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RAGHIDA DERGHAM With:

HE David Schenker

HE Philipp Ackermann

HE Hossam Zaki

HE Ghassan Hasbani

Youtube Link with Arabic subtitles:

<https://www.youtube.com/watch?v=aGVD083PUSk&feature=youtu.be>

Transcript

Raghida Dergham: Well hello Washington DC, and Hello Berlin, and of course Cairo and Beirut.

This is Raghida Dergham for the fourth e-Policy Circle of Beirut Institute Summit in Abu Dhabi.

And we have one hour of a great conversation. We have with us today, of course you know who they are, I'm just going to say Their Excellencies, David Schenker we have Hossam Zaki and we have Phillip Ackerman and of course from Beirut we have Ghassan Hasbani.

Welcome and we will go into the usual of four minutes each person maximum, preferably three and then we will get into a conversation that is rather global as always is the case with Beirut Institute Summit e-Policy Circle.

Welcome, welcome, welcome. We will start with David Schenker because it is Washington DC and we want to know all that you're doing there. Four minutes to you David.

HE David Schenker: Thanks Raghida, you know I didn't know what you wanted to talk about today. So, I'm going to talk just globally throughout the Middle East and we're dealing with, obviously, an unprecedented time and challenges throughout the region.

And it's not surprising, different states are handling it differently. One thing that is, I think pervades or even is horrific unemployment and you know suffering. But what occurs to me is regardless of the pace of which states emerge from the COVID and reopen, there will be repercussions from populations based on how the states managed the COVID, and how they manage the emergence from the virus and so this is something that I'll be looking at and interested in following as we go forward. The states clearly that are going to be affected the most are the ones that are involved in these wars, whether Yemen, Libya or Syria. But also other states with domestic strife, and so we are providing support to those states but just analytically... well, you know, one wonders what the outcomes are going to be for these states, whether they're going to model through, whether they're going to be able to get out and to see the other side of this.

And so. I really don't have anything profound to say on this topic but I'm happy to be with you today and happy to engage broadly on any issue you want to talk about.

Raghida Dergham: Well thank you David, but you know, since I am sitting in Beirut, I need to start out by following with you, following up quickly, about Lebanon. So how do you in Washington deem what's happening to us in Lebanon here, because everything rotates around whatever that is mentioned in DC, whether it's sanctions, additional sanctions on Lebanese people, individuals close to Hezbollah, whether you are going to see sanctions on Hezbollah like Walid Joumblatt called on you last week through this e-Policy Circle. He said, you know, you're using the Lebanese as a collateral damage for your policy of sanctions against Hezbollah. Let me start with that because I want to do this follow up with you and then I'll take it to the larger discussion. So where are we on your radar?

HE David Schenker: Well Raghida, you know, Walid is one of my favorite people, very smart man, but I think he's wrong about this topic. You know Lebanon had like a triple, let's say a B-minus from Moody's and all the credit rating agencies and it went to a triple C even before the United States sanctioned Jammal Trust Bank. Lebanon's economy is in crisis because Lebanese government has for years mismanaged the Lebanese economy there's endemic corruption and they did not

follow, I think, policies that any state should follow. You cannot for example have a peg of 1500 and spend 3 billion dollars a year in providing people with interest on their Lebanese Lira bank accounts and expect that's going to turn out well.

Raghida Dergham: So okay, we're going to have a larger discussion on that later but you disagree that sanctions against Hezbollah are, you know, sort of sacrificing Lebanon as a country as collateral damage...

HE David Schenker: Absolutely disagree or in fact what I would say is our sanctions actually help Lebanon because Lebanon has been known for money laundering, it has been known for a banking system that doesn't have transparency, illicit finance, money laundering, etc... Hezbollah has exploited that system and undermined confidence in the system and steps that were taken to root out these accounts I think were good for the state and and help build some element and confidence in a system that was wildly viewed as corrupt. So yeah, I think it was a good thing.

Raghida Dergham: All right, let me move on to Hossam Zaki. Please you have your four minutes, you put to the table whatever you wish to, then we will discuss. Go ahead, Hossam Zaki.

HE Hossam Zaki: Thank you, thank you Raghida. Hello to everybody. I think in a wrap-up for four minutes, it's difficult to wrap up all the events in the region, but let me try to do that very, very quickly. From an Arab perspective, the situation in the region is alarming of course. Why? Because we have humongous security challenges coming from terrorism, we have an ongoing series of wars where we have points of crises that have not been resolved, a variety of interference by non-Arab countries in Arab affairs. We have a very, very difficult, unfortunate, call it what you want, economic situation setbacks aggravated by this pandemic, so in the aftermath of the Corona situation we're going to have to face some very difficult truth in many of our countries. And we have of course anti-government popular movements and unrest even in also many of the countries.

So in order to get to specifics, I start always, always, with Palestine and I am sad to say that it remains an open wound with the issue of the annexation intended by the Israeli government, I think this is going to make matters worse, it's bad for the stability of the region, it's bad for peace in the region, and I think any complacency by the international community is going to backfire on our stability

in this region. I remind everybody that Palestine is a powder keg that is about to explode and ready to explode in any given moment, especially when you don't expect it to. Syria, also unfortunately a country that was transformed from a player to a playground, and it's really approaching a moment of truth in 2021, because of the intended elections, presidential elections. We are witnessing tensions there within the regime and between the regime and Russia and the Iranians are taking lots of hits and it's not going anywhere good it has lost its sovereignty and its territorial integrity is really under pressure. Libya is in tatters, we can talk about that if you want because it is also a very bad situation, Yemen too. Now we have also two situations, in Lebanon and Iraq, that are really very, very uncomfortable to say the least.

So, in a wrap up, I think we are very concerned about the proliferation of regional players and their role in Arab affairs. We are worried about the consequences of the annexation. We need stronger international help in Libya and we are ready to play a part in Syria if the trio of Astana is to let us do that.

Raghida Dergham: Ok very interesting. So you have offered as the Arab League to play a role in Syria and you said to the Astana partners, we are talking about Turkey, Iran and Russia, you said to them “please allow us to play a role in Syria?” What do you mean?

HE Hossam Zaki: No, it doesn't go like that, let me tell you how it goes... because we have a dialogue really with Russia and the Russians have always been forthcoming in this. Forthcoming in the sense that they are, they are keen and ready, and they told us that they want us, they want the Arab participation in the future of Syria. They do not want, so they claim, they do not want their trio to be the only one guiding the future of Syria and they are willing to oblige, but of course they have partners and it's not going to be easy.

Raghida Dergham: Right... so okay we'll go into that, how much is Russia and Turkey on the same page, or Russia and Iran on the same page, and as far as an Arab role in Syria in a bit later.

Let me go to Philip Ackerman, you have four minutes please.

HE Philip Ackermann: You hear me... Okay thank you very much Raghida, I appreciate the invitation. Let me start by saying it's very difficult to go through in four minutes you know all the problems. We are very worried and we are seeing where the COVID is really aggravating the problems which I think there can be made an argument for that, or whether it's a facilitator. I think what we see in all these conflicts, the longer they last, the more they become internationalized somehow. And we see that in Syria very clearly and we see it Yemen and I would like to focus, if I may, on one conflict, the Libya conflict which is very, very close to our agenda because of the Berlin process, as you know, and I think, what we see is Libya as well, this country is less and less and less about Libya, it has become a proxy and with shifting objective and parties. And I think what we see in Libya is a sort of an Astana-ization of conflicts and I think, what does it mean and what can we do? I think the first layer in Libya is the internal conflict, and it's a conflict which is essentially about 'who gets what', I would say. And how to say in the new state, in a country with no great traditions of institutions, we see that neighboring countries like Egypt, or Tunisia and Algeria have strong institutions. Libya never had strong institutions. And it's about getting all the tribes, all the people in Libya together. I think this is complicated enough but it's actually feasible.

But there's a second layer of this conflict and it's starting to be external, it's about political Islamism. What do we do about the Muslim brotherhood? Is it part of the political spectrum or is it a terrorist organization? It's not about revenge, it's about survival mainly and not only political. I think the conflict falls in either one or the other.

And the third layer of this conflict, is even more external, that's the conflict about spheres of influence. Turkey and Russia, and the Sunni Arab Gulf states who tried to compete in a new great game, I would say about regional and global influence. This is something which is new to the twenty first century, I would say, and it shows also that the old system of order is dissolving. So, this is about distribution, it's about ideology. And this is sort of the setup that we are confronting. And I think as it is a direct challenge to Europe in this in southern neighborhood, the Europeans have to try to find a way of how to manage it in the right way. So, we did the Berlin process which was, I think, internationally quite a success. Unfortunately, on the ground, our commitment has, the commitment of Berlin has not been be met so far. The idea of the strengthening of the full space order without being naive is not reflected on the ground. Have we failed? I would say no, so far. The table is there. We tried to work on how to promote it but at the

end of the day there's a lot of work to do. It's tedious, it's the best that we have, but we need every partner who was at the table to really abide by their commitments.

Raghida Dergham: Alright Philipp. I definitely will go into many details about Libya but I mean I don't think your use of the word Astana-zation is what you have meant because that would have meant that Iran, Turkey and Russia playing in Libya. To my knowledge, not Iran, unless you are...

HE Philipp Ackermann: No no, let me get that straight, Astana-ization doesn't mean that the partners of Astana are there, but we have sort of a group of external players who basically decide what to do in Libya. I don't see it as it is in Syria where all the enemies are trying to sit around the table, but we are on the way of this Astana-zation in Libya with other parties.

Raghida Dergham: I will definitely want everyone to discuss a bit later whether the relationship between Turkey and Russia, which has gone sour in Syria over Syria over Idlib has spilled over into Libya and therefore it's become the new playground for this battle between Ankara and Moscow. But first I want to go to Ghassan Hasbani, and please the floor is yours for four minutes kindly.

HE Ghassan Hasbani: Thank you very much and thanks for inviting me to be on this distinguished panel. Look just on a regional perspective, yes we're facing multiple crises that have actually resulted from decades of socio-economic and political pressures being exerted on all of these countries. More specifically we're talking about these countries that we're most influenced by here in Lebanon, or neighboring countries such as Syria and the regional conflicts that we've been facing. We have multiple actors in Syria, and we're still looking for an outcome that will be quite influential on the rest of the region, definitely US, Russia, positions with actors such as Turkey and Iran, and the question is 'what will the role of Iran be in Syria?' This also will determine many other outcomes in the neighboring countries particularly in Lebanon.

Further sanctions on Syria also are creating an outflow of goods and value, estimated in the region of four billion dollars right now from Lebanon to Syria, a value in the economy which is badly needed. So, when we say that, you know, sanctions may not be affecting or impacting Lebanon, in many ways indirectly they are and we need to address these impacts in many ways that we have to

think about. Also sanctions internally, we're facing internal issues on Hezbollah. These sanctions are quite taxing, no doubt. They, as David has said, they have actually, in many ways, produced more transparency in the banking system. But combined with the economic crisis that we are facing, and combined with the impacts of overspending and corruption over many years in public sector in Lebanon, they are creating the perfect storm right now, not because the sanctions are directly impacting the economy of Lebanon, but because of the reaction to the sanctions utilizing the banking sector of Lebanon, the free market economy of Lebanon to try to drive Lebanon into a less liberal economy and to raise questions about the very fabric and makeup of the country constitutionally which is quite dangerous at this point in time.

The more deeper economic situation that we're facing that is, again as I said, raising these questions today and following the COVID-19 crisis and pandemic, it's getting more, more spelled out, calling for further help from the international community. So, this is where the balance needs to be struck between the international community being concerned about Hezbollah in Lebanon, being focused on sanctions, and at the same time looking at ways to support the Lebanese economy. And to close this whole loop, is a government, a newly formed government that is supposed to be independent, supposed to be technically working on financial and economic solutions, yet it is incapable of proper decision making because of the political influences around it and from those who have actually formed it, and this is creating also challenges at the start today of the discussions with the IMF.

Raghida Dergham: Ghassan Hasbani, I lost you a little bit, are you calling for lifting sanctions, American Sanctions, on Hezbollah or are you calling for strengthening them?

HE Ghassan Hasbani: You couldn't have lost me there, of course not. This is not what I'm talking about, the sanctions are effectively the business of the United States this is how they decide to contact their foreign policy. What we need to do now today is to avoid Lebanon being stuck or the banking sector of Lebanon...

Raghida Dergham: What are you saying should be done? Should the IMF deliver just without any conditions?

HE Ghassan Hasbani: No, what we're looking for today is starting from the Lebanese government to start taking concrete steps in the reforms because that's the first pillar of requirements, true reforms, actionable reforms, not paper-based reforms, not simply legislative reforms on paper and new laws that never get implemented but to start taking steps today and for the IMF and the international community to view this in light of proper reforms and keep a close eye on that, supporting Lebanon, supporting the Lebanese economy and the banking sector, at least to be able to withstand all the pressures that I had mentioned earlier. As far as the sanctions on Hezbollah are concerned, this is not something that the Lebanese can do much about or I can influence in my opinion, except that we just need to make sure that Lebanon and the economy of Lebanon, the banking sector of Lebanon, doesn't get used as a retaliation tool against these sanctions.

Raghida Dergham: Thank you very much.

David, let me ask you about two laws, that have become sort of a household item amongst the Lebanese, they talk about the Caesar Law and the Magnitsky Act, so that if we're talking about the Caesar law we're talking about Syria and the impact on Lebanon when this law picks off, I think it's going to be early June, so how much is this law going to be impacted or affected by the application of the Caesar law and what does it mean to Syria? And I asked about the two together because, as you know, Hezbollah and others are saying, we need to open up and have open exchange across the borders with Syria. Tell us where your government is taking this act and how does it impact both Syria and Lebanon please, David Schenker.

HE David Schenker: I think people will be impacted that have aided and abetted the murder of nearly 500,000 Syrian people so if you have been trucking with the Assad regime and helping to perpetrate these massacres or facilitating it or aiding and abetting the regime, then I thank you, there's a good chance you might be targeted by the Caesar Act, but these are largely individuals.

Raghida Dergham: Individuals... Lebanese or Syrian or it doesn't matter what nationality?

HE David Schenker: It doesn't matter what nationality.

Raghida Dergham: Okay, so then what are you going to do if Lebanon opens its borders or continues the smuggling through the borders? Is there something that you're going to do when you start to implement the Caesar Act?

HE David Schenker: Well listen, as part of the Lebanese government reforms, they will have to raise revenues, they will have to secure their borders so they can actually start charging duty in revenue. Now Nasrallah said that's a non-starter, so is the government going to be dictated to by Nasrallah? I don't know, that's going to be on the Lebanese to secure that, I'm not going to secure their border for them.

Raghida Dergham: All right so then let me take you to that Magnitsky Act because that's another act that everybody is talking about because you have been going back and forth speaking about the possibility of, at least not officially, but leaking that there are going to be people individuals targeted, Lebanese officials included, close to both Hezbollah and to the President even, close to him not him himself, and to Gibran Bassil, his son-in-law and former Foreign Minister. This is being talked a lot about.

Feltman, Jeffrey Feltman, last week said something to the effect that this has been a profound mystery why you haven't imposed sanctions on Gibran Bassil and that he should be an obvious target. Do you differ with Jeffrey Feltman or do you think you have...?

HE David Schenker: I'm not going to talk about particular individuals... What I would say is, it is dismaying how long it's taking to roll out these sanctions and designations whether affecting Magnitsky Act or aiding and abetting Hezbollah terrorist supporters, human rights abusers, etc. They have taken a long time, the COVID has slowed down things as well with the Department of Treasury. I don't have anything to say about it. If it was up to me, there would be sanctions.

Raghida Dergham: Well why isn't it up to you. But aren't you the Assistant Secretary of State?

HE David Schenker: Excuse me, I'm not the Assistant, I'm not the Assistant Secretary of the Treasury Department.

Raghida Dergham: So, you're saying that it's really not in the State Department, it is in the Treasury Department...

HE David Schenker: They're the ones who, you know, make these designations for that type of sanctions so there's different types of sanctions and different types of authorities but they're responsible for a number of them.

Raghida Dergham: Again, I'm not clear on whether you're saying that there would be sanctions or there will not be... Can you clarify on that?

David Schenker: I've said it since day one, there will be. I hope, I hope they will be soon.

Raghida Dergham: All right, let me go to Philip Ackerman. You have taken a very interesting step against Hezbollah, it was something very strange and unexpected for Germany who's on very close relationship, or has been, with Iran. Why have you taken this step? I mean I know the background, but I'm talking about the larger picture. Has this hurt your relationship with Iran? What happened since you designated that Hezbollah as, your word, a 'terrorist group'? What drove you to do that?

HE Philip Ackermann: Let me clarify Raghida, we didn't declare Hezbollah a 'terrorist group', that is done already a long time ago. But we did, the steps that we took was to forbid activities of Hezbollah in Germany so that Hezbollah cannot work as an association, as a fundraising organization in Germany, that we forbade. And it has to be said that Hezbollah was not very active in Germany but we felt that in the last events in Syria, when we saw what happened in Yemen, but also Lebanon probably felt that it was clear and it was time to make this point, maybe that Hezbollah is not a constructive actor, it's a destructive actor in the regional level. We felt that they should not be allowed to work in Germany. Now also this is very important to me, we have a good relation or a relatively good relation with Iran, true, but it's of course a very complicated one, a very complicated one, and we wouldn't consider Iran as a friend or something, you know... It's a relation that is diplomatic, long-standing, we have regular exchange, but we differ on very, very many things, on very many and Hezbollah is one. Interestingly enough, when we made this statement, Hassan Nasrallah was rather modest in his reaction, only Iran was not modest in its reaction. I mean the Iranian were really fighting and that shows in how far Iran is really behind

Hezbollah and therefore I think it is justified the step we took. And it is, Hezbollah is like, I would say, like a proxy of Iran in Lebanon and is therefore a very difficult partner to deal with and for Lebanon, it's a very difficult partner in the political spectrum, as big as maybe we feel it's not so far a very constructive partner.

Raghida Dergham: Are you are lobbying, or are you in discussions with other European countries so that, in particular France for example, to take similar steps like yours in Germany?

HE Philipp Ackerman: Of course, we discussed it with many European countries. Some were asking us, some were surprised, some were critical about it. I don't foresee a huge wave of imitation let's say. I don't see that many other countries will follow this step and the French have maybe a little different approach to things but of course it is a constant item of discussion within the European community.

Raghida Dergham: This question is actually for all of you, but I will address it first to Hossam Zaki. It is about the Israeli annexation of the West Bank. The Iranians are saying well that should really make Lebanon, or at least my sources tell me, and some in the Revolutionary Guards are saying, 'well this legitimizes making Lebanon the springboard for revenge from Israel because of the policy of annexation'. First of all, Hossam Zaki, do you think as an Arab League, do you think something should be done by you so that Lebanon is not the proxy for this, and doesn't pay the price alone?

And the question goes to David Schenker, you were I think with the Secretary of State in Israel, we don't know what you did there, but you may want to tell us. Are you urging the Israelis to step back from this annexation timetable only or from the crux of taking the steps of annexation? Whoever wants to go first, Hossam?

HE Hossam Zaki: Okay thank you, listen I'll tell you something, we all understand by now that Hezbollah's rhetoric about Israel-Palestine has severe limitations and and it has been undermined severely in its credibility and I don't think that for any good reason, annexation or not, at this moment they are ready to lift a finger in order to, you know, get themselves into this Israel-Palestine conflict anytime soon, even if it has the potential of helping them as the situation inside Lebanon gets darker and more and more difficult. But what I want to say is not about

Hezbollah, which is totally undermining his credibility for me, for us really. It's about the annexation and I repeat what I said earlier, the annexation has the potential of throwing this region into instability. And again for all the people who are watching from either Washington or elsewhere, when they watch the region and sometimes they say 'but people have not come out in the streets in support of Palestine, this is a sign that Palestinian, the Palestinian cause has lost its grip on public opinion', that is wrong. The Palestinian cause is still there, the Palestinian problem is still there, and I think that underestimating this is a huge mistake.

Raghida Dergham: But the question is, if Iran takes the lead for revenge for the annexation in Lebanon, that's the question. Limit yourself kindly like to thirty seconds.

HE Hossam Zaki: Iran is not going to do that. Iran has all sorts of problems and it's not going to do that. It is insane if they think that they can do that, they will serve rhetoric, it's their job they do that all the time, and Hezbollah the same. But that's it, they are not going to go beyond that.

Raghida Dergham: Go ahead David Schenker, because I would like to hear from you as what you guys did in Israel when, I mean we were told, I don't know if it's correct, that you did discuss the potential postponement of the activation of the annexation decision, is this all you did or did you urge for something else, if you did that?

HE David Schenker: Well I'm not going to comment on the nature of diplomatic conversations when I tell you that we spent a good couple of hours with Prime Minister, with Minister of Defense Gantz, with Gabi Ashkenazi. Generally we went there, talked about Iran, we talked about China, the COVID virus, we talked about lack of transparency of China, the danger of doing business with them, and we talked about a broad range of other topics.

Raghida Dergham: You did not talk about the annexation?

HE David Schenker: There was some discussion of it, but you know, I am not going to talk about that, I can tell you that we continue to discuss it with the Israelis, you know.

I understand the White House is in close contact with both the Prime Minister and the Foreign Minister, and the Minister of Defense... There's a number of decisions that Israel has to take, what it tends to do, its timelines and those discussions are now taking place.

Raghida Dergham: You embrace the decision still. I mean this is a decision for the administration that you gave the green light for the Israelis to go ahead, no matter what, with the annexation.

HE David Schenker: You saw what the President said when they rolled out the vision for peace that there are territories that would be Israel and there are territories that would be Palestinian State and The President said that, I don't want to you know paraphrase him, but I don't have the quote in front of me, but he said that Israel was able to do certain things with these territories that would be the future, that would not be part of the future of the Palestinian State.

Raghida Dergham: Thirty seconds on this issue from Ghassan Hasbani, using Lebanon as a springboard for revenge of Israel's annexation policies, and braced as it seems to a great extent by the US.

HE Ghassan Hasbani: Look as this, you know, it really depends on what the US intends to plan for the region but I believe that any action today will serve to destabilize further the region and there are groups in the region who are waiting for destabilization to refloat themselves among their people and among the local and regional supporters, to find a cause and a purpose given the sanctions that are being placed. So any, any action right now, at that level or any other level, would simply serve to reignite purpose and probably flow against the sanctions.

Raghida Dergham: I think David Schenker wants to say something...

HE David Schenker: No, I'd like to ask Ghassan whether he believes that the movement, the Iranian movement, of missiles into Syria and into Lebanon is also destabilizing the region.

Ghassan Hasbani: Indeed, the movement of weapons is destabilizing the region. The question is whether this is going to be continued given the recent events that are taking place, given the sanctions, given the tighter controls that are taking place. So the question is, as I said yes any movement from any part will destabilize

the region and you know this is why, again I said whenever there's a movement from the other side, some people who find those movements to be further justified again and they will regain focus. Today, I think we are getting somewhere with what's happening, the question is, what will be the purpose, the end purpose of the sanctions? Any sanctions, any blockade has a purpose in the end, either to go to the negotiation table, or to be ended by a surrender of some kind, so where are we going?

Raghida Dergham: Right, so go ahead David do you want to answer that?

HE David Schenker: I'm not sure what the question, I mean there are sanctions against Hezbollah because it is a terrorist organization, all right, there are some in the Congress or in the Senate saying that there should be sanctions in the entire country because Hezbollah is part of the government, but there are some people that are saying that...

Raghida Dergham: How is that going, so where is that? Is there a movement toward sanctioning the whole country as a result to Hezbollah?

HE David Schenker: Well certainly these legislations that Ted Cruz has now, that talks about no provision of US assistance or IMF loans or anything like that because of the nature of Lebanon's government, I'm not sure that's going to have enough votes on the hill.

Raghida Dergham: Philipp Ackermann, you think Lebanon should be sanctioned altogether because of Hezbollah?

HE Philipp Ackermann: You know I think one should be very careful with sanctions since I think we've seen too much sanctions all around, I think sanctions are too much of a used tool for diplomacy, so I'm not sure whether it would be helpful to get Lebanon on a better track. But can I say Raghida, if you permit because this is very important, Germany may be the country with the deepest relationship with Israel in Europe, we have been expressing grave concerns regarding annexation, we have been expressing on every level that we feel that annexation at this step would be hugely critical and hugely destructive to the region, for international law reasons certainly, but mainly for the question 'how do the neighbors and those countries will have some kind of working relations with Israel, like Jordan, like Egypt, how would that play out for them?'

And therefore, we have said very clearly to the Israelis, 'please keep in mind what the region, the adjacent countries, your neighboring countries really have to do, once this annexation, what they might have to do or what they will do'. And I think this is something which the new Israeli government has to sit and ponder about because it comes with a high price.

Raghida Dergham: Can I just go one round on Iran before I indulge into their Libyan dossier because it's very important. On Iran, David Schenker, there's a new development which is Iran-Venezuela, it's not new in the sense of their relationship, but it is new in terms of oil for gold or gold for oil, and we know that there's been noises from Washington opposing, and this transfer of oil from Iran to Venezuela, and of course we heard about lots of gold, tons of that going to Iran. What is in the pipeline regarding that? I mean we heard criticism. Is this going to lead to a confrontation or there is a space of accommodation between Iran and the United States because we are in a pre-election time? Election of the President of the United States...

HE David Schenker: We're looking at our options, obviously these are two pariah States that have horrific human rights abuses, and that are, in the case of Iran destabilizing its neighbors, so no obviously we're not pleased of the movement of this, the oil. One could imagine them sending other things, I mean weapons... Who knows? So I think we're looking at our options.

Raghida Dergham: Alright, so including military options?

HE David Schenker: Options.

Raghida Dergham: Alright so you're not excluding military options. Options does not exclude anything at this point in the way I understand... right?

HE David Schenker: Options.

Raghida Dergham: Alright...Talking of options, I mean Iran has options to, in the Gulf, is there some talks in order for Iran, for survival they need to do something because the sanctions are suffocating them and the way to do things is to create trouble in the Gulf, maritime trouble.

Again, this question is to all four of you, do you do you expect, Philipp Ackermann, do you expect any such thing in the Gulf and what is Europe's position at this point? Because the Iranians thought that Europe will do something to ease the sanctions with the different, you know, ways of delivering the oil sales and the oil buying, and that didn't happen. So do you think that Iran is going to feel chocked and do something? And what will you do about it?

Then I will just go around everybody's point of view, Philipp Ackermann.

HE Philip Ackermann: We have seen a couple of very worrying moves by Iran in the Gulf, we have seen a couple of very unpleasant actions which I think are disturbing and threatening and should not be pursued. We have made it clear in our context of the Iranians that we expect them to act according to international law and that we feel that they should probably refrain from threatening other nations in the region. I feel the fact is that they haven't done a lot lately, you have seen, it was very scarcely that they did something. I do not expect huge activities but what we see in Iran is of course that the hardline has taken more and more power, that the government becomes less and less important, and the hardliners do more and more of whatever they want to do.

So I do not exclude that at some stage we'll have a very forceful acting in the Gulf or elsewhere and without the government approving it, without the government really being responsible for it. I think what we see in Iran is a shift of power away from the government to hardliners and factions which is quite an obvious threat.

Raghida Dergham: Alright Hossam Zaki, you're expecting the same you're expecting movement, military one, confrontation?

HE Hossam Zaki: Yeah, unfortunately maybe military is a bit outside of my purview but really in political terms we are expecting a lot of difficulties because the sanctions are going to be tightened against them and they are feeling the heat of these sanctions. They already have playgrounds where they push their proxies, in order to intervene in Arab affairs, in many ways. We didn't speak enough about Yemen I felt, Yemen is a very, very difficult situation. But they have this potential, unfortunately it's been building up for over 35 years, now they are using this potential in order to take these cards away from them, it is going to be very, very difficult. But we are really, we have called on them to abide by good neighborliness and good principles to coexist and live together in peace in this

region. But they don't listen, they tell you one thing and then they act in a different way. And what Philipp Ackermann just said reinforces this point of view, that now we are seeing, witnessing, a shift away from the current government towards those who are on the harder line that are willing to take action in the region. And unfortunately, it is going to be at the expense of our societies in Arab states.

Raghida Dergham: Listen, I am going to dedicate time, I'm going to take Ghassan Hasbani quickly on this issue of Iran's plans for the region in the Gulf and beyond in as far as, you know, what we're expecting pre-elections in the United States and then I'm going to have to really get into Libya for the last ten minutes. Go ahead, Ghassan Hasbani.

HE Ghassan Hasbani: Very quickly, I think with the sanctions building up and continuing both on Iran and its proxies and allies, there are two options effectively left there, either to, you know, start shifting towards a good neighbor as Excellency Zaki said, or to start provoking action against them to, as I said earlier, to justify retaliation and counter action which could end up either floating them further, or pushing them over the edge if they can't sustain any confrontation at large-scale. All this depends on the timing, and the scale and the action that could be planned by those on the other side if there is plans for this and intent to do that. And any, any action today that is uncalculated or provocative if it is not met with the right timing and the right tools and approach, may end up further destabilizing without any end results in the foreseeable future with a negative impact on the Arab states including Lebanon, Syria, Iraq, etc. So, all of these need to be taken into consideration as the Iranian regime gets more cornered by sanctions and gets more on the more hardline side in their administration.

Raghida Dergham: Just a quick comment on what Hossam Zaki said, I wish we could get into Yemen and into the issue of Iraq but because time is short, so we dedicate different focus every different, it depends on the time and the e-Policy Circles, the casting and what-have-you.

But David Schenker, are you expecting trouble with Iran before the elections? And then I'm going to move immediately to Libya.

HE David Schenker: There's always a risk of that. Iran is unpredictable. All we want is for Iran to behave like a normal state, that means stopping enriching nuclear material, fissile material, stopping the development of advanced ballistic missiles, and stopping destabilizing Arab States whether it be Iraq, Yemen, Syria or Lebanon.

You know, there's other things that we'd like them to do. I mean, it doesn't really make sense that Iran was flying, you know, 55 flights from China in Mahan Airlines into the Middle East during the COVID virus spreading it throughout the region, this is also irresponsible, but you know we'd settle for a couple of these things.

Raghida Dergham: I want to stay with David Schenker on Libya. What's going on? Why did the United States take a position critical of Russia between yesterday and today actually, critical of Russia in Libya where really the country which is actually creating havoc in Libya is actually Turkey... What's going on?

HE David Schenker: I'm sorry, why do you think that it's Turkey that's creating the havoc by backing the internationally recognized government of the DNA while Russia is sending in mercenaries and advanced fighter aircraft?

Raghida Dergham: Because if you listen to the countries of the region and the way they are taking the mercenaries, the teenagers flying them, or transporting them...

HE David Schenker: Everybody has mercenaries, everybody has mercenaries. Wagner forces, the Russian Wagner group, which we have, the United States has designated, the Europeans haven't done so yet, I'm hoping they will someday. But they came first, they pushed Haftar into his April offensive on Tripoli with the aim of sacking the capital. It was only then that the Turks stepped in and prevented what would have been probably a horrific humanitarian catastrophe.

Raghida Dergham: This is fascinating where the US is on this issue, that's why I want to take it to both Hossam Zaki and Philipp Ackermann. Hossam Zaki you seemed ready to get in on this. Go ahead.

HE Hossam Zaki: Well, we equally condemned all interventions, all foreign interventions in the Libyan Affairs. So we're not picking and choosing, we're not

saying that the Russian intervention is fine or not fine and the Turkish is fine, we are saying to everybody: do not interfere in Libyan affairs.

Now you can say that well it's easier said than done obviously. And we're following what is happening on the ground. It seems like a real conundrum. I think Turkey has gotten itself into a very difficult situation, a potential long-term problem for them, the Russians are intervening the way they have been and this is also not a positive thing. But yes, we are witnessing some kind of a proxy situation between those two countries, an extension of what has happened in Syria, probably. But that is going to be very difficult for the rest of the region. Why? Because Libya is important in this part of the world, it has the effect of destabilizing North Africa, South of the Saharan Africa and southern Europe. It is that much important so we really want everyone to just lay off Libya, get their hands off Libya. Is this difficult to do? Well, if you are involved in this conflict and you are ideologically involved by helping certain players, well it's going to be difficult for you to take yourself off the table. But to do that, the international community represented by the Security Council has to have a firm stand. Now Security Council has its problems because Russia is member there, permanent member. So it's not going to be easy at all to deal with this, unless the two Libyan factions, Libyan factions, are tired of this conflict.

Raghida Dergham: Well this is easier said than done. I want to bring in Philipp Ackermann. I really need to hear your view on what David Schenker said, well you know it's basically, and I am really going to fight with David Schenker over this, this party has their mercenaries and the other party has their mercenaries, so well, you know, it's as if it's legitimized...

HE Philip Ackermann: Raghida, I will not say that one of the external actors in Syria is more culpable than the other. So what we see is then we have two, Turkey and Russia, people who bring war materials, they bring mercenaries on both sides actually, Syrians fighting for Haftar and Syrians fighting for Sarraj. And this is a very very bad development. All these parties were sitting around the Berlin Table, all these parties agreed to the conclusions of Berlin and I think what what has been very obvious in the last couple of weeks when you saw the stroll from the eastern army from the Tripoli area is that there is no military victory in the Syria conflict. There is no military victory, I think Hossam put it clearly and rightly: you have to withdraw all foreign military mercenaries and military devices from

Libya, it has to be solved within Libya and by the Libyans and with the help of the international community but military engagement on either side is not good.

Raghida Dergham: But wait a minute, it is a military engagement all the way in Libya. What are we saying? We are pretending as if it's not and now we have, if I hear you correctly, you all are saying there's a proxy war between Turkey and Russia on the territory of Libya, mind you, there is a country divided over, a legitimate government or not a legitimate government...

Go ahead David Schenker... I didn't hear the US before being so categorically pro the Wifak Government as such. What happened? Is it that you doubt what Russia is up to or no?

HE David Schenker: We want a negotiated solution here. We have always recognized legitimate government in the DNA, so this is not a new development. We are engaged in this, we are supportive of the de-escalation and a negotiated solution but one of the things, I just want to echo Phillip here, in Berlin, when we went to Berlin and everyone was sitting around the table, we agreed that that we would try to de-escalate this we agreed that the arms embargo should be enforced and you're calling this a proxy war between the Russians and the Turks, you're leaving out the United Arab Emirates, you're leaving out the Egyptians, you're leaving out the French. There are so there are so many countries here that are violating the arms embargo. This is not just about the Turks and the Russians.

Raghida Dergham: But you're sounding as if you're understanding the Turks a little more than, you know, you're accommodating the others. I don't know why I hear you say accommodating the Turks more although in many parts of the Arab world there's a huge criticism of Turkey because of it is absolute foot, its heavy foot into the Libyan territory. David?

HE David Schenker: They are interested parties in the conflict. They put troops into Syria as well and maybe some Arabs didn't like that because the Turks went to Syria. I don't have an issue with that, they are protecting their interests. I think they prevented continued slaughter of Syrians by the Assad regime and Russia. So I think that was a good thing, their intervention personally.

Raghida Dergham: Fascinating, alright, so now I have a total of four minutes. And everyone is gonna get one minute only to tell me what's on their mind before we conclude this amazing conversation. Ghassan Hasbani.

HE Ghassan Hasbani: If I'm going to use my one-minute wisely, I would say two things reverting back to the situation in Lebanon which is also applicable to a lot of the region. What is a clearly stabilizing factor today is the position of Iran, its proxies and allies in the region towards the rest of the region and the world. And this will continue being a destabilizing factor unless dealt with at a faster pace than we are seeing today so sanctions are doing well we need to have also a game plan for the endgame as well. The second point for Lebanon specifically, as much as the influence of Hezbollah has actually scared of investments and tourism, etc., for the last ten years, and in many ways protected the corrupt structure that existed in public sector, corruption is a major issue that needs to be driven by the international community or the solution of which needs to also be encouraged and driven by the international community that is looking to support Lebanon in its current economic cycle. These are the two major factors for us.

Raghida Dergham: Thank you very much Ghassan Hasbani. Philipp Ackerman, one minute.

HE Philipp Ackerman: Very briefly, I think what we see here is a region that really deteriorates rather than improves and therefore we need more international engagement. I see the UN in the lead but I see also regional forums like the League of Arab states, like the European Union, like the African Union. They have a very big role to play in order to solve the conflicts in a peaceful, non-military manner, and I think we have to spend more time and more efforts in succeeding.

Raghida Dergham: Thank you very much Philipp Ackermann. Hossam Zaki, your one minute please.

HE Hossam Zaki: I don't know, I have a problem with my connection I don't know if you will be able to hear me correctly. Sorry, two things, annexation is a really big problem that's going to come out if the Israelis decide to go their way, so we need to be very, very alarmed about this. Secondly, somebody has to reign in the Turks. The Turks' actions in the region are really negative and it's going to bring the whole region into chaos, very shortly.

Raghida Dergham: Thank you very much Hossam Zaki. David Schenker, one minute please.

HE David Schenker: Well Raghida, thanks for hosting us. It's a pleasure to see some old friends, I didn't see Philipp initially but Hossam and Ghassan, please call me anytime. We've got a lot of problems, we're going to work through them. The Secretary of State is engaged and we'll keep on fighting a good fight.

Raghida Dergham: We hope it's the good fight, David Shencker.

Thank you all for joining me. It's always gratifying at the end of the session to hear so many different views and to differ openly. The next week, we will have yet another wonderful discussion, it's going to be e-Policy Circle number five of Beirut Institute Summit in Abu Dhabi, hopefully it's going to be in March, in 2021, and we're doing sort of, and we're preparing for it through these e-Policy Circles. Next week we have Ambassador Robert Blackwill, you all know he is, and we have Jihad Azour from the IMF, we have Kishore Mahbubani who wrote "Has China won?" and I think it is going to be a great debate between him and Robert Blackwill, and then we have Dr. Andrey Bistrisky from Valdai Discussion Club in Moscow.

Thank you for joining me, I'm Raghida Dergham, and have a wonderful evening, morning, rest of the day, enjoy it! And I'm grateful that you joined me today. Thank you all very much goodbye!