as shareholders, no doubt waiting for other European countries in 2020. This resuscitation of INSTEX and its operational activation in the midst of a global Covid-19 epidemic, while the latest IAEA reports on Iran are not very encouraging and favourably disposed, can be interpreted in two different ways:

- It could be a sign that main European countries' approach to the Iranian dossier continues to be opposed to the current American approach, even if the effectiveness of European support to Iran remains insufficient in view of the country's dire economic needs. Broadly speaking, the Europeans continue to distinguish the implementation of Iran's nuclear commitments under the JCPOA from the rest of the issues at stake. They support the nuclear agreement by urging Iran to be compliant despite the American withdrawal and the reimposition of sanctions, and do not wish to attach any conditions to their humanitarian aid. This was the common understanding in April.
- It could also be an encouragement to Iran after the release of the November 2019 IAEA report to pause its offensive against the JCPOA. The E3's slowness in implementing INSTEX since January 2019 was largely due to this offensive. In such a case, the alert sounded by the IAEA at the beginning of March could once again interrupt the effective use of INSTEX by the Europeans, who are frustrated by their initiative's lack of direct result.

³⁵ "Nuclear: The IAEA 'sounds the alarm' on Iran", *Capital*, 3 March 2020.

³⁶ "Meeting of the President of the Republic with the IAEA Director General, Mr Rafael GROSSI", press release, Elysée Palace website, 3 March 2020.

³⁷ "IAEA Demands Iran 'Immediately' Provide Access to Suspected Nuclear Sites", Radio Free Europe – Radio Liberty, 9 March 2020.

³⁸ "Instrument in Support of Trade Exchanges", the launch of which was announced by the E3 in January 2019. See in particular Jean-Yves Le Drian, Heiko Maas, Jeremy Hunt, "Joint Statement on the Creation of INSTEX, the Special Purpose Vehicle Aimed at Facilitating Legitimate Trade with Iran in the Framework of the Efforts to Preserve the Joint Comprehensive Plan of Action", Ministry of Europe and Foreign Affairs, 31 January 2019.

Independently of INSTEX, European humanitarian aid to Iran in support of the fight against the Covid-19 outbreak took shape in the early days of March, with the E3 flying testing and other equipment, including protective suits and gloves, on 2 March. The E3 have also committed to provide Iran through the relevant UN agencies with assistance of around five million euros³⁹.

Finally, it should be noted that **the Agency's inspection activities in Iran, as in other States under safeguards, have not been negatively affected by the pandemic to date**. The problem was very quickly identified as an issue in Vienna and dealt with on an ad hoc basis. In particular, it is known that flights have been chartered thanks to extra-budgetary contributions from voluntary States. On 19 May, the E3, for example, announced a special contribution of 750,000 Euros to enable all inspection missions to continue despite the blockage of international cargo. In the end, despite fears that swept through the scientific community in March and April, **the IAEA's inspection conditions were protected without any weakening of the inspection regime, including in Iran**. Incidentally, this operational management of the health crisis reveals **the Agency's reactivity and strong resilience. The same observation can be made at the same time of the CTBTO**, also in Vienna, despite the fact that neither of the two regimes were established and prepared for a global crisis of such magnitude.

Crisis recovery

At the beginning of June 2020, **the health crisis linked to the spread of Covid-19 in Iran has not resulted in any change in the parameters of the diplomatic aspect of the nuclear dossier**. On the contrary, one notes a strong inertia in state positions. The current health crisis has revealed the extent to which these disputes and antagonisms are deeply entrenched. For example, one may note the singularity of the United States, notably through its Secretary of State⁴⁰, in arguing that Iran is not respecting its commitments under the JCPOA, whereas this non-compliance is precisely due to what Iran considers to be a non-compliance by the United States with its own commitments.

- According to Tehran, by deciding to unilaterally withdraw from the nuclear agreement in May 2018, the United States has *ipso facto* released the Iranian side from its own obligations. Whatever the legal debate that has been opposing doctrinal arguments since then, it may indeed seem reasonable to state that the American Administration since May 2018 is not best placed to say what the law is in this case. Yet the Secretary of State has made contrary assertions, including last March, indicating America's enduring rationale for the past two years is indicative of the American rationale and the permanence of it for the past two years.
- According to the Trump Administration, in fact, the conduct of the Iranian nuclear programme, especially the part linked to uranium enrichment, is a historical reality that the JCPOA has not fundamentally hindered, with Iran openly resuming its programme on the pretext of the unilateral withdrawal from the agreement by the United States. The American offensive in May against the expiry in October 2020 of the embargo on conventional arms against Iran is very consistent not only with the campaign of "maximum pressure" led by the White House, but also with the American position vis-à-vis the JCPOA: here again, restraint could logically be expected from American diplomacy, which does not

³⁹ Communiqué from France, Germany and the United Kingdom, France Diplomatie, 2 March 2020.

⁴⁰ *Op. cit.*

care. This new American offensive to extend the conventional arms embargo was formally rejected by China and Russia in mid-May.

Under these conditions, it is unrealistic to argue that the Covid-19 outbreak provides an occasion to suspend economic sanctions, putting the Iranian side back on the path of comprehensive negotiations. It is, nevertheless, an idea currently shared by analysts who are anxious to provide solutions to end the crisis. Barring an unforeseen reversal by the American Administration, one notes *a contrario* that **the difficulty faced by the Iranian authorities in the context of the Covid-19 pandemic is, in fact, perceived in the Trump Administration as an opportunity to double down on its maximum pressure campaign.** Moreover, **there is little concrete evidence to support the idea that the health crisis in Iran could positively dispose the Iranian regime to open discussions on the nuclear programme, the ballistic missile programme and the country's involvement in regional hotbeds of instability if the United States agreed to a freeze on sanctions.** The argument can be described as wishful thinking. Indeed, the announcement, on Wednesday 22 April, of the successful launch of the “Nour” military satellite by Iran, which contravenes if not the letter, then at least the spirit of UN Security Council Resolution 2231 (which endorses the 2015 nuclear agreement), indicates that a shift in Iran’s posture towards negotiating the aforementioned topics remains distant.

To date, the Covid-19 epidemic does not seem to offer any leverage for Western diplomacy despite encouraging European signals – signals which incidentally indicate a clear refusal by most Europeans to align themselves with American positions, contrary to what has been claimed by certain comments and analyses over the past year. **In this context, the scenario of a more voluntary involvement of China and/or Russia could emerge**, even though the two countries still remaining distant players in the Iranian nuclear dossier as they have been since May 2018. While unlikely to provide a guaranteed path out of the crisis, tensions may nonetheless be eased by Chinese and Russian diplomacy in Vienna in the time remaining before the next IAEA Board of Governors meeting in June 2020: an opportunity is opening up to focus efforts on the disagreements over the application of Iran's safeguards agreement with the Agency, leaving aside the JCPOA for the moment. There would be a way for Russia and China to compromise with the rest of the Council members on several other issues of direct interest, such as nuclear cooperation with Iran or the thorny issue of the scope of the Safeguards agreement with Syria⁴¹. This would not be a real opportunity to end the crisis, however, unless Moscow launches a new diplomatic initiative, as it has already been able to do in the past.

Finally, the question of the possible effects of the Covid-19 epidemic on the stability of the Iranian regime is naturally not absent from the debate on the place of sanctions in the overall economy of the Iranian crisis, of which the nuclear aspect is only one factor. In particular, for the advocates of regime change in Iran, especially in Washington⁴², this question is to be posed in simple terms: is the Iranian regime in danger of collapsing as a result of the evolution of the health crisis in the country? In general, experts are very divided on this subject. In this case, the further development of the crisis and its management will be decisive. It can be asserted that, at the beginning of June 2020, a significant part of Iran’s city population was exasperated by the

⁴¹ See also Mark Hibbs, “Is Iran’s Nuclear Future in the Hands of Russia and China?”, Carnegie Europe, 7 April 2020.

⁴² The issue of regime change in Iran as seen from Washington is a subject that requires systematic analysis, but we can recall here, for example, that on 14 February 2019, the US Secretary of State said on CBS News: “*The situation is much worse for the Iranian people [with US sanctions], and we are convinced that this will lead them to rise up and force the regime to change*”.

political authorities' initial denial of and slow response to the health crisis, and their later attempts at political recovery in the national electoral context. The record abstention rate in the first round of the legislative elections of 21 February is indicative of this frustration⁴³. The Iranian people had already expressed their anger against the government when the regime tried to conceal the fact that an airliner was mistakenly shot down at the beginning of January 2020, causing the death of the 176 people (mostly Iranians) on board⁴⁴. Following a particularly tense year 2019, particularly on a social level in the autumn, and in a context of almost permanent economic crisis, aggravated by the reimposition of American sanctions since the end of 2018 and by the fall in oil prices since the beginning of 2020, the scenario of a fall of the regime is not unrealistic. However, it is difficult to assess the extent to which such a scenario is now considered a possibility by the regime itself.

⁴³This first round of legislative elections saw a large victory for the conservative parties and an abstention rate of almost 58% unprecedented in the legislative electoral history of the Islamic Republic. The second round, scheduled for 17 April, has been postponed to September 2020.

⁴⁴See Narges Bajoghli, Mahsa Rouhi, "How Trump Sanctions on Iran Will Worsen the Pandemic - Tehran doesn't have the Resources to Enforce Quarantines and take other Measures to Contain the Outbreak", *op. cit.*; see also "Aircraft shot down: Iran knew the truth from the beginning", *Challenges*, 3 February 2020.

Les opinions exprimées ici n'engagent que la responsabilité de leur auteur.

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