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The Challenges Ahead for Iran-US Negotiations



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The Lake Lucerne Summit (21–22 June 2026) was the second high-level US–Iran engagement, following the historic Islamabad Talks of 11–12 April 2026 — the first direct face-to-face meeting at this level, led by VP Vance and Iranian parliamentary Speaker Ghalibaf. Lucerne was also the first round of implementation talks following the Islamabad Memorandum of Understanding (MoU) signed on 17 June 2026.

The 36-hour intensive negotiations were mediated by Qatar and Pakistan. While significant progress was made in establishing a diplomatic framework, major substantive issues remain unresolved within a demanding 60-day window.

KEY OUTCOMES

- ❖ 60-day roadmap established toward a comprehensive final agreement.
- ❖ US claims Iran agreed to invite IAEA inspectors — Iran denies this.
- ❖ Strait of Hormuz communication line established; Iran closed it again on 20 June but on 21 June Iran said the Strait shall remain open during the 60-day period.
- ❖ Lebanon de-confliction cell created — first real test as IDF continues strikes.
- ❖ High-Level Committee formed with political oversight of negotiations.

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OPEN ISSUES AND POINTS OF CONCERN

Core Nuclear Issues Entirely Unresolved

- No agreement on Iran's uranium enriching activities.
- Fate of Iran's existing stockpile of (60%) highly enriched uranium undecided.
- Scope and intrusiveness of IAEA inspections not agreed.
- Analysts caution that physically removing HEU will require thousands of personnel — including potentially ~1,000 US personnel — entering Iran's most sensitive nuclear sites.
- Downblending HEU to LEU by Iran in Iranian facilities undecided.
- Timeline for full denuclearisation and associated sanctions relief not set.

Strait of Hormuz — Repeated Closures Signal Leverage

- Iran has now closed the Strait of Hormuz multiple times during the negotiating process (March, 10 June, 20 June 2026) using it as a coercive lever.
- The 20 June closure — just hours before the Lucerne Summit — directly tested the MoU's ceasefire provisions.
- Iran's position links Hormuz status to Lebanon: it will only keep the Strait open if Israel halts operations in Lebanon — an outcome that the US can control if it uses its leverage against Israel.
- Despite the communication line agreed at Lucerne, naval mines remain in the Strait; shipping has not returned to pre-war volumes.
- President Trump threatened to impose US tolls on Strait transit if a final deal is not reached in 60 days — adding a new economic dimension to an already fraught issue.

Ballistic Missiles — The Absent Elephant in the Room

- Iran's ballistic missile programme is absent from the Islamabad MoU and was not addressed at the Lucerne Summit
- During the 2026 war, Iran fired hundreds of ballistic missiles at Israel, US bases, and Gulf Arab States — causing significant casualties and infrastructure damage.

- The US originally cited destruction of Iran's ballistic missile programme as a primary objective of Operation Epic Fury (28 Feb 2026) alongside nuclear sites and regime change.
- US Secretary of State Rubio had explicitly stated early in the war that eliminating Iran's short range ballistic missiles was a US aim.
- Iran's senior negotiators confirmed at the Islamabad Talks that Iran was 'not open to discussing its missile programme'.
- President Trump subsequently reversed his position, stating Iran should retain the right to have ballistic missiles for 'self-defence' — VP Vance later qualified this, saying Iran cannot build missiles that 'broadly threaten the entire world'.
- Gulf Arab States (UAE, Saudi Arabia, Bahrain, Kuwait, Qatar) have explicitly flagged that the MoU does nothing to address Iran's drone and short-range missile capabilities — they are concerned that reduced sanctions will allow Iran to rebuild its arsenal.
- After the nuclear issue, the ballistic missile issue is likely to be the hardest single issue to resolve in the 60-day technical talks and likewise could prove a deal-breaker.

Fragility of the Process — Near Collapse at Lucerne

- Iran announced closure of the Strait of Hormuz on Saturday 20 June, hours before talks began.
- President Trump's public threats on Truth Social and Fox News during live negotiations nearly derailed the summit.
- Iran briefly suspended participation after President Trump's televised threat was broadcast mid-session.
- Photo-op between VP Vance and FM Araghchi did not take place — both sides dispute the reason, signalling deep mutual distrust.
- At the prior Islamabad Talks (April 2026), the US side concluded abruptly after 21 hours — Iran said it was willing to continue; German Chancellor Merz accused the US of making Iran travel to Islamabad only to 'return with no result'.
- Iranian hardliners (incl. the Kayhan newspaper) called the Lucerne talks a 'failure'.

Lebanon & Israel — Unresolved Flashpoints

- Israeli PM Netanyahu stated Israel will remain in a security zone in southern Lebanon indefinitely.
- The IDF continued strikes on southern Lebanon after the ceasefire announcement, killing 16 people on 20 June — triggering Iran's Strait closure.
- Neither Israel nor Hezbollah is a signatory to the MoU — both retain full freedom of action.
- The Lebanon de-confliction cell is aspirational — its effectiveness entirely untested.
- No binding ceasefire agreed with Hezbollah; continued IDF operations directly jeopardise the entire US-Iran framework.

Domestic Opposition on Both Sides

- 70% of Iranians polled (June 2026) demand government change; 60% cannot manage financially.
- Iranian parliament received no official briefing on the negotiations — institutional exclusion creates ratification risk.
- Hardline elements within Iran's political establishment actively oppose any deal.
- 51% of MAGA Republicans in the US favour regime change in Iran over a negotiated settlement.
- Iran charged two newspaper editors for their coverage of the talks.

KEY PARTIES TO WATCH

- Iran: Internal divisions between pragmatists (Araghchi, Pezeshkian) and hardliners (IRGC, Kayhan, parliament) will be decisive.
- United States: President Trump's willingness to refrain from public threats during sensitive negotiations is essential. Congressional buy-in for sanctions removal will be required.
- Israel: Not party to the agreement but capable of unilateral action. Netanyahu's Lebanon posture is the single largest external risk factor.
- Qatar & Pakistan: Continue as co-mediators; Qatar's financial mechanisms and Pakistan's military-diplomatic leverage remain critical enablers.

- Gulf States have expressed frustration that the MoU does nothing to address Iranian drones and short-range missiles, and that sanctions relief will fund rebuilding of those arsenals.
- Houthis threatened retaliation should further attacks be launched — a wildcard outside the negotiating framework.
- IAEA: Agency's early access and reporting will set the factual baseline for the entire nuclear track.

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