Modelo de las Naciones Unidas para el Estado de Guanajuato

EDICIÓN 2019

Study Guide
European Commission

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What is the European Commission?

The European Commission is the European Union's politically independent executive arm. It is alone responsible for drawing up proposals for new European legislation, and it implements the decisions of the European Parliament and the Council of the European Union . The Commission Proposes new laws,

the President of the Commission, his seven Vice-Presidents, including the First Vice-President, and the High-Representative of the Union for Foreign Policy and Security Policy and 20 Commissioners (19 after the exit of the United Kingdom) in charge of portfolios. The day-to-day running of Commission business is performed by its staff (lawyers, economists, etc.), organised into departments known as Directorates-General (DGs), each responsible for a specific policy area.

Decisions are taken based on collective responsibility. All Commissioners are equal in the decision-making process and equally accountable for these decisions. They do not have any individual decision-making powers, except when authorized in certain situations. The Vice-Presidents act on behalf of the President and coordinate work in their area of responsibility, together with several Commissioners. Priority projects are defined to help ensure that the College works together in a close and flexible manner.

Commissioners support Vice-Presidents in submitting proposals to the College. In general, decisions are made by consensus, but votes can also take place. In this case, decisions are taken by simple majority, where every Commissioner has one vote.

The European Commission is also accountable for putting the EU budget into practice. Every year, the Parliament chooses to give, or not, its blessing to the European Commission on the way it has managed the EU budget. This process is called the discharge. The Parliament bases its decision on several reports from the European Court of Auditors and from the European Commission, including the annual management and performance report for the EU budget.

The first Commission originated in 1951 as the nine-member "High Authority" under President Jean Monnet. The High Authority was the supranational administrative executive of the new European Coal and Steel Community (ECSC). It took office first on 10 August 1952 in Luxembourg. In 1958, the Treaties of Rome had established two new communities alongside the ECSC: the European Economic Community (EEC) and the European Atomic Energy Community (Euratom).

With the signing of the Lisbon Treaty in 2007, each country appointed a Commissioner, which does not represent the interests of her/his country, but the

interests of the European Union as a whole. The Commission has been proposed to be called “The European Government” rather than Commission, based on the faculties it has as executive and, in a way, legislative branch of the European Union.

The countries represented in the European Commission for GMUN 2019 are as follows:

1. Republic of Ireland
2. Republic of Austria
3. Hungary
4. Kingdom of the Netherlands
5. Portuguese Republic
6. Republic of Slovenia
7. Grand Duchy of Luxembourg
8. Kingdom of Denmark
9. Republic of Estonia
10. Republic of Lithuania
11. Republic of Bulgaria
12. French Republic
13. Federal Republic of Germany
14. Italian Republic
15. Kingdom of Sweden
16. Czech Republic
17. Republic of Poland
18. Republic of Croatia
19. Kingdom of Belgium
20. Republic of Finland
21. Hellenic Republic (Greece)
22. Kingdom of Spain
23. Slovak Republic
24. Romania
25. The Representative of the African Union / The Islamic Republic of Iran / The United Kingdom of Great Britain and Northern Ireland (non voting).

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Wikipedia. (2007). European Commission. 14/11/2018, from Wikipedia, available at: https://en.wikipedia.org/wiki/European_Commission#History

Welcome message

Delegates, the European Union is the tangible proof that international cooperation and regional integration are attainable goals that bring prosperity and wellbeing. Also, it demonstrates that the voice of the people and the sharing of common values are key to modern democracies.

It is my honour to preside this committee that will focus on maintaining said prosperity by strengthening European sovereignty and presence, while keeping in mind that the most developed shall help others on their way to progress. The Commission must be a guiding hand that provides a stable and solid structure on which the free world should rest upon.

In light of current isolationist measures encouraged by one of Europe's strongest allies, it is the duty of the Commission to maintain an order that guarantees freedom and respect amongst those who are target and victim of international misguidance.

As your President, I ask you to work together towards a common goal, leaving aside any resentment there may be. The European Union is regarded as a beacon for others who seek the path of happiness.

Let us not forget what the purpose of the Union is, armed conflict is not an acceptable mean of conflict solving in current times. Even if some of Europe's allies ask to reinstate military prowess to face others who are not enemies of the Union.

I invite you to come up with ingenious diplomatic solutions for our three topics, remember that you are here to help build a better Europe and thus, a better world.

Delegates, the floor is open, use it wisely.

Emilio Valtierra.

President of the European Commission.

Topic A: A new 'Africa – Europe Alliance for Sustainable Investment and Jobs'.

Glossary.

European Union: The European Union is a unique economic and political union between 28 European countries that together cover much of the continent (European Union, 2018).

African Union: A continental union consisting of 55 countries of the continent of Africa (African Union, no date).

CFTA - Continental Free Trade Area: A single continental market for goods and services, with free movement of business persons and investments (African Union, no date).

Erasmus+ Programme: The EU's programme to support education, training, youth and sport in Europe.

Economic Partnership Agreement (EPA): Trade and development agreements negotiated between the EU and partners engaged in regional economic integration processes.

Generalised Scheme of Preferences (GSP): Accords that allow vulnerable developing countries to pay fewer or no duties on exports to the EU, giving them vital access to the EU market and contributing to their growth (European Commission).

Background.

On 12 September 2018, on the occasion of his State of the Union Address, President Jean-Claude Juncker proposed a new 'Africa – Europe Alliance for Sustainable Investment and Jobs' to substantially boost investment in Africa, strengthen trade, create jobs, and invest in education and skills. The package builds on the commitments taken during the African Union – European Union Summit which took place in November last year in Abidjan, where the two continents agreed to strengthen their partnership. It sets out the key strands of action for a stronger economic agenda for the EU and its African partners (The Africa-EU Partnership, 2018).

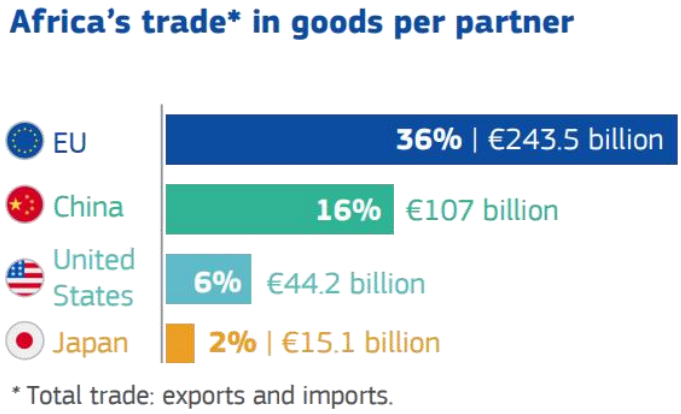
The Commission's proposal for an 'Africa – Europe Alliance for Sustainable Investment and Jobs' is part of a package which also includes a proposal for a more efficient financial architecture for investment outside the European Union,

which will also support further investment in Africa. Under President Juncker's leadership, the EU has been strengthening its partnership with Africa, including with new innovative tools, on top of traditional cooperation instruments, notably the External Investment Plan (The Africa-EU Partnership, 2018).

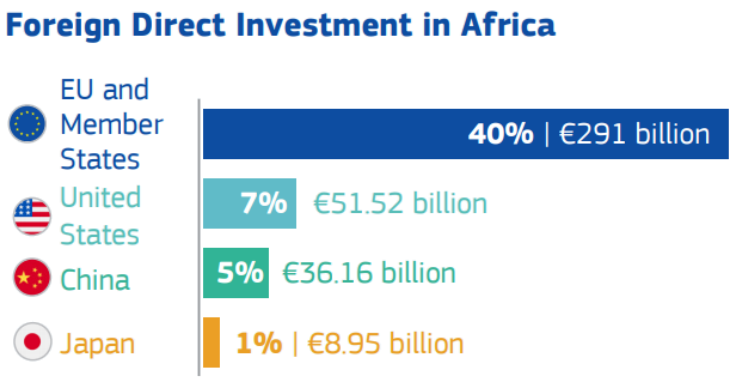
Currently, 52 African countries benefit from a trade agreement, an Economic Partnership Agreement (EPA) or a trade arrangement (Everything But Arms and the two Generalised Scheme of Preferences, Standard GSP and GSP+) with the EU to grant privileged access to its market. These countries pay fewer or no duties on exports to the EU, giving them vital access to the EU market and contributing to their growth (European Commission, 2018).

It is important to note that The EU is Africa's biggest trading partner and investor, accounting for 36% of Africa's trade in goods, worth €243.5 billion in 2017. The EU remains the most open market to African exports in the world, some examples include:

The EU: Africa's biggest global investor. Source: State of the Union, 2018.



Source: International Monetary Fund, 2017.



Source: Eurostat, UNCTAD World Investment Report 2016.

The Plan

The aim of the Alliance is to take the EU's partnership with Africa to the next level. To do so, the Commission proposes to boost investment, further attract private investors, support education and skills development for employability, as well as boost trade and improve the business climate. This plan will be supported by the Commission's current and future budget, for which Africa is highlighted as a priority region.

As President Jean-Claude Juncker stated at the African Union–European Union Summit in Abidjan on 27 November 2017: *"What happens in Africa matters for Europe, and what happens in Europe matters for Africa. Our partnership is an investment in our shared future. It is a partnership of equals in which we support each other, help each other to prosper and make the world a safer, more stable and more sustainable place to live."*

The plan has ten main proposed actions:

1. Boosting support to crowd in investments via blending and guarantees.
2. Identifying the most promising value chains and the opportunities for manufacturing and processing at national and regional level via the Jobs and Growth Compacts.
3. Establishing sectoral groups of African and European public, private and financial operators and academia on a sectoral basis before the end of this year to examine and support strategic developments in critical economic areas such as digital economy, energy, transport and agriculture.
4. Supporting an important African Union skills initiative aimed at developing an African continental qualification framework.

5. Supporting skills development at national level to match skills to strategic development choices for each country.
6. Developing a strengthened dialogue and cooperation with African partners on the investment climate, including investment protection where appropriate.
7. Supporting the African Continental Free Trade Area negotiations.
8. Strengthening trade between the EU and Africa. Building on the African Continental Free Trade Area implementation, the long-term perspective is to create a comprehensive continent-to-continent free trade agreement between the EU and Africa.
9. Supporting both intra-African connectivity and strategic linkages between the EU and Africa.
10. Mobilising an important package of financial resources.

Africa has the youngest population of any region of the world and continues to experience strong demographic growth. Providing people with access to education is of paramount importance (European Commission, 2018). The need to invest in skills for Africa's youth matched with market demands featured high in the discussions. Africa has been rising in recent years with a growth rate over 4%. However, to boost and sustain growth, the 12 million young Africans that enter the job market each year need to find jobs. AU Commissioner for Economic Affairs Harrison pointed out that Africa's growth so far has been jobless with only 4 million young Africans able to find jobs each year (The Africa-EU Partnership, 2018).

Some of the concrete initiatives include: expanding levels of investment via grants and loans blending and guarantees; identifying new value chains via the Jobs and Growth Compacts, ensuring a link with the G20 Compact with Africa; supporting skills development at African and national levels; developing a strengthened dialogue and cooperation with African partners on the investment climate, including on business and investment climate reforms; strengthening EU-African trade with the long-term perspective of a continent-to-continent free trade agreement building on existing agreements; supporting connectivity intra-African and strategic linkages between the Africa and the EU.

Building on the African Continental Free Trade Area implementation, the long-term perspective is to create a comprehensive continent-to-continent free trade agreement between the EU and Africa. To prepare this, Economic Partnership Agreements, Free Trade Agreements including the Deep and Comprehensive Free Trade Areas on offer to the countries of North Africa, and other trade regimes with the EU should be exploited to the greatest extent, as

building blocks to the benefit of the African Continental Free Trade Area (European Commission, 2018).

The Challenges

Despite a decline in the total number of illegal border crossings since its peak in 2015, EU Member States continue to face consistent unauthorized immigration, particularly along the Eastern and Western Mediterranean routes. For example, roughly 19,000 asylum-seekers arrived in Spain in the first five months of 2018, almost as many as arrived there in all of the previous year. EU officials expressed concern that Spain could become the new weak link for illegal migration as resources in Spain are being stretched. On the other hand, Italy, which has been the main route for asylum seekers into Europe since 2016, has made public pleas for Spain and France to offer their ports for the disembarkation of migrants rescued in the Mediterranean (Stephan, 2018).

EU policymakers proposed creating “controlled centers” on EU soil and “regional disembarkation platforms” in Northern African countries, both aim at handling rescued migrants and both with support and financing from Brussels. However, these migrant processing centers have attracted concern that they would turn into de facto detention camps, and no African country has offered to host such facilities to date (Stephan, 2018).

Economically, China’s trade with Africa is also on the EU’s radar, not solely because of greater economic gain to be had, but also for greater geopolitical influence. As the United States continues to pursue its “America First” policies, China seeks closer, more focused economic ties with Africa. The commitment from China remains strong and the volume of Chinese investment in Africa will likely increase dramatically as the United States continues to wage its trade war with Beijing (Stephan, 2018).

Key questions

1. Why should Africa and the EU step up their engagement on investment and the economy? Why should they not?
2. What is the country you represent currently doing to boost investment and job creation in Africa?
3. What does the country you represent propose to do to boost free trade with Africa?

4. Will the country you represent replace existing development cooperation with a new proposal?
5. How does the country you represent plan to integrate the Objectives for Sustainable Development in this new Alliance?

Suggested reading.

President Juncker's 2018 State of the Union Address. Available at https://ec.europa.eu/commission/sites/beta-political/files/soteu2018-brochure_en.pdf

'Resetting EU-Africa Relations'- High-level group meets in Brussels. Available at: https://www.africa-eu-partnership.org/en/stay-informed/news/resetting-eu-africa-relations-high-level-group-meets-brussels

The EU Alliance with Africa: Is It Old Wine in New Bottles? Available at https://www.cgdev.org/blog/eu-alliance-africa-it-old-wine-new-bottles

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Topic B. Consequences of leaving the European Union: United Kingdom.

Glossary

Treaty of the European Union: is one of the primary Treaties of the European Union, alongside the Treaty on the Functioning of the European Union (TFEU). The TEU forms the basis of EU law, by setting out general principles of the EU's purpose, the governance of its central institutions (Commission, Parliament, and Council), as well as the rules on external, foreign and security policy.

Article 50 of the Treaty of the European Union: is the legal and political process whereby an EU member state ceases to be a member of the Union.

Brexit: the name given to the process of withdrawal of the United Kingdom from the European Union, following the referendum of 23 June 2016.

Brexit deal: a bilateral agreement between the United Kingdom and the European Union that should determine the relationship between both parties after the withdrawal scheduled for 29 March 2019.

EU Customs Union: is a customs union which consists of all the member states of the European Union (EU), Monaco, and some dependencies of the United Kingdom which are not part of the EU. Within this union there are no tariffs or non-tariff barriers to trade between members of the customs union and – unlike a free trade area – members of the customs union impose a common external tariff on all goods entering the union.

Schengen Area: is an area comprising 26 European states that have officially abolished passport and all other types of border control at their mutual borders.

European Single Market: is a single market which seeks to guarantee the free movement of goods, capital, services, and labour – the "four freedoms" – within the European Union.

Introduction

The United Kingdom's vote to leave the European Union has triggered the worst political crisis the EU has ever faced. Since the early 1950s, the EU has steadily expanded, but on 23 June 2016, 52 percent of British voters ignored the experts' warnings of economic misery and opted to leave the bloc. At the annual British Conservative Party conference in October [2016], Prime Minister Theresa May promised to invoke Article 50, which formally begins negotiations and sets a two-year deadline for leaving the EU, by March 2017. Now, given her determination to regain control of immigration and the stiffening resolve of other EU leaders to make an example of the United Kingdom, a so-called hard Brexit—an exit from both the single market and the customs union—is looking increasingly likely. This prospect should lay to rest the once dominant idea that European integration is an irreversible process (Matthijs, 2017).

Background

The United Kingdom's vote on 23 June 2016 to leave the European Union was a seismic event. The British people ignored the advice of the leaders of all their major political parties and of virtually all experts. George Osborne, the chancellor of the exchequer, told voters that leaving would wreck the British economy. U.S. President Barack Obama warned that it would reduce the United Kingdom's influence on the world stage. Financial markets, many pollsters, and political pundits all anticipated that voters would heed the elites' advice. And yet they decided not to, setting off a process destined to transform the country's politics, economy, and society (Menon, 2017).

Tired of years of mismanagement and no evident economic growth for the middle classes, the British people lost confidence on their politicians and representatives in the European Parliament. The United Kingdom had always been a *difficult* member for the Union, proof of it being not a founding member, not having the euro as currency and most recently, its decision of withdrawal.

On 29 March 2017, the British ambassador to the European Union delivered a letter from Prime Minister Theresa May to the President of the European Council stating that the United Kingdom would like to commence the process whereby it could cease being a member of the EU (Article 50 of the Lisbon Treaty). This marked the beginning of a two year term, set to end on 29 March 2019, in which the government of the United Kingdom and the European Union should negotiate a deal that dictates the relationship after the term expires.

Now, the deal would fall between two categories: a *soft* Brexit, aimed at maintaining most of the agreements, policies and privileges the United Kingdom had as member of the EU and, a *hard* Brexit, which meant the United Kingdom would not keep these agreements and privileges and would be treated as a non European country that wished to strike agreements with the EU.

There are three core elements to the European Union's economy: The Single Market, the Customs Union and the Free Trade Agreement. A *hard* Brexit would mean the United Kingdom leaves all three. Leaving the Single Market would mean the United Kingdom regaining control of its borders and abandoning the free flow of people, goods and money guaranteed by the Schengen Area. Cutting ties with the EU Customs Union and Free Trade Agreement represents both sovereignty regain and advantages loss for the United Kingdom as goods and services would be subject to border checks and tariffs.

One of the *benefits* for the United Kingdom would be no longer having to follow European policies and enforce EU law. Though, at this point, EU law is so integrated with United Kingdom law that a separation process would be complex. The British parliament could then keep, repeal, amend or improve EU law and adopt them as domestic policies.

It is important to have in mind that the United Kingdom is not negotiating with a single entity, but rather a group of 28 countries that want different arrangements. Yet, leaving the Union does not mean that the United Kingdom will not be affected by its surrounding European neighbors, it is tightly linked for matters of security and military policy. The EU wants to demonstrate that leaving the Union is not a good idea for all its other members. Brexit puts the Union on thin ice and it needs to make an example of the United Kingdom.

On 12 July 2018, Prime Minister Theresa May published a United Kingdom Government white paper titled *The Future Relationship between the United Kingdom and the European Union*, commonly referred as the *Chequers Deal*. This document laid the type of relationship the United Kingdom Government seeked to have with the European Union after 29 March 2019, the set date for Brexit.

The paper was split into four chapters: economic partnership, security, cooperation and institutional arrangements. It aimed at setting and defining the interaction and agreements between both parties as separate entities. It contained important sectors such as agriculture, finance, labour policy, fishery and aviation. Most

importantly, it addressed the matter of dispute solving between the United Kingdom and the European Union. It established a joint committee integrated by European and British officials that would mediate future judiciary, economic, security and customs disputes, with the option of the disputes being solved by the European Court of Justice if the committee did not reach and agreement.

The deal was ultimately rejected by both the British parliament and the EU. And, in November 2018, the negotiations concluded with a withdrawal agreement and a political declaration of the situation, paving the way for a possible no deal Brexit.

No deal Brexit meant that the United Kingdom would cease being a member of the European Union right after 29 March 2019 if no arrangement was made. The United Kingdom would now trade under World Trade Organisation rules and deal with European citizens residing and working in the United Kingdom as well as British citizens resident and working in the EU.

Europe after Brexit.

When the United Kingdom leaves, as it almost certainly will, the EU will lose its largest military power, one of its two nuclear weapons states, one of its two veto-wielding members of the UN Security Council, its second-largest economy (representing 18 percent of its GDP and 13 percent of its population), and its only truly global financial center. The United Kingdom stands to lose even more. Forty-four percent of British exports go to EU countries; just eight percent of the EU's exports head to the United Kingdom. The United Kingdom will also face much less favorable terms with the rest of the world when negotiating future trade and investment deals on its own, and British citizens will lose their automatic right to study, live, work, and retire in the 27 other EU member states (Matthijs, 2017).

The roots of the EU's current crisis can be traced to the 1980s. In the first four decades after World War II, leaders saw the European project primarily as a means of restoring the political legitimacy of their war-torn nation-states. The creation of the single market in 1986 and then the introduction of a single currency a decade later seemed to herald a glorious new era of economic growth and political integration (Matthijs, 2017).

In reality, however, these steps sowed the seeds of Europe's current crisis. Leaders on the continent failed to set up the institutions that would be necessary to make both the single market and the single currency function properly. They

brought about monetary union without fiscal and financial union, leaving countries such as Greece and Italy vulnerable after the Great Recession struck in 2008 (Matthijs, 2917).

If the EU is to survive, it must restore the original division of labor between Brussels and Europe's capitals, in which national governments retained discretion over key areas of economic policy, such as the ability to conduct fiscal stimulus and defend national champions. The EU needs to give Europe's national governments more, not less, freedom to act (Matthijs, 2017).

The EU, should focus on the things that member states cannot do efficiently on their own and that create mutual gains: negotiating international trade deals, supervising systemically important banks and other financial institutions, responding to global warming, and coordinating foreign and security policy (Matthijs, 2017).

Europe has always evolved and adapted during times of crisis, the diversity of its peoples permits and favours finding a solution fit to the situation. As former President of the European Commission Romano Prodi said in 2011:

"I am sure the euro will oblige us to introduce a new set of economic policy instruments. It is politically impossible to propose that now. But some day there will be a crisis and new instruments will be created".

Key questions.

- What is the position of the country you represent on Brexit after two years?
- What does the country you represent think of further EU integration?
- Should the EU restructure itself to prevent future crisis? How?
- How can the EU prevent countries from leaving?
- Which EU aspects should change?

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TLDR News *Expalining Brexit* YouTube playlist, available at https://www.youtube.com/playlist?list=PLa9zPc4IBEBfE1YnVyKd9rjYVZgRaIGJh

C. The European Union's actions to protect investments guaranteed by the Iranian Nuclear Deal.

Glossary

JCPOA: The Joint Comprehensive Plan of Action (JCPOA) is a detailed, 159-page agreement with five annexes reached by Iran and the P5+1 (China France, Germany, Russia, the United Kingdom, and the United States) on July 14, 2015. The nuclear deal was endorsed by UN Security Council Resolution 2231, adopted on July 20, 2015 (Arms Control, 2018).

Sanction: An economic or military coercive measure adopted usually by several nations in concert for forcing a nation violating international law to desist or yield to adjudication (Merriam-Webster).

Background.

On 14 July 2015, the P5+1 (China, France, Germany, Russia, the United Kingdom, and the United States), the European Union (EU), and Iran reached a Joint Comprehensive Plan of Action (JCPOA) to ensure that Iran's nuclear program would be exclusively peaceful. 18 October 2015 marked Adoption Day of the JCPOA, the date on which the JCPOA came into effect and participants began taking steps necessary to implement their JCPOA commitments. On 16 January 2016, the JCPOA was implemented (US Department of State).

This Agreement meant that Iran could reconnect with global markets through the most used banking and economic networks. Banks could now receive payments as they normally should instead of using third parties to get the money.

Key Requirements and Actions Mandated by the JCPOA	
Enrichment	• For 10 years operating centrifuges reduced to 5,060 IR-1 machines, total machines is 6,104 IR-1s • Excess centrifuges (over 13,000) dismantled and stored under IAEA monitoring • For 15 years level of uranium enrichment capped at 3.67 percent uranium-235 • For 15 years enrichment only at Natanz • For 10 years no production of additional IR-1 centrifuges • Between years 11-13 Iran can replace IR-1s with the equivalent capacity of IR-6 and IR-8 machines and limits lasting to years 14-15
Uranium Stockpile	• For 15 years the stockpile is kept under 300 kilograms of 3.67 percent enriched uranium in total (all forms) • Excess enriched uranium sold, shipped abroad for storage, or diluted to natural uranium levels • Uranium oxide and scrap material enriched up to 20 percent fabricated into fuel for Tehran Research Reactor, blended down, or shipped out
Fordow	• Converted to research facility for stable isotope production with Russian cooperation • 1,044 IR-1 centrifuges in six cascades will remain here, 328 for production, the remaining 700 are idle • For 15 years no introduction of uranium at the facility
Advanced Centrifuge Research and Development	• For 8.5 years Iran may conduct research with uranium on a single IR-4, IR-5, IR-6 and IR-8 centrifuge at Natanz • After 8.5 years test up to 30 IR-6s and 30 IR-8s • After 8 years manufacture up to 200 IR-6s and 200 IR-8s centrifuges without rotors • For 10 years Joint Commission review and approval of changes to the research and development plan
Arak Reactor	• Remove and disable the original core of the Arak reactor • Replace the core of the Arak reactor to reduce weapons-grade plutonium output, certified by the Joint Commission • For 15 years no reprocessing of spent nuclear fuel with an intention to never reprocess • Permanent commitment to ship out spent nuclear fuel • For 15 years no heavy-water reactors in Iran • For 15 years no accumulation of heavy water in Iran • Construction of hot cells or shielded glove boxes of certain specifications subject to approval of the Joint Commission
Monitoring and Verification	• By 15 October 2015 Iran fully implements PMD "roadmap" agreed with IAEA • For 10 years approval of the purchase of dual-use materials by the Joint Commission working group • For 25 years continuous monitoring of Iran's uranium mines and mills • For 20 years continuous monitoring of Iran's centrifuge production facilities • For 15 years Joint Commission oversight of IAEA access requests to inspect undeclared sites • Permanent prohibition of certain weaponization related activities • Implementation and eventual ratification of an additional protocol to Iran's safeguards agreement • Permanent implementation of modified Code 3.1 of the Subsidiary Arrangements to its Safeguards Agreement

On 8 May, President Trump decided to withdraw the US from the Joint Comprehensive Plan of Action (JCPOA) and to reinstate all sanctions that had been previously imposed on Iran and had been lifted or waived as a result of this Agreement. The re-imposed US sanctions would come into effect after a “winddown” period of 90 days (by 6 August 2018) for certain sanctions and 180 days (by 4 November 2018) for others (US Department of State). The move by Washington to withdraw from the nuclear agreement has been widely condemned by the EU and other signatories of the deal (RT International).

The European Union is fully committed to the continued, full and effective implementation of the Iran nuclear deal (JCPOA), so long as Iran also respects its obligations. The announcement by the United States that it is withdrawing from the Iran nuclear deal and its decision to reinstate sanctions has the potential to have a negative impact on European companies which have invested in Iran in good faith since the deal was signed. The lifting of nuclear-related sanctions is an essential part of the JCPOA. The European Union is committed to mitigating the impact of US sanctions on European businesses and taking steps to maintain the growth of trade and economic relations between the EU and Iran that began when sanctions were lifted. This can only be achieved by a combination of measures taken at national and European level.

Following the unanimous backing of EU Heads of State or Government at the leaders' meeting in Sofia on the evening of 16 May 2018, for the proposals of President Juncker and High Representative/Vice President Federica Mogherini, the European Commission will act on four fronts:

1. Launch the formal process to activate the Blocking Statute by updating the list of US sanctions on Iran falling within its scope. The Blocking Statute forbids EU persons from complying with US extraterritorial sanctions, allows companies to recover damages arising from such sanctions from the person causing them, and nullifies the effect in the EU of any foreign court judgements based on them.
2. Launch the formal process to remove obstacles for the European Investment Bank (EIB) to decide under the EU budget guarantee to finance activities outside the European Union, in Iran. This will allow the EIB to support EU investment in Iran and could be useful in particular for small and medium-sized companies.

3. As confidence building measures, the Commission will continue and strengthen the ongoing sectoral cooperation with, and assistance to, Iran, including in the energy sector and with regard to small and medium-sized companies. Financial assistance through the Development Cooperation or Partnership Instruments will also be mobilised.
4. The Commission encourages Member States to explore the possibility of one-off bank transfers to the Central Bank of Iran. This approach could help the Iranian authorities to receive their oil-related revenues, particularly in case of US sanctions which could target EU entities active in oil transactions with Iran.

As the European Union stated on 6 August 2018: *"We are determined to protect European economic operators engaged in legitimate business with Iran, in accordance with EU law and with UN Security Council resolution 2231"* … *"This is why the European Union's updated Blocking Statute enters into force on 7 August to protect EU companies doing legitimate business with Iran from the impact of US extra-territorial sanctions".*

In August 2018, the EU formally revived a 1990s-era blocking law that allows it to protect or compensate European companies exposed to U.S. sanctions. Then, in September, Federica Mogherini, the EU high representative for foreign affairs and security policy, outlined EU plans to establish a so-called Special Purpose Vehicle (SPV), a financial institution that is technically not a bank and which would process payments between Iran and its international trading partners (Rosenberg, 2018). This SPV, means that the EU can pay Iranian goods with other goods, technically barter.

According with the European Union, on 24 September 2018 the participants of the JCPOA reconfirmed their commitment to its full and effective implementation of the JCPOA endorsed unanimously by the UN Security Council through Resolution 2231. As well, they took stock of the process of finding and operationalising practical solutions for issues arising from the unilateral withdrawal of the United States from the agreement and the re-imposition of sanctions lifted under the JCPOA and its Annex II.

Assuring the continuity of the Agreement is key for keeping Iran a stable country, to prevent Iran from further developing its weapons industry and limit the growing influence of China in the region.

Further reading

UN Security Council Resolution 2231 (2015), which contains important information on the Nuclear Deal adopted by the Council and Iran, available at: https://www.securitycouncilreport.org/atf/cf/%7B65BFCF9B-6D27-4E9C-8CD3-CF6E4FF96FF9%7D/s_res_2231.pdf

Timeline of the JCPOA in *The Joint Comprehensive Plan of Action (JCPOA) at a Glance*, available at: https://www.armscontrol.org/factsheets/JCPOA-at-a-glance

Joint statement by High Representative Federica Mogherini and Foreign and Finance Ministers of the European Commission on the situation, available at https://eeas.europa.eu/headquarters/headquarters-homepage/53230/joint-statement-high-representative-federica-mogherini-and-foreign-ministers-jean-yves-le_en

COMMISSION DELEGATED REGULATION (EU) 2018/1100 of 6 June 2018 amending the Annex to Council Regulation (EC) No 2271/96 protecting against the effects of extraterritorial application of legislation adopted by a third country, and actions based thereon or resulting therefrom , available at: https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32018R1100&from=EN

Key Questions

- What position does the country you represent have on the subject?
- Does the country you represent agree with the United States? Is it against?
- Does the country you represent operate companies in Iran? Which and how are they affected by the sanctions?
- What solutions has the country you represent already proposed?
- What other solutions does the country you represent propose?
- How can Europe, as a whole, maintain a strong position regarding the JCPOA?
- Have the actions of the United States put at risk European companies? How?

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