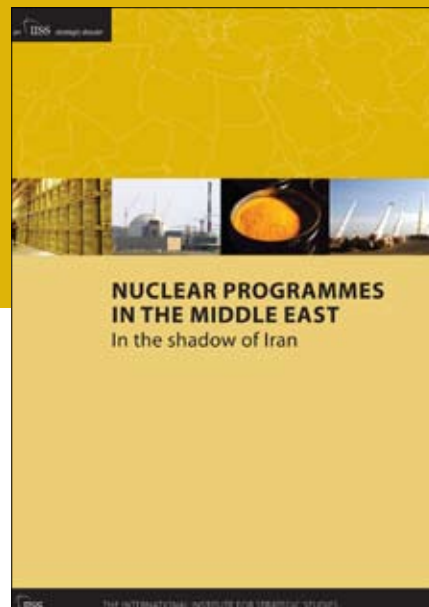


NUCLEAR PROGRAMMES IN THE MIDDLE EAST

In the shadow of Iran



Press Statement

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Dr John Chipman

Director-General and Chief Executive

The International Institute for Strategic Studies, London

Welcome to the press launch of the latest IISS 'Strategic Dossier' - *Nuclear Programmes in the Middle East: In the shadow of Iran*.

In the span of the eleven months between February 2006 and January 2007, at least 13 countries in the Middle East announced new or revived plans to pursue or explore civilian nuclear energy. Since then several of these states have solidified their plans. This upsurge of interest is remarkable, given both the abundance of traditional energy sources in the region and the low standing to date of nuclear energy there.

Each of the new nuclear-aspirant states announced its decision in terms of electricity needs, energy diversification and the economic benefits of nuclear power. They spoke as well of the need to conserve oil and gas supplies for export earnings, of the high energy requirements of seawater desalination to address growing water shortages, and of the role of nuclear energy in efforts to retard global warming. Although comparative costs are often misunderstood, the rising price of oil has also made nuclear energy more attractive.

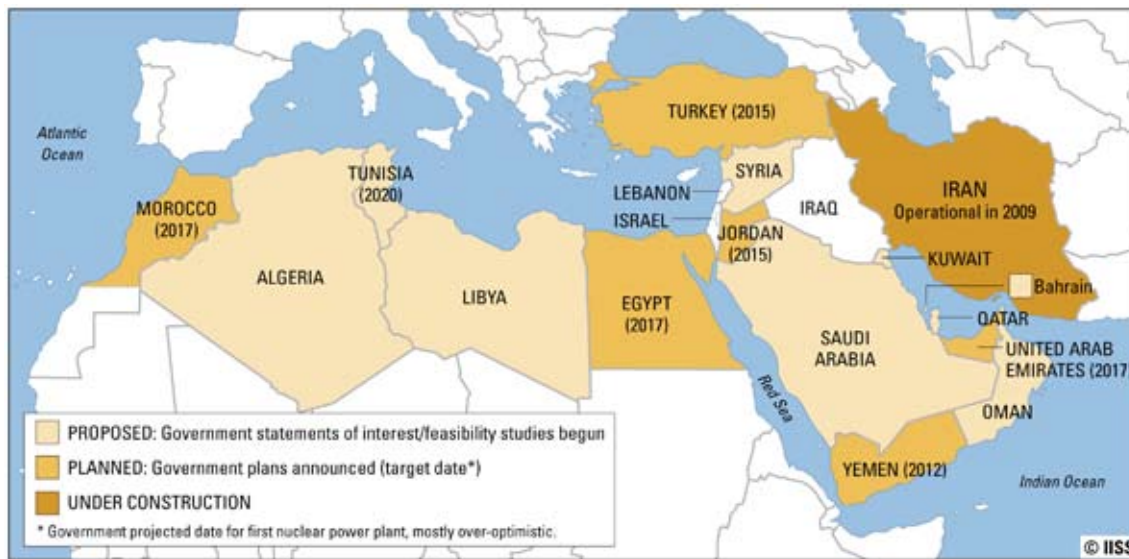
Notwithstanding the legitimate energy and economic motivations behind this sudden region-wide interest in nuclear power, political factors also play an important role. Promotion of nuclear energy is one way in which Sunni states are trying to counter the rising sense of Shia empowerment following the 2006 Lebanon War. Country-specific politics are also relevant, as in the case of Egyptian President Hosni Mubarak's son Gamal seizing upon nuclear power as a worthy national project with which to

sustain his political prominence. The single most salient political factor, however, is Iran's development of dual-use nuclear technologies, which motivates at least some of its neighbours to seek fledgling nuclear capabilities of their own.

If Tehran's nuclear programme is unchecked, there is reason for concern that it could in time prompt a regional cascade of proliferation among Iran's neighbours. For some states, such as Saudi Arabia, an Iranian nuclear weapon would present a direct and dire threat. For others, such as Egypt and Turkey, the threat is indirect, and more tied to concerns about the balance of power and loss of relative status and influence in the region. If any one of Iran's neighbours were to seek to acquire nuclear weapons in response, this would put additional pressure on others to do the same, because of intra-regional security and status considerations.

A proliferation cascade would become more likely if Israel felt obliged to relinquish its long-standing doctrine of nuclear 'opacity' or ambiguity, whereby it refuses to confirm or deny any aspect of its nuclear activities, as this would increase the pressure on Egypt and perhaps other Arab states to seek their own nuclear deterrents.

So far, none of the new nuclear aspirants in the region has yet been known to talk even privately about seeking nuclear weapons. What they want is the human and technical infrastructure associated with nuclear-energy programmes in order to provide a counterbalance to Iran, both laying the ground for a possible future security hedge and bestowing national prestige in the context of historic rivalries.



The main purpose of this dossier is to evaluate the probability of a nuclear proliferation cascade in the Middle East. Our aim has been to:

1. to make a sober, dispassionate, analysis of nuclear programmes in the region;
2. to compare relative proliferation risks; and
3. to assess whether and how a proliferation cascade could develop.

The dossier provides an evaluation of national nuclear histories, capabilities and policies, as well as an analysis of future aspirations. I will now briefly discuss our assessments of Egypt, the Gulf Cooperation Council, Turkey, Algeria and Israel. In addition to these countries, the dossier also examines Morocco, Tunisia, Libya, Lebanon, Jordan, Iraq, Yemen and Syria, the last of which Mark Fitzpatrick reviewed thoroughly in an IISS discussion meeting earlier this month.

EGYPT

Egypt's announcement in September 2006 that it would revive long dormant plans for nuclear power was meant both as a partial answer to its growing demand for energy and as an expression of national pride. There is also an unmistakable security hedge in Cairo's calculations that could rekindle international concerns about its intentions. Ultimately Egypt did not seek nuclear weapons in response to Israel's programme, and it certainly is not a foregone conclusion that it will do so in response to Iran's. It is not even certain that Egypt will follow through this time with its plans for nuclear power. If any country in the region were to follow Iran in developing a latent nuclear-weapons capability, however, Egypt may be the most likely candidate.

If Egypt does not overcome a lingering impression that, as at times in the past, it is keeping its weapons options open, foreign partners may be less likely to transfer reactor technology or to finance the huge capital costs of nuclear-power projects. Although no nuclear power-plant project to date in any country has been used for weapons purposes, such projects can contribute in various ways to proliferation pathways, as described in chapter seven of the dossier.

THE GCC

The GCC states (Saudi Arabia, Kuwait, Bahrain, Qatar, the UAE and Oman) are currently undertaking a joint feasibility study into a nuclear energy programme. In addition, certain GCC states have expressed interest in developing their own national programmes; the most obvious example is the UAE, which has signed a nuclear framework agreement with France, consulted with French companies about the construction of reactors, signed an memorandum of understanding with the US, and published a white paper on its nuclear energy development. Although the UAE has insisted that such activities do not undermine the collaborative GCC effort, some have argued that independent national programmes cast serious doubt on the future of the regional project. If individual states give priority to their national programmes over that of the GCC, then it is possible that the supranational programme could falter after the completion of the feasibility study, particularly as real interest in nuclear power is not uniformly strong throughout the GCC.

The GCC claims that its announcement of a nuclear project was not a direct reaction to Iran's nuclear activities. However, the timing of the original declaration in

December 2006, emerging suddenly after many years of minimal interest in nuclear energy in the Gulf, prompted widespread suspicions that the GCC was in fact motivated by events in Iran.

The proximity of the GCC states to Iran, along with the sectarian composition of their populations and their concern over Washington's future posture in the Gulf, has made them eager both to avoid military conflict in the region and to protect themselves against a future Iranian nuclear-weapons capability. Afraid of suffering adverse consequences both if Iran and the US clash or if they reconcile, the Gulf states must balance competing influences.

TURKEY

In many respects, Turkey should be among the regional countries least affected by Iran's nuclear activities. A long-standing member of NATO, Turkey is formally protected by the collective security guarantee laid out in Article V of the North Atlantic Treaty. The country's ties to the West are further strengthened – at least in theory – by its ongoing accession talks with the European Union. Both these factors make it less likely that Turkey would respond to a nuclear capable Iran by seeking to acquire nuclear weapons itself. However, the Turks have a lingering scepticism about NATO guarantees, which they did not feel were properly honoured in the First and Second Gulf Wars. A hardening EU mood against Turkish accession is adding to a growing alienation from the West in Turkey, and could give the country more reason to consider its own deterrent.

If its current nuclear-energy plans are fulfilled, Turkey could have a functioning nuclear power reactor by 2020. Turkey already has a substantial and long-standing nuclear infrastructure, focused on civilian nuclear research. Consequently, although Turkey is not likely to be the country most threatened by Iranian acquisition of nuclear weapons, it is the Muslim neighbour most able technically to respond in kind.

Whether Turkey will seek to pursue sensitive technologies as a security hedge is unclear. For the time being, it is not even certain that Turkey will go through with its stated goal of building up its nuclear infrastructure through new power plants. It is undeniable, however, that Iran's nuclear progress has stirred an increased interest in nuclear matters in Turkey.

ALGERIA

Given that Algeria has one of the most advanced nuclear-science programmes in the Arab world, it is

unsurprising that, as in many other states in the region, it is considering the role that nuclear power might play in its domestic energy mix, including for the purposes of desalination.

Algeria does not view Iran as a threat and gives it diplomatic support, including consistently supporting Iran's so-called 'right' to pursue a full nuclear fuel cycle. Yet the eventual outcome of the Iranian nuclear crisis could drive the future nuclear decisions of Algiers. Its Es Salam research reactor could form the basis of a nuclear breakout option, if Algeria were to leave the NPT and begin producing nuclear weapons, although it would need a functioning reprocessing facility. In the meantime, Algeria appears intent to keep its options open with regard to enrichment and reprocessing technologies. Its stance on Iran's claimed 'right' to these technologies and its president's statements about Western pressure to accept additional non-proliferation obligations make it appear unlikely that Algeria would easily agree to forgo enrichment and reprocessing processes, regardless of whether it would actually seek to develop these technologies itself.

ISRAEL

The fundamentals of Israel's nuclear capabilities and policies, though never officially confirmed, are accepted as fact throughout the world. Israel initiated a nuclear programme in the mid 1950s and crossed the weapons threshold about a decade later. Today, remaining outside the NPT, Israel is considered to be a de facto nuclear-weapons state with an advanced and sizeable arsenal. Crucially, however, Israel has not acknowledged its nuclear-weapons status and maintains a strict policy of nuclear opacity, often called 'nuclear ambiguity'.

Israel's response to the looming threat of a nuclear-armed Iran is fundamentally distinct from that of its other Middle Eastern neighbours. Israel is alone in publicly characterising a nuclear Iran as a threat to the very survival of the state. A nuclear-armed Iran would erase Israel's nuclear monopoly, its most distinct strategic asset, which has served for about four decades as a kind of ultimate national insurance policy.

On numerous occasions, Israel's leaders have thus emphasised their commitment to doing everything possible to prevent the advent of a nuclear Iran, and the subject tops both open and closed discussions of Israeli national security. Israel's strategic calculations rest on a simultaneous commitment to both prevention of a nuclear Iran and future deterrence.

As Iran reaches one technological milestone after another in its journey towards acquiring a nuclear weapons capability, Israel will face a sequence of dilemmas and be forced to make a series of fateful decisions as to whether and how it can live with this eventuality.

CONCLUSIONS

The danger of a proliferation cascade in the Middle East, while real, is not imminent. Although some countries may be positioning themselves to be able eventually to produce fissile material, no country is known or seriously believed to be currently pursuing a nuclear-weapons programme as a result of Iran's activities.

Over time, however, Iran's programme could become a powerful regional proliferation driver, building on regional rivalry, security concerns and one-upmanship. For the time being, these considerations are contributing to a regional surge in interest in nuclear energy. The question is how to keep this interest confined to purely civilian nuclear programmes.

The introduction of nuclear energy into the Middle East should not be seen as a foregone conclusion. To date, no commercial contracts have been signed; no irreversible decisions have been made, and most of the national plans have been limited to feasibility studies. Indeed, there is reason to doubt the will and ability of many of the states in the region to follow through with the large technical, financial and political challenges of nuclear-energy development. From a technical standpoint, most of these states are starting from a very low base, lacking the necessary physical infrastructure, legal systems and trained scientific and engineering personnel. There is time, therefore, to put in place a robust regime of policies and practices that can serve as a bulwark against a proliferation cascade in the region.

The policies and practices adopted by the next states to embark on nuclear-power projects can set a new standard to help correct the damaging Iranian precedent. Central to this new standard should be a shared understanding that the proliferation risks of nuclear energy are manageable as long as countries accept full transparency with enforceable verification and concentrate on the technologies they really need, while staying away from the sensitive parts

Summary of policy options	
Transparency	<ul style="list-style-type: none">■ Encourage adoption of the Additional Protocol■ Promote acceptance of the modified Small Quantities Protocol
Verification	<ul style="list-style-type: none">■ Improve the IAEA safeguards regime■ Require back-up safeguards
Enforcement	<ul style="list-style-type: none">■ Persuade Iran to adhere to UN Security Council resolutions on suspension■ Establish verification and standards of compliance for UNSCR 1540■ Suspend nuclear assistance to countries in non-compliance■ Impose penalties for NPT withdrawal by states in non-compliance
Regulating enrichment and reprocessing	<ul style="list-style-type: none">■ Encourage voluntary forgoing of sensitive fuel-cycle technologies■ Guarantee fuel supply■ Put fuel-cycle facilities under multilateral control■ Take back spent fuel
Conditions of supply	<ul style="list-style-type: none">■ Require the forgoing of sensitive fuel-cycle facilities■ Agree NSG criteria for supply of sensitive fuel-cycle technology■ Restrict reactor types
Regional arms control	<ul style="list-style-type: none">■ Resume regional dialogue on conditions for an NWFZ■ Encourage a regionwide moratorium on enrichment and reprocessing■ Ratify Pelindaba Treaty■ Pursue a sub-regional Gulf WMD-free zone
Deterrence and reassurance	<ul style="list-style-type: none">■ Confirm assurances for Turkey■ Reinforce conventional deterrence■ Strengthen strategic ties■ Employ 'political deterrence' to discourage nuclear hedging

of the fuel cycle. Examples of this are Bahrain and the United Arab Emirates, both of which have recently stated unequivocally their intention to forgo enrichment and reprocessing. The UAE has also published a white paper on its nuclear policy underlining its non-proliferation intentions, including acceptance of the IAEA safeguards Additional Protocol. This sets a positive model for the region and beyond.

As well as suggestions for regional states interested in developing nuclear energy, the dossier outlines policies that may be considered by external countries and nuclear suppliers that wish to minimise the proliferation risk of nuclear programmes in the Middle East.

Many of the policy suggestions are not region-specific. Although proliferation challenges are greatest in the Middle East, shoring up the nuclear non-proliferation regime is a global task. By assessing the various policy options, this dossier seeks to assist those who are engaged in this worthy effort.