

GAPS-MENA High Level Dialogue Report

**The New Middle East Disorder:
War, Realignment, and the Search
for a New Regional Order**

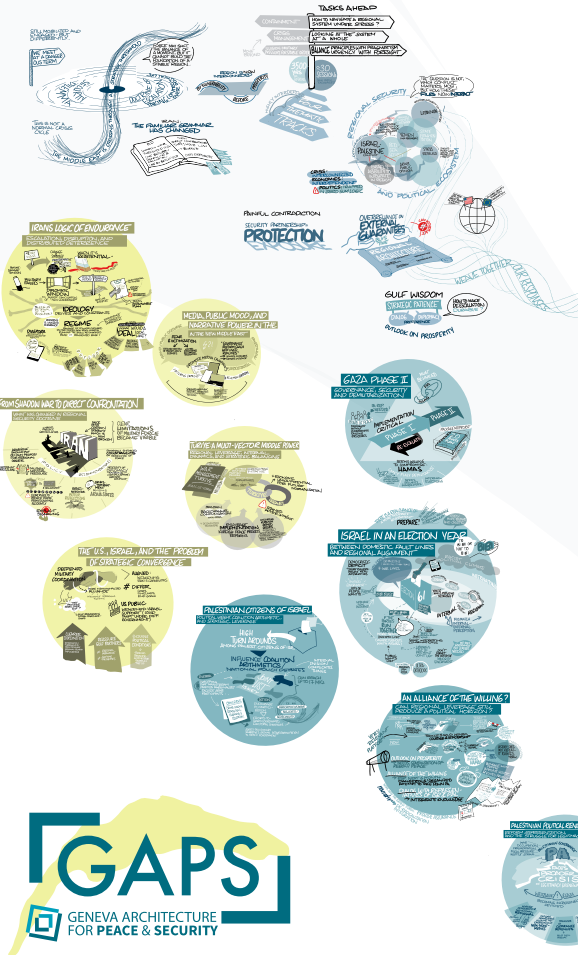
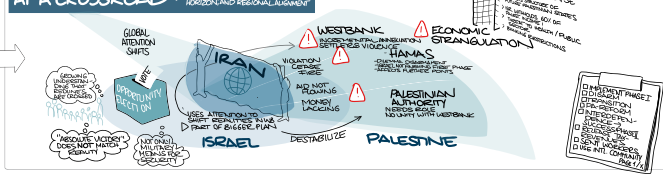
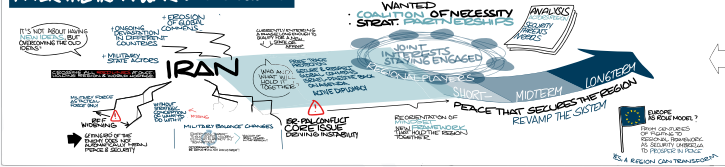
8–9 May 2026 | Switzerland

THE MIDDLE EAST AFTER THE IRAN WAR A NEW REGIONAL ORDER OR MORE DANGEROUS OLD ONE

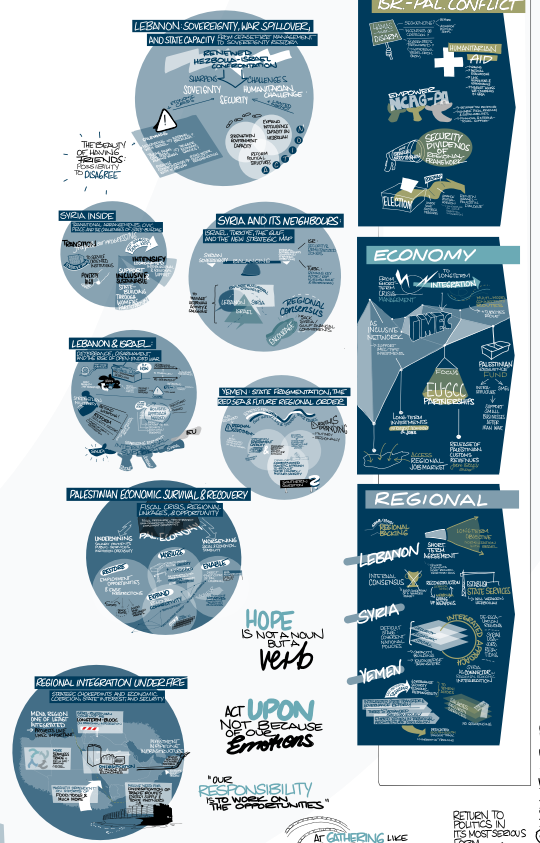
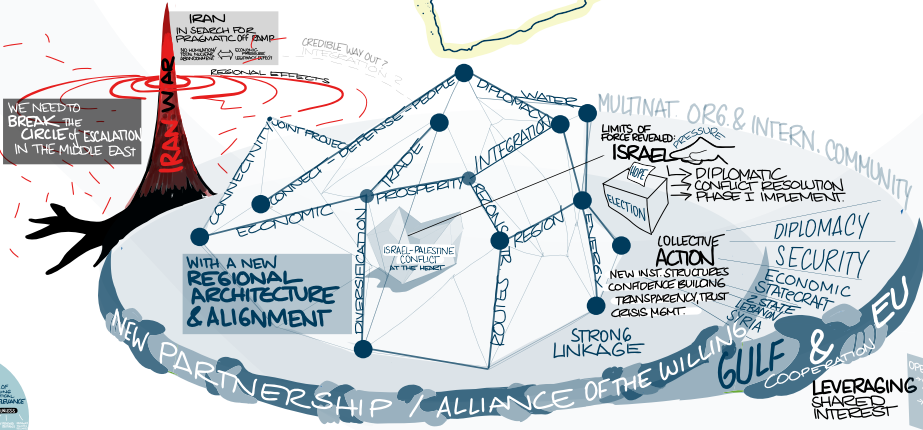
OPENINGS

THE ISRAELI-PALESTINIAN CONFLICT AT A CROSSROAD

EU-GULF COOPERATION AFTER THE IRAN WAR



GAPS MENA HIGH LEVEL DIALOGUE
THE NEW MIDDLE EAST DISORDER
 MAY 8-9, 2026 | GENEVA SWITZERLAND
 WAR, REALIGNMENT, AND THE SEARCH FOR A NEW REGIONAL ORDER



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Table of Contents

<i>Strategic Overview: After the Iran War, the Search for a Regional Order</i>	4
<i>Core Findings and Actionable Pathways</i>	6
Strategic Watchpoints	7
<i>Section 1: Reconstructing Regional Security</i>	9
1.1 Iran: Endurance, Exposure, and the Search for an Off Ramp	11
1.2 Lebanon: State Restoration, Security Realignment, and the Search for a Sustainable Peace	13
1.3 Syria’s Opening: State-Building, Stability, and Regional Return	16
1.4 Yemen: State Fragmentation, Red Sea Exposure, and the Search for a Viable Political Order	19
<i>Section 2: The Israeli-Palestinian conflict: Gaza, the West Bank, Israeli Elections, and the Fate of the Political Horizon</i>	23
2.1 Untying the Gaza knot: The Decommissioning Dilemma	27
2.2 The West Bank at Breaking Point: PA Survival, Territorial Erosion, and Regional Risk	30
2.3 Israel in an Election Year: Strategic Reset, Public Opinion and Coalition Arithmetic	32
<i>Section 3: Economic Integration Under Fire: From Exposure to Shared Prosperity</i>	35
<i>The Way Forward: From Dialogue to Delivery</i>	40

Strategic Overview: After the Iran War, the Search for a Regional Order

The Middle East is entering a strategic threshold, where crisis management is no longer enough.

The fragile openings of late 2025 and early 2026 have been overtaken by a new logic of direct confrontation. The Iran war has changed the grammar of regional conflict. For years, many assumed that confrontation with Iran would remain within a familiar pattern: proxy warfare, covert action, calibrated escalation, deniable operations, pressure through militias and periodic restraint. That grammar has broken down. Thresholds have lowered. The line between signalling and escalation has blurred. The costs no longer stay on the battlefield. They move through ports, pipelines, airspaces, energy markets, insurance premiums, food prices, domestic politics and public fear.

The region is now more interconnected by vulnerability and exposure than by cooperation or prosperity.

This is the hard reality behind the new Middle East disorder. Security partnerships provide protection, but they can also create exposure. Deterrence can degrade capabilities, but without diplomacy it can harden into permanent confrontation. Economic corridors can promise resilience, but they can also become targets. Political frameworks can create openings, but without implementation they become another layer of diplomatic theatre.

The war has exposed a deeper contradiction. Many regional actors understand that permanent escalation is incompatible with prosperity, modernisation and influence. Gulf states, despite direct exposure, have shown restraint and strategic patience. This strategic choice reflects a clear calculation: the region cannot build the future it wants while living under missile fire, maritime disruption, proxy escalation and recurring regional shock.

The problem is not that the region lacks actors willing to de-escalate. It lacks the architecture to make de-escalation durable.

Any future framework will have to go beyond what the JCPOA was designed to cover. Nuclear constraints alone will not answer the region's current security anxieties; the wider file now includes proxies, missiles and drones, maritime security, crisis channels, and credible assurances for exposed states.

There are too few crisis channels, shared red lines, dispute mechanisms or agreed political frameworks capable of managing escalation while supporting sovereignty, reconstruction, governance and economic interdependence. The United States can still alter the military balance faster than any other actor, but it cannot alone manage the political consequences. Europe feels the spillover directly through energy, trade, migration, inflation, polarisation and strategic credibility. Gulf states have capital, convening power and regional ambition, but need mechanisms that reduce exposure. Regional states need reassurance, sovereignty and predictable rules.

This is why the Iran war cannot be treated as one file among others. It has changed the debate around Lebanon. It has sharpened the importance of Yemen and the Red Sea. It has exposed the fragility of economic corridors. It has distracted from Gaza Phase II implementation and from West Bank escalation, settlement expansion and settler violence. It has also clarified the limits of any doctrine that relies on force without a political end state.

Israel's current strategic posture has delivered tactical gains, but it carries mounting strategic costs. It risks turning military advantage into political isolation, deterrence into recurring escalation, and security doctrine into a permanent war footing. Any settlement framework that ignores Israeli security concerns will fail, but an Israeli posture that forecloses political solutions will also undermine the stability and security it seeks.

The Israeli Palestinian conflict remains a defining fault line, not because it is the only issue in the region, but because it is the legitimacy test of any wider order. It shapes Arab public opinion, constrains the political room for Arab states, affects Israel's ability to integrate into the region, and gives spoilers unresolved grievance as strategic fuel. It will determine whether normalisation, economic integration, and regional security architecture can become politically durable.

Gaza Phase II is blocked not because there are no viable plans or ideas, but because the pieces are not locked together. Reconstruction, governance, Israeli withdrawal arrangements, Hamas decommissioning, security guarantees, Palestinian Authority reform, and a political horizon are still treated too often as separate files. They will not move separately.

The same logic applies across the region's frontier arenas. Lebanon needs sovereignty and one authority, but it cannot be pushed into internal rupture. Syria offers one of the few positive openings in the region, but its transition will only hold if it is backed early, politically, economically, and institutionally, before fragmentation, coercion, or external competition return. Yemen and the Red Sea show how state fragmentation becomes a global economic vulnerability. Across all these files, sovereignty and legitimacy are the daily test of whether states can hold, deliver, and prevent their territory from becoming a platform for regional escalation.

Economics is no longer a separate track. Connectivity is now security policy. Hormuz, the Red Sea, ports, pipelines, energy grids, digital corridors, reconstruction finance and trade routes are pressure points, targets and possible foundations of resilience. But economic integration cannot become an elegant bypass around the region's political wounds. Corridors that ignore sovereignty or depend on fragile security assumptions will not hold. Economic interdependence must make political settlement more viable, not postpone it.

These dynamics leave the region facing four linked tests: whether the Iran war can be moved from escalation dominance to a credible off ramp; whether economic connectivity can enhance resilience rather than exposure; whether fragile but pivotal states can rebuild sovereignty without rupture; and whether Gaza, the West Bank, Israel's security requirements, Palestinian governance renewal, Hamas disarmament, and a credible political horizon can be aligned and implemented.

The past months have shown again that force can change the balance of a moment. It cannot organise a region. Stability, security, reassurance, and prosperity require mechanisms that can survive contact with politics: crisis channels, red lines, guarantees, reconstruction frameworks, political sequencing, accountable security, and economic resilience.

This report is written for those who must make choices in that space. It offers options, trade offs, and practical pathways drawn from two days of discreet dialogue among political, security, diplomatic, business, media, and civic actors from the region and beyond. The purpose is to help move from convulsion to construction.



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Core Findings and Actionable Pathways

The discussions in Geneva pointed to a region where the dilemmas are visible, the risks are understood, and the broad frameworks are already on the table. What remains uncertain is whether political actors can move from frameworks to machinery: sequencing decisions fast enough, aligning pressure and incentives coherently enough, enforcing commitments credibly enough, and building mechanisms sturdy enough to survive spoilers.

The coming months will show whether the current disorder can be managed into a more stable order, or whether today's openings become tomorrow's missed chances.

Four tests will matter most:

- **First, can the Iran war be moved from escalation dominance to a credible off ramp?** The question is not whether deterrence matters. It does. The question is whether deterrence can be paired with diplomacy, crisis channels, red lines, proxy restraint, maritime security, and credible assurances for exposed states.
- **Second, can economic connectivity become resilience rather than exposure?** The Iran war has shown that Hormuz, the Red Sea, trade routes, ports, pipelines, energy grids, digital corridors, and insurance markets are pressure points in the regional and global security equation. The test is whether the region can build alternative corridors, de-risked infrastructure, and trade arrangements that reduce vulnerability, or whether connectivity becomes another exposed surface in an unresolved regional order.
- **Third, can fragile but pivotal states, especially Lebanon and Syria, rebuild sovereignty without rupture?** Lebanon needs one authority and a credible path to address the Hezbollah challenge without triggering internal conflict. Syria offers one of the few positive openings in the region, but transition will only hold if it is backed early, politically, economically, and institutionally, before fragmentation, coercion, or external competition return. Yemen and the Red Sea sharpen the same lesson: when states fragment, local conflicts become regional and global vulnerabilities.
- **Fourth, can Gaza, the West Bank, Israel's security requirements, Palestinian governance renewal, and a credible political horizon be aligned within one implementation framework?** President Trump's 20 point plan, UNSCR 2803, and the New York Declaration should be treated as complementary anchors, not competing tracks. The question is whether Gaza stabilisation, West Bank viability, PA renewal, Israeli security guarantees, Hamas disarmament, reconstruction, and a political horizon can reinforce each other, rather than be handled as separate files that repeatedly block one another.

These tests will be decided through a small number of pressure points over the coming months.

Strategic Watchpoints

Six watchpoints should guide policy attention:

1. Iran: the off ramp and the wider security file

The region needs more than a pause in hostilities. It needs a settlement track that manages the nuclear file while going beyond what the JCPOA was designed to cover. Nuclear constraints alone will not answer the security anxieties now exposed by the war. The file now includes a broad set of issues requiring resolution, including proxies, missiles and drones, maritime security, crisis channels, attacks on energy infrastructure, and credible assurances for exposed states.

The stakes now reach well beyond the Gulf, Europe and the United States. Pressure on Hormuz, the Red Sea, energy flows, insurance markets and global trade has turned the Iran file into a wider question of international economic security. Any credible off ramp will therefore need a broader diplomatic geometry: the United States remains central, Europe and Gulf states are directly exposed, but Pakistan, China, Türkiye and other mediating or affected actors also have roles to play in shaping incentives, communication channels and guarantees.

A pressure-only strategy risks strengthening hardliners and feeding Iran's endurance model. A concessionary approach risks rewarding escalation. The narrow path is pressure with conditional off ramps: sanctions relief, economic engagement and security assurances tied to verifiable restraint on nuclear activity, missile capabilities, proxy networks, maritime disruption and attacks on neighbours.

Watchpoint: whether the United States, Gulf states, Europe and wider mediating actors can coordinate an offer firm enough to reassure exposed states, global markets and regional partners, but credible enough for Iran to consider.

2. Gulf Restraint, U.S. Anchoring, and Europe-Gulf Strategic Weight

Gulf restraint has been one of the most important stabilising factors of the crisis. It reflects strategic calculation, not passivity. Gulf states understand that modernisation, investment, and influence require risk mitigation and predictability.

The opportunity now is to convert restraint into architecture. The United States remains the indispensable security anchor and the actor most able to shape Israeli and Iranian calculations. But the U.S. cannot carry the region's political and economic consequences alone. Europe and the Gulf share exposure to energy shocks, maritime disruption, trade fragmentation, migration pressure, and regional spillover. Their partnership should therefore move from rhetoric to mechanisms: maritime security, crisis communication, alternative corridors, defence cooperation, coordinated diplomacy on Iran, and support to fragile states.

Watchpoint: whether U.S.-anchored diplomacy and Europe-Gulf cooperation can become a delivery platform for de-escalation and regional resilience.

3. Lebanon and Syria: sovereignty without rupture

Lebanon and Syria sit at the centre of the region's state restoration test.

In Lebanon, the question is whether the state can restore authority and address Hezbollah's disarmament without triggering internal rupture or giving spoilers the pretext to derail progress. The opening is real, but narrow. It requires support to Lebanese institutions, security capacity, reconstruction, political inclusion, and calibrated de-escalation.

In Syria, the transition offers one of the few positive openings in the region. The challenge now is nation and state-building at scale, with vast recovery, reconstruction, institutional, and social

repair needs. Whether this opening holds will depend on early backing from Syria's allies, regional partners, and international actors, and on whether neighbours give the transition the political and economic space to move. Supporting Syria means helping the state rebuild legitimacy, restore services, deliver economic growth, and re-enter the region as a stabilising actor.

Watchpoint: whether regional and international actors support sovereignty through capacity, guarantees, restraint, economic stabilisation, and service delivery.

4. Gaza, the West Bank, and Israel's strategic fork

Gaza Phase II will not move if treated as a narrow security file. The West Bank will not hold if treated as a separate crisis. The two are institutionally and politically linked.

President Trump's 20 point plan, UNSCR 2803, and the New York Declaration have created a framework for implementation, but momentum is already being tested. In Gaza, reconstruction, governance, Hamas decommissioning, Israeli withdrawal arrangements, security guarantees, and Palestinian governance renewal cannot be sequenced as isolated tracks. In the West Bank, fiscal collapse, banking restrictions, settlement expansion, settler violence, and movement controls are weakening the very Palestinian institutional capacity needed for any post-Hamas arrangement.

The coming Israeli elections add a decisive variable. A future Israeli government may use regional integration as part of Israel's security strategy, opening space to address the Palestinian file.

Watchpoint: whether U.S. attention, regional leverage, and Israeli political change can help align Gaza stabilisation, West Bank viability, PA renewal, Israeli security requirements, and a credible political horizon within one implementation framework.

5. Yemen and the Red Sea: local fragmentation, global exposure

Yemen and the Red Sea show how state fragmentation becomes a regional and global vulnerability. Maritime routes, energy flows, insurance markets, food prices, and commercial confidence are all exposed when local conflict hardens into a permanent security vacuum.

Yemen can no longer be treated as peripheral. It sits at the intersection of Iranian aligned networks, Gulf security, Horn of Africa instability, maritime trade, and the future of regional connectivity. A serious regional order will need a Yemen strategy that links internal political settlement, Red Sea security, Houthi militancy, and economic recovery.

Watchpoint: whether Yemen and the Red Sea are integrated into the region's security and connectivity architecture, or left as a spoiler corridor that repeatedly disrupts wider stability.

6. Connectivity as security policy

Economic connectivity is now part of the security architecture. The Iran war exposed how quickly Hormuz, the Red Sea, ports, pipelines, energy grids, insurance markets, and trade routes can become pressure points with consequences far beyond the Middle East.

IMEC, energy grids, water arrangements, ports, pipelines, reconstruction finance, and digital corridors can create constituencies with something to lose from instability. But if they ignore sovereignty, bypass the Israeli Palestinian conflict, or lack governance, they will become vulnerable to spoilers, public rejection, and strategic disruption.

Watchpoint: whether connectivity initiatives move from broad visions to near-term politically grounded projects that reduce exposure to Hormuz, the Red Sea, and regional shocks.

Section 1: Reconstructing Regional Security

Context Considerations

The regional security track produced one overriding conclusion: the Middle East has outgrown the old grammar of managed ambiguity, but has not yet built the architecture needed to replace it.

For years, conflict with Iran and its aligned networks was largely managed through proxy pressure, covert action, calibrated retaliation and plausible deniability. That model has not disappeared. Cyber operations, proxies, sabotage and deniable coercion will remain part of the region's security landscape. But they now coexist with direct state confrontation, open strikes on national territory, missile and drone exchanges, and pressure on maritime and energy infrastructure.

This makes the region more exposed to miscalculation. In a shadow war, ambiguity could sometimes slow escalation. In direct confrontation, ambiguity can accelerate it. Leaders have less room to absorb attacks without response. Local incidents can pull in multiple theatres. Attacks on energy infrastructure or shipping no longer remain regional events. They affect global trade, insurance, food prices, energy markets and political stability far beyond the Middle East.

The problem is therefore not only the level of force being used. It is the lack of political and institutional mechanisms to manage force. The region has deterrence, but not enough crisis communication. It has military capability, but too few agreed red lines and de-confliction arrangements. It has external security guarantees, but limited regional ownership of escalation control. It has ceasefires, but too few arrangements that define what comes next.

The discussion also underlined a second lesson: tactical military success does not automatically produce strategic security. Force can degrade capabilities and create openings, but without a political end state it risks becoming a cycle of recurring confrontation. This applies to Iran, Israel, Lebanon, Gaza, Yemen and the Red Sea. In each case, the question is not whether security matters. It does. The question is whether security action is connected to a political framework that can hold.

Israel sits at the centre of this dilemma. October 7 shattered core assumptions in Israel's deterrence doctrine and pushed its security posture toward more direct, preventive and expansive uses of force. This has produced significant tactical gains against Hamas, Hezbollah, and Iran aligned capabilities, but it has also exposed the limits of force without exit logic. Any regional framework that ignores Israel's security requirements will fail. Yet a posture that relies on military advantage without clear war termination objectives, diplomatic tracks or credible political arrangements risks turning deterrence into permanent escalation and narrowing Israel's room for regional integration.

Gulf restraint has been one of the most important stabilising factors in the current crisis. It reflects a sober calculation that modernisation, investment and influence cannot survive permanent escalation. But restraint needs architecture. The United States remains the indispensable security anchor, yet it cannot alone manage the region's political and economic consequences. Europe and the Gulf have a growing shared interest in maritime security, freedom of navigation, crisis communication, energy resilience, and support to fragile states. Their cooperation should complement U.S. anchoring and become more operational, visible and practical.

Across the region's fragile frontiers, sovereignty has become a security question. Lebanon, Syria and Yemen show that state weakness is not a local problem. It becomes an opening for armed actors, external competition, border instability, maritime disruption and regional escalation. Supporting state capacity and authority, public goods provision and service

delivery, reconstruction, intelligence capacity, political inclusion and legitimate security institutions is therefore not separate from regional security architecture. It is fundamental to it.

Priorities and Policy Directions

The immediate priority is to build practical mechanisms that reduce the risk of the next escalation and create the minimum architecture for de-escalation to hold.

First, regional and international actors should establish crisis communication channels and incident management mechanisms among exposed states. Hotlines, rapid contact groups and third-party stabilisers are needed to prevent attacks on capitals, maritime routes, energy infrastructure or border areas from spiralling into wider war.

Second, deterrence should move from ambiguity alone toward clearer signalling. The region needs more explicit understandings on escalation thresholds, attacks on civilian infrastructure, maritime disruption, proxy activity, and the use of missiles and drones. These do not require immediate trust. They require recognition that uncontrolled escalation carries substantial costs for all.

Third, Israel's security requirements should be integrated into the regional architecture rather than treated as a separate or purely military file. This means linking deterrence to diplomacy, military action to exit criteria, and security guarantees to credible political sequencing. Practical priorities include clearer definitions of ceasefire and war termination objectives, mechanisms to prevent Lebanon, Gaza, Syria or Iran related escalation from becoming open-ended attrition, and regional and international guarantees around demilitarisation, border security, armed non-state actors and maritime threats.

Fourth, any future framework with Iran must go beyond the nuclear file. Nuclear constraints remain essential, but they will not answer the region's current security anxieties on their own. The wider file now includes proxies, missiles and drones, maritime security, crisis channels, sanctions relief, economic recovery, and credible assurances for exposed states. Gulf perspectives must be built into any successor framework from the outset.

Fifth, Europe Gulf cooperation should move from language to delivery. A practical Europe Gulf security and trust platform could focus on maritime security, freedom of navigation, crisis communication, investment in alternative corridors, coordinated diplomacy on Iran, and support to state restoration in fragile arenas. This should reinforce, not replace, U.S. engagement.

Sixth, Lebanon, Syria and Yemen should be treated as central to the regional security agenda, not as secondary country files. In Lebanon, restoring state authority and addressing Hezbollah's disarmament will require state capacity, reconstruction, service delivery and internal consensus, not only pressure. In Syria, the transition will require early political, economic and institutional backing if it is to become a source of regional stability. In Yemen, Red Sea security cannot be separated from the political settlement, Houthi capabilities and state reconstruction.

Finally, regional security policy should be linked to political sequencing. Ceasefires, military pauses and de-escalation arrangements are useful only if they open space for the next phase. The region needs mechanisms that connect deterrence to diplomacy, security to sovereignty, and crisis management to a political end state. Without that, direct confrontation may pause, but the next cycle will already be forming.

1.1 Iran: Endurance, Exposure, and the Search for an Off Ramp

Context Considerations

The Iran war has changed both Iran's strategic posture and the region's reading of Iranian power. It did not produce a clean victory or a clear defeat. It produced something more unstable: a wounded but still dangerous Iran, a more exposed Gulf, an emboldened Israeli and American military posture, and a region now forced to confront the costs of escalation without the architecture to contain it.

Iran's wartime logic has been one of endurance. Its aim has not only been to absorb pressure, but to demonstrate that if Iran is threatened, the region and the wider world will pay a price. That logic has driven the use of dispersed capabilities, missiles and drones, proxy networks, pressure on energy infrastructure, and the threat to maritime chokepoints. Iran's message has been deliberately systemic: any attack on Iran can become a cost imposed on neighbours, markets, shipping lanes, and global economic confidence.

This is the paradox of the war. Iran's forward defence model has been damaged. Hezbollah, Hamas, the Houthis and other aligned networks have been weakened or constrained, and Israel and the United States have shown that Iranian territory is no longer insulated from direct military pressure. Yet Iran has not been strategically neutralised. Its proxy architecture has been degraded, but not dismantled. Its missile and drone capabilities remain central to its deterrence. Its ability to threaten Hormuz, shipping, energy flows and regional infrastructure gives it leverage even when its conventional position is weaker.

The war has also clarified the limits of a nuclear-only approach. Any future arrangement will have to go beyond what the JCPOA was designed to cover. Nuclear constraints remain essential, but they will not answer the security anxieties now exposed by the war. The wider file includes missiles and drones, proxies, maritime security, attacks on energy infrastructure, sanctions relief, crisis channels, and credible assurances for exposed states. Gulf states cannot again be treated as spectators to a bargain whose security costs they are expected to absorb.

Inside Iran, the war has sharpened regime survival instincts. The balance of power appears to have shifted further toward the IRGC and hard security actors, with the clerical façade less able to conceal the military logic of the system. This does not necessarily make Iran less pragmatic. Hard men can make deals when survival requires it. But it does make repression more likely, compromise more difficult to sell domestically, and humiliation impossible to accept.

The regime is under real internal pressure. Economic distress, unemployment, service failures, water and electricity shortages, internet shutdowns, and public exhaustion all matter. Yet war has also given the regime a language of siege. Threats against Iran as a nation, not only against the regime, have helped it blur the line between national defence and regime survival. They have weakened the space for dissent and made many Iranians fear being portrayed as collaborators if they protest.

This creates a hard policy dilemma. A pressure-only strategy risks feeding Iran's endurance model and strengthening the very actors it seeks to weaken. A concessionary strategy risks rewarding coercion and validating attacks on neighbours and global commons. Regime change rhetoric is unlikely to deliver a viable alternative and may help consolidate the security state. But diplomacy that ignores Iran's regional conduct, missiles, proxies and maritime leverage will not reassure the region.

Iran is unlikely to accept capitulation. It is also unlikely to permanently renounce every nuclear option. A more realistic near-term objective is managed delay, verifiable restraint, and a broader security bargain that reduces the incentives for another round, without returning to a flawed JCPOA model with its relatively short sunset period, its failure to address the ballistic

missile and proxy issues, and its neglect of Gulf interests. The question is not whether Iran can be made benign quickly. It is whether its cost-imposing strategy can be constrained, its internal calculations shaped, and its regional conduct tied to incentives and penalties that matter.

Priorities and Policy Directions

The first test is to prevent a ceasefire from becoming another holding pattern. A pause in hostilities may stop the immediate bleeding, but it will not resolve the underlying drivers of confrontation. A durable track must address the nuclear file, missiles and drones, proxies, maritime security, attacks on neighbours, sanctions relief, and security assurances. Otherwise, the region risks a familiar pattern: phase one succeeds, phase two collapses, and the conflict returns in a more dangerous form.

Do not repeat the JCPOA's regional blind spot. Any future framework must include regional security concerns from the start. Gulf states, Europe, the United States, and other exposed actors should not treat ballistic missiles, proxies, maritime threats, and attacks on neighbours as issues to be deferred. They are now core to the bargain. The lesson from the JCPOA debate is not that nuclear diplomacy was misplaced. It is that nuclear diplomacy cannot carry the whole regional security burden alone.

Combine pressure with conditional off ramps. Sanctions relief, economic engagement, reconstruction access, and security assurances should be tied to verifiable restraint on nuclear activity, missile capabilities, proxy activity, maritime disruption, and attacks on neighbours. Pressure should be used as leverage for a bargain, not as a substitute for one.

Engage Iran without illusions. Iran's current leadership has to be engaged as it is, not as outside actors wish it to be. The regime is hard, internally coercive, and deeply suspicious. But it is also calculating. Diplomatic tracks premised on bypassing the leadership, waiting for collapse, or forcing humiliation are unlikely to produce stability. Engagement should be cold-eyed, conditional, and designed to test whether Iran's security establishment sees restraint as more useful than permanent confrontation.

Widen the diplomatic geometry. The diplomatic track must be broader than Washington and Tehran. The United States remains central, but Saudi Arabia, other Gulf states, Pakistan, Oman, Türkiye, China and Europe all have roles to play in communication, guarantees, economic incentives and pressure management. The Iran file is now also a global trade and energy file. Hormuz, the Red Sea, insurance markets, energy flows and supply chains make this a wider international security question.

Launch a practical regional security dialogue. A structured multilateral dialogue on regional security should be launched among Gulf states, Europe, Türkiye, and other willing partners, with the objective of eventually bringing in Israel and Iran. The opening agenda should be practical: shared red lines, transparency norms, crisis communication protocols, and incident management mechanisms.

Build hotlines before the next crisis. Formal hotlines and rapid communication channels should be established between Gulf states and all relevant parties. Their absence is a structural risk. In a region where direct strikes, proxy action, cyber operations, and maritime incidents now interact, crisis channels are no longer confidence-building luxuries. They are escalation control infrastructure.

Make Europe-Gulf cooperation a strategic instrument. Europe Gulf cooperation should be operationalised through concrete workstreams on air defence, drone capabilities, defence industrial cooperation, alternative trade corridors, energy resilience, coordinated diplomacy on Iran, and support to fragile states such as Lebanon, Syria, and Yemen. This should reinforce, not replace, U.S. engagement.

Keep Iranian society visible. Support for Iranian society should not be instrumentalised as a regime change slogan. Iranians have been squeezed between brutal repression, war, internet shutdowns, economic collapse, and external rhetoric that often speaks about Iran without speaking about Iranians. Support should focus on access to information, secure and open internet communications, human rights documentation, educational and professional links, and protection of civic space where possible. The aim should be to keep society visible, not expose it to greater danger.

Move beyond the dominance resistance trap. Iran policy should avoid forcing the region into a choice between Israeli American dominance and Iranian resistance. Neither offers a sustainable regional order. The more viable path is a security architecture that constrains Iran, reassures Gulf states, addresses Israeli security concerns, protects global commons, and gives Iran a way to reduce confrontation without claiming victory. This is not a soft option. It is the hard headed alternative to a next round of conflict.

1.2 Lebanon: State Restoration, Security Realignment, and the Search for a Sustainable Peace

Context Considerations

Lebanon faces an acute sovereignty, security, economic, and governance crisis amid broader regional escalation and shifting regional alignments. Hezbollah's military and political position has been weakened primarily by sustained Israeli operations and the wider degradation of Iran aligned networks, while the fall of the Assad regime has further narrowed its strategic depth and supply lines, while complicating its regional posture. Combined with increasing regional and international support for strengthening the Lebanese state, this has created a strategic window for state restoration and a new dynamic characterised by Israel-Lebanon direct negotiations. At the same time, Hezbollah's attacks in northern Israel, continued Israeli operations along Lebanon's southern border, fears of prolonged instability, and the prolonged displacement of over one million civilians continue to drive insecurity, political fragility, and public pressure.

At the outset of the most recent war in March 2026, Lebanese authorities banned Hezbollah military activities, called for direct negotiations with Israel, and signalled distancing from Iran by severing flights and trade ties. Lebanon now faces the delicate task of advancing a U.S. backed Israeli Lebanese security framework without triggering internal backlash, weakening state legitimacy, or appearing to move under external pressure. The peace currently under discussion is primarily focused on security for both sides. Normalisation remains a politically sensitive, though increasingly accepted, prospect within Lebanon.

The recent war has left Lebanon negotiating from a position of vulnerability. The fragile and limited ceasefire has reduced immediate escalation but has not yet produced a stable security order. Continued Israeli operations, and uncertainty over withdrawal have become politically consequential inside Lebanon, allowing Hezbollah to argue that diplomacy has not delivered and that the state cannot yet protect its people. This makes visible results essential if the Lebanese government is to maintain legitimacy for negotiations.

Several enabling shifts point to a strategic opening for progress:

Public discourse has shifted. There is more open discussion of negotiations with Israel, and Lebanese increasingly view addressing the effective Shia sectarian veto weaponised by Hezbollah as an important political objective, including through electoral and institutional reforms.

The contest with Hezbollah is now also about governance. Even as the war has exposed the cost of Hezbollah's regional posture to its own constituencies, Hezbollah has long provided

services, protection, and welfare in many affected communities. The Lebanese state can only fill the space if reconstruction, electricity, social protection, finance, and public services are visibly delivered through state institutions rather than parallel party structures.

The Israeli political debate has shifted. The Israeli reading has moved from a belief that there is no Lebanese willingness to disarm Hezbollah toward a general understanding that, while genuine willingness exists, the state does not have the capacity to deliver disarmament at the expected scale and speed. Past Lebanon military approaches are recognised across the board as having largely failed to deliver stable outcomes, and there is therefore a large base of support within Israel for diplomatic engagement.

A stronger Lebanese state is increasingly viewed as a strategic interest. Regional actors, including Israel, increasingly view a stronger Lebanese state as a prerequisite to disarming Hezbollah.

The territorial file is more limited than other regional tracks. The physical territorial complications between Lebanon and Israel are far more limited than with Syria or the Palestinian file, and Israel may seek to capitalise on links between progress on Lebanon and wider regional normalisation with Gulf states.

At the same time, the Lebanese government and armed forces' agency remains constrained by structural and political challenges:

The state is being asked to deliver under severe economic strain. The country's economic crisis, stalled IMF reforms, and mounting reconstruction needs limit the Government's ability to deliver urgent economic and social stabilisation measures. At the same time, entrenched lobby groups, and the limited capacity of the Lebanese system to absorb the immediate shocks from critical legislative and regulatory reforms, continue to obstruct progress toward unlocking international financial assistance.

Legitimacy and internal stability remain binding constraints. Maintaining legitimacy and internal stability around these issues will remain paramount for Lebanese state authorities. Public and party-based opposition to accommodation with Israel is significant, creating real risks of political backlash and sabotage.

Lebanon's deeper challenge is institutional. Beyond Hezbollah, an oligarchic political system marked by weak institutional capacity and limited political will remains Lebanon's deeper challenge, even as the current government has taken bold measures and signalled unprecedented seriousness on addressing these issues.

Sequencing risks are acute. Pushing immediate full-scale confrontation with Hezbollah may risk wider conflict or fragmentation, yet progress in negotiations is measured in months, not years, particularly for the Lebanese side, which needs visible results to maintain the legitimacy of its diplomatic engagement. Similar complicating factors appeared around the November 2024 ceasefire, where Israel's military operations and ongoing presence at five border points were instrumentalised by Hezbollah to argue that negotiations were naïve and ineffective.

The United States, regional and European states, and increasingly Israel now align on the notion that Hezbollah disarmament would best be achieved through the empowerment of the Lebanese state. Restoring state sovereign control will in turn require sustained external backing, time, and a phased approach enabling the Lebanese state to progressively strengthen its governance, security, and service delivery capacities, gradually reclaim areas and functions long dominated by Hezbollah, and eventually create the conditions for the group's full disarmament.

Maintaining legitimacy for this approach will require visible and sequenced achievements, particularly greater demonstrated respect for Lebanese sovereignty and tangible results for affected and displaced populations. Such an approach would help demonstrate that direct Israeli-Lebanese negotiations and state-led stabilisation can deliver meaningful outcomes and a credible path toward a mutually serving agreement.

Priorities and Policy Directions

Our discussions produced the following policy recommendations:

Strengthen the State's Internal Posture

Support and expedite expansion of Lebanese government capacity for service delivery and reconstruction leadership in key affected areas, central to reducing Hezbollah's influence and as a social and economic enabler of disarmament.

Visibly position the Lebanese government as the lead actor for reconstruction financing and implementation, reinforcing state legitimacy among affected populations.

Any Israeli-Lebanese agreement would likely require parallel or immediate Lebanese internal dialogue to build consensus and avoid the perception of a "winner's peace." A "reconstruction for weapons" approach could be leveraged to advance Hezbollah disarmament in affected areas.

Support Lebanese Security Institutions and International Monitoring

Support Lebanese intelligence capacity and monitoring cooperation regarding Hezbollah activity, particularly to enable disarmament, check ceasefire violations, intercept sabotage operations and political intimidation, and strengthen the LAF and Internal Security Forces.

Avoid abrupt or overly politicised drawdowns of UNIFIL and related international monitoring mechanisms, while strengthening their effectiveness, coordination with Lebanese state institutions, and role in supporting ceasefire implementation, and de-escalation under UNSCR 1701.

Preserve Lebanese Agency in the Negotiation Track

Allow the Lebanon-Israel track to develop its own momentum, independently of the U.S. Iran negotiations. While the U.S.-Iran track remains the more overarching regional process, substantial ground on the Lebanon-Israel file can be advanced on its own timeline and merits, incrementally building mutual understanding and confidence between the parties. Complementary discussion and shuttle-based tracks can further support this process by surfacing political opportunities and anticipating operational dilemmas.

Secure Regional Cover and Israeli Political Conditions

Secure Saudi and broader Arab backing for an Israel-Lebanon agreement. A degree of regional brokerage or declared non-opposition will be necessary to conclude an eventual Israel-Lebanon agreement, and to address regional and Lebanese internal dynamics surrounding it.

Encourage Israel to demonstrate, through both declarations and tangible steps, that it holds no long-term territorial aspirations in Lebanon, recognising that a full withdrawal to the international border may not currently be politically viable ahead of elections and continued concern for the safety of its northern residents amid ongoing Hezbollah attacks.

Strengthen Israeli political understanding of the Lebanese context: engage Knesset members and broader Israeli political circles around Lebanon's state-building imperatives and how they intersect with Hezbollah disarmament, socialising the widely adopted Washington consensus that a strong Lebanese state ultimately serves Israel's security interest in definitively disarming Hezbollah, while tracking how these issues intersect with upcoming Israeli elections.

Anchor the Track in International Legitimacy and Accountability

Anchor Israel-Lebanon arrangements in an internationally endorsed framework, including relevant UN Security Council parameters, to provide legitimacy, verification, and political cover, and to avoid a peace sustained by force and security considerations alone.

Encourage domestic accountability proceedings in both Lebanon and Israel for wartime conduct, as a reciprocal confidence-building measure, recognising that proceedings framed in each country's national terms still carry symbolic weight in restoring norms and demonstrating goodwill.

Lebanon–Syria Relations: From Parallel Fragility to Shared Stabilisation

The fall of the Assad regime, the weakening of Hezbollah, and the reopening of regional diplomacy create a rare chance to reset Lebanon-Syria relations on a different basis: mutual sovereignty, pragmatic cooperation, and shared economic interest. Both countries are emerging from different but connected forms of state fragility. Their stabilisation will be stronger if pursued in parallel, particularly around borders, trade, energy, reconstruction, and institutional credibility

- **Rebuild economic interdependence on sovereign terms.** Advance Lebanon-Syria economic reintegration through the rehabilitation of historic trade and transit corridors, modernisation of border infrastructure, revival of regional energy interconnection frameworks, and long term transport links connecting Lebanese ports to Syrian industry, trade, and regional markets.
- **Turn competition into a reform incentive.** Competition between Lebanon and Syria for regional investment can be healthy if it pushes both states toward stronger financial compliance, transparency, anti corruption measures, and credible governance standards.
- **Use accountability to build future credibility.** Encourage both Lebanon and Syria to take visible steps toward internationally recognised accountability frameworks, while developing bilateral mechanisms to address legacy files such as missing persons, and cross border grievances.

1.3 Syria's Opening: State-Building, Stability, and Regional Return

Context Considerations

In the second year of Syria's transition, the country's trajectory is more positive than many anticipated, but still fragile. After decades of Baathist rule, Syria is attempting a difficult reconfiguration: rebuilding state capacity, restoring services, managing unresolved territorial and security questions, and rebuilding trust between the government and different segments of Syrian society. The opening is real. But it will only hold if recovery, legitimacy, security and regional reintegration move together.

Syria's trajectory matters well beyond its borders. The fall of the Assad regime and the weakening of Iran's regional axis have altered political and security calculations across the Middle East in ways that are still not fully understood or absorbed. Developments in Syria have reopened possibilities for regional economic corridors, energy connectivity, trade integration, transport linkages, and cross-border cooperation that had long been politically or practically blocked. Syria's geographic position and historic role within regional trade, transit, industrial, and agricultural networks mean that its trajectory will carry implications far beyond its borders, particularly for Lebanon, Iraq, Jordan, Türkiye, and the broader Eastern Mediterranean.

Several enabling shifts point to a strategic opening for progress:

The Washington channel has changed the external equation. Syria's warmer strategic relationship with Washington has created a significant opening, including through the easing of sanctions and the prospect of renewed economic space. Saudi Arabia has played an important bridging role, using its regional weight and relationship with the United States to support Syria's reintegration while anchoring the process in stability, recovery, and responsible state rebuilding.

Stability has become the organising priority. The Syrian government increasingly views regional and internal stability as its core strategic priority across security, governance, economic, and institutional dimensions, including as a basis for legitimacy, recovery, and civic peace.

Syria's recovery is now a shared regional interest. Regional actors increasingly recognise Syria's stabilisation as linked to border security, refugee return, economic integration, energy connectivity, and the containment of regional escalation and non state armed actors.

Iran's reduced strategic depth has opened political space. The weakening of Iran's strategic depth across Syria and Lebanon has altered regional dynamics and created greater room for regional political engagement and economic reintegration.

Regional re-engagement is becoming practical, not only diplomatic. Syria's re-engagement with Gulf states, Türkiye, Jordan, and European actors has created opportunities for coordinated support around recovery, investment, trade, and institutional stabilisation.

The northeast is the test of inclusive state rebuilding. The Syrian government's ongoing dialogue with actors in northeast Syria, including around administrative and security arrangements, represents an important test of the transition's capacity for legitimate state-building, confidence-building, and the gradual reconstruction of a shared national political framework across the whole of Syria.

At the same time, major constraints and legitimacy challenges remain:

Recovery will decide whether legitimacy takes root. Recovery and reconstruction needs are immense, while sanctions, institutional weakness, and legal uncertainty continue to constrain investment, economic activity, and state capacity. The Syrian government's Grand Recovery Plan is not only an economic exercise, but also a political and social one tied closely to trust building, civic peace, and the legitimacy of state institutions.

Justice and civic peace remain politically delicate. Questions of reconciliation, transitional justice, accountability, and civic peace remain politically sensitive and variably interpreted across Syrian society. How to balance local grievances, national cohesion, accountability, and stability, and how to ensure that the work of bodies such as the National Commission on Transitional Justice resonates across communities, remain among the most consequential questions of the transition.

Delivery is the first test of state authority. The transition's legitimacy will depend heavily on whether state institutions can gradually deliver security, services, economic stabilisation, and visible improvements in daily life across different regions and communities.

Southern Syria is the transition's most exposed fault line. The Israel-Syria file remains a key risk. Southern Syria will remain vulnerable to escalation if Israel's security concerns and perceived threats are not managed alongside Syria's sovereignty, state restoration priorities, and the needs of local communities. Sweida illustrates this risk. The challenge is to prevent a local legitimacy and security file from becoming a regional confrontation point. This will require careful political engagement, confidence-building, participatory security arrangements, institutional inclusion, and local mechanisms that give constituencies a stake in the national framework being built.

These pressures make regional alignment the transition's decisive external condition. Türkiye, Gulf states, Jordan, Iraq, Lebanon, Europe, the United States and Israel all have legitimate interests in Syria's trajectory, but unmanaged, those interests can pull the transition in different directions. The task is to convert external engagement into a stabilising compact: one that supports Syrian sovereignty, backs recovery and institution building, manages southern security concerns through de-confliction rather than escalation, and links Syria's reintegration to wider economic, energy and trade connectivity. Without such alignment, Syria risks becoming less a partner in regional order than another arena for competing agendas.

Priorities and Policy Directions

Turn the opening with Washington into a disciplined recovery compact

Syria's warmer channel with Washington, enabled in part by Saudi Arabia's bridging role, has created an opening that should be consolidated quickly. The priority is to convert sanctions easing into predictable recovery space, investment confidence, and institutional capacity, not a short lived diplomatic gesture. This requires completion of remaining U.S. and European sanctions processes, including removal from the state sponsors of terrorism list where applicable and verifiable, alongside a clear legal and regulatory framework that gives regional investors and private capital confidence to move.

A structured Syria-Europe dialogue track should be established to align European political, technical, and financial support with Syrian priorities. Gulf commitments should also move from political support to concrete contracts, recovery financing, and implementation frameworks tied to the Grand Recovery Plan and Syrian-owned priorities.

Make recovery a legitimacy strategy, not only an economic plan

The Grand Recovery Plan should be treated as the political backbone of the transition. Recovery is where citizens will judge whether the state can deliver. Priorities should include restoring services, rebuilding administrative capacity, creating employment, and ensuring that reconstruction does not reproduce exclusion, elite capture, or regional imbalance.

International and regional support should therefore be tied to visible improvements in daily life, particularly in areas where trust in the state remains fragile. The aim is not only reconstruction. It is to rebuild the social contract between state institutions and Syrian communities.

Support inclusive state-building before fragmentation hardens

Syria's transition will depend on whether different segments of society see themselves included in the national framework being built. The government should be supported to create structured channels through which communities, local authorities, women, professional networks, and civil society can inform national policy.

Reconciliation and transitional justice should be approached as a legitimacy process, not a technical file. The work of the National Commission on Transitional Justice and other ad hoc bodies needs to be socialised across Syrian communities, balancing civic peace, accountability, and national cohesion. Dedicated mechanisms for participation, including meaningful inclusion of women, should be built into institutional reform rather than added later.

Treat the northeast as a test of shared sovereignty

The dialogue between Damascus and actors in northeast Syria is one of the transition's defining tests. It should be supported as a political process around administrative arrangements, security coordination, resource management, and gradual reintegration into a shared national framework.

The objective should be neither renewed central coercion nor permanent fragmentation. It should be a negotiated model of sovereignty that preserves Syrian territorial integrity while acknowledging local realities and building confidence over time.

Manage southern Syria as a de-escalation file

The Israel-Syria file should be handled as a core transition risk. Southern Syria will remain vulnerable if Israel's security concerns and perceived threats, Syria's sovereignty and state restoration priorities, and local community grievances are managed on separate tracks.

Sweida should be treated as a case where local legitimacy and regional security intersect. Syria, Jordan, the United States, and other relevant actors should reinforce existing coordination mechanisms, support local stability arrangements, and develop confidence-building channels that reduce the risk of local tensions becoming regional confrontation.

Build a regional consensus around Syria's return

Syria's reintegration should not become a contest among external patrons. A dedicated regional dialogue track should bring together Syria, Gulf states, Türkiye, Jordan, Egypt, Qatar, Iraq, Lebanon, Europe, and other relevant actors around a common understanding of Syria's transition priorities.

The agenda should be practical: recovery financing, border security, refugee return, energy connectivity, trade corridors, counter-narcotics, and the management of non-state armed actors. Syria's relations with Saudi Arabia, Türkiye, Jordan, Egypt, Qatar, Iraq, and Lebanon are not secondary diplomatic files. They are the infrastructure of its regional return.

Use peer platforms to make Syria's transition legible locally and internationally

Syria should be supported to engage with international platforms and peer constituencies such as the g7+ group of fragile and conflict affected states. This would help situate Syria's transition within broader lessons on state rebuilding, legitimacy, recovery, and institutional reform, while giving Syrian actors access to comparative experience from countries that have managed transition under pressure.

Keep backchannels open where formal diplomacy cannot yet carry the load

Formal diplomacy will remain constrained on several files, particularly Israel-Syria and sensitive regional security issues. Backchannel communication and discreet de-confliction mechanisms should therefore be maintained with relevant regional actors, including Israel, to manage incidents, clarify red lines, and identify confidence-building measures. These channels should support Syrian sovereignty and crisis management, not replace formal political tracks.

1.4 Yemen: State Fragmentation, Red Sea Exposure, and the Search for a Viable Political Order

Context Considerations

Yemen sits at the intersection of three connected struggles: the fight to restore the state, the regional confrontation with Iran aligned networks, and the security of one of the world's most critical maritime corridors. For too long, Yemen was treated as a humanitarian file, a civil war, or a local governance problem. The Red Sea crisis has exposed the cost of that misreading. Yemen is now part of the regional security architecture whether the region is ready to admit it or not.

The Houthi movement has transformed Yemen's fragmentation into regional leverage. It has threatened international shipping, struck neighbouring countries, disrupted energy and trade calculations, and positioned itself as part of a wider ideological and military network. It should not be treated simply as a domestic actor waiting to be integrated into a power sharing bargain. Its military, financial, ideological, and illicit networks now extend beyond Yemen, including

toward the Horn of Africa and other theatres. This makes the Houthi file both a Yemeni state restoration challenge and a regional security problem.

At the same time, Yemen's geography is not only a vulnerability. It is also potential leverage. A stable Yemen could become part of the region's economic and energy architecture, connecting the Gulf, the Red Sea, the Horn of Africa, and future trade corridors. But this will not happen if Yemen remains absent from regional architecture discussions while others redesign straits, corridors, ports, and maritime security around it. Yemen should be treated as part of the solution to regional resilience, not only as a source of disruption.

Several enabling shifts point to a narrow opening:

Yemen is back on the strategic map. The Red Sea crisis has forced regional and international actors to recognise that Yemen's instability carries costs far beyond its borders. This attention is externally driven, but it creates leverage Yemen did not previously have.

There is a possible opening inside the internationally recognised government. The post January 2026 political shakeup and cabinet changes may create more coherence than existed before. But this remains fragile. The government must prove that it can govern, not only represent an anti-Houthi camp.

The Houthi movement has points of vulnerability. U.S. and Israeli strikes have pushed the group further underground and forced decentralisation by necessity rather than design. This creates weaknesses which can be exploited if regional and international actors understand the group's structure, financing, recruitment, illicit networks, and ideological mobilisation with greater precision.

The southern question has returned as a central file. The south cannot remain on the back burner. The events of December 2025 and January 2026 showed that exclusion and unresolved southern grievances will continue to reappear in harder forms if they are not addressed through a serious, sustained political track.

Saudi-Yemeni convergence is indispensable. Saudi Arabia's security concerns are legitimate and central. A durable process will require a convergence of interests in which Yemen's state restoration, services, salaries, security, and economic viability become part of the region's own stability agenda.

Major constraints remain:

The internationally recognised government is not yet ready to carry the process. It remains divided by competing agendas, dependent on external support, and constrained by weak service delivery. If talks were convened tomorrow, Yemeni actors would likely arrive with fragmented positions rather than a coherent national offer.

The triangle of services, salaries, and security cannot be sequenced. People on the ground need electricity, salaries, basic services, and safety at the same time. If one leg collapses, the others weaken. This is the most immediate test of whether the government can regain trust and political agency.

The peace process risks feeding Houthi consolidation if sequencing is wrong. Previous ceasefires have allowed the Houthis to regroup, recruit, remilitarise, and expand. A political process that does not address coercive power, weapons, recruitment, indoctrination, and illicit finance will not produce peace. It will buy time for the strongest armed actor.

Yemeni pluralism is both a strength and a spoiler risk. Yemen contains multiple centres of political authority, regional identities, and armed formations. Exclusion creates spoilers. But inclusion without a security bridge can also reproduce paralysis. The political track needs to acknowledge Yemen's diversity while preventing fragmented actors from vetoing the state.

The international narrative remains too narrow. Too often, Yemen is noticed only when Houthi attacks threaten Red Sea shipping or spill into regional conflict. That approach will fail. The story told about Yemen determines the policy applied to it. If Yemen is framed only as a maritime security and counterterrorism problem, the response will miss the state, social, and political conditions that make maritime insecurity and regional disruption possible.

Priorities and Policy Directions

Put Yemen inside the regional architecture conversation

Yemen should be integrated into regional security, maritime, energy, and connectivity planning. The region is redesigning trade routes, straits, ports, and economic corridors. Leaving Yemen outside that conversation is a strategic error. Any serious Red Sea or Gulf security architecture must link maritime protection to Yemeni state restoration, port governance, border management, and economic recovery.

Move from external management to Yemeni agency

Regional partners remain indispensable, but responsibility for governance, security, and economic reform must be deliberately transferred and led by Yemeni institutions. This does not mean abandonment. It means building the capacity and authority of Yemeni actors to lead their own process, formulate proposals, and stop waiting for others to define Yemen's political future.

Treat services, salaries, and security as one package

The internationally recognised government should prioritise the three S's simultaneously: services, salaries, and security. These are not sequential reforms. They are mutually reinforcing conditions for legitimacy. Donors and regional backers should support integrated planning that restores basic services, regularises salaries, strengthens local security, and visibly connects state institutions to daily life.

Reframe the Houthi file

The international community needs a more serious and shared understanding of the Houthi threat. The Houthis are not only a Yemeni faction. They are an armed ideological movement with regional ambitions, expanding networks, and a proven capacity to exploit ceasefires. A credible strategy must combine pressure on military capabilities, recruitment systems,

financial and illicit networks, and external supply lines with a political track that prevents Houthi dominance and offers a credible alternative to communities under Houthi rule.

Build a security bridge to any political process

A political process cannot succeed if it leaves coercive power untouched. Disarmament, the prevention of Houthi political dominance by force, and the restoration of weapons to legitimate state institutions must be core parameters of any future settlement. At the same time, security action must be connected to a political offer, broad Yemeni inclusion, and governance models that reflect Yemen's social and geographic diversity. Security without politics will fail. Politics without security will be captured.

Unify anti-Houthi forces tactically before asking them to negotiate strategically

The fragmentation of the anti-Houthi camp has made the Houthis appear stronger than they are. Yemeni actors and regional partners should work toward tactical coordination among anti-Houthi forces around clear security, governance, and service delivery objectives. This should not erase political pluralism, but it must reduce the dysfunction that has repeatedly enabled Houthi consolidation.

Address the southern question on its own track

The southern question needs a serious, sustained process with its own timeline. It should not be rushed, instrumentalised, or deferred until after a national settlement. A South-South dialogue, supported by Saudi Arabia and relevant regional actors, should address regional identities, governance models, security arrangements, and the relationship between southern actors and the wider Yemeni state. If handled poorly, the southern file will continue to generate spoilers and destabilise any national process.

Target illicit economies and regional networks

Pressure on the Houthis should include tighter action against illicit finance, smuggling, drug trafficking, arms supply chains, and commercial networks across Yemen, the Horn of Africa, and the Red Sea. This requires intelligence cooperation, sanctions enforcement, maritime interdiction, and support to legitimate economic alternatives.

Section 2: The Israeli-Palestinian conflict: Gaza, the West Bank, Israeli Elections, and the Fate of the Political Horizon

Context Considerations

The Israeli Palestinian file remains the legitimacy test of any wider regional order. It shapes Arab public opinion, Israel's prospects for regional integration, the credibility of U.S., Gulf and European regional diplomacy, and the ability of spoilers to keep the region trapped in permanent confrontation.

The current moment contains a paradox. There is now significant diplomatic material on the table, but implementation is lagging badly. President Trump's 20 point plan, UNSCR 2803, the Board of Peace architecture, the New York Declaration, and the Global Alliance for the Implementation of the Two-State Solution all point, in different ways, toward the same core proposition: Gaza stabilisation cannot be separated from governance, reconstruction, Hamas decommissioning, Palestinian institutional renewal, Israeli security requirements, regional guarantees, and a credible political horizon. The opportunity is to treat these frameworks as complementary layers of one implementation architecture, not as competing diplomatic brands.

Convergence matters. President Trump's plan gives Washington and a future Israeli government a politically usable entry point. UNSCR 2803 provides international anchoring. The Board of Peace can become an implementation and coordination vehicle. The New York Declaration and Global Alliance provide political legitimacy, Arab and international backing, and a statehood horizon. The Saudi French initiative and wider Global Alliance process have also shown that regional and European actors can align around a common proposition: Hamas cannot govern Gaza, Palestinian governance must be renewed, Gaza and the West Bank must be reconnected, and the political horizon cannot be indefinitely postponed.

Yet the track is stuck. Gaza Phase II has not moved. Humanitarian access remains insufficient. Reconstruction goods and funds are not flowing at the scale required. Hamas refuses to disarm and cede power. The Board of Peace and NCAG have not yet translated into visible governance capacity inside Gaza. The ISF concept remains unresolved. Israel remains deeply sceptical of security guarantees and Palestinian governance capacity. Palestinians see no credible horizon, no meaningful reconstruction, and no assurance that governance transition or disarmament would lead to withdrawal, unity, dignity, or statehood.

The West Bank is now the other centre of gravity. Fiscal pressure, withheld clearance revenues, banking restrictions, movement controls, settlement expansion, outpost legalisation, settler violence, and weakening PA capacity are eroding the very institutional vehicle needed for any post-Hamas governance arrangement. If the PA collapses or is hollowed out, Gaza stabilisation loses its Palestinian anchor, the West Bank risks armed fragmentation, and Israel inherits a more unstable security environment.

The Israeli electoral cycle could become a hinge point for the wider regional file. A future government may reset the direction of policy. It could treat the Trump plan as a workable entry point, link normalisation and regional integration to Israel's long term security, stabilise the PA, curb the most damaging West Bank measures, restore practical coordination, and move Gaza stabilisation forward.

Several enabling shifts point to a narrow opening.

The frameworks are beginning to converge. The Trump plan, UNSCR 2803, the New York Declaration, and the Board of Peace can be assembled into a single implementation logic: ceasefire preservation, governance transition, reconstruction, security guarantees, Palestinian renewal, Hamas decommissioning, Israeli withdrawal arrangements, and a political horizon linked to regional integration and normalisation.

The Regional Equation: Regional actors increasingly see the Israeli Palestinian conflict as a central challenge. The New York Declaration, which gained the support of 142 countries through the Saudi Arabia and France led effort, and the wider Global Alliance process have reinforced that Palestinian statehood and Israeli security are not separate tracks. They are the foundation of a durable regional political and security architecture. Saudi Arabia's position is particularly important because it links Palestinian self determination, regional legitimacy, normalisation, Gulf security, and wider integration into one strategic equation.

Israeli public opinion is more complex than political discourse suggests. Support for a standalone two-state solution remains weak when presented in isolation, but support for a broader regional security, political, normalisation, and integration package that includes a non-militarised Palestinian state enjoys significantly higher backing, reaching majority levels, or above 60 percent, according to various Israeli polls. The narrative that can travel inside Israel is not concession, but security, separation, regional integration, and an end to permanent war.

There is growing recognition of the limits of force. Across Israeli, Palestinian and regional discussions, one conclusion kept returning: military force can degrade capabilities, but it cannot create a sustainable political end state. This applies to Gaza, the West Bank, Lebanon, and Iran. It is also the central lesson for Israel's next government: tactical success without diplomacy and political architecture risks becoming strategic drift.

Israel's election year could open a strategic reset. A new Israeli government may not enter office ready for final status negotiations, but it could change direction. It could use the Trump plan as a politically viable entry point, frame regional normalisation and integration as part of Israel's security interest, prevent PA collapse, halt the most damaging West Bank measures, reopen practical coordination, and advance Gaza stabilisation. The test is whether political transition in Israel can create room for a different trajectory.

Palestinian political renewal and reform are necessary and unavoidable. PA reform, leadership renewal, elections, institutional credibility, and governance capacity are now central to any serious implementation track. But reform cannot remain an empty slogan. It must be linked to presidential and legislative elections, functionality, legitimacy, and the ability of Palestinian institutions to deliver. It also requires Israeli facilitation, including the release of withheld revenues, the easing of fiscal strangulation on the PA, restoration of banking channels, and practical conditions that allow Palestinian institutions to operate, renew, and regain public trust.

At the same time, major constraints remain.

Gaza Phase II is stuck at the core implementation point. Humanitarian access remains insufficient, reconstruction goods and funds are not flowing at the required scale, and the Board of Peace and NCAG have not yet translated into visible governance capacity inside Gaza. Without NCAG access, reconstruction delivery, credible withdrawal arrangements, and West Bank-Gaza link risks remaining trapped between humanitarian collapse, Israeli military management and Hamas residual control.

Hamis decommissioning remains unresolved. There is broad convergence that Hamas cannot remain a governing or military force in Gaza. But decommissioning has not advanced, and Hamas continues to resist handing over governance or arms absent guarantees and a credible political horizon. The risk is grave: delay gives Hamas space to reconstitute influence.

Israeli security concerns are real and politically binding. October 7, fear of renewed attacks, and the experience of regional escalation have deeply shaped Israeli public opinion. Any framework that fails to answer questions of Hamas weapons, tunnels, smuggling, border security, enforcement, deradicalisation and guarantees will not be viable inside Israel. But security guarantees alone will not hold if Gaza remains devastated and the West Bank collapses.

Gaza's devastation is now a political security risk. The scale of destruction, displacement and trauma has created a population living without adequate recovery, employment, services or credible governance. Reconstruction cannot wait for a perfect end-state. Without visible civilian recovery, any governance alternative to Hamas will lack social traction, and decommissioning will have no practical incentive structure.

The West Bank is approaching institutional danger point. Fiscal strangulation, withheld clearance revenues, banking restrictions, salary disruptions, movement controls, settlement expansion, outpost legalisation and settler violence are creating a pressure-cooker effect while weakening the PA. PA collapse would not be a Palestinian administrative crisis alone. It would remove the main institutional vehicle for West Bank stability, Gaza governance, security coordination, political renewal and any post-Hamas arrangement.

Gaza and the West Bank are drifting apart. Gaza Phase II cannot succeed if Gaza is treated as a separate enclave governed through emergency mechanisms disconnected from Ramallah. PA-NCAG coordination, ministries, budget flows, civil registry, reconstruction planning, private sector participation and eventual elections all need to reconnect the two territories. Without this, stabilisation becomes another form of fragmentation.

The region is distracted and the tracks are fragmented. The Iran war has absorbed U.S. and regional bandwidth and reduced political attention to Gaza implementation and West Bank deterioration. Yet the files are interconnected. Gaza, the West Bank, Israeli security, Palestinian renewal, Lebanon, Syria, Iran and normalisation cannot be managed as unrelated dossiers without losing the strategic logic that makes implementation possible.

PA reform, elections, leadership renewal and institutional credibility are necessary. But reform will not gain public trust while revenues are withheld, banking channels are constrained, movement is restricted, services are collapsing and political renewal is not facilitated. Reform requires Palestinian ownership, but also Israeli and international conditions that allow institutions to function.

The political window may close before it opens. Israel's election year could create a strategic reset, but the pre-election period also carries risks of accelerated facts on the ground. Settlement expansion, settler violence, fiscal pressure on the PA and further separation of Gaza from the West Bank could narrow the room for any future government to change course.

Priorities and Policy Directions

1. Assemble one compact for implementation

The immediate priority is to turn the existing framework into one sequenced compact capable of unlocking regional stability, making Gaza stabilisation succeed, and opening the path to wider regional normalisation.

UNSCR 2803, anchored in President Trump's 20 point plan, should serve as the overarching framework. The plan already contains the essential elements: ceasefire implementation, Gaza governance, security arrangements, reconstruction, Hamas disarmament and exclusion from governance, and, through point 19, a political horizon.

The Board of Peace should provide the implementation machinery. The Global Alliance, Gulf partners with the leadership of Saudi Arabia, and European partners should provide the

political backing, funding, investment, guarantees, and diplomatic cover needed to make the framework executable. Together, these elements can form a single implementation architecture: one that allows Gaza to move, reassures Israel on security, restores Palestinian institutional viability, and makes regional integration and normalisation politically possible.

The compact should be framed to Washington as a success mechanism for the Trump framework, not as a competing track. Its purpose is to give the plan the regional ownership, financing, implementation capacity, Palestinian governance pathway, security sequencing, and normalisation horizon it needs to work.

The United States remains indispensable, but it cannot carry implementation alone. Egypt controls critical Gaza access points. Jordan is central to West Bank stability, Jerusalem sensitivities, and Palestinian institutional legitimacy. Qatar, Egypt, and Türkiye retain channels that matter for Hamas and for decommissioning. Saudi Arabia supplies the regional legitimacy, Arab political cover, and normalisation horizon. Europe brings money, monitoring, institution building, recognition politics, and diplomatic weight.

The compact should not remain a broad coalition of goodwill. It should assign leverage to specific blockages. The immediate tests are clear: allowing NCAG to enter Gaza, linking Gaza and West Bank, ensuring Palestinian representation in the Board of Peace machinery, moving humanitarian and reconstruction materials, stabilising PA finances, sequencing Israeli withdrawal arrangements, and creating credible mechanisms and guarantees for Hamas decommissioning and Israeli security.

Upcoming diplomatic moments, including Iran related negotiations, G7 level engagements and UNGA, should be used to keep Gaza, the West Bank, PA viability, Hamas decommissioning and the political horizon on the agenda.

2. Operationalise the Political Horizon in Stages

The political horizon needs to be translated into a staged implementation pathway that links Gaza Phase II, West Bank stabilisation, PA reform, Israeli security requirements, regional integration, and eventual negotiations. The work should begin before political conditions are perfect, because the space for action is narrowing.

Stage one: prevent irreversible damage.

The immediate task is damage control: block settler violence and measures that undermine the feasibility of a two-state outcome; prevent PA collapse through release of clearance revenues, stabilisation of the Palestinian banking system, and restoration of economic access and work permits; maintain pressure against Hamas entrenchment while creating the conditions for decommissioning and exit; and reconnect Gaza and the West Bank politically and administratively through PA NCAG coordination and transitional governance arrangements. The Trump plan should be reaffirmed as the entry point, with its political horizon kept visible.

Stage two: reverse damage in the first 100 days of a new Israeli government.

If Israel's election produces a more pragmatic government, external supporters should be ready with a concrete early action package. This should include release of revenues, restoration of banking channels, renewed work permits, removal of unnecessary checkpoints and gates, relief and reconstruction access into Gaza, reduced restrictions on humanitarian and reconstruction materials, and practical steps that make Hamas decommissioning and exit more plausible. Post Oslo joint committees, including water, economic coordination, anti incitement and sectoral mechanisms, should be revived where useful to rebuild habits of problem solving.

Stage three: rebuild contacts and political appetite.

Informal and structured dialogue should be expanded among Israeli, Palestinian, regional and international actors to test options, manage asymmetry, and integrate regional normalisation incentives into the process. Contacts should include finance ministries and sectoral ministries dealing with water, energy, transport, health, security coordination and economic affairs. Track 1.5 and Track II mechanisms should be used not as substitutes for official talks, but as testing grounds for expanded Track I talks, sequencing, guarantees, public narratives and implementation strategies and risks.

Stage four: move toward formal negotiations under a regional umbrella.

Formal negotiations should commence once adequate political, security and institutional groundwork has been laid. The process should combine bilateral Israeli Palestinian talks with regional and cross-regional tracks on Gaza governance, reconstruction, security arrangements, economic regeneration, trade, investment, regional connectivity and relevant Jordan related dimensions. Regional normalisation, IMEC, and a new regional political security architecture should become part of the incentive and implementation structure, not a substitute for Palestinian statehood.

External supporters must be ready to move quickly.

In the event of political change in Israel, supporters of a two-state solution should rapidly place the political horizon back on the agenda with the new leadership. The offer should be practical: Gaza Phase II implementation, West Bank de-escalation, PA viability, renewed Israeli Palestinian contacts, security guarantees, and a broader regional framework linking coexistence, normalisation and economic integration. The approach must avoid alienating the Israeli public; instead, the approach should reassure the Israeli public of the regional opportunity, much as Sadat's 1977 visit to Israel did, while making clear that regional integration and long term Israeli security require a viable Palestinian political pathway.

2.1 Untying the Gaza knot: The Decommissioning Dilemma

Context Considerations

Gaza Phase II is blocked at the hardest point of the Trump 20 point plan: how to move from ceasefire management to governance transition, reconstruction, Israeli withdrawal arrangements, and Hamas decommissioning. The issue is not whether Hamas can remain a governing or military force in Gaza. There was broad convergence that it cannot. The question is how to create the conditions under which Hamas' military role can be dismantled without producing either renewed war, a governance vacuum, or a new cycle of armed fragmentation.

The Gaza knot cannot be solved by mechanics alone.

The current debate is too often framed as a technical question: which weapons, which timetable, which monitors, which sequencing. But the Gaza knot is political before it is technical. The Mladenov decommissioning effort and Board of Peace related discussions have put forward civil handover and decommissioning principles, but the process has exposed a deeper problem: Hamas has not accepted disarmament as a simple mechanical step, and Israel is unlikely to accept reconstruction, withdrawal, or governance transition without Hamas disarmament and credible security guarantees. Both sides carry deep trust deficits from previous agreements. The result is a deadlock in which each side treats the other's first move as a strategic trap.

Both sides face a security trap.

Hamas' dilemma is stark. If it disarms without guarantees, it fears elimination by Israel, rivals, or other armed actors. If it refuses, it faces continued war and political isolation. Israel's dilemma is equally real. If it withdraws or enables reconstruction without credible restrictions on Hamas military activity, it fears Hamas will regroup, rearm, and claim victory. This is why a

maximalist demand for immediate full disarmament is unlikely to work. But nor can reconstruction and governance move credibly without a clear path toward eventual full decommissioning.

The practical way through is phased decommissioning. Hamas should be required to accept the principle of disarmament, but the first operational phase should focus on a verified freeze of military activity: no training, no weapons production, no smuggling, no tunnel construction, no public armed presence, and no use or display of weapons. This would not be the end state. It would be the first enforceable test of whether the Trump plan and UNSCR 2803 can move from ceasefire to implementation.

Mediators must turn pressure into a political off ramp.

Such a freeze would need credible monitoring, reciprocal steps, and sustained pressure through actors Hamas can hear. Qatar, Türkiye and Egypt have important roles in pressing Hamas toward decommissioning, shaping its calculations, and making clear that political participation and reconstruction cannot coexist with a separate military structure. Their leverage will be most useful if coordinated with U.S. underwriting, Israeli commitments, and Arab and European guarantees. Saudi Arabia's role is also critical at the political level: it can help anchor the wider horizon in which decommissioning is not framed as surrender, but as part of a regional and Palestinian pathway toward reconstruction, legitimate governance, statehood, and normalisation.

Guarantees must be credible to all sides.

The credibility of the guarantee matters as much as the design. Israel needs confidence that Hamas cannot rebuild military capacity. Hamas needs confidence that compliance will not simply expose its personnel to elimination. Palestinians need confidence that decommissioning leads to governance, reconstruction, and a political horizon, not permanent military management. This is where the ISF concept, border monitoring, and Palestinian police force training need to be linked. An international or NATO backed presence may help reassure Israel and monitor borders, but it cannot substitute for a credible Palestinian security and policing capacity able to assume responsibility over time.

Palestinian legitimacy is indispensable.

The PA remains critical because no external force can substitute for Palestinian legitimacy. International or regional actors may monitor, verify, train, and guarantee, but decommissioning and governance transition cannot be carried entirely by outsiders. The end state must be Palestinian: one legitimate authority, one law, and one monopoly over force. The NCAG can matter only if it is allowed into Gaza, can deliver visible recovery, and is linked to a credible Palestinian institutional pathway rather than becoming a detached technocratic mechanism.

Decommissioning must deal with people, not only weapons.

The process must also deal with people, not only weapons. Hamas affiliated civil servants, police, security linked personnel, and former operatives cannot simply be erased. Vetting, pensions, early retirement, salary systems, vocational pathways, and social support will be required to prevent thousands of excluded actors from becoming spoilers. Senior figures and high risk operatives may require negotiated exit or safe passage arrangements. This is not indulgence. It is the hard arithmetic of demobilisation.

Reconstruction is part of demobilisation.

Reconstruction is not a reward to be postponed until the end. It is part of the decommissioning strategy. Gaza's population is devastated, displaced, and traumatised. A society left in tents, rubble, unemployment, and hunger will not provide the social ground for disarmament or legitimate governance. Humanitarian flows, medical evacuations, welfare payments, reconstruction materials, private sector participation, and special economic arrangements

should move in parallel with security restrictions. Duty free, tax, and VAT arrangements for Gaza recovery should be explored as part of a wider economic stabilisation package.

Delay favours armed actors.

There is also a time factor. Delay does not freeze the situation. Hamas has been reorganising, adapting, and seeking to preserve influence through police, taxation, and informal control. Other militias, clans, and armed structures complicate the picture further. The longer Gaza remains without a credible alternative governance and recovery pathway, the more the vacuum will be filled by armed actors, criminal networks, and survival economies.

The central lesson is that decommissioning cannot be extracted from the wider political frame. The Trump plan's political horizon, including point 19, must be made visible rather than left implicit. Hamas needs to understand that armed control blocks Palestinian statehood. Israel needs to understand that military management alone cannot produce a stable Gaza. Regional and international actors need to treat reconstruction, governance, security restrictions, Palestinian police capacity, Israeli withdrawal arrangements, and political horizon as one bargain.

Priorities and Policy Directions

Treat decommissioning as a phased political security process. Begin with disarmament of major weapons systems and a monitored freeze on military training, weapons production, smuggling, tunnel construction, and public armed activity, while building toward fuller decommissioning.

Make Hamas accept the principle of disarmament and ceding power, while leveraging Qatar, Türkiye and Egypt to shape Hamas' choices. These mediators can coordinate pressure and incentives around Hamas decommissioning, compliance with the Trump plan, and acceptance of a Palestinian governance pathway.

Anchor decommissioning in a Saudi and global coalition backed political horizon. Saudi Arabia's role is essential in linking Gaza stabilisation to a wider political horizon, Palestinian statehood, regional legitimacy, and normalisation.

Pair restrictions with reciprocal guarantees. Israeli withdrawal arrangements, humanitarian access, reconstruction flows, and credible monitoring must move alongside restrictions on Hamas military activity.

Link ISF, border monitoring, and Palestinian police training. The ISF concept should be tied to border security, verification, and the training of a credible Palestinian police force capable of assuming responsibility over time.

Strengthen U.S. underwriting and credible third-party verification. The process will require active U.S. pressure and guarantees, with possible NATO backed, Egyptian, or other credible monitoring arrangements focused on borders, compliance, and preventing renewed escalation.

Make NCAG operational, but not isolated. NCAG should be allowed to enter Gaza and deliver visible recovery. Its credibility depends less on its name than on access, resources, public legitimacy, and connection to a Palestinian institutional pathway.

Use Palestinian institutions in the security transition. External forces cannot disarm Gaza alone. Palestinian policing, vetting, institutional absorption, and eventual unified authority are essential to any durable arrangement.

Create a vetting and reintegration track. Civil servants, police, and security linked personnel should be screened, with early retirement, pensions, salary systems, vocational options, and social support used to reduce spoiler risks.

Prepare exit arrangements for senior operatives. High risk figures who cannot remain in Gaza without triggering Israeli targeting or internal violence may require negotiated safe passage or political exit arrangements.

Move reconstruction in parallel. Humanitarian access, reconstruction materials, medical evacuation, employment, welfare support, and private sector engagement should proceed alongside security implementation, not wait for complete disarmament.

Treat Gaza's economy as part of stabilisation. Special tax, VAT, duty free, and investment arrangements should be explored to create jobs, lower the cost of living, and reduce the appeal of armed survival economies.

Invest in education and civic programming for long-term stabilisation. Education, civic programming, psychosocial support, and peace-promoting content should be expanded alongside reconstruction. Gaza's recovery cannot be only physical. A devastated and traumatised population will need schools, civic spaces, youth programmes, and public messaging that support social repair, reduce the appeal of armed mobilisation, and help rebuild a political culture capable of sustaining long-term stabilisation.

Keep the political horizon visible. Decommissioning will not succeed if it is detached from the Trump plan's political horizon. The logic must be clear: disarming and exiting Hamas, Palestinian legitimacy, reconstruction, governance, and a credible path toward statehood.

Turn sequencing into leverage. The Mladenov 15-point roadmap issued after GAPS echoes many of these conclusions and gives them a practical sequence. It moves the debate in the right direction: from principles to verified steps, from decommissioning as a demand to decommissioning as a phased process, and from Gaza as a security file to Gaza as a linked package of governance, withdrawal, reconstruction and Palestinian responsibility.

2.2 The West Bank at Breaking Point: PA Survival, Territorial Erosion, and Regional Risk

Context Considerations

The West Bank is not a secondary file. It is the institutional and territorial core of any future Palestinian governance framework. If the West Bank collapses, Gaza stabilisation loses its anchor. If the PA is hollowed out, there is no credible Palestinian vehicle for governance renewal, security coordination, reconstruction, elections, or any post-Hamas arrangement.

The West Bank is now a pressure-cooker. Settlement expansion, new outpost approvals, settler violence, movement restrictions, economic strangulation and uneven enforcement are reshaping facts on the ground while deepening Palestinian insecurity and reducing the territorial feasibility of a two-state outcome. These dynamics are not only political. They are cumulative pressures on daily life, public order, livelihoods, schools, commerce and mobility. Left unchecked, they risk accelerating de facto annexation, institutional fragmentation and wider destabilisation.

At the centre of this deterioration lies the fragility of the Palestinian Authority. The PA faces a legitimacy deficit at home, with long-overdue presidential and legislative elections, while fiscal pressure, blocked clearance revenues, salary disruptions, declining services, banking constraints and weakening security capacity erode its ability to govern. PA collapse is no longer only a Palestinian governance risk: It is a direct Israeli and regional security threat. It would remove the main Palestinian institutional vehicle for West Bank stability, Gaza governance, security coordination and any future political process.

The economic picture is central to this institutional survival. Trade restrictions, reduced access to East Jerusalem markets, limits on Palestinian employment in Israel, banking constraints

and blocked revenues are weakening livelihoods and public confidence. Palestinian businesses, hospitals, pharmaceutical producers and other key employers are under severe strain. A collapsing formal economy would also damage Israel's security environment by pushing activity into informal, unregulated and more easily exploited channels.

Palestinian reform remains necessary, but it cannot be treated as a narrow external checklist. It must be part of a genuine, nationally owned political renewal agenda that balances public legitimacy, accountability, international confidence, administrative modernisation, financial transparency and elections. Reform without resources will fail. Resources without reform will not rebuild trust.

The West Bank also remains directly linked to Gaza and the broader political horizon. Gaza Phase II, PA reform, Palestinian elections, the Board of Peace, regional integration and Israeli political change cannot be treated as separate tracks. A credible pathway requires preserving the PA, reconnecting Gaza and the West Bank institutionally and economically, and preparing a political and implementation framework that can be activated if Israeli political conditions shift.

Priorities and Policy Directions

Reduce the pressure-cooker effect. Immediate steps should ease daily pressure in the West Bank: remove unnecessary checkpoints and gates, improve access across key routes and crossings, restore predictable movement for workers and goods, and reduce measures that deepen economic suffocation without clear operational security justification.

Prevent PA collapse as a security priority. The immediate priority is to prevent further weakening of the PA through release of clearance revenues, fiscal stabilisation, support to salary payments, protection of core services and preservation of institutional continuity.

Protect the Palestinian financial system. Correspondent banking channels, shekel liquidity and payment systems should be treated as urgent stabilisation files. Financial collapse would hit public salaries, private sector activity, institutional capacity and regional stability.

Restore employment and trade access. Palestinian labour access to Israel should be gradually restored under secure arrangements. Restrictions on exports, access to East Jerusalem markets and trade routes, including crossings toward Jordan, should be eased where possible.

Confront settlement expansion and de facto annexation. International actors should increase political and diplomatic attention to E1, outpost approvals, settlement expansion, settler violence and administrative measures that undermine territorial contiguity and future separation.

Treat settler violence as a security threat. Settler violence should be framed not only as a Palestinian protection issue, but as a direct threat to Israeli rule of law, army discipline, regional relations and the credibility of any future government.

Ground PA reform in political renewal. PA reform should focus on institutional legitimacy, public services, municipal resilience, financial transparency and political renewal. It must respond to lived realities: violence, movement restrictions, school disruption, fiscal insecurity, unemployment and loss of public trust.

Prepare for elections, but make facilitation real. Palestinian political renewal should include preparations for presidential and legislative elections across the West Bank, Gaza and East Jerusalem, alongside constitutional reform, political dialogue and party law reform. But elections require Israeli facilitation of movement, campaigning, participation and voting arrangements.

Link PA reform to Gaza implementation. The PA should be positioned as an essential institutional partner in Board of Peace related implementation, including Gaza governance,

reconstruction, security arrangements and eventual reunification of Palestinian governance structures.

Move from emergency aid to investment. Support should move beyond short term budget assistance toward regional investment funds, loan guarantees, private sector partnerships, infrastructure, employment and productive sectors.

Mobilise Palestinian private capital. Palestinian private sector capital and banking liquidity should be mobilised, with international guarantees, for infrastructure rehabilitation, labour intensive employment, reconstruction and financial stabilisation.

Invest in long term economic viability. Planning should begin now for transport, trade, renewable energy, water and infrastructure links that support a viable Palestinian economy, including Area C solar potential, Gaza Marine and broader regional connectivity.

2.3 Israel in an Election Year: Strategic Reset, Public Opinion and Coalition Arithmetic

Context Considerations

Israeli public opinion is shaped by October 7, the Gaza war and subsequent regional escalation across Lebanon, Syria, Iran and the Red Sea. A widespread sense of insecurity, fear of renewed attacks and concern about broader regional instability have reinforced support for military responses and contributed to a rightward shift in parts of Israeli public opinion. At the same time, prolonged conflict, repeated mobilisation, economic and military burdens and the absence of clear political end states have generated frustration with open ended war and with the limits of force alone.

Israeli electoral dynamics are structured around the pro- and anti-Netanyahu government blocs. Coalition arithmetic, fragmentation within the opposition and the role of Arab political parties and voter turnout influence and complicate government formation scenarios. The immediate period before the election is also sensitive because the current government and its ideological actors may try to harden facts on the ground, particularly in the West Bank.

A future Israeli government may be more moderate than the current one, but it should not be assumed to be changing direction dramatically. Many Israeli political actors continue to prioritise security management and conflict containment over a political settlement. A future government may still avoid the Palestinian file unless it is given a politically viable framework that speaks to Israeli security, regional integration/Abraham Accords expansion, and domestic constraints.

The key opening is that Israeli public opinion appears more receptive to political progress when framed within a broader regional security and normalisation package. The old language of peace process revival may not travel. A more effective frame is security, separation, deradicalisation, regional integration and an end to permanent war. This does not dilute the political horizon. It makes it more politically viable.

Palestinian citizens of Israel are also a strategic democratic variable. Their turnout, party coordination and coalition leverage could shape whether a future government can be formed. But their participation is constrained by delegitimisation, organised crime, municipal insecurity, housing and planning issues, education, and frustration over whether political participation produces safety and equality. Arab municipal leaders and mayors may play a significant role in pushing party coordination and voter turnout.

Priorities and Policy Directions

Prevent irreversible damage before the election. The period before a new government is formed may be as consequential as the first 100 days. Immediate priorities include preventing irreversible steps on E1, land confiscation, sensitive outposts and settlement expansion; securing release or partial release of Palestinian revenues; preventing restrictions on Palestinian banking; protecting Palestinian policing and civil administration; confronting settler violence; and maintaining pressure for a permanent ceasefire.

Insert the Palestinian file into coalition negotiations early. The Israeli Palestinian file must enter coalition negotiations before ministries are allocated and before government guidelines are finalised. If it is left until after the government is formed, it will be crowded out by domestic politics, security crises and coalition management.

Define four coalition principles. A future coalition agreement or government guideline should include: preventing PA collapse as an Israeli security interest; halting measures that damage future separation; resuming practical Israeli Palestinian channels; and affirming that Gaza's future cannot be Hamas rule, permanent Israeli rule or unmanaged fragmentation.

Use the Trump plan as a politically viable entry point. A new Israeli prime minister could issue an early statement adopting the Trump plan as an operational entry point, affirming Israel's interest in regional integration, restoring practical coordination with the PA, and working with Egypt, Jordan, Gulf partners, the United States and Europe.

Make the first 30 days a signalling and stabilisation window. Early measures should include release of Palestinian revenues, restoration of banking channels, gradual restoration of worker access under security vetting, removal of unnecessary movement restrictions, freezing E1 and sensitive outpost measures, law enforcement against settler violence, and resumed contact with the PA on security, economy, water, labour, crossings, health and public order.

Rebuild practical coordination before jumping to diplomatic theatre. The sequence should move from practical coordination, to structured talks, to political negotiations under a regional umbrella. Practical channels should resume on security, economy, water, labour, movement, health, infrastructure, crossings and Gaza administration. This avoids two mistakes: reducing everything to technical confidence-building with no political horizon, or jumping prematurely into diplomatic theatre that neither side can sustain.

Frame progress through security, regional integration and separation. Political progress is more likely to gain traction inside Israel when linked to regional integration, normalisation, economic opportunity and security arrangements, rather than framed only as bilateral concession.

Address Israeli security concerns directly. Any renewed political horizon must address Hamas decommissioning, border security, hostage issues, deradicalisation concerns, regional guarantees and enforcement mechanisms.

Expand engagement with Israeli constituencies. International and regional actors should engage Israeli media, civil society, business networks, municipal actors, former security officials and parliamentary figures to expand political space for pragmatic approaches.

Support more accurate reflection of Israeli public opinion. If substantial parts of the Israeli public support separation or a regional security deal when framed differently, media and political discourse should reflect that complexity rather than narrowing the debate to permanent war versus naïve peace.

Treat Palestinian citizens of Israel as political actors, not an electoral footnote. Support should focus on political participation, party coordination where feasible, voter turnout and the ability of PCI leadership to influence coalition arithmetic. At the same time, civil priorities inside

Arab communities, including organised crime, policing, housing, planning rights, demolitions, education and municipal services, must be taken seriously.

Section 3: Economic Integration Under Fire: From Exposure to Shared Prosperity

Context Considerations

The Iran war exposed the central contradiction of the region's economic architecture. The Middle East is geographically connected, but politically fragmented. Its ports, pipelines, grids, digital cables, food supply chains, water systems and trade corridors are already interdependent, yet that interdependence is too often unmanaged, asymmetric, and vulnerable to coercion. The closure or threatened closure of Hormuz showed how quickly a regional confrontation can become a global economic shock, affecting energy flows, LNG value chains, insurance markets, commodity prices, medical supply chains, semiconductors, food security and public confidence far beyond the Middle East.

The lesson is not that connectivity is dangerous. The lesson is that unmanaged connectivity becomes exposure. A single chokepoint, a single supplier, a single transit route, or a single political veto can turn infrastructure into leverage. Hormuz, the Red Sea, Suez, ports, data centres, water systems and electricity grids are now part of the regional security equation. Economic integration can no longer be treated as a soft dividend of peace. It is now a hard security file.

The crisis has created regional economic opportunity and regional imperatives. Integration across Middle East economies should mean creating enough shared economic interest, redundancy and institutional depth that war becomes more costly, coercion less effective, and cooperation more politically useful. The prize is not only trade. It is a region where states and societies have something tangible to lose from escalation.

Several enabling shifts point to a strategic opening.

Hormuz has made redundancy a security imperative. The crisis showed that energy export routes, LNG storage, maritime insurance, port capacity and alternative corridors are no longer technical questions. Saudi Arabia and the UAE were partly insulated by bypass infrastructure. Others were far more exposed. Qatar's LNG vulnerability, Kuwait's lack of alternative export routes, and the knock on effects across global markets all underline the same point: resilience must be built before the next closure, not improvised after it.

Connectivity is moving from vision to infrastructure. IMEC, East Mediterranean cables, Greek led electricity interconnectors, Gulf rail projects, Jordanian logistics hubs, Turkish and Iraqi corridor options, and Red Sea and eastern Mediterranean port investments are different pieces of a possible network. The task is to start governing them as a layered system of roads, railways, pipelines, grids, cables, ports and data infrastructure.

The private sector is already moving. Major logistics, shipping, energy and infrastructure actors are investing across the region even while governments remain politically constrained. This matters. Regional integration cannot wait for perfect normalisation or ideal political conditions. The private sector can help prove bankability, generate constituencies for stability, and identify projects that survive political cycles, provided governments create rules, guarantees and risk sharing mechanisms.

Energy, water and digital connectivity are becoming one system. Water requires energy for desalination, pumping and recycling. Energy systems increasingly require grid interconnection, storage, data centres and digital management. Digital infrastructure requires secure power, cooling and protection from attack. The region cannot build water, energy, trade and technology strategies in silos. Planning must factor in redundancy and interdependence.

The Israeli Palestinian conflict limits regional integration. Israel's integration into the region cannot be unlocked by corridors alone. Without a credible political horizon, and practical

measures for economic development of Gaza and the West Bank, regional integration will remain politically fragile and publicly contested. This does not mean every economic step must wait for final status negotiations. It means that connectivity must be designed to make a political settlement more viable, not to bypass it.

Major constraints remain.

Connectivity can become another exposed surface. Railways, pipelines, ports, grids, data centres and water facilities are targets as well as assets. Iran's pressure on chokepoints, Houthi threats in the Red Sea, and attacks on infrastructure show that integration without security can produce new vulnerabilities.

Political legitimacy is the binding constraint. Jordanian, Palestinian, Lebanese and wider Arab public opinion cannot be expected to support regional integration if it is seen to bypass Gaza, the West Bank, Lebanon or Syria, or to normalise exclusion under the language of development. Economic corridors that avoid the Israeli-Palestinian conflict may move goods. They will not build a durable regional order.

Single corridor thinking is a strategic error. IMEC is important, but no single corridor can carry the region's resilience agenda. The future lies in redundancy: multiple routes, multiple hubs, multiple energy sources, multiple data paths and multiple political entry points. The region needs a network, not a trophy project.

External actors must be included without turning the region into a proxy marketplace. Europe, the Gulf, the United States, India, China, Türkiye and African institutions all have stakes in trade, energy, finance and maritime stability. China is particularly relevant in renewables, infrastructure finance, digital systems and regional reconstruction. But geopolitical rivalry must not turn connectivity into another arena of exclusion.

Development must not be limited to transportation infrastructure. A corridor that simply moves goods across a territory is not the same as regional economic development. If, Lebanese, Syrian, Yemeni, Jordanian, Palestinian and Israeli economies are only transit spaces, local political support for integration will collapse. Development requires logistics hubs, industrial zones, customs reform, SMEs, training and employment opportunity, local procurement and ownership by communities along the route.

These pressures make economic integration one of the central strategic tests. The question is not whether the region can draw more corridors. It is whether it can build governed, inclusive, bankable networks that reduce exposure, generate shared interests, and connect societies by prosperity rather than fear.

Priorities and Policy Directions

Our discussions produced the following policy recommendations:

Make Hormuz less coercive, not merely reopened.

The immediate priority is to reduce the region's structural dependence on Hormuz. Saudi Arabia and the UAE should accelerate non-Hormuz export capacity, including pipeline expansion, Yanbu and Fujairah port capacity and related storage systems. Iraq, Kuwait and Qatar should be included in GCC backed planning for bypass options, LNG storage, liquefaction capacity and emergency export arrangements.

Europe has a direct interest in co-investing in this infrastructure as an energy security measure, not as foreign aid.

A Strait transit insurance facility should also be explored. Such a mechanism, funded by corridor dependent states and major energy buyers, could reduce the economic shock of future closure threats, stabilise shipping confidence and avoid a situation where the only answer to maritime risk is military escalation.

Build a regional trade resilience platform, not a single corridor.

IMEC should be reframed as one layer of a wider global and regional trade resilience platform. The region needs roads, railways, pipelines, cables, ports, digital systems and logistics hubs that can reroute goods and energy when one route is blocked.

The ambition should be a network that potentially includes and generates economic and other benefits for Saudi Arabia, Jordan, the UAE, Greece, the EU, Türkiye, Iraq, Egypt, Israel, Palestine, Lebanon and Syria.

The first institutional step should be practical: establish a light secretariat or coordination platform with shared feasibility data, a project pipeline, risk mapping and a clear mechanism for private sector participation.

Transport ministers and customs authorities should begin with concrete deliverables: agreed categories of tradable goods, trusted logistics hubs, border operating hours, customs digitisation, data standards and insurance protocols.

Use regional integration to anchor a wider political and security framework.

Regional integration with Israel will be further unlocked through a broader regional political and security framework, including constructive tracks with Syria and Lebanon, practical progress on the Israeli Palestinian file, and a wider normalisation package. The aim is not to delay economic cooperation, but to ensure that connectivity, security arrangements, reconstruction, economic growth, and normalisation reinforce one another rather than move on separate tracks.

Make energy connectivity the first bankable layer.

Development of energy infrastructure provides a possible entry point for regional integration. East Mediterranean electricity cables, the Great Sea Interconnector, the EuroAfrica Interconnector, Egypt Israel Cyprus Greece links, potential Saudi renewable links, Gaza and West Bank energy needs, and the expansion of the East Mediterranean Gas Forum provide a concrete platform for cooperation.

The East Mediterranean Gas Forum should be developed into a broader energy export and grid connectivity body, with Syria and Lebanon added when conditions allow. EU Global Gateway financing should be mobilised for technically mature interconnector projects, while Europe should address electricity pricing rules that discourage private investment in long distance renewable power.

Energy projects should be assessed not only by profitability, but by their contribution to resilience: diversified supply, redundancy, Palestinian inclusion, regional storage and reduced exposure to coercion.

Build a regional water security coalition.

Water cooperation should be treated as security infrastructure. Jordan's water crisis, Gaza's destroyed desalination capacity, Palestinian dependence on Israeli supply, Lebanese water potential, Turkey's upstream role and Gulf financing capacity all point to the need for a regional water security coalition.

Such a coalition should include Gulf financing, Israeli desalination and recycling technology, Turkish pipeline and upstream experience, Jordanian and Palestinian water needs, Egyptian and Lebanese infrastructure, and Gaza recovery as an urgent priority. The mandate should include redundancy so that no community is dependent on a single source that can be turned off or weaponised.

A practical track could begin with Gaza desalination, Jordan-Palestine energy and water swaps, Litani and upper Jordan basin studies where politically feasible, and a regional oversight mechanism to prevent unilateral closure of supply. Water should not be a bargaining

chip. It should be one of the first places where the region proves that interdependence can be made safe.

Anchor Connectivity in Transition and Conflict Affected Economies.

Regional integration will not hold if it bypasses the conflicts and fragile states that make the region unstable. Lebanon, Syria, Palestine and Yemen should not be treated as peripheral cases or later additions to corridor planning. They are the political test of whether connectivity becomes shared prosperity or another map of exclusion.

Lebanon and Syria are openings for a Levant recovery corridor. Their stabilisation would reopen historic trade and transit routes, port access, energy links and industrial networks. Lebanon's ports, Syrian industry and transit geography, Jordanian logistics, Turkish connectivity and Gulf capital could together support a serious Levant recovery corridor. Syria's Grand Recovery Plan offers an important entry point to align reconstruction, investment, institutional recovery and regional connectivity. Further, investment there and across the region should be tied to financial compliance, anti-corruption measures, customs modernisation, border infrastructure and state led reconstruction.

Palestine and Gaza are the legitimacy test. Gaza reconstruction, West Bank economic development, Palestinian trade access, energy independence and SME recovery should be built into the architecture from the beginning. Reconstruction should be treated not only as humanitarian relief, but as a regional economic stabilisation project, with secure access, Palestinian contracting capacity, jobs, infrastructure, energy and water systems, and governance arrangements that prevent armed capture. A Palestinian Economic Continuity and Recovery Facility, backed by Gulf funding, European guarantees and private capital, could protect SMEs and key employers while shifting support from emergency aid to long term investment.

Yemen is the Red Sea test. No serious connectivity strategy can omit Yemen. Red Sea security, Gulf trade, Horn of Africa links, port access, maritime insurance and alternative corridors all depend on whether Yemen remains fragmented or becomes part of the region's resilience architecture. Yemen should be included in maritime security, port recovery and trade corridor planning.

The aim should be to turn Yemen from a spoiler corridor into a future connector between the Gulf, the Red Sea and Africa.

Turn Europe-Gulf economic alignment into leverage.

Europe-Gulf cooperation should become the governance backbone for parts of the integration agenda. The partnership should move on three tracks: energy and grid connectivity, trade and corridor resilience, and investment in fragile state recovery.

Two long stalled files should be revisited with urgency: a Europe-Gulf free trade framework and visa facilitation. Both would signal that the partnership is moving from communiqués to economic substance. EU Global Gateway financing, Gulf capital and private sector execution could then be aligned around visible projects: interconnectors, logistics hubs, port modernisation, customs digitisation, Palestinian economic recovery and reconstruction finance.

Engage China and the United States Without Turning Connectivity into a Bloc Project.

Regional connectivity should not become another arena for U.S. China rivalry. The United States remains central to regional security, investment confidence, sanctions architecture, and political guarantees. China brings manufacturing scale, renewable energy capacity, infrastructure financing, digital systems, and relationships across regional divides. The region's interest is not to choose one camp, but to engage both where their capabilities can widen options and make projects viable.

This is especially important for renewables, ports, digital infrastructure, cross border grids, and corridor financing. The test is whether U.S. and Chinese engagement can support open, governed, and resilient projects, or whether connectivity hardens into rival blocs and competing dependencies.

Make integration visible to ordinary people.

Regional integration must produce visible benefits: jobs, cheaper energy, reliable water, smoother trade, functioning ports, access to markets, SME financing and reconstruction contracts.

The political imagination of integration will only return if people can see that connectivity is not a cover for exclusion, dependency or normalisation by stealth. It must be framed and designed as shared resilience: a region connected by prosperity, with enough redundancy that no one state, militia, chokepoint or external power can hold the future hostage.

Principles for Peace PeaceGame Series – Simulation on Regional Connectivity After the Iran War

Faced with the complexity of rapidly shifting regional security dynamics and their far-reaching global economic implications, this edition of the GAPS-MENA High-Level Dialogue featured a dedicated simulation exercise. Drawing on expert briefings, mock negotiations, and structured policy conversations, the exercise used an AI-powered tool to map the convergence and divergence of different actors' strategies, test their current assumptions, and develop proposals around regional connectivity. Three insights stood out: the importance of treating distinct sectors as an interconnected system rather than isolated silos; the imperative of political and geographic inclusivity in any durable framework; and the value of moving decisively on concrete near-term opportunities, among them the Eastern Mediterranean renewable energy corridor.

The Way Forward: From Dialogue to Delivery

The region knows its dangers. What it lacks is the machinery to act on what it knows. Together in Geneva we identified what can still move, who must move it, and what will be lost if they do not. The task now is to convert dialogue into traction before the window narrows further.

GAPS, convened by the Principles for Peace Foundation in partnership with UCLA, will continue to serve as a discreet, high level strategic dialogue infrastructure for the Middle East at a moment when official channels are strained and the region is searching for a new political and security order. Our purpose is to keep hard conversations alive, test policy options before they enter formal channels, and help align actors who rarely sit in the same room but whose decisions increasingly shape the same regional future.

The next GAPS convening will take place in the autumn of 2026.

Between now and then, [Principles for Peace](#) will continue to work with partners across the region and internationally to take forward selected recommendations from this report.

As a think-and-do tank, Principles for Peace is already engaged in Track 1.5 and Track II dialogues, discreet consultations, policy testing, and accompaniment with national and international partners across several of the files covered here.

We are grateful to all participants who brought candour, judgement, and political courage to the Geneva discussions. The value of GAPS lies in precisely this combination: senior access, discretion, regional breadth, and the willingness to confront trade-offs rather than rehearse positions.

We invite participants and partners to remain engaged between forums, share concrete ideas, and identify where this platform can help move policy from concept to implementation. The work ahead will not wait for the next convening. The next convening should be the moment where we measure what has moved.