



BESA
The Begin-Sadat Center
for Strategic Studies
Bar-Ilan University



PERSPECTIVES

THE BEGIN-SADAT CENTER FOR STRATEGIC STUDIES

The Implications of the US-Iran Memorandum of Understanding and Its Consequences for Israel

by Col. (res.) Shay Shabtai and Prof. Eitan Shamir

BESA Center Perspectives Paper No. 2,391, July 5, 2026

EXECUTIVE SUMMARY: The scope of the signed Memorandum of Understanding (MoU) between the United States and Iran is very narrow. The MoU creates an interim state of deescalation between the United States and Iran within a rough, non-binding framework for future negotiations toward a permanent settlement. Despite its limitations, the MoU will serve as the primary strategic driver shaping the Middle East and beyond for at least the next six months. A net assessment of the MoU's implications reveals that while the United States successfully generated distinct advantages through the application of military force and agreed only to a temporary framework that does not forfeit its demands of Tehran, the manner in which the agreement was reached, along with its core content, represents a setback. It erodes Washington's substantive leverage over Iran, a development that will demand significant future American effort—including an increased probability of utilizing military force—to achieve a reasonable long-term arrangement. Regarding US-Israel relations, this is not the first time Washington has leveraged Israeli military achievements to serve its own interests. However, the overarching challenge lies in the future: Donald Trump will likely be Israel's last unequivocally supportive president.

Background

The scope of the US-Iran Memorandum of Understanding (MoU) is very narrow. It establishes an interim reduction in the state of confrontation between the two countries and sets rough, largely non-binding parameters for subsequent negotiations. It remains uncertain whether the document is even actionable. Its implementation is highly questionable despite both parties possessing transactional interest in maintaining it. Nonetheless, it will function as a strategic anchor shaping the Middle East and neighboring theaters for at least the coming half-year, necessitating a rigorous analysis of its implications.

The following analysis presents a net assessment of the MoU's consequences, split across two primary axes: US-Iran relations and US-Israel relations. This analysis intentionally bypasses direct Iran-Israel and Lebanon-Israel dynamics. Critical as they are, they remain secondary to these two overarching geopolitical perspectives.

The United States and Iran

We categorize our net assessment of the strategic balance between the United States and Iran into issues where President Trump appears to have correctly identified the strategic reality and issues where he has seemingly failed to grasp the deeper implications. A bottom-line assessment follows.

Where Trump is correct

The central pillars where President Trump's analytical calculus in signing the MoU aligns with strategic reality include:

- **Iran has suffered a severe blow.** Operation Epic Fury/Lion's Roar degraded Iran across four critical dimensions: it severely crippled its capacity to manufacture threatening military capabilities and defend its own territory; it rendered a rapid "breakout" toward a nuclear weapon highly complex, requiring many months at the very least; it plunged the Iranian economy into a deep abyss that will continuously degrade regime stability and civilian welfare; and it depleted the regime's capacity for cohesive national decision-making. Today, Iran is a battered and bruised state whose capability to project power is limited to asymmetric, guerrilla-

style operations, and it is governed by a regime with severely constrained domestic capacity.

- **This is strictly a bridging period.** The MoU secures a window of quiet for the Trump administration over the coming months in exchange for providing the Iranian regime with vital economic breathing room. Ultimately, however, it defers a definitive resolution to 2027. At that point, Trump will be entering the final two years of his term and will be largely liberated from domestic and foreign policy reelection constraints.
- **The economic lifeline offered to Iran is negligible.** The capital the regime will receive under this framework—routed indirectly via Qatar and the United Arab Emirates, and potentially from the Americans themselves—amounts to a mere fraction of what the Iranian economy requires given the staggering losses it incurred during the months of war and blockade. It will suffice, at most, to sustain the regime's core loyalist base. The promise of a \$300 billion reconstruction mechanism is a hollow pledge written on ice—reminiscent of past Gaza reconstruction frameworks—as no international actors will step forward to finance it.
- **No substantive concessions were made on the nuclear issue.** The text of the MoU leaves the full spectrum of potential solutions on the negotiating table and explicitly solidifies the requirement to reach a verifiable state wherein it is clear that Iran is not developing nuclear weapons.
- **The missile, UAV, and proxy issues are unresolvable via formal treaties.** Because Iran is not in a state of absolute, unconditional capitulation, the capacity to formally dictate limits on its sovereign military capabilities is inherently restricted. Restraining Iran's military procurement and buildup, which has evolved into a broad regional interest, will be achieved via external mechanisms outside a formal diplomatic treaty. The proxy threat is being managed via theater-specific vectors: political pressure in Iraq, diplomatic and military coercion in Lebanon, and quiet Saudi-driven understandings in Yemen.

What Trump missed

Signing the MoU introduced profound systemic vulnerabilities that Trump has tended to disregard or dismiss, at least in public. They include the following:

- **The starting positions for the next negotiations are disadvantageous and the probability of a next round is now higher.** Due to a lack of strategic discipline and cultural nuance, New York's real estate negotiators were outmaneuvered by the jihadist bazaar diplomats of Tehran. The manner in which the MoU was finalized, including sweeping American concessions in the final stretch to secure the deal (echoing John Kerry's approach in the last negotiation phase of the JCPOA), reinforced the convictions of Tehran's ruling elite regarding the malleability of American negotiators. Supreme Leader Mojtaba Khamenei and IRGC Commander Ahmad Vahidi, who remain detached from their population's misery, believe they can defeat the US at the negotiating table and secure their own most radical strategic objectives. The Iranians immediately began eroding the MoU's boundaries to their benefit, exploiting Washington's visible pressure points. Reversing this Iranian posture will require a far harsher negotiating stance backed by the active application of force, rather than by empty threats that have lost their deterrence power. This makes an additional military round during 2027 a highly probable outcome.
- **The Strait of Hormuz has transformed from a bargaining chip to a nuclear shield.** The strategic concept backfired of focusing the diplomatic dialogue on the Strait of Hormuz, an area where both sides share clear maritime interests, at the expense of demanding immediate Iranian nuclear concessions. Due to American concessions, the Hormuz issue now functions as a shield protecting substantive Iranian nuclear non-compliance. In allowing this to occur, the Americans have turned a primary lever of strength into a vulnerability.
- **The jihadist doctrine has been given an ideological boost.** The MoU validates the regime's jihadist doctrine and reliance on asymmetric warfare and terrorism. From the perspective of the Tehran regime and its axis, it has been proven that missile and UAV terrorism directed against civilian and economic infrastructure across the Middle East, paired with maritime

piracy in the Strait of Hormuz, are effective tools with which to restore a strategic balance that had tilted heavily against them over the past two years. Furthermore, it allows Hezbollah to reconstitute in Lebanon, a trend that was slightly reversed by the Lebanon-Israel MoU.

- **The domestic opposition has suffered a severe blow.** Once again, the United States executed a policy perceived by the Iranian populace as one of abandonment and betrayal. This severely undermines the viability of a domestic regime-change scenario, which even Trump himself apparently views as the optimal long-term resolution to the "Iranian problem".
- **Washington turned its back on a fighting ally and rewarded aggression.** For the second time in a year, Washington distanced itself from a partner that fought alongside America and for American interests and that paid a heavy price in the process. The first to experience this were the Syrian Kurds, who aided the first Trump administration in dismantling ISIS only to be abandoned to the Al-Shar'aa regime and Turkish military pressure. The second was Israel, America's "exemplary ally". Israelis—both soldiers and civilians—are dying due to the consequences of American concessions while Vice President J.D. Vance unashamedly touts this strategic decoupling. Conversely, parties who pressure the US, leverage financial corruption, and play a double game with Iran, such as Qatar and Turkey, have emerged as the beneficiaries. This sends a highly damaging message to potential allies globally and places US Central Command (CENTCOM) in an embarrassing position, both internally before its own personnel and externally before its regional coalition partners.

Net assessment summary

The bottom line is that while the United States generated undeniable advantages through its application of military force and secured a temporary agreement that does not officially compromise its core demands, the methodology and substance of the MoU constitute a strategic regression. It has eroded the fundamental asymmetric advantage the US held over Iran—a vulnerability the Iranians are already exploiting and from which Washington's regional allies are drawing bleak conclusions. Consequently, the United States will be forced into a demanding future effort, with an escalating probability of

utilizing direct military force, merely to secure a reasonable long-term settlement.

Strategic recommendations for US policy

To reestablish a clear position of strength vis-à-vis Iran during the permanent status negotiations, the United States should adopt the following measures:

- **The Strait of Hormuz:** Capitalize on the temporary window of deescalation to establish an absolute, highly effective military solution to secure freedom of navigation in the Strait of Hormuz, thereby neutralizing Iran's primary maritime leverage. This operational capability must be integrated – in deep coordination with Israel – into a state of high military readiness to deploy force dynamically during negotiations. Simultaneously, Washington must stand firm on the principle that, as a critical international waterway, the Strait must remain completely open to unrestricted global transit.
- **The nuclear framework:** Even if Washington permits continued nuclear activity on Iranian soil, it must rigidly insist that all operations be restricted to above-ground facilities, conducted under the permanent physical presence and managerial oversight of international monitors, and legally capped at low-level enrichment with highly restricted volume thresholds.
- **Missiles and military capabilities:** While *de facto* acknowledging Iran's sovereign "right" to maintain defensive forces, the US must preserve robust international architectures – with an emphasis on secondary sanctions and counter-proliferation mechanisms – to explicitly choke off Iran's capacity to modernize, expand, or technologically upgrade its offensive missile and UAV arsenals.
- **The proxy network:** Although this issue may remain outside the formal text of a primary bilateral treaty, Washington must continuously exert systematic pressure to forge distinct political and diplomatic settlements in Lebanon, Iraq, and Yemen designed to excise Iranian footprints. The exclusion of proxies from the formal agreement must be leveraged as an asymmetric advantage for the US, not a shield for Iran. Within this framework, continued Israeli military pressure on Hezbollah remains a prerequisite to degrade the group's standing, thereby accelerating the

potential for a binding arrangement with the Lebanese state that addresses Hezbollah's disarmament and lays the groundwork for bilateral peace.

- **Economic relief and reconstruction:** Stand firm on the principle that any international "reconstruction of Iran" is strictly conditional upon a verifiable, fundamental shift in the regime's regional aggression alongside structural civil and political reforms for its citizens. The US must actively engage foreign governments and private conglomerates seeking entry into the Iranian market, legally restricting their operations until Tehran demonstrates complete compliance with these benchmarks.

The United States and Israel

The United States has a long history of diluting or rolling back Israeli military achievements in the aftermath of conflicts and repurposing those outcomes to serve its own efforts at global balancing. This pattern has manifested clearly across modern history. The following is a partial list of instances:

- the demand for unconditional withdrawal from the Sinai Peninsula following the 1956 Suez Crisis
- the absence of diplomatic demands placed upon Arab states, while demanding unilateral concessions from Israel, following the 1967 Six-Day War
- the intense diplomatic coercion exerted on Jerusalem following the 1973 Yom Kippur War
- President Reagan's 1982 Peace Initiative during the first Lebanon war
- the conditioning of housing loan guarantees to absorb Soviet Jewry following Israel's restraint in the First Gulf War
- the pushing forward of the anemic UN Security Council Resolution 1701 at the close of the 2006 Second Lebanon War
- the exploitation of profound Israeli operational successes during Operation Rising Lion to execute a highly restricted partial strike

Thus, the current friction does not represent an unprecedented systemic crisis; nor is it the first time Washington has traded away hard-won Israeli military achievements—secured at a painful domestic cost—to satisfy its own immediate transactional requirements. The structural dependency Israel has cultivated over decades on American emergency funding and arms procurement, a dependency Jerusalem is now belatedly attempting to dismantle, has historically eased the path for Washington to apply leverage and exploit Israeli vulnerabilities. Every Israeli prime minister across the political spectrum has encountered the heavy hand of American pressure in this regard.

The past and present, however, are not the core strategic problem. The true challenge lies on the horizon. Given the deep demographic and ideological shifts currently transforming the American political landscape, Donald Trump will in all probability be Israel's last unequivocally supportive president. Future American executives will likely fluctuate between calculated indifference toward Israel, represented by JD Vance and the isolationist, populist wing of the Republican Party, and explicit hostility, which now characterizes the mainstream of the contemporary Democratic field. This baseline reality is the primary challenge that must occupy Israeli decisionmakers regarding the American dimension, irrespective of the temporary transactional peaks and troughs of the relationship with Trump.

Recommendations for the Israeli posture

This necessary focus on long-term strategic trends must dictate Israel's contemporary posture. Jerusalem should adopt the following operational principles:

Maintain an unyielding stance regarding allies and adversaries: Israel cannot allow Washington to become structurally confused, as occurred during the Obama-Kerry era, and view its Iranian negotiating partners or self-interested regional mediators as geopolitical equals or as possessing superior strategic value to Israel. Jerusalem must continuously and aggressively restate its core vital national security interests, hold its ground, and "remind Washington that Israel remains its sole authentic, values-aligned ally (the "exemplary ally")

1. within a region that increasingly distrusts and flouts American power. In this context, the unresolved northern front in Lebanon can be utilized by Israel as a potent lever of diplomatic influence.
2. **Maximize the relationship with Trump while systematically reducing dependency:** Israel has a two-year window to fully maximize its relationship with the current occupant of the White House to advance deep, long-term strategic projects in the defense, technological, and intelligence spheres. However, given Trump's inherent volatility and transactional approach to complex strategic dilemmas, it is vital that Israel build the independent capacity to ensure it is never left strategically exposed when Washington chooses to step back.
3. **Enforce strategic focus ("eyes on the ball"):** Israel is currently suffering from acute strategic overstretch, as it is actively engaged across too many simultaneous operational theaters and secondary political disputes. The political-military leadership must rigidly prioritize its core objectives and map them realistically across a timeline. Just as Israel wisely desisted from launching a counterstrike against Yemeni fire during the height of the direct campaign against Iran, it must now actively deescalate tensions with Turkey (which differs fundamentally from Qatar, a state actively working toward the diplomatic dismantling of Israel) and stabilize the Palestinian arena in Judea and Samaria to the greatest extent possible for the time being.
4. **Launch a global campaign to enhance Israel's strategic standing and diversify alliances:** This is the most critical and self-evident recommendation, and the systemic failure to manage it constitutes a prolonged national omission. The Government of Israel must urgently construct, fund, and execute a massive national influence campaign— heavily leveraging advanced technological tools—to fundamentally shift hostile public sentiment across the globe. Concurrently, Jerusalem must establish a highly effective, centralized national mechanism to systematically cultivate and coordinate alternative strategic, economic, and security alliances both across the global stage and within the immediate region.

Col. (res.) Shay Shabtai is a senior researcher at the BESA Center and an expert in national security, strategic planning, and strategic communication. He is a cyber security strategist and a consultant to leading companies in Israel.

Prof. Eitan Shamir serves as head of the BESA Center and as a faculty member in the Department of Political Science at Bar-Ilan University. His latest book is The Art of Military Innovation: Lessons from the IDF, Harvard University Press, 2023 (with Edward Luttwak).

***BESA Center publications and research are made possible
in part thanks to the generosity of Saul Koschitzky and family***