



# IPS INSIGHTS

Perspectives On the Issues Shaping Policy

## The Mirage of De-escalation: Assessing the Viability of a US-Iran Peace<sup>1</sup>

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### Introduction

The 100-day war between the United States and Iran, initiated on February 28, 2026, has brought the global economy and regional stability to a precipice. The conflict's primary economic fallout - the closure of the Strait of Hormuz and the corresponding surge in international oil prices - has been coupled with a devastating civilian human toll. While a fragile ceasefire was brokered in early April, routine violations by both sides have normalized a cycle of localized kinetic exchanges.

On June 11, 2026, U.S. President Donald Trump upended the diplomatic calculus via a Truth Social announcement, declaring the cancellation of an imminent, massive military strike on Iran's Kharg Island. Trump claimed that a comprehensive Memorandum of Understanding (MOU) on a peace framework was "at hand," asserting that all key regional stakeholders, including Israel, Saudi Arabia,

Turkey, Jordan, Egypt, Bahrain, and Pakistan, had approved the concepts. This paper analyses the structural viability of this proposed MOU, evaluates Pakistan's facilitation efforts, and assesses whether the current American posture signals a genuine strategic pivot or a continuation of high-stakes coercive diplomacy.

### Pakistan's Facilitation and the April Islamabad Summit

The diplomatic architecture underpinning the current negotiations relies heavily on

third-party mediation, with Pakistan playing a critical vanguard role. In April 2026, Islamabad hosted a historic, summit bringing together some high-profile officials from Washington and Tehran. This meeting successfully yielded the April 8 temporary ceasefire, demonstrating Pakistan's unique position as a regional interlocutor capable of maintaining trust with both the Iranian security establishment and the U.S. administration.

However, the framework established in Islamabad lacked robust enforcement mechanisms. The resulting power vacuum allowed the ceasefire to degrade into nominal status, characterized by routine violations. The structural limitation of Pakistan's mediation is that while it can successfully facilitate dialogue, it cannot enforce compliance when the primary combatants view the status quo through a zero-sum lens.

### Sticking Points and Conflicting Redlines

The primary obstacle to converting the tentative MOU into a durable peace treaty lies in the fundamentally irreconcilable redlines maintained by both capitals:

- **The Washington-Tel Aviv Axis:** The U.S., heavily influenced by Israeli security parameters, demands the complete dismantling of Iran's nuclear enrichment facilities, the export of all enriched material, stringent caps on ballistic missile production, and the total cessation of funding to regional proxy networks.

<sup>1</sup>This Insight was prepared on June 12, 2026.

- **The Tehran Establishment:** Iranian leadership views its missile program and regional alliances as non-negotiable pillars of asymmetric deterrence. Tehran’s redlines demand the immediate, unconditional lifting of the economic blockade, the release of frozen assets, and a guaranteed timeline for the withdrawal of Western naval forces from its immediate periphery.

This polarization explains why, despite Trump’s optimistic rhetoric, Iranian Foreign Ministry

Spokesman Esmail Baghaei quickly moderated expectations, stating that while large portions of the text are finalized, Iran has “not reached a final conclusion” and will not compromise on core security imperatives.

**Assessing Trump’s Credibility: Sincerity vs. Coercive Diplomacy** To determine if President Trump is “serious” this time, his statements must be evaluated against the backdrop of his established negotiating doctrine. Merely hours before announcing the peace deal, Trump had threatened to hit Iran “VERY HARD TONIGHT” and permanently seize Kharg Island - the terminal managing over 90% of Iran’s oil exports - explicitly drawing a parallel to U.S. policy toward Venezuela.

This rapid alternation between maximum military threat and the promise of an imminent diplomatic breakthrough is classic coercive diplomacy. Trump’s announcement of a potential weekend signing ceremony in Europe, with Vice President JD Vance in

attendance, serves multiple political and economic purposes:

1. **Market Stabilization:** The immediate 1,000-point surge in the stock market satisfies a key domestic performance indicator for the administration.
2. **Mitigating Spoilers:** By publicly listing a broad coalition of states (Israel, KSA, UAE, Turkey, Qatar, Egypt, Jordan, Bahrain, and Pakistan), the U.S. effectively boxes in regional actors, making it diplomatically costly for any single state to act as a spoiler.

Therefore, Trump is “serious” about wanting a deal, but on highly asymmetric terms maintained by the leverage of the ongoing U.S. naval blockade, which he confirmed will remain in full effect until the “transaction is finalized.”

### The Fate of the Strait of Hormuz and the Human Toll

The operationalization of the MOU is the sole viable mechanism to reopen the Strait of Hormuz, through which roughly 20% of global petroleum passes. However, an immediate return to normalcy is logistically and militarily impossible.

The proposed framework outlines a 60-day extension of the April ceasefire to facilitate a timeline for demining the waterway. Because Iran utilized naval mines as a primary anti-access/area-denial (A2/AD) tactic, the physical reopening requires complex technical cooperation amid profound mutual distrust.

Dimension	Current Conflict Status	Proposed MOU Framework
<b>Strait of Hormuz</b>	Blocked; mined by Iran; global energy crisis.	Phased demining over 60 days under U.S. blockade.
<b>Military Posture</b>	Active naval blockade; localized drone/missile strikes.	Suspension of airstrikes; blockade holds until signing.
Dimension	Current Conflict Status	Proposed MOU Framework
<b>Civilian Impact</b>	High collateral damage; destruction of critical infrastructure.	Cessation of kinetic operations in civilian zones.

Meanwhile, the human toll on civilians caught in the crossfire - highlighted by recent controversial strikes on water storage reservoirs near the Strait - creates an urgent imperative for regional compliance. The humanitarian crisis acts as a double-edged sword: it pressures Tehran to seek sanctions relief, but it also inflames domestic anti-Western sentiment, narrowing the Iranian leadership's political space for compromise.

### Conclusion

The proposed US-Iran MOU represents the most significant diplomatic opening of the 100-day war, largely built on the mediation

channels pioneered by Pakistan. However, scepticism remains

warranted. The deal currently stands at roughly a 50% chance of collapse due to deeply entrenched redlines and the threat of tactical spoilers. The Strait of Hormuz will not open overnight; its

integration back into global commerce will be a slow, heavily conditional process. Trump's sudden pivot to peace is an exercise in classic brinkmanship - using the maximum threat of economic devastation (Kharg Island) to force a transaction, while the real test of peace lies in the technical details yet to be signed in Europe.

