The Agreement Between Iran and the United States Marks the Failure of an Entire Middle East Strategy

Claudio Fontana* – June 25th, 2026

The signing of the Memorandum between the United States and Iran has temporarily halted the war but left the decisive issues unresolved. Instead, it reveals the limits of military force and the failure of the regional strategy designed to contain Tehran.

Highlights

1. The Memorandum between the United States and Iran temporarily halts hostilities but defers the critical issue of the nuclear program and leaves key dossiers unresolved, including the Strait of Hormuz, Hezbollah, and Gulf security.
2. The text of the agreement represents a success for Tehran: sanctions relief, financial resources, recognition of its regional role, and no real concession on Washington's and Tel Aviv's initial maximalist objectives.
3. The war confirms the limits of the Israeli-American strategy based on military escalation: Iran and its Axis have been weakened but not destroyed, while the Gulf Arab allies appear increasingly wary of both Israel and the United States.

The signing of the Memorandum of Understanding (MoU) between the United States and Iran is certainly good news: it immediately forestalls a resumption of hostilities whose outcomes would be unpredictable and, in any case, severely destructive in human and material terms. It must be noted from the outset, however, that the agreement signed last week defers the most contentious issue — the management of Iran's nuclear program — to a further round of negotiations to be concluded within the next sixty days. The uncertainties remain considerable: two months is a very short timeframe given the complexity of the issues under discussion, and in the meantime actors that favor escalation will have room to maneuver. Already in these first few days, not only have threats from U.S. President Donald J. Trump emerged — nearly derailing the talks — but also divergent interpretations of what was agreed between the parties. Meanwhile, the situation on the ground in Lebanon — with Israel's continued unwillingness to withdraw

its troops — is already shaping up to be the most intractable sticking point, and the one most likely to sabotage the entire negotiating framework.

What the Agreement Establishes

Several provisions are worded in vague terms, in all likelihood deliberately. Paragraph 4, for example, commits the United States "to remove its forces from the proximity of the Islamic Republic of Iran." But how is "proximity" defined? Does it encompass American bases in the Arab Gulf states, which would then have to be dismantled? This is an unlikely scenario, yet the very ambiguity of the text suggests that Tehran has moved closer to one of its long-standing strategic objectives: the expulsion of American forces from the region. It is worth recalling, on the other hand, that those same bases — once regarded by their host countries as an indispensable pillar of national security — have in fact proven to be prime targets for Iranian attacks.

It should be noted positively that the first paragraph provides for a cessation of hostilities in Lebanon and commits the United States and Iran to guaranteeing its "territorial integrity and sovereignty." In light of Israel's current posture in Lebanon, the wording appears to signal a check on the Jewish State's offensive. It should not be overlooked, however, that the reference to Lebanese "sovereignty" can also be read as a direct rebuke to the Islamic Republic itself: it is Hezbollah — backed precisely by Tehran — that is the primary actor systematically undermining that sovereignty.

Iran's nuclear program does not appear in the memorandum until the eighth paragraph — out of fourteen in total — where it is merely stipulated that the current stockpile of uranium enriched to the critical threshold of 60% must be diluted (without clarifying whether this will take place on Iranian soil or abroad) and that Iran will not acquire nuclear weapons. Significantly, the text employs the verb "reaffirm," a formulation that allows Tehran to underscore that this amounts to a mere reiteration of previously undertaken commitments, not a new concession.

Paragraphs one through seven establish the immediate end of military operations — with explicit reference to Lebanon —, mutual recognition of sovereignty and territorial integrity, the lifting of the American naval blockade, the reopening of the Strait of Hormuz to commercial traffic (with Iran's commitment not to impose any tolls for the next sixty days), the establishment of a fund of at least three hundred billion dollars for Iran's reconstruction and development, and the full revocation of American — and other — sanctions imposed on the Islamic Republic.

Paragraph 10 further provides that the United States shall issue waivers — already partially enacted — in favor of Iranian exports of crude oil and related products, including associated

services (banking, insurance, and transportation), as well as the release of Iranian funds frozen abroad.

A Preliminary Assessment

A reading of the text makes it clear that Tehran is the principal beneficiary of the agreement. This does not necessarily mean that the Islamic Republic will emerge more stable or more legitimate in the eyes of its own population, but the contents of the MoU — which, it bears repeating, is provisional in nature — must be measured not only against what could have been achieved through negotiation before the war, but above all against the objectives that Washington and Tel Aviv had set for themselves before and during military operations. From this perspective, the text offers a glimpse of a colossal Israeli-American defeat. A final agreement — should one ever be reached, given that U.S.-brokered agreements have rarely progressed beyond an initial phase — may perhaps partially revise this assessment. For the time being, however, it must be noted that the White House has abandoned the maximalist demands advanced in pre-February 28 negotiations, which included an outright ban on Iran independently managing any uranium enrichment process, even for civilian purposes. The issue will certainly return to the table, but no trace of it remains in the signed text. Even the positive elements — unconfirmed as they are — such as Iran's reported willingness to accept IAEA inspections of its nuclear sites must be put in context: such inspections were already under discussion before the war and, crucially, were already in place before Trump withdrew from the 2015 nuclear deal.

As for the objectives declared at the outset of hostilities, the picture is even more sobering. Regime change in Tehran — loudly invoked in the early stages by both Trump and Benyamin Netanyahu, with direct appeals to the Iranian population and proposals to arm Iran's ethnic minorities — is conspicuously absent: the "help is on its way" promised by the American president to Iranian demonstrators calling for the fall of the Islamic Republic has given way to a text that, in exchange for minimal commitments, delivers a windfall of financial resources to the regime.

This is the most bitter irony for the Iranian people, who were led to believe they were witnessing a moment of liberation, only to find themselves facing a regime that is not only further radicalized, but also endowed with considerably greater financial resources — resources likely to be used primarily to strengthen the apparatus of repression and the regime's regional projection. For the agreement to serve as a genuine starting point for the regime's domestic re-legitimation, those resources would need to be invested in the country's economic development. But the grounds for doubting this are rooted in the history of the Islamic Republic. It should also be noted that while the new leadership — which took over after the previous leadership was eliminated — has shown it can govern the country in wartime, governing in peacetime is an entirely different matter. Although in the short term the balance clearly tips in Iran's favor, fresh street protests against the Islamic Republic cannot be ruled out in the future. Nor should it be forgotten that the new leadership represents positions even more radical than those of its predecessor, and that the Islamic Revolutionary Guard Corps has further tightened its grip on power.

With the prospect of regime change in Tehran now faded, the American president and the senior figures of U.S. foreign policy scaled back the ambitions of the military operation. The destruction of Iran's navy and the Islamic Republic's missile program were long presented as the new objectives of Operation Epic Fury. Both the navy and launch sites sustained significant damage, but the prolonged closure of the Strait of Hormuz and the near-intact

capability to strike Israeli and American targets — as well as Gulf states' infrastructure — demonstrate that neither objective was truly achieved. Indeed, had Iran's navy and missile forces actually been annihilated, there would have been no need to grant the Islamic Republic any concessions in exchange for reopening the Strait.

The negative consequences for freedom of navigation through this critical chokepoint do not end there. It was known that Iran could exercise some degree of control over the waters off its southern coast in that narrow passage; until now, however, restricting traffic had remained a merely potential capability — it was assumed that any attempt to block transit would expose Tehran to devastating consequences, and that the U.S. Navy could easily reopen the Strait. What has unfolded since February 2026 has demonstrated that Iranian control over those waters is anything but theoretical, and that there is currently no actor willing to deploy sufficient force to compel the Islamic Republic to yield on this point — nor is it certain that such an actor could emerge.

The same reasoning applies to Iran's nuclear program: following the twelve-day war of June 2025, Trump had already proclaimed its total destruction; the 2026 war and the content of the MoU demonstrate, however, that on this front too, military force has failed to deliver the results sought by Washington and Tel Aviv, managing at best to delay — for how long remains unclear — Iran's potential race toward nuclear armament.

The Most Disruptive Effect of the Current Agreement

With the caveat that every assessment that follows will depend not only on the content of a potential final agreement, but above all on the uncertainty surrounding whether such an agreement will actually be concluded, it is at the regional level that the most profound failure of the Israeli-American military venture must be measured: the failure not only of the war just ended, but of the entire strategy set in motion at least from the time of the Abraham Accords.

On the eve of the October 7, 2023, attack, the Middle East appeared on the verge of a turning point, predicated on the normalization of relations between Israel and Saudi Arabia — an initiative promoted by then-President Joe Biden along the path laid by his Republican predecessor. The aim of the American strategy was to build a regional front, anchored in the Jewish State, capable of containing Iranian influence. Until Iran came under bombardment in February this year, the war launched by Israel following Hamas's brutal attack appeared to be moving in the right direction: weakening Iran and, above all, curtailing its power projection through the so-called Axis of Resistance.

With the exception of the Yemeni Houthis, the blows dealt to Hezbollah — through both conventional military operations in Lebanon and the decapitation of its leadership via actions such as the pager explosions —, to Hamas, combined with the fall of Bashar al-Assad's regime in Syria, appeared to have undermined one of the principal pillars of Iranian strategy. However, as Israeli operations — particularly in Gaza — laid bare their enormous human cost, the perception of the countries that were meant to join the Abraham Accords shifted dramatically, to the point of identifying the Jewish State itself as the primary source of instability in the region. In this regard, Israel's attack on Qatar — carried out while a Hamas delegation was engaged in U.S.-backed negotiations — marked a point of no return.

The setbacks suffered byHamas, Hezbollah, and the Revolutionary Guards have weakened the Axis, but have not destroyed it. At precisely the moment of Iran's and its allies' greatest

vulnerability, the United States — reportedly under Israeli influence, according to the most credible accounts — once again chose the path of escalation, in the hope of delivering the final blow to an adversary further weakened by two months of street protests violently suppressed by Tehran. As one of the most perceptive analysts of regional dynamics has observed, "many within Israel's leadership operated under the assumption that problems left unresolved by force could be addressed through the application of even greater force. The events since October 7 have demonstrated both the strengths and the limitations of that approach. Military operations can degrade adversaries, restore deterrence, and create strategic opportunities, but they cannot by themselves produce lasting political outcomes." Translating those opportunities into concrete outcomes requires the courage of diplomacy. Beyond a certain threshold, military force ceases to deliver the desired results — and the war that began on February 28, 2026 has confirmed as much. Today Hamas is certainly weaker than it was before October 7, 2023, but it remains a deeply entrenched presence in Gaza, where credible alternatives have failed to emerge. Hezbollah, though with a diminished offensive capacity, remains a central — and deeply malign — actor in Lebanon's political and economic landscape, with neither Israel nor the Lebanese army possessing sufficient force to disarm it. Iran's offensive capacity has diminished, but the Islamic Republic's legitimacy, assertiveness, and propaganda have all emerged strengthened from its military confrontation with Israel and the United States.

The newly signed Memorandum, however, attests to an even more profound transformation in the relationship between Hezbollah and Iran: until now, the party-militia was called upon to serve its Iranian patron as a deterrent against a possible Israeli-American attack, ready if necessary to sacrifice itself — and Lebanon along with it — for the cause of the Islamic Republic. Today, it is Iran that has imposed the ceasefire in Lebanon as a necessary condition of its agreement with the United States, thereby signaling its readiness to absorb further offensives in order to include Hezbollah in the new equation. By imposing the truce in Lebanon, Tehran can present itself as the country's savior, despite bearing co-responsibility for its suffering. What matters is that Iran has demonstrated its ability to dictate the terms of a negotiation that encompasses Lebanon, while keeping its regional projection intact.

The Islamic Republic has also drawn a further lesson that complicates the picture: blocking the Strait of Hormuz can inflict unsustainable damage with relative ease. Moreover, that damage could have been far greater — and may yet be in the future — had its Yemeni Houthi allies simultaneously closed the Strait of Bab el-Mandeb, bringing traffic along the Red Sea and the Suez Canal to a standstill. One of the most troubling consequences of this war has therefore been to hand Iran and its allied militias effective veto power over two strategic chokepoints vital to the global economy, and to trade between Europe and Asia in particular. In this respect, the conflict marks the erosion of one of the fundamental attributes of American superpower status: control over the principal maritime passages that guarantee the free flow of trade.

The Arab Gulf states are among those most heavily affected by this new configuration. Even the United Arab Emirates — which at one point appeared to be pushing for further escalation — welcomed the conclusion of an agreement that puts an end, at least temporarily, to the threat of Iranian attack. The Arab monarchies' concerns, however, do not appear to have been taken into account: the missile program is absent from the memorandum, as is the threat posed by Iranian drones. The text also remains vague on the question of control over the Strait of Hormuz: if that control were to remain firmly in Iranian hands, the Gulf states would risk depending on Tehran for the export of a large share

of their energy resources — which explains why planning for new infrastructure to reduce this dependency is already under way.

On the political level, this war has further pushed the Gulf states — Saudi Arabia above all — to view Iran as the primary regional threat. Before the conflict, that threat was managed by relying on the United States, and rapprochement with the Jewish State had become a viable option; the intervening months have, however, exposed the unreliability of this strategy. The further deteriorating landscape is compelling the Gulf Cooperation Council states — for all their differences — to protect their interests on two fronts simultaneously: from both Iran and Israel. In this regard, the February 28 war has not inaugurated a new process, but has sharply accelerated one already under way, in which Riyadh had already drawn closer to Pakistan and Turkey.

Finally, this failed conflict is already producing profound consequences for the relationship between the United States and Israel. The American president's outbursts are nothing new, but Trump's attacks on Netanyahu have grown increasingly frequent and vehement, signaling a widening divergence of interests between the two countries. The fact that this is occurring under a markedly pro-Israel administration only sharpens Israel's sense of urgency, as it has seen its freedom of action in Lebanon explicitly constrained. It is no coincidence that Netanyahu himself has stated this openly: Israel must free itself from dependence on American military support.

Conclusions

The outbreak of this latest war was made possible by a convergence of domestic vulnerabilities among the principal actors involved: the protests in Iran, which made the Islamic Republic appear to be on the verge of collapse; Netanyahu's need to keep the threat of an external enemy alive and to satisfy his most extremist coalition partners; and the shortcomings of a Trump administration that proved unequal to the tasks it had set for itself. Just as domestic dynamics helped to ignite the conflict, the manner in which it ends will have repercussions not only on regional and international balances, but also within each country: for Trump, as he navigates the midterm elections; and for Netanyahu, who will face an electoral contest in which his conduct of foreign policy will come under attack from both the opposition and his own coalition partners. It is precisely this last consideration that brings into focus one of the greatest sources of uncertainty for the agreement's future: the end of hostilities is being criticized by all of Netanyahu's opponents, and in an election year it is more than legitimate to ask how Israel's longest-serving prime minister will seek to turn the situation to his advantage.

The failure of the aggressive strategy toward Tehran is also reverberating within the Arab states. In the United Arab Emirates, for instance, there has emerged not only discontent over a muscular foreign policy that has ended up penalizing Dubai, but also the growing influence of Tahnoon bin Zayed, brother of Mohammed bin Zayed and an advocate of a less confrontational approach toward Tehran. Furthermore, too many issues remain unresolved: from the management of the Strait of Hormuz to Iran's nuclear program, to say nothing of its missile program. Much as at the time of the JCPOA's signing in 2015, the most pressing concerns of the GCC states have not been seriously addressed. Unlike then, however, these countries appear to have grasped that conflict is not the path to resolving the dispute. That may be the only reassuring takeaway from this entire affair.

One final observation: in order to be implemented, the Memorandum explicitly requires (para. 8) the active role of the International Atomic Energy Agency. The text then closes (para. 14) with a call for the agreement to be enshrined in a binding UN Security Council resolution, without resorting to newly created ad hoc bodies of the kind established for Gaza's Board of Peace — which never became truly operational. What emerges is a point that is often overlooked: the system of international institutions born from the ashes of the Second World War — however ineffective, anachronistic, criticized, and open to criticism — retains its utility. And, above all, we have no viable alternatives to it.

The opinions expressed in this article are those of the authors and do not necessarily reflect the views of the Oasis International Foundation.
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