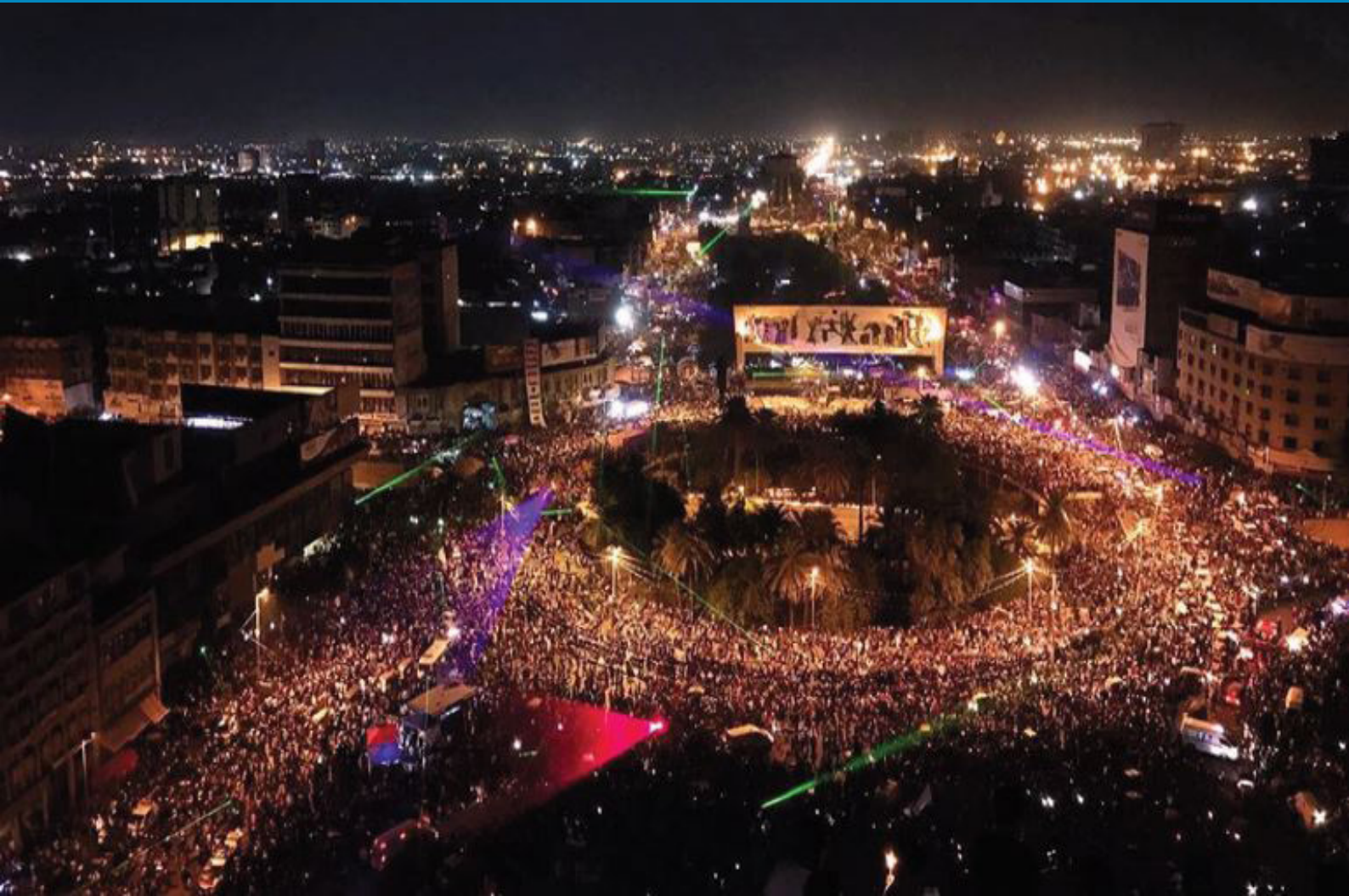


The Middle East in 2020

DECEMBER 2019



CONTENTS

BICOM PREDICTIONS FOR 2020	2
2019 FORECAST SCORECARD	3
INTRODUCTION: WHAT THE MIDDLE EAST MEANS FOR BRITAIN IN 2020	6
CHAPTER 1: IRAN'S NUCLEAR PROGRAMME AND REGIONAL POLICY	7
CHAPTER 2: THE ARAB SPRING 2.0	12
CHAPTER 3: THE SYRIAN WAR(S)	16
CHAPTER 4: ISRAEL AND THE PALESTINIANS	19
APPENDIX 2020 EXPERT PREDICTIONS	23



BICOM PREDICTIONS FOR 2020

US will increase sanctions on Iran: The US administration believes the protests in Iran, Iraq and Lebanon are evidence that its maximum pressure campaign is working. They will seek to further weaken Iran and impose a new wave of sanctions in the new year, specifically targeting officials and entities involved in tackling domestic unrest and other human rights violations.

Iran waiting out Trump: Iran won't enter into any talks, on its nuclear program or its missiles, until after the US presidential election in November 2020, because they hope a Democrat will win and re-join the joint Comprehensive Plan of Action (JCPOA).

Iran will hit back: Iran will continue to target Western regional interests. It was encouraged by the absence of any military response to the attack on four oil tankers outside the Emirati port of Fujairah, the drone and cruise missile attacks against Saudi Aramco oil processing facilities at Abqaiq and Khurais, and the downing of an American drone with a surface-to-air missile. Iran is likely to continue ship seizures and further attacks on Saudi Arabia and the Gulf.

Military action against Iranian nuclear sites is highly unlikely: Iran's regional activity and violations of the nuclear deal will reignite the debate in Israel (less so in the US) about a military option against Iran's nuclear facilities. But with the Trump administration wary of military action (both in general and due to the upcoming presidential elections), any direct action is highly unlikely, regardless of who leads the government in Israel.

The Israel-Iran conflict will increase: Iran's commitment to advance its regional interests, Israel's policy of blocking it, and the perception in Jerusalem that Iran is relatively weak, may create a dynamic in which Israeli strikes, especially in Syria, will increase and the chances for escalation rise. Iran will limit the scope and lethality of its response; Israel's military power will remain a deterrent in and of itself, with neither Jerusalem nor Tehran seeking all-out conflict.

An Iraqi military coup? Given the increasing security and political turmoil in Iraq, an Iraqi Army coup d'état in Baghdad supported by nationalist forces is very possible. Militias under the rubric of the Popular Mobilisation Units (PMU) – pro-Iranian and heavily armed – will fight to maintain the primacy of the existing government. The Sunni tribes in Anbar province will also mobilise, dividing loyalties between pro-Iran and pro-nationalist sides. The chaos will provide space for the re-emergence of the Islamic State in northwestern Iraq.

Gulf States warm to Israel: The Gulf states will strengthen ties – intelligence, security and economic – with Israel, due to both common threats (Iran and Sunni Islamist terrorism) as well as opportunities (including in the cyber, water and agricultural fields). But no formal diplomatic relations will be agreed due to lack of progress in resolving the Israeli-Palestinian conflict.

ISIS detainees could fuel a new insurgency: The fate of Islamic State detainees will become an urgent international concern as more ISIS militants break out of detention facilities and rejoin the simmering ISIS insurgency in Syria and Iraq. The legal status of ISIS foreign fighters, and when and whether to take them back, will continue to preoccupy European Governments and their security agencies.

Russia will shape the post-conflict settlement in Syria: Russia will capitalise on the US withdrawal, helping the Assad regime incrementally restore its sovereignty in north east Syria without further violence or displacement, perhaps eventually leading to a country-wide political settlement.

Netanyahu will lose the March election and be removed as Likud leader: Israel's political deadlock will likely be resolved after the March 2020 election. Netanyahu's Likud will lose seats relative to the September 2019 vote – a scenario that will deprive him of a 61-seat right-wing parliamentary majority and trigger calls from within the Likud for his removal. Gideon Saar, a senior Knesset member and former interior minister, will be well positioned to succeed Netanyahu after a surprisingly strong challenge in the leadership primary on 26 December 2019.

Benny Gantz will become Prime Minister after Blue and White win the largest number of seats. Gantz will serve as prime minister for the first two years in a national unity Government rotation deal agreed by May 2020; Saar – or whoever

leads Likud - will then assume the post for the remaining two years. Avigdor Liberman's Yisrael Beiteinu party, and Labour-Gesher could join such a coalition.

2019 FORECAST SCORECARD

IRAN AND THE NUCLEAR DEAL

BICOM predicted that: Iran's economy will get weaker under US sanctions, investment and oil sales will plummet and European investment will diminish, but the regime won't negotiate with the US or leave the JCPOA nuclear agreement. Instead it will try and wait out President Donald Trump's administration. The regime will respond aggressively to any internal domestic challenges.

The Iranian economy is under immense pressure. While Europe tried to devise a financial mechanism to bypass US sanctions, it had very limited effect. The JCPOA has not been renegotiated nor have the European nations assuaged Iranian concerns about the American withdrawal from the treaty. But while the regime may still be aiming to wait it out until US Presidential elections in November 2020, Iranian officials also announced that every 60 days after May 8 — the one-year anniversary of the US withdrawal from the nuclear deal – the country would violate the nuclear accord. Ironically, even as the US Administration continues its maximum pressure policy, Trump has seemingly intimated that he would be open to a grand deal with Iran.

THE SYRIAN CIVIL WAR

BICOM predicted that: The Idlib demilitarised zone faces a high risk of collapsing into conflict ... an assault on Idlib could send more than 250,000 Syrians refugees over the Turkish border. Use of chemical weapons by the regime will likely result in targeted airstrikes by the US, France and the UK.

Despite sporadic violence over Idlib, the agreement between Russia and Turkey has broadly held and no chemical weapons were used.

BICOM predicted that: Another major risk in 2019 is that Turkey carries out its threat to launch an all-out war against the Kurdish People's Protection Units (YPG) ... with US forces deployed in the region and controlling the air space, clashes between Turkey and the YPG could ... cause a serious escalation between Erdogan and the Trump administration. Turkey may ultimately seek to capture a couple of towns east of the Euphrates, but a major military operation against the explicit wishes of the US is unlikely. The Kurds could even enter dialogue with the Assad regime over autonomy. As long as the Kurdish parties feel confident in the American commitment and support, they will stand their ground. But if their perception about long-term US commitment wanes, the Kurds could continue discussions with the regime over some form of a decentralised autonomy agreement.

Trump's plan to withdraw US troops from north east Syria was considered to have given a green light to Turkish forces to strike against the Kurds, a conflict still ongoing. The US withdrawal also strengthened the Assad regime although the political process remains stalled, with discussions about reconstruction frozen. As the Turkish forces invaded, the Kurds brokered a deal with the Assad regime for regime forces to take up positions in key town in northern Syria.

ISRAEL AND THE PALESTINIANS

BICOM predicted that: The Trump administration will delay its plan for Israeli-Palestinian talks until after the Israeli elections and may even postpone its publication indefinitely.

Despite an economic conference in Manama in June attended by Arab states as well as Israeli and Palestinian businessmen, the long awaited political component of the Trump plan was not published in 2019 and, as the US enters the 2020 election campaign, it is likely it won't be published until after November 2020, if at all.

BICOM predicted that: Egypt and Qatar will continue trying to stabilise the situation in Gaza, but even if the first component of a ceasefire agreement is achieved, subsequent stages over a prisoner swap and larger humanitarian relief will fail, intra-Palestinian reconciliation will remain stillborn, and the tension between Israel and Hamas will continue. Israel and Hamas will avoid another war, but further cycles of violence are likely. It will be very hard to implement all the stages of a stabilisation agreement. There is a real threat of instability and violence in the West Bank, despite close security coordination between Israel and the Palestinian Authority (PA).

The West Bank remained relatively quiet and no major war took place in Gaza. But Israel and Hamas (in March and May) and subsequently Israel and Palestinian Islamic Jihad (November) were in armed conflict during 2019. As Gaza's humanitarian situation worsens, Palestinian reconciliation remains unattainable and Israel and Hamas continue to move between a narrow political arrangement, unofficial ceasefires, and limited military operations.

BICOM predicted that: Despite Israeli gestures to Jordan, domestic opposition will make any re-evaluation by King Abdullah of his decision not to renew the annexes of the peace treaty – which needs to be made by October 2019 – highly unlikely.

With Jordanian King Abdullah seeking to strengthen his position, and Israel's political crisis and the absence of a functioning government for long periods in 2019, two areas leased by Jordan to Israel for 25 years following the 1994 peace deal were returned to Jordan in November.

BICOM predicted that: Israeli elections will be brought forward to May / June. Polls put Prime Minister Benjamin Netanyahu's Likud party ahead. But the entry into the race of Benny Gantz, a recommendation by the Attorney General to indict Netanyahu for bribery, or the roll out of the US peace plan, could impair Netanyahu's ability to form a coalition and emerge as Prime Minister after the election. An indictment before the election would shift political alliances and transform Israeli politics.

Israeli elections were indeed brought forward (to April) with Likud and Benny Gantz's new party Blue and White both gaining 35 seats. Affected by the legal questions hanging over him and a split from Avigdor Liberman, Netanyahu failed to form a coalition and new elections took place in September, although here, too, Netanyahu was unable to form a coalition and is now facing internal challenges to his leadership. The Attorney General, Avichai Mandelblit, indicted Netanyahu for bribery, fraud and breach of trust in November.

THE ISRAEL-IRAN CONFLICT

BICOM predicted that: Iran won't leave Syria and the US will keep its forces in Syria to block any further Iranian expansion...Iran is investing significant resources in a project in Lebanon to equip Hezbollah's arsenal of more than 100,000 missiles with precision guidance systems...Whereas Israel has been able to counter attempts by Iran to do this in Syria with air strikes, it is significantly harder to do this in Lebanon. Western Iraq will become a new front in Iran's war against Israel.

Iran continues to entrench itself in Syria and Israel continues to strike Iranian assets and advanced weapon systems. While Israel has traditionally been far more reticent of striking inside Lebanon, in August, it destroyed a central component of Iran's precision guided missile project in Beirut. Moreover, the transfer of weapons systems to Iraq has led to approximately a dozen Israeli strikes in the country over the last 12 months. In a surprising move, American forces have largely redeployed from northern Syria, a signal that Trump's isolationist tendencies have proven stronger than the defence establishment's generally acknowledged preferences.

THE FUTURE OF ISIS

BICOM predicted that: ISIS threatens to re-emerge as an insurgent force in Syria and Iraq in 2019, as highlighted by US Department of Defence assessments... Beyond Iraq and Syria, ISIS's global network will remain a significant threat in the coming year.

The head of ISIS, Abu Bakr al-Baghdadi was killed by US special forces but the organisation still possesses as many as 18,000 fighters in Syria and Iraq and operates in West Africa, Libya, the Sinai Peninsula, Afghanistan and the Philippines. While it has posed less of a military threat in 2019, the domestic instability in Iraq could lead to some form of resurgence and the organisation still poses a terror threat to Europe.

SAUDI ARABIA

BICOM predicted that: Mohammed Bin Salman's modernisation agenda and his purported role in Israeli-Palestinian peace talks have been severely diminished by the murder of Saudi journalist Jamal Khashoggi. To balance against Western pressure, Saudi Arabia may seek closer ties with Russia.

The Saudi monarchy appears to have worked through the backlash over the Khashoggi murder. However in October, Russian President Vladimir Putin visited Saudi Arabia (for the first time in 12 years) which led to the announcement of more than 20 agreements and bilateral trade deals worth \$2bn. Defence discussions have included the possible purchase and future deployment of Russia's formidable S-400 air defence missile system. Warming relations are due more to Saudi distrust of US regional policy than Western (although not White House) condemnation over the journalist's murder.

INTRODUCTION: WHAT THE MIDDLE EAST MEANS FOR BRITAIN IN 2020

BICOM's fifth annual forecasting document is a guide for British policy makers and opinion formers to issues and events that will impact the Middle East in 2020 and their potential strategic consequences.

Britain enters the new year following a fraught election campaign with continued focus and debate over Brexit and questions over its place in the international system. Yet the UK continues to hold significant security and economic interests in the region including ensuring energy security, fighting terrorism, expanding trade, and encouraging investment. Moreover, the security and prosperity of all Western states will continue to be influenced by the Middle East which remains unstable and increasingly complex.

As always, predicting developments in such an unstable region is extremely challenging. Yet looking at the Middle East, some major trends and issues are clear:

- Nine years on from the so-called Arab Spring, the region continues to suffer from fractured states. The Syrian Civil War - which in many ways is a "microcosm" of the entire Middle East (bottom-up civil war, radicalization by jihadist/Islamist elements, tribal/ethnic/sectarian tensions, a battleground for regional powers as well as great powers) grinds on, with estimates that astronomical sums are needed for reconstruction. Major public demonstrations in Lebanon, Iraq – and to a lesser extent Iran – suggest many states face long term legitimacy, socio-economic, security and resource challenges. Other countries that have been spared widescale demonstrations also face significant governance and legitimacy challenges.

- President Trump and his administration is continuing American retrenchment from the region, as seen in the decision to withdraw the majority of troops from Syria and acquiesce in a Turkish operation against Kurdish forces in the country.

- Partially as a result of American policies, Russia has arguably become the dominant power in the Middle East – constituting the main international interlocutor in the Syrian civil war, as well

heavy involvement in Middle East energy markets and advancing arms deals in a number of Middle Eastern countries.

- Iran continues to extend its political, economic, and militarily influence in Lebanon, Syria, Iraq and Yemen, although it continues to face military pushback from Israel as well as some public (and even domestic) disillusionment due to economic difficulties these countries face. Iran's nuclear program remains a major challenge for Western powers and the international community as a whole, and as we enter a US. presidential election year, the Trump Administration seems torn between its policy of 'maximum pressure' and an openness to some form of 'grand deal'.

- ISIS has suffered territorial defeat and the death of its leader, yet the ideological inspiration for the movement lives on across the region, and an open question remains as to where and how it, and other forms of Sunni jihadism, will evolve.

The large number of overlapping issues that analysts and policy makers should be concerned about can be divided into four baskets:

1. **The Iranian nuclear issue**, including rising tension over the JCPOA and Iran's nuclear capability, the ongoing consequences of the US. 'maximum pressure' sanctions campaign, the Iranian escalation against regional rivals and Western interests across the region, and the challenges faced by the E3 (the UK, France and Germany) to maintain the nuclear deal and respond to Iranian violations. In addition, the ongoing clash between Israeli and Iranian competing 'strategic logics' in Syria, Lebanon and Iraq holds within it the potential for miscalculated escalation, as Iran seeks to strengthen its presence in these countries and Israel remains committed to stopping it.
2. **The Arab Spring 2.0**, including domestic protests and instability in Lebanon and Iraq, ongoing structural and governance challenges in Egypt and Jordan, modernisation campaigns and diplomatic manoeuvrings by Saudi Arabia and the Gulf states, and the splintering civil war in Yemen
3. **The Syrian War(s)**, including the conse-

Key Dates in 2020



quences of the ongoing clashes between the YPG and Turkish forces, the long term viability of the Russia-Turkey agreement over Idlib, the Assad regime's attempt to reassert control over the country, the significance of the US withdrawal, and the growing influence of Russia and Iran.

4. **The Israeli domestic impasse and Palestinian politics**, including Israeli domestic instability as the country goes to the polls for the third time in under a year, the ongoing humanitarian and security challenges of Gaza, internal Palestinian politics and West Bank stability, and the potential for a renewal of the peace process and the fate of the much-awaited Trump peace plan.

CHAPTER 1: IRAN'S NUCLEAR PROGRAMME AND REGIONAL POLICY

The past year saw the ramping up of the US-led "maximum pressure" campaign against Iran, almost exclusively via economic sanctions. Tehran responded by abandoning its prior policy of "strategic patience" and adherence to the 2015 JCPOA – with the hope that European states, including the UK, would ensure the economic benefits of the nuclear deal. Starting in mid-2019, however, Iran very clearly shifted strategy, increasing its nuclear work in violation of its JCPOA obligations and launching several brazen attacks in the region targeting Gulf shipping lanes and Saudi Arabian oil facilities. Iran and Israel continued to clash in Syria. In November 2019, Israel struck approximately 20

targets across Syria – including Iranian Quds Force bases, Shia militias, and Assad regime assets – in response to Iranian Fajr-5 missiles being fired at the Golan Heights.

1.1 Iranian internal affairs

The Iranian economy will continue to suffer under the weight of sanctions. The International Monetary Fund (IMF) estimates currency reserves to be at \$86 billion, 20 per cent below their 2013 level. Inflation reached 36 per cent, the rial lost 60 per cent of its value against the dollar, and the country experienced a 70 per cent fall in oil exports (an estimated 500,000 barrels a day compared to 2.4 million barrels per day in April 2018). The government is believed to possess very low foreign-exchange reserves and this, together with the decrease in the price of oil and a widening trade deficit, puts Iran in significant economic distress that it will struggle to overcome, even with a reported \$5 billion loan from Russia as part of its new budget for the coming year.

Parliamentary elections will take place in February 2020 although it remains to be seen how the public demonstrations (and the brutal response by the government) will influence the power balance between the so-called pragmatists and conservative hardliners.

The widespread demonstrations – both in Lebanon and Iraq as well as within Iran itself – will not alter the strategic direction of the Islamic Republic, which views these countries through the prism of strategic depth. Iran will continue to prioritise its ‘forward defence’ strategy of expanding its regional influence, continuing to invest in its network of proxy militias throughout the region.

While sporadic demonstrations like those seen in November 2019 may restart, the regime is not under threat and can be expected to tackle them in similar fashion with its security forces and paramilitaries, via brute force inflicting civilian casualties. The November domestic demonstrations – which began as a response to the decision to raise fuel prices (in an attempt to slash subsidies, improve the budget deficit, reduce domestic consumption and allow more exports

to the overseas market) – appeared by late 2019 to be under control, although estimates suggest more than 1,000 civilians were killed.

1.2 The United States vs Iran

With the US administration viewing the demonstrations in Iran, Iraq and Lebanon as signs that its maximum pressure campaign is ‘working’, hawks in Washington will argue that an opportunity exists to further weaken Iran and will likely push for greater pressure, almost exclusively sanctions. Additional US sanctions are likely on officials and entities involved in tackling domestic unrest and other human rights violations, although the overall impact of such measures will lessen over time.

President Trump may leave the way open for some form of ‘grand bargain’ with Iran, or may push – via Twitter or other means – for a meeting with President Hassan Rouhani and/or targeted agreements like prisoner swaps (similar to that which took place in December 2019).

However, there is a growing likelihood that Iran may simply seek to wait out the Trump Administration until after the US presidential election in November 2020 – with the prospect of a Democrat winning the White House and re-instituting the JCPOA, as several leading Democratic candidates have promised. In light of this, any progress on an agreement – or even a renegotiation of the JCPOA – is unlikely.

American pressure will lead Iran to seek to strike back, as it has increasingly done, against Western regional interests. In this context, the Islamic Republic will certainly be encouraged by the (lack of military) response to the damage to four oil tankers outside the Emirati port of Fujairah, the drone and cruise missile attacks against the state-owned Saudi Aramco oil processing facilities at Abqaiq and Khurais, and the downing of an American drone with a surface-to-air missile over the Strait of Hormuz over the past year. In this context, it may countenance an attack – either directly or via one of its proxies – in the Persian Gulf or the Red Sea. Further seizures of ships – such as the British-flagged oil tanker Stena Impero – may also occur.

Iran's 2019 Nuclear Violations

May 8: Iran announces that it will no longer be bound by stockpiles limitations on enriched uranium and heavy water reserves in the JCPOA and could restart construction on its unfinished heavy water reactor at Arak

May 20: Iran announces it will quadruple uranium enrichment output at Natanz and surpass the 300 kilogram limit on uranium gas enriched to 3.67 percent set by the deal.

September 5th: Iranian President Hassan Rouhani announces a third breach of the JCPOA, stating "all of our commitments for research and development under the JCPOA will be completely removed"

November 4, 2019: Director of the Atomic Energy Organization of Iran, Ali Akbar Salehi adds that Iran is enriching uranium to 4.5% U-235 and that its low enriched uranium stockpile totals over 500 kilograms, breaching the 3.67% enrichment cap and 300-kilogram stockpile limit designated by the JCPOA.

9 April: Iranian President Hassan Rouhani announces that Iran will install a cascade of 20 IR-6 centrifuges at Natanz.

July 8: Iran tells the IAEA it has enriched uranium to "about 4.5%" uranium-235 at the Natanz pilot fuel enrichment plant. The IAEA releases a report confirming Iran has exceeded the 3.67% enrichment cap set by the JCPOA

October 8: Director of the Atomic Energy Organization of Iran, Ali Akbar Salehi, announces that Iran will increase its uranium enrichment capacity using 30 IR-6 centrifuges.

November 5, 2019: Iranian President Hassan Rouhani announces that Iran will begin injecting UF₆ into 1,044 IR-1 centrifuges at the Fordow facility on November 6.



Iran has several other arenas in which it can flex its muscles and will act in each of them in 2020 to establish a form of 'reverse deterrence' against its international and regional rivals:

1.3 Violating the JCPOA

Iran enters 2020 having already violated its commitments to the JCPOA including no longer honouring the 300kg limit on stockpiles of low-enriched uranium; enriching uranium to 4.5 per cent; accelerating research and development of advanced centrifuges; and resuming uranium enrichment at its bunkered Fordow facility, which under the deal was due to be converted into "a nuclear, physics and technology centre".

With no end in sight to the US's 'maximum pressure' campaign, the Islamic Republic will likely further push the envelope of the JCPOA by expanding its supply of advanced centrifuges and enriched uranium, with the overall aim

of reducing its breakout time to a nuclear bomb.

These Iranian steps will reignite the debate in Israel (less so in the US) about a military option against Iran's nuclear facilities. But with the Trump administration wary of excessive military action (both in general and due to the upcoming presidential elections), any direct action is highly unlikely, regardless of who leads the government in Israel.

The Iranian moves will also force the UK, Germany and France – as well as the EU in general – to set a red line of violations that will lead to their own sanctions against the Islamic Republic.

But overall, the chances of significant American-Iranian conflict are low. Despite its aggressive rhetoric, the Trump administration has shown little appetite for any military action against the Islamic Republic. This, coupled with Iranian reticence towards a major clash

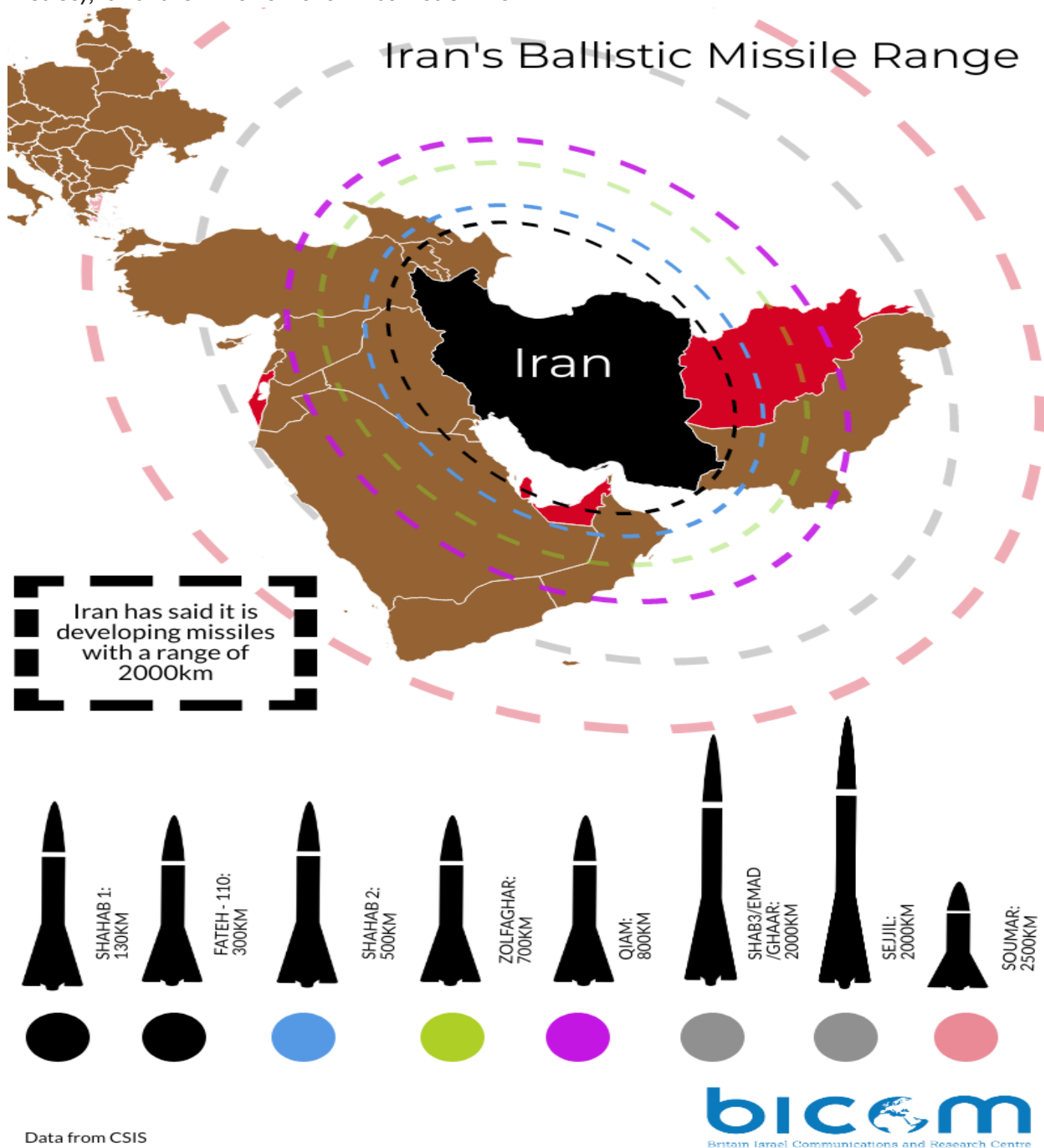
with the world's only superpower, will likely restrain how far the Islamic Republic takes its nuclear violations.

1.4 Ballistic missile testing & weapons development

Iran will continue developing and testing ballistic missiles as it did in 2019. These include the testing or unveiling of the Hoveizeh cruise missile (range of over 1,350 kilometres), the Dezful ballistic missile (range of 1,000 kilometres), and the Khorramshahr ballistic mis-

sile (range of 1000-2000 kilometres) in February; the launch of a ballistic missile on 24 July; and the unsuccessful launch of a Safir satellite launch vehicle on 29 August. It will continue to test missiles via its proxies, as demonstrated by the launch on 2 August of a Borkan-3 liquid-propelled medium-range ballistic missile by Houthi rebels in Yemen.

Pressure from the UK and European powers will fail to halt Iranian testing. The UK, France and Germany will continue to demand a full UN examination of Iran's missile development



programme which they argue are inconsistent with missile-related provisions in UN Security Council resolutions. However, Iran has consistently rejected suggestions its missile program is up for negotiation and this position will likely remain unchanged.

The US, UK and France will also struggle to convince China and Russia to extend the arms embargo on Iran. A five-year, UN-based embargo on military-related transfers to and from Iran as well as travel restrictions on key personnel (which were part of the JCPOA) are due to expire in October. The Security Council will likely be divided on extending the measure, and Western powers will face a significant challenge to pass a new multilateral resolution.

1.5 Israel vs Iran and its regional adventurism

Despite internal unrest both domestically and in key regional allies like Lebanon and Iraq – much of which targeted pro-Iranian governments – the Islamic Republic will continue its long-term project of expanding its military and political influence across the Middle East.

While Iran possesses very few troops in Syria (estimates vary between 1,000 – 3,000 IRGC personnel) it will seek to expand its influence by continuing to embed Iranian troops in Syrian Arab Army units, transporting advanced weapons like precision missiles, anti-aircraft systems and drone, gaining access to contracts for Syrian infrastructure, and continuing its project of establishing a land bridge between Iran and the Mediterranean. The American re-deployment in northeast Syria will likely allow Iran and its allies – notably Russia and the Assad regime – to further strengthen their control over the post-war order.

Israel will continue, and perhaps escalate, its policy of military action against Iranian forces in Syria and beyond, with Israeli Prime Minister Benjamin Netanyahu reiterating in late 2019 that his country “operate[s] actively against Iran’s aggression” and vowing to block its efforts “to turn Iraq and Yemen into bases for launching missiles.” Israel’s new Defence Minister Naftali Bennett (who will likely stay in his position until

at least the March 2020 election) is signalling a more activist line: with Tehran seemingly overstretched in the region, Bennett sees the current moment as a “window of opportunity” to push Iran out of Syria (see subsequent section).

A direct Iranian strike against Israel is possible but unlikely. To be sure, the means used for the Iranian attack on the Saudi oil fields on 14 September – which involved 18 attack drones and 8 cruise missiles (three of which hit their target) – poses a significant threat to Israel if Iran were to decide to carry out such an operation. Iran has vowed to respond to various Israeli strikes against IRGC and Iranian-affiliated militia forces in Syria.

But tit-for-tat attacks between Israel and Iran will undoubtedly continue, at the very least in Syria. The Iranian commitment to advance its regional interests, Israel’s stated policy of blocking it, and the perception in Jerusalem that Iran is relatively weak, may create a dynamic in which Israeli strikes increase and the chances for escalation rise. Iran is still likely to contain the scope and lethality of its responses; Israel’s military power will remain a deterrent in and of itself, with neither Jerusalem nor Tehran seeking all-out conflict.

Israel will largely remain deterred from acting against Iranian interests in Lebanon, with the 25 August drone strike in Beirut’s Dahiyeh neighbourhood against Hezbollah precision guided missiles the exception rather than the rule.

Iraq represents another arena where the two countries will clash, with Israel likely to continue its strikes against Iranian-affiliated Shia militias and missile shipments in the country. Pentagon officials recently warned that Iran was establishing hidden arsenals of short-range (600-mile) ballistic missiles in Iraq that could threaten Israel, Saudi Arabia and US forces in Iraq.

The 2019 protest movements in the Middle East were similar, but in key respects different, to the initial Arab Spring revolts of 2011-2013. **Lebanon** and **Iraq** saw mass protest movements – spontaneous, bottom-up, leaderless and cross-sectarian – erupt in late 2019, with citizens rebelling against systems they viewed as corrupt and unresponsive.

Other Arab states like **Jordan** and **Egypt** struggled along despite structural and governance challenges. **Saudi Arabia** and other **Gulf** states moved towards rapprochement with **Qatar** while hedging ever-so-slightly towards Iran. Yet the civil war in **Yemen** kept raging with international mediation efforts failing to find a diplomatic solution. Security and intelligence ties between the Gulf states and Israel continued to expand as part of a historic shift spurred on by both common threat perceptions (Iran and Sunni Islamist terrorism) and active diplomatic efforts by the US.

Lebanon's protest movement will continue, with demands growing for wholesale political reform as economic collapse looms. Demonstrators took to the streets in October 2019, demanding wholesale reform of a political system widely perceived as corrupt, venal, and unresponsive. Lebanon's decaying infrastructure (in particular sewage, refuse collection, and electricity), growing unemployment, and the visible enrichment of many senior politicians combined to fuel popular anger. Indicatively, the protest movement was cross-sectarian – with Sunnis, Shiites, Christians and Druze participating – leading to a wider rejection of the post-civil war political order enshrined in the 1989 Taif Agreement as well as undue foreign interference by Iran.

The old political class will drag its feet implementing real reform, including establishing a new government untainted by corruption. Hezbollah and the Free Patriotic Movement in particular will remain stumbling blocks to any fundamental change, as will (to a lesser degree)



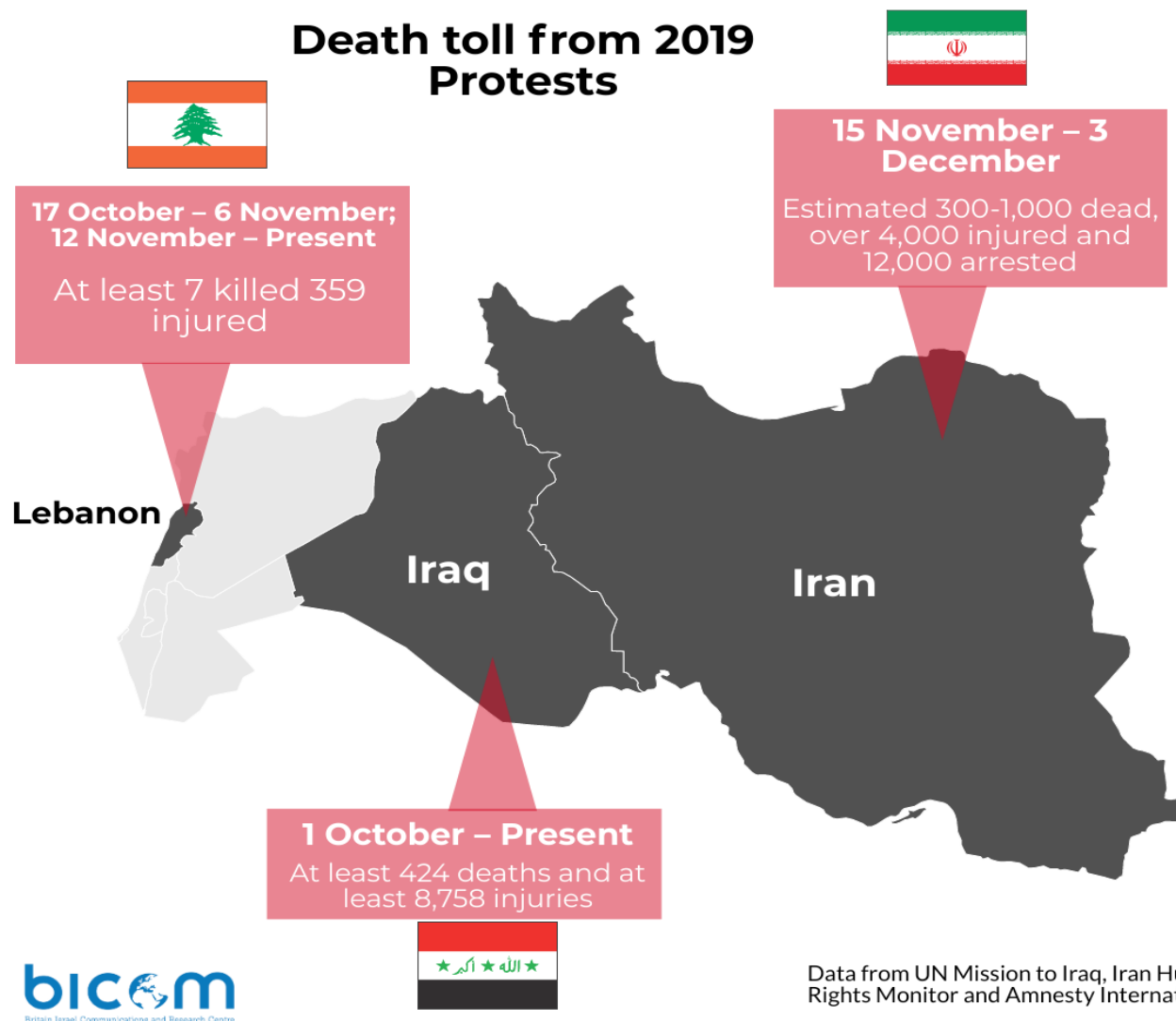
Saad Hariri and his Future Movement. Under pressure from demonstrators, Hariri tendered his resignation in late October 2019, although he has continued on during the inconclusive search for a successor acceptable to the protest movement.

The political impasse will likely lead to a worsening of the economic situation and potentially the collapse of the Lebanese banking sector. By late 2019, Lebanon had an unwieldy debt burden of \$87 billion and was considered the 2nd highest global default risk (after Argentina). Compounded by political uncertainty, paralysed economic activity and bank closures during mass street protests, Lebanon will continue to be in dire need of an international bailout. The likelihood is low, however, that foreign actors – the Gulf states, US, Europe (including France), and the International Monetary Fund – will agree to such a step without significant political and economic change. The worst-case scenario would see unemployment rise sharp-

ly as both the public and private sectors lay off workers, steadily increasing inflation, runs on local banks, and shortfalls in basic goods.

The US, France and the UK will likely continue to provide military assistance to the Lebanese Armed Forces (LAF) despite – and in many respects because of – the ongoing domestic instability. The LAF will continue to be viewed as a potential military bulwark against Hezbollah and as a necessary future guarantor of any post-protest political order. It remains to be seen, however, whether the LAF can and will act in this regard, or whether it will subvert its own operations according to the wishes of Hezbollah and Iran.

Despite the domestic political unrest, it is unlikely Hezbollah will purposefully escalate its conflict with Israel. Whilst deflecting its own legitimacy and corruption issues may be useful in the short term, the physical damage inflicted on Lebanon writ large, and Hezbollah's own Shia



constituency in particular, would outweigh any benefits in the long-term.

2.2 Iraq

There is a growing likelihood that Iraq's protest movement leads to civil war and state fracture. The underlying structural and systemic problems that led to the October 2019 mass demonstrations – unemployment, state corruption, and government ineffectiveness – will not be resolved. Instead, growing violence and repression will become the norm next year; by late 2019 nearly 500 demonstrators had been killed by various security forces and militias.

Despite the resignation of Prime Minister Adil Abdul Mahdi in November 2019, political paralysis is likely to continue whoever takes over – whether a political appointment or technocratic administration. Iraq's post-Ba'athist system will be unable or unwilling to reform with the speed and depth demanded by the public, especially given the overwhelming Shia demographic and geographic character of the demonstrations centred in Baghdad and southern Iraq.

Instead, the anti-Iran theme of the protest movement will escalate in direct proportion to the increasing use of government security organs (including the Interior Ministry) and pro-Iranian Shia militias as tools of repression against demonstrators. By December 2019 these militias were openly using live rounds against demonstrators, leading to the deployment of nationalist Shia militias (affiliated with Shia cleric Moqtada al-Sadr) on the streets to protect civilians. A retaliatory drone attack against al-Sadr's home in December 2019 was a harbinger of future intra-sectarian Shia violence.

Given the increasing security and political turmoil, an Iraqi Army coup d'état in Baghdad supported by similarly nationalist forces is possible. However, the proliferation in recent years of militias under the rubric of the Popular Mobilisation Units (PMU) – pro-Iranian and heavily armed – will fight to maintain the primacy of the existing governmental systems. The Sunni tribes in Anbar province will also mobilise, dividing loyalties between pro-Iran and pro-nationalist sides. The chaos will likely provide space for the re-emergence of the Islamic State in northwestern Iraq.

The coming year is likely to see the end of Western military deployments in Iraq apart from in the Kurdistan Regional Government (KRG). The international community, including the US and European governments, will respond to the growing bloodshed by increasing sanctions against senior militia leaders and government officials overseeing the crackdown, as the Trump administration began doing in December 2019.

2.3 Jordan

Stability in Jordan will likely be maintained despite the acute economic and political challenges facing the Hashemite Kingdom. Government budget deficits stemming from the country's growing energy needs and significant Syrian refugee population (still estimated at 1 million people) will continue to put strain on the central government. Unpopular tax hikes and subsidy cuts will draw some public protest, as they have in the past year, although Amman will likely be able to contain any unrest.

International support will continue to flow – primarily International Monetary Fund (IMF) loans and US and British aid – in order to assist Jordan's economy. Despite public opposition, natural gas imports from Israel's Leviathan offshore field will begin flowing in early 2020 as planned (part of a 15 year, 45 billion cubic meters agreement), helping Jordan meet its energy needs at a reasonable price.

In order to offset public anger, King Abdullah will continue to strike an increasingly nationalist stance vis-à-vis Israel – as was the case in November 2019 with the return of the Baqura/Naharayim and Ghamr/Tzofar enclaves previously leased by Israel. The king, the crown prince, and various other senior officials made high profile visits to the two small pieces of farmland in late 2019, in a clear reassertion of sovereignty.

Ties with Israel will continue to deteriorate until any future shift in the composition of the Israeli government (see subsequent section). King Abdullah in late 2019 publicly stated that relations with Israel were “at an all-time low” – due in large measure to the stalled Israeli-Palestinian peace process, perceived violations of Jordan's special status in Jerusalem, and increasing calls by Israeli Prime Minister Benjamin Netanyahu

for the annexation of the Jordan Valley.

If Israel were to annex parts of the West Bank the likelihood is very high that Amman would respond severely, including suspending the peace treaty with Israel and stopping all outwards signs of diplomatic and political relations – although energy and water imports as well as security co-ordination between the two militaries will likely remain in place.

2.4 Egypt

Relative stability will likely be maintained in Egypt as well, despite the country's severe structural economic challenges and democratic deficit. Demonstrations calling for the removal of Egyptian President Abdel Fattah al-Sisi, similar to those of September 2019, will likely not be replicated given the arrest of several thousand protestors and other heavy-handed government efforts to crack down on dissent.

Parliamentary elections scheduled for April-May 2020 will go ahead as planned, although the results are extremely likely to favor Sisi and other pro-government/security-affiliated political parties. This is especially likely given the April 2019 constitutional referendum results, which saw Sisi's term extended until 2030 with 88 percent of the vote.

Civil society and pro-democracy activists will continue to be monitored and arrested, although this is unlikely to impact relations with the Trump administration. However, voices in the US Congress and Europe will continue to highlight the increasingly autocratic methods and human rights violations of the Sisi government. As a result, and despite the threat of US sanctions, Egypt will continue hedging its primarily US-provided military aid via Russian purchases, including moving forward in early 2020 with the first batch of Russian Su-35 fighter jets (part of a reported \$2 billion arms deal between Cairo and Moscow).

The Islamic State-led insurgency in the northern Sinai Peninsula will continue, with Egyptian military forces suffering casualties in the restive region. In this regard, close security assistance from Israel (intelligence and air support) will carry on. Egypt will also play an intermediary

role between Israel and Hamas in talks over a longer-term ceasefire in the Gaza Strip – a high order priority for Cairo given the enduring political significance of the Palestinian question as well as the threat of spillover into Egypt of any humanitarian collapse inside Gaza.

2.5 Saudi Arabia & the Gulf

Saudi Arabia will continue along the path of gradual social and economic reform, albeit unevenly, as laid out in Crown Prince Mohammed bin Salman's (MbS) 'Vision 2030' plan. Western entertainment and cultural imports will increase, as will further lifting of certain social restrictions for women in public. Decreases in government subsidies (primarily fuel and energy) will likely continue as well, helping Saudi's overall macroeconomic outlook. However, as was made clear in the state-owned Aramco energy giant's slimmed down initial public offering (IPO) in December 2019, foreign investment in the kingdom will lag behind expectations.

This is due primarily to investor uncertainty at the often erratic decision-making of MbS, 34, the kingdom's effective ruler. The US Congress, European governments, international media and human rights activists will try to hold Riyadh to account for its role in the murder of Jamal Khashoggi and other abuses against government critics.

Saudi Arabia along with its Gulf state allies (United Arab Emirates and Bahrain) will try and mend relations with Qatar, after ties were severed – and a blockade instituted – in 2017. By late 2019 signs of thaw were evident, as senior Qatari officials travelled to Riyadh for bilateral meetings and to attend the annual summit of the Gulf Cooperation Council (GCC).

The various Gulf states, led by Kuwait and Oman (historically more neutral), will make diplomatic overtures towards Iran. While tensions and suspicions will undoubtedly remain (see previous section), Gulf states will look on warily at Washington's commitment to Gulf security and the Middle East more generally – due in large part to US inaction after Iran's September 2019 attack on Saudi oil installations (among other recent strikes against Gulf energy infrastructure allegedly perpetrated by Iran and its

proxies). Similarly, a restoration of ties between the Gulf states and Syria, severed since the outbreak of the Syrian civil war, is likely to continue, building on the UAE's resumption of diplomatic and economic ties with Damascus over the past year.

In contrast, however, the Gulf states will strengthen ties – intelligence, security and economic – with Israel, due to both common threats (Iran and Sunni Islamist terrorism) as well as opportunities (including in the cyber, water and agricultural fields). Indicatively, Israel will formally take part in the Dubai Expo 2020 event that starts in October 2020 and ends in April 2021. However, it is highly unlikely that the Gulf states will establish official diplomatic relations with Israel given the lack of progress in resolving the Israeli-Palestinian conflict.

2.6 Yemen

The civil war in Yemen, raging since 2015, will not end, despite intensive international and regional efforts to mediate a ceasefire between the various warring parties. The war has already cost the lives of over 100,000 people, with some two million displaced and millions more potentially impacted by famine and disease stemming from the fighting. The UN has for years described the civil war as the world's "worst humanitarian crisis."

The Houthi rebel group, supported by Iran, and a fragmented alliance of Gulf-backed government and separatist forces, will not reach a political solution. However, talks over a lessening of hostilities in northern Yemen between the Houthis and Saudi Arabia, begun in September 2019, could form the basis for further ceasefire talks nationwide under the direction of UN Special Envoy Martin Griffiths, a former British diplomat. Saudi air strikes have been criticised internationally as indiscriminate, while Houthi rebels – allegedly armed with Iranian missiles – have regularly fired on Saudi airports and energy installations.

The anti-Houthi alliance, divided between government loyalists and southern separatists, will likely move forward with a stalled Saudi-sponsored political deal to mend ties.

Since mid-2019 forces loyal to the government of President Abed Rabbo Mansour Hadi have clashed with the Southern Transitional Council (STC), an alliance of southern groups backed by the UAE that seized the port city of Aden in a bid for greater rights for south Yemen (once an independent state). The internecine fighting splintered the anti-Houthi coalition. The Saudi-brokered Riyadh Agreement of November 2019 called for a military and political power-sharing arrangement. Despite subsequent delays in implementation, however, the likelihood is high that the two sides rejoin forces – especially as the UAE continues to withdraw its direct involvement in Yemen.

CHAPTER 3: THE SYRIAN WAR(S)

Syria begins 2020 after a year when the Assad regime solidified control over large parts of the country, leading some to argue that the civil war is effectively over. Yet major developments in the north of the country in the past year – with the involvement of multiple regional and international actors – means the conflict remains dynamic and dangerous. In particular, the fate of the rebel-held Idlib province, Turkey's incursion into northern Syria, and the US force posture in north east Syria will all prove to be crucial.

3.1 Idlib Province: Turkey, Russia, and Assad

Russia and Turkey will likely continue their standoff over the last major rebel-held pocket of Idlib. The 2017 Astana agreement, struck between Russia, Turkey and Iran, will remain in place although Moscow and Ankara will likely continue to be at odds over its interpretation and implementation. Russia has argued that the de-escalation arrangement is not a permanent alternative to the eventual return of the Assad regime to Idlib. On the other hand, Turkey views the deal primarily as a tool to prevent a Syrian offensive on Idlib until a broader political settlement can be reached for the civil war.

Assad regime efforts to test the Russia-Turkey relationship – in an effort to reassert control over Idlib – will likely fail. The regime may try to put pressure on its patron, Russia, to either give it the green light for an all-out offensive or try to

force Turkey to end its support of rebel proxies in the province and disengage from northern Syria. Yet Russia and Turkey both have an interest in freezing the conflict in Idlib for the short-term. Turkey wishes to avoid mass refugee flows from Idlib across the border and even into northern Aleppo, an area under direct Turkish control.

Russia will likely not want to jeopardise its growing relationship with Turkey – which is proving useful for straining NATO's alliance and US power in the region – while assaulting Idlib could disperse thousands of jihadists across Syria (whereas they are now contained in Idlib).

Mini offensives on Idlib by the Assad regime, with Russian air support, could still occur. Despite the de-escalation agreement, the past year saw at least two assaults by pro-regime forces on the rebel-held province. A May-August 2019 offensive by Assad regime ground forces and Russian air strikes reportedly killed 1,000 civilians and led an estimated 600,000 to flee their homes. By late summer, Syrian regime forces recaptured the strategic city of Khan Sheikhoun in southern Idlib province as well as stretches of a major highway that links Damascus to the northern city of Aleppo. A Russian aerial assault in October 2019 on Idlib raised fears of an all-out Syrian regime offensive to retake the area, although this too failed to materialise owing to rebel push-back and the ongoing manpower shortage of the Syrian Arab Army.

3.2 Northern Syria: Turkey versus the YPG

Turkey is highly likely to consolidate gains in northern Syria after its October 2019 offensive (dubbed 'Operation Peace Spring'), whose objective was to construct a 20-mile deep 'safe zone' running 300 miles along Turkey's southern border; terminate Kurdish autonomy in Rojava; and force out of the region the primarily Kurdish YPG (People's Protection Units) while undermining the group's alliance with the US. By December 2019 Turkish President Recep Tayyip Erdogan was vowing to settle one million Syrian war refugees in this safe zone (out of a total Syrian refugee population resident in Turkey of some 3.6 million).

The YPG, including the broader Syrian Democratic Forces (SDF) grouping of which it is a part, will continue its realignment towards the Assad regime and Russia after the US retreat from much of northern Syria. Kurdish forces retreated ahead of the advancing Turkish military – including airstrikes, shelling and reported war crimes by Turkish-backed jihadist militias that displaced an estimated 150,000 people from their homes. The YPG subsequently agreed to a Russian-brokered deal that allowed the Assad regime back into parts of northern Syria to protect formerly Kurdish-held cities along the Syria-Turkey border. While the YPG will likely want to preserve some of the institutions it has built up in recent years (e.g. autonomous governance councils and internal security forces), it will also have to square this against the Assad regime's goal of reasserting sovereignty over all parts of Syria as well as Turkish distrust of any semblance of Kurdish autonomy.

The fate of Islamic State detainees still held in SDF camps will continue to be an international concern. An estimated 10,000 former ISIS fighters and tens of thousands more family members are still being held under SDF guard in a handful of prison camps in north east Syria. In addition to being a hotbed for further radicalisation, there is fear that ISIS militants could break out and rejoin the simmering ISIS insurgency in Syria or across the border in Iraq. In October 2019 several hundred ISIS detainees escaped from one such camp, including British nationals. Indeed, the future legal status of such ISIS foreign fighters will likely continue to be a major security preoccupation for most Western states, including the UK.

3.3 North east Syria: US, Russia, and Iran

The diminished US force presence in north east Syria will continue to have wider geopolitical reverberations. The US administration's commitment to its Kurdish military allies and the wider Middle East was brought into question over the past year due to President Trump's repeated statements indicating his intention to withdraw completely from Syria. After postponing such a decision for most of 2019, in October the US began redeploying its forces (primarily

some 1,000 special operators embedded with YPG units) in northern Syria. Under pressure from US defence officials and congressional allies, however, the administration by late 2019 ultimately retained around 600 military personnel to guard oil facilities in north east Syria. US Defence Secretary Mark Esper asserted that the U.S. troops are there to protect these resources not only from Islamic State militants but also Russian and Syrian regime forces.

[The continued US presence may provide the YPG with some protection](#), although it will likely continue hedging in the direction of the Assad regime and Russia. The YPG itself redeployed its forces after the U.S. abandonment, to the point where it may now reposition itself further east of its previous Rojava stronghold, to a patch of desert stretching from the oil fields of Deir al-Zour to those in al-Hasaka. Control over these oil and gas facilities may bolster the YPG's negotiating position vis-à-vis Damascus and Moscow, although this looks unlikely.

[Turkey, Russia, and Iran will likely continue increasing their influence in north east Syria](#) given lingering questions about the US commitment. Turkey viewed the US withdrawal from northern Syria as a 'green light' for its military incursion, while Russia and the Assad regime viewed the US presence – now diminished – as an obstacle to retaking the entire country. Iran will look to utilise its close relationship with the Assad regime and ties with both Turkey and Russia to continue entrenching itself in Syria, with emphasis on solidifying a land corridor stretching from Tehran to Beirut.

[In particular, Russia has been \(and will continue to be\) the key actor shaping any post-conflict settlement in Syria](#). Turkish-Russian patrols along the entire northern Syria border, to a depth of 10km inside Syria (with the exception of the border city and de facto Syrian Kurdish capital, Qamishli) are one example – and are likely to continue. Russia can be expected to continue capitalising on the US withdrawal, helping the Assad regime incrementally restore its sovereignty in north east Syria without further violence or displacement, perhaps eventually leading to a country-wide political settlement.

3.4 National peace process

[The push for an overall political settlement to the Syrian conflict will very likely remain elusive, as it did for most of 2018 and 2019](#). The UN-led Geneva Process, as laid out in UN Security Council Resolution 2254, is all but dead. The US-led 'small group' – including Egypt, France, Germany, Jordan, Saudi Arabia, and the UK – attempted to revitalise the Geneva process in 2019, but refused to bring in Russia, Turkey, or Iran, all of whom are key players on the ground. Instead, those countries continued to develop their own dialogue, the Astana Process, which in practice has allowed the Assad regime to exploit pauses in the fighting to either create "de-escalation zones" or brutally retake control of parts of the country.

[Bilateral negotiations between the U.S. and Russia over Syria's future will also very likely fail](#). In 2019 the U.S. engaged in a separate diplomatic track with Russia, proposing a 'road map' to test Russian willingness to make compromises and exert influence over the Assad regime towards a political settlement acceptable to Washington. Given the lack of US leverage and resolve with respect to Syria, this pathway is almost certainly doomed to failure.

[International mediation efforts will grind on but likely fail to make any meaningful progress](#). As it has for the past few years, UN diplomacy will predominately focus on forming a constitutional committee with equal representation from the regime, opposition, and civil society – with an eye towards a broader political settlement via elections. Yet Syrian opposition groups (mainly based abroad) are far from united on a clear path forward, while the UN has little leverage to demand meaningful concessions from the Assad regime at the negotiating table. Elections are due to be take place in 2021, and whilst it is hoped that they will be conducted under UN auspices, given the likely continuing advances of Syrian and Russian forces in 2020, it is unlikely that a real political transition away from Assad will materialise.

Instead, [it is increasingly likely that more countries will re-establish diplomatic relations with Syria](#) – re-opening embassies, sending delegations to Damascus, and investigating

economic opportunities in any post-war order. Whilst the pockets of conflict outlined above will grind on, the likelihood is high that more countries begin to internalise that the civil war itself may be over, and that the Assad regime (along with its Russian and Iranian backers) have won.

CHAPTER 4: ISRAEL AND THE PALESTINIANS

4.1 Israel's political deadlock

Israel heads into 2020 in uncharted political waters. A third straight election will take place on 2 March 2020 after an unprecedented two inconclusive elections in 2019, where neither Prime Minister Benjamin Netanyahu or his rival Benny Gantz from the Blue and White party were able to form a government. Netanyahu has governed as an interim/outgoing prime minister for most of the past year at the head of a transition government; he was formally indicted for bribery, fraud and breach of trust in November 2019.

Israel's long-running political impasse will likely be resolved after the March 2020 election. Netanyahu's Likud party will lose seats relative to the September 2019 vote – a scenario that will deprive him of a 61 seat right-wing parliamentary majority but also trigger calls from within the Likud for his removal. Gideon Saar, a senior Knesset member and former interior minister, will be well positioned to succeed Netanyahu after a surprisingly strong challenge in party leadership primaries on 26 December 2019.

With Netanyahu exiting the scene due to political failure and criminal indictment, a Saar-led Likud will enter into a national unity ("grand coalition") government with Blue and White by May 2020. The secular right-wing Yisrael Beitenenu party, led by former defence minister Avigdor Liberman, as well as the Labor-Gesher party can also be expected to join such a coalition. Given that Blue and White will in all likelihood be the largest party, Benny Gantz will serve as prime minister for the first two years in any rotation agreement; Saar – or whoever leads Likud – will then assume the post for the remaining two years.

Such a governing coalition will have a large stable parliamentary majority. By law its first order of business will be passage of a budget, with competing interests at play: lowering a ballooning budget deficit via unpopular tax hikes and government spending cuts, while providing the Israel Defence Force (IDF) with additional funding for its new ten-year strategic plan as requested by the General Staff.

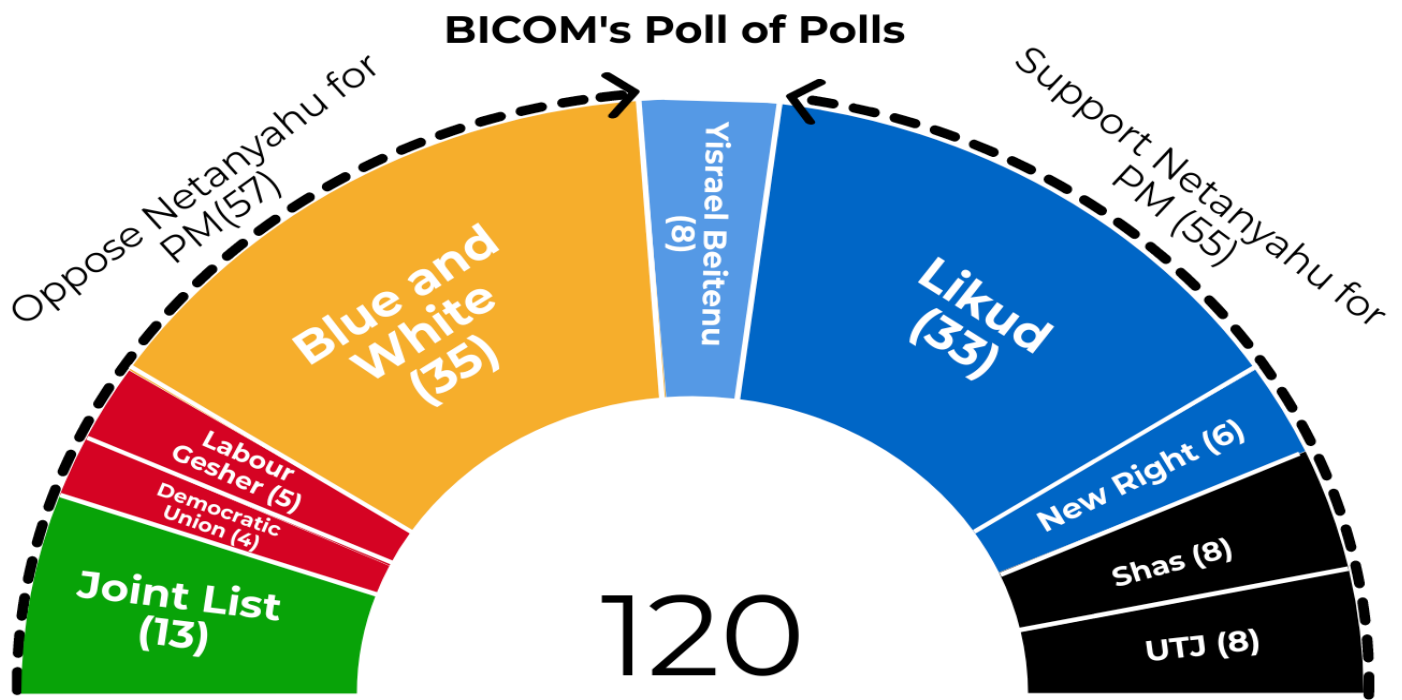
Contentious budgetary allocations aside, the Gantz-led government can be expected to provide continuity in terms of its regional security policy, especially as it relates to Iran. Despite previous hardline rhetoric with regard to the Gaza Strip, Gantz is also likely to continue with Netanyahu's policy of seeking a longer-term ceasefire "arrangement" with Hamas, although unlike his predecessor, he will have less political space to keep any instances of rocket fire or terrorist attacks emanating from the territory contained.

A Gantz-led coalition can be expected to strike a more conciliatory tone vis-à-vis Palestinian Authority President Mahmoud Abbas. A meeting between the two leaders early in Gantz's tenure would not be out of the question. Yet any far-reaching moves with regard to settlement construction, territorial concessions, or final status negotiations will likely be vetoed by Likud and right-wing elements within Blue and White itself, and will have to await a potentially new US administration in 2021. Security coordination between the IDF and Palestinian Authority Security Forces (PASF) will remain strong.

4.2 Israel's regional security policy

The Iranian threat will remain foremost in Israeli strategic thinking in 2020, irrespective of the composition of any eventual Israeli government. However, in the months leading up to the March 2020 election, the Netanyahu transition government – with Naftali Bennett serving as defence minister – is likely to continue a proactive and aggressive policy vis-à-vis Iran and its proxies in Syria, Iraq, and (perhaps) Lebanon.

By autumn 2019 Netanyahu had already exhibited a greater appetite for risk taking in security affairs than at any previous point in his premiership. Examples included increasing-



Aggregate polling, December 5-10, 2019.

Green – Arab | Red – left-wing | Orange – centrist | Blue – right-wing | Black – ultra-Orthodox

bicom
Britain Israel Communications and Research Centre

ly public remarks taking credit for Israeli airstrikes in Syria, Lebanon and Iraq; a targeted assassination in Gaza of a senior Palestinian Islamic Jihad commander that set off two days of hostilities (but could have escalated wider); and appointing Bennett, a hardliner, as Minister of Defence.

The January-March timeframe, corresponding to a tight election campaign that will decide Netanyahu's political and legal future, could see the Israeli government take greater risks in the security realm. While much will depend on Iran's activities in these various countries (see previous sections), Bennett has made clear that any Iranian aggression will be met with a "disproportionate" Israeli response, as was the case in late November 2019. Some Israeli military correspondents and analysts are convinced that Netanyahu supports such an approach, despite stated misgivings from senior IDF officers.

After the March election and subsequent ascendance of a Gantz government to power, Israel can be expected to revert to a more traditional regional security policy: striking Islamic Revolutionary Guard Corps (IRGC) and other Shia militia assets in Syria (including in the Syrian Golan Heights) as well as advanced weapons shipments (especially precision missiles) to Hezbollah in Lebanon and Shia militias in Iraq. Gantz, a former IDF chief of staff, can be expected

to remain tight-lipped about such activities so as not to invite an Iranian response – in line with prior Israeli policy for its "campaign between wars." However, at some point Iran can be expected to test the new Israeli leadership. Syria will remain a likely base of rocket and drone attack against Israel, as is the scenario of longer-range missile strikes from western Iraq.

A Gantz government will continue the trend of growing security, intelligence and diplomatic ties with the moderate Arab states – Saudi Arabia, United Arab Emirates, Qatar, Bahrain, and Oman. The common threats of Iran and (Sunni) Islamist terrorism assure that relations developed in recent years will remain in place – and, indeed, can be expected to grow stronger as the new Israeli government strikes a more conciliatory tone with the Palestinian Authority.

4.3 Israel-Hamas 'arrangement' for Gaza

The pragmatic position adopted by the Netanyahu government vis-à-vis the Gaza Strip – which seeks to respond to Hamas rockets without causing a wider escalation – will likely continue in 2020. Existing efforts to ease humanitarian and economic conditions inside Gaza via a Hamas-Israel ceasefire (termed an "arrangement" by Israel) will likely move forward, although a longer-term agreement will remain elusive.

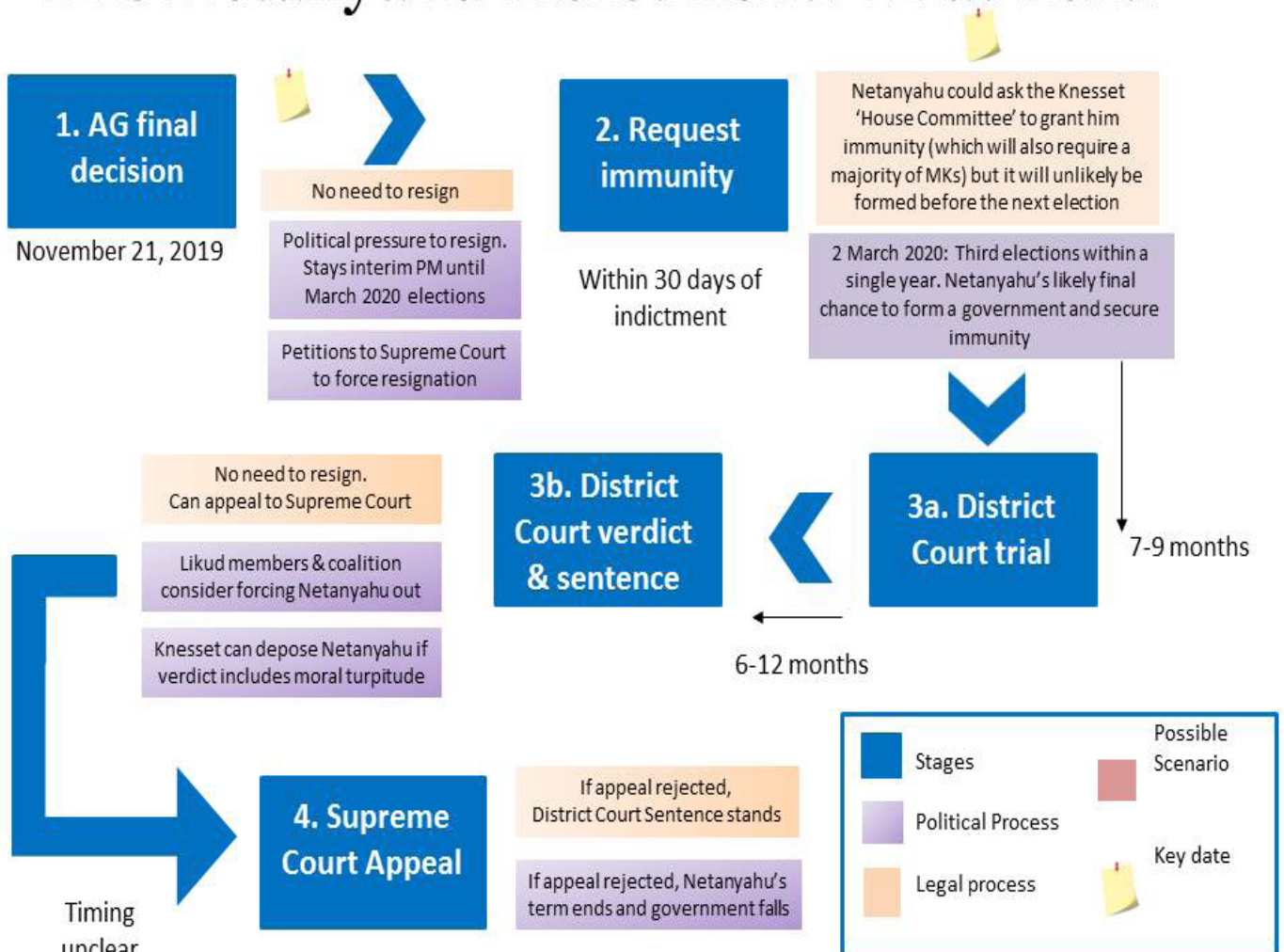
As of late 2019, measures instituted by Israel included: A few thousand access permits issued to Gazan merchants and labourers into Israel; a 30 per cent reduction in limits on “dual use” items into Gaza and the lifting of some export restrictions on Gazan manufactured goods; the entry into Gaza of \$30 million monthly in Qatari money, to pay for fuel imports, subsidies for the poor, and a UN-sponsored works program; the establishment of an American NGO field hospital; and the opening (with Israeli acquiescence) of a commercial border crossing between Gaza and Egypt. Additional efforts to improve electricity generation via new power lines from Israel and solar energy fields, as well as waste disposal and sanitation infrastructure repair, can also be expected to continue.

More extensive infrastructure projects, including an artificial island port off the coast of Gaza

and a border industrial zone – as some senior Israeli government ministers have proposed – will likely not materialise regardless of which Israeli government is in power, so long as Hamas holds hostage the bodies of two IDF soldiers and two Israeli civilians. The main stumbling block remains Hamas’s profligate conditions for any prisoner exchange. No Israeli government can politically be expected to meet the high bar set by the 2011 Shalit deal, where more than 1000 Hamas personnel held by Israel were released.

Episodic escalations due to rocket fire by PIJ or other rogue Gaza factions are likely, although even a Gantz-led government will try to keep any such hostilities contained. However, Gantz will come under public pressure to show both that his Gaza policy is distinct from that of his predecessor and that his tough campaign rhetoric was not simply empty words. For this rea-

The Netanyahu indictment: what next?



son, the likelihood is high that under a Gantz government a relatively prolonged (e.g. one week) Gaza conflict will erupt until, inevitably, a ceasefire will be reached under the same terms as previous conflicts.

4.4 The Trump peace plan, Palestinian politics & West Bank stability

Due to the ongoing Israeli election campaign as well as the November 2020 US general election, [the Trump administration's Israeli-Palestinian peace plan is highly likely to be shelved.](#)

In its stead, the US may perhaps – in the January-March 2020 timeframe – rhetorically support Netanyahu's efforts to annex the Jordan Valley. But it is unlikely that a Netanyahu-led transitional government can, and will, move forward with such a far-reaching step. Yet it will form the centrepiece of Netanyahu's re-election campaign just as he promised to apply Israeli sovereignty to all settlements in the West Bank during the April election campaign and promised to annex the Jordan valley before the September election. Similarly, a US-Israel mutual defence pact will likely not be formally signed during this period, despite the high probability that the Trump administration publicly endorses such a move, perhaps by convening bilateral negotiating committees.

[Under a Gantz-led government, both the annexationist impulses as well as a defence treaty with the US are highly likely to be stopped.](#) Blue and White have previously questioned the utility of the latter, while the former could lead to severe disruptions in diplomatic ties with Jordan (see previous section) as well as mass unrest in the West Bank.

[The Trump administration is unlikely to resume overall aid flows to the PA for such things as development projects or refugees, halted since 2018.](#) However, the US is likely to resume funding for the Palestinian Authority Security Forces, suspended since February 2019 due to passage of the Anti-Terrorism Clarification Act (ATCA); the US Congress can be expected to finally pass a "fix" to ATCA allowing the PA to resume accepting US funding without the risk of civil litigation for past terror offences.

[Despite ongoing negotiations between Hamas and the Fatah-controlled PA over the holding of Palestinian legislative and presidential elections, the likelihood is low that elections actually take place in 2020.](#) While legislative elections are perhaps more likely, it is unclear whether enough trust exists between the two sides – split politically and geographically between the West Bank and Gaza – to allow free and fair elections. Hamas is still unwilling to recognise past agreements signed between the Palestine Liberation Organisation (PLO) and Israel, while Fatah is at a low ebb politically and at risk of undermining its own position in the West Bank. The more likely scenario is that the Israeli government refuses to allow a ballot in East Jerusalem, allowing both Hamas and Fatah to delay the poll indefinitely.

[The West Bank will likely remain stable despite periodic incidents of terrorism against Israelis and violent clashes.](#) Barring a major political development (e.g. Israeli annexation of the West Bank), PA President Mahmoud Abbas's overall policy direction will remain in effect – combating terrorism, upholding security coordination with Israel and stopping mass demonstrations from coalescing and spiraling out of control. Abbas, 84, is unlikely to simply retire. Rather, the future direction of Palestinian politics and the Israeli-Palestinian conflict will be determined once Abbas exits the scene and Fatah decides on a successor. There is a high likelihood that any successor will be less committed to security cooperation with the IDF as well as to the principle of non-violence.

APPENDIX | 2020 EXPERT PREDICTIONS

To accompany this 2020 Forecast, BICOM asked three renowned Middle East experts for their three predictions for 2020.

HANIN GHADDAR

Friedmann Visiting Fellow, Washington Institute for Near East Policy

2020 will not be an easy year for Lebanon. Lebanon's economy is collapsing. Owners of private sector companies and their employees had warned that 200,000 jobs could be lost by the end of next year if the situation remained unchanged. While the 2019 budget had forecast a deficit of 7.6 per cent of GDP, state revenues in the last three months of 2019 have been 40 per cent less than forecast, meaning the deficit next year will be much larger than expected. This means that the uprising will eventually become a revolution of the hungry and the unemployed. Lebanon's Prime Minister Saad Hariri resigned nearly a month ago, but the formation of a new government has been complicated. Although the only way out is to form a credible and independent government of experts to implement reforms – and one that will gain the trust of the Lebanese people and international donors -- it does not seem likely that this ideal scenario will materialise in the coming year.

Two scenarios are more probable: One, the formation of the government continues to get delayed, mainly because the political class, managed by Hezbollah, still refuses to let go. Clinging to power in this way will last until the financial collapse leads to state bankruptcy and the suspension of state institutions, and thereby, the political process.

Two, a techno-political government could be formed, in an attempt to get the international community to bail out Lebanon from the financial crisis. However, it seems Hezbollah and its allies will remain insistent in their demand for representatives in this government as well.

But fooling the international community will probably not work. Following the December 2019 Paris Meeting, members of the International Support Group for Lebanon (ISGL) co-chaired by France and the United Nations, made it very

clear that Lebanon has to help itself – forming a government with the “capacity and credibility to implement a package of economic reforms” – before receiving any financial assistance from the international community.

Meanwhile, it is clear that Hezbollah has decided to resort to violence to quell the protests, using its own thugs but sometimes certain units within the Lebanese security apparatus, such as the Lebanese Armed Forces. It is expected that – as the economic situation deepens and the protestors become more outraged - Hezbollah will not hesitate to use more violence and impose its authority by force.

However, as Hezbollah increasingly moves in this direction, it will become very difficult for the group to regain the trust or the support of the Lebanese people, including the Shia community. With a failing state, a collapsed economy, and no public support to rely on – in addition to Hezbollah's own financial crisis due to the U.S. sanctions on Iran – the group's hands will be tied. Internal challenges will eventually affect Hezbollah's operations in the region, and ultimately impact its decision to not launch a war against Israel.

SIR JOHN JENKINS

Executive Director, International Institute for Strategic Studies

In spite of appearances, the Arab Spring never really ended. The latest phase began in 2016 when Muhammad bin Salman announced his ‘Vision 2030’ plan. There was little that would have been unfamiliar to the IMF, World Bank or UNDP. And Bahrain and the UAE were already working on similar proposals. But the fact that such a programme was championed in Saudi Arabia by a man who would be Crown Prince was extraordinary.

The events of 2011-13 had revealed the depth of popular anger among young and growing populations across the region. This – a focus on material well-being and the construction of truly national identities rather than bankrupt slogans and empty transnationalism – was the response of the Gulf monarchies. And whatever other concerns people may have about MbS, it was smart. Because what we are now seeing in

the new wave of protests in Iraq, Iran, Lebanon, Algeria and Sudan is the death of ideology.

MICHAEL KOPLOW

Policy Director, Israel Policy Forum

Since 1945 the region has seen waves of Pan-Arabism, Islamism, Nasserism, Ba'athism and Khomeinism. None of them have worked. Young protestors who cannot remember the Suez Crisis, the Algerian War of Independence the Lebanese Civil War, or the agonies of Saddam's rule in Iraq do not want lessons in ancient history. The protestors are making it clear that they are done with populist charlatans and Islamist hucksters. They want a better life, a better future and better governance now – not in the hereafter or in some mythical millennial paradise on Earth.

The forces of reaction, however, remain strong and have everything to lose. The army in Egypt will not let go, even if that means wrecking the economy. In Iraq, the corrupted ruling class knows that any real change will lead to their destruction. Many already had blood on their hands. Now they have more, as they allow Shia Islamist death squads to shoot, stab, kidnap and torture with impunity. The same goes for Iran – a Robespierrean Committee of Public Safety posing as a state. And everyone now knows that Palestinian politics need a radical rethink.

I do not predict revolution in 2020. But something has changed fundamentally in the relationship between ruler and ruled in the Middle East. Over the next year we shall see some of the consequences played out as elites try to wriggle their way out of trouble. This might lead to increased conflict. The response of Shia militias and the IRGC to any threat has been to attack someone else. Iran is proliferating missile and other offensive technologies precisely to widen the risk and raise the costs. Each time a Hamas leader hears the word 'change' he reaches for a Qassam missile. Israel will remain at the epicentre of this tumult for a long time.

Violent repression will not stop protest either, although it might send it underground. This is a Gramscian age of accelerating discontent and endlessly aborted reform. But the desire for change is spreading. As we see in the shared slogans and viral video clips, that is the new transnationalism. It will not be abortive forever.

In Israel, one of the Likud's "natural partners" will defect from the right-wing bloc that held together through the first two elections of last year and join a government led by Benny Gantz following the third election in March 2020. Blue and White's margin as the largest party will increase and a traditional right wing government still will not have enough seats to form a coalition, leading Shas or the New Right to break ranks and join a Gantz coalition. Despite demonstrating fealty to Netanyahu and Likud, the leaders of both parties are savvy enough to see that the Netanyahu era is coming to an end sooner rather than later; Gantz and his partners are ideologically pliable enough to construct a coalition that includes the more pragmatic ultra-Orthodox and the less religious nationalist right.

The protests rocking Iraq, Iran, and Lebanon will spread to other countries in the region rather than be snuffed out. Corruption and economic stagnation remain widespread in the Middle East and the Arab Spring demonstrations and uprisings of the early years of last decade laid the groundwork for another round of upheaval. While regimes learned lessons from the Arab Spring in terms of how to prevent mass mobilization, protestors have adapted too and are better at using social media to organize demonstrations while also displaying an admirable resistance to regime violence.

There will be a push in the U.S. Congress to have Turkey suspended or expelled from NATO, but it will be unsuccessful. U.S. frustration with Turkey is at an all-time high, yet Turkey continues to push the envelope. Despite repeated and severe warnings from Congress not to purchase Russian-made S-400 anti-aircraft systems, Turkey not only took delivery but proceeded to deploy the S-400s and test them with F-16s sold to Turkey by the U.S. Tension remains as a result of the Turkish incursion into north east Syria, while mass frustration with the U.S. in Ankara continues due to years of American support for the YPG.

Given Turkey's increasingly close ties to Russia, not only are there legitimate concerns over

Turkey's presence in NATO but sanctioning Turkey is a roundabout way to signal a tougher line with Russia, too. Despite this, there is no clean mechanism for kicking out a NATO member, and Turkey will never leave willingly – remaining in NATO allows Turkey to hedge its bets while benefiting from being in the globe's premier military alliance.

This report has been produced by BICOM's research team in consultation with British and international experts. We are grateful for their help.

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