

MIDDLE EAST: Prospects for the ceasefire

Hours after a ceasefire began on 24 June, Israel accused Iran of violating the agreement and vowed to launch fresh strikes on Tehran. President Trump claimed both sides had violated the agreement within hours of its commencement. He ordered Israel to recall its fighter jets and “calm down” stating that any fresh offensive would be a “major violation.”

An unusual, staggered implementation of the ceasefire appeared to have created confusion and left room for intentional loose implementation, but it is important to realize that the ceasefire is also just that – not a peace deal, but an attempt to quiet the situation long enough to get Israel and Iran to the negotiating table to agree on something more permanent.

Both sides have attempted to sell this as a win at home and both have incentive to cooperate, but there are also significant headwinds to a permanent deal and arguments to be made by each for and against a sustained peace.

For Iran, the power and capabilities of its regional proxies as well as its own domestic resources and leadership have been significantly compromised. Its retaliatory strikes were widely described as de-escalatory given their apparent, limited nature. With the country significantly weakened, it is unlikely to possess the firepower to continue a protracted war.

However, the Iranian regime is extremely fragile and its top military leadership has been repeatedly eliminated. A more fragmented system creates significantly more opportunity for dissent and disagreement regarding potential concessions Iran may seek in a deal. In particular, without significant and relatively immediate delivery of sanctions relief, it may find itself increasingly prepared to lash out again.

For Israel, Prime Minister Netanyahu managed to secure US support in carrying out operations against Iran’s nuclear program over the weekend, but risks eroding US goodwill and support, particularly further offensive backing, should he continue. President Trump is facing a split public at home over the US role in strikes on Iran’s nuclear program and would likely be less ready to intervene decisively on Israel’s behalf again.

However, there is also anger in Israel for deadly strikes on civilian targets on 23 June, and those who feel Israel has not completed its mission in Iran, whether that would include eliminating Iran’s leader Ayatollah Khamenei or further attacking military and intelligence targets inside Iran. Netanyahu must walk the line between appeasing these voices, hanging onto his fragile government, and not losing US support.

In this context – and in the intervening days since the US strikes on Iran’s nuclear program – the US, Israel, and Iran have each jockeyed to shape the narrative. The reality is that many factors remain uncertain: the extent of damage to the nuclear facilities, the ongoing risk of this damage (particularly as Iran threatens to suspend IAEA cooperation), the status of the internal political and social situation in Iran, and the incentive path Iran may choose (e.g., husband resources in the event of further conflict, set the stage and expectations for negotiations, etc.). Furthermore, the end game remains ill-defined. Was it to set the nuclear program back? To definitively eliminate it? To effect regime change? Is there daylight between Israeli and US strategic goals? Finally, Israel and Iran now will try to push the situation in opposing directions: Israel will want to retain its newly established access to Iranian airspace, and Iran will want to reverse the catastrophic developments of the last few weeks.

Given these realities, and the respective calculations of Iranian and Israeli leadership, this will necessitate clear and concrete progress in the days ahead, with guarantees that can appease both sides. There is incentive for other regional powers, who narrowly avoided a more expansive conflict, to further encourage progress toward this outcome. Otherwise, the danger is rapid descent into the conditions of the last two weeks and a return to heightened regional and market risks.

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