Qatar: An Impediment to Unity on Iran

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Qatar: An Impediment to Unity on Iran

Iran's economic woes have mounted since the Trump administration <u>designated</u> Iran's Islamic Revolutionary Guard Corps (IRGC) as a Foreign Terrorist Organization and <u>declined to reissue waivers</u> allowing eight select countries to continue importing Iranian oil earlier this year as part of its "maximum pressure" campaign against Tehran. Iran has responded to its growing isolation by dramatically ramping up its <u>malign activities</u>, imperiling regional stability, nuclear non-proliferation, freedom of navigation, and the global energy supply. Tehran's prolonged tantrum has brought the region to the brink of a major conflict, which has been averted thus far in large part to the Trump administration's restraint in the face of escalating provocations. The moment calls for the U.S. and its allies to close ranks and signal to Iran that it cannot escape its growing isolation by lashing out. Qatar represents a stumbling block to unity efforts, as it has troublingly sought to draw closer to Iran despite its status as a strategic U.S. ally. Iran's escalating aggression demands that Qatar stop trying to play both sides of the fence and rejoin the U.S. and its Gulf allies in standing up to Iran, or face consequences for its continued ties to Tehran.

The growing Iranian menace

For roughly a year after President Trump announced the U.S. withdrawal from the Joint Comprehensive Plan of Action (JCPOA) in May 2018, Iran remained nominally committed to the deal in the hopes of securing ongoing trade and investment from Europe. At the same time as it was pursuing European business, Iran went on a spree of terrorist attacks and assassination plots on European soil that culminated in the EU announcing <u>sanctions</u> targeting Iran's intelligence ministry in January 2019. Following the JCPOA withdrawal and subsequent implementation of the "maximum pressure" campaign, European businesses fled Iran en masse, with the prospect of losing access to the American market outweighing any potential gains for ongoing ties to the Iranian market.

By May 2019, Iran faced cascading economic pressures due to the Trump administration's intensifying sanctions, coupled with the Iranian regime's endemic corruption and economic mismanagement. After the administration's decisions to designate the IRGC and end the practice of waivers for limited imports of Iranian oil, Iran, feeling the economic vise tightening, shifted strategies, accelerating its malign activities into overdrive.

In the nuclear realm, Iran concertedly undertook escalating violations of the JCPOA, enriching uranium beyond the deal's 3.67% limit, exceeding the 300 kg cap on its stockpiled enriched uranium, and

introducing proscribed advanced centrifuges. On the regional destabilization front, Iran—according to <u>intelligence reports</u>—initially considered operationalizing its Shia militia proxies in Iraq to begin targeting U.S. military personnel and interests in the region. The U.S. dispatched an aircraft carrier and bomber task force to the Persian Gulf to signal that attacks on U.S. personnel would not be tolerated.

Iran then changed tacks and launched a series of provocations calculated to extract costs without inviting devastating reprisals, targeting freedom of navigation in the Gulf and regional energy supplies instead of U.S. military targets. The Iranian-backed Houthi militia in Yemen launched repeated drone attacks and missiles targeting Saudi airports, airbases, and energy infrastructure, and used a surface-to-air missile with direct Iranian assistance to down a U.S. drone over Yemen. Iran, meanwhile, was allegedly behind the sabotage of a Japanese oil tanker and a Taiwanese and Norwegian oil vessel in the Gulf of Oman.

On September 14, Iran's strategy entered a new phase, as available evidence, such as the sophistication of the plot and missile remnants, pointed to the Islamic Republic's culpability for a <u>series of drone and missile strikes</u> that targeted Saudi Aramco's Abqaiq oil processing facility and the Khurais oil field to the south. The E-3 (United Kingdom, Germany, and France) have joined the U.S. in blaming Iran for the attacks, which knocked half of Saudi Arabia's oil production capabilities offline, representing 5% of the daily global oil supply.

The U.S. and its partners have continued to exercise restraint in the face of these provocations—focusing on increasing sanctions, additional troop deployments to the region, and sending Patriot missile batteries and a Terminal High Altitude Area Defense System (THAAD) to bolster deterrence. Iran, meanwhile, has steadfastly maintained that it refuses to return to the negotiating table absent sanctions relief. On October 11, an Iranian oil tanker, the Sabiti, sustained damage after allegedly being struck by two missiles off the coast of Saudi Arabia. While the reports of missile strikes are thus far uncorroborated and no one has claimed credit for an attack, Iran has pledged to retaliate once it assigns blame. President Hassan Rouhani warned, "If a country thinks that it can create instability in the region without getting a response, that would be a sheer mistake." The incident indicates that further Iranian attacks on energy infrastructure and freedom of navigation can be expected in the weeks and months to come.

Iran's growing aggression is a function of its intransigence; it has painted itself into a corner by refusing to renegotiate the JCPOA and betting it could bring the U.S. back to the table on its own violent terms through imperiling freedom of navigation in the Gulf and attacking global energy supplies while offering superficial solutions—like a Hormuz Peace Initiative—to buy time and break coalitions. However, there is a clear danger that Iran, which has thus far avoided serious pushback from the U.S., may escalate even further and begin targeting U.S. military personnel and assets in the region, particularly Al-Udeid Air Base in Qatar. The margin for error is slim, as further miscalculation by Iran risks plunging the region into all out conflict with Iran and its proxies.

Trump Administration's GCC Outreach

Iran's mounting aggression necessitates a unified approach by the U.S. and its allies to confront the growing Iranian menace. It is vital for the U.S. and its allies to close ranks and ensure that all potential economic lifelines are cut off to Iran to increase the pressure it faces in order to compel it to return to

the negotiating table for a deal that fixes the JCPOA's <u>deficiencies</u> and addresses Iran's non-nuclear malign activities.

The <u>Gulf Cooperation Council (GCC)</u> has a major role to play in the Trump administration's efforts to constrain Iran, especially as European allies such as Germany and France have faltered. Following Iran's repeated attacks on energy shipping in the Gulf, including the seizure of a British tanker, the administration attempted to form a maritime security coalition based in Bahrain to shore up freedom of navigation. Only the <u>U.K, Bahrain, Saudi Arabia, Australia, and the United Arab Emirates</u> have agreed to join the coalition to date. Following the presumed Iranian-directed September 14th attack against Saudi oil facilities, the E-3 issued a <u>statement</u> blaming Iran, a positive development which may lead to a more unified approach against Iran going forward.

The GCC is a regional political, economic and security alliance comprised of six Arab monarchies – Saudi Arabia, the United Arab Emirates (UAE), Kuwait, Bahrain, Qatar and Oman that was formed in 1981 in large part to combat Iranian expansionism. The Trump administration has prioritized reinvigorating U.S. ties with the GCC as a key pillar of its strategy to rein in Iran's regional destabilization activities.

As such, President Trump's first overseas trip as president was to Saudi Arabia, the de facto leader of the GCC bloc. Out of that trip, the Trump administration affirmed its commitment to refurbishing ties with the GCC, providing assurances that it would take the bloc's threat perception into account when it came to Iran and other regional issues. The trip set the predicate for future arms sales and security commitments to the GCC states, with the ultimate goal of bolstering their capacity and furnishing them with the means to defend themselves against Iran and its proxies' aggression without requiring a large-scale U.S. troop commitment.

One key initiative pursued by President Trump on his trip was urging the formation of a coalition comprised of the GCC in concert with Jordan and Egypt, to contain Iran's hegemonic regional ambitions. The proposed alliance framework, known as the Middle Eastern Strategic Alliance (MESA), was intended to enhance security, economic, energy, and political ties between the partner states, to enhance interoperability between their militaries, and to unify the bloc in their threat assessments and joint strategy. The alliance has been billed as an "Arab NATO," but the U.S. would not be treaty-bound to defend it.

Qatar's Malign Foreign Policy

MESA has failed to come to fruition, however, in part due to Egyptian <u>reticence</u>, but also in large part due to GCC disunity on Qatar. Qatar has sought to employ a maverick approach to foreign policy, chafing against the notion of subverting its independence to Saudi leadership of a unified political, economic, and security superstructure. In the pursuit of its sovereign foreign policy objectives, Qatar has run afoul of GCC – and American – security interests, pursuing ties with a range of extremist actors including <u>Iran</u>, <u>Hamas</u>, the <u>Muslim Brotherhood</u>, the <u>Taliban</u>, <u>Al Qaeda in the Arabian Peninsula</u>, and <u>various Islamist factions active in Syria and Libya</u>.

In essence, Qatar has sought to pursue a foreign policy predicated on maintaining good relations with actors of all stripes, a divergent list of supplicants that includes the U.S. and the GCC states on one hand, and implacable foes of the U.S. and Gulf monarchies such as Iran and a host of Islamist extremist factions on the other. Qatar is a tiny, hydro-carbon rich country with a small population and vast wealth

perched on the Arabian Peninsula and just across the Gulf from Iran. It is thus quite literally caught in the middle of the regional power dispute between Saudi Arabia and Iran. While the GCC has collectively adopted a confrontational posture toward Iran, Qatar has at times gone along and at others sought accommodations with Tehran.

Qatar shares the bloc's concerns over Iran's military arsenal and hegemonic ambitions, and has accordingly invested billions in acquiring U.S.-supplied missile defense systems. However, Qatar has affirmed Iran's right to peaceful nuclear technology, hosted IRGC naval vessels, engaged in high-level security and economic diplomacy, and collaborated on a range of bilateral initiatives with Iran. In January 2016, Qatar joined Saudi Arabia and Bahrain in severing diplomatic ties with Iran (the U.A.E. downgraded ties) after a mob ransacked and set fire to the Saudi Embassy in Tehran. It followed up a month later by joining the GCC's declaration of Hezbollah as a terrorist organization. On the other hand, Qatar has joined Iran in backing Hamas, a member of the Iran-helmed "axis of resistance." Problematically, Qatar has collaborated with Iran in the joint development of the shared South Pars/North Dome natural gas condensate field, which, with a quarter of the world's proven reserves, stands as the world's largest natural gas field.

Beyond the GCC/Iran dispute, Qatar is also highly susceptible to other regional headwinds, such as the rising wave of Islamism that crested during the 2011 Arab Spring upheaval, threatening the survivability of the region's monarchies and secular autocracies. With the Middle East's second smallest military in terms of personnel with just under 12,000 troops, the Qatari regime is ultimately reliant on the U.S. as the guarantor of its survival. Qatar thus acts as a strategic ally, most notably through the Al-Udeid Air Base southwest of Doha, where Qatar hosts USCENTCOM's Combined Air Operation Center (CAOC) and USCENTCOM's forward headquarters. Roughly 10,000 U.S. troops are stationed at the Al-Udeid base, which serves as a key node in the planning and conduct of U.S. air operations in Iraq, Afghanistan, and Syria.

Despite its strategic ties to the U.S., Qatar has sought to navigate the regional currents it faces through aggressive hyper-diplomacy and counterbalancing with forces diametrically opposed to U.S. interests. Lacking the military might of countries such as Egypt or Saudi Arabia, Qatar has calculated that it must make accommodations with Iran and regional Islamist movements to maintain its survival and wealth. The Al-Udeid base gives Qatar a degree of leverage in its relations with the U.S., making it difficult to sever relations despite Qatar's problematic ties and behaviors.

These behaviors include a well-documented record of supporting and harboring international terrorist organizations and individuals. Qatar has allowed members and leaders of Hamas, the Taliban, and Al Qaeda, including figures with <u>direct roles in acts of terrorism</u>, to live within its borders, set up diplomatic offices, conduct fundraising efforts, and propagandize on Qatari state-owned Al-Jazeera. Additionally, Qatar allegedly <u>paid</u> lavish billion dollar ransoms to Iran-backed Iraqi Shiite militias after they took members of its royal family hostage. In the face of U.S. and international pressure, Qatar has made token efforts to rein in illicit terrorist fundraising, upgrade its legal code, and prosecute terrorist financiers, but senior U.S. Treasury officials have criticized these efforts as "<u>painfully slow</u>" and Qatar remains a permissive terror finance locale.

Qatar has also played both sides in the aftermath of the September 14 attacks on Aramco. It condemned the strikes—in which Iranian weaponry was used—while at the same time called for "collective security."

Iran Capitalizes on Qatar-GCC Rift

While Qatar has tried to pull off a delicate balancing act, ultimately, it has found it impossible to keep all parties content given the vastly divergent interests among its supplicants. Just weeks after President Trump's May 2017 Middle East trip, Saudi Arabia, Bahrain, and the UAE's simmering resentments toward Qatar over its accommodationist posture toward Iran, its role in giving safe harbor and a platform on Al-Jazeera to Islamist extremists, and its lax counter-terrorism and terror financing enforcement boiled over.

On June 5, 2017, those three states plus Egypt severed diplomatic ties with Qatar and instituted an air, sea, and land blockade, accusing Qatar of "adopting various terrorist and sectarian groups aimed at destabilizing the region." On June 22, 2017, the four countries issued 13 demands of Qatar in order to restore relations. Foremost among the demands was severing military and political ties with Iran. The other demands included closing Al Jazeera, closing a Turkish military base in Qatar, and severing ties with the Muslim Brotherhood, Hamas, al-Qaeda, and Hezbollah. More generally, the nations also demanded Qatar end support for terrorism and terror-financing. Qatar rejected the demands and denied links to terrorist groups.

For Iran, the Qatar-GCC rift presented an opportunity to drive a wedge between its rivals at the exact time that the U.S. was trying to foster their unity to confront Iran. Iran was quick to capitalize. Iranian President Hassan Rouhani denounced the "siege" of Qatar and <u>pledged</u> to the emir, "Iran's air space, ground and sea will be always be open to Qatar as a ... friendly nation."

Iran and Turkey stepped in immediately to help Qatar weather the effects of the blockade relatively unscathed. Iran permitted Qatar to use its airspace and shipping lanes to maintain its economic lifelines, and exported <u>increased foodstuffs</u> to Qatar to offset the cutoff of Saudi food exports. Bilateral trade between the two countries rapidly <u>doubled</u>, proving especially beneficial to Iran in light of the Trump administration's "maximum pressure campaign." By August 2017, Qatar moved to <u>restore diplomatic ties</u> with Tehran, including the restoration of its ambassador. Apparently forecasting that Iran will remain a vital partner in the mid-to-long term, Qatar has also moved to invest in <u>ports</u> in southern Iran in order to bolster Iran's export capacity and facilitate a higher volume of trade between the two countries. By August 2019, Iran and Qatar had established a new <u>shipping route</u> for tourism and cargo between Bushehr and Doha.

In June 2019, Iran's commencement of a new phase of hostilities imperiling Gulf energy production and freedom of navigation created a brief opening for a Qatari-GCC rapprochement. Saudi Arabia hosted a series of emergency summits of the GCC, Arab League, and Organization of Islamic Cooperation (OIC) in Mecca for consultations on Iran's increased aggression. Saudi Arabia invited Qatar's emir, seeking to form a unified front against Tehran. Not wishing to run afoul of Washington, Qatar dispatched its prime minister in the emir's place, representing the first high-level contacts between Qatar and Saudi Arabia since the blockade went into effect.

The aftermath of the summits, however, showed that tensions between the two sides are far from being resolved. Qatar expressed reservations against the summits' condemnation of Iran for the recent attacks on oil tankers in the Gulf and confrontational posture toward Tehran. Qatar alleged that it had not been included in the formation of the summits' final statement against Iran and reiterated that it preferred a moderate approach centered on dialogue to reduce tensions with Iran. It also scoffed at the notion of

Gulf unity in the face of the continuing blockade. The summit showed that for the time being Qatar is prioritizing its closer ties to Iran over reestablishing relations with the GCC.

The flourishing of Qatari-Iranian bilateral relations comes with inherent limitations due to Qatar's continued strategic alliance with the U.S. Still, the rapprochement represents a sea change that will be psychologically difficult to reverse. Qatar has expressed gratitude to Iran for helping it weather what would have otherwise been a dark period for Qatar. Iran's provision of food exports to Qatar juxtaposed against Saudi Arabia's attempt to cut off food shipments is especially resonant. Marking the two year anniversary of the Qatari-GCC rupture, Qatar's foreign minister decried "the stabbing of the Qatari people in a premeditated crime of piracy, fabrication, and lies in which the appellant justified its unjust blockade against a country and its people."

U.S. Response

The GCC rift has been ongoing, presenting a major impediment to the Trump administration's goals of unifying the GCC and other U.S. Middle Eastern allies against Iran. President Trump initially voiced implicit support for the moves to isolate Qatar, accusing Qatar of being a "funder of terrorism at a very high level." This put him at odds with his own security establishment, with the State and Defense Departments urging immediate mediation of the conflict in order to return focus to Iran and other regional priorities such as the fight against the Islamic State. Mediation efforts thus far failed to bear fruit. Retired U.S. General Anthony Zinni had been appointed as an envoy to mend the rift and get the formation of MESA on track, but he resigned in January 2019, citing the lack of forward progress on restoring Qatar-GCC ties. The post of an envoy specifically tasked with ameliorating the dispute has remained vacant since Zinni's resignation.

President Trump's initial support for the GCC rift proved to be primarily rhetorical. Although the intra-GCC dispute is ongoing, U.S.-Qatari bilateral ties have thrived. In January 2018 and January 2019, the U.S. State and Defense departments participated in the first and second U.S.-Qatar Strategic Dialogues with their Qatari counterparts. The dialogues produced a range of bilateral political, economic, and security agreements, most notably, plans to expand and make permanent the U.S. military presence at the Al-Udeid Air Base.

President Trump has himself since shifted tacks as well. By April 2018, Trump was hosting Qatari emir Sheikh Tamim bin Hamad Al Thani at the White House and extolling Qatar as a valued counterterror partner. Concurrent with the emir's visit, meanwhile, a Qatari business delegation was on the ground in Tehran seeking to bolster commercial ties and explore investment in Iranian ports, implying a long-term outlook that Qatar seeks to expand maritime trade with Iran.

In July 2019, Trump again hosted the emir, where he was effusive in his praise. At this meeting, President Trump announced a series of Qatari economic and security investments totaling tens of billions of dollars with the U.S., including "The Qatar Airways purchase of five Boeing 777 Freighters, The Qatar Airways commitment to purchase large-cabin aircraft from Gulfstream, the Chevron-Phillips Chemical Company LLC and Qatar Petroleum agreement to pursue the development, construction, and operation of a petrochemicals complex in Qatar, the Qatar Ministry of Defense's commitment to acquire Raytheon's NASAM and Patriot Systems, (and) the selection by Qatar Airways of GE jet engines and services to power its 787 and 777 Aircraft."

Recommendations

These economic and security imperatives, coupled with the continued centrality of the Al-Udeid airbase, which Qatar and the U.S. are jointly invested in expanding, have helped Qatar paper over its ongoing problematic foreign policy ties, most notably with Iran. Although it has made little to no progress in implementing the 13 demands, the U.S. has not extracted a price from Qatar. For Qatar, its balancing act continues, and it is as of now getting what it needs from both the U.S. and Iran without spoiling its relations with either party. However, as tensions mount, it will be increasingly difficult for Qatar to continue to straddle the fence. Qatar can only play its double game so long as the U.S. allows it to.

At present, the U.S. approach to Qatar has been heavy on carrots but light on sticks. The U.S. should first explore sanctioning Qatari entities engaged in helping Iran weather sanctions, such as those investing in Iranian ports. The U.S. should also reexamine military cooperation with Qatar as long as it is drawing closer to Tehran. Completely replacing the Al-Udeid base, the only base in the region from which the U.S. can take off and land B-52s, would be an exceedingly costly and logistically complicated endeavor, but the U.S. can signal to Qatar that it will place expansion on hiatus or explore moving some aspects of U.S. air operations to other allies, such as Jordan, Saudi Arabia, or the UAE absent meaningful reform.

Given the recent spike in Iranian provocations, the U.S. should act with urgency to pry Qatar from the Iranian political and economic orbit, and reorient it in the GCC. The administration should rapidly designate an envoy tasked with facilitating this objective to fill General Zinni's vacated post and to advance efforts toward creating MESA. Ideally, such a rapprochement would be predicated on Qatar taking meaningful steps to distance itself from Tehran, cut ties with Islamist extremists, and enact reforms to combat terror financing. Qatar's leadership places a clear value on its strategic security ties with the U.S., but these ties do not serve American interests so long as Qatar is bankrolling Iran and other Islamist extremist adversaries.