

The U.S.–Saudi Nuclear Agreement: Opportunities, Risks, and Policy Recommendations

Yoel Guzansky and Eldad Shavit | No. 2177 | July 29, 2026

The nuclear agreement signed between the United States and Saudi Arabia marks a turning point in American nuclear policy and carries broad implications for the regional security architecture. After years in which Washington conditioned any nuclear cooperation on forgoing fuel-cycle capabilities, it is now adopting a more flexible approach that seeks to manage proliferation risks rather than prevent them entirely. In doing so, the agreement creates a significant precedent and raises questions regarding the future of the Nuclear Non-Proliferation Treaty (NPT) regime and the possibility of a regional nuclear race. For Israel, this presents a strategic dilemma. On the one hand, the agreement strengthens the United States' standing in the Gulf, reduces the influence of China and Russia, and preserves American levers of influence over the Saudi program. On the other hand, if it fails to include clear restrictions on enrichment and reprocessing, as well as enhanced inspections, it could accelerate the spread of nuclear capabilities throughout the region. Therefore, Israel's objective is not to try to block the agreement, but to influence its design through effective constraints, oversight mechanisms, and strategic understandings with Washington. Even if the agreement does not lead to normalization with Saudi Arabia, this should not be regarded as the final word. Rather, the deepening partnership between Washington and Riyadh may actually create an opportunity to renew Israeli-Saudi dialogue and gradually advance regional cooperation.

What Has Been Signed and What Remains Unclear?

The nuclear cooperation agreement signed last week between the United States and Saudi Arabia is designed to create the legal framework that will enable American companies to transfer technology, equipment, know-how, and materials to Riyadh for the establishment of a civilian nuclear program. Formally, this is an agreement under Section 123 of the U.S. Atomic Energy Act, which requires congressional approval before entering into force. However, its significance extends far beyond the energy sphere: the agreement reflects Washington's desire to re-anchor Saudi Arabia within the U.S. partnership framework, prevent deepening Saudi dependence on China and Russia, and preserve influence over the development of one of the most important nuclear programs expected to emerge in the Middle East.

Despite the signing, some of the most essential issues remain unclear. Neither the full text of the agreement nor the details of the accompanying oversight mechanism have yet been made public. Consequently, it is difficult to determine the extent to which it restricts Saudi Arabia's ability to enrich

uranium, develop fuel-cycle infrastructure, or utilize non-American suppliers. Important questions also remain unanswered regarding the role of the International Atomic Energy Agency (IAEA) in overseeing the agreement and Riyadh's commitment to adopting the Agency's Additional Protocol, which provides for more intrusive inspections.

In addition, uncertainty remains regarding the agreement's connection to normalization with Israel. Negotiations over a nuclear agreement with Riyadh, which were conducted largely during President Biden's term, formed part of a broader diplomatic package that also included a security pact, arms agreements, and a potential path toward establishing relations with Israel. Signing the agreement separately raises concerns that the Saudis achieved one of their main objectives without providing any political quid pro quo on the Israeli front. However, subsequent statements by President Trump and other administration officials explicitly linking congressional approval of the agreement to Saudi Arabia's accession to the Abraham Accords suggest that, at least from the perspective of the U.S. administration, the connection between the two tracks remains subject to discussion.

Therefore, the agreement should perhaps be viewed as an important strategic framework rather than a completed move. The congressional process has yet to begin, and the supplementary agreements, oversight details, and political conditions may still alter its substance and significance. The question facing Israel is not whether the agreement is absolutely good or bad, but whether it can be shaped in a way that ensures that the benefits of American involvement outweigh the risks it poses.

The Shift in U.S. Policy

The agreement reflects an important, though not absolute, shift in American policy regarding civilian nuclear cooperation in the Middle East. Since signing its nuclear cooperation agreement with the United Arab Emirates in 2009, Washington has treated the renunciation of uranium enrichment and the reprocessing of spent nuclear fuel as the strictest benchmark for nuclear cooperation. This model, known as the "Gold Standard," was designed to prevent countries establishing civilian nuclear programs from simultaneously developing capabilities that could shorten the path to a military nuclear capability.

However, this standard never became a legally binding policy uniformly applicable to all of the United States' partners. U.S. law requires oversight and American consent for certain uses of materials and technology originating from the United States, but it does not mandate that every country preemptively and comprehensively forgo enrichment and reprocessing. Thus, the agreement with Saudi Arabia is not necessarily a breach of an existing legal rule, but rather a retreat from the aspiration to make the UAE model a binding norm.

This shift stems primarily from the United States' recognition that its ability to prevent the development of nuclear programs is limited. Over the years, Saudi Arabia has made clear that it is unwilling to accept a status inferior to that of Iran or to permanently forgo the option of controlling parts of the nuclear fuel cycle. For Riyadh, a civilian nuclear program is not merely a response to energy needs, but also a symbol of technological status, sovereignty, and its position as a regional power. American insistence on a total waiver did not alter this ambition; rather, it increased Saudi Arabia's willingness to explore alternative partnerships.

From here stems the current American approach: if establishing the Saudi program cannot be prevented, it is best to try to shape it from within. Rather than imposing conditions that Riyadh is

unwilling to accept and risking the loss of American influence, Washington seeks to use the cooperation to create long-term dependence on American technology, fuel, workforce training, regulatory standards, and services. This is an approach based on recognizing reality and managing risk: not a complete elimination of sensitive capabilities, but an effort to restrict them, oversee them, and preserve levers of influence in the event of a deviation.

This policy shift also has a clear geopolitical dimension. The civilian nuclear market has become a central arena of competition among the United States, China, Russia, France, and South Korea. A nuclear supplier is not merely a contractor building a reactor, but a partner providing fuel, maintenance, training, regulation, and sometimes even financing, over decades. An American decision to forgo the Saudi market could have given its competitors a strategic foothold in one of the most important countries in the Arab world.

However, the transition from prevention to risk management carries a price. It weakens Washington's ability to demand that other countries relinquish similar capabilities, and it may be perceived as an acknowledgment that strategically significant countries can secure more lenient terms. It also sharpens the contrast between American policy toward Saudi Arabia and the stringent demands it places on Iran (see below for an elaboration on the agreement's disadvantages). Ultimately, the success of the new policy will not be measured by the mere signing of the agreement, but by the quality of the oversight mechanisms, the scope of the restrictions it imposes, and the United States' ability to ensure that American cooperation does not become an indirect pathway to a nuclear threshold capability.

Advantages and Disadvantages of the Agreement

The central argument in favor of the agreement begins with an acknowledgment of reality. For nearly two decades, Saudi Arabia has insisted on its ambition to establish a civilian nuclear program that includes control over the nuclear fuel cycle. Crown Prince Mohammed bin Salman has repeatedly made clear that the Kingdom views nuclear energy as a vital component of its development strategy, even emphasizing in the past that if Iran acquires a nuclear weapon, Saudi Arabia will seek to do the same. The question, therefore, is not whether a Saudi nuclear program will be established, but who will assist in its creation and under what conditions.

In this sense, the agreement may ensure that the United States, rather than China or Russia, is a key player. For Israel, this represents a significant advantage. American involvement is expected to include oversight, technological dependence, nuclear fuel supply, workforce training, and regulatory supervision spanning decades. All of these grant Washington levers of influence that would not have existed had Riyadh chosen a different partner. At the same time, American involvement in itself does not guarantee control over the Saudi program. Its effectiveness will depend on the scope of the agreement's applicability—namely, whether the restrictions and oversight will apply solely to equipment, materials, and technologies originating from the United States, or also to components supplied by other countries. The broader the coverage of the American framework across the program, the greater Washington's transparency and ability to exert influence will be.

The agreement may also strengthen the United States' standing in the Gulf at a time when countries in the region question its security commitment. After years of hedging risks and turning increasingly toward China and other partners, the agreement signals that Washington remains willing to invest political and strategic capital in its relations with Saudi Arabia. For Israel, a stronger American

commitment to the Gulf serves the broader strategic interest of deterring Iran and maintaining regional stability.

Alongside its advantages, the agreement raises a number of weighty strategic questions. The primary concern relates to the nuclear non-proliferation regime. For years, the United States insisted that countries seeking American nuclear cooperation forgo enrichment and reprocessing capabilities. If the agreement with Saudi Arabia permits a deviation from this principle, it will be difficult for Washington to demand that other countries accept more stringent restrictions.

The significance of such a deviation is the creation of a precedent. Egypt, Turkey, and perhaps even additional countries might argue that if Saudi Arabia received American recognition of its nuclear rights, there is no reason to deny them the same. In such a scenario, the Middle East could gradually move closer to a reality in which multiple states possess advanced nuclear capabilities.

Even if the Saudi program is defined as purely civilian, over the years it will build a repository of expertise, trained personnel, infrastructure, and industrial experience. History shows that in many countries, the boundary between a civilian nuclear program and a military threshold capability is not always clear. While there is currently no indication that Saudi Arabia intends to deviate from a civilian path, infrastructure is built for decades, whereas policies and regimes can change.

Assessing the Agreement

Assessing the agreement requires comparing realistic alternatives rather than contrasting an existing reality with an ideal one. Had it been possible to prevent a Saudi nuclear program altogether, this might have been preferable from Israel's perspective. However, this option does not appear realistic. Riyadh has made the development of nuclear energy an integral part of its Vision 2030 agenda, and it would likely have continued to pursue this objective even without U.S. cooperation. Under these circumstances, the likely alternative to the agreement is not the absence of a nuclear program, but rather a nuclear program developed with the assistance of China, Russia, or other actors, and without the oversight mechanisms, transparency, and dependence provided by American involvement.

The central question, therefore, is not whether the agreement involves risks. It undoubtedly does. The question is whether those risks are smaller than the risks posed by the alternative. The agreement does not eliminate the problem of nuclear proliferation, but it allows for managing it under conditions that are more favorable to the United States and, by extension, to Israel. Still, the price cannot be ignored. The shift in U.S. policy could have broader implications for the Middle East as a whole, making it essential to establish rigorous oversight mechanisms and guarantee clear restrictions on every sensitive component of the nuclear fuel cycle.

From Saudi Arabia's perspective, the agreement is viewed not merely as an energy deal, but as a top-tier strategic and political achievement. Saudi media portrays the signing as American recognition of the Kingdom's new status as a leading regional power. The agreement is presented as the fulfillment of a long-standing strategic objective of bin Salman and as an integral part of Vision 2030, which seeks to diversify the Kingdom's energy sources, develop advanced industries, and reduce Saudi dependence on oil.

Beyond this, the achievement strengthens bin Salman's domestic political standing, following years of promoting the Kingdom's nuclear program while facing American opposition over the issue of uranium

enrichment. In the eyes of the Saudi public and elite, the mere American consent is seen as proof of Riyadh's ability to negotiate from a position of strength, achieve international recognition, and place itself alongside the world's most advanced countries in the fields of energy and technology.

Recommendations for Israel

Israel should avoid a policy of public opposition to the agreement. Any attempt to thwart it is unlikely to succeed and could create unnecessary friction with Washington without preventing its progress. Israel's objective should not be to prevent the establishment of a Saudi nuclear program, but rather to ensure that the program remains as far removed as possible from a military threshold capability. To that end, Israel should conduct a quiet strategic dialogue with the U.S. administration aimed at influencing the design of the agreement: encouraging the strictest possible oversight mechanisms; strengthening IAEA involvement, including a Saudi signature on the "Additional Protocol"; and establishing clear and rapid response mechanisms for any future deviation.

At the same time, Israel should seek to ensure that any sensitive component of the program is subject to direct American involvement, whether through fuel supply, technology control, or oversight of facility operations. The deeper Riyadh's strategic dependence on the United States, the lower the risk of a unilateral policy shift in the future. In any case, complementary steps should be explored with Washington to preserve Israel's Qualitative Military Edge (QME) and to strengthen its capability to detect and address future changes in the Saudi program. However, these steps cannot serve as a substitute for effective nuclear restrictions. Security compensation for Israel does not, in itself, reduce proliferation risks or the possibility that the Saudi precedent will influence additional countries in the region.

Even if the agreement is ultimately not conditioned on advancing normalization with Israel, this should not be regarded as the final word. Precisely because the agreement is expected to deepen ties between Washington and Riyadh, Israel should seek to leverage this new dynamic to renew dialogue with Saudi Arabia and propose gradual pathways toward regional cooperation.

Conclusion

The nuclear agreement between the United States and Saudi Arabia reflects a profound shift in the American approach: from a policy aimed at preventing the emergence of advanced civilian nuclear capabilities in the Middle East altogether to one focused on managing the risks associated with them. From Israel's perspective, this is not the agreement it would have preferred. However, given regional and international realities, it may be preferable to the alternatives. The Israeli interest lies not in focusing on how to block the agreement, but rather on how to shape it in a way that strengthens oversight, preserves Israel's strategic advantage, minimizes nuclear proliferation risks, and prevents it from becoming a precedent that triggers a regional nuclear arms race.

The debate does not have to be reduced to a binary choice between granting full enrichment capabilities and denying them completely. Creative models can be explored that would allow Saudi Arabia's civilian nuclear program to advance while significantly reducing nuclear proliferation risks. One idea worthy of consideration is the [establishment of a regional nuclear fuel bank on Saudi territory](#), operated under stringent international oversight by the IAEA alongside the United States and additional partners. Such a model would allow for the regular supply of nuclear fuel to countries across the region, reduce the need for individual states to develop independent enrichment capabilities, and create a regional

mechanism based on transparency, oversight, and mutual dependence. Although politically complex, this approach could offer a middle ground between Saudi ambitions for nuclear legitimacy and the international imperative to preserve the principles of the non-proliferation regime and prevent a nuclear arms race in the Middle East.

Editors of the series: Anat Kurz, Rinat Harash, Eldad Shavit and Keri Rosenbluh