



The JCPOA

A Potential “Game Changer” for a Regional WMD/DVs Free Zone as Part of Cooperative Security Arrangements

Fionn Harnischfeger and Bernd W. Kubbig

The Joint Comprehensive Plan of Action (JCPOA)¹ between Iran and the E3+3 states² on July 14, 2015, marked the temporary end of a decade-long dispute surrounding the Iranian nuclear program. Many observers including the Council of the European Union hailed the Agreement as “a game changer” in international relations and as a first step towards long-lasting regional peace.³ By signing the Accord Tehran accepted “the most comprehensive inspection and verification regime ever negotiated,”⁴ comprising physical restrictions to limit all possibility of acquiring sufficient fissile material stockpiles. In return, the E3+3 states committed themselves to the comprehensive step-by-step lifting of all sanctions related to Iranian nuclear activities (see Tables 1 and 2 as well as excerpts from statements of U.S. President Barack Obama, see Box No. 1).

As this POLICY BRIEF is being prepared around the first anniversary of the JCPOA, prospects remain positive. Despite rising criticism within both the U.S. and the Islamic Republic, voicing mutual accusations that the negotiation partners are not living up to the terms of the Agreement, the International Atomic Energy Agency (IAEA) and the United Nations (UN) Security Council have consistently confirmed the implementation of all nuclear-related commitments under the JCPOA and the respective UN Security Council Resolution 2231 (2015). In July 2016, the European Union and U.S. Secretary of State John Kerry lauded the Agreement and remarked that it has “lived up to its expectations” and “made the world safer.”⁵

And indeed, due to its unprecedented scope and intrusiveness, the JCPOA, if it is successful and all parties remain committed to it, could generate the transformative

power, and thus momentum, required for pursuing any arms control/reduction, disarmament, and nonproliferation effort in the Middle East/Gulf. Thus, it has the potential to serve as a more promising stepping stone for re-introducing the idea of a Zone Free of Weapons of Mass Destruction and their Delivery Vehicles (WMD/DVs Free Zone) for the entire Middle East/Gulf – the very idea that has been discussed during the last few years among the relevant regional actors, but without success. Once again divergent security concepts pursued especially by Egypt as the leader of the states of the Arab League and Israel as the only nuclear weapon state in the region have thus far been the primary reasons preventing any progress from being made in creating a WMD/DVs Free Zone in the Middle East/Gulf: The Review Conference (RevCon) on the Nuclear Non-Proliferation Treaty (NPT) in spring 2015 failed because it could not produce a consensus document, mainly due to the controversial zonal issue in the Middle East/Gulf. In addition, the Helsinki Conference, the forum designed to discuss the establishment of such a zone, was indefinitely postponed. And yet representatives of all relevant regional administrations, despite their mutual differences and animosities, participated in an informal communication process under the auspices of UN-assigned Facilitator Ambassador Jaakko Laajava; this process was established in 2013 and included five gatherings in Switzerland held through late June 2014.⁶

Against this backdrop, alternative ideas for initiating a new conference process hopefully inspired by the Nuclear Accord are being circulated; among them is the probably less demanding subregional approach of creating a WMD/DVs Free Zone in the Gulf. We

Abstract

The Joint Comprehensive Plan of Action (JCPOA) between Iran and the E3+3 states represents not only an important breakthrough in the international dispute over the Iranian nuclear program, but may also have a positive impact on any nonproliferation and disarmament effort in the Middle East. This could help to overcome the current stalemate after the failed Review Conference of the Nuclear Non-Proliferation Treaty (NPT) in New York in May, 2015. This POLICY BRIEF proposes utilizing the momentum achieved with Tehran, particularly in re-introducing the idea of a WMD/DVs Free Zone throughout the Middle East/Gulf, as part of broader security arrangements. Building on the analytical framework of earlier contributions, we seek to evaluate whether and how the JCPOA affected the respective bilateral relations, in particular with regard to security concerns/threat perceptions and the potential for cooperation. ■

This POLICY BRIEF was written in the context of the project “New Paths for Disarmament and Nonproliferation in the Middle East/Gulf,” dedicated to Ambassador Jaakko Laajava, and generously sponsored by the Federal Foreign Office in Berlin and the Federal Department of Foreign Affairs in Bern. Between November 1, 2015 and August 31, 2016, the project included two international expert gatherings in Frankfurt (December 8–9, 2015) and Berlin (May 3–4, 2016), generously supported by the German Foundation for Peace Research and the Ecumenical Center of the Protestant Church in Hesse and Nassau and of Kurhessen-Waldeck. Both gatherings were devoted to developing new ideas for overcoming the current situation of non-communication among governments in the NPT context. The authors wish to express their gratitude to Ambassador Laajava for his comments on an earlier presentation during his third stay as PRIF’s First Honorary Diplomat Research Fellow in Frankfurt in June, 2016.

»The Nuclear Accord is not seen as a panacea, but as an essential focal point for discussing controversial issues and thus as a means of increasing security/stability in the region.«

will come back to these cooperative ideas at the end of this POLICY BRIEF.

Building upon the analytical framework outlined in PRIF ACADEMIC PEACE ORCHESTRA'S POLICY BRIEFS Nos. 13 and 14, this issue evaluates the complex perceptions and positions of the individual Arab Gulf states vis-à-vis Iran and the JCPOA, as well as their consequences for the traditional concept of a WMD/DVs Free Zone for the entire Middle East/Gulf. To be sure, the members of the Gulf Cooperation Council (GCC) publicly supported the finalization of the Nuclear Accord and reiterated "the need to adhere to the agreement" in their final communiqué in December 2015.⁷ Despite this, contradictory statements and actions by several of the Arab states individually indicate that their actual positions regarding the Agreement are cautious or even skeptical. While we of course have to take their attitudes seriously, we think that it might be helpful for the reader to take into account the counterarguments and attempts at reassuring the Gulf allies expressed by U.S. President Barack Obama and his Secretary of State John Kerry. If the region is to abolish weapons of mass destruction

and their delivery systems, a certain level of mutual trust and bilateral cooperation between the Gulf states and Iran must be reached. Hence, this POLICY BRIEF explores the degree to which the JCPOA has influenced both the broader security concerns/specific threat perceptions of the individual GCC member states with regard to Tehran as well as the opportunities these countries associate with the Accord.

In our view, examining security concerns/threat perceptions and the potential for cooperation (both elements reflecting the foreign policy priorities of the individual GCC countries) is a promising starting point and a first step in the complex agenda of a future conference with the ambitious goal of creating a WMD/DVs Free Zone. The Nuclear Accord is not seen as a panacea, but as an essential focal point for discussing controversial issues and thus as a means of increasing security/stability in the region. Our analysis will provide an overview of the respective bilateral relations and identify the most important and urgent security concerns on the Arab side, without ignoring the transformative potential of the Iranian Nuclear Agreement. Based on these insights, it will be possible on the one hand to identify and develop confidence- and security-building measures (CSBMs) as elements along the incremental path towards the WMD/DVs Free Zone envisaged for the entire Middle East/Gulf. On the other hand, the foreign policy priorities raise an important question in the NPT context: How relevant is such a comprehensive zone on the agenda of countries in the proposed zone? In principle, the implications are considerable if most or even all Gulf states do not consider zonal disarmament for the entire Middle East/Gulf (including Israel of course) a priority, because it allows them to influence Cairo to become more flexible, and potentially more efficient in pursuing a more compromise-oriented policy towards the only nuclear weapon state in the Middle East/Gulf.

Based on our previous work (Kubbig and Fikenscher [eds] 2012; Kubbig and Weidlich 2015), the underlying premise of this analysis is the concept of the security dilemma, resulting in unilateral armament, pronounced enemy stereotypes, and zero-sum thinking: This is a situation which traditionally prevails in the Middle East/Gulf and characterizes bilateral relations between many regional states. Accordingly, this deadlock dominated by insecurity can only be mitigated if the actors themselves

Table No. 1: Plutonium Pathway Restrictions

		Before Interim Agreement Reached (November 2013)	After JCPOA Implemented	
General plutonium restrictions	Arak reactor	Power level	40 megawatts-thermal	20 megawatts-thermal
		Fuel type	Natural uranium (~0.7 % U-235)	Low-enriched uranium (~3.67 % U-235)
		Bombs' worth of plutonium produced*	1 or 2 bombs/year	Less than 1/6 of one bomb/year
		Plutonium quality	Weapons-grade plutonium	Fuel-grade plutonium (somewhat more difficult to weaponize)
		Spent fuel	No restrictions	All spent fuel exported for lifetime of reactor (and same intended for future reactors)
	Plutonium separation from spent fuel (reprocessing)	No restrictions	No spent fuel separation facilities or R&D for 15 years (and no intention thereafter)	
	Future heavy-water reactors	No restrictions	No additional heavy-water reactors for 15 years	
	Excess heavy water	No restrictions	All excess heavy water exported for 15 years	
	Foreign procurement	Illicit procurement	Procurement permitted only in declared, monitored channel for 10 years	

* After reprocessing. IAEA defines one Significant Quantity as 8 kg of plutonium.

Source: Gary Samore et al. (2015) 'The Iran Nuclear Deal: A Definitive Guide', Belfer Center for Science and International Affairs, August. Online, available at <http://belfercenter.ksg.harvard.edu/files/IranDealDefinitiveGuide.pdf>, p. 22



realize that cooperation can be less costly, both financially and politically. Exploring the transformative potential of the JCPOA should be seen in this context, since it is a unique agreement not only because of its unprecedented scope and intrusiveness with regard to nuclear-related provisions, but also because of its provisions concerning the sanctions and the associated financial and economic dimensions. In addition, any type of (zonal) disarmament, despite its potential for fostering stability, should not be seen as the ultimate goal, but as part of broader security arrangements that increase security for all regional actors.

The Structure of this POLICY BRIEF

In accordance with the above-mentioned outline, this issue analyzes the individual GCC states’ broader policy-related security concerns/specific military-related threat perceptions, as well as prospects for cooperation with regard to Iran. Did the E3+3 negotiations with Tehran and the JCPOA itself produce any change regarding the respective states’ security/insecurity? In addition to their direct responses to the finalization of the Agreement, publicly expressed anxieties concerning Iranian policies as well as shifts in foreign policy behavior are to be considered. Insights into the domestic contexts, the economic factors and socio-demographic aspects as well as the respective state’s self-conception and basic principles, will be provided as benchmarks for foreign policy definition. In order to adequately structure the analysis, all issues identified will be classified according to the political, military, and economic sectors within each case study.

Based on the assumption that an increase or decrease in threat perception automatically translates into a certain foreign policy behavior, we assume that it will be possible to make rough estimates of the degree of tension in particular bilateral relations and their potential for (de-)escalation. The degree of tension is operationalized by means of the following categorization:

- High level of confrontation (cessation of diplomatic relations; strong negative rhetoric and direct threats; no ongoing economic cooperation).
- Medium level of confrontation (degradation of diplomatic relations; negative rhetoric; degradation of economic cooperation).

Fionn Harnischfeger is a Research Assistant at the Peace Research Institute Frankfurt (PRIF) and on the staff of the ACADEMIC PEACE ORCHESTRA MIDDLE EAST. He holds a BA in Political Science and Public Law from the University of Regensburg, Germany, and is currently completing the Master’s Program International Studies/Peace and Conflict Studies at Goethe University, Frankfurt/Main and the Technical University, Darmstadt, Germany. His research interests include nuclear nonproliferation and disarmament as well as Middle East security policy.



Bernd W. Kubbig was Project Director at the Peace Research Institute Frankfurt and Adjunct Professor at Goethe University, Frankfurt/Main, Germany, until June 30, 2016. Over several decades he directed the program on Missile Defense Research International and since 2006 he has coordinated the international expert group “Multilateral Study Group on the Establishment of a Missile Free Zone in the Middle East”, and since 2011 the ACADEMIC PEACE ORCHESTRA MIDDLE EAST; he was also Editor of the Policy Brief series. Mr. Kubbig has specialized in U.S. foreign and security policy, especially on the Middle East, as well as missile defense and space.



- Low level of confrontation (normal diplomatic relations; no negative rhetoric; economic cooperation).

While not ignoring current tensions, our normative assumption is that it will be possible to identify tangible possibilities for cooperation or other CSBMs in the respective bilateral relations. This could eventually help to mitigate the prevailing security dilemma which finds its pronounced expression in the intensifying hegemonic rivalry between Saudi Arabia and Iran. Finally, we propose exploring the relevance of a comprehensive WMD/DVs Free Zone in the Arab Gulf states’ foreign policies. By doing this we seek to clarify which stumbling blocks are yet to be tackled on the path to a possible conference on discussing such zonal concepts.

Saudi Arabia and Its Rivalry with Iran

While several Saudi officials described the finalization of the JCPOA on July 14, 2015, as a “monumental historical miscalculation,”⁸ the royal house in Riyadh refrained from issuing a formal statement. Although the administration, at a later juncture, described the Agreement as a necessary step towards the prevention of an Iranian nuclear bomb, the Saudi response is to be measured by the king’s last-minute refusal to take part in a GCC-U.S. summit at Camp David in May 2015 – a meeting during which President Barack Obama had attempted to appease his Gulf allies against the backdrop of the final stages of negotiations of the JCPOA. Riyadh’s ambiguous reaction to the Accord has to be understood in the light of the long-standing binational rivalry, which some scholars consider to be the new “Middle East cold war.”⁹

Table No. 2: Uranium Pathway Restrictions

	Before interim agreement reached (Nov. 1) ¹	JCPOA physical limits (10-15 years)	After 15 years
First-gen (IR-1) centrifuges	18,472	Capped at 6,104	Unconstrained
Second-gen (IR-2) centrifuges	1,008	None ²	Unconstrained
Breakout time ¹	1-2 months	Approximately 12 months	
R&D of new centrifuge technology	Unconstrained	Constrained	Unconstrained
Stockpile of low-enriched UF ₆ ⁴	7,154 kg ⁵	Capped at 300 kg ⁶	Unconstrained
Stockpile of 20%-enriched UF ₆	196 kg ⁷	None	Unconstrained
Maximum enrichment level	No restrictions	3.67%	Unconstrained
Centrifuge production	Unconstrained	Constrained to producing only replacement IR-1 for 10 years; no production of IR-6 or IR-8 for 8 years	Unconstrained

1. As described in IAEA GOV/2013/56 on November 14, 2013.
2. Except for mechanical testing.
3. Defined as time required for procure 25 kg of 90% of enriched uranium.
4. In addition, Iran fed into conversion 53 kg of LEU UF₆ that produced 27,2 kg of UO₂.
5. Includes 7,154 kg in uranium hexafluoride form and 53 kg converted to oxide.
6. Certain forms of uranium mass are exempted from this cap.
7. In addition, Iran fed into conversion 213,5 kg of UF₆ enriched to near 20% that produced 101.2 kg of U₃O₈ plus scrap and waste.

Source: Gary Samore et al. (2015) 'The Iran Nuclear Deal. A Definitive Guide', Belfer Center for Science and International Affairs, August. Online, available at <http://belfercenter.ksg.harvard.edu/files/IranDealDefinitiveGuide.pdf> (September 19, 2016), p. 29

Often cloaked as a Sunni-Shiite or Arab-Persian conflict, indicating the religious or ethnic character of the struggle, the regional strife between Saudi Arabia and Iran can be traced back beyond the Islamic Revolution in Iran in 1979 and the oil boom in the 1960s.¹⁰ At the present day, the former twin pillars of American foreign policy in the Middle East compete for regional hegemony; this rivalry has become the most pronounced feature of the entire Middle East/Gulf.¹¹ Based on the assumption that this competition for regional dominance is characterized as a zero-sum game, Saudi fears vis-à-vis the JCPOA become apparent: The lifting of sanctions in combination with the experience of fruitful diplomatic relations between Iran and the international community holds the potential to significantly empower Tehran at the expense of Riyadh. Against the backdrop

of its aggregate domestic insecurities with regard to the line of succession, low oil prices, societal unrest and home-grown terrorism, the fear of losing regional power has become more pronounced while at the same time Saudi-American relations have, from Riyadh's perspective, become utterly unstable and unpredictable.

Political Dimension of Riyadh's Security Concerns/Threat Perceptions

Saudi officials have constantly referred to an alleged long-running Iranian strategy of destabilizing regional rivals with a sectarian agenda and of driving a wedge between the Arab Gulf states. Tehran's military and intelligence intervention in the Syrian conflict, its support of Shia militias in Lebanon and Iraq, as well as Iran's suspected affiliation to Shia groups in Yemen indicate that not all of Riyadh's claims are unfounded. The expected increase in Iranian liquidity and militarization through the return to the market as well as sanctions relief bolster Saudi fears that Tehran could use the JCPOA to scale up its support of Shia actors in the regional theater – thus allowing the Islamic Republic and its allies to gain the upper hand in the Syrian and Yemeni stalemate as well as posing a threat to the social integrity of heterogeneous Gulf societies (i.e., Bahrain and Kuwait).

This is further validated by observing the fundamental shift in Riyadh's foreign policy behavior. Accompanied by the accession of King Salman bin Abdulaziz in January 2015, Riyadh launched a foreign policy strategy aimed at countering the alleged Iranian incentives – even more assertive than its activities in the context of the so-called Arab Spring, which had already signaled a farewell to its traditional self-concept as the major regional coordinator in 2011. This strategy of interventionism can primarily be seen in Saudi Arabia's active military engagement in neighboring Yemen, where the Zaydi Shia Ansar Allah movement (Houthi rebels) initiated a coup d'état ousting the country's President Abd Rabbuh Mansur Hadi in early 2015. Saudi officials voiced allegations that Iran was supporting its fellow Shia militia in Northern Yemen in order to destabilize the kingdom's immediate neighborhood. Although Tehran has repeatedly denied any affiliation with the movement, U.S., Australian, and French navy ships intercepted and seized several illicit Iranian arms shipments in the Gulf in early 2016, probably bound for Yemen.¹²



This Saudi policy is based on experience in the Syrian Civil War and the one-sided assumption that regional conflicts are part of a larger power struggle between an expansionist Tehran and a merely reactive Riyadh. The Saudi kingdom was the first Arab state to end diplomatic relations with Damascus in 2011, and has since supported Sunni militias trying to oust the Iranian ally President Bashar al-Assad. In February 2016, Riyadh announced its readiness to send ground troops into the war-torn country.¹³ The increased Saudi willingness to secure its place in the zero-sum rivalry with Iran is also seen in Iraq, where Tehran, from Riyadh’s perspective, had utilized the vacuum left behind by the United States through the Shia majority. Marking a clear sign of de-escalating bilateral tensions, the Arab kingdom reopened diplomatic facilities after a 25-year absence in December 2015.¹⁴

At the same time, Saudi Arabia increased its efforts to unify a Sunni camp and scaled up its activism to strengthen relations with additional players such as Turkey and other extra-regional Muslim countries. The kingdom had already called for the establishment of a Gulf Union in December 2011, enabling deepened and intensified political, military, and economic cooperation among the GCC states. This plan was reiterated at a GCC summit in December 2013, when Riyadh urged fellow member states to create a 100,000-man army and to further consolidate political and economic integration among the six countries.¹⁵

In December 2015, Saudi Arabia announced the formation of a 34-nation Islamic military alliance to combat terrorism. The Riyadh-led coalition is set to coordinate efforts to fight the so-called Islamic State of Iraq and al-Sham (ISIS) in Iraq, Syria, Egypt and Afghanistan. This does not necessarily directly affect the Saudi-Iranian rivalry. However, Tehran’s exclusion, the vague elaboration of operational details, and the explicit statement that the alliance would not focus solely on ISIS indicate that Riyadh is seeking to enhance its position as the leading Islamic power and to increase Iranian isolation. In a major military exercise under the command of Saudi Arabia in February 2016, the members of this alliance demonstrated a clear message that they “stand united in confronting all challenges and preserving peace and stability in the region.”¹⁶ Operation Northern Thunder involved 150,000 troops deployed from at least 20 Arab and Islamic countries, and took place in the northern region of the

kingdom close to the Iraqi border. Presenting the largest military operation in the region since Desert Storm and the liberation of Kuwait, the alliance intended to deter Iran from aggression against its Gulf neighbors.¹⁷

Another important implication of the Nuclear Agreement on the Saudi threat perception is the fear that the Accord marked the beginning of increased American rapprochement with Iran, which is exacerbated by the simultaneous reduction of the U.S. presence in the Gulf. The kingdom is highly anxious about the possibility that Tehran could resume its position as the major stabilizer for the American order in the Middle East. However, American authorities have already downplayed the prospects for a fundamental change in their relations with Iran, some Members of Congress even voicing strong opposition to the idea.¹⁸

Although King Salman deliberately missed the GCC-U.S. meeting in Camp David in May 2015, expressing dissatisfaction with the pending Accord, other indicators point to the continuation of the strong partnership between Washington and Riyadh. President Obama ramped up arms sales to the Gulf kingdom as part of his administration’s reassurance policy, exceeding any of his predecessors. Furthermore, three different congressional delegations under the auspices of Senators Lindsey Graham and Ben Cardin, and Speaker of the House Paul Ryan visited Saudi Arabia in the spring of 2016, also indicating the importance of bilateral relations.¹⁹ However, Washington’s handling of the negotiations surrounding the Iranian nuclear program as well as its regional policies in general have severely damaged Riyadh’s trust, and it remains to be seen whether the bilateral partnership can be fully restored in the years to come.

Military Dimension of Riyadh’s Security Concerns/Threat Perceptions

Although Saudi Arabia shares the assumption that the JCPOA effectively prevents Tehran from obtaining nuclear weapons, the time limitation of the agreement²⁰ is of great concern for Riyadh. The kingdom believes that its neighboring state’s uranium enrichment program has simply been put on hold and will be continued as soon as the restrictions expire. This fear is further enhanced by the fact that Iran’s civil nuclear program was officially approved by the E3+3 states (although limited and strictly controlled at the same time), as well as by

» American authorities have already downplayed the prospects for a fundamental change in their relations with Iran, some Members of Congress even voicing strong opposition to the idea.«



**Box No. 1: Security Concerns Expressed by GCC Countries (and Others)
– and the Responses by U.S. President Barack Obama**

GCC Concern: A more lasting and more comprehensive Accord is needed

Obama Response: “In July [2015], we reached a comprehensive plan of action that meets our objectives. Under its terms, Iran is never allowed to build a nuclear weapon. [...] Let me repeat: The prohibition on Iran having a nuclear weapon is permanent. The ban on weapons-related research is permanent. Inspections are permanent. It is true that some of the limitations regarding Iran’s peaceful program last only 15 years. But that’s how arms control agreements work. The first SALT Treaty with the Soviet Union lasted five years. The first START Treaty lasted 15 years. And in our current situation, if 15 or 20 years from now, Iran tries to build a bomb, this deal ensures that the United States will have better tools to detect it, a stronger basis under international law to respond, and the same options available to stop a weapons program as we have today, including – if necessary – military options.”

GCC Concern: The inspections may not be strong enough

Obama Response: “Inspectors will be allowed daily access to Iran’s key nuclear sites. If there is a reason for inspecting a suspicious, undeclared site anywhere in Iran, inspectors will get that access, even if Iran objects. This access can be with as little as 24 hours’ notice. And while the process for resolving a dispute about access can take up to 24 days, once we’ve identified a site that raises suspicion, we will be watching it continuously until inspectors get in. And by the way, nuclear material isn’t something you hide in the closet. It can leave a trace for years. The bottom line is, if Iran cheats, we can catch them – and we will.

[...] Iran has powerful incentives to keep its commitments. Before getting sanctions relief, Iran has to take significant, concrete steps like removing centrifuges and getting rid of its stockpile. If Iran violates the agreement over the next decade, all of the sanctions can snap back into place. We won’t need the support of other members of the U.N. Security Council; America can trigger snapback on our own. On the other hand, if Iran abides by the deal and its economy begins to reintegrate with the world, the incentive to avoid snapback will only grow.”

GCC Concern: With an additional amount of money from sanctions relief Iran will increasingly support its dubious allies and proxies, thus leading to even more destabilizing activities

Obama Response: “It is true that if Iran lives up to its commitments, it will gain access to roughly \$56 billion of its own money – revenue frozen overseas by other countries. But the notion that this will be a game-changer, with all this money funneled into Iran’s pernicious activities, misses the reality of Iran’s current situation. Partly because of our sanctions, the Iranian government has over half a trillion dollars in urgent requirements – from funding pensions and salaries, to paying for crumbling infrastructure. Iran’s leaders have raised the expectations of their people that sanctions relief will improve their lives. Even a repressive regime like Iran’s cannot completely ignore those expectations. And that’s why our best analysts expect the bulk of this revenue to go into spending that improves the economy and benefits the lives of the Iranian people.

Now, this is not to say that sanctions relief will provide no benefit to Iran’s military. Let’s stipulate that some of that money will flow to activities that we object to. We have no illusions about the Iranian government, or the significance of the Revolutionary Guard and the Quds Force. Iran supports terrorist organizations like Hezbollah. It supports proxy groups that threaten our interests and the interests of our allies including proxy groups who killed our troops in Iraq. They try to destabilize our Gulf partners. But Iran has been engaged in these activities for decades. They engaged in them before sanctions and while sanctions were in place. In fact, Iran even engaged in these activities in the middle of the Iran-Iraq War – a war that cost them nearly a million lives and hundreds of billions of dollars.

The truth is that Iran has always found a way to fund these efforts, and whatever benefit Iran may claim from sanctions relief pales in comparison to the danger it could pose with a nuclear weapon.”

the ending of Tehran’s financial isolation. Here, Riyadh shares the Israeli perception that increased monetary assets will allow the Islamic Republic to modernize its nuclear infrastructure and conventional weaponry, the latter not being part of the Nuclear Agreement. Hence, despite the unprecedented scope of its restrictions, the Nuclear Accord did not reduce the Saudi’s perception of threat or even alter it in a positive way. In fact, it may have increased Saudi security concerns which, all in all, will have to be addressed in the context of Riyadh’s own extraordinarily high military procurement programs if the JCPOA is to have a positive transformative effect in the region.

In the light of the finalization of the JCPOA, Iranian Supreme Leader Ali Khamenei announced an increase of military expenditure to five percent of the national budget in order to modernize outdated military capabilities.²¹ Since July 2015, Tehran has furthermore voiced its intention to sign major arms deals with China and Russia, as well as tested nuclear-capable missiles on four occasions in late 2015 and early 2016. Although UN Security Council Resolution 2231, adopted on July 20, 2015, put an end to the Iranian arms embargo, control provisions will be in place until at least five years after the JCPOA “Adoption Day” (i.e., October 18, 2020). Thus, the UN Security Council can decide on a case-to-case basis whether to approve the supply of major conventional weapons to Tehran.

The degree to which these developments have influenced Saudi Arabia’s threat/security perception can to some extent be measured by analyzing Riyadh’s reactions. Directly following the Nuclear Agreement in July 2015, the kingdom announced its intention of allocating \$150 billion to armament projects.²² While Riyadh spent 10.7 percent of its gross domestic product (GDP) on military equipment in 2014, this share went up to 13.7 percent in 2015 (eight times more than Iran’s spending), indicating a growing need for militarization.²³ Although this increase directly results from the Saudi intervention in Yemen, it also reflects current insecurity in a region in turmoil. Beside the conventional military build-up, Saudi Arabia is likely to further invest in its civil nuclear program, keeping the option of a uranium enrichment program on the table. The kingdom initiated this project at an estimated cost of more than \$100 billion in 2006 and has signed several cooperation agreements with Russia, Argentina, China, South Korea,



and France since then.²⁴ Furthermore, improved security relations with the nuclear weapon state Pakistan suggest that the kingdom remains suspicious of Tehran's ambitions and that it could actively consider purchasing Pakistani nuclear warheads in case Iran eventually seeks nuclear weapon capabilities.²⁵ However, a recent publication by the U.S. Brookings Institution reinforces earlier doubts that Islamabad would place its good relationship with Tehran at risk by becoming Saudi Arabia's accomplice in this delicate area. Instead, the study emphasizes the positive aspects of the JCPOA and argues that the Nuclear Accord could effectively eliminate a cascade of regional proliferation.²⁶ This includes the kingdom itself, which will probably not risk the termination of its relations with its most important security provider, the United States.

Economic Dimension of Riyadh's Security Concerns/Threat Perceptions

The JCPOA and the end to Iran's isolation also imply that one of the regional economic driving forces will eventually return to the global market and most probably result in Saudi Arabia losing its large market share in the energy sector. Both rivals primarily share the market for crude oil as well as competing for the top positions within the Organization of Petroleum Exporting Countries (OPEC). However, international sanctions and economic isolation have substantially set back Tehran's economy during the last decade. This is primarily seen by comparing the two countries' foreign exchange reserves: While Saudi Arabia holds \$660 billion in foreign reserves, Iran possesses only \$93.3 billion.²⁷

The JCPOA and the associated sanctions relief could bring an end to this disparity. According to experts, Tehran is able to increase its crude oil production by 600,000 to 800,000 barrels a day to be added to the 2.8 million barrels it already produces daily. If the anticipated increase in demand does occur, it would lower global oil prices by \$5-\$15 per barrel.²⁸ This would result in a further strain on Riyadh's budget deficit, which already hit \$98 billion in 2015. Additionally, Iran is likely to seek billions in investments from Western firms in order to modernize its worn out energy sector. Teheran's strong economic partnership with Baghdad (currently with a trade volume of \$12 billion) also upsets the Saudi kingdom because collaboration between Iran and Iraq could challenge Riyadh's dominant position in OPEC.

(continued)

GCC Concern: The JCPOA and the associated sanctions relief will increase Iran's assertiveness in conducting its hegemonic policies

Obama Response: *[...] contrary to the alarmists who claim that Iran is on the brink of taking over the Middle East, or even the world, Iran will remain a regional power with its own set of challenges. The ruling regime is dangerous and it is repressive. We will continue to have sanctions in place on Iran's support for terrorism and violation of human rights. We will continue to insist upon the release of Americans detained unjustly. We will have a lot of differences with the Iranian regime.*

GCC Concern: Vital issues – among them Iran's increasing conventional, especially missile capabilities – are not covered in the Accord

Obama Response: *“Iran's defense budget is eight times smaller than the combined budget of our Gulf allies. Their conventional capabilities will never compare with Israel's, and our commitment to Israel's qualitative military edge helps guarantee that. Over the last several years, Iran has had to spend billions of dollars to support its only ally in the Arab World – Bashar al-Assad – even as he's lost control of huge chunks of his country. And Hezbollah has suffered significant blows on the same battlefield. And Iran, like the rest of the region, is being forced to respond to the threat of ISIL in Iraq.*

But if we're serious about confronting Iran's destabilizing activities, it is hard to imagine a worse approach than blocking this deal. Instead, we need to check the behavior that we're concerned about directly: By helping our allies in the region strengthen their own capabilities to counter a cyber-attack or a ballistic missile; by improving the interdiction of weapons shipments that go to groups like Hezbollah; by training our allies' special forces so that they can more effectively respond to situations like Yemen. All these capabilities will make a difference. We will be in a stronger position to implement them with this deal. And, by the way, such a strategy also helps us effectively confront the immediate and lethal threat posed by ISIL.

Now, the final criticism – this sort of a catch-all that you may hear – is the notion that there's a better deal to be had. “We should get a better deal” – that's repeated over and over again. “It's a bad deal, need a better deal” – (laughter) – one that relies on vague promises of toughness, and, more recently, the argument that we can apply a broader and indefinite set of sanctions to squeeze the Iranian regime harder.”

Source: The White House, Office of the Press Secretary (2015) ‘Remarks by the President on the Iran Nuclear Deal’, American University in Washington, D.C., August 5. Online, available at <https://www.whitehouse.gov/the-press-office/2015/08/05/remarks-president-iran-nuclear-deal> (September 20, 2016); see also The U.S. Department of State (2015) ‘Remarks on Nuclear Agreement with Iran’, National Constitution Center in Philadelphia, PA, September 2. Online available at <http://www.state.gov/secretary/remarks/2015/09/246574.htm> (September 20, 2016).

The Degree of Bilateral Tensions Is High – and Prospects for Cooperation Are Dim

Although both Iran and Saudi Arabia agreed to take part in the 2015 Vienna peace talks on the conflict in Syria, and signed the November 14, 2015, communiqué backing a political transition in the country, the degree of tension between the two countries has reached levels of confrontation and acrimony not seen since the Islamic Revolution in 1979.²⁹ Mutual accusations prevailed in the fall of 2015 after a stampede during the hajj in September had left more than 2,400 pilgrims dead, including over 450 Iranians. The developments reached their culmination



in January 2016, when Riyadh's execution of Shia cleric Nimr Baqir al-Nimr resulted in violent attacks against Saudi diplomatic facilities in Iran. In response, Saudi Arabia formally broke off all diplomatic relations and severed air connections as well as trade ties with Iran. Although bilateral trade stood at a mere \$215.1 million in the nine months prior to the cessation of relations, the severing of commercial ties and the absence of bilateral political dialogue have negative implications for any form of multilateral cooperation.

Saudi Arabia and a WMD/DVs Free Zone

The kingdom has consistently supported the establishment of a WMD/DVs Free Zone throughout the Middle East, and reaffirmed this position in the 68th session of the UN General Assembly in 2013. It was reinforced shortly after the Iran Nuclear Deal Framework Agreement was reached in Lausanne on April 2, 2015, which paved the way for the JCPOA, when the Saudi cabinet had expressed the hope that the final Accord would eventually free the "Middle East and the Arabian Gulf [...] of all weapons of mass destruction, including nuclear weapons."³⁰ However, after evaluating the degree to which the JCPOA has affected Saudi security concerns/threat perceptions, this POLICY BRIEF suggests that it did not effectively alleviate Saudi Iran-related fears in the short term. On the contrary, it may have increased them.

This is largely due to the time limitation of the deal, Iran's breakout capacity (which has been increased by the Accord to about one year), the end of sanctions, and Tehran's destabilizing activities in the region. Unfortunately, these stumbling blocks have for the time being resulted in Saudi Arabia opting for escalating tensions with its rival. However, the idea of a WMD/DVs Free Zone is not off the table. In a conference in May 2016, former Saudi intelligence chief Prince Turki al-Faisal reiterated the need for a zone free of weapons of mass destruction, accompanied by technical and financial assistance as well as security guarantees from the five permanent members of the UN Security Council.³¹ However, assessment of current developments compels the conclusion that mutual distrust and denunciation are thwarting any form of bilateral cooperation and communication.

It remains to be seen whether the fight against the common enemy ISIS or developments in the conflicts in Syria and Yemen will open

the door for cooperation and other trust-building measures. The Islamic Republic has already voiced its intention of forming new alliances in order to effectively counter the spread of the so-called Islamic State. The cooperation between Tehran and its former adversary Taliban in fighting ISIS's rising threat along Iran's eastern border indicates that this regional challenge could indeed pave the way for a new alignment of the current major rivals.³² The minimal prerequisite for this, however, is that Tehran abides by the provisions of the JCPOA.

Bahrain – In the Midst of the Sectarian Strife

The archipelago is directly affected by the Sunni-Shia schism in the hegemonic competition between Saudi Arabia and Iran. Bahrain is closely linked to Riyadh, despite its Shia majority. After Tehran allegedly supported radical Shia factions trying to overthrow the ruling al-Khalifa family during the events of the so-called Arab Spring in 2011, the Saudi kingdom responded with a military intervention to violently suppress the insurrection. As a quid pro quo for Saudi security guarantees, Bahrain supports Riyadh's plans to further integrate the GCC and to form a close political and military union, as opposed to the other four GCC states which are still blocking the proposal.³³

Although Manama generally supported Iran's right to use nuclear power for peaceful means and officially welcomed the JCPOA, Bahrain shares Saudi fears of an empowered neighbor. This is corroborated by a controversial UK Daily Telegraph interview with Crown Prince Salman bin Hamad al-Khalifa in the aftermath of the Interim Agreement between Iran and the E3+3 in November 2013. Here he was quoted as calling the American approach "schizophrenic [...] transient and reactive."³⁴ Consequently, King Hamad joined his Saudi counterpart in not attending the GCC-U.S. summit at Camp David in May of 2015.

Political Dimensions of Bahrain's Security Concerns/Threat Perceptions

Bahrain's main JCPOA-related concern is the fear that the Agreement could jeopardize the stability of its minority regime. Manama has consistently accused Tehran of supporting Shia militants trying to overthrow the Sunni dynasty. Despite the kingdom's public claims to have thwarted direct Iranian attempts to exert influence in 1981 and 1996, annual

U.S. State Department reports on international terrorism have rebuffed this assertion, describing Iranian assistance to Shia insurgent groups during the last uprising as minimal.³⁵ This corroborates the assumption that Manama is scapegoating Iran in order to detract from its own economic and political insecurities. Nevertheless, in combination with the suspected change in U.S. foreign policy, reinventing Tehran as an important pillar for regional stability, the fear of an antagonistic regional power pursuing a sectarian Shia agenda becomes real and persistent.

Economic Dimensions of Bahrain's Threat/Security Perception

The fear of societal instability through its Shia majority is closely interrelated with the economic situation in the country. Still struggling with the aftermath of the global financial crisis of 2008–2009 and the sharp decline in oil prices since summer 2014, domestic unrest is further fueling economic strains. Since oil exports provide 70 percent of Manama's annual budget and the kingdom relies heavily on high prices per barrel of oil (fiscal break-even around \$115), the fall of global oil prices has caused Bahrain to cut subsidies for food and petrol (i.e., the cost of meat more than doubled in October of 2015).³⁶ Hence, the expected decrease in oil prices caused by the Iranian return to the market would further strain Bahrain's shaky economy and could provoke new mass protests. This, in turn, would discourage potential foreign investment urgently needed to diversify the domestic economic sector. In December 2015 international credit agency Fitch revised Manama's rating from stable to negative.

A High Degree of Bilateral Tension...

Consequently, the degree of tension in the relations between Bahrain and Iran is high. Manama had temporarily withdrawn its diplomatic staff due to disputes over the treatment of Bahrain's Shia population or suspected support of Tehran to overthrow the regime on several occasions in the past. However, the conflict escalated shortly after the signing of the JCPOA in July 2015, when Manama recalled its ambassador from Tehran for consultations following hostile remarks. Bahraini authorities also referred to a foiled arms smuggling plot by citizens with ties to the Islamic Republic. Before completely breaking diplomatic relations over the Saudi-Iranian dispute in January 2016, Manama had already downgraded its relations with Tehran



in October 2015 due to “continuing interference” in domestic affairs.³⁷ Siding closely with its allied neighbor, Bahrain closed Iranian-owned Future Bank in February 2016, although the United States had delisted it one month earlier in conjunction with the Nuclear Accord. Furthermore, Bahrain imposed shipping restrictions which prohibited Iranian vessels from entering its waters and discussed the possibility of a comprehensive trade embargo.³⁸

...Yet in View of Real Prospects for Cooperation

However, the fact that both countries maintained trade relations during phases of political confrontation in the past, even undercutting UN Security Council sanctions against Iran, indicates that economic interest could bring Bahrain around to resuming cooperation. The commencement of a preliminary agreement for Manama to purchase 1.2 billion cubic feet of Iranian gas per day for 25 years signed in 2007 could serve as such a confidence-building measure. Finally, the Gulf kingdom still favors a collective approach to regional security and disarmament and thus reaffirmed the importance of a comprehensive WMD/DVs Free Zone at the 70th session of the UN General Assembly in 2015.

Kuwait – Between Hope and Anxiety

While Saudi Arabia as well as Bahrain largely refrained from a reaction to the Nuclear Accord, Kuwait expressed mild optimism. King Sabah al-Ahmed al-Jabbar al-Sabah sent telegrams of congratulations to Iran and the E3+3 states, in the hope the Agreement would “strengthen the security and stability of the area.”³⁹ The small kingdom traditionally regards the Islamic Republic as the regional heavyweight “shouldering great responsibilities in the region.”⁴⁰ The changing relations between the two countries are mainly driven by the following factors: their mutual interest in a stable and peaceful Iraq, historical commercial ties, and antagonistic sentiments towards Kuwait’s Shia residents, who account for about 25 percent of the total population.

Political and Economic Dimensions of Kuwait’s Security Concerns/Threat Perceptions

Sharing the concerns of its fellow Arab Gulf states, Kuwait fears an emboldened neighbor

seeking regional supremacy. This goes back to a series of Tehran-backed incidents aimed at destabilizing the countries’ political and social integrity: attacks on Kuwait Airport, essential economic facilities, and two foreign embassies in 1983; a foiled assassination attempt on the Kuwaiti emir two years later; the hijackings of passenger airliners in 1984 and 1988; as well as the exposure of an Iranian espionage cell planning to target military facilities.⁴¹ However – unlike Bahrain – Kuwait’s Shia population is extensively integrated within politics and society. Thus, the prospect of a large-scale public uprising threatening the stability of the regime is rather unlikely.

The Nuclear Agreement also poses ecological as well as economic risks for the Gulf kingdom. The authorization of the Iranian civil nuclear program in general and the usage of the Bushehr nuclear reactor located on the Gulf in particular have raised environmental concerns for Kuwait. Previous earthquakes have resulted in damage to the facility, amplifying the risk of nuclear contamination of the Gulf, from which desalination plants produce 90 percent of Kuwait’s water supply.⁴² Economic concerns are emerging about Iran’s return to the global market and the consequences this has on oil prices. The export of oil and other hydrocarbon products represent about 90 percent of the country’s revenues and about 60 percent of its GDP, based on a fiscal break-even price of \$75 per barrel. Thus, continuing low oil prices will severely hamper its economy.⁴³

A Medium Level of Confrontation

While Kuwait and Iran exchanged leadership-level visits in 2014 and expressed hope of a new page in cooperation between the two neighboring states, mounting sectarian strife strained bilateral relations in 2015 and 2016. In August 2015, Kuwait announced the arrest of several of its citizens for allegedly collaborating with the Iranian Revolutionary Guard’s Quds Force and the Iranian intelligence service. Rising tensions between Saudi Arabia and Iran in January 2016 resulted in Kuwait City downgrading its diplomatic relations with Tehran. However, it did not break off relations completely, indicating that the kingdom – while siding with its major ally Riyadh – still supports the prospect of bilateral communication and a broader regional approach to security in the Gulf. This was reinforced by Kuwait’s ambassador to the UN in April 2016, when he stressed the importance of intensifying and accelerating

» While Kuwait and Iran exchanged leadership-level visits in 2014 and expressed hope of a new page in cooperation between the two neighboring states, mounting sectarian strife strained bilateral relations in 2015 and 2016.«

» Although Qatar's foreign policy with regard to regional conflicts is opposed to Iran's interests, the Gulf kingdom maintained consistent high-level communication with Tehran.«

» While Abu Dhabi favors a further integration of the GCC and a joint military command, Dubai strongly opposes any form of bloc formation.«

collective action in order to create a WMD/DVs Free Zone in the Middle East.⁴⁴

Stabilizing Iraq as a Primary Cooperative Goal

Although Kuwait perceives several threats with regard to the Iranian Nuclear Agreement, it also highlights the possibilities for increased bilateral cooperation. Most importantly, the kingdom appears to endorse Iran's efforts to stabilize Iraq. Although Baghdad is widely criticized for marginalizing its Sunni population, Kuwait closely cooperates with the Shia-dominated government and donated about \$200 million to support its military campaign against ISIS.⁴⁵ In addition to their mutual interest in a stabilized neighbor, Iran could meet Kuwait's growing need for natural gas via Iraq. Overall, Kuwait's Central Statistical Bureau announced the prospect of significantly increasing bilateral trade volume, estimated at \$306.7 million in 2014.⁴⁶

Qatar – The Return as a Regional Balancer?

Qatar's role in the regional theater used to be best described as a countervailing force which worked in different directions. For decades, Doha tried to establish itself as an independent and respected intermediary, which maintained positive diplomatic relations with all regional states (see POLICY BRIEF No. 45). Not only did the small Gulf state avoid taking sides in the First Gulf War (1980–1988), but it also lent a hand during times of mounting tension between Riyadh and Tehran, when the Emir of Qatar, Sheikh Hamad bin Khalifa al-Thani, invited the latter's President Mahmoud Ahmadinejad to the GCC summit in Doha in 2007. However, Qatar's important role took a sharp downturn when the kingdom decided to position itself as an active and visible proponent in the so-called Arab Spring, evoking harsh criticism from other GCC member states. Since then, Doha appears to have tentatively closed ranks with its Arab neighbors. Thus, the emirate cautiously welcomed the finalization of the JCPOA as “the best option among other options,” although it called upon Iran to avoid further regional destabilization.⁴⁷

Political and Economic Dimension of Qatar's Security Concerns/Threat Perceptions

Throughout the negotiation stages on the Iranian nuclear issue, Doha seldom expressed

deep fear of Tehran's policies. It even voted against UN Security Council Resolution 1696, which called on the Islamic Republic to terminate its uranium enrichment program. Furthermore, despite its own Shia minority and its engagement in Syria and Yemen, Qatar maintained an inclusive perspective, viewing Tehran as an important part of the solution to regional security dilemmas.⁴⁸ Nonetheless, Doha remains cautious about Iran's regional intentions, especially with regard to the mutually shared natural gas field. The same applies to the economic sector, where Qatar could lose a share of the natural gas market due to Iran's immense deposits. However, Doha has effectively managed to diversify its economy, making the country better positioned than its fellow Arab states to deal with Iran returning to the global market.

Bilateral Relations and a Medium Level of Confrontation...

Although Qatar's foreign policy with regard to regional conflicts is opposed to Iran's interests, the Gulf kingdom maintained consistent high-level communication with Tehran. Iran's Foreign Minister Mohammad Javad Zarif visited Doha in November 2013 and July 2015, while his Qatari counterpart returned the first gesture of good will in February 2014 – accompanied by the assurance that Doha does not consider Tehran its foe and was rather saddened “by the current tendency to create a virtual enemy.”⁴⁹ However, the escalation between Saudi Arabia and Iran in January 2016 pressured Qatar to temporarily downgrade its diplomatic relations with the Islamic Republic. While signaling solidarity with its Arab neighbor, it also pursued the traditional role of treading carefully in the Saudi-Iranian rivalry.

...With Natural Gas as a Concrete Area of Cooperation

This strategic calculation is based on Doha's strong economic ties with Tehran. Both Gulf countries share the world's largest natural gas field, North Dome/South Pars, and are equal partners in the Qatar-based Gas Exporting Countries Forum. Since the Gulf kingdom's economic prosperity largely depends on natural gas exports, it has a vested interest in avoiding any conflict in the Gulf involving Iran. Not only did the JCPOA effectively decrease the possibility of a joint U.S.-Israeli military intervention, but it also opened the door for a deepened economic partnership between Doha and Tehran. Given the



synergies in natural gas production, Qatar’s expertise could help to develop the neighbor’s production capabilities, thus resulting in considerable potential for Qatari foreign direct investments. In addition to bright economic prospects, Doha has already experienced the benefits of political cooperation when Tehran supported efforts to free 26 Qatari citizens abducted in southern Iraq in late 2015.

Overall, the emirate is likely to continue pursuing a middle path between the two major Gulf powers Iran and Saudi Arabia, and could serve as an intermediary to alleviate the mounting tensions. Due to its economic interests, the avoidance of any military conflict in the Gulf area is paramount. In a statement during the 70th session of the UN General Assembly in 2015, Qatar reaffirmed the necessity of protecting the Gulf region from “any nuclear weapons’ dangers or threats,” and further expressed its readiness to host a dialogue to resolve the existing “political regional Arab-Iranian differences.”⁵⁰

The United Arab Emirates – Steering a Cautious Course in View of Strong Differences between Abu Dhabi and Dubai

Joining Kuwait, the UAE offered mild compliments on the finalization of the JCPOA in July 2015. The capital Abu Dhabi expressed “hope that the agreement will contribute to regional security and stability.”⁵¹ This position reflects the ambiguous relationship between the Emirates and Iran. Although the UAE share the Saudi position that Tehran poses a severe threat to security in the Gulf, on one hand, the Emirates also maintain extensive commercial ties to the Islamic Republic, on the other. Thus, Abu Dhabi’s threat perception vis-à-vis Iran is multifaceted.

Political Dimensions of the UAE’s Security Concerns/Threat Perceptions

In addition to the two countries’ antagonistic positions in regional conflicts such as Syria and Yemen, relations between Abu Dhabi and Tehran are still strained by their own long-standing territorial dispute over three Gulf islands: Abu Musa and the Greater and Lesser Tunb. Although both countries agreed to share control of the islands in 1971, the Islamic Republic asserted complete control in 1992. The period since has seen several attempts to resolve the issue through direct negotiations resulting in preliminary

understandings. However, a comprehensive and binding accord still needs to be reached. In the aftermath of the Interim Nuclear Agreement implementation in January 2014, the two countries’ foreign ministers exchanged visits and declared the opening of bilateral negotiations on the status of the islands. Tehran also began to downscale its personnel on Abu Musa, which may indicate Iran’s willingness to reach a compromise.⁵²

While the JCPOA could help to improve prospects for resolving the territorial dispute, Abu Dhabi is highly concerned over Tehran’s destabilizing policies in the region. The Emirates share the concern of other Gulf countries that the expected influx of financial assets might enable Iran to increase its support of militant proxies in regional conflicts. After already suffering heavy losses in Yemen in 2015, the UAE fear that sanctions relief will eventually turn the tide in the Islamic Republic’s favor. However, the two major emirates are split over their threat perception and the future strategy towards Iran: While Abu Dhabi favors a further integration of the GCC and a joint military command, Dubai strongly opposes any form of bloc formation. This is largely due to its significant trade relations with Tehran and the high proportion of Iranians among its own population.

A Medium Level of Confrontation amidst Positive Economic Prospects

Its traditional suspicion towards Riyadh’s authority in the GCC mitigated the UAE’s reaction to the escalation of tensions between Iran and Saudi Arabia in January of 2016. While siding with the Gulf kingdom in criticizing the Islamic Republic’s destabilizing policies as well as recalling its ambassador from Tehran, Abu Dhabi refrained from severing diplomatic or commercial ties.

This is largely due to the high economic expectations fueled by the prospect of Iran returning to the global market. During the sanctions against Tehran bilateral trade dropped from \$23 billion to \$4 billion per year, harming the Emirates’ trading community to a great degree.⁵³ If all sanctions are lifted, both countries will be unfettered in expanding their mutually beneficial commercial ties. Experts estimate that sanctions relief would lead to a 20 percent growth in trade in the first year alone.⁵⁴ This economic recovery is much needed, because the UAE suffered high budget deficits following the plunging of oil prices in the middle of 2014. In January 2015,

Abu Dhabi had to raise prices for electricity and water, followed by reduced fuel subsidies in August.⁵⁵

Therefore, despite the UAE’s condemnation of Iran’s regional ambitions the Emirates, especially Dubai, are not ready to prioritize the political ramifications of the JCPOA over its possible economic gains. Enhanced and fruitful trade relations in combination with full implementation of the Nuclear Accord could therefore open the door for political cooperation. The UAE have continuously supported Iran’s right to develop a civil nuclear program and expressed the hope that the Agreement would provide Tehran with an incentive to enhance confidence. At the UN First Committee in October 2015, Abu Dhabi called for a new international approach to establish a WMD/DVs Free Zone in the entire region.⁵⁶

Oman – Iran’s Arab Friend?

The traditional foreign policy approach of Oman under Sultan Qaboos bin Said al-Said is to maintain alliances with all its neighboring states and to tread warily between the two regional powers, Iran and Saudi Arabia. Despite its membership in the GCC and close relations with Riyadh, Muscat stands by its friendship with Tehran. These close ties are largely based on geographical proximity, mutual economic and security interests, as well as historical bonds (Iran helped to crush a Marxist revolt during the Dhofar Rebellion 1962–1976). In order to alleviate tensions surrounding the Iranian nuclear program, Oman served as intermediary and successfully facilitated the first secret meeting between the United States and the Islamic Republic in summer 2012. Risking its position within the GCC, the sultanate hosted several clandestine and official meetings between the negotiating parties, significantly contributing to the finalization of the JCPOA four years later. Not surprisingly, Muscat was the first country to officially welcome the Agreement between the E3+3 states and Iran, calling it a “historical win-win situation” and a first step towards resolving regional conflicts in Syria, Iraq, and Yemen.⁵⁷

Oman’s Role as a Regional Intermediary

As a result of the long-standing political and security cooperation, the agreement did not adversely affect Oman’s security perception. On the contrary, it may have helped to establish Muscat as a widely accepted and

respected intermediary in the region. Besides effectively paving the way for the JCPOA as well as its relative neutrality in the Syrian and Yemeni quagmire, Oman also brought its connections to bear in order to free several Western abductees from Yemen in early 2016.

The increased sovereignty of the sultanate in the regional theater is further straining the relationship with Riyadh. Although Muscat hosted Saudi Foreign Minister Adel al-Jubeir in November 2015 in order to present its mediation strategy for Syria and Yemen, Oman refused to join the kingdom's 34 Muslim nation counterterrorism coalition established one month later.⁵⁸ Furthermore, Muscat intensified its already existing security cooperation with Tehran. In 2009, the two countries had agreed to jointly fight smuggling across the Gulf of Oman, followed by a security pact in 2010. Since then, Oman and Iran have held several search and rescue naval exercises.⁵⁹

Economic Benefits of the Nuclear Agreement

In addition to its political ramifications, the JCPOA produces tangible economic benefits for the depressed Omani market. Although Muscat effectively engaged in diversifying its economy, government revenues still depend on the exploitation of its relatively small crude oil reserves. The downturn in energy prices produced significant budget deficits and forced the sultanate to substantially cut state subsidies. Following the lifting of Iranian sanctions, bilateral projects such as the \$1 billion construction of an underwater natural-gas pipeline connecting the two nations (an accord signed in 2014) as well as the joint development of shared oil and gas fields in the Gulf can be accelerated and deepened. This will increase Oman's independence from unpredictable oil prices.

An end to Iranian economic isolation further implies new opportunities for Muscat to establish itself as an important trade corridor connecting the Arab Peninsula with Central Asia. After the Interim Nuclear Agreement in November 2013, the Omani foreign minister met with his counterparts from Iran, Turkmenistan, Uzbekistan and later India and Kazakhstan to sign a memorandum of understanding to establish a multilateral trade nexus. Within the framework of the so-called "Establishment of the International Transport and Transit Corridor" this group of countries reviewed possibilities for opening

the Omani ports of Sohar, Salalah, and Duqm to the Central Asian countries.⁶⁰ The planned \$60 billion investment to build an immense trading hub at Duqm would further benefit the fellow GCC states. Bypassing the Gulf waters, the Arab Gulf kingdoms could directly access the Indian Ocean by rail. Officials in Tehran have already expressed the prospect of establishing Duqm as its main gateway for economic cooperation with the Gulf states.⁶¹ In March 2016, the Islamic Republic announced the establishment of a \$200 million joint venture in the port city.⁶²

A Low Level of Confrontation...

Given the benefits of Iranian-Omani cooperation described above, Muscat refrained from severing and downgrading diplomatic relations following the rift between Riyadh and Tehran in January 2016. After condemning the violence against Saudi diplomatic facilities and calling the actions "unacceptable," the Omani foreign minister traveled to the Islamic Republic to alleviate tensions.⁶³ Another indicator of amicable relations between the two states was the Iranian declaration following the JCPOA Implementation Day on January 16, 2016, to "repay" Muscat for its substantial efforts to facilitate the deal and sanctions relief.⁶⁴

...and Prospects for Increased Regional Partnership

Overall, the Nuclear Accord has led to Oman emerging as the most important mediator, which is maintaining high-level relations with all regional states. Its position and ties enable the sultanate to serve as a respected intermediary and potential peace facilitator not only in the Saudi-Iranian rivalry but also in the Syrian and Yemeni conflicts. Oman's mature and constructive role in the regional theater definitely has to be taken into account when exploring the possibilities for reintroducing the idea of a WMD/DVs Free Zone in the Gulf. During the 70th session of the UN General Assembly in 2015, Muscat had already called upon the sponsors of the NPT to "fully implement the Resolution of the 1995 NPT Review Conference" in order to rid the region of all weapons of mass destruction and their delivery vehicles.⁶⁵

Conclusions and Recommendations

In this POLICY BRIEF, we have explored the degree to which the JCPOA has influenced the security concerns/threat perceptions as

well as the prospects of the GCC states vis-à-vis Iran. The country-by-country analysis aimed at detecting priorities within the respective actor's foreign policies.

By shedding light on these potential stumbling blocks as well as identifying tangible possibilities for cooperation, we examined important elements along the incremental path towards the envisaged WMD/DVs Free Zone. We suggest that these insights are of utmost importance in adequately conceptualizing a future arms control/disarmament process.

Overall, the JCPOA between Iran and the E3+3 states did not effectively mitigate the security concerns of most of the Arab Gulf states. This is largely due to the time and substance limitations of the Agreement. Indeed, all Gulf states agree that the JCPOA effectively eliminates Tehran's capability of producing fissile materials for nuclear weapons for at least ten to fifteen years. Yet Riyadh, in particular, fears that an emboldened Islamic Republic will return to its enrichment program as soon as the restrictions expire in 2025 or 2030. Despite its unparalleled intrusive restrictions, the Accord focuses solely on Iran's nuclear program. It includes neither delivery vehicles (particularly missiles) nor regional security issues. However, since Tehran's alleged destabilizing policies present the core element of the GCC's threat perceptions, most of the Gulf states examined in this chapter have so far not been satisfied. On the contrary, Saudi Arabia and other Gulf states believe that the Agreement will significantly increase Iran's political, military, and economic power in the region. Such concerns include the lifting of sanctions and Tehran's return to the global market, financial assets to increase its support of Shia proxies in the region, and a rapprochement with Washington at the expense of the Arab Gulf states.

While some of the abovementioned aspects cause real concern for the stability of the region, others point to legitimate Iranian interests. It will be important for some of the Gulf states more than others to adjust to these new realities, in order to reduce if not overcome zero-sum thinking as a major step towards the relaxation of the rivalry. But this of course is not a one-way street: "The zero-sum proxy war between Riyadh and Tehran needs to be transformed into a healthy win-win economic competition."⁶⁶

In any case the role of the United States will remain vital as an honest and credible countervailing force between the mistrustful



Gulf allies and an assertive Iran eager to return as a recognized regional player with the vision of all-inclusive cooperative security arrangements. In this context the authoritative statements by President Obama and Secretary of State Kerry (see Box No. 1) with their arguments and reassurances could be used by the GCC members as a point of reference for their claims for security.

For the time being, Riyadh has decided to pursue an overtly hostile policy towards Iran and has intensified its efforts to establish a Sunni crescent against the Islamic Republic. However, not all of the fellow Gulf monarchies support this bloc formation within the GCC. Oman in particular, but to a certain degree also Qatar, Kuwait, and the UAE, have carefully opted for an intermediary position within the rivalry between Iran and Saudi Arabia. Despite its shortcomings, the JCPOA and its implications offer a wide range of economic and political incentives, which could significantly benefit the smaller Gulf states. It was no lesser a personality than U.S. President Obama who reminded the critics in his speech on August 5, 2015, that the Accord had prevented a disastrous war – an issue that is even overlooked by those Gulf countries which did not favor strikes against Iran’s nuclear facilities.

Despite these developments, it remains to be seen how the Agreement and its implementation will unfold. It will be crucially important that Tehran and the other signatories abide by the provisions of the JCPOA. In mid-July of 2016, precisely one year after the Accord was reached, the prospects looked rather positive. However, as relevant as the satisfactory implementation of the Agreement is – it will not be sufficient. Our analysis has clearly indicated that the nuclear dimension which the Accord addresses, is only a part of the larger foreign policy picture. Therefore, it will be vital that Iran takes steps to alleviate the legitimate security concerns of its Gulf neighbors, and that all players find mechanisms and forums for discussing mutually satisfactory solutions for the conflicts in Syria and Yemen. An international commission might be the appropriate tool for discussing and assessing the allegations and counter-allegations when it comes to mutual political interference. The skeptical Gulf states may also consider influencing discussions within the Islamic Republic with the goal of supporting and strengthening the moderate forces – and not the extreme critics of the JCPOA. While the ecological dimension of a broader notion of

security suggests discussing a nuclear-safe zone, the manifold prospects of increased economic cooperation between the GCC states and Iran have to come to fruition, too.

It is in this broad context that the Nuclear Agreement could indeed serve as a stepping stone or “game changer” for the reintroduction of the idea of a WMD/DVs Free Zone. Our POLICY BRIEF has shown that all GCC states have emphasized the importance of zonal disarmament for the entire region. But how serious are these statements – are they more than just statements repeated annually in the UN context, because we are not aware of any additional public actions in support of the zonal concept? With all caution, the possibility cannot be excluded that the comprehensive zonal disarmament concept, in contrast with the foreign policy relevance it has for Egypt, has low priority for all GCC states. This question needs to be further addressed. Instead, our country-by-country analysis has identified a wide range of diverging foreign policy interests which currently rank higher on the ladder of priorities. However, what does this mean for the next phase of the NPT-related processes leading via the three formalized Preparatory Committees to the next Review Conference in 2020, which also marks the 50th anniversary of the Nuclear Non-Proliferation Treaty? If it is assumed that the zonal issue is low on the agenda of all Gulf states, it can be argued that this very fact could enable them to call on Cairo to pursue a more flexible – and perhaps more efficient – policy towards Israel as the sole nuclear weapon state in the region. It can only be hoped that within the ongoing discussions among the League of Arab States on how to proceed after the failed NPT RevCon in New York the members that are willing to compromise may get the upper hand.

In the meantime, another approach could gain more attention: the reintroduction of a sub-regional zone free of weapons of mass destruction, particularly nuclear weapons, in the Gulf, as an approach to “provide the groundwork and the cornerstone for the expansion of such an arrangement to encompass the entire Middle East.”⁶⁷ The novel and urgent idea of the Gulf Research Council was a means of preventing Iran from pursuing its perceived efforts to go nuclear, while recognizing that it would take too long to embark on the traditional route of making the disarmament of Israel the

»» Despite its shortcomings, the JCPOA and its implications offer a wide range of economic and political incentives, which could significantly benefit the smaller Gulf states.««

condition of a WMD Free Zone in the Gulf region. In addition to the six GCC members, three more countries – Yemen, Iraq, and of course Iran – were considered to be already at the initial stage to be part of the incrementally designed long-term concept. This idea has already been implemented by the eight Gulf states (the six GCC members plus Iran and Iraq) to the extent that all of them are parties to the NPT, as well as to both the Biological and Toxin Weapons Convention

and the Chemical Weapons Convention). The sub regional concept draws further legitimacy from the officially announced initiative by the GCC in 2005 to declare the Gulf region a Zone Free of Weapons of Mass Destruction.⁶⁸

Then GCC Secretary-General Abdul Rahman Al-Attiyah had issued a personal invitation to Iran to join such a sub regional zone, although all GCC states shared the demand

Endnotes

1. Also referred to as (Nuclear) Accord or (Nuclear) Agreement.
2. Also referred to as P5+1, i.e., the five permanent member states of the UN Security Council plus Germany.
3. Council of the European Union (2015) 'Statement by President Donald Tusk on the agreement on Iran's nuclear programme', July 14. Online, available at <http://www.consilium.europa.eu/en/press/press-releases/2015/07/14-tusk-statement-agreement-iran/> (May 1, 2016).
4. The White House, Office of the Press Secretary (2015) 'Remarks by the President on the Iran Nuclear Deal', August 5. Online, available at <https://www.whitehouse.gov/the-press-office/2015/08/05/remarks-president-iran-nuclear-deal> (May 31, 2016).
5. Nick Gass (2016) 'Kerry: Iran nuclear deal has "made the world safer"', POLITICO online, July 14. Online, available at <http://www.politico.com/story/2016/07/john-kerry-iran-nuclear-deal-225520> (August 17, 2016).
6. Bernd W. Kubbig/Christian Weidlich (2015) 'A WMD/DVs Free Zone For The Middle East: Taking Stock, Moving Forward Towards Regional Security', Frankfurt/Main: Peace Research Institute Frankfurt, p. 28.
7. Saudi-U.S. Relations Information Service (2015) 'For the Record: Final Communiqué of GCC Summit', December 12. Online, available at <http://susris.com/2015/12/14/for-the-record-final-communiqué-of-gcc-summit/> (May 31, 2016).
8. Andrew Nachevson (2015) 'Israel, Saudi Arabia Condemn Iran Nuclear Deal; Other World Leaders Relieved', The New York Times, July 14.
9. Anoushiravan Ehteshami (2013) Dynamics of Change in the Persian Gulf. Political Economy, War and Revolution, Hoboken: Routledge, p. 21.
10. Ali Hashem (2016) 'Will Iran, Saudi Arabia patch things up?', Al Monitor, January 19.
11. See POLICY BRIEFS Nos. 42, 43, and 45. Since POLICY BRIEF No. 44 on Saudi Arabia was not published, the country-profile of the kingdom has been particularly extensive in this issue.
12. 'U.S. Navy says it seized weapons from Iran likely bound for Houthis in Yemen', REUTERS online, April 4, 2016. Online, available at <http://www.reuters.com/article/us-iran-usa-yemen-arms-idUSKCN0X12DB> (June 6, 2016).
13. 'Saudi says ready to take part in any U.S.-led ground operations in Syria', REUTERS online, February 4, 2016. Online, available at <http://www.reuters.com/article/us-mideast-crisis-syria-saudi-idUSKCN0VD2J9> (June 8, 2016).
14. Christopher Blanchard (2016) 'Saudi Arabia: Background and U.S. Relations', Washington, D.C.: Congressional Research Service, Report, February 5, p. 25.
15. Bruce Riedel (2013) 'Saudi Arabia moving ahead with Gulf union', Al Monitor, December 22.
16. Habib Toumi (2016) 'Northern Thunder military exercises begin in Saudi Arabia', Gulf News, February 17. Online, available at <http://gulfnnews.com/news/gulf/saudi-arabia/northern-thunder-military-exercises-begin-in-saudi-arabia-1.1673122> (June 8, 2016).
17. Bruce Riedel (2016) 'Are latest war games just a face-saver for Riyadh?', Al Monitor, February 2.
18. Blanchard (2016), pp. 17-18.
19. Fahad Nazer (2016) 'Will US-Saudi ,special relationship' last?', Al Monitor, April 8.
20. Restrictions concerning the enrichment process are halted for 15 years, research as well as development are prohibited for eight years.
21. Oliver Meier/Azadeh Zamirirad (2015) 'Die Atomvereinbarung mit Iran: Folgen für die regionale Sicherheit und Nichtverbreitung', Berlin: Stiftung Wissenschaft und Politik, SWP-Aktuell, No. 70, pp. 6-7.
22. Sebastian Pfülb/Gidon Windecker (2015) 'Das Nuklearabkommen mit Iran: Hoffnungsschimmer oder Fata Morgana?', Country Report of the Konrad-Adenauer-Foundation, p. 6.
23. Stockholm International Peace Research Institute (2016) 'SIPRI Milex Data 1988-2015'. Online, available at <https://www.sipri.org/sites/default/files/SIPRI-Milex-data-1988-2015.xlsx> (June 7, 2016).
24. Yoel Guzansky (2015) 'Saudi Arabia and the Nuclear Agreement with Iran', INSS Insight No. 723, July 22, pp. 2-3; Blanchard (2016), pp. 19-20.
25. Wyn Bowen/Matthew Moran (2015) 'Living with nuclear hedging: the implications of Iran's nuclear strategy', International Affairs, 91(4): 687-707, here p. 700.
26. Robert Einhorn/Richard Nephew (2016) 'The Iran Nuclear Deal: Prelude to Proliferation in the Middle East?', Washington, D.C.: The Brookings Institution, Arms Control and Non-Proliferation Series No. 11, pp. 37, 47.
27. Central Intelligence Agency (2016) 'The World Factbook'. Online, available at https://www.cia.gov/library/publications/the-world-factbook/wfbExt/region_mde.html (June 8, 2016).
28. Nazir Hussain/Sannia Abdullah (2015) 'Iran Nuclear Deal: Implications for Regional Security', Journal of Political Studies, 22(2): 575-593, here p. 585.
29. Blanchard (2016), pp. 17-18.
30. Amena Bakr (2015) 'Saudi Arabia welcomes Iran nuclear deal, seeks region free of WMD: statement', Yahoo News, April 6. Online, available at <https://www.yahoo.com/news/saudi-arabia-welcomes-iran-nuclear-deal-seeks-region-124825822.html> (June 9, 2016).
31. The Washington Institute (2016) 'A Conversation on Security and Peace in the Middle East', Washington, D.C., Conference Reports, May 5, p. 11.
32. Arash Arami (2016) 'Are the Taliban and Iran teaming up to stop IS?', Al Monitor, June 6.
33. Kenneth Katzman (2016a) 'Bahrain: Reform, Security, and U.S. Policy', Washington, D.C.: Congressional Research Service, Report, March 18, p. 27.
34. Con Coughlin (2013) "'Schizophrenic" US foreign policy pushing Arab states toward Russia, Bahrain warns', The Daily Telegraph, December 8.



that Tehran should previously clarify the ambivalence associated with its nuclear activities. To be more specific, their statements demanded that the Iranian nuclear program “must be subjected to the criteria and conditions set by the [UN] Security Council and the IAEA [International Atomic Energy Agency]”.⁶⁹ Because the JCPOA and its myriad of restrictions imposed on Tehran exceeds these earlier demands by far, the question poses itself

as to whether the Accord could unfold its transformative potential to open the door for a renewed conference process. It would also be worth exploring whether all conditions put forward in the earlier debate on the Iranian side – including the withdrawal of U.S. troops from the region – would still apply today. Why not come together by using the JCPOA as the focal point for discussing and comparing those earlier demands with today’s Accord-related realities?

35. Kenneth Katzman (2016b) ‘Iran’s Foreign Policy’, Washington, D.C.: Congressional Research Service, Report, January 29, p. 11.
36. Katzman (2016a), p. 32; Brian Dooley (2013) ‘Iran Nuclear Deal Widens United States-Bahrain Rift’, The Huffington Post, December 20.
37. ‘Bahrain recalls ambassador from Iran over “meddling”’, Al Jazeera, October 2, 2015. Online, available at <http://www.aljazeera.com/news/2015/10/bahrain-recalls-ambassador-iran-meddling-151002032510372.html> (June 12, 2016).
38. ‘Saudi Arabia, Bahrain ban Iranian ships from ports – reports’, REUTERS online, February 9, 2016. Online, available at <http://www.reuters.com/article/iran-shipping-saudi-idUSL8N15N37K> (June 12, 2016); Mohammed Al A’Ali (2016) ‘Bahrain lawmakers push for Iran trade embargo’, Al Bawaba Business, January 7. Online, available at <http://www.albawaba.com/business/bahrain-lawmakers-push-iran-trade-embargo-790132> (June 12, 2016).
39. Nabih Bulos (2015) ‘Iran Deal: Arab world’s cautious reaction reflects deep fault lines’, Los Angeles Times, July 14.
40. ‘Kuwait says relations with Iran are “excellent”’, The National, February 12, 2014. Online, available at <http://www.thenational.ae/world/kuwait/kuwait-says-relations-with-iran-are-excellent> (June 14, 2016).
41. Hamad Althunayyan (2015) ‘Not the Iran Deal, it is Iran’s Policies’, The Arab Gulf States Institute in Washington, August 6. Online, available at <http://www.agsiaw.org/not-the-iran-deal-it-is-irans-policies/> (June 14, 2016).
42. Ibid.
43. Kenneth Katzman (2016c) ‘Kuwait: Governance, Security, and U.S. Policy’, Washington, D.C.: Congressional Research Service, Report, February 19, p. 22.
44. ‘Kuwait Calls to Free the Middle East of Nuclear Weapons’, Qatar News Agency, April 13, 2016. Online, available at <http://www.qna.org.qa/en-us/News/16041311100033/Kuwait-Calls-to-Free-the-Middle-East-of-Nuclear-Weapons> (June 14, 2016).
45. Katzman (2016b), pp. 11-12; Hamad Althunayyan (2015) ‘Not the Iran Deal, it is Iran’s Policies’, The Arab Gulf States Institute in Washington, August 6. Online, available at <http://www.agsiaw.org/not-the-iran-deal-it-is-irans-policies/> (June 14, 2016).
46. Hamad Althunayyan (2015) ‘Not the Iran Deal, it is Iran’s Policies’, The Arab Gulf States Institute in Washington, August 6. Online, available at <http://www.agsiaw.org/not-the-iran-deal-it-is-irans-policies/> (June 14, 2016).
47. Einhorn/Nephew (2016), p. 19.
48. Giorgio Cafiero (2016a) ‘Qatar’s precarious position between Saudi Arabia, Iran’, Al Monitor, February 4.
49. Jane Kinninmont (2015) ‘Iran and the GCC: Unnecessary Insecurity’, London: Chatham House, Research Paper, July, p. 15.
50. General Assembly of the United Nations (2015a) ‘Speech of His Highness Sheikh Tamim Bin Hamad Al-Thani, Emir of the State of Qatar at the 70th Session of the United Nations General Assembly’, September 28. Online, available at http://gadebate.un.org/sites/default/files/gastatements/70/70_QA_en.pdf (June 17, 2016).
51. Bulos (2015).
52. Kenneth Katzman (2016d) ‘The United Arab Emirates (UAE): Issues for U.S. Policies’, Washington, D.C.: Congressional Research Service, Report, August 16, pp. 11-12.
53. Ibid.
54. Pfülb/Windecker (2015), p. 2.
55. Justin Vela (2015) ‘Year in review 2015: Plunging oil prices’, The National, December 26.
56. General Assembly of the United Nations (2015b) ‘Speakers in First Committee Call for Legal Framework to Address Nuclear Weapons Possession, Proliferation, Even If It Means Negotiating outside the United Nations’, GA/DIS/3524, October 14.
57. Pfülb/Windecker (2015), p. 1.
58. Kenneth Katzmman (2016e) ‘Oman: Reform, Security, and U.S. Policy’, Washington, D.C.: Congressional Research Service, Report, February 5, p. 12.
59. Ibid. pp. 10-11.
60. Giorgio Cafiero (2016b) ‘Oman and Iran: Friends with many benefits’, Al Monitor, April 29.
61. Katzmman (2016e), p. 18.
62. Cafiero (2016b).
63. Giorgio Cafiero (2016c) ‘Oman, stuck between Saudi Arabia and Iran’, Al Monitor, January 10.
64. Katzmman (2016e), pp. 10-11.
65. General Assembly of the United Nations (2015c) ‘Statement of the Sultanate of Oman’, November 3. Online, available at http://gadebate.un.org/sites/default/files/gastatements/70/70_OM_en.pdf (June 22, 2016).
66. Gawdat Bahgat (2016) ‘Lower for Longer: Saudi Arabia Adjusts to the New Oil Era’, Middle East Policy, 23(3): 39-48, here p. 47.
67. Mustafa Alani (2008) ‘The Gulf NW and WMD Free Zone: A Track II Initiative’, International Relations, 22(3): 358-362, here p. 359.
68. Nicole Stracke (2007) ‘Nuclear Development in the Gulf: A Strategic or Economic Necessity?’, Dubai: Gulf Research Center, Security & Terrorism No. 7: 4-10, here p. 10.
69. Abdullah Murad (2006) ‘Declaring the Gulf a WMD-Free Zone: Perspective from Kuwait’, Dubai: Gulf Research Center, Security & Terrorism No. 3: 19-20, here p. 19.
70. Kayhan Barzegar (2015) ‘How Iran deal could bring multilateralism to Middle East’, Al Monitor, August 11.
71. Christian-P. Hanelt and Christian Koch (2015) A Gulf CSC Could Bring Peace and Greater Security to the Middle East: spotlight europe #2015/02—July 2015. Online, available at https://www.bertelsmann-stiftung.de/fileadmin/files/user_upload/spotlight_02_2015_ENG.pdf (August 23, 2016).

Further Reading

- Anoushiravan Ehteshami et al. (eds) (2017) 'Security and Bilateral Issues between Iran and its Arab Neighbours', Basingstoke: Palgrave Macmillan.
- Robert Einhorn/Richard Nephew (2016) 'The Iran Nuclear Deal: Prelude to Proliferation in the Middle East?', Washington, D.C.: The Brookings Institution, Arms Control and Non-Proliferation Series No. 11.
- Sven-Eric Fikenscher (2016) 'Will Iran Cheat? The Reliability of the Joint Comprehensive Plan of Action', Yale Journal of International Affairs, March 14. Online, available at http://yalejournal.org/article_post/will-iran-cheat/ (August 20, 2016).
- Thomas Juneau/ Sam Razavi (eds) (2013) 'Iranian Foreign Policy Since 2001: Alone in the World', London: Routledge.
- Jane Kinninmont (2015) 'Iran and the GCC. Unnecessary Insecurity', London: Chatham House, Research Paper, July.

After having rejected the proposal discussed here ten years ago, Tehran is in a different position regarding the zonal concept today because the JCPOA already constitutes an essentially nuclear free zone for the Islamic Republic. Tehran, as a leading power of the Non-Aligned Movement, could become the driver for norms that would strengthen the endangered NPT and touch upon the weaponization issue – irrespective of the fact that the E3+3 have emphasized that the Accord does not set a legal precedent for the NPT or any other international control regime. Here, the stipulations of the Nuclear Agreement could help by using the strong verification procedures that go beyond the Additional Protocol as technical confidence-building mechanisms to reduce the fears especially of the Saudi kingdom. This approach could eventually be expanded to the entire region and go beyond biological and chemical weapons and their delivery systems. This POLICY BRIEF has shown that the arms race is accelerating in the area of conventional weapons, especially missiles and missile defenses – this is the downside of the U.S. reassurance policy with respect to its Gulf allies. Talks on a zone free of missiles should commence earlier than later. But the first step toward disarmament

could start in the nuclear realm with the three holdouts Iran, Israel, and Egypt ratifying the Comprehensive Nuclear-Test-Ban Treaty as an important symbolic measure that would indeed amount to a Nuclear Test-Free Zone in the Middle East/Gulf.

Overall, the fact that the Agreement provides a major step towards multilateralism in a region which is traditionally dominated by unilateralism should not be ignored.⁷⁰ This POLICY BRIEF therefore suggests utilizing the momentum triggered by the JCPOA and pushing for a more comprehensive dialogue between Iran and the GCC states. Supported by the promotion of trade and economic cooperation, a rapprochement would need to include a basic accommodation of mutual security interests. This is certainly reminiscent of the “baskets” of the Conference on Co-Operation and Security in Europe (CSCE), and it is in this context that the proposal to use the JCPOA as a starting point for discussions on a CSCE-like arrangement deserves to be given very close attention, in order to overcome the current stalemate in the Egyptian-Israeli context and to reduce the rivalry between Saudi Arabia and Iran.⁷¹ ■

About the ACADEMIC PEACE ORCHESTRA MIDDLE EAST (APOME)

The ORCHESTRA is the follow-up project of the “Multilateral Study Group on the Establishment of a Missile Free Zone in the Middle East”. The ACADEMIC PEACE ORCHESTRA MIDDLE EAST is a classical Track II initiative: it consists of some 150 experts – mainly from the Middle East/Gulf, one of the most conflict-ridden areas of the world. The ORCHESTRA is meeting regularly in working groups (CHAMBER ORCHESTRA UNITS) on specific topics in the context of a workshop cycle from 2011-2016. The main goal of this initiative was to shape the prospective Middle East Conference on the establishment of a zone free of weapons of mass destruction and their delivery vehicles agreed upon by the international community in May 2010. For this reason, these experts have developed ideas, concepts, and background information in a series of POLICY BRIEFS which are the results of intense discussions within the CHAMBER ORCHESTRA UNITS. In this framework, the broader normative Cooperative Security Concept will be further developed, embedded, and institutionalized in the region. At the same time, the ORCHESTRA meetings serve as venues for confidence building among the experts. The networking activities of PRIF's Project Group are documented by the ATLAS on Track II research activities in or about the Middle East/Gulf region.

Editor/Project Coordinator: Adj. Prof. Dr. Bernd W. Kubbig
Co-Editor: Lisa Weis, MA
Peace Research Institute Frankfurt,
Baseler Straße 27-31, D-60329 Frankfurt am Main,
Phone: +49-69-95910436, Fax: +49-69-558481,
E-Mail: kubbig@hsfk.de,
Internet: www.academicpeaceorchestra.com



The views presented by the authors do not necessarily represent those of the project coordinator, editors, sponsors, or PRIF.
© 2016 ACADEMIC PEACE ORCHESTRA MIDDLE EAST.
All rights reserved.

Layout: Anke Maria Meyer

The ACADEMIC PEACE ORCHESTRA MIDDLE EAST wishes to thank its generous sponsors, the Federal Foreign Office of Germany, the Federal Department of Foreign Affairs of Switzerland, the Ecumenical Center of the Protestant Church in Hesse and Nassau and of Kurhessen-Waldeck and the German Foundation for Peace Research.

