

6 KEY STEPS FOR TARGETED US DIPLOMACY TO STABILIZE LEBANON AND ADVANCE US FOREIGN POLICY



A COLLABORATION BETWEEN
THE AMERICAN TASK FORCE ON LEBANON
AND THE MIDDLE EAST INSTITUTE



The Middle East Institute and the American Task Force on Lebanon with the cooperation of the Lebanese International Financial Executives convened a group of experts on Lebanon who co-authored this policy brief.

Jean AbiNader
Christophe Abi-Nassif
Jon B. Alterman, Ph.D.
Leslie Campbell
The Hon. Ryan Crocker
The Hon. Gerald Feierstein
The Hon. Jeffrey Feltman
The Hon. Edward M. Gabriel
Joseph Haboush
The Hon. Frederic C. Hof
Joyce Karam
Brian Katulis
Nabeel Khoury, Ph.D.
The Hon. Ray LaHood
Hisham Melhem
The Hon. Nick Rahall
Bilal Y. Saab
Paul Salem, Ph.D.
The Hon. Donna Shalala
Omar Slim
Randa Slim, Ph.D.
Jacques Tohme
Deborah Trent, Ph.D.
The Hon. Frank Wisner

Thanks to Samir el-Daher, Jay Ghazal, Patricia Karam, Aram Nerguizian, and Mona Yacoubian for their advice and guidance.

6 KEY STEPS FOR TARGETED US DIPLOMACY TO **STABILIZE LEBANON AND **ADVANCE US FOREIGN POLICY****

Lebanon is moving rapidly toward total state failure. A full collapse would take weeks to unfold but decades to repair. It would likely lead to a resurgence of ISIS and al-Qaeda, a stream of Lebanese and Syrian refugees headed to Europe, and a further expansion of Hezbollah's sway in the country. The US has the interest, and capacity, to lead an urgent international diplomatic initiative to pull Lebanon back from the brink.

President Joe Biden and his team have signaled a new approach to the Middle East – one that puts diplomacy first in resolving conflicts. But a looming crisis in Lebanon – if not addressed – could threaten to undercut regional stability and Biden's efforts to implement a new foreign policy approach.

Lebanon's multi-sectoral breakdown is the product of years of failure by its sectarian and corrupt politicians to enact necessary political and economic reforms. The country has a spiraling debt, a currency in freefall, decimated personal bank accounts, soaring food prices, escalating poverty, the world's largest per capita refugee population, and security tensions. Last August's Port of Beirut blast, itself the result of criminal mismanagement by successive governments, and the continued coronavirus pandemic add to this instability and uncertainty.

Of course the main responsibility for saving Lebanon lies with the Lebanese themselves. Indeed, a wide cross section of the Lebanese people has been in open revolt since October of 2019 demanding immediate and fundamental change. But the ruling sectarian coalition, with ample backing from Hezbollah, has resisted all calls for change as the population sinks into poverty and despair.

While pursuing its own national security interests, the US can also manifest its principles of helping other people stand up for democracy, social justice, national sovereignty, and freedom from foreign-backed militia rule. Only the US has the capacity to lead an effective international diplomatic effort to avoid another fully failed state in the region and help the Lebanese move their country away from collapse and militia rule toward a more democratic and stable future.

Of course, the main responsibility for saving Lebanon lies with the Lebanese themselves. Indeed, a wide cross section of the Lebanese people has been in open revolt since October of 2019 demanding immediate and fundamental change.

Early stepped-up US diplomatic action on Lebanon is needed to prevent Lebanon's further implosion and to reinforce Biden's Middle East policy. The focus of targeted US diplomacy in Lebanon is on pushing Lebanon's leaders to respond to the basic and growing needs of their people. US engagement should not require a great deal of US resources and senior-level time and effort. To maximize impact, it should be coordinated with our European and Arab partners and have an integrity beyond being an ancillary issue of the Iran negotiations, a Syria policy, or other US priorities in the region.

1. EMPOWER A NEW HIGH LEVEL INTERNATIONAL CONTACT GROUP TO COORDINATE AN INTERNATIONAL DIPLOMATIC INITIATIVE TO PRODUCE CONSTRUCTIVE ACTION BY LEBANON'S PARLIAMENT AND STATE OFFICIALS THIS SPRING

The State Department should lead an effort to coordinate a diplomatic approach with the European Union, particularly France, and key Middle East regional actors including the GCC to impose costs and offer incentives for Lebanon's leaders to quickly put in place a credible and capable government, empowered to undertake immediate reforms. A high level and coordinated international demarche is essential for moving the country back from the brink of full collapse and steering it toward stability and eventual recovery. The central focus of this preventative diplomatic initiative is to establish a new government that enacts key reforms, engages in immediate talks with the IMF and international community for an urgently needed rescue package, and steers Lebanon toward socio-economic recovery.

2. ESTABLISH AN INTERNATIONAL DIRECT ASSISTANCE FUND

A key component of US diplomacy should be to establish a new fund with international and regional partners that would initially bypass Lebanese governmental institutions to provide a large social safety net initiative to support the people of Lebanon. This Direct Assistance Fund would be coordinated with international efforts such as COVAX to respond to the coronavirus pandemic. This Direct Assistance Fund would be coordinated with international efforts such as COVAX to respond to the coronavirus pandemic. The rapid deployment of this fund would seek to address pressing food security and humanitarian

The US should also provide urgent assistance to the historic American universities in Lebanon, including the American University of Beirut and the Lebanese American University.

needs, refugee and host community aid, and civil society funding in support of the delivery of essential services to the people of Lebanon. The US should also provide urgent assistance to the historic American universities in Lebanon, including the American University of Beirut and the Lebanese American University. When a new Lebanese government is formed that shows serious commitment to fiscal and banking reforms and socio-economic recovery, the Direct Assistance Fund should be coordinated with the new Lebanese government's efforts.

3. REINFORCE US DIPLOMACY WITH A SECURITY STRATEGY THAT MAINTAINS CLOSE COOPERATION WITH THE LEBANESE ARMED FORCES (LAF)

The United States should maintain its security assistance and coordination with the LAF and look for ways to leverage its cooperation to increase stability in Lebanon. The existing joint military commission between the LAF and the Pentagon should discuss an emergency fund to address the unfolding crisis. Lebanon's economic breakdown has put unprecedented strain on the LAF's operations, readiness, and personnel. Engaging with partners in Europe and the GCC to provide badly needed financial support that supports LAF families is crucial. Of priority importance is the resumption of the maritime demarcation negotiations between Lebanon and Israel

4. WHEN THERE IS A CREDIBLE AND EMPOWERED REFORM GOVERNMENT IN PLACE, WORK WITH OUR INTERNATIONAL PARTNERS ON AN ECONOMIC RECOVERY AGENDA

Rapidly expedite transformational programs by the International Financial Institutions, most notably the IMF and the World Bank, that will encourage the adoption and implementation of credible fiscal and banking restructuring programs. This will help secure Lebanon's vulnerable food and health security, restore some confidence in the shattered banking sector, stabilize the Lebanese pound, and support an economic recovery across the country. This includes enabling SMEs, transparent investments in productive sectors, and eventually a transparent and regulated privatization of public business and infrastructure. These steps will attract international investors and organizations and will proactively engage the Lebanese private sector.

5. MAKE LEBANON A KEY FOCUS IN THE BIDEN ADMINISTRATION'S GLOBAL PRO-DEMOCRACY AGENDA

The Biden administration has signaled a renewed US commitment to prioritizing democracy and human rights in America's overall foreign policy – and Lebanon is an important test case of this commitment. In addition to using US leverage in coordination with European allies to incentivize constructive actions by Lebanese political leaders, the United States should encourage efforts by civil society organizations to build a national vision from the bottom up. The US and other democracies should coordinate concrete programs that provide encouragement and support to pro-democracy and pro-reform movements, build the capacities of the people and civil society to address electoral reform, prepare for elections, and protect the human and civil rights of its citizens. Most importantly, the US and the international community should insist on holding parliamentary elections on time in the Spring of 2022 and make that a key condition of reengagement and support.

Most importantly, the US and the international community should insist on holding parliamentary elections on time in the Spring of 2022 and make that a key condition of reengagement and support.

6. MAKE LEBANON AN EXAMPLE OF THE BIDEN ADMINISTRATION'S STEPPED-UP EFFORTS TO COUNTER GLOBAL CORRUPTION

The Biden administration should determine and apply sanctions and international mechanisms on specific entities and individuals who engage in corruption, human rights abuses, and terrorist activities regardless of political or sectarian affiliation. It should work with other countries to uncover and block the unregulated flow of illegitimate funds from Lebanon, and take the lead in international efforts to repatriate stolen money back to the Lebanese people.

TOMORROW WILL BE TOO LATE

An ounce of prevention is worth a pound of cure. The US has the interest and capacity to lead an international diplomatic effort to bring Lebanon back from the brink and put it back on a sustainable course; the alternative is to face the prospect of a fully failed state a few months from now, with all that entails of refugee flows to Europe, resurgence of ISIS and al-Qaeda, and expansion of Hezbollah power.