

Executive Summary



THIS REPORT INCLUDES THE PROJECT CO-CHAIRS' RECOMMENDATIONS FOR U.S. MIDDLE EAST NONPROLIFERATION POLICY. MANY OF THESE RECOMMENDATIONS ARE DRAWN FROM OR INSPIRED BY ROUNDTABLE DISCUSSIONS. HOWEVER, THEY ARE ATTRIBUTABLE ONLY TO THE PROJECT CO-CHAIRS, IN THEIR PERSONAL CAPACITIES.

I. INTRODUCTION

It is imperative for the United States to develop and implement a comprehensive nonproliferation strategy for the Middle East (defined by this report to include North Africa). Factors lending urgency to this need include the threat of proliferation in and by Iran, the vulnerable Syrian chemical arsenal, the challenges and opportunities posed by the Arab revolutions, the relatively frequent prior use of weapons of mass destruction (WMD) in the Middle East, several regional states already possessing WMD, and a tense and unstable regional security situation.

The U.S. government has in recent years invested considerable resources on intelligence community, diplomatic, military, and other nonproliferation efforts to detect, interdict, deter, and defend against proliferation in the Middle East. Relevant treaties; high-level diplomatic initiatives; U.N. Security Council, coalition, and unilateral sanctions; strategic trade controls; and military measures (both defensive and, potentially, offensive), are all in play. Intelligence capabilities of the United States and its allies are an instrument of crucial, crosscutting importance, providing both essential knowledge regarding activities of concern and tools for disrupting them. This report reviews these nonproliferation efforts in light of the paradigm shifts sweeping the region and recommends a comprehensive set of improvements, adjustments, and innovations designed to maximize U.S. (and allied) effectiveness in achieving these nonproliferation goals in the evolving Middle East.

These U.S. nonproliferation efforts in the Middle East have been complemented by a set of poorly funded (and sometimes uncoordinated) collaborative and cooperative programs to promote nonproliferation norms and practices among Middle Eastern governments, civil society, and other local partners. Obstacles to spending Department of Defense funds on such cooperative threat reduction and related efforts in the Middle East were recently removed, permitting significantly expanded U.S. activities in this sphere. The report therefore also includes a comprehensive set of recommendations for how the United States can and should more effectively assist Middle Eastern governments and other local partners to develop their own nonproliferation capacities, cultivate a culture of nonproliferation responsibility, and enhance regional cooperation on nonproliferation issues.

II. IRAN'S NUCLEAR PROGRAM

Iran poses by far the most important and immediate Middle East nuclear proliferation challenge for the United States and the international community. Iran's advancing nuclear program violates U.N. Security Council resolutions, threatens international peace and security, undermines the Nuclear Nonproliferation Treaty, and threatens to spur proliferation elsewhere in the region. The United States—together with the other permanent members of the Security Council (China, France, Russia, and the United Kingdom) plus Germany (the "P5+1")—has pursued negotiations with Iran on

curtailing its nuclear activities. After several rounds of negotiations, these talks have failed to result in agreement. Another round is expected to take place in early 2013.

Next Steps in Economic Sanctions

Sanctions so far have failed to achieve their avowed objective of inducing Iranian Supreme Leader Ali Khamenei and his Islamic Revolutionary Guard Corps (IRGC) to agree to permanently circumscribe, and establish the peaceful nature of, their nuclear program.

Three rounds of failed talks in Istanbul, Baghdad, and Moscow—plus numerous expert-level meetings—have demonstrated that the United States and its allies do not yet have sufficient leverage to make Iran’s leadership yield and agree to meet Iran’s obligations under international law.

We recommend that the United States and its allies impose maximal sanctions pressure on Iran prior to Iran’s reaching “critical capability.” We define “critical capability” as the point at which Iran will be able to produce enough weapon-grade uranium (or sufficient separated plutonium) for one or more bombs before the production of such an amount can reasonably be expected to be detected by the IAEA or Western intelligence services. Our analysis focuses on the speed with which Iran could produce enough weapon-grade uranium (or sufficient separated plutonium) because once the regime acquires such fissile material, it becomes far more difficult to stop the program militarily. That’s because manufacturing nuclear detonators, or assembling nuclear bombs, could be done in small, undetectable facilities.

President Obama has also attached considerable significance to the stage at which Iran’s nuclear program would be sufficiently advanced that it would no longer be possible to in a timely manner detect that Iran is acquiring a nuclear bomb. In the final presidential debate of the 2012 campaign, President Obama said:

“The clock is ticking. We’re not going to allow Iran to perpetually engage in negotiations that lead nowhere. And I’ve been very clear to them, you know... we have a sense of when they would get breakout capacity, which means that we would not be able to intervene in time to stop their nuclear program, and that clock is ticking.”

Based on the current trajectory of Iran’s nuclear program, we estimate that Iran could reach critical capability in mid-2014. Depending on the occurrence (or non-occurrence) of various potential developments, Iran could in fact reach this critical capability either before or after mid-2014. Developments that could expedite the date include Iran’s increasing its enrichment from 20 percent to a level of 60 percent, a significant increase in the number or efficiency of Iran’s centrifuges, the existence of a secret Iranian enrichment facility, or various potential developments relating to Iran’s plutonium

We recommend that the United States and its allies impose maximal sanctions pressure on Iran prior to Iran’s reaching “critical capability.”

We define “critical capability” as the point at which Iran will be able to produce enough weapon-grade uranium (or sufficient separated plutonium) for one or more bombs before the production of such an amount can reasonably be expected to be detected by the IAEA or Western intelligence services.

The United States must intensify sanctions until the impact is so severe—as Iran’s revenues shrink, its currency loses more of its value, and its hard-currency reserves plummet—**that Iran’s leaders change course and curtail their nuclear program.**

production capacity (e.g., reprocessing capabilities). Developments that could delay the date include another Stuxnet-type computer attack on Iran’s nuclear program or other unexpected Iranian difficulties with its centrifuge program. In light of these factors, caution dictates that the United States assume, and plan on the basis, that Iran could reach critical capability in mid-2014.

Given these uncertainties and recognizing that at least one Middle East leader, Israeli Prime Minister Benjamin Netanyahu, has expressed concern that Iran may reach critical capability by the summer of 2013, we believe that the intensification of sanctions we recommend needs to begin as rapidly as possible.

There is no way to know whether the Iranian regime will ever relent in its nuclear ambitions. There is always the possibility that the regime will keep enriching notwithstanding a looming, or even actual, sanctions-induced economic collapse. For sanctions to be given every chance of succeeding, though, the working assumption must be that sufficiently severe economic pressure will cause, or contribute significantly to causing, the Iranian regime to relent.

Economic pressure seems most likely to succeed if it reaches maximum strength at least six months before Iran could reach critical capability. The psychological impact of the pressure will need time to ripple through Iran’s political system, and a regime just weeks away from achieving its nuclear objective seems more likely to try to push on through.

How strong will such economic pressure need to be? Since at least 2009, Secretary of State Hillary Clinton has been threatening Iran with “crippling sanctions.” However, the sanctions on Iran are not yet crippling, and Iran has yet to bring its nuclear program into compliance with UN Security Council requirements. The United States must intensify sanctions until the impact is so severe—as Iran’s revenues shrink, its currency loses more of its value, and its hard-currency reserves plummet—that Iran’s leaders change course and curtail their nuclear program.

The United States should ramp up sanctions against Iran so as to bring the date of maximal economic pressure nearer by significantly increasing the sanctions’ impact on Iran’s international trade and investment, Iranian government revenue, capital flows, inflation, foreign exchange rates, and overall macroeconomic stability, with any necessary calibrations to reflect concessions Iran may make in the course of negotiations.

To maximize the likelihood that Iran experiences sufficient pressure in time to ensure that it will not build nuclear weapons and, instead, agrees to negotiate a timely end to the nuclear crisis, the following steps need to be taken immediately:

- a.** Existing U.S. sanctions on Iran must be implemented with much greater intensity and impact.
- b.** The U.S. government should announce its intention to use sanctions to impose a de facto international embargo on all investments in, and trade with, Iran (other

than provision of humanitarian goods) if Iran does not comply with applicable UN Security Council resolutions. The U.S. government can achieve such an embargo by using secondary sanctions to pressure foreign companies to halt any such investments in, and trade with, Iran.

c. If the U.S. government is unwilling to immediately announce its intention to use sanctions to impose such a comprehensive trade embargo on Iran, the United States should, at a minimum, take the following immediate steps:

i. Consider mechanisms that significantly reduce non-humanitarian trade with Iran

ii. Extend U.S. secondary sanctions to additional specific sectors of Iran's economy

iii. Impose U.S. secondary sanctions against all Iran-related persons and entities on the U.S. Treasury Department's Specially Designated Nationals (SDN) list

iv. Expand sanctions on Iran's energy sector to include purchasers of Iranian natural gas

v. Raise the threshold for exceptions under Section 1245 of the 2012 National Defense Authorization Act, which excepts states continuing to import Iranian crude oil from sanctions if they significantly reduce such exports

vi. Enforce a broader insurance embargo on Iran

vii. Impose sanctions on any entity providing services to Iranian financial institutions or holding Iranian government or IRGC assets

d. Continue working to ensure that implementation of sanctions on Iran does not inadvertently block the provision to Iran of humanitarian goods

Consistent with the Trade Sanctions Reform and Export Enhancement Act of 2000, U.S. sanctions on Iran do not prohibit the export to Iran of "agricultural commodities" (defined by law to include food) or of medicine and medical devices (this report refers to all of these excepted goods collectively as "humanitarian goods"). While this report calls for strengthening U.S. sanctions on other trade with Iran, it does not call for sanctions on the provision to Iran of humanitarian goods.

Concern has been expressed that U.S. sanctions on Iran may be constricting the supply of humanitarian goods to Iran. Despite U.S. sanctions on Iran, U.S. exports to Iran of various humanitarian goods rose considerably in 2012, reportedly due to a U.S. government easing of the approval process for humanitarian exemptions. The United States government should continue working to ensure that implementation of sanctions on Iran does not inadvertently block the provision to Iran of humanitarian goods.

Under the National Defense Authorization Act for Fiscal Year 2013 (“the 2013 NDAA”), Congress has required the President to list and sanction Iranian persons or entities that engage in corrupt activities relating to “the diversion of goods, including agricultural commodities, food, medicine, and medical devices, intended for the people of Iran” or “the misappropriation of proceeds from the sale or resale of such goods.” The Iranian government and its agents reportedly are involved in corrupt activities that are restricting the Iranian people’s access to such humanitarian goods.

Options for Next Steps to Constrain Iran’s Nuclear and Missile Programs

The U.S. and its allies should take the following additional steps to constrain Iran’s nuclear and missile programs:

- a.** Enhance constraints on the supply of goods Iran needs for its nuclear and missile programs, including by taking the following steps:
 - i.** Strengthen the UN Iran Sanctions Committee and its Panel of Experts;
 - ii.** Encourage improved implementation of UN sanctions by China, including by designating China as a “Destination of Diversion Concern” pursuant to Title III of the Comprehensive Iran Sanctions, Accountability, and Divestment Act;
 - iii.** Consider designating Hong Kong and Turkey as Destinations of Diversion Concern;
 - iv.** Place greater priority on encouraging and assisting all countries where diversion is an issue, including those in the Persian Gulf, to both develop and implement comprehensive strategic trade control laws;
 - v.** Further restrict Iran’s use of the international financial system, including by assisting countries with insufficient financial controls and increasing Financial Action Task Force emphasis on nonproliferation;
 - vi.** Improve detection and disruption of procurement efforts, including through: greater government/industry cooperation; expanding the Proliferation Security Initiative to include additional countries (such as India, Malaysia and South Africa); U.S. enactment of implementing legislation for the Protocol to the Convention for the Suppression of Unlawful Acts Against the Safety of Maritime Navigation; encouraging countries to impose stronger sentences on convicted WMD traffickers; and removing impediments to transnational cooperation in prosecuting WMD traffickers;
 - vii.** Carefully monitor Iran’s plutonium-related facilities, including its Russian-supplied nuclear power plant at Bushehr and its still-under-construction heavy-water

facility at Arak, and work with Russia to more rapidly remove all Bushehr spent fuel from storage in Iran.

b. Enhance covert efforts to delay and constrain improvement of Iran’s nuclear and missile capabilities

c. Increase the credibility of the U.S. military threat. The combination of economic sanctions and covert actions may only succeed in preventing Iran from building nuclear weapons if paired with a crystal clear message to Iran’s leaders that it is futile for them to continue to seek such weapons because U.S. military action ultimately will prevent them from succeeding. In other words, it may be necessary to make clear to Iran’s leadership that it is mistaken if it thinks Iran can simply endure sanctions until such time as an Iranian nuclear test results in the West accepting an Iranian nuclear arsenal as a *fait accompli* and consequently lifting sanctions on Iran. In order to increase the credibility of this U.S. military threat, the U.S. should:

i. Undertake additional overt preparations for the use of warplanes and/or missiles to destroy Iran’s nuclear capabilities with high explosives

ii. The President should explicitly declare that he will use military force to destroy Iran’s nuclear program if Iran takes additional decisive steps toward producing a bomb. Possible triggers could include producing weapon-grade uranium or separated plutonium, expelling IAEA inspectors, construction of additional covert nuclear facilities, or undertaking significant additional weaponization activities.

iii. Increase Iranian isolation, including through regime change in Syria and deepening Iran’s diplomatic isolation.

d. Prepare for the possibility of a surprise Iranian test. Iranian acquisition of nuclear weapons would be dangerous for several reasons, none of which would be adequately addressed by containment. Nonetheless, since intelligence can be imperfect, we must take steps now to prepare for the possibility that we will wake up one morning and discover that Iran has acquired a nuclear weapon despite the United States’ best efforts.

Negotiations, Incentives, and Concessions: What Would Constitute an Acceptable Deal?

The United States should offer nuclear sanctions relief to Iran only in response to meaningful concessions by the Iranians that are consistent with the multiple relevant U.N. Security Council resolutions, IAEA Board of Governors resolutions, and U.S. laws. Although the order and timing of each step may be subject to negotiation, these concessions must include:

The combination of economic sanctions and covert actions may only succeed in preventing Iran from building nuclear weapons if paired with a **crystal clear message to Iran’s leaders that it is futile for them to continue to seek such weapons because U.S. military action ultimately will prevent them from succeeding.**

Inspections must be intrusive enough to detect cheating quickly and authoritatively.

Only the tightest controls over Iran's nuclear program and the highest degree of verification and transparency can be considered an acceptable outcome.

- 1) Suspension by Iran of the following proliferation-sensitive nuclear activities: (a) all enrichment-related and reprocessing activities, including research and development, to be verified by the IAEA; and (b) work on all heavy water-related projects, including the construction of a research reactor moderated by heavy water, also to be verified by the IAEA;
- 2) Provision by Iran of such access and cooperation as the IAEA requests to be able to verify the suspensions and to resolve all outstanding issues, as identified in IAEA reports;
- 3) A full accounting and resolution of all outstanding questions about Iran's past and any current (as of the time of agreement) nuclear weapons related activities;
- 4) Complete closure of the Fordow facility and any other deeply buried enrichment facility that is either complete or under construction; and
- 5) Iran's binding agreement to intrusive and comprehensive inspections that are at a minimum as stringent as those outlined in the IAEA's Additional Protocol (to the comprehensive safeguards agreements states must implement under the Nuclear Nonproliferation Treaty), plus additional measures that reflect that Iran has been found in noncompliance with its safeguards obligations.

Inspections must be intrusive enough to detect cheating quickly and authoritatively. Only the tightest controls over Iran's nuclear program and the highest degree of verification and transparency can be considered an acceptable outcome for the P5+1 negotiations. As stated by 73 U.S. Senators in a letter to the President on December 19, 2012, "the time for limited confidence building measures is over" and "there should be absolutely no diminution of pressure on the Iranians until the totality of their nuclear problem has been addressed."

III. PROLIFERATION BY STATE ACTORS (OTHER THAN IRAN) IN THE MIDDLE EAST—CHALLENGES AND OPPORTUNITIES

The U.S. should immediately adopt and begin implementing a concerted, comprehensive nonproliferation strategy for the Middle East, to include:

- a.** Reducing demand by reinforcing the peaceful orientation of nuclear power programs in the region and reinforcing U.S. security commitments
- b.** Controlling supply by:
 - i.** Promoting expanded adherence to the IAEA Additional Protocol (the following NPT member states in the region do not yet have it in place: Algeria, Egypt, Iran, Saudi Arabia, Syria and Tunisia)

ii. Pursuing the adoption, in nuclear cooperation agreements with countries in the Middle East, of provisions that would preclude the development of indigenous enrichment and reprocessing capabilities

iii. Enhancing Middle Eastern governments' capacities to prevent, detect, and interdict illicit WMD-related trade, including by establishing a regional network of national WMD law enforcement coordinators; promoting a culture of nonproliferation responsibility and cooperation throughout the Middle East; and expanding the scope of the Global Initiative to Combat Nuclear Terrorism to include all relevant Middle Eastern countries (e.g., Egypt, Iraq, Kuwait, Oman, and Tunisia are currently not members)

C. Promoting regional cooperation on nonproliferation issues related to the vision of a Middle East WMD-Free Zone (MEW MDFZ). Steps could include:

i. Ensuring that a MEW MDFZ conference, if and when convened, adheres to assurances provided by President Obama and does not produce even more tension between regional parties. The effort, led primarily by Egypt, to pursue a MEW MDFZ has traditionally been a concern for the United States, which has viewed it as aimed primarily at pressuring Israel to renounce its nuclear capability (a step Israel says it cannot take until all of its neighbors are at peace with it).

ii. In light of the fact that all key governments in the region have expressed the view that a MEW MDFZ is an appropriate long term goal, test whether the MEW MDFZ concept can be used as a framework through which to advance more incremental nonproliferation progress in the Middle East. For example, seeking agreement on a set of non-binding practical nonproliferation measures that regional countries could undertake individually, in support of the MEW MDFZ aspiration, in the current Middle East political climate (in other words, without an overall Arab-Israeli peace settlement)

iii. Encouraging and supporting Track Two efforts aimed at bringing together regional parties for non-binding discussions using the MEW MDFZ concept as a framework through which to strengthen nonproliferation in the region. Track Two venues bring officials and non-official experts together to engage in off-the-record, less formal discussions on important and difficult topics and develop recommendations for policymaker consideration. They offer opportunities to explore issues too sensitive for official talks, to creatively address issues that have become gridlocked at the formal level, and to build informal relationships.

d. Encouraging and supporting other possible regional WMD-related confidence-building measures that may be feasible at this time. Regional nonproliferation cooperation should not be tied to the MEW MDFZ concept if to do so is unhelpful to making progress now. The United States should energetically work to promote as

Biosecurity is the most feasible WMD-related area on which to advance regional cooperation, in part because **the overlap between biosecurity measures addressing biological weapons and biosurveillance measures addressing naturally occurring disease outbreaks makes it relatively easy politically for states to undertake measures that address both.**

much regional nonproliferation cooperation as is possible in the current Middle East political climate. This should include the following:

i. The U.S. government should significantly increase financial support for Track Two initiatives in the Middle East on nonproliferation and related issues. The leadership transitions in countries such as Egypt are bringing to power groups with few if any members versed in nonproliferation issues. Track Two conferences and other such dialogues can provide an opportunity to informally engage those political appointees and party leaders, from parties such as Egypt’s Muslim Brotherhood, who have an interest in or nexus to nonproliferation. In addition, support from civil society is critical to developing a culture of nonproliferation responsibility in the changing Middle East. As some Arab states transition away from authoritarian governments, we almost certainly will see greater involvement in national politics by non-governmental organizations. Track Two dialogues could help build support for nonproliferation among such civil society organizations. Track Two also could help cultivate younger nonproliferation experts, scholars, scientists, and practitioners. Unfortunately, some of the most successful Middle East Track Two initiatives are significantly hampered by lack of funding.

ii. The U.S. government should leverage the considerable interest in regional cooperation on biosecurity and biosafety capacity building. Biosecurity is the most feasible WMD-related area on which to advance regional cooperation, in part because the overlap between biosecurity measures addressing biological weapons and biosurveillance measures addressing naturally occurring disease outbreaks makes it relatively easy politically for states to undertake measures that address both.

iii. In that light, the U.S. should support the Middle East Consortium on Infectious Disease Surveillance (MECIDS)—a successful partnership of the Israeli, Jordanian, and Palestinian health ministries. Despite its programmatic success, MECIDS struggles financially, each year barely managing to raise money for a bare bones budget. With additional support, MECIDS could both continue its current work and expand by adding additional partners and projects.

iv. Regional Action Plan for Biosafety and Biosecurity Collaboration. Since 2010, a group of experts, including current and former officials, from nine countries across the Middle East has gathered periodically in a Track Two task force to discuss the potential for regional collaboration on biosafety and biosecurity. The experts group has adopted a regional action plan, for building sustainable capacity to prevent bioterrorism in the Middle East, which was presented at the Biological Weapons Convention Review Conference in December 2011. The regional action plan includes a menu of 20 different regional confidence building activities that the experts agreed could and should be pursued as soon as possible. The activities would be valuable with regard to prevention, detection and response of both infectious disease outbreaks and

bioterrorism. The United States should encourage and support regional implementation of the agreed activities.

e. Special Strategies Relating to New Islamist Governments. New, Islamist governments in the Middle East—and especially the Muslim Brotherhood government of Egypt—pose a particularly important set of nonproliferation challenges and opportunities. History provides several examples of changes of government contributing to transitions away from WMD. On the other hand, there is considerable nonproliferation risk in the emergence of inexperienced, radical Islamist regimes which may be bent on implementing their ideological visions, potentially eager to satisfy nationalists or their hardline bases by taking steps their predecessors chose not to, and insensitive to traditional geopolitical calculations or military balances. These new regimes may also be simply too inexperienced to avoid being caught up in escalatory political dynamics of their own making.

Egypt

The United States should take the following steps to influence the new Egyptian government to remain committed to nonproliferation:

- i.** The Muslim Brotherhood has relatively few foreign policy experts or experienced practitioners. The United States should invest in reaching out to and developing a cadre of Muslim Brotherhood affiliated nonproliferation experts and supporters, including through visits to the United States and Track Two dialogues.
- ii.** Egypt should be encouraged to adhere to the Additional Protocol. If Egypt moves forward with a new nuclear power plant at al Dabaa, or other new nuclear energy projects, adherence to the Additional Protocol would be an important signal that Cairo's intentions are peaceful. Another important signal would be an Egyptian announcement that it will forswear enrichment and reprocessing capabilities.
- iii.** In light of the large amounts of aid that the U.S. provides Egypt, the United States should be very specific with Egypt as to the cost to it of pursuing proliferation, emphasizing to both the Morsi administration and the Egyptian military that pursuing proliferation would harm Egyptian national security by depriving Egypt's military of both U.S. assistance and the resources needed to build and maintain WMD.
- iv.** The United States should also be prepared to, if necessary, make clear to the Egyptian government that proliferation would lead to sanctions and other isolating measures being imposed on it at a time when its most pressing problems involve developing its economy, which requires external assistance.

Syria

The U.S. government should impress upon the Syrian opposition, even before it comes to power, that failure to work with the international community to destroy the Assad regime's chemical weapons will lead to sanctions and other isolating measures being continued on Syria's new government at a time when its most pressing problems will be consolidating its control and developing its economy, both of which will require external assistance. Furthermore, in light of the strong hatred of the Assad regime by the Sunni leaders likely to replace it, it may be worth emphasizing to the Assad regime that it makes more sense to invite international experts to destroy its chemical weapons (under the supervision of the Organization for the Prohibition of Chemical Weapons) than either to use the weapons and face prosecution or to allow the weapons to fall into the hands of its successors.

f. Increase Sanctions Coordination within the USG. To maximize U.S. leverage over current and future proliferators (as well as other targets of U.S. sanctions), the United States government should create an Office of Sanctions Coordination, based at the National Security Council, to coordinate the creative and impactful application of sanctions against specific targets.

IV. PROLIFERATION BY NON-STATE ACTORS IN THE MIDDLE EAST

The 9/11 Commission warned that “the greatest danger of another catastrophic attack in the United States will materialize if the world’s most dangerous terrorists acquire the world’s most dangerous weapons.” There is a significant risk that Middle Eastern terrorists could develop or otherwise acquire weapons of mass destruction and use them to catastrophic effect. The Middle Eastern terrorist groups which are most likely to acquire and use WMD are al-Qaeda, Hezbollah, and Hamas. Al Qaeda has pursued a long-term, persistent and systematic approach to developing WMD. According to various sources, Syria’s Assad regime is considering transferring chemical weapons to Hezbollah. Hamas, the Palestinian terrorist group that controls the Gaza Strip, attempted for several years to use WMD.

The U.S. should take the following steps to more effectively prevent WMD acquisition and use by non-state actors in the Middle East:

- a.** Reduce the risks of Syrian chemical weapons ending up in the hands of other states or non-state actors, including by being prepared to use U.S. assets to address various core contingencies and by urging other great powers to use their influence.
- b.** Reduce the risks of Syrian nuclear materials ending up in the hands of other states or non-state actors.

The 9/11 Commission warned that “the greatest danger of another catastrophic attack in the United States will materialize if the world’s most dangerous terrorists acquire the world’s most dangerous weapons.” There is a significant risk that Middle Eastern terrorists could develop or otherwise acquire weapons of mass destruction and use them to catastrophic effect.

c. Encourage and assist enhancement of Middle Eastern capacity and will to prevent non-state actors from acquiring nuclear, chemical, or biological weapons and their means of delivery. One particularly useful modality for providing such encouragement and assistance is UN Security Council Resolution 1540, passed in 2004, which imposes binding obligations on all U.N. member states to adopt and enforce effective controls to prevent the proliferation of WMD, their means of delivery, and related materials. The Middle East has a relatively weak record of implementation of this resolution.

d. The United States must adopt a clear and unambiguous policy declaring that any states that provide WMD to terrorist groups that then use them will face unrelenting retaliation involving all elements of American power. Key to the effectiveness of this policy is both a strengthening of attribution capacities and a statement that the United States may not wait for perfect proof that a particular WMD used by a state-sponsored terrorist group originated in a particular state sponsor.

e. Make it clear to terrorist groups that they will pay a heavy price for WMD acquisition or use, and that the costs of such acquisition or use will far outweigh the benefits. Accordingly, the U.S. and its allies should strive to weaken terrorist groups as much as possible, so that they do not have the resources to pursue WMD, and ensure that terror groups pay a price for lesser terrorist acts so that credibility is maintained and WMD-related deterrence is taken seriously.

f. Improve detection and response capacity, so that non-state actors will understand that WMD attacks are not worth conducting because they will not cause sufficient damage to outweigh their counterproductive characteristics.

V. COOPERATIVE NONPROLIFERATION PROGRAMS APPLICABLE TO THE MIDDLE EAST

The U.S. government has in recent years, as noted above, invested considerable resources on intelligence community, diplomatic, military, and other counterproliferation efforts to detect, interdict, deter, and defend against proliferation in the Middle East. These U.S. nonproliferation efforts in the Middle East have been complemented by a set of poorly funded (and sometimes uncoordinated) collaborative and cooperative programs to promote nonproliferation norms and practices amongst Middle Eastern governments, civil society, and other local partners. The executive branch recently completed the procedures necessary before Department of Defense funds could be spent on such cooperative threat reduction and related nonproliferation efforts in the Middle East. As a result, it is now possible to significantly expand such U.S. activities in the region, so as to more effectively assist Middle Eastern governments and other local partners to develop their own nonproliferation capacities, cultivate a culture of nonproliferation responsibility, and enhance regional cooperation on nonproliferation issues.

The U.S. and its allies should strive to weaken terrorist groups as much as possible, so that they do not have the resources to pursue WMD, and ensure that terror groups pay a price for lesser terrorist acts so that credibility is maintained and WMD-related deterrence is taken seriously.

The lack of a federal office with the mandate to closely follow the various agencies' CTR (cooperative threat reduction)

and related nonproliferation programs in the Middle East, coordinate the programs, and identify gaps may be one reason why several of the existing and potential initiatives with the greatest potential impact lack sufficient funding.

The U.S. government currently spends a total of approximately \$1 billion annually on various cooperative threat reduction programs designed to promote nonproliferation, and reduce WMD threats to the United States, in cooperation with foreign governments. There are more than a dozen such programs, housed predominantly in the Departments of Defense, Energy, State, and Homeland Security. Despite the grave threats posed to the United States by WMD originating in the Middle East (defined by this report to include North Africa), a total of only about 2 percent (approximately \$20 million per year out of a total \$1 billion annually) of cooperative threat reduction (CTR) program funds were being spent in all of the countries of the Middle East (with the exception of Iraq) as of the summer of 2012. A strategically targeted, well-coordinated increase of approximately \$30 million per year allocated to U.S. threat reduction work in the Middle East could make a very significant contribution to advancing U.S. nonproliferation objectives in the region.

The largest of the cooperative threat reduction programs is the Department of Defense's Cooperative Threat Reduction Program (DOD/CTR), for which Congress authorized \$519 million in the 2013 NDAA. With the exception of Iraq, DOD/CTR currently is not doing work in any country in the Middle East (including North Africa). The primary reason for this lack of activity in the region (outside Iraq) is because the executive branch did not until the fall of 2012 complete the bureaucratic procedures necessary to internally authorize DOD/CTR to do work in the Middle East (other than in Iraq). Now that these procedural steps have been completed to authorize this work, it is possible to significantly expand such U.S. activities in the region.

While the Middle East is at exceptionally high risk for WMD proliferation, countries in the region have relatively weak nonproliferation capacity. For example, only one Arab League member state (the UAE) has a comprehensive strategic trade control law.

The United States should establish a Middle East Nonproliferation Initiative to coordinate, and creatively and nimbly advance, cooperative threat reduction and related nonproliferation work in the Middle East. There are many reasons to approach Middle East nonproliferation issues not just on the current country-by-country basis but also on a regional basis. Many Middle East nonproliferation threats have a regional dimension. In addition, various particular characteristics of the region would help lend a synergistic impact to regionally coordinated activities. Furthermore, a set of Middle East nonproliferation programs that were better coordinated with each other could in turn together coordinate, and develop synergies, with such other regional efforts as the State Department's Middle East Partnership Initiative (MEPI), the State Department's Office of the Special Coordinator for Middle East Transitions (which coordinates U.S. government assistance to Middle Eastern countries undergoing transitions to democracy), and relevant programs of the U.S. Agency for International Development.

There is currently no federal office with the authority to closely follow and coordinate the various agencies' CTR and related cooperative nonproliferation work in the Middle East. Indeed, it is remarkably challenging even merely to determine how much CTR and related nonproliferation funding is being spent in the Middle East. The lack of a federal office with the mandate to closely follow the various agencies' CTR (cooperative threat reduction) and related nonproliferation programs in the Middle East, coordinate the programs, and identify gaps may be one reason why several of the existing and potential initiatives with the greatest potential impact lack sufficient funding (or in some cases have no funding).

The Middle East Nonproliferation Initiative Office should both play a coordinating role and have its own programmatic budget. The Initiative Office's coordinating mandate should include the following:

- a.** Coordinate and track U.S. government assistance to promote cooperative threat reduction and related nonproliferation activities in the Middle East
- b.** Provide Congress with an annual report on all Middle East CTR and related nonproliferation activities and programs undertaken by the executive branch
- c.** Develop comprehensive CTR and other nonproliferation assistance strategies for the Middle East and ensure that such assistance tools are aligned with U.S. policy goals
- d.** Work with international donors and institutions on coordinating CTR and related nonproliferation assistance strategies for the Middle East
- e.** Mobilize resources from the U.S. business, foundation, university, think tank, and other sectors to support cooperative threat reduction and nonproliferation in the Middle East

In addition, the Initiative Office should administer an annual budget of \$30 million per year, to be used to promote CTR and nonproliferation in the Middle East, including through region-wide, multi-country, and country-specific grants and contracts, and the use of prizes and challenges. The Initiative's efforts should be designed to achieve specific objectives including the following:

- a.** In coordination with MEPI, promote civil society understanding of, and support for, nonproliferation in emerging democracies such as Egypt, including through outreach to relevant civil society organizations and support for development of nonproliferation-oriented organizations and networks in the region.
- b.** In coordination with the State Department's public diplomacy specialists, promote understanding of, and support for, nonproliferation among reporters and editors of Middle Eastern media outlets.

Europe's recent increased prioritization of nonproliferation issues, plus the recent enhancement of the EU's foreign policy tools, **makes this an especially useful time to consider opportunities for more effective collaboration**

between the U.S. and European Union on Middle East nonproliferation policy and implementation.

- c.** Reach out to and help enhance understanding of, and support for, nonproliferation among emerging leaders of newly ascendant political parties in the Middle East (e.g., emerging foreign affairs leaders of Egypt's Muslim Brotherhood and the Syrian opposition), for example by bringing them to the U.S. for training.
- d.** Encourage and assist improved cooperation between Middle Eastern governments and their private sectors to detect proliferation procurement attempts.
- e.** Dramatically increase results-oriented efforts to encourage and assist Middle Eastern governments to adopt and implement comprehensive strategic trade control laws, including through drafting workshops and targeted public diplomacy efforts.
- f.** Encourage and assist Middle Eastern countries to more effectively prevent, detect, and interdict illicit trade in proliferation-sensitive items, including through investigative and prosecutorial training and through supporting creation of a regional network of national WMD law enforcement coordinators.
- g.** Facilitate enhanced cooperation between U.S., European and other key producer state prosecutors and investigators of illicit strategic exports to the Middle East, including by creation of a regular international forum for sharing of information and best practices.
- h.** Support Track Two dialogues which convene officials and experts from all countries of the Middle East, on a not-for-attribution basis, to discuss cooperative threat reduction and nonproliferation issues. Some of the most successful Middle East Track Two initiatives on nonproliferation issues are significantly hampered by lack of funding.
- i.** Identify, seek agreement on, and support a set of non-binding practical nonproliferation measures which regional countries could undertake individually, in support of the WMDfz aspiration, in the current Middle East political climate. For example, regional parties could commit to reporting regularly, to each other or to a mutually acceptable third party, on their national nonproliferation activities, including legislative measures and hosting of conferences and training activities.
- j.** Consider encouraging, and assisting creation of, a Track One or Track Two experts group charged with investigating, and making recommendations for, the technical dimensions of a regional verification system in support of a Middle East WMDfz.
- k.** Support continuation and expansion of the Middle East Consortium for Infectious Disease Surveillance, a partnership of the Israeli, Jordanian and Palestinian health ministries, which promotes biosurveillance cooperation that would be useful in addressing both natural disease outbreaks and also bioterrorism attacks.
- l.** Encourage and support regional implementation of activities such as those contained in the 20-point action plan, for building sustainable capacity to prevent

bioterrorism in the Middle East, which was agreed upon in a Track Two task force and presented at the Biological Weapons Convention Review Conference in December 2011. Those activities, listed in Chapter 3 of this report, would foster regional prevention, detection, and response capacities.

m. Promote establishment of professional networks that foster voluntary regional interaction on WMD-related issues.

n. Use prizes and challenges to spur innovation in achieving appropriate Middle East nonproliferation objectives. The Middle East Nonproliferation Initiative could, for example: i. issue a challenge, directed at both U.S. nationals and persons in the region, that would seek creative ideas for non-binding practical nonproliferation measures which regional countries could undertake individually, in support of the WMDFZ aspiration, in the current Middle East political climate, or ii. award a prize for the project which best advances nonproliferation in the region through collaboration between students in three or more countries in the region.

Several of the above Middle East nonproliferation objectives are not currently being pursued at all by the U.S. government. Others could, in our view, be pursued more systematically and effectively by a Middle East Nonproliferation Initiative with the recommended level of funding.

VI. ENHANCED PARTNERSHIP WITH EUROPE ON NONPROLIFERATION IN THE MIDDLE EAST

Europe's sophisticated industries, extensive trade and other relationships with the Middle East, and role in NATO, as well as Britain and France's permanent seats on the UN Security Council, make Europe a critical partner for U.S. nonproliferation policy in the Middle East. Europe's recent increased prioritization of nonproliferation issues, plus the recent enhancement of the EU's foreign policy tools, makes this an especially useful time to consider opportunities for more effective collaboration between the U.S. and European Union on Middle East nonproliferation policy and implementation. Some additional steps can be taken by the European Union internally, while other additional steps are for the European Union and United States to take together.

a. Internal EU Steps to More Effectively Combat Proliferation in the Middle East

European Union sanctions on Iran still fall far short of the complete embargo on trade (other than in humanitarian goods) that the U.S. has imposed on Iran. The European Union should announce that, in the absence of progress on Iran's nuclear program, it will impose on Iran a complete embargo on trade (other than in humanitarian goods) similar to that which the U.S. has imposed on Iran. In addition, EU designation, and sanctioning, of Hezbollah as a terrorist organization would significantly weaken one of the Middle East non-state actors most likely to acquire sophisticated WMD and greatly increase the isolation of Iran and pressure on Tehran to halt its illicit nuclear

weapons program. The United States should also strongly encourage the European Union to more effectively promote consistently rigorous implementation of export regulations and procedures across the various countries of the European Union.

b. Enhancing U.S.-Europe Cooperation on Combatting Proliferation in the Middle East

The United States and Europe should work together to more effectively promote nonproliferation in the Middle East by making more effective use on Middle East nonproliferation issues of NATO's Mediterranean Dialogue and Istanbul Cooperation Initiative, prioritizing better matching of U.S. and European Union sanctions lists, and more effectively systematizing cooperation on implementation of Iran sanctions.