



MEDITERRANEAN AND MIDDLE EAST SPECIAL GROUP (GSM) REPORT

IRAN'S THREAT TO REGIONAL AND EURO-ATLANTIC SECURITY

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Founded in 1955, the NATO Parliamentary Assembly acts as a consultative interparliamentary organisation which is institutionally separate from NATO. This report was adopted, as revised by the GSM Members, on 26 September 2025 in Melilla, Spain. It is based on information from publicly available sources or NATO PA meetings – which are all unclassified.

EXECUTIVE SUMMARY

Since the 1979 Revolution, the Islamic Republic of Iran has been a persistent source of instability in the Middle East, pursuing an expansion of its influence through the promotion of Shia political Islam, regional hegemony and systemic opposition to Western influence, particularly that of the United States. The Iranian Revolution, led by Ayatollah Khomeini, replaced the monarchy with an authoritarian theocracy committed to clear strategic objectives: expelling US military and political influence in the Middle East; dismantling the Israeli state; and supporting the creation of a Palestinian state under groups aligned with its ideology. Despite setbacks in realising these ambitions, Iran's policies, actions and proxy actors have significantly undermined regional stability.

Iran's relationship with its three chief rivals, Israel, Saudi Arabia and the United States, underpins its foreign and domestic policies. Moreover, interplay between and among these countries has shaped geopolitics in the Middle East for over four decades. In recent years, Iran's regional influence had intensified through its support for the Assad regime in Syria and its backing of militant groups like Hamas, Hezbollah, and the Houthis in Yemen—collectively referred to as the “Axis of Resistance”. These proxies have repeatedly targeted US, Allied and partner targets and remain a critical tool in Iran's foreign policy. However, Iran now faces significant internal and external challenges, including the weakening of its regional proxies, military strikes against its nuclear facilities that have also degraded its air-defences, as well as growing domestic discontent fuelled by economic hardship and political repression.

Tehran's ability to project power across the region is dwindling significantly. In spite of this relative decline, the challenge Iran poses to regional and Euro-Atlantic security remains, albeit in different forms. Tehran retains significant capabilities to destabilise the Middle East. Its expansive missile programme, amongst the largest in the region, and continued pursuit of nuclear capabilities pose acute regional and global risks. Iran's material support for Russia's war of aggression in Ukraine, coupled with deepening ties to China and North Korea further complicate the regional and international security landscape, challenging Euro-Atlantic interests. Iran also poses cyber-security risks for allied nations. Furthermore, due to its strategic location and regional influence, Iran has the capacity to project power over the Strait of Hormuz and the Gulf region as well as Bab-Al Mandab and Red Sea, which are critical for world trade and energy security. In this context, the report concludes that NATO members should heighten their focus on Iran's destabilising actions, as well as explore how they can align and expand the “maximum pressure” strategy. It emphasises a strengthened diplomatic approach to prevent further nuclear development and to avoid the complete collapse of current nuclear frameworks. Additionally, it concludes with concrete recommendations for further engagements with NATO's Southern Neighbourhood to strengthen regional stability.

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I- INTRODUCTION

1. Since the establishment of the Islamic Republic of Iran, its regional activities have consistently amounted to a destabilising factor in the Middle East, fuelling and exacerbating conflicts in the region to the regime's benefits. The 1979 Iranian Revolution ousted the Shah, Mohammad Reza Pahlavi, ending the country's imperial dynasty and ushering in an anti-Western, authoritarian Islamist theocracy led by the hard-line cleric Ayatollah Ruhollah Khomeini. One of the most consequential events of the late twentieth century, the revolution did not merely alter Iran's domestic order—it profoundly reshaped Iran's foreign policy toward ideological expansionism and asserting Iranian hegemony across the region (Milani, 2025).
2. Over the last four decades, Iran has pursued clear and consistent objectives in the Middle East. Throughout this period, Iran has aimed to drive the United States out of the region, dismantle the Israeli state and reshape the regional order (Sadjadpour, 2022). The unresolved Israeli-Palestinian conflict provided and continues to provide ample grounds for the regional activities of the Iranian regime. While Tehran has fallen short of realising these maximalist goals, it has nonetheless proven adept at exploiting instability, undermining fragile governments and projecting power through asymmetric and hybrid means. The cumulative effect has been a persistent erosion of regional security and an enduring challenge for Allied and partner governments seeking stability in the Middle East.
3. In recent years, tensions with Iran have deepened as the regime's destabilising influence and interventions in the Middle East have become more pronounced. Tehran provided critical support to sustain the Assad regime in Syria, challenged Allied countries and the Gulf states through proxy engagements and undermined regional stability by backing internationally recognised terrorist organisations. Moreover, Iran's material support for Russia's illegal war of aggression against Ukraine underlined the security threat it poses beyond its immediate neighbourhood as well as to the Euro-Atlantic area.
4. Iran's regional strategy heavily relies on the so-called "Axis of Resistance", a network of aligned groups that includes Hamas and the Islamic Jihad Movement in Palestine, Hezbollah in Lebanon, the Houthis in Yemen, as well as Shia militias operating in Iraq (CRS, 2024a). These groups form a transnational infrastructure for Iranian influence, having launched attacks on Allies and partner targets for years, and represent a key tool in Tehran's foreign policy. As a result of the Israel-Hamas War, as well as the collapse of the Assad regime in Syria, the Axis has suffered significant setbacks, casting doubt on Tehran's capacity to project influence and exposing vulnerabilities in its regional posture.
5. These external pressures are compounded by a crisis of legitimacy at home. The regime is deeply unpopular, and ordinary Iranians continue to grapple with hardships caused by the sharp devaluation of the national currency, the rial, a failing economy and crippling energy shortages that leave homes unheated and factories idle (Haas, 2025). Domestic unrest—demonstrated most vividly by the 2021–2022 protests sparked by the tragic death of Mahsa Amini in police custody—has highlighted the regime's repressive nature and Iranians' persistent desire for greater rights and freedoms (Edelman and Takeyh, 2023).
6. The 12-Day War between Israel and Iran from 13–24 June 2025 caused significant damage and claimed hundreds of lives both in Iran and Israel. The fighting between the two sides increased the risk of nuclear leaks, mass migration and disruption of global trade, transportation and energy security. It also marked a critical juncture in Iran's nuclear trajectory. Despite these serious crises, Iran retains the scope to further destabilise the Middle East, undermine Allied influence in the region and threaten Euro-Atlantic security. It can continue to project power through proxies such as the Houthis, who continue to threaten maritime security in the Red Sea and the Strait of Hormuz. Moreover, it may yet press ahead with its nuclear ambitions. Although Israeli and US military strikes have likely damaged and slowed down its nuclear programme, the regime views nuclear deterrence

as a critical strategic tool to fend off the challenges it faces internationally and domestically. Given the mounting pressures it faces, Tehran may view the continued pursuit of a nuclear weapon as the only credible guarantee of the regime's long-term survival.

7. Iran's growing strategic cooperation with authoritarian powers such as Russia, the People's Republic of China (PRC) and the Democratic People's Republic of Korea (DPRK) must also be considered. Tehran's growing military, economic and technological ties with Moscow and Beijing, in particular, have not only served to reinforce its regional position but also to strengthen a broader anti-Western axis of cooperation (Kendall-Taylor and Fontaine, 2024). These relationships have enabled Iran to circumvent sanctions, expand its weapons development and provide an international platform for its regime. As such, Iran does not operate in isolation but as part of a wider constellation of actors committed to undermining the rules-based international order and challenging the interests of NATO Allies.

8. In light of the regime's active destabilisation efforts in the Middle East and its demonstrated threat to Euro-Atlantic security, this report maps out Iran's activities in the region against the interests of NATO Allies and analyses their impact on regional, Allied and global security. It concludes with key recommendations for Allied countries, including prioritising diplomacy, exploring ways to expand the "maximum pressure" strategy and deepening security cooperation with partner states to deter further nuclear build-up by Iran.

II- IRAN'S THREAT TO REGIONAL SECURITY IN THE MIDDLE EAST

9. Iran has pursued a strategy aimed at consolidating regional dominance, safeguarding its regime and projecting influence across the broader Middle East. The survival of the Islamic Republic, which the regime views as constantly being under threat, particularly from external actors, is seen as paramount. To work towards its goal of regional dominance, Tehran has institutionalised a "forward defence" doctrine as a cornerstone of its regional posture. This strategy involves support of proxy groups and militias across the region to deter adversaries, project Iranian influence beyond its borders and shift the focus of potential conflict away from its territory (Azizi, 2025). This indirect yet aggressive approach serves as an attempt to try to bolster Iran's influence in neighbouring states, including in the South Caucasus, creating a buffer zone of aligned actors that can counterbalance perceived threats from abroad.

10. The underlying drivers of Iran's regional activities are threefold: countering US and Western influence; its rivalry with Saudi Arabia; and opposing the existence of the Israeli state. Tehran perceives the United States as the primary obstacle to its ambitions and seeks to undermine American dominance by supporting anti-US forces, destabilising governments friendly to the US and promoting narratives that challenge American policies in the region. This effort is deeply intertwined with Iran's rivalry with Saudi Arabia. In proxy conflicts such as those in Yemen, Syria and Iraq, Iran leverages Shia militias and affiliated groups to challenge Saudi interests and expand its own strategic influence. Similarly, Tehran's longstanding support for groups like Hezbollah and Hamas underscores its commitment to challenging Israel and maintaining pressure on its borders. However, the operational capacity of these groups has been significantly diminished throughout the course of the ongoing war in Gaza and Southern Lebanon.

11. As a predominantly Shia nation with a distinct linguistic identity, Iran has sought to offset its strategic isolation by positioning itself as the defender of Shia communities across the Middle East, leveraging sectarian ties, ideological influence and soft power to build alliances and extend its influence. Nowhere is this more evident than in its unwavering support for Shia militias in Iraq, the Houthis in Yemen and, previously, the Assad regime in Syria. By championing Shia causes, Iran aims to secure loyalty from these communities and project itself as the leader of the Shia Muslim

world. However, this sectarian approach has deepened regional divisions and heightened the threat perceptions of Sunni-majority states, particularly Saudi Arabia and its Gulf allies (Meraji, 2022).

12. Economic and strategic interests further shape Iran's regional ambitions. Securing vital trade routes, such as the Strait of Hormuz, and maintaining influence over global energy markets are critical for Iran's economy, especially given the impact of international sanctions due to the country's authoritarian governance and pursuit of a nuclear weapon. Tehran's involvement in Yemen, for example, is partially motivated by its desire to assert control over maritime chokepoints like the Bab el-Mandeb Strait, which connects the Red Sea to the Gulf of Aden.

13. Together, these objectives drive Iran's actions across the region, contributing to persistent instability, deepening rivalries with the Gulf Arab states, Israel, the United States and other Western and regional powers, as well as the threat of wider and destructive conflict in the region. By leveraging a combination of military, economic and ideological tools, Tehran continues to attempt to entrench itself as a central actor in shaping the Middle East's geopolitical landscape. While Iran has been weakened by the war in Gaza and the decapitation of its proxy groups, the potential for its destabilising actions to cause further damage in the region should not be ignored.

A. PROXY GROUPS AND IRAN'S "AXIS OF RESISTANCE"

14. Iran's regional strategy relies heavily on the so-called "Axis of Resistance", a broad coalition of Iran-aligned groups ranging from Hamas and Palestinian Islamic Jihad (PIJ), Hezbollah in Lebanon, the Houthis in Yemen, as well as Shia militias in Iraq and beyond¹. These regional groups, used by Iran as proxies since the Iran-Iraq war in 1980–1988, actively assist the regime in countering its adversaries in a broad area that stretches from the Gulf through Lebanon, Syria and Iraq to the Eastern Mediterranean (Jones, 2019). While these groups have their own interests, they collectively serve Tehran's strategic objectives, which have undermined peace and stability in the Middle East. Further, these non-state actors are firmly rooted in the local contexts in which they operate and maintain differing levels of autonomy (Milani, 2025). Given its limited conventional military capabilities, Iran views its proxy network as a cost-effective means of deterrence and power projection against the US and its regional allies. This "forward defence" strategy not only aims to deter potential external threats to the regime's stability but also provides plausible deniability for actions carried out by its proxies (CRS, 2024a).

15. One of Iran's most influential proxies is Hezbollah, the Lebanese militant and political organisation supported by Tehran since Israel's invasion of Lebanon in 1982. Over time, Hezbollah evolved into Lebanon's most prominent political and military entity, exerting significant influence over the country's domestic and regional affairs and undermining its national sovereignty (Ghaddar, 2025). Regionally, Hezbollah played a central role in Iran's regional strategy. It fought alongside Syrian government forces in the Syrian Civil War, supported Iraqi Shia militias, trained Palestinian militant groups such as Hamas and PIJ and conducted operations against Israel in Southern Lebanon (Levitt, 2021). The group also served as a model for other Iran-backed forces, including the Houthis and elements of the Quds Force (Levitt, 2021). However, Hezbollah's position has suffered considerably due to various Israeli operations since October 2023 which decimated its senior leadership, killed or wounded thousands of fighters and destroyed much of its arsenal (Christou, 2025). Though it still holds 53 seats in the Lebanese Parliament, its grip on power is loosening (Ghaddar, 2025). In August, Prime Minister Nawaf Salam instructed the Lebanese Armed Forces to draft a disarmament plan to bring all weapons under state control—effectively targeting

¹ Initially composed exclusively of Shia groups, the network has gradually expanded to include a broader coalition of actors, notably incorporating Sunni organisations such as Hamas and Palestinian Islamic Jihad (Milani, 2025).

Hezbollah's military wing. Hezbollah and its ally Amal rejected the move, announcing that they would "treat the decision as if it did not exist" (Christou, 2025).

16. Hamas is another crucial actor supported by Iran. Iran has provided financial, military and logistical support to Palestinian groups since the 1980s to counter Israeli influence in the Middle East (Robinson, 2024). Support for Hamas and PIJ, for example, is an important element of Iran's strategy to maintain three fronts—Southern Lebanon, Syria and Gaza—in a coordinated effort to encircle and pressure the Israeli state (Milani, 2025). With large parts of Hamas's leadership in exile in Amman, Damascus and Doha, the organisation has conducted diplomacy with a range of foreign actors, notably Iran. In 2000, Damascus became Hamas's main headquarters hosting leaders such as Khaled Meshal, who gave orders to Hamas's military arm in Gaza, the Qassam Brigades (Seurat, 2023). The 2011 Syrian uprising strained the Iran-Hamas relationship due to Sunni-Shia ideological misalignment and Iran's backing of Syrian President Bashar al-Assad. When Hamas's Qassam Brigades fought Iran supported forces in Syria, in 2012 and 2013, Iran halved its financial aid to Hamas from USD 150 million to less than USD 75 million annually (Seurat, 2023). Iran renewed its support in 2017 with the rise of new Hamas leadership under Ismail Haniyeh, marking a broader organisational "shift towards Gaza" (Seurat, 2023). Since October 2023, Iran has reinforced its military, financial and political backing of Hamas, reinforcing its alignment with the group. Rather than shared ideology, this support is rooted in shared interest on the ground and Iran's strategic goal of opposing Israeli policies (Skare, 2023).

17. Iran has been a key supporter of the Houthi movement (*Ansar Allah*) in Yemen, providing military, financial and logistical aid to the group since the outbreak of the Yemeni Civil War. Forged by a shared ambition to counter Saudi influence, the Iran-Houthi partnership also serves to advance Tehran's reach into the Arabian Peninsula (Milani, 2025). Tehran has supplied the Houthis with advanced weaponry, including missiles and drones, and has facilitated training and strategic guidance (Cohen, 2025). This support has significantly enhanced the Houthis' military capabilities, enabling them to challenge the Saudi-led coalition in Yemen. Iran's involvement in the conflict is a point of contention in its relations with regional powers (CFR, 2025).

18. Since October 2023, the Houthis, with support from Tehran, have shown how a well-trained and well-supplied non-state armed group can significantly disrupt global commerce through repeated campaigns of missile and drone attacks against merchant vessels in the Red Sea and Gulf of Aden. Despite the tactical successes of international naval missions such as Operations "Prosperity Guardian" and "Aspides" throughout 2024 and early 2025, the Houthi threat forced a major redirection of maritime traffic. At its peak, the campaign diverted nearly two-thirds of global trade away from the Suez Canal toward the longer southern route around Africa—adding 10 to 14 days of travel, triggering widespread supply chain disruptions, rising consumer prices and inflationary pressures across global markets. Despite the Houthis agreeing to a ceasefire with the United States in May, recent activity shows the threat remains. In July, two Greek-owned and Liberian-flagged ships, the *Magic Seas* and *Eternity C*, were attacked—and sunk—by missile and drone attacks², with several crew members taken hostage (Faucon and Seligman, 2025).

19. Iran has also extended its support to various Shia militias in Iraq. Iran's support to some of the groups dates back to the 1980s, when they either fought against Iraq in the Iran-Iraq war or fled into exile during the rule of President Saddam Hussein. Others sprang up following the US invasion of Iraq in 2003 and have been behind attacks on US forces in Iraq for over two decades³ (Nada, Rowa and Hanna, 2024). By backing these groups, Tehran projects influence across the region without being directly dragged into conflict with Israel, Gulf powers or the United States.

2 According to maritime security experts, the attacks marked the most intense escalation since the group began targeting commercial vessels in 2023, ostensibly in support of Hamas during its conflict with Israel in Gaza (Faucon and Seligman, 2025).

3 A notable example occurred in December 2019, when the K-1 Air Base in Northern Iraq was hit by 30 Katyusha rockets, killing a US civilian contractor and injuring four soldiers. The US Department of Defense (2019) publicly attributed the attack to the Iran-backed militia *Kata'ib Hezbollah*.

Despite regional setbacks, Iran retains notable influence in Iraq and the threat to Allied and partner interests remain. Iran-backed militias, for example, continue to target US forces in Iraq. Armed forces affiliated with the Popular Mobilization Forces (PMF)—a network of Tehran-aligned militias nominally integrated into Iraq’s security forces—have conducted attacks on US military installations and also on critical energy infrastructure. Notably, a wave of recent drone strikes hit multiple oilfields in Iraq’s Dohuk and Erbil provinces, targeting facilities operated by US and foreign companies in an apparent attempt to undermine Iraqi stability and Western economic interests (Abdul-Zahra, 2025).

20. The Israel-Hamas war and the collapse of the Assad regime have strained Iran’s proxy network and the country suffered further setbacks following Israeli assassinations of senior military figures and strikes on Iran’s nuclear sites. Despite these setbacks, Iran remains committed to leveraging the Axis of Resistance as a primary means of advancing its strategic objectives and countering Western and regional adversaries. A surge of regional interdictions points to a renewed effort by Tehran to arm its proxies. In Yemen, the National Resistance Force—aligned with the internationally recognised government—intercepted a record haul of Iranian missiles and drone components destined for the Houthis along the Red Sea coast⁴. In Syria, the new government reported the confiscation of several weapons consignments along its borders with Iraq and Lebanon, including Grad rockets designed for truck-mounted multiple-launch systems. Meanwhile, the Lebanese army has intercepted shipments from Syria containing advanced Russian anti-tank missiles commonly used by Hezbollah (Faucon and Chamseddine, 2025).

B. REGIONAL RIVALRIES WITH THE UNITED STATES, GULF PARTNERS AND ISRAEL

21. Iran’s strained relationship with Israel, Saudi Arabia and the United States has defined the geopolitics of the Middle East for over four decades, and resisting their influence is a matter of preserving Iran’s sovereignty and ideology. Since its inception, the Islamic Republic has been defined by its opposition to the United States and its influence in the region. Tehran perceives the United States as the primary obstacle to its ambitions and seeks to undermine American dominance by supporting anti-US forces, destabilising US-friendly governments and promoting narratives that challenge US policies in the region. Supreme Leader Ali Khamenei has described Washington as Iran’s “number one enemy” (Majidiyar, 2017).

22. Pre-revolutionary Iran was the second Muslim country to recognise the State of Israel but almost immediately following the 1979 Revolution, Iran’s leadership, under Ayatollah Khomeini, severed its relationship with Israel and adopted a policy of opposition to its existence, viewing it as an illegitimate state in the heart of the Muslim world. Today, Iran perceives Israel as its primary security threat, as well as an imperial extension of American interests in the Middle East and has subsequently vowed to fight against its existence (Tabatabai, 2020). The two countries have engaged in several proxy wars over the decades, with occasional direct contact between Israeli forces and Iranian backed groups. Since the US assassination of Qasem Soleimani in January 2020, confrontation between Israel and Iran escalated and reached unprecedented levels after the beginning of the Israel-Saudi normalisation talks in 2023 (Bozorgmehr and England 2024). Perceptions of Iran’s missile capabilities have been severely undermined following failed attacks against Israel in 2024 when Iran launched over 300 missiles towards Tel-Aviv. Additionally, Israel has killed several Hezbollah and Hamas leaders, most significantly Hamas leader Ismael Haniyeh who was assassinated in Tehran in July 2024; Hassan Nasrallah, Hezbollah leader who was killed in targeted attacks in Beirut in September 2024; and finally, Yahya Sinwar, leader of Hamas in the Gaza strip, killed by Israeli Defense Forces in October 2024 (Bozorgmehr and England, 2024). In

4 In July, US Central Command reported the largest interception to date of Iranian weapons destined for the Houthis, seizing 750 tons of advanced military equipment including cruise missiles, anti-ship and anti-aircraft missiles, warheads, targeting systems, and drone engines (Faucon and Chamseddine, 2025).

June 2025, Israel launched a surprise attack on Iran's nuclear facilities as well as some of Iran's prominent military leaders, key nuclear scientists and politicians. Iran's air defence failed to intercept the strikes leading to several hundred deaths and Iran responding with missiles and drones targeting Tel Aviv and Haifa. Israeli officials cited "nuclear threat" as the reason for the attacks which were aimed to set back Iran's nuclear programme (Rosman and Kim, 2025). The Israel-Iran conflict continues to fuel regional instability by intensifying geopolitical rivalries, undermining fragile state structures and deepening sectarian divides. Sustained Israeli military and intelligence operations have weakened Iran's proxy network and without effective diplomacy, the conflict between the two countries risks expanding into a wider regional confrontation with global repercussions.

23. For more than half a century, Iran and Saudi Arabia's relations have been marked by sectarian tension and geopolitical competition. While both countries are interested in regional dominance, Iran's secular modernising agenda and Saudi Arabia's Sunni traditional monarchy set the stage for tensions as early as the 1940s. Following the 1979 Islamic revolution, Iran positioned itself as the leader of the Islamic world along with opposition to Western influence. This added theological dimension deepened the geopolitical rivalry between Iran and Saudi Arabia, a Sunni kingdom and a staunch ally of the US (de Bellaigue, 2025). Unaligned visions of how to organise security in the Gulf underpin geopolitical tensions between the two rivals; Saudi Arabia maintains its security through their long-standing alliance with the US, whereas Iran believes that Gulf security should be handled by those within the region (Wastnidge and Simon, 2022). But tensions between Tehran and Riyadh are fundamentally geopolitical and economic competition, often cloaked in a religious haze.

24. Tensions began when Iraq—at the time ruled by its Sunni-minority—invaded Iran in September 1980 supported by Saudi Arabia, which viewed the new Shia-led Islamic Republic as a threat to regional stability. Relations further deteriorated after the 2003 US invasion of Iraq, which dismantled Saddam Hussein's regime and empowered the country's Shia majority—developments Riyadh interpreted as a strategic gain for Tehran (Wastnidge and Simon, 2022). The Syrian uprising in 2011 quickly evolved into a proxy conflict between the two regional rivals (Nader, 2017). Saudi Arabia severed diplomatic relations with Iran after the Saudi embassy in Tehran was stormed in January 2016, following the execution of a Shia Muslim cleric in Mecca (Nader, 2016).

25. The downward spiral of regional relations continued with increasingly direct confrontations. In November 2017, the Houthis launched a short-range ballistic missile at King Khalid International Airport in Riyadh. Saudi Arabia condemned the strike as an "act of war," alleging that Iran and Hezbollah had covertly transported missile components into Yemen, where they were subsequently assembled⁵ (Easterly, 2018). Just a month later, the Houthis launched another missile—this time targeting one of King Salman's palaces. Though the attack caused minimal physical damage, its symbolic significance was clear. In response, Saudi Arabia launched a vigorous wave of airstrikes across Yemen. Further deterioration was seen in 2019 and 2022 following drone attacks on two major Saudi oil facilities in Abqaiq and Khurais, and attacks on tankers in the Gulf (Reuters, 2023). Such incidents underscored the growing reach of Iranian proxies, their willingness to undermine the regional security landscape and target Iranian rivals.

26. Despite attempts by actors such as China to mediate between the two, efforts such as the "Beijing Agreement" in March 2023 (Reuters, 2023) have failed to bring a long-term rapprochement between the two powers. That said, Iranian support for Houthi rebels in Yemen is a thorn in Riyadh's side and offers by Saudi Arabia in March 2025 to mediate between the US and Iran were an indication that Riyadh wants to promote stability in the region and may think that the way to stop the Houthis is through Tehran.

5 A UN-appointed panel confirmed that remnants of a missile fired at Riyadh's King Khalid International Airport in November 2017 were "consistent with those of the Iranian-designed and manufactured *Qiam-1* missile", indicating likely Iranian involvement (Easterly, 2018).

C. SUPPORT FOR THE ASSAD REGIME AND INVOLVEMENT IN SYRIA

27. For more than a decade, Iran supported the Assad regime and its suppression of the Syrian people. Russian President Vladimir Putin's decision to intervene in the Syrian conflict in 2015 was driven not only by the goal of safeguarding a regional ally, but also by a broader strategy to fundamentally challenge the United States' position in the region. Putin found a strategic partner in Iran, which shared anti-Western grievances and a vested interest in supporting the Assad regime. For Tehran, this alliance was key to asserting its regional power and preventing the collapse of its broader strategy in the Levant (Milani, 2025). Iran's Islamic Revolutionary Guard Corps (IRGC) provided the ground forces necessary to secure the regime's survival as the coordinated air-and-ground campaign succeeded in suppressing the armed opposition to Assad (Yacoubian, 2021).

28. Russia and Iran framed their intervention in Syria as a counterterrorism campaign, deliberately conflating democratic opposition groups with jihadist factions to delegitimise all anti-Assad forces (Milani, 2025). Iran's intervention alongside Russia and its unwavering support for Bashar al-Assad offered a strategic opportunity to preserve Syria as a key node within its Axis of Resistance and maintain a vital land bridge to Hezbollah in Lebanon—strengthening its deterrent against Israel and safeguarding the linchpin of its regional strategy. In Syria, the regime also sought to counter Sunni-majority Gulf states, such as Saudi Arabia and Qatar, which were backing rebel groups whose successes would have severely undermined Iran's regional ambitions (Adar et al., 2025). Aligning with Russia in Syria also provided Iran with an opportunity to challenge the US and the influence of Allies in the region. Crucially, Russo-Iranian military cooperation in Syria laid the groundwork for deeper strategic alignment, with the command structures, intelligence-sharing networks and procurement channels established during their joint operations later repurposed to support Russia's war effort in Ukraine (Grajewski and Rabinowitz, 2025).

29. The collapse of the Assad regime in December 2024 therefore represented another blow to Iran's strategic position in the Middle East, unravelling over a decade of investment and a core element of its regional axis. After years of conflict, Bashar al-Assad's grip on power unravelled within a matter of days as opposition forces launched coordinated offensives from the northwest and southern fronts. The regional impact of the collapse of the regime and its military dominance when the Syrian army abandoned their positions in chaos, will without doubt continue to influence the region and Iran's posture for years to come.

30. Israel's war against Hamas and Hezbollah marked the opening phase of a broader campaign against Iran and its proxies, but it was the fall of Assad that delivered a strategic blow to the Axis of Resistance. With Assad removed, the critical land corridor linking Iran to the Lebanon has been severed, significantly hindering Tehran's ability to support Hezbollah and depriving the group of a key operational hub in Syria. While Hezbollah's position in the Lebanon has been weakened, it is far from dismantled. Despite concerted efforts to prevent it from rearming, sources indicate Hezbollah has resumed limited arms smuggling—bringing in Kornet anti-tank missiles and other advanced weapons—and continues to produce its own drones and medium-range rockets (Faucon and Chamseddine, 2025).

D. THE IRANIAN THREAT IN THE STRAIT OF HORMUZ AND THE RED SEA

31. Over the past decade, Iran has solidified its role in Yemen by backing the Houthis. Since 2015, Yemen has been embroiled in a civil war between the Houthi movement and the internationally recognised government backed by a Saudi-led coalition and the United Arab Emirates (CRS, 2024c). Following the Saudi-led Operation "Decisive Storm", the conflict evolved into a proxy war, deepening

the Sunni-Shia divide and devastating the country⁶. At the time of writing, the Houthis control the capital Sanaa and the north-western part of Yemen, including the Red Sea coastline, where most of the population resides, and operate a *de facto* government in these areas (BBC, 2024). Support for the Houthis in their war pushed the militia group further under Iran's orbit, which has enabled the regime to expand its regional influence with minimal financial burden, in stark contrast to Saudi Arabia's substantial financial losses in the conflict (Al-Goidi, 2024).

32. Iran's influence, through the Houthis, carries significant consequences due to Yemen's geostrategic location, situated along the Bab al-Mandeb Strait—a vital chokepoint for global shipping and energy trade—granting Tehran a strategic advantage in its broader regional ambitions⁷ (Al-Goidi, 2024). Even while fighting inside Yemen has largely abated, the Houthis' repeated attacks on ships passing through the Red Sea severely disrupt regional and global seaborne trade, coming close to bringing global shipping to a standstill (Nadimi and Raydan, 2024). In 2024, the Houthis targeted nearly 200 vessels, inflicting damage on more than 40, with the attacks continuing into 2025 (The Economist, 2025a).

33. The Houthis remain an active force in Yemen and a threat to maritime security and Allied interests and those of their partners in the Middle East. Their ability to dominate much of the western coastline of Yemen and turn the Bab al-Mandab into a chokepoint poses a direct and indirect economic and supply chain security challenge to NATO Allies and Euro-Atlantic security. In a response to these attacks, the US launched and led Operation "Prosperity Guardian" as a step to "ensuring freedom of navigation in the Red Sea" (US DoD, 2023). In February 2024, the EU launched Operation "Aspides", a military maritime security operation, to safeguard freedom of navigation by increasing maritime surveillance and protecting vessels in the area subject to Houthi attacks (EEAS, 2024).

III- IRAN'S NUCLEAR AMBITIONS AND PURSUIT OF A NUCLEAR WEAPON

34. Iran's nuclear programme represents a key strategic priority for the regime and an important element of its foreign policy. For Tehran, the programme serves as a symbol of national status, sovereignty and resilience, while simultaneously keeping regional and global adversaries on high alert (Alberque et al., 2023). Iran is widely considered a threshold nuclear state, having acquired the necessary elements for nuclear weapons—such as uranium enrichment capabilities, technical expertise, delivery systems and infrastructure—stopping short of an official decision to weaponise (Linchy and Milhollin, 2024).

35. For decades, Allied governments and other international actors have expressed concern over the Iranian government's pursuit of nuclear weapons. Iran's uranium enrichment facilities are a primary focus of these concerns, as they can produce both low-enriched uranium for civilian reactors and weapons-grade highly enriched uranium for nuclear warheads (CRS, 2024b). Iran's decision to abandon all restrictions on uranium enrichment, stockpiling and production—effectively dismantling the constraints imposed by the JCPOA—has dramatically shortened its "breakout time" for acquiring weapons-grade material. These developments not only undermine global non-proliferation efforts but also heighten regional security tensions, as Iran edges closer to the technical threshold for nuclear weaponisation (Mills, 2024). While Tehran may not currently possess a viable nuclear

6 According to United Nations agencies, Yemen is the "world's worst humanitarian crisis", with approximately 60% of the estimated 377,000 deaths in Yemen from 2015 to early 2022 due to indirect factors such as food insecurity and limited access to healthcare (CFR, 2024).

7 Nearly 20% of the world's oil and major seaborne trade flow through the Strait of Hormuz, while Bab al-Mandab links the Indian Ocean to the Mediterranean via the Suez Canal. Securing these maritime chokepoints is therefore essential to the global economy (Milani, 2025).

weapon design, its increased willingness to advance its nuclear capabilities heightens the risk of escalation, while broader instability across the Middle East grows, posing a direct threat to international security. This risk became clear following the IAEA declaration in June 2025 that Iran was in breach of non-proliferation obligations by not declaring nuclear-related activities, which in turn prompted Israel, followed by the US, to launch strikes on key nuclear facilities in Iran (IAEA, 2025). This marked the first time in 20 years that Iran was in breach of its non-proliferation obligations, reflecting a clear deterioration since the US withdrew from the Joint Comprehensive Plan of Action (JCPOA) in 2018 (Murphy, 2025).

A. JOINT COMPREHENSIVE PLAN OF ACTION (JCPOA) AND DIPLOMATIC EFFORTS TO CONTAIN IRAN'S NUCLEAR PROGRAMME

36. In 2015, China, the European Union (EU), France, Germany, Iran, Russia, the United Kingdom and the United States signed the Joint Comprehensive Plan Of Action (JCPOA), an agreement that placed limitations on Iran's nuclear activities in return for the lifting of most US, EU and UN Security Council economic sanctions. The deal curtailed Iran's uranium enrichment and heavy water reactor programs while establishing stricter monitoring by the International Atomic Energy Agency (IAEA) to identify any attempts by the government to develop nuclear weapons, whether through declared or secret facilities (CRS, 2024b). Beyond the limitations on fissile material production, the JCPOA also indefinitely banned any Iranian "activities which could contribute to the design and development of a nuclear explosive device".

37. Multilateral efforts to engage the Iranian regime with the JCPOA following the US Administration's withdrawal from JCPOA in May 2018 have failed, and Tehran has taken steps in recent times to "dramatically" grow its stockpile of enriched uranium close to weapons grade (England, 2024). While European governments initially sought a diplomatic solution to revive the deal, trust was not restored, and they were eventually compelled to revisit their expectations vis-à-vis the regime. During that period, Tehran violently cracked down on domestic anti-government protests and supplied consequential military assistance to Russia, draining any remaining support for reviving the JCPOA among Western powers. In 2023, the European Parliament passed a resolution strongly condemning Tehran's behaviour and called for "further adjustments in the EU's position towards Iran". President Joe Biden, whose administration kept the sanctions in place from his predecessor, declared the agreement "dead" in 2022 (Ravid and Nichols, 2022).

38. While the Iranian government insists that its nuclear programme is entirely peaceful and claims to have no intention of developing nuclear weapons⁸, facts on the ground indicate a different trajectory. Following US withdrawal from the JCPOA, Iran has gradually started breaching the terms of the JCPOA, as confirmed by the IAEA declaration in June 2025. It did not declare nuclear material and nuclear-activities in three undeclared locations (IAEA, 2025); it exceeded the limits on its uranium stockpile; enriched uranium beyond the 3,67% threshold allowed under the agreement; and restarted enrichment activities at nuclear facilities that were previously restricted under the deal (Mills, 2024).

B. POST-JCPOA AND NUCLEAR PROLIFERATION

39. According to IAEA (2024) reports, Iran began scaling back its adherence to its JCPOA commitments in May 2019, eventually halting their implementation entirely by February 2021. Since then, Iran's low enriched uranium (LEU) stockpile and the number of enrichment sites have surpassed the limits previously set by the JCPOA, and the agency is no longer able to conduct the

8 This has been affirmed by Iranian presidents Ebrahim Raisi (2021–2024) and Masoud Pezeshkian (2024–present day), with the latter stating that "weapons of mass destructions occupy no place within the military or nuclear doctrine of the Islamic Republic of Iran."

necessary verification and monitoring activities (CRS, 2024b). In response to the continued advancement of its nuclear activities and the increase in production of its highly enriched uranium, the IAEA officially censured Iran twice, in June and November 2024.

40. The current state of Iran's nuclear programme presents significant risks to regional and global peace and stability. Iran's continued nuclear activities could lead to an escalating cycle and heighten the risk of conflict in the Middle East. Furthermore, should Iran develop nuclear weapons, it would likely prompt other regional powers, most likely Saudi Arabia, to pursue their own nuclear capabilities, posing a grave threat to the global nuclear non-proliferation framework (Alberque et al., 2023). Armed with nuclear capabilities, Iran would likely feel emboldened to act with greater impunity, intensifying its support for non-state armed groups and increasing the proliferation of arms and advanced weaponry, such as missiles, drones and loitering munitions (Alberque et al., 2023).

41. At the time of writing, it is unclear whether Israeli and US strikes, along with recent strategic setbacks for Iran and its regional proxies, have dissuaded the regime from continuing to advance its nuclear programme. Evidence suggests that the regional instability sparked by Hamas's attack on Israel on 7 October 2023, along with Israel's ensuing wars in Gaza and Lebanon, shifted the core dynamics of Iran's nuclear policy (Choksy and Choksy, 2024). Prior to the Israeli strikes in June 2025, Israeli operations targeting nuclear sites, military commanders and scientists within Iran's borders and the assassination of Hezbollah leader Hassan Nasrallah had already had a notable impact on Iranian discourse (Friedman, 2024). In 2024, thirty-nine Iranian lawmakers called on the Supreme National Security Council to lift the official prohibition on producing nuclear weapons (Friedman, 2024). While Iran might avoid additional conflict for the time being, it remains to be seen if this shift in rhetoric will continue to influence the perspectives of current and future Iranian leaders, prompting a re-evaluation of the strategic value and utility of possessing nuclear weapons (CRS, 2024b).

42. Prior to the strikes, the country's nuclear programme remained one of the few tools the regime could deploy to regain strategic initiative (*The Economist*, 2025b). Allies should recognise that the regime may not immediately rebuild or pursue a nuclear weapon but could instead leverage its near-nuclear status. This could involve intensifying threats to develop nuclear arms, declaring advancements in uranium enrichment, rejecting international inspections, or withdrawing from the Nuclear Non-Proliferation Treaty (Friedman, 2024), a risk evermore possible following announcements by France, United Kingdom and Germany to trigger the "snapback" mechanism to reinstate sanctions on Iran which were lifted as part of the JPCOA in 2015. Simultaneously, Iran may continue to strengthen other aspects of its security framework through its ongoing collaboration with allies such as Russia and North Korea to enhance its conventional military capabilities, reinforcing proxy groups like the Houthis in Yemen, and working to rebuild and strengthen Hamas and Hezbollah (Friedman, 2024).

43. For the moment, Iran's nuclear programme has suffered setbacks and it is not clear what capabilities it has to rebuild its facilities. In September 2024, US intelligence revealed that Russia had expanded its nuclear cooperation with Iran in exchange for short-range ballistic missiles for Ukraine, a strategic cooperation which brings Iranian weapons to the doorstep of European Allies (Lopez, 2024). Previous remarks by the Russian Security Council Deputy Chair, Dmitry Medvedev, in which he suggested "It is worth considering which of the United States' enemies we might potentially transfer our nuclear technologies to," left both international and regional players alarmed that Russia may assist Iran with technology to weaponise its nuclear stock (Grajewski and Rabinowitz, 2025). Yet neither Russia or China have come to Iran's aid following the strikes in June 2025 (CRS, 2025).

C. IRAN'S NUCLEAR PROGRAMME AFTER THE US AND ISRAELI STRIKES

44. Israeli military strikes against Iran's nuclear infrastructure—followed nine days later by US military action—marked a critical juncture in the country's nuclear trajectory. These actions came shortly after the IAEA determined, on 12 June 2025, that Iran was in violation of its Safeguards Agreement due to the presence of undeclared material and evidence of past activities consistent with weaponisation efforts (IAEA, 2025). Although damage assessments remain ongoing, a clearer picture is emerging of Iran's residual nuclear weapons-relevant capabilities suggesting that the strikes have significantly disrupted its nuclear programme and potential weaponisation pathways, though they have likely not eliminated them entirely (Wiley and Bollfrass, 2025).

45. On 27 August 2025, Rafael Grossi, Director General of the IAEA, announced that Iran had still not granted them access to the main nuclear site, making it impossible to determine the state of its nuclear capabilities (Gordon and Norman, 2025). In the context of broader Israeli strikes against Iran, the country's air defence and early warning systems were severely weakened, leaving its nuclear infrastructure significantly more vulnerable to future attacks should Tehran opt against returning to the negotiating table (Jensen, 2025).

46. US and Israeli strikes delivered a setback to Iran's nuclear programme without triggering a broader escalation across the region. Iranian retaliatory strikes against Israel and US military installations in Qatar were largely ineffectual, but the latter did break the Gulf states' efforts to stay out of the conflict with Iran, following their decision to opt out of the US-led effort targeting the Houthis in the Red Sea and Yemen (Alhasan and Hokayem, 2025).

47. Tehran now faces a decision on how it will proceed. Weakened by the degradation of its proxy network and air-defence systems, as well as the exposed limits of its great-power ties, Iranian leaders may seek to rebuild what remains of the country's nuclear programme and tighten the regime's control over civil society (Maloney, 2025). For now, Iran insists on its right to enrich uranium for civilian use, with its U.N. envoy, Amir-Saeid Iravani, calling it an "inalienable right" (Helmore, 2025). A rapid push to develop a nuclear weapon would face significant technical hurdles in the short-term, particularly due to the killing of its top nuclear scientists along with reported destruction of key weapons sites at Isfahan and Fordow (Raine, 2025). Additionally, resuming the nuclear programme runs the risk of trigger a renewed air campaign and military action by Israel.

48. Some analysts fear that Tehran could recover and rebuild the programme within months or a few years, noting that key assets—such as enriched uranium stockpiles and unused centrifuges spared in the strikes—might enable a "crash program" capable of producing a nuclear weapon in a relatively short period (Maloney, 2025). It is important to note that any Iranian attempt to rebuild its nuclear programme would now occur without formal monitoring in place and in violation of the country's obligations under the Nuclear Non-Proliferation Treaty (NPT).

IV- IRAN'S THREAT TO EURO-ATLANTIC SECURITY

A. STRATEGIC PARTNERSHIP WITH RUSSIA AND SUPPORT FOR ITS WAR OF AGGRESSION AGAINST UKRAINE

49. Iran's direct support for Russia's illegal war of aggression against Ukraine has sharpened European perceptions of the regime and the threat it poses to Euro-Atlantic security. Tehran is an essential weapons supplier to Russia, most notably through the provision of *Shahed-136* (since renamed by Russia as the *Geran-2*) loitering munitions used to terrorise Ukrainian cities and destroy

vital civilian and critical infrastructure⁹ (*The Economist*, 2025d). The establishment of Iranian drone production facilities in Tatarstan underscores the growing military-industrial collaboration between the two countries and Tehran's long-term commitment to sustaining Russia's war effort (Faucon et al., 2024). A report earlier this year by the Hudson Institute estimated that Iran's assistance enabled Russia to produce over 1,500 drones per month, significantly enhancing Moscow's offensive capabilities (Kasapoğlu, 2025). As Russia localised production, it developed variants of the original Iranian designs, enhancing the drones' engines, warheads and resistance to electronic jamming (Notte, 2025).

50. Concerns over Iranian arms deliveries extend beyond the delivery of Uncrewed Aerial Vehicles (UAVs). In September 2024, intelligence reports confirmed Iran transferred *Fath-360* and *Ababil* close-range ballistic missiles (CRBMs) to Russia and provided training to Russian personnel in their operation. While these systems do not introduce new capabilities and the operational use of *Fath-360* missiles remains unconfirmed, they offer Moscow greater operational flexibility and an expanded arsenal (Hinz, 2024; Notte, 2025). Equally significant, though less widely acknowledged, is Iran's support for Russia's ground offensive in Ukraine through the supply of artillery shells, small-arms ammunition and anti-tank rockets¹⁰ (Notte and Lamson, 2024).

51. Since Russia initiated its full-scale invasion of Ukraine in February 2022, multiple instances of Russian-launched—and in some cases, Iranian-manufactured—drones violating NATO airspace have been recorded. In September 2024, Romania and Latvia formally accused Russia of such airspace violations¹¹ (RFE/RL, 2024). As Iran deepens its military cooperation with Russia, empowering the Russian Armed Forces to continue their onslaught on Ukraine, similar incidents are likely to persist, raising the risk of a potentially dangerous escalation with NATO Allies.

52. As highlighted in the 2024 GSM report, Iran's partnership with Russia is fundamentally transactional (Francken, 2024). Tehran benefits financially from arms sales to Moscow while simultaneously gaining the opportunity to field-test its weaponry in real-world combat scenarios, collecting valuable data on their effectiveness against some of the West's most advanced air defence systems (Borsari, 2024). In return, Russia has supplied Iran with advanced aircraft, air defence systems, enhanced intelligence, surveillance, reconnaissance (ISR) and cyber capabilities (Kendall-Taylor, 2024). For example, in December 2024, it was reported Iran would be phasing out its *F-14 Tomcats* and *F-4 Phantom II* fighter aircraft in favour of more advanced Russian *Sukhoi Su-35SEs* (Suciu, 2024). The Kremlin has also supported Iranian proxy groups through the provision of satellite intelligence to the Houthis for targeting ships in the Red Sea, facilitating weapons transfers to Hezbollah (Grajewski and Rabinowitz, 2025). Furthermore, Iran is actively seeking Russian technological support to advance its warfare capabilities in the aerospace and naval domains¹², with a particular focus on countering adversaries in future conflicts (Notte and Lamson, 2024).

53. Beyond the military dimension, economic pressures—exacerbated by heavy sanctions—have driven deeper economic integration between Russia and Iran. The two nations are now collaborating to diversify their economies and reduce reliance on Western financial systems, with Russia becoming the largest source of foreign investment (Kendall-Taylor, 2024). This includes efforts to expand trade and integration through platforms like the Eurasian Economic Union (EAEU), where

9 Russia's use of Geran drones is intermixed with cruise and ballistic missiles to confuse and wear down Ukraine's air defences.

10 In 2023, *The Wall Street Journal* reported Iran had transferred over 300,000 artillery shells and 1 million rounds of ammunition to Russia via cargo ships ferrying across the Caspian Sea (Nissenbaum and Faucon, 2023).

11 In Latvia's case, National Armed Forces Commander General Leonīds Kalniņš confirmed the identified drone was an Iranian-designed *Shahed-136* equipped with explosives, with recovered fragments being analysed for further investigation (*Moscow Times*, 2024).

12 In July 2023, then CIA Director William Burns underscored Russia's involvement in Iran's space launch vehicle programme, noting that Russian technicians were "working on the space launch vehicle program in Iran and other aspects of their missile programs". This cooperation is significant, as the expertise and technology involved have direct applications for intercontinental ballistic missile development (Grajewski and Rabinowitz, 2025).

both countries aim to establish alternative trade routes and foster economic resilience amid sanctions and geopolitical isolation (Afshari Mehr, 2025).

54. In a significant step toward institutionalising their strategic alignment¹³, Presidents Vladimir Putin and Masoud Pezeshkian signed the Treaty on Comprehensive Strategic Partnership between Russia and Iran in January 2025 (Clover et al., 2025). Both countries emerged weakened in the post-7 October 2023 landscape in the Middle East due to the battering of Iran's Axis of Resistance and the ousting of Assad's regime in Syria. Recognising these vulnerabilities, Moscow and Tehran moved to deepen their cooperation. While the treaty stops short of guaranteeing mutual military assistance, it formalises commitments to counter shared security threats, expand joint military exercises and training, enhance intelligence-sharing and strengthen efforts to circumvent international sanctions (Clover et al., 2025). The agreement further solidifies Russo-Iranian ties¹⁴, yet the degree to which Russia chooses to entangle itself with Iran warrants close observation, as the Kremlin is likely to balance this partnership with its cooperation with the Gulf Cooperation Council (GCC) states in an effort to maximise its regional leverage.

55. Indeed, the limits of the Russo-Iranian partnership were laid bare in the aftermath of the Israeli and American strikes on its nuclear sites in June. Although Moscow condemned the attacks as "unjustified and unprovoked", it offered Tehran no tangible military support¹⁵ (Grove and Pancevski, 2025). This hesitation reflects the transactional nature of Putin's partnerships that were already exposed in Syria: when the costs rise, loyalty evaporates. Mired in a grinding war in Ukraine and constrained by Western sanctions, the Kremlin has no appetite for escalation in the Middle East. It must balance competing regional relationships critical to its posture in the Gulf, coordination with OPEC on oil prices and sustaining economic activity (Wong, 2025).

56. Russia's restraint has not gone unnoticed in Tehran. In the aftermath of the Israeli and U.S. strikes, a lead editorial in a prominent newspaper—established decades ago by three senior clerics, including Khamenei himself—criticised Iran's close alignment with Russia (McFaul and Milani, 2025). Going forward, the evolution of the Russo-Iranian relationship, especially under the framework of the Treaty on Comprehensive Strategic Partnership, warrants close and continuous scrutiny.

B. THE "AXIS OF UPHEAVAL" AND BROADER CHALLENGE TO THE INTERNATIONAL ORDER

57. Iran's support for Russian aggression in Europe must be considered as part of its broader alignment with other revisionist regimes—including the People's Republic of China (PRC) and the Democratic People's Republic of Korea (DPRK)—within the so-called "Axis of Upheaval", a coalition of states seeking to upend the rules-based international order they consider to be dominated by the United States and its allies (Kendall-Taylor and Fontaine, 2024). As NATO Secretary General Mark Rutte has warned, "Russia, China, but also North Korea and Iran are hard at work to try and weaken North America and Europe [...] They want to re-shape the global order. Not to create a fairer one, but to create their own spheres of influence. They are testing us. And the rest of the world is watching" (NATO, 2024b).

58. The strategic coordination among members of this unholy alliance of revisionist actors poses a significant challenge to Allied and partner governments, complicating efforts to build international

13 On the sidelines of the 2022 Caspian Summit in Ashgabat, Vladimir Putin described Russo-Iranian relations as "of a deep strategic nature", highlighting the ongoing collaboration between the two countries across political, security and economic domains (Grajewski, 2024).

14 In 2022, former President Ebrahim Raisi stated at the Kremlin that "we in Iran have no limits for expanding ties with Russia" (USIP, 2022).

15 In 2024, Moscow was unable, or chose not to replace Iranian air-defence systems destroyed by Israeli air strikes (Grove and Pancevski, 2025).

coalitions to counter their destabilising activities. For example, Beijing and Moscow have actively obstructed Western efforts to isolate Iran¹⁶. In 2023, they facilitated Iran's transition from observer to full member of the Shanghai Cooperation Organization, and formally invited Iran to join BRICS—a bloc seen by China and Russia as a counterbalance to the West (Kendall-Taylor and Fontaine, 2024). While Iran's regional interference and nuclear ambitions deter many states from engaging with its government, its participation in these multilateral forums bolsters its legitimacy and opens doors for increased trade with other member states.

59. Sino-Iranian ties have grown alongside Iran's deepening strategic partnership with Russia. In 2021, Tehran signed a 25-year Comprehensive Strategic Partnership with Beijing, outlining potential Chinese investments worth USD 400 billion—an economic lifeline amid international sanctions (Chivvis and Keating, 2024). China is now Iran's largest trading partner and primary oil purchaser, with nearly all of Iran's petroleum exports in 2024 reportedly directed to the Chinese market at record levels (CRS, 2024d). To bypass sanctions, Tehran offers steep discounts, incentivising Beijing to take on the risk of purchasing its illicit oil. This approach has brought substantial financial gains for the regime (Scollon, 2024). An investigation by *The Economist* (2024) revealed that Iranian petroleum and petrochemical sales generated up to USD 70 billion in 2023, with revenues going towards Iranian proxy groups throughout the Middle East, boosting drone production for Russia's war against Ukraine, and advancing Iran's nuclear programme.

60. While Iran seeks Chinese investment to alleviate the economic strain of sanctions, Beijing views Tehran as an important component of its broader plan to expand its influence in the Middle East. This strategy aims to secure market access, ensure a stable and diversified energy supply, diminish US influence in the region and elevate China's standing as a global power (Chivvis and Keating, 2024). Beyond economic collaboration, there are growing indications of military cooperation. In January, reports surfaced that two Iranian cargo vessels began transporting over 1,000 tonnes of sodium perchlorate from China to Iran—a key ingredient in producing ammonium perchlorate, which serves as the primary component in solid missile propellant (Sevastopulo and Hille, 2025). According to Dennis Wilder, a Senior Fellow at Georgetown University, China's covert support for Iran's missile programme¹⁷ aligns with its broader strategy of “helping Iran produce missiles for the Russian war effort [in Ukraine], cementing common cause against perceived US hegemonism and [ensuring] large amounts of discounted Iranian crude oil” (Sevastopulo and Hille, 2025). As Iran seeks to reassert deterrence and rebuild its weakened air defence network, reports indicate it may also turn to China for advanced weaponry such as J-20 stealth fighters and HQ-9B air defence systems (Borshchevskaya, 2025).

61. China's growing importance to Iran is worth following, particularly after Russia was unwilling to provide any notable assistance following strikes against Iran's nuclear sites. As noted by Ali Vaez, Director of the Iran Project at the International Crisis Group (ICG), “there is a huge degree of disillusionment with Russia. The war reminded both the political elite and the larger public in Iran just how lonely the country is [...] and some are now arguing that Iran should almost become a vassal state of China, officially, because there is no other option” (Trofimov, 2025).

62. Tehran's engagement with Pyongyang, although limited, carries potentially significant strategic implications, as both regimes pursue mutually beneficial cooperation to reinforce the longevity and security of their political systems (Beamish, 2025). The two regimes have collaborated on defence technology, particularly in the development of ballistic missiles (Chivvis and Keating, 2024). According to the National Intelligence Service (NIS) of South Korea, there is credible evidence that North Korea supplies weaponry to Iranian proxies, with Hamas using F-7 rocket-propelled grenades

16 In 2018, Russia blocked a UN resolution that condemned Iran for breaching the arms embargo on the Houthis (Gladstone, 2018).

17 In February 2025, the United States imposed sanctions on six entities based in the People's Republic of China for their role in supplying critical components to entities linked to Iran's UAV and ballistic missile programs (Bruce, 2025).

(RPGs) as part of its war with Israel in Gaza (Kim and Bah, 2024). While economic constraints limit the scale of their collaboration, their mutual hostility towards the United States will fuel further cooperation where possible.

63. The unified diplomatic front once formed by Russia, China and the West to facilitate Iran's participation in the JCPOA is a relic of the past. Today, Moscow and Beijing actively support Tehran in resisting Western pressure, enabling Iran to accelerate uranium enrichment and defy Washington's attempts to broker a new nuclear agreement (Kendall-Taylor and Fontaine, 2024). Although internal differences and a history of distrust could limit the depth of their collaboration, a shared ambition to challenge perceived American and Western hegemony serves as a powerful unifying force (Kendall-Taylor and Fontaine, 2024). Allies must prioritise efforts to counterbalance this revisionist axis, mitigating the disruptive impact of their collaboration and ensuring that they cannot further destabilise the global system that has largely upheld peace and stability. As with Russia, Iran's ties to China and North Korea are far from unconditional and this four-way alignment lacks any formal security guarantees. Yet, Western officials warn that judging the strength of their partnership solely by the recent 12-day air campaign in the Middle East would be a grave miscalculation (Trofimov, 2025).

C. IRANIAN SUPPORT FOR TERRORISM AND POLITICAL INTERFERENCE: THE THREAT TO ALLIED VALUES AND INTERESTS

64. Iran continues to pose challenges to Euro-Atlantic security, including through activities such as its support for non-state actors, the practice of hostage diplomacy and attempts to exert political influence within democratic societies. Reports have also linked Iranian authorities to external operations in Europe and beyond, raising concerns about their use as strategic tools to counter perceived threats to the regime (Levitt and Boches, 2024). European officials have linked responsibility to Iran for several serious incidents, including killings in the Netherlands in 2015 and 2017, along with an attempted murder in Denmark in 2018 (Benoit, 2025). In reaction, a number of European countries—including Albania, Belgium, Denmark, France and the Netherlands—have taken steps, judicial and diplomatic, against Iranian officials (US Department of State, 2023).

65. Between 2021 and 2024, intelligence services reported a rise in alleged Iranian covert operations, with over 50 plots uncovered targeting dissidents, citizens of rival states and diplomats (Levitt and Boches, 2024). Many reportedly relied on criminal networks, complicating efforts to establish accountability (Rasmussen, 2024). Tehran has also been linked to activities directed at US officials in the aftermath of the January 2020 killing of Quds Force General Qassem Soleimani, a key figure in Iran's regional strategy (Levitt and Boches, 2024). These developments highlight Iran's continuing use of both direct and covert means to pursue its objectives and pose ongoing challenges for Allied governments. In May 2025, British counterterrorism police announced the disruption of an "imminent" attack in the UK, reportedly linked to Iran—one of several such cases since 2022 (Halliday et al., 2025).

66. Tehran's relations with European governments have also been strained by the systematic detention of European citizens on false and politically motivated charges. In 2022, Belgian aid worker Olivier Vandecasteele was imprisoned in Iran and later exchanged for Assadollah Assadi, an Iranian official convicted in Belgium over a foiled 2018 terror plot (Camut et al., 2023). Swedish diplomat Johan Floderus and dual national Saeed Azizi were released in 2024 in exchange for Hamid Noury, who had been serving a life sentence in Sweden (O'Carroll, 2024). Most recently, Italian journalist Cecilia Sala was briefly detained in Iran shortly after the arrest of an Iranian national in Italy, and returned home following his release (Giordano, 2025).

67. Beyond hostage diplomacy, Iran's intelligence services have also been reported to monitor and pressure members of the Iranian diaspora, particularly activists and dissidents (CSIS, 2024). Cases of intimidation and threats have raised concern among European officials. For example, Dutch MP Ulysse Ellian disclosed receiving a warning from the Iranian embassy after taking office

in 2021 (DutchNews, 2025), while reports also cited a foiled plot to target Iranian-born Belgian MP Darya Safai (Jamali and Furlong, 2025). In July 2025, several Allied governments issued a joint statement expressing opposition to such activities, which they stressed undermine democratic values and national sovereignty (Global Affairs Canada, 2025).

V- NATO RESPONSES TO THE IRANIAN CHALLENGE

68. The combination of instability, fragility and conflict in the Middle East has a direct impact on Allied security and that of NATO partners. As the 2022 Strategic Concept warns, such conditions provide “fertile ground for the proliferation of armed groups, including terrorist organisations”, while also facilitating destabilising and coercive interference by strategic competitors (NATO, 2022). As this report argues, Iran actively seeks to create and exploit regional instability, using proxy groups to expand its influence and undermine Allied interests as well as those of their partners. Against the backdrop of conflicts in Gaza and Lebanon and the further transformation of the region’s strategic landscape following the collapse of the Assad regime and outbreak of hostilities with Iran, Allies understand the imperative of maintaining a capable 360-degree approach to their security. Selective and conditional diplomatic channels may serve as useful instruments for de-escalation. Especially in the nuclear field, limited, verifiable diplomatic frameworks could act as stabilising mechanisms, reducing incentives for further confrontation while preserving Allied red lines. Given the Iranian regime’s determination to pursue its destabilising objectives, sustained Allied engagement in the Middle East to promote stability and stronger partnerships is more critical than ever.

69. Allies’ collective focus on the threat posed by Iranian regime to security and stability in the Middle East and beyond, including the Euro-Atlantic area, is becoming more acute. At the 2023 Vilnius Summit, Allies stated that Iran must never develop a nuclear weapon and urged the regime “to fulfil its legal obligations under its Non-Proliferation Treaty-required safeguards agreement and political commitments regarding nuclear non-proliferation without further delay”. At the same Summit, Allies formally recognised Iran’s support for Russia’s war of aggression, calling on Tehran “to cease its military support to Russia, in particular its transfer of UAVs which have been used to attack critical infrastructure, causing widespread civilian casualties” (NATO, 2023). A year later at the Washington Summit, Allied leaders reinforced this stance, emphasising the impact of Iran’s broader destabilising activities on the Euro-Atlantic area and warning that any transfer of ballistic missiles or related technology to Moscow would “represent a substantial escalation” (NATO, 2024).

70. To counter the growing threat of ballistic missile proliferation from regions to the southeast, particularly Iran and Iraq, NATO launched the Active Layered Theatre Ballistic Missile Defence (ALTBMD) programme in 2005. Originally designed to safeguard deployed forces, the programme’s scope was significantly broadened in 2010 when Allied leaders agreed to extend its coverage to protect the population, forces and territory of the Alliance (NATO, 2010). Türkiye plays a pivotal role in this defensive architecture, hosting the AN/TPY-2 X-band radar in Kürecik, Malatya—located approximately 500 kilometres from Iran—which enhances NATO’s ability to detect, track and intercept potential missile threats (Kasapoğlu, 2023). At the Washington Summit, Allied leaders declared that NATO’s Ballistic Missile Defense (BMD) had reached Enhanced Operational Capacity, a milestone marked by the completion of the Aegis Ashore facility in Redzikowo, Poland. They also announced that NATO “remain[s] committed to the full development of NATO BMD, to pursue the Alliance’s collective defence and to provide full coverage and protection for all NATO European populations, territory and forces against the increasing threat posed by the proliferation of ballistic missiles”. As Iran continues to develop its missile capabilities, including longer-range systems and more sophisticated warheads, NATO’s missile defence infrastructure remains a key instrument against potential aggression.

71. At the Washington Summit, Allies also adopted an action plan for the Southern Neighbourhood which included the appointment of a Special Representative who now serves as NATO's focal point and primary coordinator of Allies' efforts in the region. The action plan will empower Allies to strengthen dialogue, expand outreach, enhance visibility and leverage existing cooperation tools, including the Defence Capacity Building Initiative, the Hub for the South and NATO-ICI Regional Centres in Kuwait and Jordan¹⁸ (NATO, 2024). As a whole, these efforts will contribute to security and stability in the Middle East and Africa, effectively countering Iranian influence and destabilising its activities through coordinated efforts with regional partners.

72. NATO's presence in the region, though limited and not directly framed as such, helps counter Iranian influence and bolster the resilience of partner countries. NATO Mission Iraq (NMI)—overseen by Allied Joint Force Command (JFC) Naples—is instrumental in fostering stability and strengthening Iraq's sovereignty, offering a strategic counterbalance to Tehran's influence. By assisting the Iraqi government in stabilising the country, combating terrorism and preventing the resurgence of the Islamic State (IS)/Daesh, NMI helps the Iraqi government assert greater control over its own security and resist external interference. Since its launch in 2018, NMI “has contributed to make Iraqi security forces, institutions and structures more effective, inclusive and sustainable for the long term”, as noted by Secretary General Mark Rutte (NATO, 2025). In August 2024, at the request of Iraqi authorities, NATO and Iraq expanded their cooperation through a high-level political dialogue aimed at strengthening NMI's role in Iraq's security architecture (NATO, 2024c). This deepened engagement underscores NATO's commitment to reinforcing Iraq's stability while limiting opportunities for external actors to exploit vulnerabilities in the country and the region. Moreover, as Iran's influence in Iraq wanes amidst its regional difficulties, NMI presents a strong opportunity for Allies to forge a closer relationship with Iraq promoting national and regional stability and empowering the national forces to counter the influence of Iranian proxies in the country.

73. Established in 2004, NATO's Istanbul Cooperation Initiative (ICI) plays a critical role in enhancing regional security, counter-terrorism efforts and military cooperation with select partners in the Gulf¹⁹. Through intelligence-sharing and joint training, the ICI strengthens the capabilities of GCC partners to counter Iran's support for proxy groups and destabilising activities, including in the Strait of Hormuz and the Red Sea where the multi-dimensional threat posed by the Houthis continues to undermine maritime security, freedom of navigation, global trade and energy security. By improving military interoperability and bolstering defence capacities, the ICI strengthens deterrence, making it more difficult for Iran to project power or engage in coercion. Furthermore, NATO's diplomatic engagement through the ICI fosters unity among Gulf allies, reinforcing a collective security framework that complicates Tehran's strategic ambitions.

74. Regional challenges in the Middle East are significant and complex, underscoring the importance of NATO's sustained engagement with partner governments in the region against a background of increasing instability and geopolitical competition. As Iran persists in exploiting this regional instability to expand its influence, NATO's multifaceted approach—ranging from missile defence and counterterrorism to military cooperation and diplomatic engagement—remains essential in safeguarding both Middle Eastern and Euro-Atlantic security.

18 The NATO-ICI Regional Centre in Amman, Jordan is set to be formally opened in 2025.

19 ICI members include Bahrain, Qatar, Kuwait, and the United Arab Emirates.

VI- CONCLUSION AND RECOMMENDATIONS

75. The Iranian government has been a significant driving force behind unrest in the Middle East and through its actions contributes to numerous threats to Euro-Atlantic security. Iran's aggressive foreign policy, sponsorship of militant proxies, nuclear ambitions and growing cooperation with revisionist powers like Russia are central drivers of regional and broader global insecurity. The Middle East remains a region of high geopolitical significance for Allies due to its proximity, vast energy resources and susceptibility to persistent conflict and instability. Iran's actions not only exacerbate regional tensions but also have cascading consequences for international energy markets and maritime security (CRS, 2024). Addressing Iran's actions is not merely a regional concern but a global imperative, requiring coordinated international efforts.

76. Over the past 15 months, Iran has suffered a number of significant setbacks. The Axis of Resistance, particularly Hamas and Hezbollah, is now seriously degraded (Haltiwanger, 2025). Moreover, the fall of the Assad regime removed a critical partner for Tehran and US and Israeli strikes against Iranian nuclear infrastructure have put the future of its programme in question. These vulnerabilities are evident; they may also push Tehran toward more reckless behaviour to preserve its regime. Its advancing missile programme, supported by Russia, could mark a dangerous turning point.

77. The strategic consequences of the Iran-Israel conflict and US strikes on Iranian nuclear facilities are unlikely to deliver a decisive halt to the regime's nuclear ambitions or a durable peace. Although Operation "Midnight Hammer" inflicted severe damage, independent verification of the programme's dismantlement is still lacking (Raine, 2025).

78. To compel Iran to the negotiation table, Allied governments should prioritise diplomacy along with the "maximum pressure" strategy. Within the framework of the JCPOA, the "E3" signatories—Britain, France and Germany—retained the option of triggering a snapback mechanism to reinstate pre-deal UN sanctions. On 28 August 2025, the E3 countries formally declared Iran to be in "significant non-performance" and triggered the snapback mechanism—meaning sanctions will be reinstated in 30 days if no diplomatic solution that satisfies "all five veto-wielding Security Council members" is found (Grajewski, 2025). At the time of writing, it is unclear if this will draw Iran back to the negotiation table in the face of harsh sanctions, or if it will push it to escalate by leaving the Nuclear Non-Proliferation Treaty (NPT) or further halting cooperation with the IAEA, steps that would escalate the ongoing crisis and raise risks of military confrontation (Grajewski, 2025).

79. Nuclear proliferation in the Middle East should be the top security concern for Allies. It is dangerous for the region, for Euro-Atlantic security and for global safety. At this pivotal moment, de-escalation and diplomacy are fundamental. To that end:

- a) Allies should **increase investment in counter-proliferation tools in the region and elevate the urgency of nuclear diplomacy**. The "E3" should commit to burden-sharing and along with the US pursue an extension of the snapback mechanism before the JCPOA's sunset provisions expire. Preventing the regime from pursuing full weaponisation of its nuclear programme and/or leaving the NPT, by which the basis for oversight of Tehran's nuclear programme would come to an end, should be a priority (Grajewski, 2025).
- b) Western signatories alongside the United States should resume direct engagement with Iran, coordinate talks—building on their decades-long experience in engaging with Tehran—or push the EU or a trusted regional partner to take on a mediator role. This would avoid a scenario where Russia or other non-aligned countries would be able to position themselves as a principal mediator, potentially undermining broader Western influence.
- c) Western signatories alongside the United States should actively prepare for a worst-case scenario and be prepared to propose realistic measures. Coordinated and clear messaging

and steps to avoid a collapse in diplomatic processes should be an urgent focus in case Iran chooses to escalate.

- d) Longer term, Allies should work to establish a regional security framework modelled on European arms-control mechanisms. While aspirational, such a framework would provide a stabilising architecture for the region and reduce existing nuclear tensions.

80. In parallel, NATO Allies need to re-engage and continue increasing their focus on the severity of the threats from the Southern Neighbourhood, including from destabilising activities of the Iranian regime. As part of its regional approach, Syria must remain a priority. A more stable and secure Syria would give Allies a chance to break the cycle of conflict that has fuelled regional migration and terrorism in the region (Barnes-Dacey, 2025). The current period of transition is critical to marginalising Iranian influence. Support for Syria should include ensuring an inclusive political transition that represents all minority groups, upholds human rights, rejects terrorism and extremism and preserves its territorial integrity. During this fragile transition, supporting governmental institutions, promoting stability in the country and assisting in the country's development where possible are crucial to countering Iranian influence following the fall of the Assad regime. Additionally, Allies could work with and encourage countries in the region and the Gulf to stabilise Syria and avoid opportunities where Iran can act as an obstacle to regional stability.

81. In Syria and beyond, Allies can weaken Iran's proxies by supporting policies that **empower Syrian, Lebanese and Iraqi state institutions**. NMI offers valuable elements that could inform future approaches in the Middle East—particularly its model of mutually agreed security and defence capacity-building while supporting Iraqi's own efforts to stabilise their country.

82. Allies could work alongside GCC states to push for an intermediated conclusion of hostilities with Iran. An end to the conflict with Iran has the potential to pave the way to widen the scope of the Abraham Accords to include more countries, including Saudi Arabia.

83. With NATO's newly established Southern Neighbourhood Section and its stated goal to foster more stability in the Middle East, North Africa and in the Sahel, NATO **should explore ways of furthering and updating the ICI framework**. After two decades of proven value, NATO should explore ways of deepening its cooperation with Gulf states by promoting enlargement to other countries in the region. Given Iran's weakened regional position, Allies have a strategic opening to strengthen partnerships with influential regional actors. Türkiye, in particular, has a central role in shaping a coordinated regional strategy based on diplomacy, deterrence and defence cooperation. Of critical importance is Russia's deepening partnership with Iran, which bridges the Alliance's Southern and Eastern flank and creates a unified threat that demands urgent attention. The introduction of Iranian armaments and advisors into a European theatre of war underscores the need for a decisive Allied response. Furthermore, statements by Russian officials indicating that Russia might transfer nuclear weapons or technology to Iran (or any enemy of the US) should be taken seriously. During potential negotiations over its illegal invasion of Ukraine, Allies must make clear to the Kremlin that the transfer of nuclear technology, material and knowledge to Iran in the reported exchange for ballistic missiles must be strictly forbidden. Allies must continue to call on Iran to cease all support for Russia's illegal and unjustifiable war and explore means to expand sanctions to halt not just the transfer of ballistic missiles, but also UAVs and related technologies, which pose a direct threat to the Ukrainian people as well as broader Euro-Atlantic security.

84. In support of US and partner government efforts in the region, European Allies should reinforce maritime resources to enhance naval deterrence in the Red Sea. Additional resources would strengthen Operation "Aspides", enabling it to more effectively complement US capacities in the region. Given the persistent threat posed by the Houthis in the Strait of Hormuz, Bab-el-Mandeb and the wider Red Sea, NATO Allies should also explore a maritime security coalition with partners in the Gulf. States such as Bahrain, Saudi Arabia and the UAE share converging security challenges and threat perceptions, creating a favourable environment for greater operational cooperation

(Ardemagni, 2024). Further ways Allies can sustain credible deterrence in the Red Sea region include:

- a) **Adopting a multi-layered, sustainable maritime strategy** that blends existing kinetic capabilities with emerging technologies (e.g., advanced UAV detection and neutralisation systems) to counter the ongoing threat posed by the Houthis to freedom of navigation in the Red Sea;
- b) **Expanding the use of cost-effective countermeasures**, including naval gun systems and electronic warfare (EW) capabilities. Recent engagements by Italian, Greek and US naval forces demonstrate the effectiveness of such systems in intercepting and neutralising UAVs in littoral environments without incurring the high expenditure of missile interceptors (Papadimas, 2025).

85. Allies must intensify efforts to dismantle Iran's oil sanctions evasion networks. In February 2025, the US Department of the Treasury imposed additional sanctions on 30 individuals and vessels across several jurisdictions for facilitating the sale and shipment of Iranian petroleum products. Coordination against Iran's "shadow fleet" is essential to curtail revenues that finance destabilising activities.

86. Allied countries should continue to coordinate closely in responding to Iran's activities of concern, including human rights violations; the detention of foreign nationals; and support for destabilising actions, while seeking constructive ways to engage Iranian society in pursuit of stability. While the current moment presents a critical opportunity to contain Iran's destabilising activities and to advance broader peace and stability in the Middle East, addressing these challenges requires a realistic and comprehensive strategy. Unconditional polarisation risks further pushing Iran toward alignment with actors that openly challenge NATO interests. Therefore, Allies should assess whether a narrowly framed and verifiable diplomatic understanding on the nuclear file could serve as a stepping stone toward limiting broader threats. Any such engagement must rest on clear expectations, collective resolve and firm insistence on Iran's compliance with its international obligations.

87. In conclusion, NATO must remain resolute in the face of Iran's threats. Diplomacy, if pursued collectively and with clear conditionality firmly rooted in Allied unity, consistent messaging and strict verification could help reduce the risk of escalation, test Iran's willingness to comply with international norms and potentially open pathways to greater stability in the Middle East and security for the Euro-Atlantic area.

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