

# **ELECTION 2020**

**CHALLENGES & OPPORTUNITIES FOR  
US POLICY IN THE MIDDLE EAST**

**BRIEFING BOOK**

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Policy Insights & Recommendations from  
the Scholars & Experts at MEI



Middle  
East  
Institute

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The briefs in this book offer policy insights and recommendations from MEI scholars on key issues in the Middle East. They do not necessarily represent a consensus of all MEI scholars' opinions on any particular issue. Instead, they serve as a contribution to the broader discussion about the challenges and opportunities for U.S. policy in the region.

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## US General Middle East Interests & Policy Priorities

### ISSUES

- The Middle East is going through one of the most unstable periods in its recent history. The instability goes well beyond the current triple crisis of the COVID-19 pandemic, the related economic contraction, and the collapse of energy prices. Looking deeper, part of the instability is due to domestic shocks, such as the Arab uprisings of 2011, and part to external shocks, such as the 2003 U.S. invasion of Iraq. Many of today's faultlines date back to 1979, when the Islamic revolution in Iran mobilized and weaponized Shiite communities around the region, and when the U.S., Pakistan, and Saudi Arabia mobilized and weaponized radical Sunni groups to fight the Soviet invasion in Afghanistan.
- Today the region includes five fully or partially failed states (Yemen, Libya, Syria, Afghanistan, and Iraq), several very fragile states (Lebanon, Sudan, and Jordan), dozens of armed non-state actors (Sunni and Shi'a; Arab, Kurdish, Pashtu, etc.), and a number of recognized terrorist groups.
- The Middle East suffers from several conflict axes. First, Iran is embroiled in the largest conflict system: it is in conflict with the U.S. and its regional partners, Israel, Saudi Arabia, and the UAE. Iran pursues an aggressive asymmetric "forward defense" strategy in which it builds and positions militias in Lebanon, Syria, Iraq, and Yemen and threatens Israel and Saudi Arabia with drone and missile strikes. The second conflict axis is within the Sunni world, between the Arab Quartet (Saudi Arabia, the UAE, Bahrain, and Egypt) on the one hand, and Turkey and Qatar on the other. This exacerbates regional tensions over political Islam and the role of the Muslim Brotherhood, and is partly fueling the civil war in Libya. The third conflict axis is over Israel-Palestine and its Arab-Israeli dynamics. Here, at least, we have some movement, represented by the UAE-Israel normalization agreement and the potential for other agreements to follow.

### US INTERESTS

- The US has five main interests in the Middle East:
  - \* Maintaining the free flow of energy and trade to world markets.
  - \* Countering the spread of weapons of mass destruction.
  - \* Combating terrorist groups.
  - \* Standing with partners and allies.
  - \* Competing and countering the influence of rival great powers.
- These interests must be seen within the context of a general downgrading of interest in the Middle East in favor of an intensified interest, or pivot, to Asia.

- They must also be seen within the context of U.S. fatigue — both at the level of public opinion, as well as at the level of military and foreign policy makers — with regard to costly engagements in the Middle East that have shown few positive returns.

## **POLICY RECOMMENDATIONS**

- Finding a breakthrough in the U.S.-Iran relationship is critical. Conflict involving Iran now fuels several civil wars, directly threatens world energy supplies, threatens U.S. partners and allies, and fuels sectarian radicalization that enables major terrorist groups. The Obama administration approach achieved progress on the nuclear file, but also led to greater Iranian intervention in the region and an expansion of its missile program. Trump administration policy has weakened the Iranian economy, but exacerbated regional and energy risks without getting closer to a resolution.
- There is an opportunity to lean on the leverage provided by the Trump administration to pursue wider negotiations with Iran that might include not only revisiting the JCPOA — perhaps with additional, stronger protocols — but also discussions about scaling back its regional interventions and limiting its missile program. None of this will be easy, but it is essential. The open-ended conflict with Iran impacts all five of the U.S.'s core interests in the Middle East.
- As civil wars are driving large-scale refugee flows, exacerbating human suffering, and enabling terrorist groups, ending them should also be a high U.S. priority. Ending the wars in Yemen and Libya is not out of reach, but requires more concerted diplomatic and political will. Ending the wars in Syria and Afghanistan will be much harder. In Syria, the best that can be hoped for is to stabilize an inconclusive situation without generating more human suffering or allowing a resurgence of ISIS. In Afghanistan, the best alternative is probably a continued commitment to the Afghan state, despite the inability to defeat the Taliban.
- The U.S. should build on the UAE-Israel normalization agreement by working to revive Israel-Palestine talks toward a two-state solution in the context of a more friendly Arab environment.
- The U.S. should work with partners to repair the division within the GCC, and to repair the division between Turkey and U.S. partners like Saudi Arabia.
- Overall, the U.S. should continue to maintain its presence and partnerships in the region, while providing humanitarian assistance; encouraging economic reform, development, and investment; and pressing for civic and political reform.

- Paul Salem

**ISSUES**

- The prospect of intra-Afghan peace negotiations raises questions about whether the Taliban is sincere in seeking a power-sharing arrangement in a peace settlement. The larger issue is whether it is possible for the sides to bridge seemingly incompatible visions of an Afghan state. The Taliban has thus far shown little interest in compromising on any issues of significance.
- In the absence of a comprehensive, sustained cease-fire, the ability of the Afghan security forces to withstand the Taliban and ISIS insurgency will continue to be severely tested, especially with the drawdown of foreign troops.
- The power-sharing agreement signed between Ashraf Ghani and Abdullah Abdullah has resolved a lingering political crisis in Kabul, but longstanding grievances among the political elites have not been addressed. While the agreement provides legitimacy for the Kabul government in intra-Afghan peace talks, possible future internal power struggles could weaken its negotiating position.

**US INTERESTS**

- Although determined to have a smaller footprint in Afghanistan, the U.S. has an interest in regional stability and in an Afghan state capable of defending itself and able to chart its own course.
- The U.S. has a stake in a stable Afghan government that can restore the confidence of the Afghan people in their elected leadership. It has a 19-year investment in the survival of a popularly elected, liberal constitutional government and an obligation to continue to provide generous non-military assistance.
- It remains in the American interest that there be a political solution to the Afghan conflict, but without sacrificing the tangible societal gains that have been achieved in nearly two decades in Afghanistan.

**POLICY RECOMMENDATIONS**

- The U.S. government should continue to give support to the Kabul government but insist on the importance of Afghan political unity and demand greater evidence of efforts to curb corruption.

- The drawdown of U.S. military forces should be conditioned on the Taliban's adherence to the commitments made in the Doha agreement, and the U.S. should also press for retention of special operations and intelligence personnel for counter-terrorism activities.
- The U.S. should do everything possible to facilitate broad participation in an intra-Afghan dialogue and offer to help facilitate any agreements reached.

**ISSUES**

- The president, who was elected in December 2019 and is backed by the Army, lacks credibility but is moving ahead with constitutional changes and plans to hold a referendum on a new constitution before the end of the year.
- The huge, peaceful demonstrations that rocked this country of 42 million last year have subsided with the pandemic and in the face of government arrest of activists and journalists, holding dozens without trial.
- Extremists operate in neighboring Mali, Niger, Libya, and Tunisia, and the Algerian government is getting involved in international efforts to solve the Libyan war.
- Bilateral relations with the U.S. have improved in the past decade, spearheaded by strong cooperation on counter-terrorism.

**US INTERESTS**

- Making sure that domestic political instability does not stir up violence and extremist recruitment.
- Continued cooperation with the Algerian government on regional counter-terrorism, especially in Libya and Mali.
- Algeria is a major trading partner for the U.S. in the Middle East and North Africa region and U.S. firms should have fair access to its markets.

**POLICY RECOMMENDATIONS**

- Stand back several steps on the domestic political unrest. The government is prickly about external pressure and we should not prescribe a detailed plan to resolve the impasse.
- Instead, broadly back an Algerian approach that wins wide public support.
- Without preaching, support the protesters' rights to freedom of speech, association, and peaceful assembly, as enumerated in the UN Covenant on Political Rights.
- Maintain discrete counter-terrorism cooperation with Algerian intelligence and the military. Behind closed doors with these Algerian security contacts we should counsel restraint and dialogue with the protesters.



- Boost working-level bilateral talks on regional security. As the new president settles into office, Algeria will play a more active regional diplomatic role.
- Expand our low-cost bilateral cooperation in rule of law and education reform to boost longer-term Algerian economic prospects, thus undermining extremist recruitment.

## ISSUES

- The Arab world's most populous state, Egypt, attempting to recover economically and politically from an uprising and a coup within a few years of each other, had made huge macroeconomic gains under an IMF-backed reform plan. However, the austerity measures the reforms required significantly increased economic pressure on many of its citizens and there has been a major crackdown on political freedom of expression or political dissent. The economic fallout from the COVID-19 epidemic is going to exacerbate matters. Despite being the only country in the region with a projected positive growth rate, the fallout has deeply affected Egypt's three largest revenue earners — tourism, remittances, and the Suez Canal — and the economy is vulnerable.
- The security situation has stabilized in the majority of the country but the military is still fighting ISIS-affiliated extremists in the Sinai Peninsula. The Egypt-Libya border is long, porous, and a source of extreme concern for Egypt due to relations between militants in Libya and those in Sinai. The entry of Turkey onto the Libya stage, with thousands of Syrian mercenaries, has put Egypt on high alert and it announced that any incursions past the town of Sirte will trigger an Egyptian mobilization if the Libyan tribes request it. Egypt has many interests in Libya; security, influence, and economic partnerships, but the presence of thousands of mercenaries, most of whom are ISIS-affiliated, is a red line.
- By 2028, Egypt's labor force will increase to a staggering 80 million. However, another looming threat is Ethiopia unilaterally building the Grand Ethiopian Renaissance Dam (GERD), which holds the Nile's entire annual rainfall, without any environmental impact studies. A decade of negotiations, including U.S.-brokered talks, have failed and Ethiopia began unilaterally filling the dam's reservoir, without an agreement with Egypt and Sudan, in July. The danger of this cannot be overestimated. At worst, Egypt, a water-scarce country that relies on the Nile for 96% of its water, is looking at the loss of over a quarter of its arable land (and only 4% of Egypt is arable), with a corresponding loss of 5 million jobs (not including their families), as well as water for development and even drinking. Ethiopia's right to development is unquestioned but its unilateral approach, with little apparent regard for the welfare of its neighbors, has Egypt and Sudan on high alert, particularly in light of Ethiopia's similar transgressions in Djibouti, Kenya, and Somalia, all of which are suffering drastic water loss due to Ethiopian dams. If unchecked, the situation is a very real source of regional conflict.

## US INTERESTS

- Egypt has historically been important to the U.S. due to its demography, geographic location, and diplomatic heft. While its internal challenges since

2011 have chipped away at its regional political clout, it still retains a position of importance. There are few regional issues in which it is not involved and it is impossible to view any resolution in either the Libyan conflict or Arab-Israeli issues without its involvement.

- It hosts the Arab League and Al-Azhar University, the world's oldest university and the seat of moderate Sunni Islam.
- It controls the vital Suez Canal, one of the world's most important waterways, to which the U.S. is uniquely granted expedited passage (other ships could wait weeks).
- Its peace with Israel is the most significant, and lasting, Arab-Israeli diplomatic achievement.
- It is a powerful and dedicated ally against regional Islamist extremism.

## **POLICY RECOMMENDATIONS**

- The stability and economic growth of Egypt will continue to be a U.S. interest. Work with the Egyptian government, business, and civil society to encourage sustained and inclusive growth. Every effort to prevent conflict over the GERD must be made if the U.S. wishes to avoid conflict in the region.
- Egypt and the U.S. have differed over human rights and political freedoms. Egypt is a major recipient of U.S. military aid and there have been attempts to link this aid to human rights reform. The carrot and stick approach has traditionally not worked with Egypt. However, while economic investment development is vital to Egypt, the U.S. is under no obligation to extend economic aid or, more importantly, preferential trade terms or investment. Those are areas that could and should be pegged to reforms. Economic fallout from the pandemic has left Egypt's economy vulnerable and this would be an excellent time to peg FDI to domestic reform. Additionally, there is currently no bilateral treaty governing the detention of U.S. citizens in Egypt. One should be pursued immediately. The Egyptian government would be amenable to one rather than leaving the issues to the vagaries of the Egyptian judicial system.
- Egypt would very much like to reaffirm its strategic alliance with the U.S. (along the lines of those with Israel or Jordan), and in light of the U.S.'s role in trying to solve the GERD impasse, Egypt is likely to be more receptive to U.S. priorities. It's ultimately in the U.S. interest to reaffirm this relationship; the opportunity cost is relinquishing trade (and soft power) to Europe, Russia, and China.

- Mirette F. Mabrouk

## ISSUES

- Intra-GCC disputes weaken cooperation with the U.S. on issues of shared concern.
- Likely leadership transition in Kuwait within the next five years will remove a key pillar of stability and cooperation with the U.S.
- Recovery from the global pandemic, uncertainty in global energy markets, and demographic and climate change within the GCC will challenge regional economies and threaten internal stability.
- GCC governments will increasingly look to Russia and China for political, economic, and security partnership amid doubts about U.S. commitment.

## US INTERESTS

- Security cooperation with the GCC is key to confront regional challenges, including Iran, and to provide a platform for U.S. military operations.
- The GCC states anchor the broader Sunni Arab world and assist the U.S. in achieving the shared objectives of political and economic stability and the peaceful resolution of regional conflicts, including the Israel-Palestinian conflict.
- Cooperation with the GCC is essential for defending freedom of navigation in the Persian Gulf and ensuring the security of global energy markets.

## POLICY RECOMMENDATIONS

- Press for a resolution of the ongoing intra-GCC dispute dividing Qatar from Saudi Arabia, the UAE, and Bahrain.
- Launch a serious dialogue with GCC states to coordinate policies on regional issues, including Iranian expansionism and conflicts in Yemen, Syria, and Libya.
- Re-commit the U.S. to maintain a strong political, economic, and security relationship with GCC states and address concerns about declining U.S. interest in the region, while partners in the Gulf should continue to do their fair share.
- Expand the agenda with GCC states to include anticipating and addressing critical regional issues, i.e., climate change, demographic growth, diversification, demands for greater citizen participation in decision-making, and adjusting for global changes in energy demand and the economy.

- Gerald Feierstein



## ISSUES

- The strategic maritime importance of the Suez Canal, Red Sea, Bab el-Mandeb chokepoint, and Gulf of Aden are attracting military bases at ports in the region and security engagement by a growing number of regional and major powers.
- Political conflicts and internal disagreements in the Gulf states and Iran are increasingly impacting countries in northeast Africa, resulting in greater regional instability.
- The Red Sea is rich in recoverable oil, gas, and minerals that have the potential to cause additional conflict if not governed by international agreement and/or agreements among the littoral states.

## US INTERESTS

- Political stability and economic development throughout the region.
- Free passage through the Red Sea Basin for U.S. and allied nations' naval vessels and commercial shipping.
- Preventing or at least minimizing the activities of countries or organizations that are hostile to the U.S. in the Red Sea Basin.

## POLICY RECOMMENDATIONS

- To emphasize the importance the U.S. attaches to the region and obtain a better understanding of the issues on both sides of the Red Sea, where geographical responsibility crosses jurisdictional lines in the departments of State and Defense, send a team from the regional bureaus of both departments at the deputy assistant secretary level or higher to key capitals in the Gulf states and northeast Africa.
- Include in that team a representative from AFRICOM, CENTCOM, and the Indo-Pacific Command, all of which have an interest in the Red Sea Basin.
- Encourage and support the creation of a Red Sea Basin forum, either free standing or led by the UN, that brings together the littoral and regional countries that have a direct interest in the Red Sea to discuss these issues.
- Support those programs and policies that promote political stability and economic development in the region.

- David Shinn

**ISSUES**

- Iran represents a set of challenges, if not direct threats, to the U.S. From its ongoing nuclear and ballistic missile program to its expansionist and ideologically-driven anti-American regional policies to its growing partnerships with Russia and China, Iranian actions can greatly undermine American interests in the Middle East.
- The Iranian regime is also at an important juncture domestically. Supreme Leader Ayatollah Ali Khamenei is over 80 years old and the question of succession is already heating up in Tehran. The outcome of this process can greatly shape the political trajectory of the Islamic Republic depending on which faction — be it the so-called moderates or the hardliners — secures the top seat.

**US INTERESTS**

- As soon as possible, the U.S. has to come up with a strategic vision on how to tackle the various challenges posed by Tehran. On the nuclear issue, Washington has to decide if it wants to return to the 2015 JCPOA as it was signed. Alternatively, Washington has sufficient leverage to convince the Europeans in particular that modifications need to be made to the deal, such as the “sunset” years, and imposing restrictions on Iran’s ballistic missile program.
- At the same time, to prevent a war with Iran, Washington needs to deliberate carefully about how to provide opportunities to Tehran for it to deescalate and agree to make the kind of concessions the U.S. seeks.
- The U.S. has to pressure Iran to start direct negotiations about its regional actions. In particular, there is a need to roll back Iran’s proxy model. Diplomatic outreach to Tehran can advance this aim but so can limited kinetic action that undoubtedly will shape Iran’s regional agenda. Rolling back anti-U.S. Iranian efforts will also require alliance building in countries such as Iraq and Lebanon and re-engaging Palestinian groups (to counter the Iranian narrative/agenda).
- It is in the interest of the U.S. that the Iranian regime seizes the succession process, which is already well under way, to push the country in the direction of change and reform. American policy-makers, however, have to first determine if the Islamic Republic is able to reform and change course or whether ultimately Washington should work to empower the Iranian opposition in the country and in the diaspora that seek to bring down the Islamic Republic.

## POLICY RECOMMENDATIONS

- Maintain close cooperation with European allies on preventing Iran from becoming a nuclear-armed state.
- Pursue a dialogue with Iran about the scope and range of its ballistic missile arsenal and regional activities, and be ready with a credible carrot-and-stick strategy.
- Be ready to demonstrate that the U.S. will roll back non-state militant actors with full force if necessary to shape Tehran's cost-benefit calculations.
- The U.S. should look for ways to convince Iran that substituting an ideological foreign policy for the pursuit of tangible Iranian national interests will benefit a restless Iranian population.
- The Iranian people are ultimately pro-American and it should be Washington's priority not to lose Iran to Russia and China for another generation.

**ISSUES**

- Though the protest movement that began on Oct. 1, 2019 has reduced its activities, its demands of fighting corruption, seeking accountability for the perpetrators of crimes against fellow activists, holding early elections, and minimizing Iranian influence in Iraq still attract the sympathy of large swaths of Iraqis.
- The killing of the commander of Iran's Quds Force, Gen. Qassem Soleimani, and the deputy leader of the Iran-linked Iraqi Popular Mobilization Forces (PMF), Abu Mahdi al-Muhandis, on Iraqi territory followed by Iran's retaliatory missile strike against Iraqi bases housing U.S. soldiers have placed Iraq in the middle of a U.S.-Iranian military escalation.
- Iraqi leaders and citizens are split over the withdrawal of U.S. forces. The parliamentary vote on Jan. 5 to expel U.S. forces primarily involved Shi'a parliamentarians beholden to Iran. Except for a few who showed up for the vote, Sunni and Kurdish leaders are largely opposed to this move.
- Iran-linked Iraqi militias vowed to expel U.S. forces from the country using any means at their disposal, including violent ones. Rocket/mortar attacks on U.S. facilities in Iraq have been escalating, leading to the killing and wounding of American servicemen.
- The government led by Mustafa al-Kadhimi has shown a willingness to rein in militias that are responsible for rocket attacks on U.S. facilities in Iraq and Iraqi bases hosting U.S. and coalition soldiers.
- While relations between Baghdad and Erbil have improved, outstanding issues remain between the two parties concerning oil revenue sharing, the Kurdistan Regional Government's share of the Iraqi budget, and the status of the disputed territories.
- Political interference in anti-corruption bodies, politicization of corruption cases, insecurity, and the growing role of militias in the political and economic spheres have severely limited the government's ability to curb soaring corruption. This state of affairs is unlikely to change in the near term.

**US INTERESTS**

- Help the Iraqi government defeat ISIS and its affiliates and deal with internal threats emerging from Shiite militias operating outside the government's purview.



- Ensure durable stability of Iraq, which lies at the center of the Middle East.
- Help the Iraqi government manage the twin economic and COVID-19 crises.
- Ensure that Iraq does not become a proxy for Iran in regional conflicts.
- Promote durable solutions to internal displacement in Iraq.
- Support the protesters' demands for an end to corruption, early elections, and accountability of the security forces, including the PMFs.
- Promote partnerships between the Iraqi government and U.S. companies to develop Iraq's oil, gas, and water industries, thus breaking its dependence on Iranian gas and electricity imports.

## **POLICY RECOMMENDATIONS**

- The U.S. is reducing its force level in Iraq. Within the context of the U.S.-Iraq Strategic Dialogue, the two countries should discuss a new framework for a reduced U.S. force presence to work in cooperation with the government of Iraq on counter-terrorism operations and training, advising, and equipping Iraqi security forces, as well as intelligence sharing.
- Disentangle bilateral discussions about the U.S. force presence from other aspects of the U.S.-Iraqi relationship, including diplomatic, economic, and cultural relations and development and humanitarian assistance.
- Assist Iraq with accessing funding from international donors to manage the economic challenges conditional on the Iraqi executive and legislative authorities enacting fundamental economic reforms.
- Identify areas where U.S. civil society organizations can assist in protesters' efforts to fight corruption and promote accountability and good governance.
- Identify Iraqi armed groups that are involved in human rights violations, ensure they are denied access to U.S. aid per U.S. law, and work with European allies to deny these groups' leaders entry to EU capitals and access to EU resources.
- Identify areas where Iraq needs help and the U.S. has a comparative advantage over Iran, such as banking reforms and assistance in the education and technology sectors.

- Discuss in the U.S.-Iraq Strategic Dialogue commercial investment reforms the Iraqi government must engage in, with the U.S. providing technical assistance when asked.
- Sustain funding to help Iraq address internal displacement issues in coordination with international organizations.

## ISSUES

- The longstanding strategic relationship between the U.S. and Israel includes deep intelligence and operational cooperation on core national security issues, such as Iran, ISIS, Syria, Lebanon, etc.
- Israel is the largest recipient of U.S. foreign military aid, totaling \$3.8 billion annually, under a 10-year MOU signed in 2016. Beyond procurement of major combat platforms such as the F-35, defense cooperation extends into joint R&D on missile defense, counter-terrorism, and more.
- Israel's thriving high-tech industry, known as "Silicon Wadi," is practically on par with Silicon Valley in certain areas of cutting-edge civilian and quasi-military technologies. There are growing concerns, however, over Israeli exports of cyber weapons and surveillance technologies, including to nondemocratic and semi-democratic regimes.
- Under the Trump and Netanyahu administrations, the level of policy coordination and cooperation has risen, notably on the two core issues of bilateral interest: Iran-nuclear (and overall Iran policy) and the Israeli-Palestinian conflict.
- Controversial actions by the Trump administration, such as the December 2017 decision to recognize Jerusalem as Israel's capital and the November 2019 declaration that settlements are not illegal, both of which overturned decades of U.S. policy and defied longstanding international consensus, have endeared the administration to the Netanyahu government while alienating the Palestinians, parts of the Arab world, and most of the international community. The release of the Trump Plan in January has deepened some of these rifts.
- While previous U.S. administrations had identified the establishment of an independent and viable Palestinian state living alongside the state of Israel — or a two-state solution — as a "vital national security interest," the Trump administration has moved away from that vision. The Trump Plan pays lip service to the concept, but effectively rules it out, offering the Palestinians a quasi-autonomy on 70% of the West Bank, and conditioning "statehood" on multiple unrealistic tests. The administration has gone so far as to convene a joint U.S.-Israeli mapping committee to identify parts of the West Bank for possible annexation by Israel. The Palestinians, who were not involved in its development, have rejected the plan in its entirety. On the multilateral level organizations like the Arab League, Organization of Islamic Cooperation, and the European Union have also rejected the notion that the plan could serve as a basis for future negotiations. Bilateral reactions, however, have been more nuanced and some have been positive.

- Most notably, the UAE moved to negotiate a normalization agreement with Israel and upgrade its strategic partnership with the U.S., including through a previously vetoed multibillion-dollar strategic arms deal (F-35s and top-of-the-line armed drones). Other Arab League members such as Sudan and Bahrain are rumored to be considering similar normalization steps, breaking with the age-old UN Security Council and Arab Peace Initiative sequence of "territories first, normalization after." Significantly, Israel was forced by the U.S. to shelve its unilateral annexation plan as part of the trilateral deal. However, if this decoupling of Israeli-Arab normalization from Israeli-Palestinian negotiations continues, it will further erode the Palestinians' negotiating position and empower hardliners on all sides.
- Closer Israel-China and to a lesser extent Israel-Russia relations have become an issue of concern for the U.S.

## US INTERESTS

- Continuing strategic, intelligence, and defense cooperation, focusing on two issues:
  - \* Iran: Constraining its nuclear program and long-range missile projects and countering its regional hegemony strategy in Syria, Iraq, Lebanon, and Yemen.
  - \* Counter-terrorism: Countering ISIS, al-Qaeda, Hezbollah, and other terrorist organizations throughout the region and the globe.
- Leveraging Israeli-Arab normalization — in the Gulf and beyond — toward these two goals, as well as toward renewed, realistic Israeli-Palestinian negotiations.
- Supporting a feasible Israeli-Palestinian long-term agreement, including both the West Bank and Gaza, under a wide regional and international umbrella that is consistent with UN resolutions and results in an end to Israel's 53-year-old occupation.
- Upholding international law, especially the principle of the inadmissibility of the acquisition of territory by war, a central pillar of the post-World War II international order.
- Preventing Israel-China relations from becoming strategic and leveraging Israel-Russia relations where advantageous.



## POLICY RECOMMENDATIONS

- Lessen the identification of the current U.S. government with Netanyahu and the Israeli right wing. Netanyahu is already the longest-serving Israeli prime minister, faces lengthy criminal proceedings, and has become a highly controversial figure in Israel and beyond. The newly-established national unity government is an opportunity for the U.S. to engage broader parts of the Israeli political spectrum and advance its various long-term interests, as was already demonstrated regarding the cancelation of the unilateral annexation plan.
- On the U.S. side, bipartisanship must be restored as the solid, longstanding basis for U.S.-Israel relations. On the Israeli side, where the political map is much more volatile and fluid, the widest possible multi-party consensus should be the ongoing goal.
- A U.S.-Israel defense pact should only be considered within the context of a broader quid pro quo on the Palestinian issue and/or on Iran.
- Press Israel to exercise caution when permitting private companies to export cyber tools that can be used maliciously by authoritarian regimes for surveillance or cyber attacks.
- Develop new avenues for economic cooperation on infrastructure projects, including regional cross-border ones — within or outside the Trump Plan framework.
- Push for broader opening of the Israeli market to U.S. goods and services.
- Examine new avenues for bilateral cooperation on COVID-19-related issues, e.g. medical R&D.
- On Israel-Palestine:
  - \* Continue to prevent any unilateral Israeli steps toward annexation in the West Bank designed to foreclose the prospect of a two-state option.
  - \* Cultivate new pro-democracy and pro-U.S. leaderships in both Israel and Palestine.

## ISSUES

- Jordan is a long-time strategic partner of the U.S. but is going through a period of intense strain exacerbated by the socio-economic impact of the coronavirus crisis. Jordan has dealt well with the health impact of the pandemic, with around 2,000 cases and 15 deaths recorded, but the economy is expected to shrink by 3-5%.
- Jordan did not support the Trump administration's so-called Peace Plan and warned Israel against going ahead with annexations on the West Bank. It had a muted response to the UAE-Israel normalization deal, as a wide cross-section of Jordanian public opinion — particularly those of Palestinian origin — regarded it as a dangerous betrayal. The foreign minister emphasized that the assessment of the deal would be in what comes after it: will Israel resume the path toward annexation after a pause, and can the agreement be used to revive talks toward a two-state solution.
- Jordan also hosts over 650,000 registered Syrian refugees, although according to the government the total number, including those not registered, is almost 1.2m. The refugees are mainly housed in dedicated camps. Health conditions in the camps have been managed reasonably well, but access to food and resources have become more challenging as international aid declines.
- Jordan has a significant radicalization and jihadist challenge, linked to developments in Syria, Iraq, and elsewhere. The security apparatus is active and effective, and the government provides some political space to encourage more moderate Islamists who are willing to play by the state's rules.
- Unemployment is estimated to be over 20 percent. The unemployed are mostly educated and female participation in the labor market is very low.

## US INTERESTS

- Jordan is a primary security partner in the war on terror and the goals of regional security and stability.
- Jordan is a main partner in finding a way forward in the Israel-Palestine conflict and working toward a broader Arab-Israeli peace.
- The U.S. has a keen interest in the continued survival and stability of the Jordanian state, as the alternative — a failed state — would create a host of threats and challenges for the U.S. and its partners in the region, both in terms of radicalization and terrorist groups, as well as refugees and humanitarian crises.

## POLICY RECOMMENDATIONS

- Maintain close and supportive relations with Jordan, including continued military and security cooperation, support for refugees, and encouragement of investment and trade relations between the two countries.
- Recognize that Jordan is one of the countries most affected by regional tensions and conflict, especially those in Israel-Palestine, Syria, and Iraq.
  - \* Build on the UAE-Israel normalization agreement by dissuading the Israeli government from reviving the move toward annexation, and forging a way back toward Israeli-Palestinian talks and a semblance of a process that could lead to the only viable long-term option: a two-state solution.
  - \* The country also pays a heavy price for the ongoing conflict in Syria. The faster that Syrian refugees can return to Syria, and the sooner that Jordan can restore secure borders and revive bilateral economic relations, the better it will be for Jordan.
  - \* The ongoing unrest in Iraq is another major issue. It fuels domestic security concerns, and it also means that the Jordanian economy foregoes the benefits that would accrue to it from a stable and prosperous Iraq.

**ISSUES**

- Lebanon is in a condition of dangerous freefall. At the economic level, 30 years of deficit financing and debt accumulation have come home to roost, leading to a collapse of the national currency, the virtual bankruptcy of private banks and the state, and a very sharp contraction of the economy. This has been exacerbated by the COVID-19 pandemic and then by the horrific blast in Beirut on Aug. 4 that killed hundreds, wounded thousands, and devastated large parts of the capital.
- At the social level, these cascading conditions have led to poverty rates passing 50%, unemployment moving past 40%, and the specter of hunger or famine threatening lower income groups.
- At the political level, a popular uprising erupted in October 2019 and is still ongoing. The political class has been maneuvering to cling to power and resist calls for fundamental change. Two governments have already resigned in the past 10 months, and a third is in the process of being formed, but all from within the traditional deck of cards of the ruling oligarchy. Successive governments have been unable to implement real reforms or initiate meaningful negotiations with the IMF.
- At the security level, as the population gets more desperate, more people may resort to forming armed gangs; and as salaries of the Lebanese Armed Forces (LAF) and the internal security forces dwindle to nothing, the state might lose its backbone.
- Lebanon is at risk of tipping into full failed state status. This would send both Syrian and Lebanese refugees streaming west through Cyprus and Europe, create a fresh haven for the return or strengthening of violent extremist and terrorist groups, further strengthen Hezbollah, and give rise to a threat to regional and international security that would take years, or even decades, to repair.

**US INTERESTS**

- The U.S. has longstanding cultural, political, economic, and security ties with Lebanon, bolstered by the large American-Lebanese community in the U.S.
- The U.S. has an interest that Lebanon recover and survive economically and politically, and an acute interest that the country does not fall into full state failure. That would create myriad emergencies for the U.S. and its partners and allies in the region and in Europe.



- Lebanon has been an effective ally in the war on terror: robust U.S. support to the LAF helps maintain stability and security in the country, preserves the army's autonomy from Hezbollah, and sustains U.S.-Lebanese cooperation against ISIS and al-Qaeda.
- The U.S. has also been the largest contributor on refugees, as Lebanon hosts 1.5m Syrian refugees; if the country falters or collapses, many of those, joined by many Lebanese, might find their way overseas to Europe.
- Lebanon is a rare example of Christians and Muslims, Sunnis and Shiis, living peacefully together, and sharing power in an inclusive and largely democratic political system. These are shared values with the U.S., and this is a valuable example for other countries in the region.

## **POLICY RECOMMENDATIONS**

- Move quickly to provide immediate recovery and reconstruction assistance to those affected by the Aug. 4 blast. Maintain and strengthen support for poverty and hunger-reduction programs targeting the most vulnerable in the country.
- Engage with the Lebanese government but insist on conditionality; if it enacts serious and impactful governance and economic reforms, then extend a hand of assistance along with other international friends of Lebanon as part of the international support agreed upon at the CEDRE Conference in Paris.
- Express and extend encouragement to the Lebanese protest and civil society movement and their demands for fundamental positive reform.
- Maintain U.S. support and cooperation with the LAF.
- Maintain support for refugees and their host communities in Lebanon.
- Work with the Lebanese army and government to maintain security on the Israel-Lebanon border, secure the country's borders, and promote efforts to delineate the maritime border.

**ISSUES**

- Since Moammar Gadhafi was overthrown in 2011, Libya has been unable to achieve political stability. By 2014, Libya faced a mini-civil war between a Tripoli-based government backed by Turkey and Qatar and a Tobruk-based government in the east backed by Egypt, the UAE, and Saudi Arabia. A December 2015 UN-brokered political agreement for a Tripoli-based Government of National Accord (GNA) was supposed to provide a transition to a new constitution and elections. Instead, it led to a continued east-west split, efforts by Libyan General Khalifa Hifter to impose one-person military rule throughout the country, and resumption of a renewed and continuing proxy war.
- The current civil war was initiated by Libyan strongman Khalifa Hifter on April 4, 2019, when he decided, with the military support of Egypt, Russia, and the UAE, to besiege Tripoli in an effort to conquer Libya's capital and its western region by force. This effort prompted the introduction of Turkish-backed military forces and mercenaries on the side of the internationally recognized GNA, which resulted in the defeat of Hifter's forces 14 months later, and their withdrawal south to Jufra and east to Sirte. In addition to its civil war, Libya still faces the risk of a broader proxy war, due to the continued presence in Libya of the foreign military forces supporting each side.
- Since January, Hifter's forces have generally prevented the export of Libya's oil. Libya's economy is entirely dependent on its oil revenues, which are sufficient in principle to take care of the basic needs of all 6.5 million Libyans. Creating an equitable sharing of those revenues remains a central element of any further political deal that would allow Libya to move forward.
- The unresolved conflict has led to a humanitarian crisis, amid the displacement of hundreds of thousands of people by the war. It also continues to impede progress in addressing the use of Libya to smuggle migrants into Europe. Finally, it is creating renewed opportunities for terrorists, including for ISIS to reconquer Libyan territory it lost to joint U.S.-Libyan counter-terrorism efforts in 2016.

**US INTERESTS**

- Prevent Libya from becoming a terrorist safe haven. Renewed terrorist control of territory would threaten the stability and safety of Libya, the Maghreb as a whole, the Sahel, and Europe.
- Prevent Libya from fragmenting into multiple states. The risk of eastern secession is real. Efforts to divide the country risk creating long-term political, security, economic, and humanitarian catastrophes.

- Maintain Libyan oil production. As a producer of up to 1.6 million bpd, Libya plays an important role in international oil markets, and a collapse in its production could have a negative impact on global oil prices, in addition to putting Libyans at risk.
- Counter smuggling and criminality. The spread of criminal activity risks destabilizing Libya, its African neighbors, and its European ones, especially from migrant smuggling.

## **POLICY RECOMMENDATIONS**

- Take action to stop the civil war. The U.S. should do more to press all foreign sponsors of the warring sides to pull back from the proxy war through taking tailored measures against countries that ignore U.S. warnings and continue to violate the UN arms embargo. These could include publicizing violations at the UN Security Council and deferring discretionary security cooperation. It should also sanction Libyans who commit acts of terrorism, such as attacks on civilian targets and airports, and other serious human rights violations.
- Support the UN in its efforts to secure a further political agreement. A political agreement could provide the basis for political, economic, and security arrangements that would enable Libya to become stable. Meaningful support should include the U.S. acting as a convener, rather than merely as a participant, to drive the UN process forward.

**ISSUES**

- Prior to the pandemic, Morocco's economy was improving with poverty reduction, job creation, and development of the world's largest solar plant and Africa's largest port. Last year, Morocco welcomed 13 million tourists, the most in Africa, and it now ranks second after the UAE in MENA on the World Bank's Doing Business Index.
- However, the government says the economy will shrink by 5% this year due to the "triple threat" of two years of drought and global and Moroccan economic contraction. Agricultural exports, overseas remittances, and tourism are in serious decline. Morocco had risen to 121st internationally in human development but remained in the bottom 40% of countries.
- Wise management will help Morocco fiscally weather the coronavirus storm, but cuts in social spending will spark social unrest. Economic inequality and youth unemployment remain high, especially among university graduates. Strong majorities of Moroccan youth believe in the ideals of the Arab Spring and would prefer to emigrate. Morocco typically has over 10,000 socioeconomic microprotests annually. In 2018, an unprecedented boycott targeted companies tied to the king, who controls 8% of the economy.
- King Mohammed VI's political reforms and decentralization program are stalled. Parliament and opposition parties remain relatively weak, with civil liberties seriously curtailed. Over 91,000 Moroccans were arrested for violating the pandemic state of emergency, one of the highest levels globally. Continued crackdowns on activists and journalists, including invasive "Pegasus" surveillance and detentions for "fake news," have grabbed international headlines. Morocco's human rights record in Western Sahara remains poor.
- Hundreds of Moroccan foreign fighters have returned from Syria and Iraq. Some have been reintegrated. Morocco is encouraging African migrants to stay and become lawful residents.

**US INTERESTS**

- Enhance the security and viability of America's second oldest ally by assisting with pandemic response, institutional reform, socioeconomic resilience, and overall human security.
- Continue to foster improvements to civil liberties, human rights, and justice, as well as educational training and entrepreneurial job creation for youth and university graduates.

- Since the U.S.-Morocco free trade deal benefits the U.S. twice as much as Morocco, supporting 12,000 American jobs, assist Morocco with scaling production to reap the rewards of bilateral trade and stimulate the economy.
- Assist Morocco in reducing flows of foreign fighters and African migrants from Morocco to Europe and ensure their (re)integration in Morocco.
- Support Morocco's exemplary religious education and counter-terrorism efforts in Africa, especially the training of female religious leaders known as *mourshidat*.

## POLICY RECOMMENDATIONS

- Continue to support Morocco through USAID, the second Millennium Challenge Corporation compact, other assistance, and intelligence cooperation. Avoid cuts based on the misimpression that Morocco can "go it alone" in a rough neighborhood.
- Invest in Morocco's private sector through the creation of an investment fund, by assisting with entrepreneurship and by helping scale to U.S. demand exports of popular products like textiles, citrus, "Moroccan Oil" (for haircare) and essential oils, and telecommunications and internet-based services, given skyrocketing Moroccan command of American English.
- Support Western Saharan final status talks between Morocco and Polisario in a way that respects human rights and democratic self-determination.

**ISSUES**

- The disputed status of Kashmir will not fade as an issue for Pakistan. The Indian government's decision to remove the territory's special autonomous status has largely closed the door on a political solution and further embittered bilateral relations. Continuing cross-border violence raises the danger of major armed conflict between these two nuclear-armed powers.
- The government of Pakistan is burdened by a gap between fiscal revenue and expenditures leading to an unsupportable debt. The austerity program intended to stabilize the economy has led to high inflation and greater unemployment and could bring on political instability. Coping with Pakistan's coronavirus health crisis has put further pressure on the struggling economy.
- Pakistan faces continued international scrutiny and criticism for its inconsistent efforts in dealing with domestic militant groups. Failure to take action to curb terrorist group financial transactions could lead to the multinational Financial Action Task Force's blacklisting Pakistan for lax enforcement, a move that would be a severe blow to Pakistan's already struggling economy. Prime Minister Imran Khan's rhetoric has heightened concerns that his government lacks the will to clamp down on the country's violent extremists.

**US INTERESTS**

- The Pakistani government's cooperation is critical to achieving progress toward a comprehensive Afghan peace agreement. An earnest crackdown on the country's militant extremist groups is necessary to prevent the Pakistan-Afghanistan border area from again emerging as a base of operations for regional and global terrorist organizations. U.S. troop withdrawals from Afghanistan give this action greater urgency.
- The dangers of proliferation from Pakistan's growing nuclear arsenal, while not an immediate concern, could increase in the event of political instability and military mobilization against India.
- The continuing low-level armed border exchanges between Pakistan and India over Kashmir could escalate, increasing the possibility of a resort to nuclear weapons that would produce a massive humanitarian, economic, and environmental crisis.



- The Chinese government's Belt and Road Initiative has brought Pakistan more closely into China's economic orbit, resulting in concerns that Islamabad could make concessions to Beijing that have strategic security consequences for the U.S. This possibility increases if tense India-China relations push Pakistan still closer to China and away from the U.S.

## **POLICY RECOMMENDATIONS**

- The U.S. cannot afford to disengage from Pakistan and its region as it has in the past. Security and economic interests dictate that the U.S. not leave a vacuum that countries like Russia and China will fill. At a minimum the U.S. should strive to retain serious intelligence assets and the capacity to mount counter-terrorist operations. The U.S. must also retain sufficient diplomatic leverage with India and Pakistan for a mediating role in a future crisis.
- In lieu of many of its traditional economic aid and development programs, the U.S. government should prioritize increased trade and investment as a means of cementing a cooperative relationship with Pakistan.
- The U.S. must strive for a more consistent and reliable relationship that avoids the rollercoaster relationship it has experienced with Pakistan for decades. This will require a better understanding of shared and divergent national interests, and the avoidance of unrealistic expectations.

## ISSUES

- There are nearly 13 million Palestinians worldwide, including some 5 million Palestinians in the West Bank and Gaza who have been living under Israeli military rule for over 50 years. Another 1.5 million Palestinians are citizens of Israel, while over 6 million more remain displaced as refugees, outside of Israel/Palestine.
- Since 2001, there has been broad international consensus on resolving the Israeli-Palestinian conflict on the basis of ending Israel's occupation of the West Bank and Gaza Strip and the establishment of an independent and viable Palestinian state living alongside the state of Israel — also known as a two-state solution. Yet, no serious peace negotiations have occurred in years, even as the number of Israeli settlers in the occupied West Bank (including East Jerusalem) continues to grow.
- The previous two U.S. administrations had identified a resolution of the Israeli-Palestinian conflict based on a two-state solution as a "vital national security interest" of the United States. The Trump administration has moved away from that vision and has instead put forward an ostensible peace plan based on the creation of a Palestinian "state" made up of numerous disconnected territorial islands surrounded and controlled by Israel, which would be allowed to annex some 30% of the West Bank. The administration has gone so far as to convene a joint U.S.-Israeli mapping committee to identify parts of the West Bank for possible annexation by Israel.
- The administration's so-called "Peace to Prosperity" plan, released in January 2020, is unlikely to gain traction. The Palestinians, who were not involved in its development, have rejected the plan in its entirety, while the Arab League, Organization of Islamic Cooperation, and the European Union have also rejected the notion that the plan could serve as a basis for future negotiations. Meanwhile, the prospect of formal Israeli annexation of West Bank land, which would be a serious breach of international law and likely spell the end of a genuine two-state solution, has prompted condemnations and warnings from all corners of the international community, including Europe, the Arab states, and even congressional Democrats.
- The U.S.-brokered normalization deal signed between Israel and the UAE on Aug. 13 and hailed by the Trump administration as a "historic diplomatic breakthrough" was roundly condemned by Palestinians across the political spectrum as a blow to the goal of Palestinian statehood and to the Saudi-sponsored Arab Peace Initiative, by which Arab states had agreed to normalize relations with Israel only in return for Israel ending its occupation

and allowing the establishment of an independent Palestinian state. Although broadly welcomed by leaders of both political parties as well as much of the international community, Israel-UAE normalization, in the absence of a final status agreement, further disincentivizes Israel from seeking compromise or granting concessions to the Palestinians, making a peace agreement based on a two-state solution even more difficult to achieve.

- Under an Israeli blockade, the humanitarian situation in Gaza remains dire, and the risk of an armed conflict between Gaza and Israel remains high.
- The Palestinian Authority (PA), created by the Oslo process in the 1990s and widely viewed as the nucleus of a future Palestinian state, remains bitterly divided between the Fatah-dominated West Bank and the Hamas-ruled Gaza Strip. The ongoing schism has effectively suspended institutional politics in Palestine, including the Palestinian Legislative Council, the PA's parliament. With both presidential and parliamentary elections long overdue, Palestinian political leaders lack democratic legitimacy, and there is no clear plan for succeeding the aging Palestinian president, Mahmoud Abbas.

## US INTERESTS

- Prevent an escalation of violence between Israelis and Palestinians.
- Ensure that the Israeli-Palestinian conflict is not an obstacle to the fight against transnational Salafi-jihadists or to improved relations between Israel and Arab states, as part of efforts to address Iran.
- Uphold the principle of the inadmissibility of the acquisition of territory by war, a central pillar of the post-World War II international order, by preventing Israeli annexation of any portion of the West Bank and by working to end Israel's 53-year-old occupation.

## POLICY RECOMMENDATIONS

- Reset relations with the Palestinians through:
  - \* Reaffirming the internationally accepted terms of reference for an Israeli-Palestinian peace settlement, most notably UNSCR 242, which enshrines the "land for peace" formula that has undergirded the peace process for more than half a century.
  - \* Issuing a follow up to U.S. recognition of Jerusalem as Israel's capital stipulating that the declaration applies to West Jerusalem and announcing support for the establishment of a Palestinian capital in East Jerusalem.

- \* Reopening the PLO mission in Washington and reestablishing the U.S. Consulate in East Jerusalem dedicated to Palestinians.
  - \* Reinstating U.S. foreign assistance to the Palestinians and to UNRWA.
- Support efforts in Congress to condition military aid to Israel to ensure that U.S. assistance does not support annexation in any way.
- Press Israel to substantively ease the Gaza blockade with the goals of aligning Israeli import controls for Gaza with those of the West Bank and normalizing the movement of people and goods in and out of the Gaza Strip.
- Support efforts aimed at Palestinian internal reconciliation in order to allow for the PA's return to Gaza and for lifting the Israeli blockade. Announce support for holding Palestinian legislative and presidential elections in a timely manner.
- Encourage the establishment of a new peace process architecture that can replace the outdated Oslo process and the defunct Quartet (e.g., involving both major powers and regional stakeholders like Egypt, Saudi Arabia, Jordan, and Turkey) and which would be responsible for putting forward a new peace plan and laying out benchmarks and timetables for ending the Israeli occupation.

## ISSUES

- Saudi Arabia is at a critical juncture, attempting a radical economic overhaul through Vision 2030, and a radical socio-cultural transformation away from rigid Islamist hardline strictures toward a more open social and cultural space. At the same time, there has been a concentration of political power in the person of the crown prince and a harsh crackdown on rival political and business leaders, as well as a constriction of public space for political or civic expression both at home and abroad.
- There are signs that the Saudi leadership is attempting to correct its foreign policy missteps, especially ending its intervention in the Yemen civil war. But progress is uncertain, including ending the confrontation with Qatar, and Saudi Arabia is still facing a significant challenge from Iran and an increasingly unstable regional environment.
- Yemen, the oil price war, and the murder of Saudi dissident and U.S. resident Jamal Khashoggi have created the most acute crisis in U.S.-Saudi relations since the events of September 2001.
- The Pensacola shooting reinforces concerns about the persistence of radical Islamic beliefs in Saudi Arabia, including within the Saudi military, and their threat to global peace and security.
- The economic and socio-cultural attempts at progress in the kingdom are critical, but there is concern that the increasing levels of repression and the dangerous missteps in foreign policy might presage an unstable future for the kingdom.

## US INTERESTS

- A strong Saudi Arabia is a critical partner for the U.S. in promoting regional security and stability, challenging Iranian bad behavior, and advancing shared objectives, including resolving the Israeli-Palestinian conflict.
- Despite the growth of U.S. domestic energy production, Saudi Arabia remains the linchpin of global oil production and is, therefore, essential for maintaining stability in world energy markets and the global economy.

## POLICY RECOMMENDATIONS

- Maintain vital cooperation with the Saudis on critical energy infrastructure protection and promote global stability in energy and financial markets.

- Maintain a robust bilateral dialogue with Saudi leaders on regional issues of concern to promote agreement on shared concerns, including resolving the Yemen and intra-GCC conflicts.
- Help and encourage the kingdom to achieve the goals of Vision 2030 and open up social and cultural space, but the U.S. should also be firm and clear in insisting on respect for human rights, the rule of law, and civil liberties in Saudi Arabia.



## ISSUES

- Sudan is an extremely fragile state that has experienced state failure and internal conflict and breakup. Decades of conflict with the South ended with the secession of South Sudan in 2011. Years of conflict in Darfur between government and local groups devastated that province and its inhabitants, and led then President Omar al-Bashir to be indicted in the International Criminal Court.
- A popular uprising in 2019 resulted in the ouster of President Bashir by the military, and a tentative agreement — between the military and civilian protest groups — on a 39-month transition process to include power sharing between the military and civilians, and ending with a full return to democracy and the establishment of functioning and accountable executive, legislative, and judicial institutions. Alongside Tunisia, it is one of the rare — but very precarious — cases of attempted democratic transition in the region.
- The population of over 40 million is among the poorest in the world, heavily dependent on agriculture, and suffering from poor wealth distribution, poor infrastructure, and poor governance. The country is particularly vulnerable to the impacts of the Grand Ethiopian Renaissance Dam (GERD) project.
- The country has been hit hard by the socio-economic consequences of the COVID-19 pandemic. The country has registered a fairly limited number of cases and deaths — around 13,200 and 825 respectively — but the economy is in deep crisis. Over 80% of the population has been included in a direct cash transfer program supported by the international community, and a full fourth of the population faces extreme hunger, if further urgent humanitarian measures are not put in place.
- China is the main player in Sudan's energy sector, and national energy income has contributed to some infrastructure and capital development, but is also impacted by high levels of corruption and poor governance.
- The UAE and Saudi Arabia have become Sudan's closest regional allies. The UAE has brokered meetings between the Sudanese military and Israel.

## US INTERESTS

- After many years of an adversarial relationship, relations with the U.S. have improved in recent years. In 2017 the two countries embarked on a five-track reengagement process that has shown improvements in military, intelligence, political, and economic relations.

- The U.S. has a particular interest today in helping Sudan's democratic transition process succeed. This is important for Sudan's own stability and future, but it will also have a positive demonstration effect for other countries in the region that are doubling down on autocracy, showing them that democratic transition is both possible and necessary.
- The U.S. does not have any major national interests in Sudan. It is not a major regional partner, nor do its economic resources attract much U.S. attention. But the U.S. does have significant "negative" interests in keeping the country away from alignment with adversaries like Iran or China, and helping to ensure that the precarious Sudanese state does not disintegrate further, or fail altogether. The consequences of such a failure would reverberate throughout the region.

## **POLICY RECOMMENDATIONS**

- Continue to use gradual reengagement with Sudan as leverage to encourage the democratic transition process. The U.S. should also use what leverage and influence it has to strengthen state institutions and the rule of law.
- Maintain leadership within the international donor community to help Sudan attend to its urgent humanitarian needs during the COVID-19 pandemic and economic contraction.
- Encourage reformed and effective development and economic policies to support economic resilience and a rapid and inclusive post-COVID recovery, while working to increase U.S.-Sudan investment and trade relations.
- Continue to play a proactive role in engaging with Ethiopia, Sudan, and Egypt in shepherding the GERD project in ways that enhance win-win outcomes for all riparian countries and reduce the risk of extreme negative fallout for Sudan.

## Syria

Note: On the issue of Syria there were significant differences of opinion between MEI scholars and we have presented two different perspectives for consideration.

## ISSUES

- Syria is a failed state that after nine years of civil conflict remains unable to exert anything close to a monopoly on the use of force in the 62% of the country that it claims control over. Syria's ability to control its borders remains negligible, and the regime's capacity to sustain an advantage remains entirely dependent on Russia and Iran.
- ISIS is resurgent, especially in the regime-controlled central desert. Al-Qaeda maintains a potent and globalist faction, Tanzim Huras al-Din, in the northwest, which is actively seeking to plot external terror attacks. Meanwhile, former al-Qaeda affiliate, Hayat Tahrir al-Sham, appears best-placed to manage a long-term insurgency in Syria in the future.
- Syria remains one of the world's most significant state sponsors of terrorism, with ongoing strategic alliances with Iran's Quds Force, Hezbollah, and an array of designated Shi'a militant groups. In addition to its alliances with Russia and Iran, the Syrian regime maintains important diplomatic and military ties with North Korea. Syrian intelligence also has a documented history of cooperation with al-Qaeda and ISIS since the early 2000s.
- The economy has been effectively destroyed in recent years, worsened by financial crisis in Lebanon, with the exchange rate fluctuating between SYP2000 and SYP2500 to the USD in August 2020 and nearly 85% of the population living in poverty. A famine may be on the horizon. There is no prospect of meaningful reconstruction, meaning vast swathes of the country will remain in ruins, with public services in former conflict-affected areas virtually non-existent.
- 6.2 million people (approximately 36% of the in-country population) remain displaced inside Syria and a further 5.7 million are refugees outside the country. With displaced people now making up a majority of Syrians, their continued demand for political change has profound implications. At least two-thirds of Syrians in-country depend on aid, but cross-border aid access is being restricted by Russia.
- The Syrian regime seeks to use force to regain control of 38% of the country currently governed variously by the Syrian opposition, Turkey, and the U.S.-backed Syrian Democratic Forces (SDF), but it is likely to lack the manpower to do so for some time.
- Given its lack of capacity, the Syrian regime is facing — and failing to confront — an escalating insurgency in the south, responsible for more than 400 attacks in the last year.

- The Syrian regime has committed an extensive list of war crimes and crimes against humanity. To date, it has faced no accountability, beyond U.S. and E.U. sanctions.

## US INTERESTS

- Syria already looks set to be mired in civil conflict for many years, providing an environment ripe for terrorist organizations whose existence is defined by an ambition to attack America and Americans. If there is one rule that has remained true over the last nine years of Syria's conflict, it is this: "What happens in Syria does not stay in Syria." By disengaging and ceding leverage for little if anything in return, the U.S. cannot and will not be capable of isolating itself from the effects of Syrian instability and threats inevitably emanating from it. Worse still, when internal conflict again challenges international stability, a withdrawn U.S. will have no relationships or tools to return.
- The U.S. has an interest in maintaining a meaningful hand in Syria, centered around our continued fight against terrorism and desire to foster, at a minimum, areas of stability. The U.S. cannot afford to cede hard-earned influence and sources of leverage.
- Syria's geopolitical position makes it the crucial determinant of regional stability and security; if it is left to rot and fester, the Middle East as a whole will suffer.
- The U.S. partner, the SDF, is a viable political alternative, or competitor, to the regime.

## POLICY RECOMMENDATIONS

- Acknowledge that: (1) an effective Syria policy that protects U.S. interests and allows the U.S. to continue to influence developments in Syria requires a sustained, measured, and consistent U.S. presence and policy engagement; (2) this is possible with a low-cost, light-footprint approach that is financially, militarily, and diplomatically sustainable and incomparable to parallel campaigns in Iraq or Afghanistan; and (3) that disengagement guarantees further instability *and* removes any U.S. ability to manage, contain, or neutralize the inevitable threats that would result.
- Maintain a military presence — approximately 1,000 personnel — in the eastern "security zone" to continue training, equipping, and partnering with the SDF in combating ISIS's attempt to resurge.

- \* Exploit this continued presence to contain and deter hostile actors — Turkey, Syria, Russia, and Iran — from attacking the SDF, undermining the fight against ISIS, and exacerbating drivers of instability.
- Complement counter-terrorism activities with meaningful stabilization aid — buttressed by coalition pledges — to ameliorate root causes of violence and radicalization.
- Enhance intelligence, surveillance, and reconnaissance over northwestern Syria to identify and neutralize al-Qaeda operatives engaged in external attack planning.
- Enforce the Caesar Syria Civilian Protection Act to prevent economic assistance to the Syrian regime and deter continued war crimes and crimes against humanity.
- Utilize all aspects of U.S. influence and leverage to enhance international pressure on the Syrian regime, Russia, and Iran to engage meaningfully with a political process defined by UNSCR 2254.
- Ensure allies remain committed to a policy of non-re-engagement with the regime, absent substantial progress in the above.



## ISSUES

- The future of the small U.S. military force still operating in eastern Syria and the U.S. air force no-fly zone there.
- Managing the remaining, long-term ISIS problem.
- Addressing the huge humanitarian crisis, especially the 5.4 million Syrian refugees.
- Israeli sensitivities to Iranian missile deployments in Syria.
- The future of U.S. sanctions that are causing sharp economic pain in Syria but not compelling the Syrian government to make compromises on Western demands for reform.
- At this late stage in the war, the U.S. cannot guarantee Syrian Kurdish autonomy without permanent stationing of U.S. forces in Syrian Kurdish towns.

## US INTERESTS

- Syria is not now, and never has been, critical to American standing in the Middle East. For 40 years Damascus has been aligned with Moscow and Tehran.
- The presence of a small American military force in eastern Syria has never provided leverage to reform Assad's government and will not do so in the future; Russia and Iran will escalate to ensure survival of the Assad government.
- Sanctions are hurting the Syrian economy, the elite, and the impoverished general population, but Assad's key security elements are still loyal and the government is not signaling any willingness to meet Western demands for reform.
- Israel can contain the Iranian military presence in Syria unilaterally and does not need a U.S. military presence in Syria.
- The remaining ISIS elements scattered around Syria, both inside government-held lands and in eastern Syria, do not pose a large, immediate threat to homeland security, but U.S. forces in Syria are exposed to attacks from militias aligned with Damascus and Tehran.

- Syria refugee flows into Europe in 2015 boosted anti-democratic populist movements in European allied states, and another surge would cause new political problems.
- Deterring future atrocities like those by Assad's government in Idlib would help international stability.

## **POLICY RECOMMENDATIONS**

- Work with Ankara and Russia to finalize a security arrangement whereby the Syrian government and its Russian allies resume control of eastern Syria so that they, not ISIS, control territories and oilfields, and then withdraw all U.S. forces.
- In return for ending support to the Syrian Kurdish autonomous region, secure arrangements that ensure Ankara verifiably tightens border controls and forestalls movement of extremists from Syria to the West.
- Political and indirect military support for Turkish efforts to deter Syrian government attack against Idlib.
- If Moscow blocks cross-border aid to northwestern Syria, suspend U.S. assistance for UN humanitarian operations inside Syria, push for Damascus and its allies to take full responsibility for feeding the population in Syria while the U.S. and its allies assume the UN logistical role in maintaining cross-border aid into northwestern Syria.
- Boost spending on refugee assistance in Lebanon (priority), Jordan, and Turkey to forestall another refugee movement surge.

## ISSUES

- Tunisia's fragile political transition, now in its 10th year, remains on track, thanks in large part to agreement between secular and Islamist constituencies to respect each other's full participation in politics. Tunisia boasts one of the Arab and Muslim world's most progressive constitutions and a high degree of press freedom.
- Tunisia's successful COVID-19 response engendered national unity and featured swift lockdowns, aggressive testing, quarantines, contact tracing, and innovative PPE mass production. As of early September 2020, there were just under 4,000 cases and 80 deaths.
- However, due to COVID-19, the economy is in free fall. The former prime minister sounded the alarm in late June 2020, announcing that the economy will contract this year by at least 6-7%, debt is reaching a "terrifying level," and "the next battle is to save the state."
- A strongly anti-establishment vote in 2019 increased political fragmentation and polarization. The new populist president lacks both a party and political experience. National unity governments have been replaced by competing parliamentary blocs, aggravating legislative paralysis. Parliament is deeply divided, beset with partisan vitriol, boycotts, and investigations. At the beginning of September it voted to approve Tunisia's third government in less than a year.
- Tunisia is endeavoring to launch a \$2.1 billion rescue plan that mixes fiscal austerity with unblocking infrastructure projects and stimulating investment, but most socioeconomic grievances and inequities have been sidelined by elected officials since the 2011 revolution. Youth unemployment is climbing above 30% and among university graduates is surpassing 40%. Perceptions of corruption have increased. Tunisia is counting on bailouts, new investment, and increased Algerian, Russian, and European tourism to save the economy.
- Threats emanating from Libya — including Tunisian jihadists based there — have triggered a successful security response. But this has had negative effects for human rights and hampered security sector reform. Following ISIS defeats, foreign fighters have returned home to weak social reintegration.

## US INTERESTS

- If Tunisia does not weather the current economic crisis, social and political tension could destabilize the country and end its democratic transition, with significant negative repercussions for the Mediterranean, Middle East, and Africa.

- The demonstration effect of a democratic, secure, and increasingly prosperous Tunisia had had enormously positive regional impact — including on Algeria and Sudan and to a lesser degree on Lebanon and Iraq — and can encourage Libya stabilization and future reform efforts in Egypt and among regional autocracies.
- The entire Muslim world is closely watching Tunisia and rising and falling U.S. support for the Arab world's only democracy. Amid successful Chinese "mask diplomacy," a failed transition in Tunisia will have negative reputational effects for the U.S., for democracy, and for an open democratic "mixed" economic model.
- Supporting Tunisia reduces foreign fighter and migrant flows and their destabilizing effects on Africa and Europe, including political fragmentation and the rise of right-wing supremacist nationalism and terrorism.
- Supporting Tunisia helps peacemaking in Libya; support for a negotiated solution in Libya will help Tunisia, one of America's oldest regional allies since 1797.

## **POLICY RECOMMENDATIONS**

- Help Tunisia build on its successful COVID-19 response to provide relief and continue economic reform measures that share burdens between major political actors and constituencies.
- Increase economic, political, and security support for Tunisia, especially private sector job creation, democratic consolidation, security improvements, transitional justice, and reintegration of foreign fighters.
- Work to boost contributions to the Tunisian-American enterprise fund.
- Expand Libya-related engagements in Tunisia, including engagements with Libyan leaders and civilians living in or visiting Tunisia.

## ISSUES

- The armed conflict between Turkey and its Kurds resumed in 2015, leading to thousands of deaths and hundreds of thousands displaced in a few years. Kurdish cities have been destroyed and elected Kurdish officials, including mayors and members of parliament, have been removed from office or sent to jail on bogus terrorism charges.
- Turkey has become increasingly authoritarian under President Recep Tayyip Erdogan. It is the leading jailer of journalists in the world. The government crackdown on dissenters has intensified. The judiciary has become politicized, and the rule of law has been systematically dismantled.
- There are around 4 million Syrian refugees living in Turkey. The nationalist backlash against the Syrians has increased recently due to the country's growing economic problems.
- Turkey has cultivated close relations with Russia in the last few years. It is already dependent on Russia for energy and trade, and it has to work with Moscow in Syria. It has recently started deepening defense ties as well. It purchased the Russian S-400 missile defense system and has expressed interest in buying Russian stealth fighter jets.
- Turkey launched an assault called "Operation Peace Spring" across the border into Syria in October 2019, days after the Trump administration withdrew troops from the area. Following the Turkish move, Turkey and Russia reached a deal that divided up influence in northern Syria. According to the deal, Syrian Kurds would leave what had been a buffer zone of about 20 miles into northern Syria from the Turkey-Syria border. Turkey would maintain control of the area set aside in the cease-fire it reached with the U.S., while Russia and the Syrian government would move into and secure the rest.

## US INTERESTS

- Turkey's failure to find a peaceful solution to its decades-old "Kurdish problem" is causing problems for Turkey-U.S. ties as well as U.S. policy in Syria due to America's ongoing cooperation with the Syrian Kurdish militia known as the People's Protection Units (YPG), which Ankara considers a terrorist organization, in the fight against ISIS.

- Increasing authoritarianism in Turkey leads to a more ideology-driven foreign policy. Turkey has been pursuing an Islamist and nationalist Middle East policy since the beginning of the Arab uprisings, which has undermined U.S. goals in the region and driven Turkey away from the Western alliance.
- There have been problems with the implementation of the Turkey-Russia deal in Syria but it has enhanced the regime and Russian presence in the region and sidelined the U.S.
- Turkey is a NATO country. Its close defense ties with Russia weakens the NATO alliance and endangers Turkey's participation in future operations.

## **POLICY RECOMMENDATIONS**

- Push Turkey and the PKK to the negotiating table. Encourage third parties such as Norway to mediate between the parties.
- Continue to speak publicly and privately at senior U.S. government levels about concerns with the decline of freedom of expression and association in Turkey, provide more support for local organizations working on democracy and human rights issues, and increase overall assistance for civil society and outside NGOs working in areas like women's rights, youth empowerment, economic development, combatting corruption, and inclusion of minorities in the national discourse.
- Work to find ways for refugees to return to Syria.
- Prevent Congress from applying CAATSA sanctions, as this will further damage Turkey's defense industry and push Turkey closer to Russia.



## ISSUES

- The civil conflict, with external intervention, is in its fifth year with no sign of ending. The global pandemic has accentuated the massive humanitarian crisis. Together, the deteriorating security and humanitarian conditions threaten the long-term unity, viability, and territorial integrity of the country.
- The failure of state institutions, lack of resources, and massive unemployment have made Yemen a breeding ground for violent extremist groups, including al-Qaeda in the Arabian Peninsula and ISIS.

## US INTERESTS

- Ensure that Yemen is not a safe haven for violent extremist organizations, including al-Qaeda in the Arabian Peninsula and ISIS.
- Ensure freedom of navigation through the Gulf of Aden and Bab el-Mandeb.
- Promote Yemen's integration into the Gulf Cooperation Council (GCC) to enhance regional security and stability.

## POLICY RECOMMENDATIONS

- Expand engagement with the UN special envoy, the P-5, Yemen parties, and regional partners to promote a negotiated resolution to the conflict on the basis of UNSCR 2216, preserving Yemen's territorial integrity and enhancing regional stability.
- Promote the conclusion of the final elements of the GCC Transition plan, including the election of a new, legitimate government to partner with the U.S. in eliminating violent extremists threats in Yemen.
- Construct a broad framework for economic development and reconstruction based on GCC-led assistance and the integration of Yemen's economy with its Gulf neighbors.
- Lead the international community's sustained commitment to develop Yemen's social, political, and economic institutions and eliminate the root causes of violent extremism.
- Empower the UN special envoy to make it clear the U.S. will respond positively if Iran cooperates in bringing the conflict to an end.

- Gerald Feierstein

## **Regional & Cross-Cutting Issues**



## ISSUES

- MENA's freshwater resources are facing serious risks to their sustainability due to overexploitation and interstate competition over transboundary resources. These risks threaten to undermine public health, erode past Millennium Development Goals achievements, and jeopardize the already weakened prospects for realizing the most critical Sustainable Development Goals (SDG), including SDG 1 (no poverty), SDG 2 (zero hunger), SDG 6 (clean water), and SDG 8 (decent work). Climate change is a threat multiplier in MENA's semiarid/arid environment due to delayed adaptation and extremely high exposure to the harmful impacts of global warming. MENA is one of the most vulnerable regions in the world to climate change impacts.
- Five MENA countries — Yemen, Syria, Iraq, Sudan, and Libya — face the additional dangerous consequences of protracted warfare for their environments, water resources, infrastructure, and public health, with potential further destabilizing repercussions for their societies.

## US INTERESTS

- Ensure that a durable long-term peace in war-torn MENA countries can be restored and safeguard against the risk of renewed instability, which requires the preservation of the freshwater resource base essential for viable, stable postconflict states.
- Safeguard against the collapse of other MENA countries due to unmitigated environmental stress that is closely linked to socioeconomic stress in many areas of the region.
- Mitigate conditions that drive population displacement, and avoid the spread of conflict contagion from MENA's conflict zones, where water resources are becoming acutely scarce and degraded and livelihoods dependent on them severely compromised, to more stable areas of the region.

## POLICY RECOMMENDATIONS

- Ensure that universally accepted legal principles applicable to the protection of freshwater resources and infrastructure in times of war, as well as related plans and measures, are explicitly incorporated into all negotiation tracks and peace talks concerning MENA's hot-conflict countries.

- Establish a program of financial support for MENA's agriculture-based countries whose purpose is to strengthen farming communities' capacity to adapt to rising water scarcity and climate change impacts.
- Support and fund the development of an assessment framework and protocol for freshwater resource risks, and their extensive and varied implications throughout MENA countries, to regularly inform the U.S. Department of State of pre-crisis level emergent situations and allow for timely constructive engagement and proactive responses.

## ISSUES

- The threat posed by jihadist terrorism and ideology has never been more diverse, globally distributed, better experienced or present in so many conflict theaters. Far from defeating terrorism, the U.S. and allies have won many battles, but we are losing the war.
- ISIS's territorial defeat in Syria and Iraq and the killing of Abu Bakr al-Baghdadi may have been significant accomplishments, but it remains a clear and present threat in both countries and an under-appreciated challenge elsewhere across the Middle East, North Africa, South Asia, and beyond.
- The proliferation of local conflict and the re-assertion of dictatorial governance across much of the region have empowered al-Qaeda affiliates, whose existence has become increasingly entrenched and driven by local dynamics. Some, like Tanzim Huras al-Din in Syria, look set to pose al-Qaeda's most potent external attack threat in 2020.
- While the apparent disconnect between al-Qaeda's global leadership and these fluid theaters might appear to be a counter-terrorism success, it has encouraged affiliates to make their own decisions and become smarter, more flexible, and thus more challenging and enduring adversaries.

## US INTERESTS

- Nearly two decades on from the attacks of 9/11, the U.S. remains a principal target of jihadist groups, whether in regions like the Middle East or in the U.S. homeland.
- The U.S. has a clear interest in preventing terrorist groups from acquiring safe havens and/or territorial entities from which to plot and conduct attacks and sow instability.
- Within an environment in which fatigue with foreign conflict is an inescapable reality, the U.S. has a clear interest in continuing to support its regional allies to withstand ongoing and future terrorism challenges.
- As instability looks set to endure and potentially worsen in multiple areas, the U.S. must work to prevent any form of terrorist ideology from gaining widespread traction.

## POLICY RECOMMENDATIONS

- Acknowledge the crucial policy importance of terrorism's root causes and drivers, few if any of which have anything to do with ideology, but are instead defined by *local* issues relating to politics, governance, corruption, the economy, the family, and society.
- Focus on capacity building, good governance, stabilization, and development, and when operating kinetically, operate by-with-and-through representative and credible local partners.
- Maintain an effective and sustainable counter-terrorism mission against ISIS in Syria and Iraq, preventing the group's resurgence or any renewal of external attack plotting.
- Sustain pressure on al-Qaeda leadership wherever it is present, while ensuring through multilateral action that al-Qaeda affiliates are at minimum contained and preferably uprooted from their expansive areas of operation.
- Where the U.S. is militarily active in countering terrorism, we should avoid premature withdrawals or drawdowns that risk crippling local partners and/or leaving behind vacuums into which terrorists will step.



## ISSUES

- Iran, Syria, Israel, and the UAE have demonstrated the capability and willingness to carry out destabilizing cyber attacks in the region.
- Private corporations in the U.S. and Israel have exported cyber weapons and surveillance technologies both in the region and around the world, including to nondemocratic and semi-democratic regimes in Saudi Arabia, Syria, Ecuador, and elsewhere.
- Entities in Iran, the UAE, Saudi Arabia, and Egypt have been identified as engaging in influence operations, including misinformation campaigns, akin to Russia's campaign to influence the 2016 presidential election in the U.S.
- Governments throughout the Middle East are increasingly justifying use of potentially invasive contact tracing technology as part of the national response to the COVID-19 pandemic, which could lead to more incursions into privacy and civil liberties for the region's citizens, activists, and journalists.

## US INTERESTS

- Strengthen cyber security capabilities of regional allies to limit risks of cyber conflict.
- Maintain capacity to carry out offensive cyber operations when absolutely necessary.
- Combat or prevent misinformation and influence campaigns that may destabilize allies in the region or the U.S. itself.

## POLICY RECOMMENDATIONS

- Maintain dialogue with allies and adversaries to communicate priorities and red lines with respect to cyber conflict in order to reduce the risk of escalation.
- Discourage nations in the region from using Huawei's 5G technology.
- Regulate and closely monitor American cyber technology companies that work to export offensive cyber tools, including penetration testing tools.
- Pressure allies, most notably Israel, to similarly exercise caution when permitting private companies to export cyber tools that can be used maliciously for surveillance or cyber attacks.

- Encourage American cyber security companies to do business abroad and export defensive technologies, in particular with U.S. allies in the Middle East.
- Streamline regulatory processes for exporting defensive cyber technology.
- Strategically promote American cyber security companies in trade missions.
- Establish and maintain high-level dialogue between the intelligence community, law enforcement, and social media companies (Facebook, Twitter, and Google) to share information on malicious foreign influence operations, bots, and misinformation campaigns both in the U.S. and abroad.
- Discourage widespread sharing of contact tracing data with law enforcement and national security agencies, while encouraging governments to keep such data under strict control of public health and related ministries, and to purge data after it becomes irrelevant.

## ISSUES

- The conditions that gave rise to the Arab Spring protests continue to simmer — chiefly, corruption, political repression, human rights abuses, and economic malfeasance.
- The Middle East, according to Freedom House, remains the least free region in the world. Authoritarian rulers are cracking down on human rights; political imprisonment, torture, forced disappearances, and destruction of online freedoms are increasingly the norm. Some governments have used the pandemic as a cover to impose stronger political restrictions.
- With the erosion of global oil prices, the so-called “authoritarian bargain” — governments’ ability to purchase political acquiescence through generous social and economic benefits — is failing.
- Recent upheavals in Sudan, Algeria, Iraq, Lebanon, and Iran highlight the persistence of discontent throughout the region and hint at more to come.

## US INTERESTS

- Getting ahead of the curve of instability through proactive diplomacy and economic/defense policy.
- Preventing hostile foreign actors, such as Russia and China, from taking advantage by political and economic underwriting of authoritarian models.
- Aiming friends and allies toward political and economic arrangements that emphasize freedom and rule of law in a U.S.-led international order.

## POLICY RECOMMENDATIONS

- Plan for and anticipate drastic political change — both tactically through political messaging, and strategically by urging governments to end rights abuses and open political space.
- Adopt a whole-of-government approach. State, Defense, and intelligence agencies must speak with one voice on civic, political, and human rights, and their direct connection with U.S. policy and domestic political considerations and values.
- Ensure human rights restrictions in existing legislation, such as the Leahy Law, are respected and not systematically waived, thus maintaining leverage.

- Make certain arms sales policies are in line with broader humanitarian and human rights concerns.
- Identify issues where U.S. economic interests and human rights converge, e.g., worker protections, and emphasize those in talks.
- Instruct diplomats to engage with governments' political opponents and human rights activists, thus keeping governments off balance and providing crucial support.
- Speak out publicly on human rights abuses, as governments are vulnerable to public pressure.

## ISSUES

- Pre-COVID-19, almost 20 million bpd of oil and 90 million tpa of LNG transited through the Strait of Hormuz, most of which went to East Asia, mainly China, Japan, and South Korea. The Gulf countries, regional trade, and the global energy market all depended on the U.S. to ensure freedom of navigation, especially amid rising tensions with Iran.
- Gulf oil and gas producers have the lowest cost structure in the world, and it is likely that post-COVID-19, the amounts shipped to East Asia will remain the same and will still be under the U.S. naval umbrella.
- In spite of major efforts to diversify, Gulf economies are still very dependent on hydrocarbons. 80% of their budgets come from oil and natural gas sales. Where they have diversified, this has largely focused on the downstream sector: i.e. refined products, advanced chemicals, and fertilizers.
- Trade competition is growing. China has become the leading trading partner for all Gulf countries, although that trade is still carried out in U.S. dollars. Japan, South Korea, and the EU are also major trade competitors of the U.S.
- The major Gulf energy producers have massive financial reserves earned from hydrocarbons sales — an estimated \$300 billion in Qatar, \$400 billion in Kuwait, \$800 billion in Saudi Arabia, and \$1 trillion in the UAE. These reserves are mainly managed by very opaque SWFs, which often hold illiquid assets. The large majority of their investments are in U.S. dollars, and some, like Saudi Arabia, keep up to 50% of their assets in U.S. treasuries.

## US INTERESTS

- The U.S. needs stable energy prices above \$40/barrel to retain its role as one of the top three suppliers of oil, maintain its economic growth at home, and keep inflation low.
- The U.S. is a major trading partner with the region. Exports of IT products, airplanes, automobiles, and arms, among other goods, greatly benefit the U.S. economy.
- The U.S. faces growing trade competition from China, Japan, Korea, and the EU and needs to maintain and improve its export position.
- Most importantly, the U.S. needs to maintain the dollar as the world's primary trading currency.

## **POLICY RECOMMENDATIONS**

- Continue to maintain a sizable military and diplomatic footprint in the region to ensure freedom of navigation and political stability.
- Actively promote investments by U.S. firms in the region.
- Encourage Gulf firms to invest in the U.S.
- Continue to encourage a large presence of Gulf students in U.S. universities.



## ISSUES

- The global pandemic of 2020 serves as a reminder that oil is a global commodity that is influenced by declining demand, oversupply, and price wars between producers, making interdependences even more pronounced than ever before.
- Middle East producers play a strategic role in ensuring a balanced oil market across the globe, but are even more effective when cooperating with major non-OPEC producers, including the U.S.
- Oil dependence in times of a pandemic crisis serves as a reminder of the importance of transitioning to renewable-sourced and clean energy resources.
- Oil sanctions as a tool of foreign policy in the era of a pandemic can only prolong its global impact by reducing the ability of sanctioned economies to fight it.

## US INTERESTS

- The prosperity of the U.S. oil sector, especially its unconventional oil, is dependent on a balanced global market, adding more responsibility on the U.S. as a major producer to act for the benefit of all, as opposed to for America first.
- An oil price that is good for the American consumer at the pump and for the shale oil investor requires more cooperation and coordination with major producers, in particular members of OPEC, to ensure a balanced price.
- The U.S. energy sector is deeply tied to other countries and choice of policies can impact the role and status of the U.S. in the global supply chains serving the conventional, non-conventional, and renewable energy sectors

## POLICY RECOMMENDATIONS

- Pursue an energy diplomacy that is anchored on partnerships with major regional producers and others to maintain market stability, ensure security of supply for oil and gas, and protect the oil price from detrimental fluctuations.
- Maintain consistency in defining U.S. policy priorities and interests to lessen friction and conflicts that could destabilize energy markets.

- Review and reassess the failures and successes of energy sanctions policy on Iran, especially in terms of the humanitarian cost versus other policies and in light of the global pandemic and the need to eradicate it worldwide.
- Include climate change and the transition to clean energy and carbon-free economies as a fundamental part of cooperation with Middle East energy producers on technologies, investments, and regulations.

# Nuclear Non-proliferation

## ISSUES

- It is unclear what impact the COVID-19 crisis will have on Iran's nuclear program. Though a prolonged crisis will worsen the country's economic situation and heighten the need for greater welfare and patronage spending, the nuclear program's budget is likely to remain unaffected.
- The ability of allies and other members of the international community and international organizations to monitor Iranian nuclear activities and engage Iranian leaders may be impeded due to COVID-19. This lack of visibility could encourage Iran to use the cover of the crisis to speed up the pace of its activities.
- A series of unexplained fires at several Iranian nuclear sites and especially an explosion at one of them has raised suspicions that they were acts of intentional sabotage. The explosion at the Natanz facility is particularly suspicious because it is a high-value target where Iran is believed to be producing new centrifuges that could advance its nuclear program. Assuming the incidents were indeed a result of covert action, this would increase pressure on the Iranian regime and send a strong signal that its activities will not go unanswered. While this will keep progress in check, it is unclear whether it is enough to pressure Iran to return to the negotiating table. Favoring the long game, Iran may instead choose to bide its time until there is a change in the U.S. position or a change of administration.
- A number of nuclear cooperation agreements for civilian nuclear programs (123 Agreements) are up for discussion with U.S. Arab allies this year, including:
  - \* Egypt's current agreement, concluded in 1981, is up for renegotiation after the 30-year period mandated in the agreement.
  - \* Saudi Arabia will be negotiating the 123 Agreement for the first time. It is expecting to inaugurate its first nuclear research reactor later this year — used for legitimate research purposes and medical isotope production — and has ambitions to build 10-17 nuclear energy reactors in the future.
  - \* Jordan has been operating its research reactor for five years but has not yet concluded a 123 Agreement for what it claims are unfavorable terms. Given its financial (and water) constraints and excess electricity production, Jordan has forgone the possibility of a large reactor and is exploring small modular reactors (SMR), which are less costly and have fewer proliferation concerns.

## US INTERESTS

- Avoid the destabilizing impact of an all-out conflict with Iran, which both the U.S. and Iran want to avoid.
- Ensure that Iran does not continue to develop or ultimately acquire a nuclear weapon, which would lead to a significant change in the balance of power.

- Address Iran's ballistic missile program and destabilizing regional behavior as part and parcel of its nuclear program with or without any new negotiations.
- Ensure continued credibility and dependability of U.S. leadership in the Middle East, which if further impacted would inadvertently favor China and Russia's position.
- Consider the impact of Iran's acquisition of nuclear energy and developed nuclear capabilities on the legitimate pursuit of nuclear energy by U.S. Arab allies. Arab allies in pursuit of civilian energy programs do not pose an immediate proliferation concern and do have legitimate, justifiable needs for nuclear energy. Having said that, both Egypt and Saudi Arabia want to increase their nuclear capabilities for purposes of national pride and to increase their capabilities within the acceptable boundaries with a view to ramping up their programs in the event that Iran acquires a nuclear weapon.
- Israel categorically opposes any civilian nuclear capability in the region and accordingly, the U.S. should expect significant Israeli opposition to any nuclear technology transfer to Arab allies by the U.S., even those that enjoy strong security cooperation with Israel.
- Inflexible U.S. conditions on enrichment and reprocessing may negatively impact U.S. energy companies and favor Russian and Chinese ones. For instance, a country concluding a 123 with the U.S. will not be able to join any initiatives to establish international fuel banks, even those supported by the U.S. and the International Atomic Energy Agency (IAEA).

## **POLICY RECOMMENDATIONS**

- Continued pressure on Iran through sanctions and covert means to reemphasize U.S. red lines and dissuade Iran from actions that are detrimental to regional security, bearing in mind that Iranian leaders need a face-saving solution to change their behavior.
- Work with European and other allies to increase visibility into Iran's nuclear activities and work toward a more common position.
- Consider creative solutions to the major obstacles in the 123 Agreements.
- Encourage investment and promotion of U.S. SMR technology as an alternative to large conventional reactors.
- Work with Arab allies to ensure a common front with Iran.

- *Nasser bin Nasser*

## ISSUES

- The Middle East is home to deep underlying issues that directly threaten U.S. security interests: poor governance, disenfranchisement, humanitarian strife, endemic corruption, toxic sectarian narratives, and now, the uncertainty of the COVID-19 pandemic. Prolific terrorist organizations are present and continue to harbor designs to attack Americans. Weapons of mass destruction (actual and desired) provide the opportunity for further proliferation.
- Freedom of navigation and commerce (30-40% of daily global trade; 50% of proven oil and gas reserves) is threatened by the Iranian regime and their proxies and surrogates. Critical land routes through the region are used to facilitate movement of weapons and fighters that threaten Israel, Saudi Arabia, and the UAE.
- U.S. influence in the region is challenged by the increasing Russian and Chinese military, diplomatic, and economic presence. China uses the "One Belt, One Road" initiative to secure basing, increase military presence, and create economic leverage on partners in the region. Russia is focused on securing access and supplanting U.S. influence. Both countries are filling the void created by decreased and delayed U.S. equipment sales. NATO partner Turkey is increasingly at odds with U.S. Middle East policy, as well as their traditional European partners, and is moving away from constructive cooperation to pursue unilateral objectives aimed at creating regional dominance and influence.
- Recent tensions with Iran as a result of the "maximum pressure" campaign and our strike on Qassem Soleimani and their subsequent response have highlighted the need for a reliable diplomatic channel that will allow for de-escalation and discussion of the pertinent issues. It has also brought a realization by Gulf Arab countries of the impact of a war with Iran and the devastating effects it would have on the region.

## US INTERESTS

- Prevent the region from being a platform for terrorist attacks on our country and our allies.
- Counter proliferation of weapons of mass destruction.
- Prevent instability in this region from affecting our interests in other areas.
- Maintain freedom of navigation and commerce.

- Maintain a balance of power in the region that is favorable to U.S. interests and objectives.

## **POLICY RECOMMENDATIONS**

- Maintain U.S. partnership, influence, support, cooperation, and sales with militaries across the region, but insist on accountability, competence, and self-reliance. Local partners should do their fair share.
- Maintain a sustainable counter-terrorism capability in the region to work with capable partners and keep long-term pressure on terrorist groups.
- Establish diplomatic and military communication channels with Iran to reduce chances of miscalculation and increased tensions.
- Successful prosecution of the new U.S. global priority of competing with China and Russia requires the reallocation of U.S. military resources from the Middle East to the Indo-Pacific region and elsewhere. This in turn will place a higher premium on U.S. security cooperation and partnership with allies and partners in the Middle East.



## ISSUES

- A sustainable and reliable U.S. system for security cooperation that can more effectively leverage America's extensive web of alliances and partnerships in the Middle East and around the globe does not yet exist.
- Unspecified U.S. objectives and a confused process represent the two main problems of U.S. security cooperation. Often, the U.S. pursues security cooperation with no coherent policy toward the partner or a clear end-state. It also practically approaches security cooperation as an exercise in supplying hardware to its partners, failing to invest in defense institution building, which is crucial for the partner's ability to optimize and sustain the defense of its people and territory, and ultimately graduate from U.S. help.

## US INTERESTS

- U.S. partners in the Middle East with more developed defense institutional capacities — not just military capabilities — are able to responsibly share security burdens and sustain U.S. security investments in the region during challenging fiscal times in Washington.
- Defense institutional reform is inextricably linked to political reform, which is a key ingredient of long-term regional stability, and thus a core U.S. interest.
- Effective U.S. security cooperation in the Middle East affords the United States greater strategic flexibility to pursue its new priority of great power competition.

## POLICY RECOMMENDATIONS

- U.S. senior leadership should appreciate the history of U.S. security cooperation in the Middle East, its failures, and the lessons it offers, and understand that defense institution building in conjunction with train-and-equip programs is neither a charity nor a luxury — it is a necessity.
- The U.S. secretary of defense must communicate his strong endorsement of Congress's security cooperation reforms in the Fiscal Year 2017 National Defense Authorization Act (FY17 NDAA) and press all stakeholders, including his own immediate subordinates, the Defense Security Cooperation Agency (DSCA), and CENTCOM, to fully implement the reforms.
- Congress should perform consistent oversight of security cooperation and insist on accountability by more frequently holding public and closed hearings.

- Bilal Saab



Middle  
East  
Institute