

## Chapter Three

# Prime Minister Olmert's Proposal—The Package of Core Issues

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The peace process, in one form or another, accompanied Ehud Olmert throughout his professional life, from the time he was mayor of Jerusalem from 1993 to 2003 (during which Yitzhak Shamir, Yitzhak Rabin, and Ariel Sharon served as prime ministers) and then when Olmert was prime minister from 2006 to 2009. Olmert formulated an approach, as he described it in a briefing held at the Jerusalem Institute for Policy Research on July 23, 2012, that Israel should come to the negotiations with an attitude of respect for the Palestinian side and without being arrogant or patronizing. In the briefing, he explained that “We have implanted in our DNA the idea that we are ‘lords of the manor.’ But, without some basic humility there will not be any negotiations.” Olmert’s approach was that in any negotiations, the most important thing was to identify the problems that were “make or break,” which would determine whether or not an agreement was reached. As a result of this view, Olmert held numerous meetings with Mahmoud Abbas—usually tête-à-tête—and invested a great deal of effort in building up personal trust.

In the period preceding the Annapolis process, as well as in the meetings that Olmert held later with Abbas, his positions coalesced on how to achieve a permanent settlement on the core issues. He considered the feasibility of realizing Israel’s goals also during his meetings with international leaders and felt that there was a solid chance of achieving them. In the meeting that took place on September 16, 2008 (when it was already known that Olmert would not be running in the next elections), Olmert presented Abbas with **a package of mutual concessions on the core issues**, with the goal of reaching an agreement while he was still prime minister and George W.

Bush was still the US president. The idea was to make it possible for Abbas to publicly announce to his people that he had restored all of the 1967 rights to the Palestinians. From Olmert's perspective, the "package" was a final offer from the Israeli side:

### **Territory**

Israel would annex 6.5% of the area of the West Bank, and give to the Palestinians territory from within Israel amounting to 5.8% and the remainder—0.7%—would be calculated as a corridor connecting between the Gaza Strip and the West Bank.

### **Jerusalem**

Olmert agreed to essentially concede Israeli sovereignty over the holy places (including the Temple Mount and the Western Wall). According to his offer, the Jewish neighborhoods would be part of the Israeli capital and the Arab neighborhoods would be part of the Palestinian capital. The Historic Basin, which included the Old City, the City of David, and Mount Scopus, would become a special zone, to be administered by an agreed-upon third party, so that neither side would give up on its claim to sovereignty. Furthermore, a kind of trustee committee would be created whose members would include the US, Jordan, Saudi Arabia, Palestine, and Israel (as well as Egypt and Morocco), and it would determine the guidelines for the administration of the special zone.

### **The Refugees**

As a means of circumventing the "right of return" issue, Olmert offered to allow 5,000 refugees into Israel over a period of five years (1,000 per year) on a humanitarian basis. As for the adoption of UN Resolution 194, which had symbolic importance for the Palestinians, Olmert used the Roadmap—having been approved by the Sharon government—as a reference point. Although the Roadmap does not mention UN Resolution 194, it does mention the Arab Peace Initiative. In Olmert's view, Israel had essentially accepted the Arab Peace Initiative as one of the Terms of Reference in the Roadmap (Israel Ministry of Foreign Affairs, 2003), and he had confirmed this already in his speech at the launching of the negotiations at the Annapolis Summit. The Arab Peace Initiative mentions a "just and agreed-upon" settlement of the

Palestinian refugee problem, based on UN Resolution 194. Furthermore, Olmert concurred with Abbas regarding **Israel's recognition of refugees** on both sides—Palestinians and Jews who left Arab countries—and he agreed to the establishment of an international mechanism and fund for the rehabilitation and compensation of the refugees. Years later, in that same briefing at the Jerusalem Institute for Policy Research, Olmert stated that

Already in our first meeting, Abu Mazen said that “you understand that I don’t think all of the refugees will come back; I don’t want to change the character of your state.” From Abbas’s point of view, there was no need for a declaration of recognition of the Jewish state because once the agreement is signed he would be recognizing Israel as a Jewish state. He explained to me that he could not accept such a declaration because the Israeli Arabs were pressuring him not to. But in talks between us he emphasized again and again that he was not interested in changing the character of the state.

## Security

Olmert based his approach on US security guarantees and the establishment of a regional mechanism for security cooperation. In his view, holding onto another hill in Judea and Samaria did not meet the current security challenges, especially the threat from steep-trajectory firing and long-distance rockets and missiles. Nonetheless, in his presentation of the plan to Abbas, he insisted on establishing Israeli early warning stations and deploying a joint military force (Israeli, Palestinian, Jordanian, and foreign) in the Jordan Valley to prevent both the smuggling of weapons and the infiltration of terrorists and other hostile forces into the Palestinian state.

President Abbas’s negotiating team was surprised by Olmert’s proposed package. In meetings held between Erekat and Dekel, the Palestinians refused to present a counterproposal. On the one hand, they sought to disassemble the package and to discuss each issue separately in professional workgroups, while exploiting Israel’s room to maneuver in each separate issue and rejecting the idea of substitutability. On the other hand, Erekat raised a

number of questions and reservations that bothered the Palestinian leadership, including

1. From the Palestinian viewpoint, the annexation of 6.5% of the territory by Israel was unjustified, since the area taken up by the settlements was no more than 1.5% of the territory captured in 1967; it interrupts the Palestinian state's territorial continuity; and it gives Israel a foothold on the mountain aquifer and the possibility of maintaining control over it.
2. The Palestinian felt that the 5.8% of Israeli territory to be swapped would not be of similar quality to the territory that was to be "stolen" from the Palestinians. In answer to their question, Dekel made clear that the pre-1967 demilitarized territory would be divided equally.
3. According to the Palestinian view, the proposed number of refugees that would be permitted to return to Israel was almost negligible relative to the scope of the problem and was not "marketable," a situation that would limit the possibility of gaining support for the settlement among the Palestinian public. In addition, **Israeli recognition of the refugees' suffering** would be insufficient and the Palestinians demanded an **Israeli declaration of responsibility for the problem**. This would provide a pretext for demanding compensation from Israel, including restitution in-kind (return of the assets themselves or their equivalent).
4. The Palestinians demanded an Israeli commitment that Israeli military presence in the territory of the Palestinian state would end and that the foreign forces would be those of NATO.
5. They also demanded sovereignty or at least full Palestinian control of the "secure passage" between the Gaza Strip and the West Bank (rather than a link), which would also serve as an infrastructure corridor between the Gaza Strip and the West Bank.
6. The Palestinians sought to understand whether Israel was prepared to include Mount Zion and the Muslim cemetery in Mamilla (in exchange for the Jewish cemetery on Mount of Olives) in the special zone in Jerusalem.

In another meeting in mid-November 2008 between Olmert and Abbas, they provided answers to most of the Palestinians' questions, and it was decided to convene a special group to examine the map presented by Olmert (which was not submitted to Abbas, out of fear that it would serve as the basis for renewing negotiations in the future without the Palestinians showing any flexibility in their basic position of a 1:1 swap of 1.9% of the territory). The Palestinians did not show up to that meeting, using the excuse of escalation in Gaza (which would lead to Operation "Cast Lead") for not returning to the negotiating table and not responding one way or the other to Prime Minister Olmert's proposal. Nabil Abu Rudina, Abbas's spokesman, issued an announcement on behalf of Abbas that Olmert's proposal showed a "lack of seriousness" since it did not resolve the issue of a capital for the Palestinian state, and it also contradicted international and Arab decisions (Reuters, 2008).

In meetings that took place between Erekat and Dekel, Erekat explained that the Palestinians could not respond positively to Olmert's proposal due to a number of lacunae and details that were not clear enough and were not discussed by the negotiating teams. The primary reason was that Olmert was supposed to finish his term as prime minister in early 2009 and the Palestinians thought Benjamin Netanyahu would likely be the next prime minister. According to Erekat, if Abbas accepted Olmert's proposal, he would be showing flexibility that went far beyond the extent to which the Palestinians could agree, and as a result he would be accused of betraying the Palestinian people. Furthermore, an Israeli government under Netanyahu would not approve the agreement and certainly would not implement it. To obtain the support of the Palestinian public in reaching a settlement, what was needed, in Erekat's view, was "respect for the Palestinians and making that respect visible."

In February 2011, Erekat resigned from his position as head of the Palestinian negotiating team (not long after he withdrew his resignation) as a result of Al Jazeera's publishing of documents related to the negotiations on its site. These documents showed that he had met with his team and presented them with three responses to Olmert's proposal that Abbas had considered: (a) a

counterproposal with a map that could be shown but could not be handed over; (b) an ambiguous or opaque response; and (c) a negative response. Erekat instructed the team to think about another response, based on which the Palestinian side would not be accused of refusing the proposal and torpedoing the negotiations but at the same time would not be irreversible in the future.

President Bush wrote later in his memoir that it had been planned for Olmert's proposal to become the basis for the agreement. Olmert was supposed to submit the proposal to President Bush, and, in parallel, Abbas was supposed to declare the proposal as meeting Palestinian demands. The US president would then invite the two leaders to a summit where the details of the agreement would be worked out. President Bush recounted that Abbas, however, did not want to sign an agreement with a prime minister who was nearing the end of his term in office (Bush, 2010, pp. 409–410).

Abbas and Erekat explained to US Secretary of State Rice that they were neither able to accept Olmert's proposal nor a map that included Israel's annexation of Maaleh Adumim and Ariel. Furthermore, Abbas claimed that the proposal did not provide an adequate solution to the four million Palestinian refugees. Abbas and Erekat expected that Secretary of State Rice would convince Foreign Minister Livni—should she lead the next government in Israel—to decide on the border first and to reject Olmert's ideas, primarily with respect to the special zone in Jerusalem (Rice, 2011a); in personal meetings, Abbas later expressed regret that he did not positively respond to Olmert's proposal.

Olmert emphasized at that briefing at the Jerusalem Institute for Policy Research that Abu Mazen made a mistake by not responding to his proposal:

I told him that an offer like this would not be made again during the next 50 years and even if there is another offer it will not be a better one. Abu Mazen made the mistake of a lifetime but one needs to remember that he believed that I was on the way to prison; and the Israeli ministers are advising him to stop and Dahlan and Abed Rabu are breathing down his neck. He and his team thought that there would soon be a president in the White House who is one of their own [Barak Obama].