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SECURITY IN THE GULF AND THE ARABIAN PENINSULA: AN AGENDA FOR NATO

REPORT

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TABLE OF CONTENTS

I.	INTRODUCTION	1
II.	THE STRATEGIC IMPORTANCE OF THE REGION	1
III.	SECURITY CHALLENGES IN THE GULF AND IN THE ARABIAN PENINSULA REGION	2
A.	PIRACY	2
B.	TERRORISM	3
C.	YEMEN	4
D.	IRAQ	5
E.	IRAN	6
IV.	THE ROLE OF THE GULF CO-ORDINATION COUNCIL (GCC)	8
V.	NATO IN THE REGION	9
VI.	CONCLUSIONS	10



Source: The University of Texas at Austin - <http://www.lib.utexas.edu/maps/asia.html>

I. INTRODUCTION

1. The security of the Gulf and the Arabian Peninsula is of strategic importance to the Alliance. However, the region's volatile security situation raises significant concern among the Allies and the international community. The instability of Iraq and Yemen, Iran, the continuing threat posed by internationally active terrorist groups as well as the piracy off the Horn of Africa are factors that contribute to the challenging security situation.

2. This paper assesses the current political and security environment in the Gulf and the Arabian Peninsula and briefly illustrates NATO's current role in the Gulf, particularly the Istanbul Co-operation Initiative (ICI)¹. Your Rapporteur makes some suggestions on how the Alliance could increase its contribution to the security of the region and concludes that an enlarged NATO approach and presence in the Gulf should be based upon shared interests and mutual trust with a focus on diplomacy, security co-operation and co-ordination with Gulf State actors.

II. THE STRATEGIC IMPORTANCE OF THE REGION

3. Abundant energy resources and their geographic location as a hub for international business and shipping make the Gulf and the Arabian Peninsula of strategic importance to NATO. The Gulf holds approximately 60% of the world's proven oil and about 45% of its natural gas reserves. The European Allies currently import approximately 20% of their energy from the Gulf, a figure which is predicted to increase to 45% by 2030. The US imports roughly 17% of its oil from the region. Japan, a "Global Partner for NATO", heavily depends on Middle Eastern energy resources as does China which is already the largest energy importer from the region. The strategic significance of the region will increase, not least because of the region's vital role in the world economy. According to estimates by the International Energy Agency (IEA), the world's primary energy needs are expected to grow by 55% between 2005 and 2030.

4. The strategic relevance of the region also derives from its function as a hub for transportation. According to the International Navigation Authority (INA), 10% of all international trade moves through the region. The Strait of Hormuz in the Gulf and the Bab al-Mandab which connects the Red Sea with the Gulf of Aden are two pivotal waterways for the transport of energy. A substantial part of global oil exports, approximately 3.3 million barrels of oil per day (MMbd), pass through the Gulf of Aden. At its narrowest point, the Bab al-Mandab strait, the Gulf of Aden is only 28km wide.



(Source : http://www.eoearth.org/article/Bab_el-Mandeb)

Similarly, the Strait of Hormuz, which facilitates 40% of the global seaborne oil trade and all of the Gulf's liquefied natural gas (LNG) exports, is only 50km wide at its narrowest point.

¹ Bahrain, Qatar, Kuwait and the United Arab Emirates

III. SECURITY CHALLENGES IN THE GULF AND THE ARABIAN PENINSULA REGION

5. The region also suffers from continued instability and the countries in the Gulf and the Arabian Peninsula face a host of security challenges, including domestic and international terrorism, continuing instability in Yemen and Iraq, piracy, as well as Iran's nuclear programme and its foreign and security policy stance. While the report focuses on the security issues where NATO as an organisation can contribute, it is important to briefly list the non-military challenges in the region.

6. Moreover, demographic, economic and environmental problems loom large on the agenda of the international community. Problems concerning the access to food, water and energy; a rising population; structural economic deficiencies and inflation, all require a comprehensive approach to Gulf security, as they risk damaging the social contract that link State and society in the Gulf States. Gulf countries are under significant pressure to generate jobs in the coming decades due to rapid population growth² and lack of employment opportunities. In addition, current rates of welfare spending and redistributive mechanisms are untenable and will require a reassessment of the social contract. This could however pose a serious challenge to regime legitimacy, given that the provision of public goods is seen in these countries as a right of citizenship.

7. Water tables are falling throughout the region, as demand from rapidly urbanising and industrialising populations exceeds supply from fossil water and local aquifers. Pockets of energy scarcity and reliance on imported natural gas have already emerged, as resources are not dispersed equally in the region. This will of course have a decisive effect on the future regional development and prospective sources of tension and insecurity. Based on 2006 production rates, it is estimated that Bahrain, Oman and Yemen will exhaust their oil reserves by 2025.

8. Current State capacity to meet increasing demand for services, health, education and employment is overstretched; the region has been badly affected by the simultaneous blow of plunging oil prices and the global economic crisis and many development plans are in jeopardy. The existence of large numbers of migrant workers with no civil or political rights and very few economic rights is a further source of human insecurity and a potential threat to Gulf States. Whereas they are suffering from rising domestic unemployment, ongoing dependence on expatriate labour can only lead to significant tension in the future. Gulf States are particularly threatened by the consequences of climate change due to coastal patterns of settlement. Islands such as Bahrain (whose highest point is only 122m above sea level) would naturally be affected by any change in sea levels.

A. PIRACY

9. The Gulf of Aden has become the world piracy hotspot with 37% of all attacks reported in 2008. This area is a critical sea-lane through which 12% of the world's oil traffic passes each year. According to the International Chamber of Commerce Commercial Crime Services, the number of piracy attacks in 2009 was considerably higher than 2008. Somali Pirates are now collecting ransom payments of millions of dollars and concern lies in the potential for them to become agents of international terrorist networks. The money from ransoms is already used to fund the war in Somalia as well as support the Al-Shabaab militant terrorist group.

² The Population Reference Bureau estimates that Gulf Co-operation Council (GCC) populations will increase by 42-80% in each country until 2050, and by 151% in Yemen. Its statistics for 2008 also show a large youth bulge as the proportion of the population under 24 varies from 19% in the United Arab Emirates and 24% in Kuwait to 38% in Saudi Arabia and 45% in Yemen.
<http://www.prb.org/Datafinder/Geography/MultiCompare.aspx?variables=30@ions=>

10. The danger and cost of piracy (insurance premiums for the Gulf of Aden have increased tenfold and since the onset of the upsurge in Somali piracy while the shipping industry has lost US\$ 13-15 billion annually) mean that shipping could be forced to avoid the Gulf of Aden/Suez Canal and divert around the Cape of Good Hope. This would considerably increase the costs of manufactured goods and oil from Asia and the Middle East. The sharp increase in piracy in the region has led to an unprecedented international naval presence off the Horn of Africa, involving a great variety of actors. In addition to three multinational operations – the US-led CTF 151, EU NAVFOR–Atalanta and NATO's Ocean Shield – currently deployed in the region, several other navies are also present. Japan, which adopted a new Anti-Piracy Measures Law in July 2009 that broadens the mandate and powers of Japanese ships engaged in counter-piracy operations, maintains two vessels and two maritime patrol aircrafts in the region. Russian ships have been present in the region since October 2008 and both the Russian Federation and NATO have expressed willingness to consider stepping up their co-operation in counter-piracy efforts. Moreover, the Chinese Navy is also present in the area since December 2008. This was the first overseas deployment of the Chinese Navy for an active operation. Although tactical co-ordination between the different national and multinational deployments has already been greatly enhanced, there is still room for further improvements³.

B. TERRORISM

11. Terrorist groups, including al-Qaeda, continue to pose serious threats to the countries of the Gulf and the Arabian Peninsula. Al-Qaeda has reconstituted some of its operational capabilities, particularly in Yemen. Believed to be widely immune to the threat, terrorism even came home to the United Arab Emirates (UAE) in early 2009 when authorities quietly broke up a major al-Qaeda-affiliated terrorist ring that had plotted to blow up symbolic targets in Dubai, like the Dubai Towers.

12. Following a wave of attacks in 2003 by al-Qaeda on the Arabian Peninsula (AQAP) against the House of Saud and Western installations, the Saudi Interior Minister and counter-terrorist officials assumed an aggressive stance and were largely effective in shutting down the organisation's operations in Saudi Arabia. However, the Saudi success in countering AQAP led the organisation to relocate its operations to Yemen, where they could capitalise upon the weak state structures. With 3,000km of sea coast, difficult desert and mountain terrain, access to the Bab al-Mandab waterway, and the only country from which oil can reach the open seas without passing through either the Strait of Hormuz or the Suez Canal, Yemen offered a strategic safe haven for al-Qaeda, the wider Salafi-Jihad movement and organised criminal networks. Following the merger of AQAP and al-Qaeda in Yemen, Yemen has become the new centre of gravity for al-Qaeda in the Arabian Peninsula. Moreover, according to media reports, AQAP was strengthened by al-Qaeda fighters from Pakistan and Afghanistan seeking safe havens in Yemen and Somalia.

13. Saudi Arabia was embroiled into a conflict between Houthi rebels in North Yemen and the country's government in late 2009, after the rebels crossed into Saudi Arabia and seized Saudi territory, including some strategically important points. This triggered the largest Saudi military operation since Iraq invaded Kuwait in 1990. While a ceasefire has now been agreed, the situation continues to be fragile and tensions remain.

³ For more detailed information, see the excellent report of Lord Joplin for the Committee on the Civil Dimension of Security: "The Growing Threat of Piracy to Regional and Global Security" [169 CDS 09 E rev. 1]

C. YEMEN

14. The failed bombing of Northwest Airlines flight 253 thrust Yemen into the international spotlight in December 2009. The country is facing a host of problems, including the threat posed by al-Qaeda, a Houthi rebellion in the North and a secessionist movement in the South. Yemen, the poorest State in the Arab world, is in dire economic conditions. More than half of the population live in poverty; unemployment is estimated at around 35%; about 50% of the population is illiterate. Yemen's birth rate is one of the highest in the world; its population is expected to double by 2030, almost two thirds of the approximately 23 million inhabitants are younger than 25 years; the country is also grappling with dwindling water resources, generated by lack of water management and climate change. Moreover, an estimated 40% of groundwater is used for cultivation of the "qat" drug. Farmers continue to use more and more water in production of the highly profitable crop. Seventy-five percent of the population still lives in rural areas, but water shortages will lead to a significant increase of Internally Displaced Persons (IDPs). Yemen has few natural resources other than oil. However, oil production, which accounts for nearly 80% of government revenue, is anticipated to run out in a decade, thus further limiting the ability of the country to tackle the many problems it faces. The central government is weak and its inefficient policies have aggravated some of the existing problems. Government control of the country continues to erode and is limited to the major highland cities in the northern part of the country.

15. Yemen runs the risk of becoming a breeding ground for terrorism and a haven for extremists. AQAP has initiated attacks both in and from Yemen. Islamist fighters are returning from Iraq and Afghanistan; in 2009 approximately one third of the prisoners in Guantanamo were from the country. The deteriorating security situation in Yemen could destabilise the whole region and gravely aggravate existing challenges already posed by piracy, organised crime and Islamist extremism, with serious implications for the internal security of Yemen's neighbours. To combat terrorism Yemen needs assistance in equipment and training for its security forces.

16. Perhaps even more importantly, the country needs a long-term development strategy for infrastructure development as well as education, and health. In late January 2010, the London Conference which established the "Friends of Yemen" group bringing together more than 20 Western and Arab countries to devise a collective strategy toward Yemen is a step in the right direction. However, the pledges made now have to be implemented. At an earlier donors' conference in 2006, the international community now have pledged US\$ 5.7 billion, but only some US\$ 250 million of that amount have been transferred thus far. One of the main reasons for the delay has been the rampant corruption in the country. Tribes continue to be predominant political players in the country. The unification of the country in 1990 and the clear victory of the North over the South in the 1994 civil war have consolidated the hold of Yemen's predominantly Northern tribes over State resources. Yemen's military and security apparatuses have come to reflect tribal interests.

17. While security and terrorism are serious challenges to the country, the fight against al-Qaeda elements must be part of a larger strategy. Foreign assistance is crucial to help build State capacity, improve governance and fight rampant corruption in the country. The assistance must be well co-ordinated and coherent, focusing on a long-term development, economic and political reform agenda. Therefore, Western governments need to work towards an effective regional approach with the Member States of the Gulf Co-operation Council, in particular Saudi Arabia and the UAE, which are key for the stabilisation of Yemen. NATO as an organisation should monitor the situation and encourage its partners in the region through various consultation mechanisms to adopt a proactive approach.

D. IRAQ

18. The developments in Iraq also have an important impact on the stability of the region. Overall violence in Iraq has dropped significantly and security has improved greatly during the past two years. However, although Iraq has become safer than it was even a few years ago, it is still not a “normal” country even by the standards of security in the Arab world, Kenneth Pollack, Director of Saban Center for Middle East Policy, Brookings Institution, briefed the Sub-Committee in July 2010. There are still many people killed every month by inter-communal violence. Moreover, corruption and organised crime continue to flourish while the country’s infrastructure, particularly water and energy, is still decrepit and dysfunctional as a result of 20 years of damage and neglect. Extremist groups which have become more fragmented and mobile, continue to operate in the country. There are also tensions between Sunnis and Shias, as well as disputes between Arabs and Kurds. The de-Ba’athification process remains a bone of contention which could still wreck the reconciliation among the ethnic groups. Therefore, Iraq is “absolutely not solved”, Mr Pollack noted, adding that there is a real chance that the country could slide back into a major civil war similar to the one it experienced from 2005 to 2007. Academic studies on inter-communal civil wars have shown that about half of the States that suffered from civil wars similar to the one in Iraq are very likely to face a re-occurrence of conflict, often within five years, the expert pointed out to the Sub-Committee. Moreover, if the country possesses valuable natural resources like diamonds, gold or oil, the likelihood rises even higher.

19. Thus, Iraq remains highly vulnerable to a resurgence of civil war. The new Iraqi government will need to address three crucial issues, namely the relations between the Arabs and the Kurds, including the status of Kirkuk; the normalisation of relations between Iraq and Kuwait; and the effective management of oil revenues. Unfortunately, at the time of writing, there is still no agreement on a new government following the parliamentary elections in early March 2010. According to Mr Pollack, these elections were a “huge victory for the Iraqi people” who had largely voted for the two parties considered most secular, least connected with militias, and least tied to the vicious sectarianism of the civil war. The vote reflects Iraqis’ overwhelming desire for change, particularly for a representative, transparent government that is responsive to their needs. However, the Sub-Committee learned, not many politicians believe in democracy: if they could, they would go back to the “old bad politics”. There is a great danger in allowing the perception to take hold that the election was “stolen” in the politicking that followed it. The precedents set in this election will endure for a long time to come and the international community must pay more attention to the final outcome of this election.

20. On 1 September 2010, the US has formally ended "Operation Iraqi Freedom", the combat operations in the country. With the transition to "Operation New Dawn", the US military presence has been drastically reduced to just under 50,000 soldiers. The remaining US troops focus on training Iraqi police, although around 4,500 remaining special forces will still be engaged, alongside Iraqi troops, in operations against al-Qaeda militants. While the US military presence will expire at the end of next year, the limited capabilities of the Iraqi security forces may convince the Iraqi government to request a continuation of the US troops beyond that date. Iraq’s security forces remain heavily dependent on US logistical support, air power, equipment and expertise. Moreover, analysts suggest that continued US military presence may be requested as a reassuring presence for Iraqis fearing a revival of sectarian and ethnic bloodshed.

21. International engagement remains essential for the continuation of the normalisation process in Iraq. As the US military presence is winding down, the international community now plays a supportive rather than a leading role in Iraq. The UN will continue to play an important advisory role as it was done, together with the US, in the run-up to the election, where their facilitation generated the necessary consensus on an election law. Moreover, with the NATO Training Mission – Iraq (NTM-I) the Alliance is making a meaningful contribution to the stabilisation of the

country. NTM-I has provided training, equipment, and technical assistance to the Iraqi Security Forces to help Iraq develop an effective, democratically-led and enduring security sector. NTM-I is now transitioning towards a lean mentoring force supporting an Iraqi-led institutional training programme. The EU is also assisting Iraq with the integrated EU rule of law mission in Iraq (EUJUST LEX) which has trained over 3,000 Iraqi justice officers since it was established in 2005. On 14 June 2010, the EU Council decided to extend the mandate of the mission.

E. IRAN

22. Iran's nuclear programme and its alleged support for terrorist groups represent the most significant security challenge to the region. The government in Tehran has failed to comply fully with requirements of the International Atomic Energy Agency (IAEA) and continues to defy UN Security Council (UNSC) resolutions that demand suspension of its uranium enrichment. Instead, it advances the development of uranium enrichment technology. The discovery of a second uranium enrichment facility near Qom in September 2009 added to suspicions that Tehran's real aim is to acquire nuclear weapons technology. In a February 2010 report, the IAEA expressed, for the first time, fears that Iran may actively pursuing nuclear weapons capability. The report also noted that Iran's level of co-operation with the Agency has decreased.

23. Over the last years, the international community has tried both persuasion and coercion to make Iran comply fully with its obligations as party to the Nuclear Non-Proliferation Treaty (NPT). In December 2006, the UN Security Council adopted Resolution 1696, the first of a series of resolutions imposing sanctions in response to the regime's non-compliance with IAEA non-proliferation safeguards and oversight. The US Administration under President Obama has changed the tone towards Iran, but has not succeeded in engaging Iran on a broader front. Iran ignored the 31 December 2009 deadline to respond to an offer from the "P5 + 1" (the five permanent members of the UN Security Council plus Germany) for economic and political incentives in exchange for halting its nuclear enrichment programme.

24. On 9 June 2010, the UNSC passed a fourth round of sanctions on Iran. UNSC Resolution 1929 imposed additional international sanctions on the regime's nuclear programme and military activities. The resolution also targets Iran's financial sector and restrains its nuclear proliferation activity. What is more, several countries have adopted additional national sanctions which target Iran's economy, particularly affecting trade and energy investment.

25. However, even though the new set of sanctions is unprecedented, it is unclear if the measures will be effective in persuading the regime to comply with the demands of the UNSC. Iran has been targeted by US sanctions for more than 30 years - and by UN sanctions since 2006 - and none of these coercive measures has resulted in Tehran giving up its nuclear research. Despite the passage of UNSC Resolution 1929, the permanent UN Security Council members do not necessarily share a unified position on Iran, mainly due to divergent economic and geopolitical interests. Iran may also be able to circumvent sanctions, or at least significantly limit their impact. For now, hopes of reaching a diplomatic agreement with Iran on its nuclear programme have been dampened. There is a profound lack of trust on all sides. A strong anti-Western sentiment among the political leadership and domestic political developments in Iran are other factors complicating the situation. Independent Iran experts, including Kenneth Pollack, consider that the moderates have lost influence in shaping the country's policy. The decision-making process remains opaque, but there appears to be a widening rift among conservatives within the ruling establishment.

26. If the regime in Tehran continues to defy the international community, the latter and the Allies might have to choose one of three options to react to the challenge posed by Iran: "regime change"; a military strike on Iran to destroy its nuclear facilities; or containment.

27. As to the first option, “regime change” could not – and must not – be imposed from outside. Any change in government can only be initiated by the Iranian people themselves. The domestic political situation of Iran is very complex; there is considerable dissatisfaction, particularly among the younger generation. The government of Mahmut Ahmedinejad faces strong criticism over the economic situation as well as over human rights. Nonetheless, following the harsh crackdown on dissenters after the contested outcome of the 2009 presidential election, the regime appears far too strong and the Green Movement too weak for a “regime change”. That said, the Green Movement could provide a channel for the dissatisfaction that remains widespread among Iranians.

28. On the second option, while not out of the question, your Rapporteur considers the consequences of a military option to be devastating. An attack would destabilise the region and beyond; close the Strait of Hormuz; and, if unsuccessful or only partially successful, could result in an acceleration of an Iranian nuclear weapons programme.

29. This would appear to leave containment of the Iranian regime as the most viable current option. However, the situation is more complex. The Gulf States are already engaged in a major arms race. The volatile security situation in a number of neighbouring countries and the lack of security trust create a dangerous situation that need to be addressed by other means.

30. The preferred goal remains finding a negotiated solution that would address the security concerns of the international community as well as those of Iran and its neighbours. The latter is of particular importance, as Iran’s Arab neighbours are apprehensive over the possibility of a grand bargain between the West and Iran, which could constitute an acknowledgment of Iran’s pre-eminence in the region. As your Rapporteur has suggested in a previous report⁴, by putting Iran on its political agenda NATO can help building a robust consensus among the Allies and partners, particularly the ICI participants, over an acceptable regional role for Iran. Putting Iran on NATO’s political agenda could also ensure policy co-ordination among NATO member and partner countries. Your Rapporteur wants to stress that NATO Secretary General Rasmussen has pointed out that Iran’s increasing ballistic missile capabilities pose a threat to the European Allies.

31. Although the Allies and Iranian neighbours perceive Tehran’s nuclear programme as well as its current regional policy as mostly negative and as a threat to the stability and security of the region, there are also a number of areas where Iran and the West have common interests. Iran played a constructive role in the initial success in overturning the Taliban regime in 2001. Iran has considerable influence in Afghanistan, with which it shares a 940km-long common border. Almost half of the Afghan population speaks Dari or related Persian dialects. In mid-2010, some 950,000 Afghan refugees were registered in Iran, making it the country with the third largest refugee community worldwide. Iran is strongly engaged economically in Afghanistan and provides significant development assistance. It can make an important contribution in Afghanistan as it has long-standing ties with a wide range of powerful regional warlords. Iran is also crucial for the stability of the Gulf; it has considerable influence in post-Saddam Hussein Iraq and it has close ties with Syria and Hamas, both of whom are important players in the Arab-Israeli conflict. Moreover, although Iran does not recognise Israel, reaching agreement with Iran could facilitate settlement of the Mid-East conflict – which remains the responsibility of the parties involved on the Palestinian, Israeli and Arab sides. The Allies could therefore consider engaging Iran and the countries of the Gulf in serious and sincere discussions about a range of regional security matters.

32. Reaching agreement with Iran would require that the government in Tehran plays a constructive role. It has been noted that Iran pursues destabilising activities and policies in the region, particularly in Afghanistan and in Iraq. Moreover, the 2009 Country Reports on Terrorism of the US Department of State, suggests that Iran “remained the most active State sponsor of

⁴ “Iran - Making a Case for NATO’s Political Engagement” [166 PCTR 08 E bis]

terrorism” in 2009. According to the report, Iran provides training and weapons for the Taliban as well as for militants targeting US forces in Iraq and provides safe haven for al-Qaeda members. It is unclear if destabilising actions result from official Iranian government policy, but Tehran must either end or decisively act against these security threats.

IV. THE ROLE OF THE GULF CO-ORDINATION COUNCIL (GCC)

33. An important factor for the stability of the region is the Gulf Co-operation Council, which was set up in May 1981. It brings together Saudi Arabia, Kuwait, Bahrain, Qatar, the United Arab Emirates and the Sultanate of Oman. Ever since its creation nearly 30 years ago, there have been frequent statements about shared challenges and the need for mutual trust. This is however in stark contrast with the tangible progress on the economic, political and security levels. Although GCC members have stated their willingness to further deepening their co-operation by announcing the establishment of a GCC customs union (2003), a common market (2008), a common currency, a Gulf Defence Pact, and an agreement on counter-terrorism co-operation (2004), such announcements have often not been implemented effectively.

34. Persistent intra-regional disputes (such as the border dispute between Saudi Arabia and the UAE) and fears of Saudi dominance on the part of the smaller States have hindered progress towards security co-operation, which has lagged behind economic integration. In 1986, a unified GCC force based in Saudi Arabia - the "Peninsula Shield"- was set up, but the Council failed to expand this force whose fate was disputed in the past, mainly because of lack of consensus among the Gulf States. The GCC States have also been unable to adopt a regional approach towards Iran and Yemen. The GCC States are also concerned about Tehran's nuclear programme, Iranian aspirations of regional hegemony and some aspects of its foreign policy. Reflecting their security concerns, GCC countries are increasing their expenditure on defence to an estimated US\$ 63 billion in 2010, two-thirds of which is covered by Saudi Arabia.

35. However, at the same time, the bilateral relations of GCC States with Iran vary. Historically, there is wide mistrust and suspicion between Saudi Arabia and Iran. Both strive to be recognised as the epicentre of the Islamic world. Saudi Arabia, as well as Bahrain, also claims that Iran is meddling in its internal affairs and intentionally stirring up their Shia populations. Kuwait has historically engaged Iran as a counterweight to Iraq. However, after the removal of Saddam Hussein, Kuwait has become increasingly suspicious over Iran's regional ambitions. The United Arab Emirates have territorial disputes with Tehran over the Abu Musa and Greater and Lesser Tunb islands. At the same time, Dubai is home to a large Iranian expatriate community and is greatly influenced by Iranian investment as it handles an estimated 60% of Iran's merchandise trade and hosts nearly 10,000 Iranian-owned firms. Oman and Qatar view Iran as an important partner stemming from its proximity and shared sense of history, culture and trade. Oman, which has no sizeable Shiite community, has deepened its relationship with Iran in August 2009, when Iranian Foreign Minister Manouchehr Mottaki and Omani Foreign Minister Yusuf Ben Alawi signed a security co-operation agreement. Despite some disputes over sharing the North Field/South Pars natural gas reserve, Tehran and Qatar have a strong relationship. Qatar was the only country to reject a UNSC resolution calling for Tehran to halt uranium enrichment.

36. The GCC already plays a relevant role for the stability of the region. However, the capabilities of the GCC could be improved by closer co-operation among the Member States. For example, the limited progress in the defence co-operation among GCC Member States has resulted in redundant capabilities and deficient interoperability. Convincing the GCC states to forego their national interests in favour of coherent GCC security co-operation will be a difficult task. Political relations are conducted on a personal rather than on an institutional level. Moreover, Gulf States have preferred bilateral consultations and dependence on Western powers

to a more co-operative and multilateral initiative. In the long term, NATO could help should Gulf States decide to identify areas of co-operation and pool together resources. As an advisor, NATO could pave the way for limited but substantial progress towards integration where each State could contribute to an overall and more cost-effective Gulf security system as opposed to pursuing independent defence agendas.

V. NATO IN THE REGION

37. Launched at the 2004 NATO Summit in Istanbul, the primary goal of the Istanbul Cooperation Initiative is to enhance regional security and stability by providing a forum to promote greater co-operation between NATO and the Gulf region. To date, Kuwait (December 2004), Bahrain and Qatar (February 2005), and the UAE (June 2005) have joined the Initiative. Similar to NATO's Partnership for Peace (PfP) programme and NATO's Mediterranean Dialogue (MD), each ICI Member State can tailor its co-operation with NATO according to its own specific needs and interests. ICI offers bilateral and tailored advice on defence reform, budgeting, planning, and civil-military relations. Member States can participate in a range of activities, such as military-to-military co-operation, border security exercises, training to counter illegal trafficking and civil emergency planning. There have been numerous tangible achievements of the ICI's contribution in advancing the defence capabilities and confidence between NATO and the Gulf States.

38. ICI originally started off as a bilateral initiative between individual participating Gulf States and NATO. While the individual aspect remains important, ICI has further developed into a multilateral event where the ICI countries meet together with NATO Allies. So far, there have been three so-called NAC+4 meetings (North Atlantic Council and all four ICI partners). During the most recent meeting in March 2010, the NAC+4 discussed security challenges in the Gulf region.

39. ICI will continue to evolve gradually according to the needs and interests of the Gulf countries. For example, to deepen existing practical co-operation, NATO and ICI countries could discuss establishing Individual Co-operation Programmes which would allow ICI partners to better define the scope and pace of their co-operation with NATO. At the same time, this would allow NATO to better focus its assistance and support. Bahrain is currently considering whether it wants to engage in an Individual Co-operation Programme with NATO.

40. Moreover, anti-piracy operations in the region provide additional scope for co-operation between NATO and ICI partners. NATO is currently conducting Operation Ocean Shield, a counter-piracy operation off the Horn of Africa. Participation of ICI partners in NATO maritime operations (be it with ships, logistics, exercises or information sharing) would enhance the security of shipments through the Gulf of Aden.

41. What is more, ICI could be further developed by upgrading the political dialogue to include regular meetings on ministerial level. This would allow deepening and expanding political and security dialogue between NATO and ICI Member States. To that end, NATO and participating ICI partner states could agree on a "joint declaration" stating the aims of the Initiative, which would form the basis for a truly multilateral approach. Such a joint declaration could also expand ICI to include a provision which would allow any active ICI participant to consult with NATO if it perceives a direct threat to its territorial integrity, political independence, or security.

42. NATO Allies and the GCC countries face common security challenges, such as terrorism, the proliferation of weapons of mass destruction, piracy, energy security, and failed States. Moreover, NATO and GCC countries have shared interests, for example the stabilisation of Afghanistan and Iraq, and preventing countries like Yemen from becoming failed States. Therefore, the participation of all GCC Member States in ICI would not only strongly contribute to

the stability and security of the region, but it could also be used as a tool to advance the GCC as an organisation.

43. In addition to the ICI, NATO is engaged in the Gulf region through other mechanisms. In accordance with UNSC Resolution 1546, Alliance members have established NATO Training Mission - Iraq (NTM-I), which seeks to build effective and sustainable multi-ethnic security forces that will respect civilian control, international and local laws, and professional standards. NTM-I offers mentoring, provides support through in- and out-of-country training and facilitates the delivery of donated military equipment. Due to NATO's contribution to rebuilding the military leadership of Iraq, in December 2008, on the request of Iraqi Prime Minister Nouri Al-Maliki, NATO expanded the mission to other areas including navy and air force leadership training, border security and defence reform and institution building. Moreover, on 26 July 2009, NATO and the Government of the Republic of Iraq signed a long-term agreement that provides the legal basis for NATO to continue training Iraqi Security Forces (LTA).

44. Finally, particularly through ICI and the NTM-I, NATO already makes a meaningful contribution to the security of the region. That said, one must acknowledge that there is a serious lack of knowledge about the Alliance. Co-operation may also be limited due to a lack of cultural and strategic understanding between the NATO Allies and the countries of the region. If NATO wants to become more effective in the region, and indeed in the whole Middle East, it should develop and implement a better communication strategy. NATO has already identified public diplomacy as a priority area in its dealings with the Arab world, but it has only been able to devise very little resources to that end. In the view of some, the best starting point for any communication strategy would be to establish an Arabic language NATO website, including an Arabic edition of *NATO Review*.

VI. CONCLUSIONS

45. The strategic global importance of the Gulf and the Arabian Peninsula cannot be over-emphasised. The Gulf's geographic location and the energy resources extracted from and transported through the region make it pivotal for the world economy. However, the countries of the region face a host of security challenges and continuing instability. The Allies and NATO as an organisation therefore need to continue and deepen their engagement with their regional partners and those of the GCC in particular.

46. Any approach by NATO in the region needs to be pursued through a comprehensive and multidimensional manner that respects the authority and sovereignty of their Gulf partners, while combining military interaction with diplomatic and political engagement. With regards to the region, NATO should follow a strategy that:

- Promotes interoperability between the Gulf and NATO as an organisation, and that offers an array of educational and training programmes;
- Further develops the ICI by elevating the political dialogue with ICI countries to ministerial level and by passing a joint declaration between NATO and the participating ICI countries which also includes a clause that allows any active ICI participant to consult with NATO if it perceives a direct threat to its territorial integrity, political independence, or security;
- Expands membership in the ICI, and utilises this engagement vehicle to develop multilateral relations;
- Continues assisting Iraqi security forces through NTM-I;
- Bolsters current maritime co-operation and co-ordination in the Gulf on a regional and international level to mitigate the harmful effects of piracy and organised crime;

- Engages non-NATO member countries, particularly the Contact Countries (Australia, Japan, New Zealand and South Korea), but also China, Russia and India regarding shared regional interests, pertaining - but not limited to - maritime security and protecting critical energy infrastructure.

47. While it is beyond the scope of this report to discuss NATO's stance toward Iran, putting Iran on the political agenda of the Alliance can help building a robust consensus and ensuring policy co-ordination among NATO member countries and their partners. A NATO strategy based upon the above recommendations will converge with the interests of the Gulf States and effectively contribute to long-term security and stability in the Gulf. Without expanding NATO's engagement, your Rapporteur strongly believes that political upheaval, unsettled territorial disputes, nuclear proliferation, economic uncertainties, and a host of other threats will continue to plague the security of the region and that of the wider international system.
