

# The Limitations of Third-Party Mediation: Prospects for the Iran Denuclearisation Talks



by

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When Iran's nuclear programme makes headlines, the narrative is often framed as a clash between Tehran and Washington. This framing overlooks, however, the real test that the negotiations represent: whether third parties – be it states or institutions with direct or indirect stakes in the dispute – can wield enough influence to steer bitter rivals towards compromise.

The Iran case is particularly instructive as it involves not just the United States and Iran, but also a constellation of other actors including the EU3 (i.e. Britain, France and Germany), China, Russia and the European Union itself that have stepped into the fray as mediators. Their interventions illustrate the full suite of what I refer to as types of mediative power: expert knowledge, rewards, coercion and networks. The Iran case also demonstrates why even the most carefully balanced multilateral diplomacy can deliver only fragile outcomes.

## The Core Dyad: The United States and Iran

At its heart, the Iran nuclear dispute is a bilateral standoff. The United States fears Iran's enrichment capabilities will enable it to build a nuclear bomb while Iran insists on its right to develop nuclear energy, perceiving nuclear capabilities as a safeguard against an existential threat in what it considers a tense geopolitical environment. Decades of mistrust made direct compromise almost impossible and the deadlock, coupled with the lack of formal diplomatic relations between the two sides, opened the doors for third parties to step in to mediate.

## The Third Parties: Stepping Into the Breach

The EU3 first engaged Iran in the early 2000s, when the United States refused direct dialogue. Their motivation for doing so was apparent: to prevent

nuclear proliferation in Europe's neighbourhood and avert regional conflict. There was some initial success in the form of the 2003 Tehran Declaration but the Iranians restarted the nuclear programme in 2005. Later on, China and Russia also intervened, partly to prevent Western domination of the negotiation process, but also to protect their own energy and security interests. The European Union, acting as an institutional convenor, provided a platform for talks when the UN Security Council was paralysed. More recently, other Gulf states such as Oman and Qatar have sought to mediate between the dyad.

Conspicuously absent from the talks were Iran's neighbours such as Israel and Saudi Arabia. Their deep antagonism towards Tehran risked spoiling the negotiations and worsening tensions, yet their exclusion from the formal process left them resentful and suspicious of any deal reached without their consultation.

## Mediative Powers in Action

How did the various third parties try to move the negotiations forward? They sought to exercise their influence through four types of mediative power:

### Expert knowledge power

The European third parties provided their technical expertise to design appropriate safeguards and monitoring mechanisms for Iran's nuclear programme, along with realistic timelines. By grounding the discussions in verifiable procedures, they reframed the negotiations away from ideological differences and towards practical compliance.

### Reward power

Relief from ongoing sanctions was a key incentive offered to Tehran. The European Union was Iran's largest trading partner and they held significant financial leverage over Iran. Other incentives that were provided included the prospects of (re)integration into the global economy, access to frozen assets, and expanded trade.

### Coercive power

The United States, European Union and other states also used sanctions to devastating effect on Tehran.

The restrictions on oil exports and the financial sector pushed Iran to the negotiating table. The implicit threat of military action also hung in the background.

### **Network power**

China and Russia leveraged their positions as UN Security Council permanent members to shape collective pressure on Iran while restraining US unilateralism. Their ability to invoke wider institutions – especially the United Nations – extended their leverage on the negotiating parties.

### **Impact of Mediative Powers**

Through the varying use of the different mediative powers, the intervening parties managed to guide negotiations to the creation of the 2015 Joint Comprehensive Plan of Action (JCPOA) in which Iran accepted that it would limit nuclear enrichment and accept inspections in exchange for sanctions relief. The JCPOA was hailed as a diplomatic triumph and a rare case in which the great powers were able to align to manage a nuclear crisis. In practice, however, the JCPOA was an intermediate agreement in that its terms were time-bound and its foundations shaky.

The transient nature of the agreement was proven with US President Trump's 2018 decision to unilaterally withdraw from it and re-impose sanctions. In response, Iran scaled back its compliance. The collapse of the JCPOA exposed a key vulnerability of third-party mediation: agreements are only as durable as the domestic politics and interests of the most powerful actors. Third parties and their use of mediative powers can help foster conditions for deal-making, but unfortunately cannot guarantee the survival of a deal.

Between 2021 and 2025, under the Biden administration, the JCPOA underwent several rounds of indirect negotiations, failed revitalisation efforts, and a steady erosion of compliance. The third parties, namely the EU3, sought to keep the deal alive by serving as interlocutors and offering variations of sanctions relief but to no avail; rifts emerged within the EU3 as they began to differ in their approaches to the discussions and these hurt their credibility as mediators. Russia and China continued to serve as buttresses against Western pressure as they blocked efforts at the UN Security Council to re-escalate sanctions and also provided economic incentives to Iran. Other states also intervened in this period, namely Oman and Qatar; both could leverage their perceived neutrality to mediate. Unfortunately, their influence was limited mostly to convening power: they could only bring both the United States and Iran to the negotiations table; they could not broker a deal to resolve the crisis.

With Trump's second term of office commencing in 2025, the United States took a harder stance, which resulted in a de facto collapse of the original framework by mid-2025. No final deal could be reached, primarily due to concerns over guarantees against another US withdrawal and the scope of sanctions relief. The third parties' influence was ultimately limited and they could not override the domestic interests of the two key disputants.

There are several factors that make the negotiations particularly challenging. First, excluding neighbouring states such as Israel and the Gulf Arab states, for whom the Iranian nuclear programme posed an existential threat, risked rendering the deal unacceptable to them, or worse, provoking actions that could undermine it. Their exclusion, however, enhanced the functionality of the talks by allowing discussions to concentrate on the technical dimensions of the programme rather than being encumbered by long-standing historical grievances. The Six Party Talks on the North Korean nuclear threat is a good example of negotiations that were hampered by the inclusion of hostile neighbours. At multiple points during the negotiations, Japan derailed the discussions by bringing up its own historical grievance against North Korea. Japan threatened to sit out the talks or not accede to any deal. This stance hampered the progress of the Six Party Talks.

Second, despite the best efforts of the third parties involved, they could not override the decades of mistrust that characterised the US-Iran relationship. Third, although the third parties were like-minded in wanting to restrict or end the Iranian nuclear programme, they had different motivations for doing so, which complicated their approaches to the situation and at times undermined the collective influence of the third parties. For instance, the EU3 sought stability and non-proliferation while Russia and China used the talks to advance their own global standing. These differing motivations led to a lack of coherence in their mediative approaches, which limited their influence.

### **Conclusion**

Ultimately, the Iran case demonstrates both the promise and limits of third-party unilateral mediation. While third parties can pool their mediative powers to broker agreements where bilateral hostility would otherwise produce stalemate, the overall effectiveness of mediation is still dependent on timing and context. While initial sanctions relief via the JCPOA had led to Iranian cooperation, without political continuity on the part of the United States, Iran had little reason to trust that commitments would hold. This has subsequently had a chilling effect on the negotiations as concerns persist over the longevity of any deal.

The Iran case has thus served as a stress test for how the international community manages high-stakes security crises. The JCPOA demonstrated that even bitter adversaries can be nudged towards compromise when third parties act in concert. Its subsequent unravelling, however, illustrated the fragility of such arrangements in the face of competing domestic politics and interests. What lesson does the Iran case hold for future mediators? The answer is sobering: third parties can open doors, but they cannot hold them open forever.

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## Uneven Renewable Energy Progress: The Role of State-Market Alignment in the Philippines and Indonesia



by  
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Southeast Asian countries are expanding the use of renewable energy as part of the global agenda to transition to low-carbon energy sources. Yet, progress has been uneven in the last 15 years, with some countries advancing far ahead of others.

The Philippines and Indonesia are a case in point. Both are fossil fuel-dependent countries, highly vulnerable to natural disasters and face rising energy demand from large populations and growing economies. While both countries share the same incentives to accelerate renewable energy expansion for the dual purpose of meeting energy needs and mitigating climate change, their trajectories have differed significantly, with the Philippines outpacing Indonesia much faster. Given that financing and technological hurdles are a common feature in developing countries like the Philippines and Indonesia, the key to the divergent pathways arguably lies in the extent to which the state and the market have aligned around the renewable energy expansion agenda.

### The Philippines' Privatised Model

In the Philippines, the energy sector has been led primarily by the private sector since the passage of the Electric Power Industry Reform Act (EPIRA) in

2001. This reform was a reversal from the state-run model of the Marcos era and received widespread support from within the government and society, drawing on the country's long tradition of private sector involvement in electricity generation prior to energy sector nationalisation in the 1970s. Under EPIRA, the relationship between state and market was restructured. The state, through the Department of Energy, assumed the role of regulator and planner, while private companies became the main providers.

The reform, primarily designed to remedy the energy crisis of the 1990s, subsequently became an institutional gateway for renewable energy expansion. The privatisation rules that were originally written to increase the performance of the country's fossil fuel-based energy generation were later applied to renewable energy source development too. Yet, the push for renewable energy was not a product of market competition and efficiency gains that are expected of privatisation reform. Instead, it was driven by the state's long-standing conviction that indigenous renewable energy sources would have a critical role to play in the Philippines' energy security – a position conceived following the global oil crisis of the 1970s that exposed the country's vulnerability to energy import dependence.

Through various incentives and mechanisms introduced under the 2008 Renewable Energy Act, such as the feed-in tariff (FiT), renewable portfolio standard (RPS), and green energy option, privatisation created space for the state and the market to get aligned on the renewable energy expansion agenda. However, significant gaps remained. First, there were long delays in the implementation of the provisions. RPS, for example, was launched only in 2020, 12 years after the law's enactment. Similarly, the green energy option was implemented only in 2021. Such delays