Qatar: An Impediment to Unity on Iran

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Contents

| The Growing Iranian Menace | .1 |
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| The Need for GCC Unity | . 2 |
| Qatar's Malign Foreign Policy | .3 |
| Iran Capitalizes on Qatar-GCC Rift | .4 |
| Trump Administration Approach to Qatar | .6 |
| The Biden Administration and GCC Unity | .6 |
| Recommendations | . 7 |

Qatar: An Impediment to Unity on Iran

Iran's economic woes have mounted since the Trump administration withdrew from the Iran nuclear deal and instituted a "maximum pressure" campaign against Tehran. Iran 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. The Biden administration has sought to alter course, reinvigorating diplomacy with Iran in an effort to bring both sides back into compliance with the Joint Comprehensive Plan of Action (JCPOA) as a prelude to a potential longer, more comprehensive agreement with Iran. Despite the olive branch offered by the Biden administration, Tehran has pursued a strategy of escalating intransigence, seeking to maximize its negotiating leverage to pressure Washington into providing up-front sanctions relief.

As frontline countries that have suffered the most from Iran's hegemonic regional campaign of terrorism and proxy warfare, and that are the most threatened by Iran's growing <u>ballistic missile</u> arsenal and pursuit of a nuclear weapons capability, the US's allies in the <u>Gulf Cooperation Council (GCC)</u> have significant security concerns that must be taken into account as the US tries to resolve the nuclear impasse with Tehran. A unified GCC is in the best security interests of the US, along with Israel. It would represent a cohesive bloc standing against Iran's destabilizing regional activities and insisting that any accord between the US and Iran permanently blocks Iran from obtaining nuclear weapons. Qatar has represented a stumbling block to unity efforts in recent years. However, it has troublingly sought to draw closer to Iran despite its status as a strategic US ally. Although Qatar and the GCC nations of Saudi Arabia, United Arab Emirates, and Bahrain, along with Egypt, reached an <u>accord</u> in January 2021 that restored ties, the agreement papered over much of Qatar's troubling behavior, most notably, its warmer relations with Tehran. Iran's escalating aggression demands that Qatar stop trying to play both sides of the fence and fully rejoin the US 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 US 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 US military personnel and interests in the region. The US dispatched an aircraft carrier and a bomber task force to the Persian Gulf to signal that attacks on US 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 US 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 US 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, 2019, 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</u> of drone and <u>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) joined the US 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.

Iran's growing aggression was a function of its intransigence; it painted itself into a corner by refusing to renegotiate the JCPOA and betting it could bring the US 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. Even with the changing of the guard in Washington, Iran has continued its strategy of pushing the envelope on the regional and nuclear fronts in hopes it could compel the Biden administration to provide up-front sanctions relief for a return to compliance with its nuclear obligations under the JCPOA.

The Need for GCC Unity

Iran's mounting aggression necessitates a unified approach by the US and its allies to confront the growing Iranian menace. It is vital for the US 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> can play a major role in the Biden administration's efforts to constrain Iran's regional ambitions and secure a deal that permanently forestalls Iran's pathways to a nuclear weapons capability. 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 formed in 1981 in large part to combat Iranian expansionism. The Trump administration prioritized reinvigorating US ties with the GCC as a key pillar of its strategy to rein in Iran's regional destabilization activities. Although President Biden delivered <u>harsh rhetoric</u> for Saudi Arabia, the de facto leader of the GCC bloc on the campaign trail, as president, he has recognized the GCC's potentially indispensable partnership in combatting Sunni and Shi'a extremism and has largely, therefore, pursued continuity with the previous administration's Gulf policy.

President Trump's first overseas trip as president was to Saudi Arabia, during which his administration affirmed its commitment to refurbishing ties with the GCC and provided 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 US 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 <u>Middle Eastern Strategic Alliance (MESA)</u>, was intended to enhance security, economic, energy, and political ties between the partner states, enhance interoperability between their militaries, and unify the bloc in their threat assessments and joint strategy. The alliance has been billed as an "Arab NATO," but the US would not be treaty-bound to defend it.

Qatar's Malign Foreign Policy

MESA 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 various Islamist factions active in Syria and Libya.

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 US and the GCC states on the one hand, and implacable foes of the US 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 gone along and at times 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>U.S.-supplied missile defense systems</u>. 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 UAE 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 to develop 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 US as the guarantor of its survival. Qatar thus acts as a strategic ally, most notably through the <u>Al-Udeid Air</u> <u>Base</u> southwest of Doha, where Qatar hosts USCENTCOM's Combined Air Operation Center (CAOC) and USCENTCOM's forward headquarters. Roughly 10,000 US troops are stationed at the Al-Udeid base, which serves as a key node in the planning and conduct of US air operations in Iraq, Afghanistan, and Syria.

Despite its strategic ties to the US, Qatar has sought to navigate the regional currents it faces through aggressive hyper-diplomacy and counterbalancing with forces diametrically opposed to US 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 US, 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 US and international pressure, Qatar has made token efforts to rein in illicit terrorist fundraising, upgrade its legal code, and prosecute terrorist financiers, but senior US Treasury officials have criticized these efforts as "<u>painfully slow</u>," and Qatar remains a permissive terror finance locale.

Iran Capitalizes on Qatar-GCC Rift

While Qatar tried to pull off a delicate balancing act, ultimately, it 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, <u>accusing</u> 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 <u>severing military and political ties with Iran</u>. 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 US 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. Qatar Airways reportedly paid Iran \$100 million per year in overflight fees, providing an economic lifeline to Tehran's battered economy. Bilateral trade between the two countries in non-oil commodities rapidly <u>doubled</u>, proving especially beneficial to Iran in light of the Trump administration's "maximum pressure campaign." According to Iran's Chamber of Commerce, Iranian exports to Qatar jumped from \$60 million to \$250 million in the fiscal years before and after the regional boycott took effect. 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 <u>emergency summits</u> 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 were 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 Qatar was prioritizing its closer ties to Iran over reestablishing relations with the GCC for the time being.

The flourishing of Qatari-Iranian bilateral relations came with inherent limitations due to Qatar's continued strategic alliance with the US. Still, the rapprochement represented a change that has been psychologically difficult to reverse. Qatar has expressed <u>gratitude</u> 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 <u>decried</u> "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."

Trump Administration Approach to Qatar

The GCC rift presented a major impediment to the Trump administration's goals of unifying the GCC and other US Middle Eastern allies against Iran. President Trump initially voiced implicit support for the moves to isolate Qatar, accusing Qatar of being a "<u>funder of terrorism at a very high level</u>." 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. The Trump administration appointed retired US General Anthony Zinni as an envoy to mend the rift and get the formation of MESA on track, but he <u>resigned</u> in January 2019, citing the lack of forward progress on restoring Qatar-GCC ties.

President Trump's initial support for the GCC rift proved to be primarily rhetorical. Despite the ongoing intra-GCC dispute, U.S.-Qatari bilateral ties have thrived. In January 2018 and January 2019, the US 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 US military presence at the Al-Udeid Air Base.

President Trump himself shifted tacks as well. By April 2018, Trump was <u>hosting</u> 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, a Qatari <u>business delegation</u> 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 <u>economic and security investments totaling tens of</u> <u>billions of dollars with the US</u>, 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."

The Biden Administration and GCC Unity

As a presidential candidate, Joe Biden signaled that his administration would not continue business as usual with Saudi Arabia, the most powerful country within the GCC bloc, due to human rights concerns.

Biden went so far as making campaign promises to reverse arms deals with the Saudis, vowing to make the Saudis "<u>pay the price, and make them in fact the pariah that they are</u>." Candidate Biden also was vocal about his desire to restore compliance on both sides with the JCPOA, a development that Saudi Arabia and its GCC partners feared would potentially end Iran's isolation and give it a freer hand to make mischief in the region.

Following Biden's election in November 2020, Saudi Arabia braced for a potentially strained relationship with Washington. In an effort to build goodwill with the incoming administration, it prioritized ending the impasse with Qatar in the waning months of the Trump presidency. The Trump administration had made building a unified front against Iran the cornerstone of its Middle East policy, forging peace deals between Israel and the UAE and Bahrain (as well as Morocco and Sudan) that codified the emerging de facto alliance between Israel and the GCC over shared concerns over the Iranian threat. In the same vein, the Trump administration and GCC saw closing ranks with Qatar as an important step that would increase the pressure against Tehran by realigning Qatar in the GCC camp.

Thus, at the January 2021 GCC summit in the Saudi city of al-Ula, Saudi Arabia, the UAE, Bahrain, and Egypt, agreed to the <u>full restoration of ties</u> with Qatar. As part of the reconciliation, Saudi Arabia reopened its airspace and land and sea borders to Qatar, cutting off a key revenue source for Tehran, which had been collecting \$100 million annually for providing Qatar overflight rights. Qatar also suspended its World Trade Organization case against the UAE's economic isolation efforts as part of the reconciliation agreement.

On balance, the hastily arranged agreement was a net win for Qatar. Saudi Arabia's foreign minister announced, "The Al-Ula declaration has achieved a settlement of all issues outstanding in a way that is entirely satisfactory to all nations involved." Despite this triumphalist proclamation, the agreement made no mention of the GCC's 13 demands for reunification with Qatar, failing to hold Qatar to account for its support for Islamist movements, financing of terrorism, and accommodating stance on Iran, which has only grown stronger due to Tehran's lifeline to Qatar during the blockade. As a result, intra-GCC tensions are likely to remain.

Qatari Foreign Minister Mohammed bin Abdulrahman <u>insisted</u> that the end of the blockade will not change Qatar's relationship with Iran. As a result, the GCC is currently split between countries that wish to isolate Iran (Saudi Arabia, UAE, Bahrain) and engage with it (Qatar, Kuwait, Oman). It remains in the United States' national interests to encourage further dialogue between Qatar and the Saudis and Emiratis to get Qatar to drop its support for Islamist movements and adopt a unified approach to isolating Iran.

Recommendations

The continued centrality of the Al-Udeid airbase, which Qatar and the US are jointly invested in expanding, has helped Qatar paper over its ongoing problematic foreign policy ties, most notably with Iran, and retain its good standing with Washington. Similarly, Qatar was able to paper over the serious, underlying issues that led to the rupture of its relations with the GCC due to Saudi Arabia's fear of a hostile incoming administration. Although it has made little to no progress in implementing the 13 demands, neither the US nor the GCC has extracted a price from Qatar.

For Qatar, its balancing act continues. It is getting what it needs from the US, the GCC, and Iran without spoiling its relations with either party. However, as tensions mount over Iran's increasing regional provocations and GCC concerns about the potential lifting of sanctions as part of a return to the JCPOA, it will be increasingly difficult for Qatar to continue to straddle the fence. Qatar's double game can only work in the long-term if the US and Iran reach a nuclear agreement that is fully satisfactory to the GCC. As such, Qatar has vocally encouraged both the <u>US</u> and <u>GCC</u> to reach an entente with Iran.

Qatar's efficacy as a mediator is called into question, however, by its continuing failure to address the 13 demands. Continued pressure on Iran is crucial in order to compel Tehran to accept a comprehensive agreement that permanently and verifiably addresses the nuclear threat. The rapprochement between Qatar and the GCC is largely hollow and serves to undermine efforts to isolate Iran absent Qatar taking meaningful steps to distance itself from Tehran. Given the recent spike in Iranian provocations, the US should act with urgency to pry Qatar from the Iranian political and economic orbit and reorient it fully in the GCC camp.

At present, the US approach to Qatar has been heavy on carrots but light on sticks. The US should first explore sanctioning Qatari entities engaged in helping Iran weather sanctions, such as those investing in Iranian ports. The US should also reexamine military cooperation with Qatar as long as it retains economic, diplomatic, and military ties with Tehran. Completely replacing the Al-Udeid base, the only base in the region from which <u>the US can take off and land B-52s</u>, would be an exceedingly costly and logistically complicated endeavor, but the US can signal to Qatar that it will place expansion on hiatus or explore moving some aspects of US air operations to other allies, such as Jordan, Saudi Arabia, or the UAE absent meaningful steps to address the 13 demands.

Qatar's leadership places a clear value on its strategic security ties with the US, but these ties do not serve American interests so long as Qatar is bankrolling Iran and other Islamist extremist adversaries.