



# The Annapolis Process: A Missed Opportunity for a Two-State Solution?

Udi Dekel, Lia Moran-Gilad

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**Memorandum**

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**INSS**  
המכון למחקרי ביטחון לאומי  
THE INSTITUTE FOR NATIONAL SECURITY STUDIES  
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Institute for National Security Studies

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אודי דקל ולייה מורן-גלעד

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## Prologue

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In February 2009, during the final days of his government, Prime Minister Olmert invited us—the members of the Israeli Peace Negotiation Team with the Palestinians in the 2007–2008 round (referred to as the Annapolis process)—for a briefing at the Ministry of Defense at HaKirya<sup>1</sup> in Tel Aviv (see Figure 1). Olmert praised the work of the team, starting with the background research and laying the foundations for negotiations to our managing discussions with the Palestinians. According to Olmert, all the work done during the intensive year of negotiations had been worthwhile and would help achieve an overall settlement with the Palestinians in the future. Olmert complimented the planning process done in preparation for the negotiations, which emphasized the main challenge facing the negotiations: the transition from agreement to implementation.

Olmert shared with us his desire to achieve a “big bang,” namely a joint document of principles for an overall peace agreement with Mahmoud Abbas (Abu Mazen), the president of the Palestinian Authority (PA). Unfortunately, the process ended before this task had been completed, since Olmert was forced to resign as prime minister. Nonetheless, Olmert felt that Israel could reach a workable security arrangement based on any border that was agreed upon by the two sides and that the Peace Negotiation Team should continue its efforts to understand the core of the other side’s position, so that we could identify creative and feasible solutions to the conflict.

Olmert referred to the map that he himself had presented to Abbas, according to which Israel would annex 6.5% of the territory and in exchange, Israel would transfer 5.8% of its sovereign territory to the Palestinians as part

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1 HaKirya contains the Tel Aviv District’s government center and the headquarters of the Israel Defense Forces (IDF).

of a swap, with a corridor between the Gaza Strip and Judea and Samaria,<sup>2</sup> calculated as another 0.7%, thus arriving at a 1:1 swap of territory, which was rejected by the Palestinian side. Olmert said that maps constitute a psychological barrier and that a more far-reaching compromise could have been offered. With respect to the Palestinian refugees, Olmert mentioned the pretext for refusing the offer that Abbas had presented, namely that Israel refused to recognize the right of the Palestinian refugees to return to the State of Israel and would admit no more than 5,000 refugees over a period of five years as part of a humanitarian gesture. He claimed that from Israel's perspective, this was the maximum number that could be offered in the talks and was based on the Arab Peace Initiative (a "just and agreed-upon settlement")—which had been included in the reference sources of the Annapolis Summit that launched the negotiations—and that Israel did not accept the Palestinian interpretation of UN Resolution 194, on which they based the idea of the "right of return."

Olmert summed up the meeting by saying that all the foreign leaders to whom he had presented the plan expressed their support for it and viewed it as going a long way toward accommodating the Palestinians. Indeed, in one of the conversations that the prime minister held with Udi Dekel, the head of the Peace Negotiation Team, an alternative option to final-status talks (called Plan B) was discussed, Olmert described his approach as follows: If the Palestinians continued to reject Israel's offer, Olmert would work to implement the plan unilaterally, while seeking international support and recognition of the State of Israel's borders. This was similar to his idea of "convergence," which was his main message in the campaign during the 2006 Knesset elections. Olmert concluded the meeting by saying that a professional peace negotiation team, such as the one we had created, was essential to any government in Israel, regardless of its composition or political orientation.<sup>3</sup> In conclusion, Olmert conveyed the message that hope should not be abandoned and that efforts should continue to reach a

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2 In this document, we will use the term "Judea and Samaria" when referring to the Israeli position and the "West Bank" when referring to the Palestinian and international perspective.

3 The Peace Negotiation Team disbanded with the election of Prime Minister Netanyahu in 2009 and has not been called upon since then.

settlement with the Palestinians, which the State of Israel should view as its most important strategic goal.

**Figure 1.** The Israeli Peace Negotiation Team



*Note.* The Israeli Peace Negotiation Team from left to right: Attorney Tomer Amar, Lieutenant Colonel (res.) Ofer Yerimi, Dr. Lia Moran-Gilad, Brigadier General (res.) Kamil Abu Rukun, Colonel (res.) Danny Tirza, Prime Minister Ehud Olmert, Brig. Gen. (res.) Udi Dekel, Ms. Noam Ginnosar, Attorney Lieutenant Colonel (res.) Lee Arad.  
Source: Private collection



## About the Authors

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**Udi Dekel**, the managing director of the Institute for National Security Studies, has vast experience in the fields of intelligence, international military cooperation, and strategic planning. He headed the Israeli team to the negotiations with the Palestinians in the Annapolis process, prior to which he filled many senior IDF positions, including head of the Foreign Relations Division and, in the Air Force, commander of the Foreign Relations Unit and head of the Research Division. His last IDF post was head of Strategic Planning. Following the Second Lebanon War, Brig. Gen. (res.) Dekel headed the Israel–UN–Lebanon committee. In addition, he served on the 2006 commission to update Israel's security concept.

**Dr. Lia Moran-Gilad** is an expert in security and foreign policy. She holds a PhD in international relations from the Ben Gurion University of the Negev. Lia held several key positions in the Prime Minister's Office and Defense Ministry, such as chief of staff and senior advisor to the Head of the National Security Council (NSC), and senior advisor to the Head of Crossing Point Authority. Lia was a core member of the Peace Negotiation Team and responsible for data management and coordination of committee work during the Annapolis process. Currently she is a Research Group leader at the Myers-JDC-Brookdale Institute.



# Introduction

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Many years have passed since the Annapolis process, the last sustained attempt to arrive at a permanent settlement with the Palestinians based on the principle of two-states-for-two-peoples. The Annapolis process, which began in late 2007 at the Annapolis Summit,<sup>4</sup> and continued during 2008, did not achieve an agreement. This can be attributed to a number of factors: The allegations against Prime Minister Olmert, which led to his announcement that he would not be running in the elections planned for 2009, making it difficult to move the process forward; the inability of the Palestinian leadership to take fateful decisions as well as their hesitation to bear the responsibility for

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- 4 The Annapolis Summit took place on November 27–28, 2007 in Annapolis, Maryland, US and signaled the renewal of direct negotiations, which had been frozen since the failure of the Camp David accords and the outbreak of the Second Intifada in 2000. US President George W. Bush and Secretary of State Condoleezza Rice initiated the summit to restart the peace process, in the belief that stability in the Palestinian arena would lead to stability throughout the Middle East. The context was the takeover by Hamas of the Gaza Strip in the summer of 2007 and the understanding that the PA needed to advance the peace process to present a viable alternative to Hamas and its achievements.

Organized by the Americans, the Annapolis Summit was attended by representatives of Israel, the PA, the “Quartet,” and twelve Arab states (including Jordan, Egypt, Saudi Arabia, and Lebanon). The sides committed to immediately start intensive negotiations to resolve the Israeli–Palestinian conflict by the end of 2008. In parallel, the sides promised to gradually implement the 2002 “Roadmap for peace” and to realize without delay its first phase (establishment and reinforcement of the PA’s political institutional reforms, including those related to security). They thus agreed to advance two parallel but autonomous processes whose completion would bring about an end to the conflict. It was declared that the United States would “judge and monitor” the process to ensure that each side fulfilled its commitments. The summit signaled the renewal of direct negotiations, which had been frozen since the failure of the Camp David talks and the outbreak of the Second Intifada in 2000.



creating and governing a Palestinian state; the deterioration of the security situation in the Gaza Strip, which led to Operation Cast Lead in December 2008–January 2009; and the electoral victory that brought a right-wing government to power under Prime Minister Netanyahu, who was perceived by the Palestinian leadership as being opposed to a peace agreement.

Stagnation in the peace process and difficulties in reviving it have characterized the past few years. In fact, the general consensus among the Israeli public and most of its political leadership is that there is no chance of reaching a permanent settlement and that the Palestinian side is neither a partner in negotiating nor implementing an agreement. For this reason, we have decided to comprehensively describe what transpired during the Annapolis process from the viewpoint of those who were actually there. The idea is not to simply set the record straight but also to provide a tool for future negotiators in peace talks with the Palestinians.

This memorandum describes the complexity of the negotiations at Annapolis and the issues and positions presented during the eight-month process, which included about 300 meetings. It describes the points of agreement and the bones of contention regarding the interests and positions of the two sides. It also presents the lessons learned and their implications for future negotiations with the Palestinians.

As members of the Israeli Peace Negotiation Team, we have often been asked whether it would have been possible to achieve a peace agreement with the Palestinians if the Annapolis process had continued with Prime Minister Olmert and Foreign Minister Livni at the helm. This is a hypothetical question, however, and readers will come to their own conclusion based on what we describe below.

Nonetheless, we feel it should be stated that the Annapolis process created a foundation of understandings and agreements that can serve as a means for changing the current reality of stagnation and lack of progress. This can occur on three different axes: first, a return to peace negotiations; second, transitional arrangements to generate a reality of separation into two politically separate and distinct entities; and third, should there be no progress on these two axes and should it be impossible to reach signed accords with the Palestinians, then Israel should take unilateral steps (whether or not coordinated with the Palestinians) toward separation.

In our judgement, the negotiations during the Annapolis process, led by Prime Minister Olmert and Foreign Minister Livni—with the goal of reaching an overall peace agreement—were carried out in good faith. Both demonstrated self-confidence and determination in their efforts to reach an agreement on the basis of the “two-states-for-two-peoples” vision, with the understanding that this was the only way to realize Israel’s fundamental interests of ensuring that Israel remains a Jewish state that is democratic, secure, and moral, and to neutralize the forces pushing for a one-state reality.

Since the Annapolis process, the only comprehensive plan that has been put on the table is former US president Trump’s “Deal of the Century,” which presents a new trajectory toward agreement between Israel and the Palestinians. It rests on three pillars: First, that it is impossible to ignore the facts created on the ground over the last five decades; second, a bilateral Israeli–Palestinian agreement should be seen within the context of establishing broad cooperation between the United States and other states in the Middle East that consider Iran as the main enemy to regional stability; and third, the principle that Israeli security has priority over the full sovereignty and territorial continuity of the Palestinian state.

To the extent that these principles form the basis for future negotiations and given the analysis and understanding of the Annapolis process, we have formulated a number of rules and principles that are relevant to both the structure of the process and the content that should be discussed in those negotiations:

1. A combination of two approaches should be pursued: A **processual approach** to the formulation and implementation of an agreement (the Roadmap was an example of a mechanism for the implementation of the obligations of the two sides), which advocates a continuum of transitional agreements to realize political, territorial, and demographic separation between Israel and the Palestinians (who are not Israeli citizens); and **an end state approach**, which advocates first reaching the principles for an overall final status agreement, based on the idea of “two-states-for-two-peoples,” followed by negotiations to work out the details of the agreement and its implementation.
2. **Structural asymmetry** between the sides impedes progress toward an agreement. Israel is a successful state and a regional military and

technological power. It enters the negotiations from a position of strength; it holds most of the Palestinian assets and has a dominant impact on their daily lives. In contrast, the Palestinian side relies on its historical connection to the land, the right to self-determination, and international recognition of its right to political independence.

3. **The Gaza Strip under the control of Hamas** is an obstacle to an overall agreement. Hamas is a more of a religious movement than a social or political one; its goal is to take over the Palestinian arena, and it will never recognize Israel's right to exist on waqf lands. Yet it would be desirable to include Gaza in an overall agreement, but implementing that agreement would have to be deferred until the PA again has effective control in Gaza. Until then, and should it be impossible to return the PA to power in Gaza, the Gaza Strip will be defined as a politically undefined territory under the control of a hostile and illegitimate organization.
4. The simultaneous implementation of **top-down negotiations** between leaders and **bottom-up negotiations** between professional workgroups should take place: A chief negotiator should be appointed, reporting directly to the prime minister or to the government and having the status of an executive director, with the authority to lead and synchronize the negotiation-related work of all the government ministries, the defense establishment, and any other entities involved in the negotiations.
5. A formula should be determined that will facilitate progress based on **"everything agreed on will be implemented,"** as opposed to the formula of "nothing is agreed on until everything is agreed on," creating continual momentum toward the final objective.
6. The sides need to **avoid creating facts on the ground**, such as unilateral annexation or other steps that will embarrass the other side and will damage the basic trust needed to advance negotiations. It is possible to take actions that are acceptable to the other side, even if they do not require formal signing of an agreement.
7. It is essential to **maintain secrecy in the negotiations**—Negotiations must be carried out without leaks and without the intervention of the media.
8. **The members of the negotiating team must be professionals** who have the confidence of the senior political echelons leading the negotiations and of the professional government officials in the various systems relevant to the process.

9. It is important to **obtain agreement** between the sides (including the mediators) at the outset **regarding the issues to be discussed**, the structure of the process, and the manner in which the negotiations will proceed.
10. It is essential to **prepare the public in Israel** for an agreement with the Palestinians and what it will entail. Surveys carried out by the Institute for National Security Studies have shown that close to 70% of Israel's citizens are in favor of geographic, political, and demographic separation from the Palestinians. Furthermore, there is even a majority—of 55%—who view two states as the most feasible solution. It is important to maintain the public's belief that the conflict between Israel and the Palestinians can be defused, even though it falls short of resolution (Israeli, 2000).

The reality is not static and over the years the following question has been repeatedly asked: Is a permanent settlement between Israel and the Palestinians possible, given the changing conditions on the local and regional levels? And in that context, the two-state model has experienced a number of “collisions,” as a result of the continuing stagnation in the peace process; the Israeli public's perception of the disengagement from the Gaza Strip as a failure for having turned over the territory to terrorist organizations and essentially establishing the Hamas regime in Gaza; and finally, the Israeli public's focus having shifted from “peace” to “security.”

Regional events have also not bolstered support for reaching a final agreement. These include the impact of regional instability and upheaval (the Arab Spring) and the weakening of states and governance; the focus on rights as central to identity rather than on nationalism; religious extremism throughout the Middle East; the difficulty in making decisions in the absence of any certainty regarding the future; the weakening of the regional configuration; the loss of interest in the Palestinian issue; and the readiness of states, such as the United Arab Emirates (UAE), Bahrain, and Morocco to establish normal relations with Israel without having reached an Israeli–Palestinian agreement.

The international community, particularly the European Union, is still the “gatekeeper” of the two-state solution, although it is expected to continue to allow the Israeli–Palestinian conflict to remain chaotic and to leave Israel on its own to deal with the Palestinian problem. In this memorandum, we have chosen to present the situation and positions of the two sides regarding a

permanent settlement, without directly answering this question of whether a permanent settlement between Israel and the Palestinians is possible, given all the above changes.

We have reported on the Annapolis process as it was 12 years ago, with the addition of many references and testimonies that have accumulated since then. We did not try to “whitewash” the story; rather, to whatever extent possible, we have tried to accurately describe the contacts, events, and considerations that had an impact on the process. The memorandum mentions and cites Palestinian material that was leaked to Al-Jazeera by a member of the Palestinian negotiating team. It is worth mentioning that these are not protocols approved by the two sides, nor do they accurately or reliably reflect what occurred behind closed doors. We have made every effort to ensure the confidentiality of the Israeli documents, which are in the possession of the Israeli National Security Council and the Israel State Archives.

## Chapter One

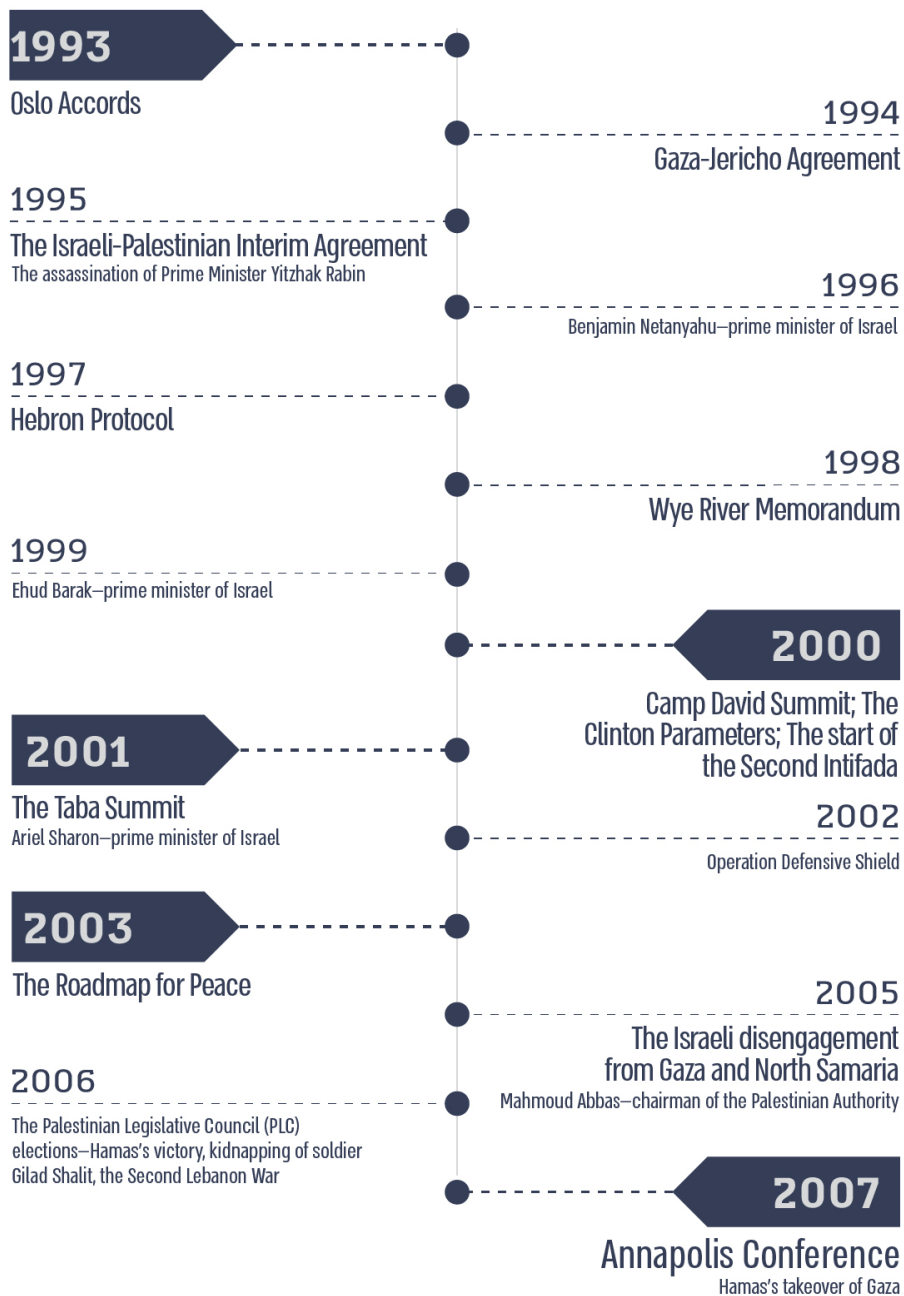
# The Background to the Negotiations

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Since the historic breakthrough in relations between Israel and the Palestinians with the signing of the Oslo Accords in 1993, there have been essentially four rounds of final-status negotiations (see Figure 2): Camp David in 2000; President Clinton's parameters in late 2000; the Annapolis process in 2007–2008; and the initiative of US Secretary of State John Kerry during the Obama administration from 2013 to 2014—all of which failed. Different claims for the failure of the final-status negotiations range from the poor organization of the negotiations to the sides' lack of readiness to agree on the final status. Nonetheless, there is consensus that the reasons preventing progress toward an overall agreement included, namely, the unbridgeable gaps between the positions of the two sides on the core issues of the conflict and the asymmetry in the goals of the negotiations. The attempts to sidestep the gaps by various negotiating approaches did not achieve results either. This situation led to the outbreak of violence from the Palestinian side and Israel's reaction to it, resulting in successive rounds of conflict, prolonged stagnation of the peace process, and the erosion of hope on both sides that an agreement can be achieved (Burg, 2013).

The Oslo Declaration of Principles and the Interim Agreement was a milestone in relations between Israel and the Palestinian Authority (PA). The PA was established on the basis of the Oslo Accords and was meant to be a negotiating partner in reaching an agreement with Israel. Today, these principles remain the basis for relations between Israel and the PA on a number of levels (Miller, 2013). The main contribution of the Oslo Accords is the Palestine Liberation Organization's (PLO) recognition of Israel's right to exist and its commitment to refrain from any violent struggle against Israel, alongside Israel's recognition of the PLO as the legitimate

**Figure 2.** The Background to the Negotiations





representative of the Palestinian people and as a partner in negotiations. In addition, and as a result of the Oslo process and the subsequent rounds of negotiations—including relevant international decisions—a model of two sustainable states living side by side in peace and harmony between the Jordan and the Mediterranean took shape (Israel Ministry of Foreign Affairs, 1993). Other potential solutions, such as a binational state or a state of “all its citizens”; a three-state option (that includes the West Bank, Israel, and the Gaza Strip as autonomous entities); a Jordanian–Palestinian confederation; and an Israeli–Palestinian federation or confederation (one space for two states), were not discussed officially by the two sides.

As part of the political efforts over the years, several approaches were used to advance the peace process and to initiate effective negotiations toward a final agreement between the sides (see Figure 3). The **processual approach** was used first, and it formed the basis for the Oslo Accords. This approach advocated that conditions should be created to make it possible in the future to discuss and resolve the core issues of the conflict, including territory, borders, security, Jerusalem, refugees, and the end of claims. This would be accomplished by gradually changing the reality on the ground and by building mutual trust between the two sides.

**Figure 3.** The Negotiation Strategies

|             |  |  |
|-------------|--|--|
| OSLO        | Processual approach  | This approach was based on the gradual creation of an atmosphere of trust and stability via confidence-building steps and improving Palestinian governance and day-to-day life, as well as creating conditions to facilitate the discussion of final-status issues.  |
| CAMP DAVID  | End-state approach   | This approach developed under Prime Minister Barak. It sought to define the parameters of a final-status agreement with the Palestinians, while avoiding the transitional stages. President Clinton used this approach in the Clinton parameters.  |
| THE ROADMAP | Gradual approach   | This approach assumed a timetable of gradual stages. It did not specify the details of the final agreement; rather it specified the necessary conditions for returning to the negotiating table. It emphasized the need for security and stability as prerequisites for negotiations, together with the reinforcement of the capacities of the PA to govern effectively and responsibly. |
| ANNAPOLIS   | A combined approach*<br><br>*Processual and End-state approach | The Annapolis process combined the processual approach and the end-state approach. The sides carried out intensive negotiations on all the final-status issues, along with their commitment to continue implementing the Roadmap and promoting measures on the ground to improve the lives of the Palestinians and strengthen the governance of the PA.                                  |

When the processual process failed to lead to negotiations according to the predetermined schedule and an impasse was reached, the next attempt at negotiations used **the end-state approach**. This approach, which was formulated during the period of Prime Minister Barak, sought to reach a final-status agreement with the Palestinians and bring an end to the conflict on the basis of defining and specifying a final-status trajectory, while skipping over the transitional stages. The peak of the peace process according to this approach was the Camp David Summit in 2000 and the parameters proposed by President Clinton in late 2000 (Clinton Proposal on Israeli–Palestinian Peace, 2000). This approach, however, did not lead to an agreement either. This failure was one of the factors leading to the outbreak of a violent and extended confrontation between Israel and the Palestinians, which was characterized by many acts of terror against the Israeli population. Following

the intervention of the international community and the efforts of US President Bush in 2003, the peace process was again revived using the **processual approach**. This time it relied on a gradual process, “The Roadmap,” which emphasized the need for security and stability as the primary conditions for final-status negotiations to take place, while at the same time creating the foundation for a responsible, stable, and functional Palestinian regime (Israel Ministry of Affairs, 2003). The Roadmap also led to an impasse.<sup>5</sup>

Given the lack of progress to advance the peace process and the growing wave of terror, Israel set out to create a more convenient reality, by taking unilateral steps; namely, the building of a security barrier and later on by disengaging from Gaza and from northern Samaria. Although these steps improved Israel’s strategic position for a short while, they also sent a message to the Palestinian side that only by means of negotiations could the Palestinians advance toward their national and strategic goals. When it became clear that some of the achievements of the disengagement and of Israel’s unilateral steps had quickly dissipated, especially after Hamas had taken over the Gaza Strip, the need again arose for initiating a structured and stable peace process between Israel and the Palestinians.

Several trends that had negative implications for Israel motivated the Israeli government, under Prime Minister Olmert, to seek to renew the peace process in 2007. These included:

1. **Iran was determined to acquire nuclear military capabilities.** The strategic assessment at that time indicated that by achieving peaceful relations with its neighbors, particularly the Palestinians and Syria, Israel could become part of a regional coalition that could help impede Iran’s nuclear program and perhaps eliminate Israel’s need to use force to terminate the nuclear program. Peaceful relations with close countries and with the Palestinians were estimated to be critical for dealing with a situation in which Iran could acquire capabilities despite the efforts invested to intercept its plans.
2. **On the regional level, the radical Islamic movements and non-state groups were gaining in strength.** Therefore, the need to strengthen the moderate Arab camp was increasingly felt. This approach was combined with the threat emerging from Iran, in the belief that if Iran achieved

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5 See Appendix.

nuclear capability, its regional influence would increase, which would, in turn, strengthen the self-confidence and scope of activity of the non-state players that Iran supported.

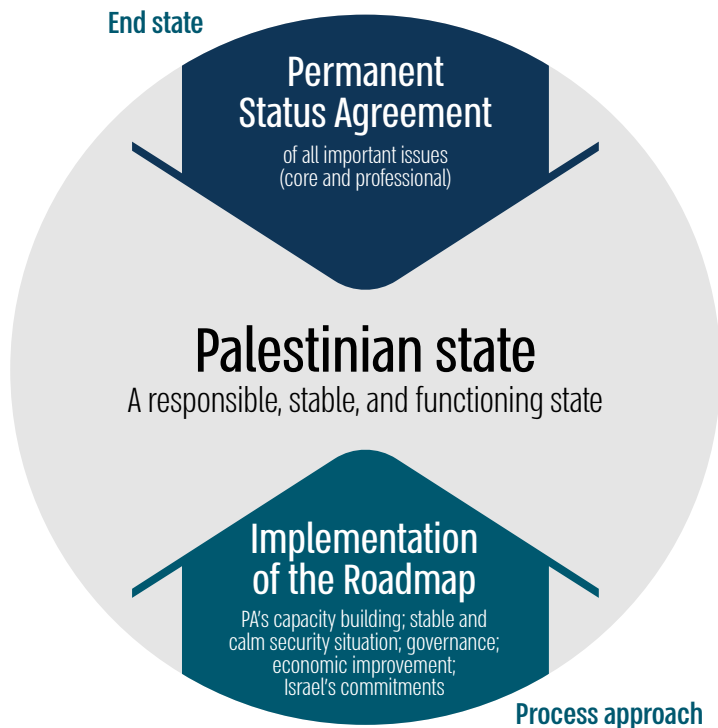
3. Given the **continuing stagnation in the peace process**, various groups in the Palestinian camp and in other countries as well began (re-) presenting the **one-state solution** as the preferred option—and perhaps the only one—for resolving the Israeli–Palestinian conflict. Israel was particularly concerned by this option, due to its implied threat to Israel’s fundamental interest of remaining a **Jewish and democratic state**, alongside the demographic growth of the Arab population in the region between the Jordan River and the Mediterranean.
4. **The efforts to deny the legitimacy of the State of Israel were increasing**, primarily due to the continued occupation of the West Bank and the building of settlements and expansion of existing ones, which contravened most of the interpretations of international law and international norms. These developments emphasized the need to restart a structured and systematic peace process between Israel and the Palestinians, while trying to exploit the internal Palestinian rivalry, to isolate Hamas, and promote understanding with the PA, which was recognized as a partner in negotiations with Israel.

Given the lessons learned from previous negotiation processes, the Israeli political–military establishment decided in late 2007 to initiate negotiations based on an innovative combined approach under American and international auspices. This was the core of the Annapolis plan, which **combined a processual approach**—based on the continuing implementation of the obligations of the two sides according to the Roadmap (at least in the initial phase), including monitoring of progress by the Quartet—**with the end-state approach**, which was meant to facilitate movement toward an overall permanent final-status agreement, based on the two-states-for-two-peoples solution.

The basis for negotiations and later for the implementation of the agreement that would be reached was that the two sides would fulfill their obligations according to the Roadmap (see Figure 4). While Israel stressed the need for security first and for creating a strong base for a stable, responsible, and well-functioning PA, the Palestinians emphasized ending the settlement

building, dismantling illegal outposts, preventing the unilateral creation of facts on the ground by Israel, and limiting Israeli military freedom of action in Area A,<sup>6</sup> primarily in the Palestinian towns and cities.

**Figure 4.** Integrated Approach to Managing the Political Process



Publicly, it was declared that the objective was to reach an agreement within a year, a goal that was not considered feasible, primarily due to the complexity of the issues that needed to be discussed and agreed upon.

### **The Peace Negotiation Team Within the Prime Minister's Office**

The Peace Negotiation Team was established at the Prime Minister's Office. Brigadier General Udi Dekel, the head of the Negotiation Team, reported

<sup>6</sup> Area A is under the military and civilian control of the PA; Area B is under Palestinian civilian control (including the maintenance of law and order) but Israeli military control; and Area C is under Israeli civilian and military control.

directly to the prime minister, forming the basis for the team's authority. Dekel, who had served in the IDF as the head of the Strategic Planning Division, and as the head of the Foreign Relations Division in the General Staff, was appointed a head of the Unit and was assigned a small number of staff positions, which required the joint approval of the prime minister and the foreign minister. Selected for the team were highly motivated professionals who viewed the achievement of an agreement with the Palestinians as the primary strategic goal of the State of Israel and the Jewish people.

The negotiating team core members were Brigadier General (res.)<sup>7</sup> Kamil Abu Rukun, who served as deputy-head of COGAT (Coordination of Government Activities in the Territories) during the period of the negotiations and had extensive experience in managing relations with the Palestinians; Colonel (res.) Danny Tirza, who was head of "Keshet Tzvaim" in the Central IDF Command, which dealt with the organizational work on the ground as a result of the interim agreements. He was the "maps man" and the liaison with the IDF Maps Unit and had been the project manager for building the Security Barrier on behalf of the Ministry of Defense; Dr. Lia Moran-Gilad, an international relations and foreign policy expert, who had been a senior advisor to the head of Israel's National Security Council and steered the work of the negotiation committees and the information management; Attorney Lieutenant Colonel (res.) Lee Arad, who had been the deputy director of the International Law Department in the IDF and had extensive experience in the legal aspects of negotiations; Attorney Tomer Amar from the Attorney General's Office who specialized in the issue of refugees; Attorney Adi Sheinman from the Legal Department of the Foreign Ministry who specialized in the issue of water; Ms. Tamar Gordon, Ms. Noam Ginnosar, and Ms. Lianne Pollak who coordinated the administrative work; and Lieutenant Colonel (res.) Ofer Yerimi, who was the intelligence officer of the team. In addition, the team was supported by legal advisors, including Attorney Mike Blass and Attorney Dr. Shavit Mathias, both who had been assistants to the attorney general; Attorney Ehud Keinan, who served as the legal advisor in the Foreign Ministry; Dr. Tal Becker from the Foreign Ministry who was responsible for the legal formulation of agreements and drafts;

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7 As of this writing, he is a major general serving as the head of COGAT.

and Attorney Colonel Pnina Sharvit Baruch, who was the head of the IDF's International Law Department.

### **Israel's Objectives in the Negotiations**

At the beginning of the negotiation process and at the request of Prime Minister Olmert, the negotiating team drew up a position paper specifying Israel's objectives. The document, which was approved by the prime minister and the foreign minister, included the following:

**Israel's leading interest** was to maintain its character as a **Jewish and democratic state**. Its vision for relations between Israel and a Palestinian state was **separation by consensus**. **The solution** of the conflict would be based on **two-states-for-two-peoples and the end of claims**. Israel's position also noted its desire to halt any tendency toward a coerced one-state solution or any other solution that could harm the character and vision of the State of Israel.

**Israel's objective** was to end its rule over another people and to end Israel's occupation and its burden of civilian responsibility. In parallel, Israel sought to obtain US guarantees of support for Israel and for realizing its security needs, as well as controlling damage in the event that the negotiations and/or the implementation process did not progress as planned. In this framework, the Palestinians would be encouraged to make difficult decisions and commit to creating a responsible and viable state that would have peaceful relations with its neighbors. In addition, Israel sought to prevent the development of a failed state, in which case Palestinian frustration would be channeled toward Israel.

The creation of a Palestinian state would include the rights defined by Palestinians as "1967 rights." Israel aspired to an agreement based on partnership; the creation of a positive atmosphere; education in favor of peace and against violence; prevention of incitement; recruiting the support of the Arab world; and strengthening the positive factions within the Palestinian camp, as well as those who supported an agreement and coexistence. The aforementioned were considered crucial to the successful and stable implementation of an agreement.

Israel sought recognition of its sovereignty over the settlement blocs in exchange for the transfer of territory to the Palestinian state (swap) and the establishment of security arrangements that would prevent terror and



the development of terrorist and military threats—both symmetric and asymmetric—from the territory of the Palestinian state or via the Palestinian state against Israel.

On the issue of Jerusalem, Israel's aim was to preserve the status quo to whatever extent possible; maintain free access to the holy places and freedom of worship; and recognize the Jewish parts of Jerusalem as the capital of Israel.

The creation of the Palestinian state would be the solution to the refugee problem. In parallel, an international mechanism would be established to resolve the refugee issue, focusing on solutions and rehabilitation in ways that would not include returning to the territory of Israel.

Although Israel's position was to include the Gaza Strip within the final-status agreement, it would not agree to its implementation in the Gaza Strip as long as it remained under Hamas's control. In this case, Israel did not support any connection or passage between the Gaza Strip and Judea and Samaria, and Israel would adopt a different policy toward the Gaza Strip.

The negotiation of arrangements and agreements between the states on bilateral issues included economic relations, water, environmental quality, tourism, healthcare, infrastructure, and legal relations, with the goal of building normal relations based on trust and cooperation.

**The method** outlined would maintain Israel's initiative and control of the process, in coordination with the US, with all sides having to agree beforehand that any issue that achieved agreement would create a new situation reflecting **the end of the claims** of both sides and the responsibility of both sides to implement the understandings. At the same time, the importance of garnering domestic support was emphasized, as well as international involvement in building the Palestinian state on three levels—security, economic growth, and governance—to aid in creating a well-functioning Palestinian state that would fulfill its commitments. The establishment of regional security arrangements and the promotion of regional cooperation with Israel would maintain the peace and facilitate its fruits.

## **The Structure and Format of the Negotiations**

The summit between the leaders—President George Bush, Prime Minister Olmert, and President Abbas—that had taken place in Annapolis, Maryland on November 27–28, provided an international umbrella for the peace

process between Israel and the Palestinians. Following the summit, the Israeli and Palestinian sides sought to construct the negotiating framework and to establish the format, based on past lessons.

It was decided that the process would take place on two parallel tracks directly under the auspices of the two leaders, Israeli prime minister Ehud Olmert and the president of the PA, Mahmoud Abbas. They would hold final-status discussions and face-to-face meetings to reach a common vision and to clarify issues and disagreements.

The leaders of the negotiations—on the Israeli side, Foreign Minister Tzipi Livni and on the Palestinian side, Ahmad Qurei (Abu Ala)—would manage **the track of negotiations for an overall settlement**. The purpose of this track was to discuss all aspects of establishing a Palestinian state and creating stable peaceful relations and cooperation between the State of Israel and the future Palestinian state.

Defense Minister Ehud Barak on the Israeli side and Prime Minister Salam Fayyad on the Palestinian side were tasked with coordinating the track of **implementing the Roadmap**. It was agreed that the two sides would have to fulfill their commitments according to the Roadmap before the agreements could be implemented. This track also was meant to create an atmosphere that would support the process, as well as to improve the lives of the Palestinian population.

As part of the first track, the negotiations over the **Permanent Status Agreement** would be carried out on three levels and would simultaneously be top-down and bottom-up:

1. **The leadership level:** Olmert and Abbas discussed the core issues and agreed on an overall approach to the peace negotiations.
2. **The political level:** The leaders of the negotiations, namely Livni and Abu Ala, discussed the core issues. At the same time, they set up the **steering committee** for the negotiations, and monitored the progress of the various issues in the different committees. They also defined the substitutability between the issues and sought to resolve issues that the committees could not agree upon, in addition to determining procedural matters.
3. **The professional level:** The heads of the negotiating teams, Udi Dekel and Saeb Erekat, coordinated the discussions and managed the 12 expert

committees that discussed the professional issues that would determine the framework and character of future relations between the states. The 12 committees were **security** (headed by Amos Gilad and Hazzem Attalah); **territory and borders** (led by Udi Dekel and Samih al-Abid); **refugees** (headed by Tal Becker and Saeb Erekat); **economic relations** (led by Yarom Ariav and Samir Houlailah); **infrastructure** (headed by Hezi Kugler and Muhammad Shtayyeh); **water** (headed by Uri Shani and Fadel Kawash); **state-to-state** (led by Yossi Gal and Saeb Erekat); **crossing points** (headed by Kamil Abu Rukun and Muhammad Shtayyeh); **environmental quality** (headed by Ori Livne and Yusuf Abu Safiyya); **legal relations** (headed by Mike Blass and Hiba Husseini), **prisoners** (led by Mike Blass and Hisham Abdel Razek); and **the culture of peace** (headed by Daniel Taub and Sufian Abu Zaida).

An important part of the process was to formulate rules for the agenda and for managing the discussions before they started, in addition to establishing the principles for determining the order of the issues and mapping the connections between them.

### **Mapping Essential Issues for Reaching an Overall Agreement**

In a meeting about mapping the issues and determining their priority, the leaders of the negotiating team raised a number of insights about how to map the issues. The two teams understood which issues were essential to both sides: territory and borders, including the future of the settlements; security in all its aspects, including demilitarization of the Palestinian state, the character and roles of the Palestinian security forces, the control of airspace and the electromagnetic spectrum, building of an airport in the West Bank and a sea port in the Gaza Strip, and so forth; two capitals in the Jerusalem area; refugees, including the issue of the return of refugees to Israel and the mechanism for compensation and rehabilitation of refugees (including Jewish refugees); separate but cooperating economies; and joint, connected, and separate infrastructures.

In addition, the negotiating team also raised issues related to the core components of a final agreement, which were only essential to Israel and not to the Palestinians: that of recognizing two national homelands. The main demand of the Israeli side was to recognize Israel as the national home of the Jewish people and Palestine as the national home of the Palestinian

people, which would imply realizing the “right of return” of the Palestinian refugees to Palestine, rather than Israel. The Israeli side also demanded the end of claims, which implied that after the agreement was signed, neither side would be able to make any additional claims. As for the future of the Gaza Strip and how the PA would regain control of it, the Palestinians did not consider this issue essential to the negotiations since it was an internal Palestinian concern, just as the Israelis considered the issue of the settlers an internal Israeli matter. As for the Palestinian state’s access to other countries, the Israeli side considered it essential to discuss a mechanism for security inspections while the Palestinians preferred not to discuss it, which in their opinion, could compromise Palestinian sovereignty.

The Palestinian side also emphasized issues that it considered essential but Israel did not. These included a change in the status quo of the holy places in Jerusalem, in contrast to Israel which sought to preserve the status quo; an arrangement for the equitable division of water, while Israel wanted to keep existing arrangements; the removal of the Security Barrier and “free flowing” crossing points between the Palestinian state and Israel—including a corridor between the West Bank and the Gaza Strip—as the Palestinians wanted freedom of movement while Israel preferred to keep the current arrangements, based on the Security Barrier and supervised checkpoints with security inspections. The Palestinian side considered the release of Palestinian prisoners as essential, but the Israeli side did not, except as a gesture of goodwill to build mutual trust. In the end, the two sides decided that issues considered essential by only one side would also be discussed and included in an agreement.

In adherence to the subjects of the agreement, which were determined by the priority of the issues, the two sides agreed to **appoint heads of committees with practical expertise in the relevant subject**, with the idea that they would eventually be responsible for implementing the agreement. Therefore, Israel chose directors general or senior officials from the government ministries while the Palestinian side also agreed to select senior officials with practical experience.

The two sides agreed that **the discussions would be confidential** and that neither the names of negotiators nor the details of the negotiations would be publicized. They also agreed not to allow media coverage and that both sides had to agree to issuing public announcements. The two sides also had

a shared interest in keeping the negotiations confidential; Israel's prime minister was concerned about his coalition while the Palestinian side worried there would be strong domestic opposition if the details were made known.

The two sides decided upon a **working format for the professional committees** and determined a detailed agenda so that they would first map out the subjects and the objectives of their work and then clarify the issues. After the two sides reached a consensus about the issues, they were then asked to table the relevant drafts for the clauses of the agreement, with consensus to be reached in the joint discussions. This format was meant to prevent tabling drafts prepared earlier and that expressed an opening position, which did not reflect the developments around the negotiating table.

The constant follow up on the information shared by the committees as well as the careful examination of previous exposed Erekat's tendency to table documents agreed upon in previous rounds of negotiations. A comparison of his documents with the few documents obtained from the Israeli archives indicated that in general Erekat had simply polished the documents and modified them to suit the Palestinian positions.<sup>8</sup>

The negotiations were guided by the understanding that “**nothing is agreed on until everything is agreed on.**” This principle was used to assess the flexibility of the sides in the workgroup discussions within the committees and also to overcome the problem of substitutability between negotiating subjects, such as borders and territory versus the security issue. According to this principle, even if a position had been presented by one of the sides, this was not to be considered a final position until all the positions, implications, and consequences regarding the parallel issues had been clarified.

For example, in the Territory and Borders Committee, Dekel brought up the idea of a swap of populated territories, namely villages separated geographically but connected by day-to-day routine, such as Barta'a in western Samaria or Beit Safafa in Jerusalem. This was not an official Israeli position but rather a way of ascertaining the Palestinian position. The Palestinian side

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<sup>8</sup> Authentic excerpts taken from the negotiation table appear throughout the text in accentuated block quotes or in quotation marks.

rejected any possibilities of this kind, out of fear that Israel would try to include Arab settlements located in the Triangle region as part of an exchange of territory.

The Israeli side requested senior legalists from the Ministry of Justice and the Attorney General's Office, the Foreign Ministry, and the IDF to write draft documents. The Palestinians over the years used the Negotiations Support Unit (NSU), composed of young Palestinian attorneys, most of whom studied and interned abroad. This group prepared the drafts for an agreement on the various subjects and clauses, which from their perspective reflected the Palestinian opening positions and were usually based on international precedents. In the stage of presenting the drafts, the Palestinian representatives found it difficult to abandon the basic or opening positions that they had formulated prior to the negotiations and to connect with the dialogue that was taking place in the discussion rooms. More than once, this approach by the NSU delayed the progress of the negotiations and required Dekel and Erekat to intervene.

The joint understanding between Erekat and Dekel stated that a broad and stable infrastructure should be laid down for an agreement, from bottom-up and from top-down, that disputes are to be resolved on the level of the professional committees and that agreed-upon drafts will be submitted for the approval of the Livni-Abu Ala Steering Committee. In this way, it will be possible for the political level and the leaders to focus on decision making on the core issues and resolving disagreements.

### The Timeline of the Negotiating Process and Its Implementation

A timeline of the negotiating “periods” was also constructed. With the agreement of the two sides, and the backing of US Secretary of State, Dr. Condoleezza Rice, the following **timeline of the process** (see Figure 5) was established:

1. **The negotiating period:** During this period, there would be discussions about the overall agreement, in parallel to implementing the obligations of each side according to the Roadmap, including the creation of an atmosphere conducive to the peace process. At its conclusion, a Permanent

Status Agreement would be drawn up and submitted for the approval of the two sides. On the Israeli side, this meant the approval of the Knesset and a plebiscite if evacuating the settlements would be required; on the Palestinian side, this meant the approval of the Palestinian Legislative Council and a plebiscite in the West Bank and the Gaza Strip, if the conditions in the Gaza Strip allowed.

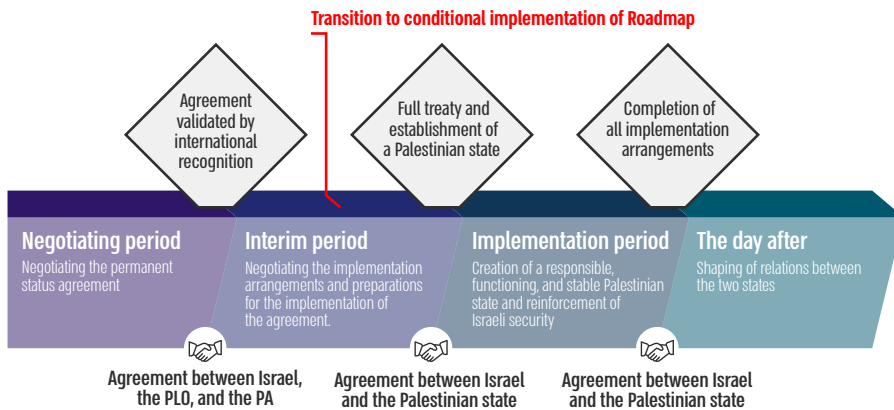
2. **The transition period:** In this period, the two sides would complete the discussions about implementing the appendices of the agreement; they would organize and prepare for implementing the agreement (for example, on the Israeli side, preparing for the evacuation of settlements, if that was decided upon, including housing and employment solutions for the evacuees or modifying the route of the Security Barrier to fit the newly agreed-upon border); the sides would fulfill their obligations according to the Roadmap; conditions would be created and the basis laid for the establishment of a functioning Palestinian state; an international body would be set up for monitoring and verifying the implementation of the agreement; and budgets and donations would be obtained for building the Palestinian economy and to assist Israel in meeting the cost of implementing the agreement. In parallel, the agreement would receive international recognition, in the form of a UN Security Council resolution, which would replace the previous resolutions on the Israeli–Palestinian conflict. Furthermore, the Arab states would recognize the agreement and would declare that it constitutes in principle the implementation of the Arab Peace Initiative. At the end of the period, appendices of implementation would be added to the agreement, which would transform it into a **binding treaty**.
3. **The implementation period:** During this period, the implementation of the agreement would gradually take place over a number of years, while progress from one stage to the next would be based on proof of implementation. In this context, an independent Palestinian state that is sovereign, responsible, stable, and well-functioning would be established. In addition, the international community and the Arab states would participate in the implementation and monitoring of the agreement. On this issue, there was a huge gap between the sides. The Palestinian side demanded an implementation plan of up to three years, while Israel sought a period of ten years for preparing the infrastructure and the evacuation



of settlements and an unlimited time period for the security aspects of the implementation, such as the deployment of IDF forces in the Jordan Valley until the Palestinian security forces had attained a desired level of performance or the configuration of regional threats had changed.

4. **“The day after”:** The completion of implementation; a joint declaration of the end of claims; recognition of the international community and recognition by the Arab states, and by the Islamic states of the agreement, of Israel, and of the end of claims; development of cooperative relations and regional agreements.

**Figure 5.** The Timeline of the Negotiation Process and its Implementation



During the formulation of the negotiating agenda and its stages, the question arose of who would sign the agreement once it had been formulated. From the Israeli side, the answer was clear—the Israeli government. However, from the Palestinian side, Erekat at first demanded that the PLO should sign the agreement. However, the PLO is a national liberation movement rather than a state and it has no authority as a state. It was finally agreed that the PLO would sign the final-status agreement, which would create a Palestinian state that would declare its independence. Thus, the signing of the treaty that includes the implementation appendices would occur between two states—the State of Israel and the State of Palestine.

## The Opening Conditions of the Negotiations

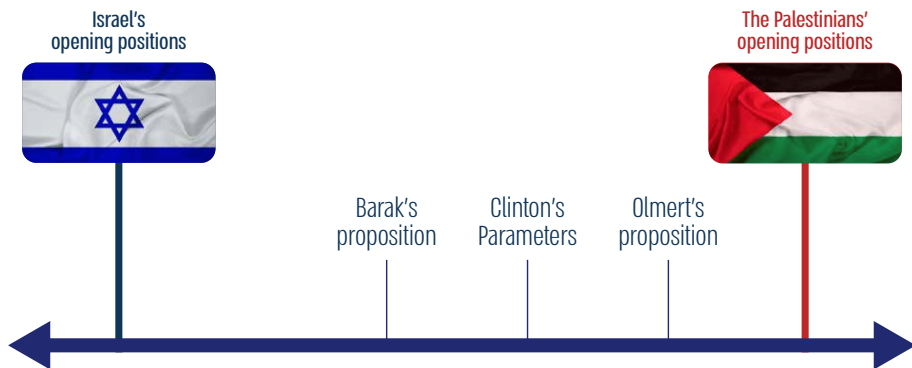
When the negotiations began, one of the main issues on the agenda was the starting point of the discussions (see Figure 6). The Palestinian side demanded that discussions begin from the point at which the previous negotiations with Israel had stopped, namely the parameters presented by US President Clinton in 2000 (even though they had been rejected by the Palestinian side) and the Taba talks in January 2001 (which then Prime Minister Barak related to as talks for clarifying positions rather than for negotiations). In contrast, the Israeli side demanded that the discussions address the reality that had developed on the ground since then and its foreseen effect on any future agreement. In this context, the Israeli side emphasized the following:

1. **The Palestinian war of terror** (known as the Second Intifada) against the civilian population in Israel, which began after the failure of the Camp David Summit and the Palestinian rejection of the parameters for a settlement as presented by President Clinton.
2. **Over 97% of the Palestinian population in the West Bank was in Area A and B**, under the control and responsibility of the PA. **The rule of the PA in these areas** was becoming stronger, including improved performance in security matters, law and order, and meeting of civilian needs. In contrast, **the Gaza Strip was under the control of Hamas** and it appeared that the PA did not have any possibility (nor perhaps any desire) to regain control there.
3. **Israel had decided to withdraw from the entire territory of the Gaza Strip during the disengagement**, based on the border drawn in the 1994 Cairo Agreement, which was the ceasefire line and, according to Israel, constituted its border with the Gaza Strip. The Palestinians (led by Muhammad Dahlan) made territorial demands—without any legal basis and ignoring the ceasefire agreements—for modifying the ceasefire line and related arrangements between Egypt and Israel up until 1967, as well as the Cairo Agreement, which has been signed by Chairman of the PLO Arafat and Israel's Prime Minister Rabin.
4. **Israel was building a security barrier** to protect Israel's home front, and its final route—if completed—would include the large settlement blocs and about 8% of the territory of Judea and Samaria, which Israel had captured during the Six Day War.

5. An advanced **infrastructure of crossings points** had been established between the territories under the PA (including the Gaza Strip) and Israel and between the West Bank and Jordan, which were operated efficiently and according to high standards.

At the opening of the discussions, the international community finally understood that to create a sound foundation for a Palestinian state, **the PA would need to improve its ability to govern**. This included being able to reduce corruption, strengthen law and order, ensure stability in its security situation, and bolster its efforts against terror, particularly in preventing the development of a terror infrastructure and military capabilities of extremist factions, primarily Hamas and the Islamic Jihad in the Gaza Strip. In addition, the PA needed to be able to build the Palestinian economy, encourage growth of the private sector, and reduce the size of the public sector.

**Figure 6.** The Opening Positions





## Chapter Two

# Points of Agreement and Disagreement

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In late 2008, after eight months of intensive negotiations, which included about 300 meetings among senior officials and the professional committees, the points of agreement and disagreement on the various issues were presented to the American team—David Walsh and Elliot Abrams—who in turn summarized the negotiations for the new US administration under President Obama.

During the entire period of negotiations, the staff of the negotiating team within the Prime Minister's Office had maintained an ongoing, systematic, and up-to-date assessment of the situation. This monitoring and updating of the assessment yielded a summary of points of agreement and of disagreement between the sides. Lia Moran-Gilad collated the information, which was then analyzed, synthesized, presented in tables, and frequently updated, providing the staff and the negotiating team with both an overall and specific perspectives of the different issues. Regular discussions between the professional echelons after meeting with the Palestinian negotiators also contributed to the ongoing assessment. In addition, the negotiating leadership held internal discussions to evaluate possible maneuvering that could narrow the gaps, including an analysis of consequences, models from other parts of the world, and consultation with relevant experts outside the public sector. The special relationship between then Brigadier General Kamil Abu Rukun—the deputy-head of the Peace Negotiation Team—and the Palestinian senior negotiators, was exploited during side-talks, when “out of the box” proposals were examined to narrow the gaps that the sides had not managed to bridge in the negotiating rooms.

## Territory and Borders

The negotiations began with a discussion of the principles according to which the map would be drawn.

### *Israeli Principles*

**Two main principles guided the Israeli side:** (1) recognized and secure borders that would provide protection for Israel and its citizens; and (2) consideration of the situation created on the ground over the last 40 years, particularly the Israeli settlements. These two principles shaped Israel's political and security considerations:

**Political Considerations.** Most of the Israeli settlers would remain in their homes in the settlement blocs, which would be annexed to the State of Israel. Israeli citizens living in the territory to be included in the Palestinian state would receive assistance and compensation from the State of Israel and would be moved to the settlement blocs or to Israel proper, while attempting to preserve their community frameworks. Israel also aimed to minimize to whatever extent possible the number of Palestinians living in the territories to be annexed to Israel.

**Security Considerations.** Israel sought borders from which it would be able to defend its territory, population centers, and strategic assets, taking into consideration (a) the topographical situation (i.e., territory that provides control over population centers, transportation routes, strategic assets, and military facilities in Israel); (b) separation and avoidance of friction between the populations; and (c) the creation of a border that includes an effective security barrier and supervised border crossings.

**Other Considerations.** Israel's other considerations were Palestinian independence, combined with reduced dependency on Israel; maximal territorial continuity for both sides, with concern for the day-to-day lives of inhabitants on both sides of the border; national interests, including water sources, holy places, archaeological, and environmental issues.

### *Palestinian Principles*

The Palestinian principles included the establishment of a sovereign and independent state that would not be dependent on Israel, with maximal territorial continuity primarily between the north and south of the West Bank,

uninterrupted by the Israeli settlement blocs (such as the Ariel “finger”). East Jerusalem and its Arab neighborhoods would be recognized as the capital of Palestine. The Palestinian side demanded an overland connection between the West Bank and Gaza Strip, including an infrastructure corridor under full Palestinian control. Finally, the Palestinians requested full control of the international entry points into the Palestinian state by land, sea, and air.

**It was agreed that the principle of territorial and transportation continuity would apply to both sides.** Regarding the overland connection between the Gaza Strip and the West Bank, the two sides did not agree upon the exact size of the territory nor on the issue of sovereign control. Prime Minister Olmert refused to give up Israeli sovereign control as he did not want to create any territorial discontinuity between the Negev and the rest of Israel and suggested that the majority of the route between the West Bank and the Gaza Strip be underground. The Israeli side was prepared to grant special status to this territory, as in the case of Route 443 and the route between Jerusalem and Kiryat Arba and the Jewish settlements in Hebron. The Palestinians demanded sovereignty over the route between the Gaza Strip and the West Bank and viewed it not just as a traffic conduit but also as an infrastructure corridor between the two parts of the Palestinian state. After the two sides discussed the principles, they began presenting the maps.

### ***The Border***

The Palestinian side demanded that the starting point of the negotiations should be the June 4, 1967 border, which would constitute the basis for demarcating the Palestinian state (with, of course, a willingness to make small adjustments as part of a swap of territory). In contrast, the Israeli side refused to view the June 4, 1967 boundaries as the reference point for determining the border, since it could not be reconstructed due to the changes on the ground and also because it was not internationally recognized as an agreed-upon border. Nonetheless, Israel agreed to a formula suggested by US Secretary of State Rice in a meeting of the negotiating teams in Washington in August 2008. She proposed that the territory discussed would include all the areas captured by Israel in June 1967, including East Jerusalem. As for the “no man’s land,” although legally not considered occupied territories, it was decided that it would be equally divided in calculating the territories of the two states. The total size of all the territory, including Judea and

Samaria, the Jordan Valley, the northern Dead Sea area, and the Gaza Strip was 6,205 sq km.

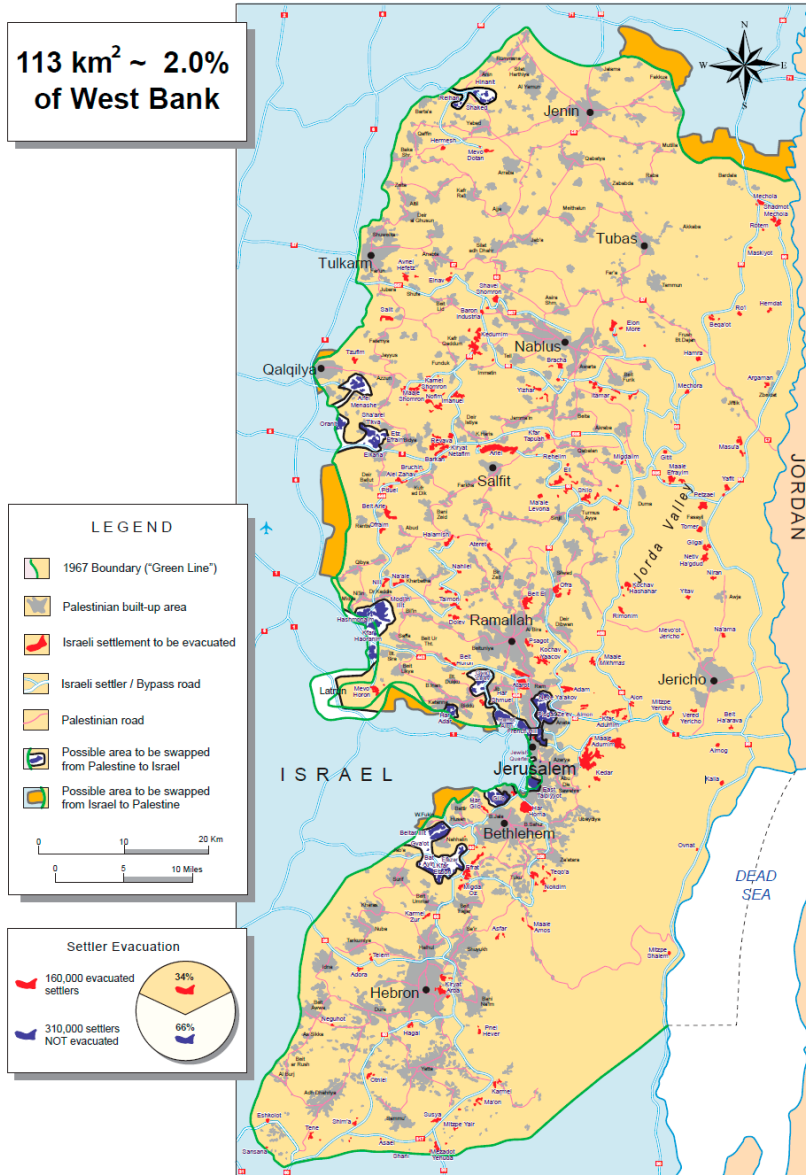
### ***Swap of Territory***

The Palestinians agreed to a minimal swap of territory at a ratio of 1:1 with respect to quantity, quality, and proximity to the Green Line; that is, a swap of territory equal in size and value. Thus, they did not agree to accepting territory in the Judean desert in exchange for high-quality territory that Israel would receive in central Samaria. In the Territory and Borders Committee, the Palestinian side consistently presented an official position on a territorial exchange consisting of up to 2% of the territory of Judea and Samaria. The map that they offered (see Figure 7) included Gush Etzion (although reduced in size), the Jewish neighborhoods in Jerusalem, and the Israeli settlements over the Green Line as part of Israel's territory. These added up to 1.9 % of the territory calculated. However, in discussions between Erekat and Dekel, the Palestinians expressed a willingness to agree to a swap of territory of up to 4%, on condition that the Palestinian public would approve it in a plebiscite. From the start, the Palestinians dismissed the idea of leaving Israeli settlements and citizens within the Palestinian state. They also rejected the evacuation of Palestinians living within the blocs that would be annexed to Israel.

In the map discussions, the Israeli side was the first to table a map (see Figure 8). The map showed that Israel would annex 8% of the territory of the West Bank and offer the PA territory in exchange at a ratio of 2:1 (not 1:1) from within the State of Israel—in the South Hebron Mountains, in the Lachish region, in the settlements around the Gaza strip, and in a small part of the Beit Shean Valley. The Israeli side presented several other proposals, the most far-reaching of which Prime Minister Olmert offered to President Abbas on September 16, 2008, as part of a package of core issues that he hoped would lead to the finalizing and signing the agreement. It called for Israel's annexation of 6.5% of the territory, with the Palestinians being compensated with 5.8% of territory from within Israel and also a corridor linking the Gaza Strip and the West Bank that would be equivalent to the remaining 0.7%. As a result, President Abbas could present the exchange of territory as being 1:1, according to the size of the territory conquered in 1967.



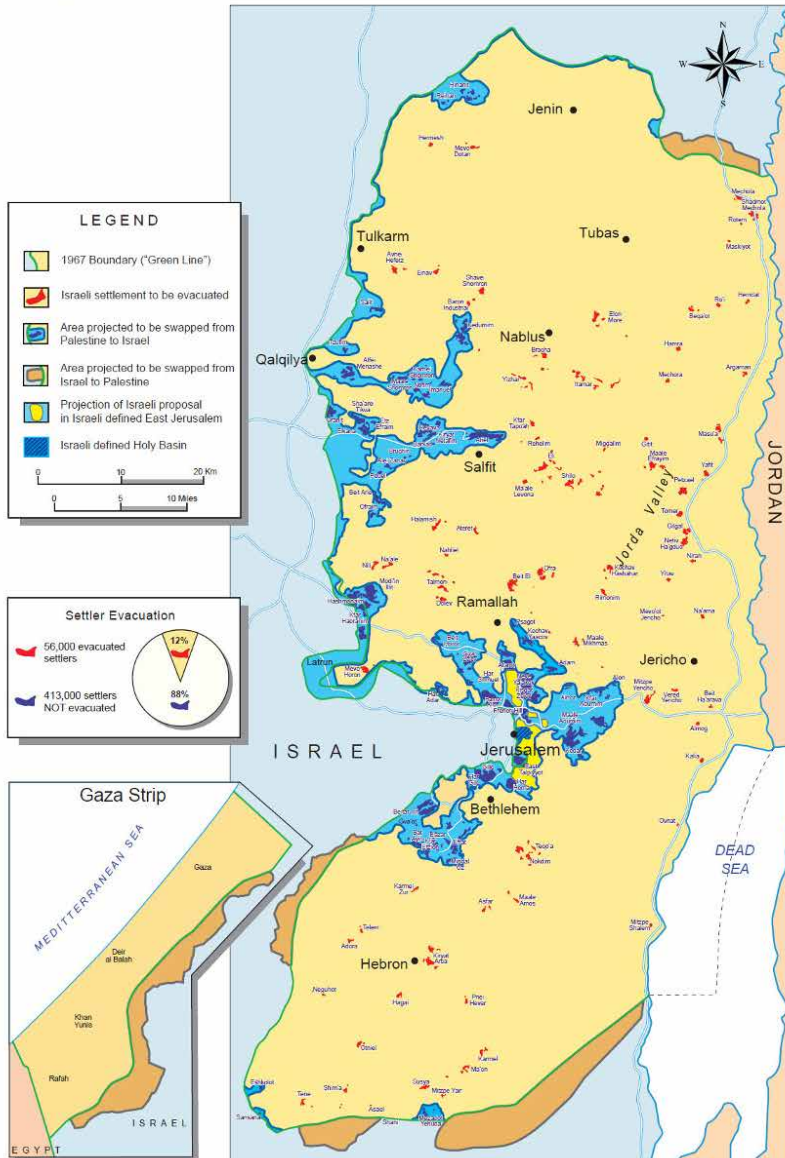
**Figure 7.** The Map Presented by the Palestinians in the Territory and Borders Committee, Known as the Palestinian “Swap Map” of 1.9%<sup>9</sup>



<sup>9</sup> This map had to be reconstructed, based on minutes of a meeting, as the Palestinian side never shared a copy of the map. See the Palestine Papers, (2008, June 15).

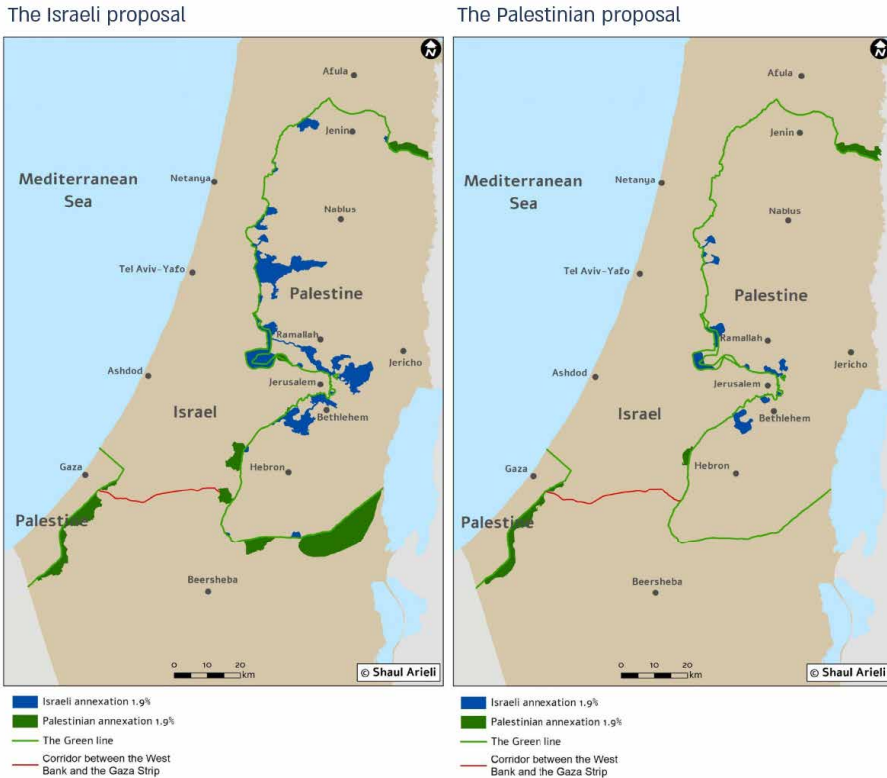
**Figure 8.** The Map Presented by Israel at the Start of the Negotiations in the Territory and Borders Committee<sup>10</sup>

Israeli proposal for territory



10 This map was also reconstructed by the Palestinian side, as Israel did not share a copy with the Palestinians. See the Palestine Papers, (2008, June 15).

**Figure 9.** The Revised Israeli Map (l) Presented by Prime Minister Olmert to President Abbas Versus the Palestinian Map (r), Which Was Identical to That Presented at the Start of the Negotiations



Maps produced by Shaul Arieli.

The Palestinian side rejected the Israeli map presented by Olmert (see Figure 9), based on the claim that it took away important territory and water sources from the Palestinian state and significantly expanded Israel's territory beyond that of the settlements. Therefore, the Palestinians again presented their initial map (see Figure 9) based on the swap of 1.9% of the territory and rejected the idea of leaving any settlements east of Route 60, which divides the West Bank from north to south and was presented as the "backbone" of the Palestinian state. Thus, they significantly reduced the size of the settlement blocs. In exchange, the Palestinians demanded a territorial swap of 1:1 in terms of quantity and quality, in reference to the northern

Jordan Valley (south of Beit Shean), in the Jerusalem corridor (to the north and south of it; in other words, the narrowing of the corridor), in the area of Latrun, and other areas.

Given the gaps between the positions, an attempt was made to “disaggregate” the discussion into smaller units of territory and to build the discussion from the bottom up. Thus, for example, the first discussion to take place considered Gush Etzion, based on the desire to understand what a settlement bloc was and what it entailed: What would it include? What would be its size? How many routes of access would it have? Would it have an interface with the Palestinian state? As these more pinpointed discussions revealed gaps between the positions, it became impossible to progress toward agreement in these discussions.

A status meeting with Secretary of State Dr. Rice took place in Berlin on June 24, 2008, on the sidelines of the conference of donors, with the participation of Abu Ala, Erekat, and Khaldi from the Palestinian side and Dekel and Becker from the Israeli side. Rice expressed disappointment with the lack of progress on the issue of territory and asked whether there was a way out of the deadlock. Dekel suggested a tour of the territory by the Territory and Borders Committee teams, based on the idea that creative solutions would emerge.

On the instructions of Secretary of State Rice, it was decided to hold a joint tour to achieve a more practical discussion and to find solutions that could break through the impasse. Creativity and the bridging of gaps were needed even before the first tour began. Thus, when the Palestinian team, headed by Dr. Samih al-Abid, arrived at the Hizme crossing and joined the members of the Israeli Territory and Borders team (Dekel, Tirza, Abu Rukun, and Arad), the Palestinian legal advisor, Khaled Elgindy, warned his group that they were not permitted to join the tour since, according to him, a visit by the Palestinian team to Maaleh Adumim could be interpreted as Palestinian recognition of the city’s legitimacy, even though it had been included in the itinerary prior to the tour. In the end, the tour set out after Dr. al-Abid obtained permission a second time from Abu Ala; this would be the first of many such

incidents. Nonetheless, the tours created a common language and a level of personal familiarity between the teams.

In the tour of Gush Etzion, the Palestinian team realized that Palestinians cultivated land within the boundaries of the settlements. The members of the Israeli team were surprised to learn that the situation on the ground was unknown to the Palestinian team, which had been working on the maps and studying the territory for about a decade. The teams sat down together on a hill and discussed the matter, at the end of which it was agreed not to draw the border on the basis of private land or cultivated fields and that the landowners and the farmers would be compensated individually.

The tours helped to clarify some of the Israeli positions: Israel would not annex territory populated by Palestinians and therefore it was not necessary to evacuate any Palestinian settlements; in practice, only Israeli settlers would have to be evacuated and resettled, and solutions could be found for providing transportation continuity in areas of friction.

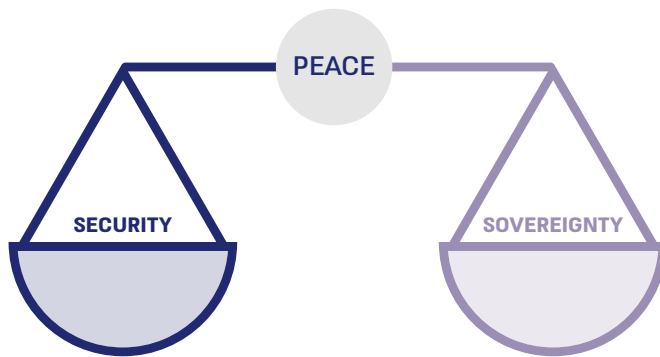
The Israeli side presented the claim that the number of Israelis to be evacuated from their homes would not exceed 20% of the Jews living in Judea and Samaria. From Israel's perspective, it could not evacuate more than 20% as it needed to gain broad public support and minimize harm to the inhabitants themselves. The heart of Israeli settlement in Judea and Samaria forms a triangle, whose vertices are Modiin Illit–Beitar Illit–Maaleh Adumim and its surroundings, an area that includes Jerusalem and greater Jerusalem. According to the calculations of the Israeli team, over 75% of the settlers were living within this triangle. Therefore, the Israeli team did not compromise on this issue on the maps either. On the map that Olmert presented to Abbas, the number of settlers to be evacuated rose from 70,000 to about 85,000, primarily due to the Palestinian demand that settlers and settlements would not remain within the Palestinian state.

The Palestinian side was shocked at the scope of building in the settlements, especially Maaleh Adumim, Beitar Illit, and Ariel, and found it hard to accept. It appears that the Palestinian negotiators began to realize that Israel would not evacuate these settlements. The Palestinian side reiterated their position that the Israeli settlements were illegal and that they had acquiesced to Israel

by agreeing to recognize the majority of the Jewish neighborhoods in East Jerusalem as part of the capital of Israel, in addition to being willing to accept a territorial exchange in lieu of the territory in the settlement blocs.

Throughout the process, the Palestinians did not stray from their basic position regarding the swap of territory and expressed opposition to the principle of a tradeoff between security and territory. In other words, the Palestinians felt that their demand for sovereignty trumped Israel's need for security (see Figure 10), even if they recognized that Israel had that need.

**Figure 10.** Palestinians' Demand for Sovereignty Versus Israel's Demand for Security

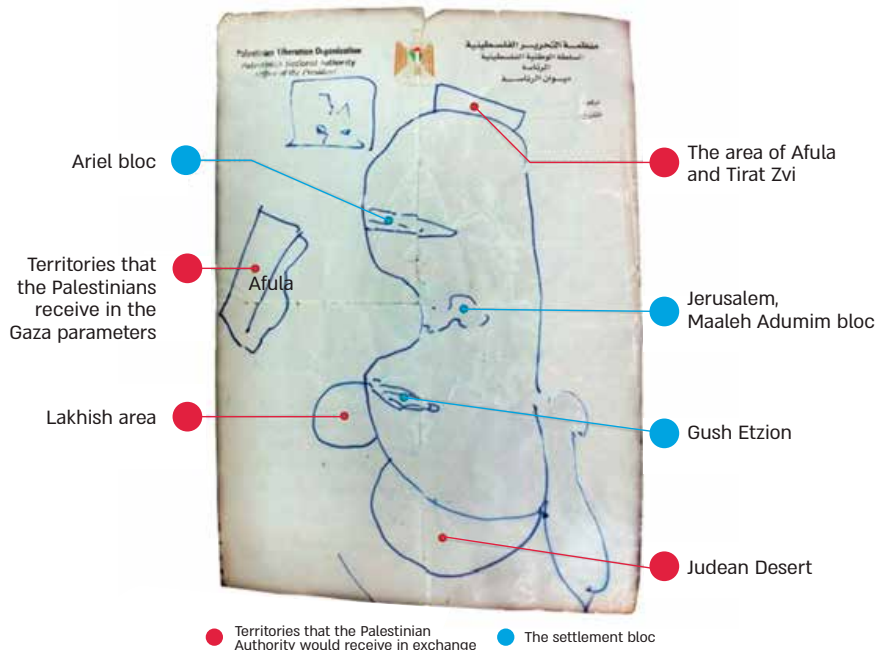


In discussions held on the side, the Palestinian representatives opined that Israel's demand for a minimal evacuation of settlers resulted from political and economic considerations rather than that of security. Indeed, **despite Israel's emphasis on security and the need for defensible borders, when drawing the maps, the Israeli side gave precedence to political and settlement considerations over security concerns.**

With the negotiations not producing any tangible results and the approach of the UN General Assembly meeting in September 2008, Secretary of State Rice wished to significantly progress in the negotiations and therefore proposed a bridging of the gaps according to an approach of "borders first." The idea was "Maaleh Adumim in exchange for Ariel"; that is, Israel would receive Maaleh Adumim and would concede Ariel. After some consideration, Prime Minister Olmert rejected the proposal, as did Palestinian president Abbas. Another attempt to achieve agreement on the maps occurred

after Prime Minister Olmert presented President Abbas with his proposal for closing the gaps on the core issues in November 2008. In this meeting, Abbas asked to receive the map drawn by Olmert on a napkin as an illustration [see Figure 11]. Olmert refused to give him the map without prior consensus over its main points, but Abbas rejected this demand, partly because his team was not present at the meeting. Therefore, it was arranged that a meeting of experts would take place in Washington where Olmert's final map would be presented and the Palestinian response would be submitted. However, the Palestinian side cut off contact and it was not possible to set a date to present the maps. The background to this situation was a deterioration in the security situation in Gaza and the escalation that led to Operation Cast Lead.

**Figure 11.** Olmert's Map Drawn During the Meeting with Abbas





**Figure 12.** Territory and Borders: Summary of Positions





## Security

The Israeli approach to security in a permanent settlement was and still is that Israel has chosen the way of peace, in part, **to achieve stable regional security and calm and prosperity for its citizens. The implication is that a peace treaty should not harm Israel's ability to defend itself and its citizens.** The assumption was that the Israeli public would not support an agreement that would increase the security risk to Israel's citizens and to its strategic home front.

At the start of the negotiations, the Israeli side presented the **basic assumptions of the Israeli position with respect to security arrangements:**

1. The Middle East was facing high level of uncertainty; it was difficult to predict where regional processes were going; there was mutual distrust between the Israeli and Palestinian sides, influenced by the ongoing multifaceted asymmetry between them, and therefore time was needed to build up trust.
2. Most of the Arab countries saw the resolution of the Israeli–Palestinian conflict as beneficial, but they refrained from becoming actively involved (for example, the Arab countries had even decreased their aid allocated to the PA). In this context, there were also the camps that opposed peace, primarily Iran and the Shiite axis, as well as the Arab oppositional axis and jihadist terror movements that have refused to recognize Israel's right to exist.
3. The lack of internal stability in the neighboring countries had reduced their motivation to help move toward a settlement between Israel and the Palestinians. In addition, Israel could not rely on these countries over time to meet its security needs.
4. The main question posed was whether the gap could be bridged between Israel's need for reliable security arrangements and the unwavering Palestinian position that did not want to harm the Palestinian state's sovereignty.

### *The Risks in the Event of an Agreement*

Israel's greatest concern was that the Palestinian state would fail, and it would be taken over by Hamas or some other radical Islamic movement, and

the territory which Israel had evacuated would become a base for terrorist infrastructure and a platform for terrorist attacks against the State of Israel, as occurred in the case of the Gaza Strip.

The security arrangements therefore had to provide a solution to the following scenarios: terrorist attacks against Israel from or by way of the territory of the Palestinian state; the possibility of an armed conflict with the Palestinian state or some force operating from its territory; the intensification of friction from various sources—people, borders, crossings, traffic, commerce, economic relations, and so forth; negative developments in the region that would affect the Palestinian state and Israel’s security, such as the takeover of Jordan by extremists or a change in the kingdom’s regime; a situation in which military or semimilitary forces attack Israel via Jordan, the Sinai Peninsula, or the Palestinian state; and the use of disruptive means from Palestinian territory against Israel.

During the negotiations, it was unclear whether the PA and the PLO could impose the conditions of an agreement on the Gaza Strip. At the same time, Egypt did not demonstrate any willingness or effectiveness in preventing the smuggling of weapons into the Gaza Strip, in particular missiles and high-trajectory weapons. Therefore, it was necessary to prepare for a situation in which Hamas or some other radical Islamic movement would continue to control the Gaza Strip.

The two sides had a profound gap in how they approached the implications of the negotiations (see Figure 13). While the Israeli side felt that security would lead to peace and that stability and security arrangements were necessary conditions for the peace between the two states, the Palestinian side repeatedly claimed that peace would provide security.

Although the Palestinian team publicly recognized Israeli security needs and the need to maintain its security situation following an agreement, it refused to accept any agreement in which Israel’s security would be achieved at the expense of the Palestinian state’s sovereignty over its territory. This led the Palestinians to demand a full Israeli withdrawal from the territory of the Palestinian state—land, air, and sea—which, according to the Palestinians, took priority over Israel’s security needs.

**Figure 13.** The Gaps in the Parties' Approaches to Security

| The parties' approaches           |   |  |  |
|-----------------------------------|---|---|--|
| "The day after"                   | A Palestinian state will not prevent the intensification of terrorist infrastructure against Israel | Peace will bring security   |  |
| Who is responsible for security?  | Responsible for its own security  | Israel security demands—a pretext for continuing the occupation                   |  |
| Deployment                        | IDF presence in the West Bank; symbolic international presence                                      | No Israeli presence in Palestine; an international military presence              |  |
| Demilitarization and restrictions | Demilitarization—"prohibited" and "permitted" weapons Israel's control of air space                 | Palestinian forces between police and army with limited arms                      |  |
| Transitional period               | According to Palestinian performance  | Short duration and international supervision of implementation                    |  |

Israel's security position rested on three pillars (see Figure 14): (a) **demilitarization** of the Palestinian state with respect to primary military capabilities and terrorist infrastructures, (b) creation of **security arrangements** that would provide Israel with conditional **strategic depth**, and (c) **bilateral and multilateral cooperation** to ensure compliance with the arrangements and to neutralize "spoilers" (i.e., forces or groups that oppose the peace agreement).

**Figure 14.** Israel's Vision for Security Arrangements

***Demilitarization***

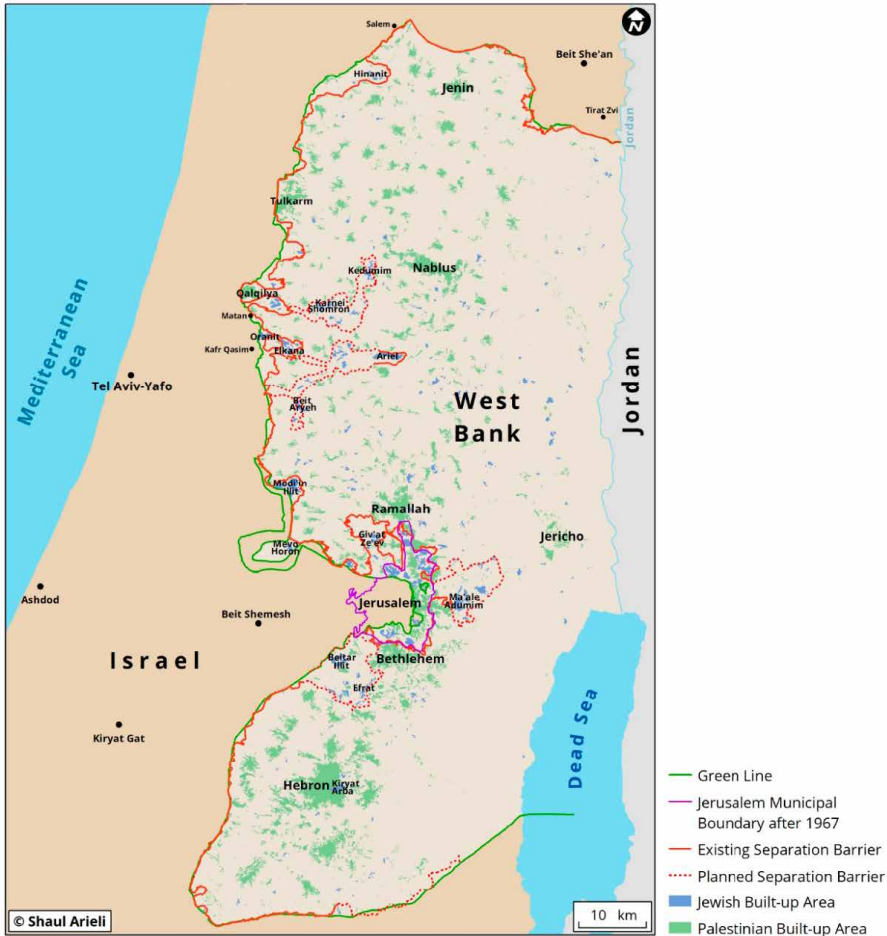
The Israeli position called for the demilitarization of the Palestinian state and the prevention of any aggressive action against the State of Israel from or by means of its territory. The Palestinians, however, did not agree to the demand that the Palestinian state should be fully demilitarized vis-à-vis the military capabilities that threatened Israel, and they opposed using the terms “demilitarize” and “non-militarized,” which had been used in the Clinton proposal. Nonetheless, they agreed to the demand to restrict their military capabilities and to limit the weapons that the Palestinian security forces would use. For example, they consented to the demand not to acquire military aircraft and helicopters, ground-to-air missiles, ground-to-ground missiles and rockets, and tanks. They also consented to the term “limited arms,” alongside a list of permitted and prohibited weapons provided in the appendix to the agreement.

***A Closed Border That Includes a Security Barrier***

The Israeli security position ruled out the idea of an open border—including in Jerusalem—that would allow the free and unsupervised flow of people and goods between the states. The route of the border was largely based on that of the Security Barrier (see Figure 15) with supervised crossings and security inspection. In contrast, the Palestinian side sought open borders that would allow the free flow of traffic, people, and goods, particularly if an economic agreement for free trade was reached or if a customs union was created.

**Figure 15.** The Route of the Security Barrier Presented in the Negotiations

Seam Zone and Separation Barrier, 2002–2020



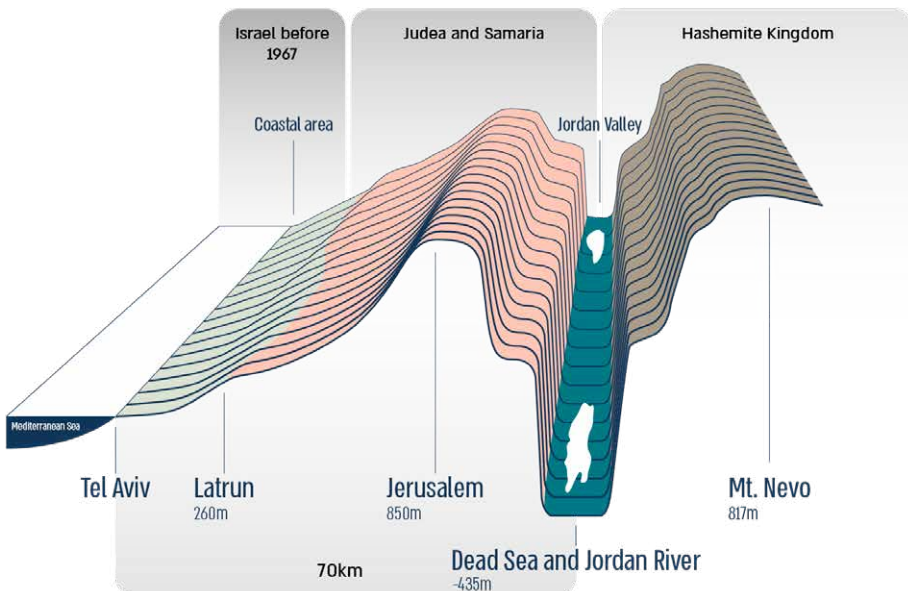
Map produced by Shaul Arieli.

***Conditional Strategic Depth***

Given that Israel stood to lose control of the area east of the border and especially the topographical superiority provided by the ridges of Judea and Samaria (see Figure 16) as well as Israel's lack of strategic depth and the close proximity of the Palestinian state to Israel's population centers, Israel's position was that security arrangements must include the following:

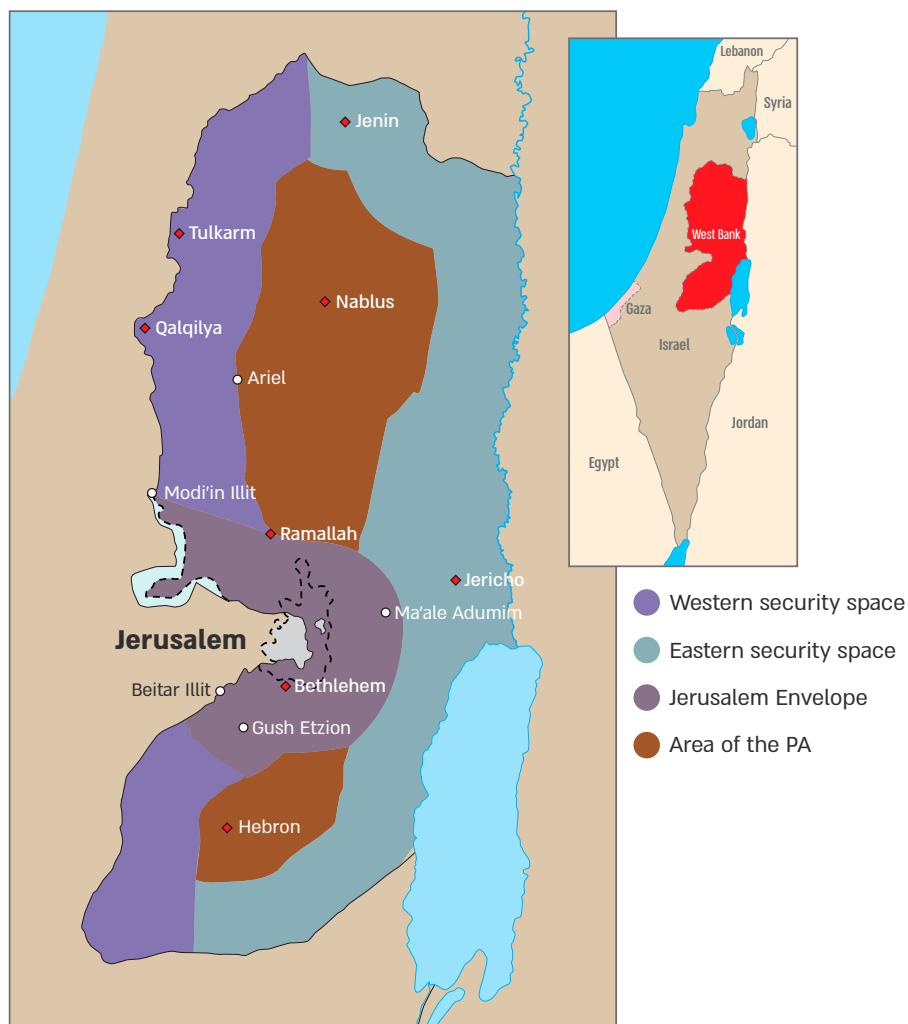
- deployment of the IDF for an extended period in the Jordan Valley to prevent the smuggling of weapons prohibited by the agreement and the penetration of state and non-state players hostile to Israel into the Palestinian territory.
- a unified airspace with ultimate security control in the hands of Israel. Splitting the airspace would be impossible, as it is only 70 km wide. To protect Jerusalem from aerial threats from the east, Israel would need to intercept enemy planes already as they cross the Jordanian border.
- a unified electromagnetic space, jointly managed and such that Israel's needs would be met (given its topographic inferiority and the fact that electromagnetic waves do not stop at borders).
- warning stations placed in the Palestinian state, which would increase Israel's warning time, primarily against aerial threats, ballistic missiles, and ground-to-ground missiles and rockets
- control and effective supervision of the security around the borders of Palestinian state (security envelope), including the Palestinian state's external and international entry points.

**Figure 16.** Topography as an Essential Component in Security Arrangements



The Palestinian side opposed unified aerial and electromagnetic spaces over which Israel would have ultimate control. As an alternative, Erekat again raised the idea of a NATO aerial presence, primarily consisting of early warning aircraft. The Palestinian side also opposed the deployment of IDF forces in the Jordan Valley for an undefined period, namely until the strategic situation had changed or until the Palestinian side had proved its effectiveness but was willing to compromise for IDF deployment for a period of three years, in parallel to its demand for the implementation period. In contrast to the positions of the military leadership, Prime Minister Olmert was prepared to make concessions on the presence of IDF forces in the Jordan Valley after the implementation period and was willing to have them replaced by a combined international/Jordanian force (an idea that Jordan opposed). With regard to early warning stations, the Palestinian side agreed to three stations on the condition that they be operated by American forces and without any symbols identifying the stations as being Israeli. The Palestinians also opposed Israeli supervision of the security envelope (see Figure 17), namely at the Palestinian state's international borders and crossings. At most, they would agree to supervision by an international or a neutral third-party mechanism.

**Figure 17.** The Concept of the Security Envelope and Security Zones in the West Bank



### ***Security Cooperation***

The Israeli position called for the establishment of an infrastructure that would facilitate three-layered security cooperation: (a) bilateral cooperation between Israel's security forces and the Palestinian security mechanisms; (b) a multilateral mechanism for cooperation that would include—alongside



the sides to the agreement—an international force to be established according to the agreement. Its purpose would be to supervise and verify the implementation of the security arrangements and prevent the creation of terrorist infrastructures in the territory of the Palestinian state; (c) a mechanism for regional security cooperation between Israel, Palestine, the US, and the Arab states, and especially Jordan and Egypt, which would support the arrangements between Israel and the Palestinians.

The Palestinians agreed to establish a bilateral mechanism as well as regional security arrangements that did not compromise their sovereignty but they would do so only after the creation of a Palestinian state. At the same time, they presented a demand according to which an international force would be deployed to separate between the IDF and Palestinian forces. According to this demand, the mandate of the force would include supervision and verification of the implementation of the agreement on both sides of the border and not only on the Palestinian side. In their view, the international force—which could be based on NATO forces—could allay Israel’s fears that a threat could come from the East and that the Jordan Valley could become a smuggling route (like the Philadelphia Corridor between the Gaza Strip and Egypt).

### ***The Role of the Palestinian Security Forces***

The Security Committee, led by Major General (res.) Amos Gilad and General Hazzem Attallah, the commander of the Palestinian Police, agreed on the roles of the Palestinian security forces: (a) maintaining law and order; (b) fighting terrorism and crime; and (c) protecting borders and preventing smuggling and infiltration of terrorists and members of extremist groups.

However, the Palestinian side conditioned their agreement that there would not be any Israeli security presence within the boundaries of the Palestinian state (on land, air, and sea) and that an international force would be present on the Palestinian side. Israel rejected this condition.

### ***Military Alliances***

The sides agreed to a prohibition against joining any military alliances with states or non-state players that were hostile to the other side.

***A Threat Combined With Capabilities and Hostile Intentions***

After many years of dealing with the threat of terror, one of the important lessons Israel learned was that it was difficult and almost impossible to deter terrorist organizations or extremist groups and therefore their capabilities—whether terror, semi-military, or full military—had to be neutralized. Therefore, Israel adopted a security approach that called for a continuous and long-term effort to dismantle the terrorist infrastructures, an activity that required high-quality and accurate intelligence and full military freedom of action, including entry into Palestinian city centers and villages, to search for explosives laboratories, lathes for producing rockets and other weaponry, as well as stockpiles of weapons and ammunition and neutralizing them. It also involved arresting terrorists and intercepting suicide bombers before they were able to harm civilians. These conditions could be met only on the basis of the Palestinian state’s willingness to maintain close cooperation between the security forces and to accept the formula set down by then IDF Chief of Staff Lieutenant General Gabi Ashkenazi in coordination with General James Jones, the American envoy sent to evaluate the security arrangements, which was “to the extent that the Palestinian security mechanisms do more, we will do less.”

In retrospect, the Israeli security concern, as presented in the Annapolis discussions, proved to be justified during the decade of regional upheaval in the Middle East, which began three years after Annapolis; however, there was no appropriate remedy for the situation of a nonfunctional Palestinian state. Moreover, Israel took a much harder line on security. Based on consensus between Prime Minister Netanyahu and the security establishment, **Israel felt that a long-term military presence in the Jordan Valley and freedom of operation on land and in the air throughout the West Bank, for managing the prolonged struggle and confrontation against the terror infrastructure and preventing its growth, was essential and would remain so after the establishment of a Palestinian state.**

**Figure 18.** Security: Summary of Positions

## Refugees

Refugees was the most charged issue to be discussed, partly due to the Palestinian narrative, which has placed moral and legal responsibility exclusively on Israel for having created the refugee problem and perpetuating it. As a result, the negotiations on this issue were handled differently than the other core issues. Although the discussions involved a small number of participants on both sides, representatives of the countries that “host” the refugees—such as Jordan—and the Arab League, in addition to American advisors, were also present (although informally).

At the beginning of the discussions, it became clear that both sides sought a comprehensive, just, and agreed-upon solution to the issue. Although this motif seemed to indicate that cooperation and progress toward consensus was possible, the two sides differed in their interpretation, which led to major disagreements. The Israeli side emphasized that the solution to the problem of the Palestinian refugees would be found as part of the “two-states-for-two-peoples” vision within the boundaries of the Palestinian state; that is, the Palestinian national home. Moreover, the Israeli position was that Israel was not responsible—and certainly not exclusively—for the refugee problem and instead wanted to bundle its solution together with resolving the problem of the Jewish refugees who had been expelled from the Arab countries in 1948.

In contrast, the Palestinian team claimed that a solution to the Palestinian refugee problem should be based on the “right of return” according to its interpretation of international law, of UN Resolution 194, and of the Arab Peace Initiative from 2002.<sup>11</sup> It also rejected the Israeli offer and demanded Israel’s recognition—both moral and legal—of having created and having perpetuated the problem. Furthermore, the Palestinian side made it clear that Israel’s recognition of its responsibility for the refugee problem, including the fulfilment of the “right of return” of an acceptable number of refugees (on an agreed timeline) to the state of Israel was a necessary condition for the Palestinians to agree to a resolution of the issue.

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11 Israel uses the term “Arab Peace Initiative” to refer to the Annapolis process and the Roadmap. The Arab Peace Initiative refers to solving the refugee problem based on “just and agreed” terms established by UN resolution 194, which Israel has refused to accept as a reference point.

As expected, the discussion of resettling the refugees—or the “right of return,” as it is more popularly known—was an explosive one.

The Palestinians expressed major reservations with respect to the Israeli statement that the Palestinians have the right to Palestinian citizenship according to Palestinian law and that Palestine is the homeland of the Palestinian people. The Israeli side had to calm down the Palestinian representative, Ziyad Clot, a refugee according to his own self-definition, who threatened Saeb Erekat that he would leave the team if he showed any flexibility toward the idea that the solution to the refugee problem is the granting of citizenship in the Palestinian state rather than return to the territory of the State of Israel.

While the Israeli side insisted that the establishment of a Palestinian state as the national home of the Palestinians should be the solution to the problem of the Palestinian refugees and that the State of Israel should not be the destination of those returning, the Palestinians insisted that fulfilling the right of return to the State of Israel was fundamental and added that there could not be any agreement without settling a number of refugees in Israel and according to a defined timetable. Although later, the Palestinian side showed some flexibility in their readiness to accept the responsibility of both Israel and the international community for the refugee problem, no consensus was achieved.

Attempting to bridge the gap, Prime Minister Olmert expressed his willingness to President Abbas to accept 5,000 refugees into Israel, at a rate of 1,000 per year for five years, as a humanitarian gesture. However, the Palestinian side again emphasized that it could not agree unless Israel was ready to allow the return of a much larger number of refugees. The lowest number of refugees mentioned by Erekat was 80,000. President Abbas agreed to the principle that Israel, as a sovereign state, should have the right to decide who would be allowed entry and who would be eligible for citizenship. Furthermore, the two sides agreed that most of the refugees would be resettled in Palestine, in the “hosting” countries where they currently resided, or in third-party countries willing to accept refugees. The Israeli side did not relate to the question of where the refugees would be settled on their return to Palestine, since this was an internal Palestinian matter.

Despite the fundamental lack of agreement and the differing narratives of the refugee issue, the teams also dealt with the subjects of refugee compensation and rehabilitation. The Israeli side expressed willingness that the refugees should be rehabilitated and compensated by an international mechanism. Essentially, Israel agreed to the American proposal formulated by the team of US Secretary of State Rice, which would create an international mechanism to deal with the refugee problem. The Palestinian side at first was opposed to this initiative; however, given the determination of Secretary of State Rice, a consensus was reached on the issue. Thus, the two sides agreed that an international mechanism should be established to end the refugee situation, and it would be the exclusive body for dealing with the refugees' demands, resettlement, rehabilitation, and compensation. Moreover, the sides agreed that the international mechanism would constitute a tool with which to implement the bilateral agreement regarding compensation and resettlement of the refugees in Palestine.

A great deal of thought was given to the design of this international mechanism. It was clear that its role would be to gather information, to find a solution for every refugee, to give a value to their property, and to deal with their claims; however, it was not decided who would be allowed to make a claim—individuals, families, states—and whether it would be possible to claim for suffering and how Israel would contribute to this mechanism. Moreover, the two sides did not discuss the economic implications for the host countries as a result of the international mechanism nor the connection between the agreement that was to be reached in the negotiations and the mechanism. Furthermore, no timetable was determined for the mechanism's activities or when its mandate would come to an end, nor for the subcommittees that would operate within it. Thus, the two sides did not give any real answer to the question of when the sensitive refugee issue would be fully resolved.

In any case, the Israeli side sought to define this mechanism as a professional body rather than a political one. Therefore, the US was supposed to appoint the head of the mechanism and the heads of the committees, while ensuring that the steering committee would not include the countries involved in the mechanism; however, the question as to the identity of those organizations involved in the mechanism's operations—existing organizations or perhaps new ones—was not resolved. In addition to establishing the mechanism, the teams also agreed to the dismantling of the United Nations Relief and

Works Agency (UNRWA). The purpose of the mechanism was to aid the Palestinian state and not to operate in place of UNRWA; therefore, it was agreed in principle that UNRWA would be dismantled within a few years after the agreement's implementation.

One of Israel's interests in this context was the right of Israelis who had left Arab countries to claim compensation for property that they had left behind. Another important interest was, of course, that claims against Israel be withdrawn and that the "closure" of the refugee issue take place on a practical level by changing the status of the refugees to permanent residents and by ensuring their rehabilitation in the host countries.

The Israeli team sought to ensure that anything agreed upon would be implemented as quickly as possible so the Palestinians could not delay implementation and refuse to agree to the end of claims until a just and complete solution of the refugee problem had been achieved. It could be claimed that a consensual definition of an "end to the conflict" related to the mutual claims of both sides; however, that was not the case here. More accurately, an agreement on an "end to the conflict" and the end of claims by the two sides was intertwined. Agreeing to an "end to the conflict" would not necessarily lead to the end of claims, although agreeing to the end of claims would lead to an "end to the conflict." In other words, to achieve an end to claims, it was imperative to find a solution and reach a settlement for every claim that each side held against the other. Although this could have been implemented by establishing principles to resolve the claims, in the case of the refugee issue and its connection to the "end to the conflict" in the Israeli-Palestinian context, it was necessary to have a procedural mechanism for discussion, so that the claims were channeled into one agreement only and could not be discussed within the framework of other agreements. Moreover, neither side could make additional claims to the one claim that would be raised before the international mechanism. The Palestinian side felt that this mechanism would constitute a tool for implementing the bilateral agreement and that the sides would have no additional obligations in this matter. However, in practice, the implication was that Israel could have obligations to third parties such as Jordan.

On the Israeli side, it was thought that Israel should not take part in the international mechanism itself and that its role would end with transferring funds to the mechanism as a limited contribution to the international effort. The

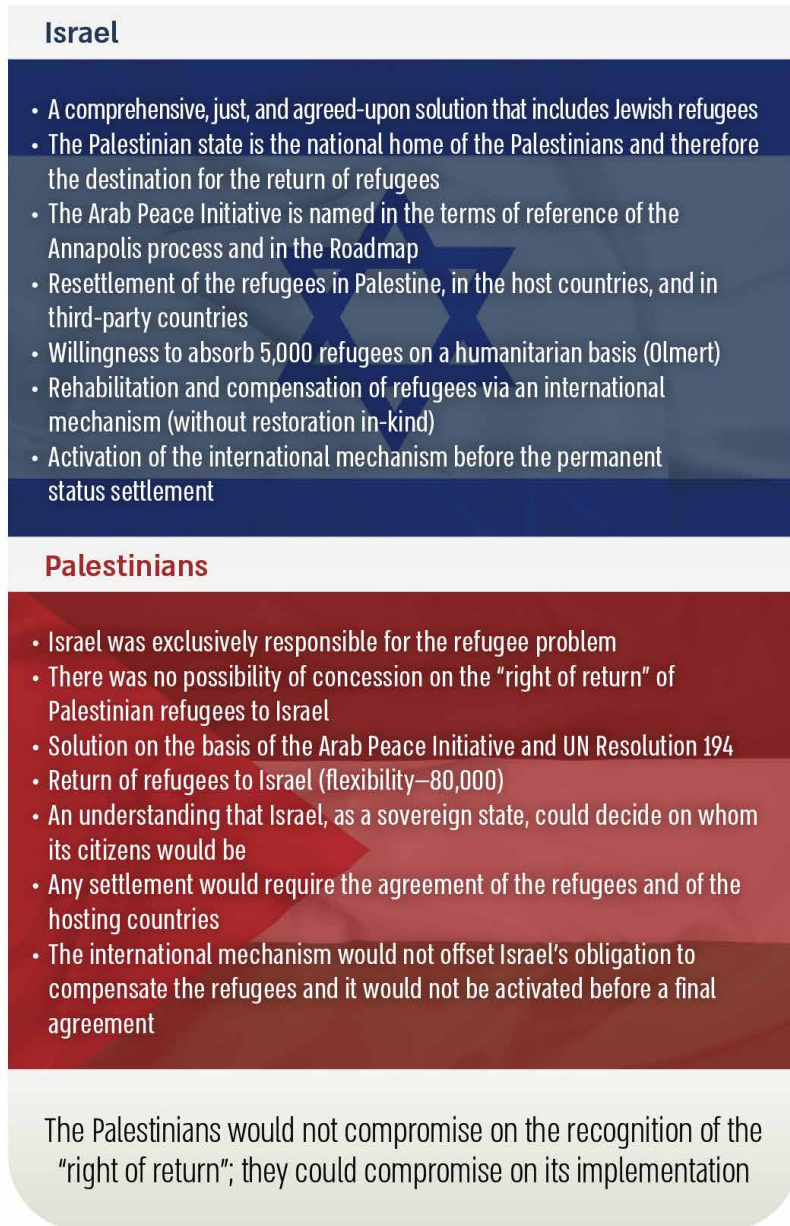


Palestinians, however, insisted that the Israeli contribution to the mechanism should cover the claims for “restoration in-kind” and for any compensation upon which the two sides would agree. Their demand was that Israel would return the refugees’ property “in-kind” and would compensate for material and nonmaterial damage caused to the refugees. The Palestinians also demanded that the issue of compensation to the host countries be discussed by the countries themselves. Needless to say, Israel opposed the Palestinian idea of “restoration in-kind,” compensation for nonmaterial damage, and for the “hosting of refugees.”

In April 2008, Foreign Minister Livni decided that Israel would not give its financial contribution directly to the refugees but instead to the Palestinian state. Israel’s providing of the funds would constitute its acceptance of being responsible for the refugee problem to some extent, but it would be conditional on the Palestinians declaring that they too were responsible for the refugee problem.

The Israeli team was particularly challenged by the Palestinian demand that Israel would hand over the custodial documents for abandoned assets to the international mechanism. Dekel and Moran-Gilad held a meeting with the Custodian General, during which it became clear to the Israeli side that property was a more complex issue than it had originally understood. Furthermore, no land survey had been carried out within Israel where millions of acres are defined as “abandoned assets,” which are privately owned or under the ownership of the Supreme Muslim Council.



**Figure 19.** Refugees: Summary of Positions

## Jerusalem

Although the issue of Jerusalem was not explicitly mentioned in the Annapolis work plan (Palestine Papers, 2008, June 30), it was recognized at the Annapolis Summit that the negotiations would deal with all core issues, without exception. In addition, when the sides decided on the format of the agreement, according to the issues raised for discussion and the committees established, the Palestinians demanded that the issue of Jerusalem be placed at the top of the agenda for the discussions (Palestine Papers, 2007, December 3). In the understandings reached between Prime Minister Olmert and President Abbas, they agreed that the discussion of Jerusalem would take place later in the negotiations rather than at the start, since both of them felt that it was preferable to start with issues that had a relatively greater chance of reaching agreement, rather than immediately exposing the distance between the sides on the highly sensitive issue of Jerusalem. Abbas seemed to have understood the political and coalitional constraints facing the Olmert government. Yet, despite these early understandings, the Palestinian side raised the issue of Jerusalem in meetings between Abu Ala and Livni (Palestine Papers, 2008, January 27), and in the trilateral meetings between the heads of the negotiating teams and US Secretary of State Rice and her staff (Palestine Papers, 2008, June 15). Although the Israeli side chose not to respond (Palestine Papers, 2008, January 27), these attempts to raise the issue of Jerusalem did allow the Israeli side to better understand the Palestinian and American positions and to start the work of formulating an Israeli position.

Prior to presenting Olmert's "package" of core issues, which included a proposed arrangement for Jerusalem, the negotiating team wrote a position paper. It was based on previous papers produced primarily by the Jerusalem Institute for Policy Research and by an Israeli-Palestinian group as part of the track-two diplomacy under the auspices of the Canadian government. The position paper, written under the direction of the prime minister, focused on the option of demarcating a "special zone" named the "Holy Basin" or the "Historic Basin." According to this idea, there would be no division of sovereignty between the sides in this special zone, and administrative authority would be granted to an international third party. The position paper included an exact drawing of the zone's boundaries, a plan for movement

and entry/exit points, access and transportation routes, the construction of a model for security and municipal control, a definition of the residents' status, the implications of an open border as opposed to supervised borders, and so forth.<sup>12</sup>

The Palestinians repeatedly stressed that Jerusalem was a key issue in reaching an agreement, according to the principle of two capitals for two states. According to their claim, a Palestinian state without East Jerusalem as its capital would not be sustainable and would have neither the support of the Palestinian population, the Arab states, nor the Muslim world. To that end, the achievement of a stable agreement on Jerusalem would require agreement on borders, a division of sovereignty, and a series of arrangements and rules for cooperation that would guarantee a physically undivided and "open city" (Palestine Papers, 2008, June 15).

The Palestinian position on borders in Jerusalem was based on the principle of the June 4, 1967 demarcation line, with modifications according to the principle of a territorial exchange and a clear division of sovereignty. The Palestinians presented their position in the Territory and Borders Committee session on May 4, 2008, despite the aforementioned Israeli position that it was impossible to discuss the borders in Jerusalem before resolving the issue of control and sovereignty of the city. The Palestinians insisted on their right to present their version of Jerusalem's borders and indeed they provided a map that included the border and the exchange of territory, according to the principle of "one to one" in quality and quantity (Palestine Papers, 2008, May 4).

On the Palestinian map of the Jerusalem municipal area (see Figure 20), the Jewish neighborhoods beyond the Green Line were within the territory of Israel and its capital, and they included Gilo, East Talpiyot, Neve Yaakov, Pisgat Zeev, Ramot Alon (Ramot), Ramat Shlomo, French Hill, Ramat Eshkol, Maalot Daphna, and the Jewish Quarter in the Old City, as well as the Western Wall, although only the exposed part (Palestine Papers, 2008, May 4). The Palestinians made clear that they would oppose Israel's annexation of the Har Homa neighborhood, which was established after the Oslo Accords, and which they believed was intended to prevent Palestinian access to Jerusalem

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12 In conversations with Secretary of State Rice, she related to many of the points that were raised for discussion (Palestine Papers, 2008, August 25).

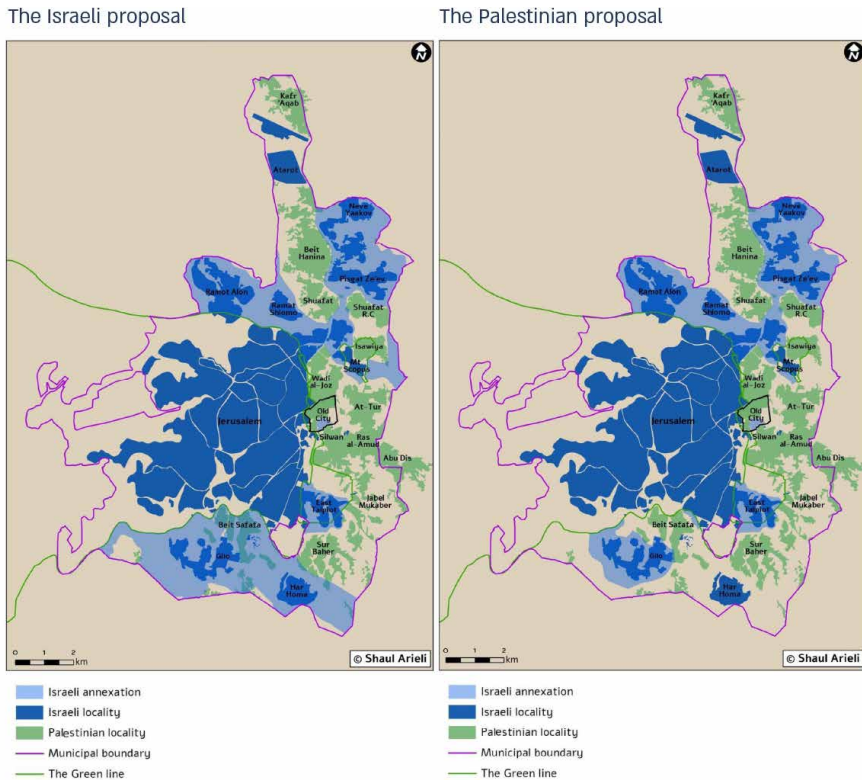
from Bethlehem. Similarly, they opposed the annexation of Maaleh Adumim, which cut off the southern part of the West Bank from the northern part, and of Givat Zeev which they viewed as a barrier between Jerusalem and Ramallah (see Figure 21). The Palestinian map also showed traffic routes that would be under their control. For example, they opposed Israeli sovereignty over the traffic route connecting Gilo to the Pat neighborhood, since the Arab neighborhoods of Beit Safafa and Sharafat would be in the territory of the Palestinian capital (Palestine Papers, 2008, May 4).

From the Palestinians' point of view, they had made a genuine concession to the Israeli side. Erekat didn't miss an opportunity to emphasize that this was the first time that the Palestinians had agreed to the annexation of the Jewish neighborhoods by Israel and added that 'We are building for you the largest Jerusalem in history' (see Palestine Papers, 2008, May 2). In exchange, the Palestinians demanded territory as part of a swap in the Jerusalem corridor (the areas of Nataf and Tsur Hadassah). However, the Israeli side refused to hand over territory in the Jerusalem corridor, which is already quite narrow and envelops Jerusalem from three directions.

The Palestinian side and President Abbas of the PA presented their approach that Jerusalem should be an "open city" to ensure the continued connection and freedom of movement between the two parts of the city and the sharing of infrastructure. Furthermore, they had a vision of two separate municipal entities, one for East Jerusalem—the Palestinian capital—and the other for West Jerusalem—the Israeli capital. Abbas raised the idea of a "supreme municipality," that would be responsible for shared infrastructure, coordination of municipal services, and cooperation between the two capitals. He even agreed that it would have an Israeli mayor. Previously, in a meeting between Foreign Minister Livni and Abu Ala, the latter explained the meaning of an "open city" as "to have Israeli check up for those coming into the city from the Israeli side, and a Palestinian check up for those coming into the city from the Palestinian side, with different models of coordination and cooperation in municipal services related to the infrastructure, roads, electricity, water, sewage and the removal of waste material" (Palestine

Papers, 2008, January 22). Livni responded that Israel's security interests require clear and supervised borders in Jerusalem.

**Figure 20.** Map of the Municipal Area of Jerusalem: Israeli Proposal Versus the Palestinian Proposal



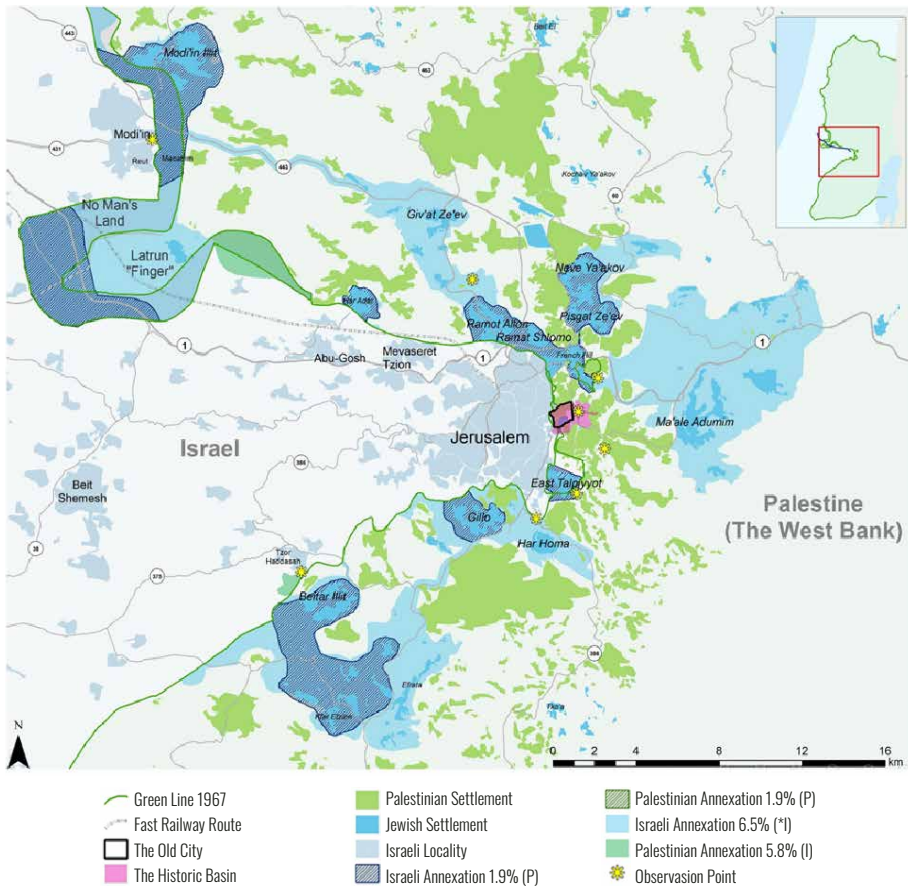
The Olmert plan for Jerusalem, which was included in the overall work plan for the core issues, was first presented to Abbas on September 16, 2008, when it was already clear that Olmert would not be running for prime minister in the elections scheduled for early 2009. According to the plan (Figure 20), all of the Jewish neighborhoods—including Har Homa—would remain under Israeli sovereignty (according to the map Olmert presented, Maaleh Adumim and Givat Zeev would also remain under Israeli sovereignty, see Figure 21), and the Arab neighborhoods would be under Palestinian sovereignty, some or all of which would be within the boundaries of the Palestinian capital. In addition, the Holy Basin (or the Historic Basin), which

included the Old City, the City of David, and Mount Scopus (the Jewish cemetery), would constitute a special zone. Both sides would suspend claims to sovereignty in this area. Instead, the two sides would adopt a functional solution and would agree to grant administrative authority over the zone to a third party—a kind of international trusteeship. In addition, a council of trustees consisting of five nations—Israel, Palestine, Jordan, Saudi Arabia, and the US—would serve as a steering committee for discussing disputes and determining administrative guidelines for the special zone, and it would oversee the freedom of worship for all religions in the area. Its source of authority would be the agreement that the two sides would sign and a UN Security Council resolution would provide this council with international ratification. A timetable was not defined, and the agreement would apply as long as the sides did not decide to change it (Shiffer, 2009).

According to the Israeli proposal, the entity administering the special zone would be given a specific mandate accepted by both sides. Apart from municipal administration, it would have the authority to maintain stability, prevent terror, maintain law and order, regulate traffic, and protect the rights of residents and business owners in the special zone. The special zone would have controlled entry—from both the Palestinian and the Israeli sides—and it would maintain the principle of freedom of worship. Abbas chose not to respond to this proposal but preferred to study it and to consult with his staff. The Palestinians raised a number of questions, some of which were presented by Erekat in his meeting with Dekel.

The Palestinians demanded clarifications on the issue of sovereignty; they requested the expansion of the special zone also to areas of West Jerusalem (the Muslim cemetery in Mammilla); they wished to know the type of border (open or closed; gate/wall) there would be in Jerusalem; what would be the timetable for implementing the special zone and would negotiations continue for a final-status arrangement in Jerusalem; how would the existing situation be preserved until the final-status decisions are made; and they also raised issues related to excavations and archaeology.

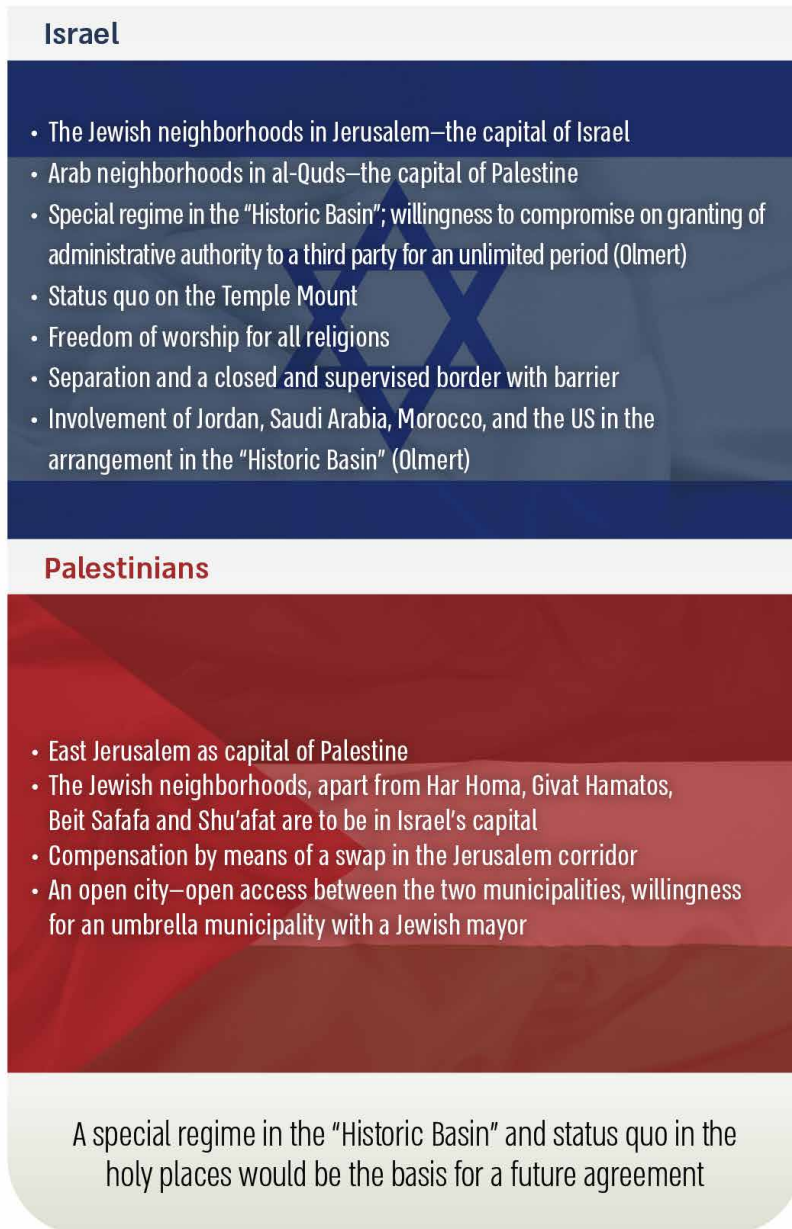


**Figure 21.** Map of Outer Jerusalem: Israeli Proposal Versus the Palestinian Proposal

Map produced by Shaul Arieli.

In another meeting between Olmert and Abbas, which took place two months later, Abbas decided not to raise the questions but did demand a detailed map of the Olmert proposal. The two sides decided to hold a special meeting to present the map to the Palestinian side, which would be attended by the negotiating teams and Shalom Turgeman, the prime minister's political advisor. This meeting did not take place and each side claimed that the other side avoided holding it.

**Figure 22.** Jerusalem: Summary of Positions





## Additional Committees

### *Water*

The main goal of the negotiating teams that dealt with the water issue was to reach a consensus on dividing up joint water sources. Professor Uri Shani led the Israeli side of the committee while Fadel Kawash led the Palestinian side. Water as a core issue in the negotiations required close coordination with the teams dealing with borders, security, economic issues, and environmental quality. From the Israeli perspective, it was necessary to ensure a pragmatic and implementable agreement, accompanied by effective monitoring and enforcement mechanisms that would prevent unauthorized drilling, overpumping, and polluting, which would violate the agreement. The Israeli side saw the transitional agreement (September 28, 1995) as a sound basis for a permanent agreement with the Palestinians, who, from their point of view, had arrived at the negotiating table “afresh” and refused to use the previous understandings with Israel on this matter.

The differences between the sides regarding the data on the water situation were significant. The two teams had numerous discussions on the quantities and the management of water sources, water quality, and waste treatment, as well as quality of the environment and water security, without reaching any consensus or resolution. Both teams presented differing estimates of the quantity of water in the reservoirs and disagreed on the principles for its allocation. The Palestinians repeatedly demanded that the committee should discuss the definition and demarcation of joint water sources and the rights of the sides and suggested joint management that would be based on international law. In addition, the Palestinian team defined the joint water sources as comprising the Jordan basin (including the Sea of Galilee), the Carmel aquifer, and the coastal aquifer. The Israeli team insisted that these sources were not shared and expressed willingness to share—in addition to the mountain aquifer—the waters of the Jordan River, south of the Bezek river. The Palestinians proposed establishing a team of experts who, in parallel to the negotiating team, would prepare data on the water sources, claiming that the data would serve as a professional basis for the work of the negotiating team. Israel expressed willingness to create a subcommittee of experts, but no agreement was reached on its mandate.

In the end, the committee's task culminated before the two sides made any real progress, since the two sides had clung to their positions. The Palestinians refused to discuss the final issues as long as an agenda was not agreed upon and as long as Israel was unwilling to discuss the Jordan basin. Israel indeed refused to discuss the Jordan basin and the aquifers, as it did not consider them shared water sources.

### ***Economic Relations***

The goals of the heads of the negotiating teams for economic relations—Yarom Ariav on the Israeli side and Samir Houlaila on the Palestinian side—were identical; namely to create a situation of two independent and stable economies, with a potential for growth. The discussion between the teams focused on numerous topics, including trade agreements, external exits/entrances, joint border crossings, agriculture (also discussed by the “state-to-state” committee), commerce in services, employment, the effect on relations with other countries, fiscal/taxation policy, monetary policy, as well as investment and industrial zones. Indeed, the two sides agreed on the principles for the basis of two independent economies, economic cooperation, and cooperation on the basis of a free trade zone. The Palestinians demanded that they be given absolute priority in the export of agricultural produce to Israel, Palestinian labor, and the approval of Palestinian services to be provided within Israel. The Israeli side conditioned the acceptance of the Palestinian demands on the existence of an effective economic border, with crossing points and terminals, whose operations would be subject to security considerations. The sides agreed that they would assist each other in widening the circle of trade and were willing to use aerial, land, and sea corridors for the transit of Palestinian goods via the Israeli ports. In addition, the two sides agreed that they would discuss a free trade zone as an option for organizing economic relations between the sides.

Salam Fayed, then the Palestinian prime minister, requested that the implementation of the agreement for a separate customs union be deferred, out of concern that the Palestinian state would not meet the conditions for tax collection from the Palestinian public and therefore he preferred to maintain the single customs in order that Israel continue to collect the tax and so that the revenue sources of the Palestinian state would be preserved.

### *Culture of Peace*

A culture of peace was the only issue on which the two sides—led by Daniel Taub on the Israeli side and Sufian Abu Zaida on the Palestinian side—reached an agreed-upon draft of the clause in the agreement.

The sides agreed to a mutual obligation of preventing incitement and anchoring its prohibition in law. They also agreed that tolerance would be encouraged in school textbooks, including religious tolerance, with explicit reference to Judaism, while incitement in school textbooks and in curricula would be immediately addressed. In addition, the two sides concurred that they were committed to encouraging the electronic and written media, as well as religious leaders, to get involved in promoting a culture of peace.

Part of the consensus included options for the development of dialogue and cooperation on academic, cultural, scientific, and other levels. In addition, the two sides discussed establishing a joint mechanism for supervising and verifying implementation and assistance from relevant international bodies, such as UNESCO. The importance of the committee was manifested by the change in attitude between the sides, in terms of joint thinking about educating the next generation. The representatives of the committee traveled to Northern Ireland—a region that had experienced a prolonged and bloody conflict—to learn from that experience and about implementing in practice this important clause.

After the sides reached a full agreement, Dekel suggested to Erekat to begin the implementation of what they had agreed upon, with emphasis on education for peace. Foreign countries and various nongovernment organizations were willing to assist in realizing the desire to build up relationships between individuals and between peoples. However, Erekat rejected the proposal based on the principle of “nothing is agreed on until everything is agreed on.” The attempts to persuade the Palestinian side that education for peace, the creation of a conducive atmosphere, and “people to people” activities are crucial for the advancement of the agreement all failed.

### ***“State-to-State”***

This committee discussed a variety of “soft” issues comprising day-to-day functioning of a country, such as healthcare, tourism, archaeology, social welfare, and agriculture, including also veterinary issues and the protection of plants. Due to the broad range of subjects, this committee, headed by Yossi Gal on the Israeli side and Saeb Erekat on the Palestinian side, was divided into subcommittees, each one focused on a single issue and comprised of a large number of experts.

The starting assumption of the State-to-State committee was that the existing agreements on related issues would remain valid, unless they agreed to change them. The goal was to determine whether these existing arrangements provided solutions in the emerging reality and to define issues that would require special arrangements.

### ***Healthcare***

The discussions of this issue progressed to the point of an exchange of drafts. Erekat explained to the teams that besides the area of Jerusalem, already in 1994 most of the healthcare responsibilities were transferred to the Palestinians and that he expected the Israeli side to remember this during the discussions. The Palestinians sought cooperation while in parallel wished to avoid dependency on Israel. Indeed, both sides had an interest in the existence of an independent Palestinian healthcare system, operating in cooperation and coordination with the Israeli one. The two sides shared points of agreement regarding the training of Palestinian staff in Israel, the modification of the vaccination program, the sale of healthcare services to Palestinians at low cost (in coordination with Israel’s Ministry of Finance), cooperation in treatment of sewage and waste water, coordination in responding to epidemics, and cooperation in the event of disasters. Israel’s desire to prevent the trickling of substandard pharmaceuticals from the PA into Israel ran into difficulties and the sides were not able to reach any consensus regarding the harmonization and regulation of the import and export of pharmaceuticals. Another issue that the sides did not resolve was preventing spoiled food and products that did not meet Israeli standards from entering Israel. Israel’s desire for mutual recognition of producer licenses and mutual inspection of food factories did not reach any conclusion either.

A dispute arose among the members of the Palestinian team itself when an NSU (Negotiations Support Unit) representative emphasized to the Israeli side that they could not be treated like an independent country and therefore a transition period of at least 10 years would be needed to build up medical capabilities. Erekat, who wanted a short implementation period of up to three years, responded that he would like to see progress in the various areas and that discussion with the Israeli side should be in terms of specific needs rather than slogans.

### ***Tourism***

The sides agreed to cooperate in developing, promoting, and marketing tourism packages and holding joint tourism fairs. Although the two sides expressed a willingness to cooperate in this area, irreproachable differences in their approaches quickly appeared. The Israeli team sought to both preserve and avoid harming the Israeli tourism industry given the relative advantage of Palestinian tourism, including lower costs of accommodation in the PA. Thus, for example, the Israelis demanded that only an Israeli licensed tour guide should actually lead tours in Israel. The Israelis were also cautious about security and preventing the illegal entry of hostile elements into Israel.

The Palestinians viewed tourism as a leading industry and wished to exploit it to strengthen their connection to the holy and historical sites in the region. They clung to the position that the employment possibilities should be expanded to Palestinians who could benefit from the tourism industry, including the opportunity to work as tour guides and bus drivers in Israel and to develop tourism infrastructures, even those that do not currently exist in Israel, such as casinos.

The issue of border crossings between the two sides and the desire to leave them open for free movement and thus to encourage tourism also came up in the discussions of the Tourism Committee; however, the subject of tourism did not develop into a discussion in the Border Crossings Committee. This emphasized the complexity of the positions and agreements presented in the different committees and the need to synchronize between them.

### *Archaeology*

This issue proved to be one of the most complex and required “digging through layers of rock,” to overcome the bone of contention. The Israeli side considered the preservation of the Jewish people’s heritage and its historic connection to its homeland as particularly important as well as ensuring freedom of worship at the holy sites. The Israeli side also sought to maintain the number of visitors to the sites and to ensure that the Jewish historical and religious sites were properly maintained according to both the Antiquities Law and acceptable practices of archaeological sites around the world. The main concern of the Israeli professionals was that the sites in Judea and Samaria had not been preserved; rather, they had been subjected to destruction, looting, and trafficking of archaeological artifacts relating to generations of Jewish settlement in the Land of Israel.

The two sides agreed to provide access to important Jewish heritage sites and to share information on destruction, theft, and illegal trade of archaeological artifacts. The two sides also decided upon the division of findings between the state and the digger according to the Jordanian Antiquities Law, as well as to establish museums in Judea and Samaria by a trustee acting for both sides. The issue of preserving knowledge was also raised. The sides consented to a gradual transfer of findings according to the schedule of their publication (at the time, Israeli researchers were about to publish a number of books about findings from various digs and it was agreed that they would subsequently be handed over to the Palestinians). The two sides also concurred that digging licenses should be given according to accepted international standards and that a joint museum should be created for preserving knowledge.

The Palestinian side brought up the issue of the Dead Sea scrolls and their return to the Palestinian state—where they had been discovered—the Israeli team refused to discuss it.

### *Agriculture*

The Israeli side was interested in agriculture primarily to protect Israel’s economy from competition and to avoid harming Israeli agricultural production. At the same time, it sought to facilitate the development of Palestinian agriculture, based on an understanding that agriculture was

an important component of the Palestinian economy. Israel viewed the Palestinian market as another export market for Israeli agricultural produce and as a gateway to other countries in the region.

The Palestinians considered Israel a major export market for their agricultural produce and sought preferential conditions for their agricultural exports to Israel. In addition, the Palestinians wanted to reduce Israel's supervisory restrictions imposed on the entry of Palestinian produce into Israel. This conflicted with Israel's desire to maintain the standards and norms regarding the protection of plants, including a demand for transparency from the Palestinians about the cultivation and handling of agricultural products imported by Israel. In addition, the two sides differed in their approach to preventing disease among farm animals. The Palestinians also requested that Israel not be involved in the transport of animals and produce between the Gaza Strip and Judea and Samaria.

Overall, the "State-to-State" Committee did not reach any agreement on the details of the various issues and found it difficult to avoid discussing issues that were being handled by other committees, such as the holy places and transportation.

### ***Infrastructure***

This committee was led by Hezi Kluger, the director general of the Ministry of Energy, on the Israeli side and Dr. Muhammad Shtayyeh on the Palestinian side. Although the objective of both sides was the gradual separation of infrastructure, which required the buildup of independent Palestinian capabilities, there were disagreements in this context. According to the Palestinians, the purpose of building up independent capabilities was to ensure freedom of decision in this area and to achieve freedom from security and planning restrictions. The Israelis did not accept this approach.

Although the teams discussed the issues of electricity, natural gas, liquefied petroleum gas, fuel, and quarries, and could have agreed on some of these issues, they were unable to reach a final agreement because the negotiations were suspended. During the discussions, it was heard that three reservoirs of natural gas had been discovered in the Mediterranean off the coast of Israel. The Palestinian side found it difficult to accept the offer by the Director General of the Israeli Ministry of Energy to supply natural gas to

the Palestinian state and to connect the Israeli, Palestinian, and Jordanian electricity systems to provide mutual backup.

The Israeli team got the impression that the Palestinians would find it difficult to separate from the Israeli energy sector. Moreover, it was unclear to the Israeli side how the Palestinians intended to go about achieving an independent energy sector.

### ***Communications***

Although communications is a civilian domain, this committee focused its discussions on numerous security elements, including managing the spectrum of frequencies, communication facilities and their location, international communication, and using the communication systems in the corridor between the Gaza Strip and Judea and Samaria, as well as preserving communication capabilities in the realm of satellites and postal services. For example, the two sides had a heated discussion about whether Palestinian mail would be delivered to the Palestinian state without Israeli inspection, delay, or payment of levies, when arriving via the external entry points, while the Israeli side insisted that Israel should have a certain amount of security inspection at the entry points.

The two sides had an equally contentious discussion of public broadcasts, the use of civilian communication frequencies, and particularly the allocation of frequencies to avoid mutual interference. The Palestinian side continually tried to steer the discussion—via the NSU legal advisors—toward adopting international conventions, while ignoring the unique conditions on the ground and the close geographical proximity between Israel and the Palestinian territory. The Israeli side insisted that building a Palestinian broadcasting station required coordination with Israel, to prevent electromagnetic interference (with the channels of the Ben Gurion Airport control tower, for example) while the Palestinian side maintained that they had the freedom to determine broadcasting frequencies, build broadcasting stations, and to control the quality of the systems. The two sides agreed verbally to try to prevent illegal broadcasting but did not reach any consensus on how to accomplish it.

### ***The Border Crossing Points***

The issue of border crossing points was a complex one since it involved a number of intersecting issues. The role, location, and number of border



crossings were a primary concern and were contingent upon reaching a consensus on the border between the two states. As the land crossings between the states consisted of transit of people, goods, and vehicles, the two sides wanted to locate them in close proximity to their economic interests, so that each side could manage its own interests in this area.

This committee was led by Kamil Abu Rukun on the Israeli side and Dr. Muhammad Shtayyeh on the Palestinian side. The main difficulty with operating the crossing points was that the Palestinian position called for a third party to operate them, to serve as a mediator between the Israeli and the Palestinian sides whenever needed; the Israeli side, however, was vehemently opposed to this demand.

This committee also discussed permits and restrictions on those passing through the crossing points, as well as the need to ensure the demilitarization of the Palestinian state, as it related to preventing the trafficking in prohibited weapons and the entry of terrorists and extremists. Regarding the latter issue, the two sides agreed that a third party could assist the Palestinians in managing the crossing points, their supervision, and inspection to prevent smuggling and infiltration, along the lines of the EU BAM model.<sup>13</sup> Naturally, any discussion about the borders of Israel and the Palestinian state also necessitated examining their borders with Egypt and Jordan, and in this context, the two sides had to plan for a joint coordination mechanism to prevent smuggling and infiltration. In addition to the land crossing points, this committee also examined the air and sea crossing points.

### ***Environmental Quality***

This committee was led by Uri Livne on the Israeli side and Yusuf Abu Safaya on the Palestinian side. The committee discussed numerous topics concerning the prevention of pollution and cross-border environmental pollution. The negotiators sought to ensure that mechanisms for coordination and cooperation on environmental issues existed so they could maintain as high a standard of environmental quality as possible. Like the other committees, this committee

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13 The European Union Border Assistance Mission at the Rafah Crossing Point (EU BAM Rafah) was the EU's second Civilian Crisis Management Mission in the Palestinian territories, the other being the European Union Police Mission for the Gaza Strip (EU COPPS). European policing forces and customs officials operated at the Rafah crossing between Gaza and Egypt from November 2005 to June 2007.

also had to break down the main issues into sub-issues, overlapping with discussions in parallel committees. For example, public health was handled not only by the Healthcare Committee but also by the Environmental Quality Committee, which addressed issues of solid waste, noise, air and water pollution, and pest prevention. Issues related to hazardous substances also overlapped with concerns of the Security Committee.

The main consensuses reached in the Environmental Quality Committee focused on the global environment and the desire to preserve biological diversity. To this end, it was demanded that the Palestinian side set up vocational training that would facilitate building capabilities to enable the adopting of international standards and regulations. In this context, it was made clear that environmental policies constituted an economic burden not necessarily at the top of the agenda of a country “in progress.” The Palestinian side would clearly need donations to address environmental issues, especially its infrastructure.

## 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].



## Chapter Four

# US Positions Presented in the Negotiations

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The American involvement in the Annapolis process was led by US Secretary of State Rice, who supported bilateral negotiations without active US involvement in the discussions. Nonetheless, Secretary of State Rice made sure to hold periodic meetings on the status of the negotiations, attended either by Secretary of State Rice herself or her assistants, David Walsh from the State Department and Elliot Abrams of the National Security Council. During the status meetings, the secretary of state pushed for progress to be made and sometimes would suggest creative solutions for overcoming obstacles. Primarily, the US advocated the solution of two-states-for-two-peoples, and from what was said at the status discussions, we can infer the specific positions of the secretary of state on the core issues and the sought-after solution.

### **Territory and Borders**

Secretary of State Rice pushed for quick progress toward a consensus on borders, while taking into account the conditions created on the ground over the years. She sought to reach a consensus on the size of the territory (in square kilometers) as a basis for the discussion of percentages—adopting the Palestinian estimate of 6,205 square kilometers—of the territory captured in 1967, including Jerusalem, the “no man’s land” zone, the Jordan Valley, Gaza, and half of the demilitarized territories between Israel and Jordan during 1949 to 1967. From their perspective, the final border would take into account the territorial exchange, including the corridor between Gaza and the West Bank.

## **Security Arrangements**

The American position supported the Palestinian demand for full sovereignty in the Jordan Valley, with appropriate security arrangements for Israel. For this purpose, the Americans convened a team of security experts led by General Jim Jones, who had finished his term as NATO commander. The role of this team was to study Israel's security needs as part of an agreement and to find solutions that would prevent its security from deteriorating. In contrast to the earlier understanding with Israel, the American team also had a hidden objective of avoiding the permanent deployment of IDF forces within the borders of the Palestinian state. The American team also drafted a plan for the involvement of an international force; however, at Israel's request, this work was halted. One of the negative consequences of the work of this security team was that the Palestinian team decided not to participate in the Security Committee discussions led by General (res.) Amos Gilad and General Hazzem Attallah, the chief of the Palestinian police, on the assumption that the American team had suggested a security plan that would be more favorable to them than the one the Israelis would present. Accordingly, the Palestinian team expected that they would not have to provide Israel with any substantial concession in some other area of the negotiations.

Regarding the control of airspace and the electromagnetic space, the American position recognized the complexity of the issue and the need to establish a joint airspace; however, the American team rejected the idea of Israeli control of the security perimeter and instead supported a framework of joint control at the crossing points and in the area along the border of the Palestinian state. The Americans also were in favor of establishing an international mechanism and adopting the "movement and access" plan (Israel Ministry of Foreign Affairs, 2005).

## **Future of the Settlements**

The US supported the annexation of some of the settlement blocs by Israel, according to the principle of a 1:1 territorial exchange and the evacuation of settlements that interrupted the continuity of the Palestinian territory or threatened the viability of the Palestinian state. In practice, Secretary of State Rice suggested the idea of annexing Maaleh Adumim to Israel in exchange for conceding Ariel to the Palestinians, based on the importance of Maaleh Adumim in protecting Jerusalem from the east. Thus, Rice accepted

the position presented by Abu Ala that leaving Ariel in the hands of Israel constituted a “knife in the belly of the Palestinian state” and meant that Israel would control the Palestinian water reservoirs.

### **Jerusalem**

Secretary of State Rice insisted that an agreement was not possible without resolving the issue of Jerusalem. Nonetheless, political considerations led the US to back Olmert’s demand to defer the discussion of Jerusalem—particularly the control of the Temple Mount—to a later stage of the negotiations, after they had achieved consensus on the other issues. The American position was that the agreement on Jerusalem had to include the settling of the political status of Jerusalem, (i.e., the existence of two capitals), which meant a division of sovereignty, the demarcation of a clear border, municipal arrangements, and free access to the holy places. Rice showed openness to the Palestinian demand for an open city; that is, freedom of movement between the two parts of the city and development of shared infrastructure.

### **Refugees**

On this issue, the American position was closer to that of Israel. According to the US position, the Palestinian demand for the “right of return” was unreasonable and they feared the international repercussions of implementing it after 60 years. Secretary of State Rice pushed for a consensus on the establishment of the international mechanism for the solution of the refugee problem and the initiation of the rehabilitation process—before the overall settlement would be achieved.



## Chapter Five

# Peace Initiatives Since the Annapolis Process

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The Likud government led by Prime Minister Netanyahu came to power in 2009. In formulating policy toward the Palestinians, the fact that Prime Minister Olmert had proposed a very generous package to the Palestinians on the core issues and had not received a response—neither positive nor negative—influenced the Netanyahu government. The new government felt that this was further proof that the Palestinians did not desire an overall peace treaty, which included recognizing Israel as the Jewish homeland.<sup>14</sup> Netanyahu's government was concerned that Olmert's proposals would serve as the opening positions in any renewal of the negotiations, proposals that the Likud party and most of the coalition parties did not support. Indeed, the Palestinian side did demand that the starting positions for renewed negotiations should be the Israeli positions presented in Olmert's proposal, but without viewing them as a single package. This was in contrast to the Palestinian positions on the core issues, which did not deviate from their initial opening positions. Therefore, it was clear that the effort by President Obama to renew the negotiations by means of his special envoy, Senator George Mitchell, was doomed to failure. Mitchell felt that the differences in the positions as presented by the sides in the Annapolis process should be identified so that they could focus on bridging the gaps on the key issues—refugees, Jerusalem, borders and security, two homelands, the future of Gaza, and the end of claims.

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14 According to then Defense Minister Yaalon, "Annapolis and Paris were doomed to failure, since there was no recognition of Israel as an independent Jewish state."

The PA, led by Abbas and his advisor Erekat, decided not to participate in the renewed negotiations since they did not believe they could recreate the achievements that they had made with Olmert. At the same time, the Palestinians adopted an international strategy, which primarily involved garnering support and recognition for the idea that Palestinian rights are natural and should not be subject to Israel's agreement, and therefore should be anchored in a UN Security Council resolution (eventually they compromised on a General Assembly resolution) that would recognize a Palestinian state. As the two sides drifted farther apart, more obstacles appeared in renewing the negotiations. When Dekel, the head of the negotiating team in the Olmert government, briefed Prime Minister Netanyahu's foreign affairs advisors on the Annapolis process, they were highly critical of the fact that Israel had agreed to the creation of an independent Palestinian state already at the start of the negotiations and had lost an important bargaining chip in achieving a different outcome or at least Palestinian flexibility as to the extent of the Palestinian entity's sovereignty.

On June 14 2009, Prime Minister Netanyahu gave a speech at Bar Ilan University in which he expressed support for the two-state solution, although under clear-cut conditions (primarily regarding security): "If we get a guarantee of demilitarization and the security arrangements that Israel needs and if the Palestinians recognize Israel as the state of the Jewish people, we will accept, as part of a future peace treaty, the solution of a demilitarized Palestinian state alongside the Jewish state." However, at the same time major differences had emerged between the sides on the core issues—the Palestinian recognition of Israel as the Jewish national homeland and with respect to the June 4, 1967 borders as the reference line for any future agreement on borders.

As time passed and no formula could be found for the renewal of negotiations, the lack of trust between the sides grew even deeper, with neither side viewing the other as a "real partner" in a permanent settlement. From the viewpoint of President Abbas, the Israeli government under the leadership of Netanyahu was not prepared to compromise on issues critical to the Palestinian side. As a result, he stuck to earlier demands regarding the 1967 border, the freezing of construction in the settlements, and the release of prisoners. In Abbas's view, these demands constituted a test of how serious Israel was in continuing the peace process. In contrast, the

government of Israel was skeptical of the intentions of the Palestinians, given their opposition to recognizing Israel as a Jewish state and their efforts in the international arena to delegitimize the State of Israel.

Furthermore, the Israeli side harbored doubts as to the ability of the PA to function effectively and responsibly, to neutralize groups that oppose a peace treaty (primarily Hamas and Islamic Jihad), and to prevent terror against Israel. The right wing in Israel became convinced—partly based on the repercussions of the unilateral disengagement from Gaza—that an independent Palestinian state would become a platform for terror against Israel, which led to the demand that the IDF should maintain operational freedom of action in Palestinian territory, even after a permanent settlement. The Palestinian side increasingly understood that the government of Israel, which relied upon the support of the right-wing parties (which in its view represented the settlers), was not able to deal with the challenge of evacuating settlements in the West Bank and to force an agreement on the settlers. Therefore, Israel preferred unilateral creeping annexation of the settlements and the imposition of official Israeli sovereignty in the territory of the settlements.

In this context, no carrot was appealing enough and no stick was big enough to cause the Palestinians to back down from rejecting direct negotiations and their pursuit of achieving international recognition of their rights. In addition, the PA had lost Arab backing, given the regional developments and the weakness of the regional players. The subsequent series of setbacks for the leadership of the PA in 2020—the “Deal of the Century” presented by President Trump, the intention of Prime Minister Netanyahu to declare Israel’s sovereignty over the Jordan Valley and the Israeli settlements, and the normalization agreements between Israel, and a series of Arab countries—have delayed the Palestinians from reconsidering the situation and from recognizing that the geopolitical conditions have changed and that therefore greater willingness to compromise is necessary when insisting on preconditions for negotiations.

Both sides have benefited from the lack of negotiations. The Palestinian side has managed to persuade large and important parts of the international community that Israel has been responsible for the stagnation, primarily due to its settlement policy in the West Bank. This is a significant achievement for the Palestinians who seek international recognition of their rights to a

state on the basis of the June 4, 1967 borders. In contrast, the government of Israel enjoyed political stability until 2019, as well as a relatively quiet security situation, especially in a period of multiple risks, regional upheavals, and the growing influence of Iran in the Middle East.

### **Implications of the Regional Turmoil**

In the years since the Annapolis process, the situation has been one of status quo due to the lessons learned by Palestinian president Abbas from the Second Intifada, namely that armed violence and terror do not serve the interests of the Palestinians. Nonetheless, he has repeatedly used grassroots activity and demonstrations as a threat, which could be construed as part of an uprising and as a way of gaining external support, and has even encouraged the Palestinian public to fill the streets, but without success. This has remained Abbas's preferred path even after the announcement of President Trump's plan, the Israeli prime minister's declaration of annexation, and the establishment of official relations between Israel and several Arab states that have chosen to ignore the principles of the Arab Peace Initiative, according to which normal relations will be established with Israel only at the end of the Israeli–Palestinian peace process and after the signing of a final agreement. On the other hand, Israel has sought to prevent any connection between the regional events—particularly the closer relations with the pragmatic Arab states—and the Israeli–Palestinian conflict and has even been successful in exploiting the new situation to strengthen its claim that the Israeli–Palestinian conflict and the basic problems in the Middle East are not connected.

### **The Failure of US Secretary of State John Kerry (2013–2014) to Negotiate the Principles for a Framework Agreement**

Despite the lack of trust between the sides about the possibility of reaching an overall settlement, US Secretary of State John Kerry initiated and promoted another round of talks after the Annapolis process, intent upon reaching a reciprocal framework of principles for a permanent settlement. This round took place between July 2013 and April 2014 (see Figure 23).



**Figure 23.** Launching of the Negotiations



Note. US Secretary of State John Kerry hosts Israel's Minister of Justice Tzipi Livni and the head of the Palestinian Negotiation Team, Saeb Erekat, in an iftar meal in July 2013, which launched the beginning of the negotiations. Source: US State Department.

### **The Beginning of the Negotiations under US Secretary of State Kerry in July 2013**

At the beginning, talks took place primarily on the bilateral level (about 20 meetings), sometimes with the participation of the American negotiating team. The discussions focused on examining the differences between the two sides on the core issues. Late in 2013, the American team concluded that it should present mediating positions. Therefore, from that stage onward discussions the Americans held talks separately with each side. The main talks in Israel took place between Secretary Kerry and Prime Minister Netanyahu (Herzog, 2017).

Kerry's team revealed several details of the negotiations: The Palestinians refused to recognize Israel as the national home of the Jewish people, even though the American side pointed out that Arafat had recognized the Jewish state. Israel agreed that the June 4, 1967 borders would be the reference

line for calculating the size of the Palestinian state and the exchange of territory. On Jerusalem, Israel opposed dividing the city into two capitals. On security, Prime Minister Netanyahu and Defense Minister Yaalon rejected the American proposals for security arrangements that General John Allen presented, which were based on advanced technological capabilities and the deployment of an international force, without IDF deployment in the Jordan Valley. Although Israel was willing to give up sovereignty in the Jordan Valley, it wanted to maintain an IDF presence there for an undefined period; Abbas was willing to compromise on a period of three to five years (Herzog, 2017).

The announcement of building starts in West Bank settlements, however, made it difficult for President Abbas to cooperate with the process and to soften his positions. According to Abbas, since the Oslo process (in which Abbas was already a central player), the number of settlers in Judea and Samaria had grown to 400,000. Abbas had reached the conclusion that Netanyahu was not a partner in the peace process and therefore also refused to respond to Kerry's principles in his meeting with President Obama in March 2014 in the White House. Later on, Abbas claimed that he had agreed to numerous concessions, including a demilitarized state; the drawing of the border such that 80% of the settlers would remain within Israeli territory; the deployment of the IDF in critical areas within the Palestinian state for a five-year period followed by their replacement by American forces; the number of refugees to be returned to Israel would be small and their number would be approved by the Israeli government; and the Jewish neighborhoods in East Jerusalem would be included within Israeli territory. These positions were identical to those presented by the Palestinians at Annapolis. Abbas did not agree to any more concessions as long as Israel did not agree to draw the border as a first step in the negotiations, nor announce a date for the evacuation of settlers, nor recognize East Jerusalem as the capital of the Palestinian state—and indeed, Israel did not agree.

In the round led by Secretary of State Kerry, fundamental problems between the two sides and their same patterns in negotiating tactics again appeared, thus preventing them from agreeing on the principles for a framework agreement. There is a basic asymmetry between Israel and the Palestinians: Israel sought a settlement that was implementable on the ground (not limiting its freedom of action in Judea and Samaria) and that would include international and

regional recognition of its borders. In contrast, the Palestinians primarily sought to anchor their national rights and therefore returned to international frameworks for recognition of those rights, with emphasis on a sovereign and sustainable state on the basis of the June 4, 1967 borders, with East Jerusalem as its capital, as well as recognition and partial realization of the “right of return” for Palestinian refugees on the basis of UN Resolution 194.

Unlike in the Annapolis process, the leaders—Israel’s Prime Minister Netanyahu and the PA’s President Abbas—expressed a lack of trust toward the other during Secretary of State Kerry’s initiative. The Israeli government during Netanyahu’s reign did not view Abbas as a peace partner. This was due to his confrontational policy in the international setting, which focused on promoting the recognition of Palestinian independence, while circumventing the bilateral channel. Even steps to which Israel and the Palestinians had agreed, with the goal of creating a conducive atmosphere for the process, did not increase trust between the sides. These included the release of Palestinian prisoners from prisons in Israel, although this became a double-edged sword as Israel declared plans for building in the settlements to soften the domestic criticism of the release of Palestinian security prisoners.

In fact, during the nine months of the negotiations involving Kerry’s team, there was a struggle behind the scenes as to whom to blame for the failure of the process. Therefore, even negotiations over the principles of a permanent settlement did not produce any results, similar to the other efforts during the last two decades. As in the case of the previous talks, this round ended in failure, closing the coffin on the negotiations for a single goal; namely, a permanent settlement including the resolution of all the disputed issues, with emphasis on the core issues: territory and borders, Jerusalem, security, refugees, end of claims, and the creation of two national homelands between the Jordan and the Mediterranean.

Following the failure of Secretary of State Kerry’s initiative, Israel became even more convinced that it was impossible to achieve a comprehensive agreement with the Palestinians and that the current stable and apparently sustainable reality was preferable and that the ability to implement a peace agreement with the Palestinians was uncertain. Moreover, from Israel’s point of view, two issues overshadowed the lack of a resolution of the Israeli–Palestinian conflict: the Iranian nuclear challenge and the lack of stability in the Arab world. Currently, Israel’s preferred strategy, under Netanyahu,

in the Palestinian context is conflict management, which includes quickly adapting to changing situations. The Palestinians have chosen a strategy that focuses on challenging Israel in the international arena where they enjoy broad support for advancement of their rights. Indeed, since then, the gaps have only widened between the sides and the little confidence between the leaders and the two peoples for achieving a peace agreement has since evaporated.

### **Between the Annapolis Plan and President Trump’s Deal of the Century**

In early 2020, the Trump administration presented the “Deal of the Century,” which was to serve as a new paradigm for the solution of the Israeli–Palestinian conflict and for designing a new architecture for the Middle East, based on an Arab–American–Israeli coalition. The Palestinians did not have any part in creating the plan, in contrast to the Israeli side which was involved in the details (The White House, 2020). The Trump plan attributed different meanings to the principles that had accompanied permanent settlement negotiations between Israel and the Palestinians during the past three decades and essentially emptied them of content in most cases. In particular, it rejected the Palestinian demand of “all or nothing” and the Palestinian veto power over any settlement that did not satisfy all their demands. Nonetheless, the implementation of the Trump plan became unfeasible due to strong Palestinian opposition and the replacement of the US administration in January 2021.

The Trump plan, like the Annapolis plan, set out a vision for the establishment of a sustainable Palestinian state, including respect for the Palestinians’ national aspirations. In both plans, there is tension between the Palestinian demand for full sovereignty over the territories occupied by Israel in 1967 and Israel’s demand that it be able to maintain its level of security and that the West Bank not become a second Gaza Strip; that is, a terrorist entity. Both plans make the demand to disarm Hamas and the other terrorist organizations, to restore control of the Gaza Strip to a disarmed PA, and to halt incitement.

The two plans diverge, however, over the vision of establishing a Palestinian state and how it would be implemented. In both plans, the conditions for the recognition of a Palestinian state require Palestinian recognition of a Jewish state; that is, an agreed-upon settlement with two national homelands—Israel

as the home of the Jewish people and Palestine as the national home of the Palestinian people—which in practice means abandoning the right of return of 1948 refugees to the territory of the State of Israel. Other major demands, which overlap somewhat, include a well-functioning, stable, and responsible Palestinian government. The Trump plan, however, raised the threshold of demands to include a democratic Palestinian government that respects human rights, something that has not been particularly characteristic of Arab states.

## **The Principles for a Settlement: The Trump Plan Versus Israel's Positions in the Annapolis Plan**

### ***Two-State Solution***

Both the Annapolis plan and the Trump plan included the establishment of an independent Palestinian state. While in the Annapolis process, Israel had agreed to a sustainable Palestinian state with territorial continuity and minimal restrictions on its sovereignty, the Trump plan limited the sovereignty of the Palestinian state and distributed it among three disconnected blocs in the West Bank and another three in the south—the Gaza Strip and two enclaves in the western Negev on the border with Egypt.

### ***Consideration of the Reality on the Ground During the Past Five Decades***

While the Annapolis plan was based on the principle of demographic separation, which meant leaving the settlement blocs west of the Security Barrier on the Israeli side of the border (which included about 80% of the settlers) and the evacuation of settlements deep within Palestinian territory, the Trump plan did not have any requirement for uprooting and evacuating settlements east of the Security Barrier (including 15 isolated enclaves), and the plan called for the imposition of Israeli law on all the settlements. Under Trump's plan, Palestinian enclaves, composed of a population of about 140,000, would remain within Israeli territory and would have to traverse Israeli territory to reach the West Bank.

### ***Territory of the Palestinian State***

In the Annapolis plan, the territory of the Palestinian state was to be equal to the territory occupied in 1967 (6,205 sq km). In other words, Israel was

to transfer territory (in the area south of the Beit Shean Valley, the Lachish region, the area south of Mt. Hebron, the western Negev, including special status for the transportation corridor between the Gaza Strip and the West Bank) equal in size to the territory that would be annexed from the West Bank. In the Trump plan, the Palestinian state would include Areas A and B, which are currently under the control of the PA. To those territories, half of Area C (constituting 30% of the West Bank) would be transferred to the PA. This would include the southern area of Mt. Hebron, the Gaza Strip, which today is under the control of Hamas, and two areas in the Negev that would be added to the territory of the Gaza Strip. According to the Trump plan, Israel would have the right to decide on the exchange of populated territory under its control (i.e., “the Triangle,” which is in Israel proper and where 250,000 Israeli Arab citizens reside). In contrast to the Annapolis plan, which emphasized the territorial continuity of the Palestinian state, the Trump map depicts the Palestinian state as noncontinuous. In fact, the Trump plan divided the Palestinian state into six cantons that are completely engulfed by Israeli territory, with Israeli control of the routes connecting them. Thus, the Trump map drew an international border between Israel and Palestine, almost 1,800 km, nearly double that of the Security Barrier on which the border was based according to the Annapolis plan.

### ***Land Swaps***

In the Annapolis plan, the ratio for the swap was 1:1 while in the Trump plan it was 2:1 “in favor” of Israel. In both plans, Israel would transfer land to Palestinian control, in exchange for annexing territory in the West Bank to Israel (a decision on this matter would require holding a plebiscite or gaining the support of 80 Knesset members).

### ***Two Capitals in the Jerusalem Area***

Both plans included recognition of a Palestinian capital in the Jerusalem area. However, while Israel agreed in the Annapolis plan that the Palestinian capital would include the Arab neighborhoods of Jerusalem, except for the Historic Basin (the Old City, the City of David, and Mount of Olives) and Sheikh Jarrah, in the Trump plan the area of the Palestinian capital was limited to the Arab neighborhoods outside the Security Barrier, including Abu Dis. This implies the complete exclusion of the Palestinian state from



East Jerusalem, and primarily the Old City, the Temple Mount/Haram al-Sharif and the neighborhood of Sheikh Jarrah. In the Annapolis plan, Israel sought to minimize the number of Arab residents that would remain within its territory. In contrast, more than 250,000 Palestinian residents of East Jerusalem would remain within Israel according to the Trump plan and they would be able to choose between three options: Israeli residence without citizenship; Palestinian citizenship; or Israeli citizenship.

### ***Security***

In both plans, the Palestinian state would be demilitarized and would prevent terrorist acts and the presence of any terrorist infrastructure in its territory. Furthermore, Israel would control the Palestinian state's security perimeter—in the Annapolis plan, it was on the basis of security arrangements and in the Trump plan it was based on Israel's sovereignty in the Jordan Valley. The Trump plan attempted to meet most of Israel's security demands, which were presented as conditions for a settlement and took into account the lessons learned from the disengagement in the Gaza Strip to prevent a security reality like that of Gaza developing in the West Bank as well. Although these security arrangements met Israel's demands in the Annapolis talks, it is difficult to believe that the Palestinian side would have agreed to accept such arrangements, which would severely limit the Palestinian state's sovereignty and would adversely affect day-to-day life in the territory under its control. In the Annapolis plan, Israel insisted on having the ultimate security responsibility of the airspace, the electromagnetic space, and of the Jordan Valley (without sovereignty). The Trump plan granted Israel full security responsibility on land, in the air, and at sea in all the territory west of the Jordan River, including that of the Palestinian state.

### ***Between Security and the Map***

In contrast to the Annapolis plan, which determined the border so that it would substantially reduce friction between the populations, the Trump plan featured a long and meandering border, Israeli enclaves and settlements, and isolated Palestinian enclaves and mixed populations; in other words, it created a reality in which the IDF would have trouble maintaining security and implementing security arrangements. The Trump plan specified that the route of the Security Barrier would be modified according to the new

border, a project that would cost billions of shekels and would require a large amount of manpower to guard (currently, the IDF does not even have the manpower to guard and maintain a barrier that is only half as long as the border that was proposed under the Trump plan). Furthermore, it would be difficult to provide continuous protection along long and narrow routes/highways (without shoulders) that connect the areas and lead to isolated settlements, and it is inevitable that friction would increase between the population and the Palestinian security mechanisms along these routes. The protection of isolated settlements, the entrances, exits and corridors between the Palestinian areas and along the very long and meandering border would cause additional challenges. The IDF would need to significantly boost its manpower to maintain the security of the settlements—especially those deep in Palestinian territory—and the routes that lead to them.

### ***Security Cooperation***

The Annapolis plan emphasized cooperation between security forces in Israel and the Palestinian security mechanisms. Both sides shared this interest, which involved many additional issues beyond that of security, including governance, economic affairs, and so forth. Under the conditions of the Trump plan, there was only a slight chance of close and effective security cooperation with the Palestinian security mechanisms. In the south of Israel, the security challenge along the Philadelphia route—namely arms smuggling and infiltration by terrorist elements from the Sinai Peninsula into Palestinian territory—would increase and spread to the enclaves in the western Negev. Therefore, if the plan had been implemented in its original format, it would have been difficult to ensure a better security reality than that which currently prevails.

### ***Resolution of the Refugee Problem***

Both plans adhered to the same principle that the problem of the Palestinian refugees would be resolved by the resettlement of a number of refugees in the PA or by their rehabilitation in their host countries or in third-party countries, without any “right of return” to Israel. The number of refugees to be allowed into the PA would be determined with Israel’s consent. Both plans would create a mechanism for determining compensation for the refugees, but Israel would not have to contribute since it had already invested in absorbing



and resettling the Jewish refugees who fled from the Arab states after the establishment of the State of Israel. Both plans called for the dismantling of UNRWA and the transfer of the responsibility for supporting refugees to the governments of their host countries.

### ***Economic Affairs***

The Trump plan went a step beyond the Annapolis plan with respect to economic affairs. While the economic discussion in the Annapolis plan was on bilateral agreements between the states (i.e., the creation of a free trade zone, customs parameters, and the movement of workers and goods), the Trump plan focused on the creation of a \$28 billion investment fund that would be invested in the PA, the Gaza Strip, and the rest in the neighboring countries (\$7.5 billion in Jordan and \$9 billion in Egypt), to gain support for the program. The economic framework was meant to lay the foundation for an independent and well-functioning Palestinian entity and to provide an “incentive,” primarily from the perspective of the Palestinian public and thus to soften any opposition. The Trump plan mentions close to 200 various projects, including infrastructure (a land corridor between the Gaza Strip and the West Bank), healthcare, justice, education, and employment. In other words, although the plan was highly ambitious, the source of funding was not clear.

### **The Sweeping Palestinian Rejection of the Trump Plan in Contrast to the Lack of Response to Olmert’s Proposal**

The Annapolis process ended when the Palestinians chose not to respond to Prime Minister Olmert’s proposed framework for the core issues. Olmert, in a 2012 interview, said that “I was a hair-breadth’s away from a peace treaty. The Palestinians never rejected my proposals . . . they didn’t accept them and there’s a difference there. They didn’t accept them because the negotiations had not ended, they were about to end ” (Eli, 2012). Unlike the Annapolis process, which gave the PA an equal status to that of Israel, the PA and the PLO had the status of the “missing partner” in formulating the Trump plan, which was intended to determine the Palestinians’ future as a nation. The Trump plan undermined the confidence that the Palestinian national endeavor had time on its side and that at some point the international community would force Israel to accept the Palestinian conditions for a settlement. Therefore,

it is no surprise that all the Palestinian factions unambiguously rejected the Trump plan. From their perspective, the plan and its implications were a real existential threat to their achievements until then and to the vision of an independent Palestinian state that enjoys full sovereignty. It is difficult to think of a Palestinian leader, now or in the future, who would agree to a reduced and fragmented Palestinian state engulfed by Israeli territory and whose capital is in the outer neighborhoods of East Jerusalem.

For Israel, the Trump plan met most of its security needs, although in translating its conditions onto the map, Israel would have to hand over a significant amount of territory from the western Negev, with an option of giving up the Triangle (with negligible likelihood) in exchange for the territory it would have received. The Trump plan determined that it was preferable to annex isolated settlements deep in Palestinian territory than to hold on to territory in the Negev—constituting strategic depth for Israel—and in the Triangle, which forms the narrow “waist” of the State of Israel. Moreover, the Trump plan would have created thousands of kilometers of friction points between Israelis and the IDF on one side and the Palestinian population on the other along the narrow routes leading to the isolated settlements and along a border that is almost 1,800 kilometers long. This would have been in addition to the absorption of hundreds of thousands of Palestinian residents within Israel borders. The Annapolis plan tried to avoid this complex situation and to minimize the friction points between the sides.

While the Annapolis plan met Israel and the legitimate representatives of the Palestinian people midway between their positions regarding a permanent settlement—and although the gaps were not bridged—the Trump plan emphasized the unbridgeable gaps between the two sides’ opening positions. The plan is largely naive, reflected in the belief that the parameters it presented would help to create a new regional configuration, one that would include Israel and the moderate Arab nations, and that a highly emotional ethnic-ideological conflict, which characterizes the relations between Israel and the Palestinians, could be resolved by a real estate deal and economic incentives.

The goal of a final status agreement and the end of claims is not feasible as long as one side does not believe that the other is making a supreme effort, in good faith, to also meet its needs and fulfill its wishes. This was the position taken by Prime Minister Olmert in the Annapolis process. Although the Trump plan was not really a fair test for the Palestinians, their

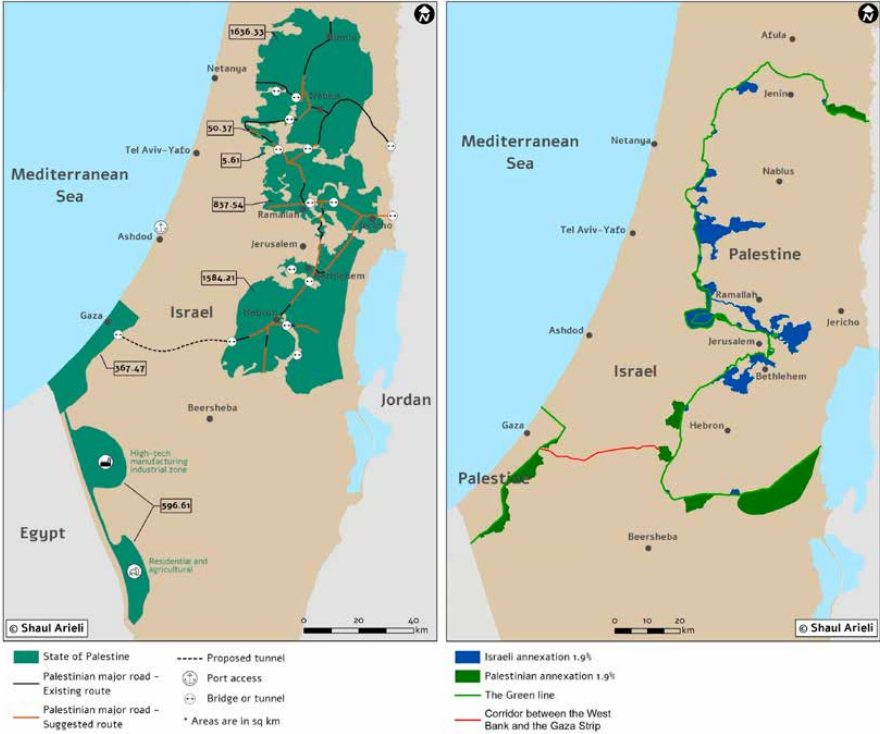
rejection—which followed the rejection of Olmert’s proposal—strengthened Israel’s narrative that there is no partner for a long-term peace treaty. If the government of Israel moves ahead with a unilateral annexation of territory in the West Bank, it will deepen the chasm between Israel and the Palestinians and will make it more difficult to agree on opening conditions for the renewal of dialogue.

Moreover, and in contrast to the Annapolis plan, which is based on Israel’s demand to discuss an agreement that is implementable or, in other words, has the agreement of the Palestinians, the Trump plan—as well as other ideas on the table—did not have any real lever to create a functioning, stable, and responsible Palestinian state or to close the rift in the Palestinian camp between the PLO and Hamas and between the West Bank and the Gaza Strip. Even if the sides involved overcome all the barriers, Israel and the Palestinians fulfill all of the conditions, and a Palestinian state is created, it has a better chance of being sustainable according to the Annapolis plan than according to the Trump plan. As for the six fragmented cantons that would have been created under the Trump plan (see Figure 24), states without continuous borders historically have tended to disintegrate. But history shows that states that lack continuity in their border cease to exist. The inability of the Palestinian state to control part of its noncontinuous territory, characterized by a complex topography, would have led to a lack of governance and a situation in which Israel would have become responsible for about three million Palestinians in the West Bank and Jerusalem, in addition to about two million living in the Gaza Strip (even after the disengagement). This would have imposed on Israel a heavy security, economic, civil and political burden. In any case, even if the implementation of the plan offered only an interim solution, Israel would have continued to manage the conflict under even more complex conditions than those that currently prevail. An in-depth examination of the Trump plan shows that despite being presented to the public as being beneficial to Israel, the Israeli side would not necessarily have benefited from it.

**Figure 24.** Trump’s Plan Versus Israel’s Plan from Annapolis

Trump’s vision for peace—PA areas

The Israeli proposal—Annapolis Conference



## Chapter Six

# The Annapolis Process—Lessons from the Negotiations

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### **Lessons for Implementation**

#### ***Secrecy***

The background preparations and the documentation of meetings occurred on the negotiating team level only and summaries were not distributed, apart from those sent to Prime Minister Olmert and Foreign Minister Livni. The heads of the negotiating teams were privy to the material only within the confines of the negotiating unit itself. The two sides did not give any interviews to the press and were careful not to reveal any content from the discussions. The Palestinians also had a clear interest in maintaining secrecy, to avoid exposing themselves to domestic criticism or having to deal with Hamas. In our estimation, the low level of public expectation on both sides led a lack of interest in the talks, a situation that made it much easier to keep quiet about the negotiations and avoid external pressure on the negotiators.

#### ***The Negotiating Format***

The fact that the two sides agreed to the format of the negotiations before the negotiations began proved essential, even though they did not reach a settlement at the end of the day. Contributing to this was the involvement of a mediator—US Secretary of State Rice. At the start, the two sides decided upon the subjects to be included in an agreement and accordingly determined the negotiating agenda and the professional committees. They determined the format of the agreement document ahead of time; by mapping the subjects and creating a planning map, it was always possible to know the status of the process, the progress, and the issues and differences that had not yet

been bridged. This arrangement helped in managing the negotiations. Links between the various issues were also mapped, while issues were ranked according to priority and according to which interim targets would contribute to maintaining the momentum of the process.

***Background Work and Preparation for the Negotiations***

The Peace Negotiation Team was created after the process of negotiations had already been initiated. Professionals, who had the background and experience in having contact with Palestinians and in decision-making processes within the government, were recruited to the Peace Negotiation Team. They then had to study the details and lessons from previous negotiations (most of the material had disappeared from the Israel State Archives but was preserved with the IDF Planning Division, the attorney general, and within the memories of the past negotiators); prepare the parameters and map the planning of the negotiations; and prepare for the initial sessions to deal with all the administrative aspects (with the Foreign Ministry providing a great deal of assistance) and brief the negotiation leaders for the meetings.

|                                       |  |   |  |                                  |                                 |
|---------------------------------------|--|---|--|----------------------------------|---------------------------------|
| Israeli<br>interests in<br>this field | Israeli<br>positions<br>in the<br>negotiations | Palestinian<br>interests in<br>this field | Palestinian<br>positions<br>in the<br>negotiations | Zone of<br>possible<br>agreement | Gaps and<br>subsequent<br>goals |
|---------------------------------------|--|---|--|----------------------------------|---------------------------------|

Since directors general and senior officials from the government ministries were involved and had been recruited to lead the professional negotiating committees, they became partners in the process. In this context, they attended the status discussions where the foreign minister or the leaders of the negotiation teams updated those present about the policy directives and the interim goals. In those meetings, the various committees synchronized the progress and determined the order of priorities between the issues and the discussions. Simulations were carried out prior to important meetings to prepare the teams for the encounter with the Palestinians and for negotiations over potential points of contention. The representatives of the Peace Negotiation Team documented every meeting, and on the conclusion of a meeting, they reviewed the lessons to be learned with respect to the negotiating positions and the way they should be presented, identifying areas with a potential for consensus and discussing how to raise the subject in the next meeting.

The negotiation leadership prepared a “dynamic” table of the issues, which included the following components:

The objective of the negotiation was to identify the zone of possible agreement (ZOPA) and expand it through negotiation (see Figure 25).

**Figure 25.** Identifying the Zone of Possible Agreement



### ***Multiple Channels***

The Peace Negotiation Team—which reported directly to the prime minister and worked closely with the foreign minister (who headed the Israeli negotiating team)—managed, organized, and coordinated the background work of the negotiation managers. Apart from orchestrating the work of the government ministries and the professional bodies, the Peace Negotiation Team was involved in strategic planning, brainstorming meetings, and policy recommendations. At the same time, it maintained ongoing contact with the Palestinian negotiators. In addition, they opened side channels with senior Palestinian officials, to assist in clarifying the progress of the negotiations from the Palestinian viewpoint and to formulate creative solutions to problems that were not resolved at the negotiating table.

## **Obstacles in the Negotiations**

### ***Asymmetry Between the Sides***

A major obstacle (see Figure 26) was the asymmetry between each side in coming to the negotiating table. Israel arrived from a position of strength, as the side in control on the ground and the one that determined the Palestinians' day-to-day conditions. In comparison to the Palestinians, Israel has a powerful army that controlled the territory and its access, including in the heart of the Palestinian areas. In contrast, the Palestinians considered themselves the "victim" and came to the negotiations demanding their rights. They conceded their rights to making claims based on 1947 borders and gave up 78% of Palestine; in exchange they demanded full rights to the West Bank and the Gaza Strip. The Palestinian narrative, which they described as primarily about dignity, emphasized that they have been under Israeli occupation and therefore have been unable to realize their right to self-determination, while Israel confiscates their lands on a daily basis and ultimately decides all matters. With this asymmetry, it was difficult to create trust between the sides, essential for the process to advance.

### ***A Practical Approach Versus Securing Rights***

The goal of the Palestinian side was to anchor Palestinian rights—the right to self-determination and their deep connection to the land of Palestine. In their view, these were natural rights and in the meeting of the 19th National Palestinian Council in Algiers in 1988, the Palestinians gave up the claim to all of Palestine and settled for achieving their full rights over the territory occupied in June 1967 (22% of Palestine's pre-1948 territory). This is one the reasons that the Palestinians turned to the international arena to secure their rights and to gain international recognition, by means of a UN decision recognizing a Palestinian state. They preferred this route over bilateral negotiations with Israel. In contrast, Israel sought an agreement, with the willingness to adjust demands so that the agreement could be implemented on the ground.



### ***The “All or Nothing” Approach***

In many conversations between the heads of the negotiating teams, Dekel emphasized to Erekat that Palestinian acceptance of Prime Minister Olmert’s proposal would achieve about 97% of their demands and that it would allow Abbas to say to his people that the implementation of the agreement is equivalent to achieving 100% of the June 4, 1967 rights. In any case, a positive response to Olmert’s proposal would improve the situation of the Palestinians infinitely relative to their current situation. Erekat’s response was “All or nothing” and that the Palestinians prefer to suffer in their current situation if their demands on territory, Jerusalem, sovereignty, and refugees were not met.

### ***“Nothing Is Agreed on Until Everything Is Agreed on”***

This formula was adopted so that the sides could present greater flexibility at the negotiating table, with the goal of identifying areas of agreement and breaking the connections between the various issues in the negotiations. This did not imply that the position presented constituted agreement and was given to the credit of the other side. Furthermore, given the close connections between the various issues of the negotiations, it was impossible, for example, to agree on the territorial issues before agreeing on the issue of Jerusalem and the security arrangements. Therefore, the teams adopted the rule that even if the teams demonstrated flexibility—such as on the territorial issues—if no appropriate security solution could be found, then there was no obligation to what the sides had agreed upon regarding territory. For example, during the negotiations on territory, the Israeli side tried to ascertain the Palestinian position regarding the swap of populated land—namely settlement blocs—in exchange for the transfer of Arab villages within Israel, to the future Palestinian state. The Palestinian side was opposed but softened its opposition in a hypothetical discussion about the Israeli side of pre-1967 Beit Safafa. In any case, it should not be understood from the aforementioned that Israel officially proposed the exchanged of populated land.

***The Goal: An Agreement on All of the Permanent Status Issues***

This goal was highly ambitious and even grandiose, given the wide gaps between the sides, particularly on the issues of refugees and Jerusalem. Both sides opposed a partial settlement, as suggested by US Secretary of State Rice, on the issues of territory and security. Her position was that a consensus on these two issues would enable the creation of a Palestinian state before agreement was to be reached on the other issues, and this would serve as a lever and catalyst for progress in the other negotiating areas.

Israel was opposed to this idea, as it would have been left without any “assets” for subsequent “give and take” and would have had to accept the Palestinian demands on Jerusalem and/or refugees. In addition, Israel demanded consensus on the end of claims, lest there remain disputes and gaps that would prevent the solution of all the issues as well as to avoid a Palestinian pretext for not implementing commitments or resorting to violence and terror. The Palestinians fundamentally opposed any temporary settlement or understandings that were not final, due to a concern that “everything is temporary until it becomes permanent.” Furthermore, they would not sign an agreement that did not mention the “right of return” of Palestinian refugees and sovereignty in the capital of the Palestinian state in Arab Jerusalem.

***1967 Versus 1948: 100% of the 1967 Territorial Demands Versus Refugees Rights***

The Palestinian position presented in the international arena emphasized the major concession they had made on historical Palestine and the fact that they were willing to accept only the West Bank and the Gaza Strip. Therefore, they were not prepared to concede any additional territory or to give up their demand that the Palestinian state’s territory be based on the June 4, 1967 armistice lines.

The presentation of the Palestinian position by Abbas—which emphasized that the Palestinians would suffice with having their rights to 1967 borders restored and would concede territory that was determined by the UN Resolution 181 on November 27 1947—was disingenuous given their demand for the “right of return” of the 1948 refugees to the State of Israel. Based on this demand, they made additional demands relating to the problem of the 1948 refugees, including the claim that Israel was exclusively responsible for the refugee problem; demanding the return of some 80,000 refugees and their

families; and requesting compensation and restoration of property that had been confiscated from them. In her memoir, US Secretary of State Rice wrote that Abbas's explanation for why he did not provide a positive response to Olmert's proposal was that he "can't tell four million Palestinians that only five thousand of them can go home" (Rice, 2011b, p. 652).<sup>15</sup>

## Figure 26. Obstacles in the Negotiations

- A **practical approach versus the anchoring of rights** (natural, historic, and legal)
- The Palestinian approach of "**all or nothing**"
- A problematic formula: "**Nothing is agreed on until everything is agreed on**"
- **1967 vs. 1948** (100% resolution of 1967 rights versus a partial resolution of the 1948 refugee problem)
- A triangle that does not converge: **Security-Territory-Sovereignty**
- The **Gaza** issue: implementation depending on PA's ability on the ground
- Palestinians' unwillingness to discuss Hamas regime
- **Pronounced asymmetry between the sides, leading to a lack of trust and unbridgeable gaps**
- **A war of narratives: National identity, victimhood, and rights**
- Stalemate in the peace process: Netanyahu and Abbas's comfort zone
- **Settlement policy**

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15 "The next day I went to see Abbas and asked to see him in the little dining room adjacent to his office. I sketched out the details of Olmert's proposal and told him how the prime minister wanted to proceed. Abbas started negotiating immediately. "I can't tell four million Palestinians that only five thousand of them can go home," he said. . . . I talked to the President and asked whether he would be willing to receive Olmert and Abbas one last time. What if I could get the two of them to come and accept the parameters of the proposal? We knew it was a long shot. Olmert had announced in the summer that he would step down as prime minister. Israel would hold elections in the first part of the next year. He was a lame duck, and so was the President. . . . We had one last chance. The two leaders came separately in November and December to say good-bye. The President took Abbas into the Oval Office alone and appealed to him to reconsider. The Palestinian stood firm, and the idea died" (Rice 2011a).

### ***The Issue of Gaza***

Given that Hamas rather than the PA had control of the Gaza Strip, the two sides agreed that even though Gaza would be discussed in the framework of a comprehensive agreement, the implementation would be conditional on the ability of the PA to regain control of Gaza and implement the agreement there.

When the Palestinians were asked to comment on the issue, Erekat again emphasized that if an equitable agreement is reached, it will be brought for a plebiscite also in the Gaza Strip, the inhabitants will vote for the agreement and Hamas will no longer be relevant because the people will have chosen the way of peace. With respect to the Israeli side's question as to the response of the PA in a situation where the residents of Gaza do not vote or Hamas refuses to accept the agreement, an answer was not forthcoming.

In this context, Israel was compelled to initiate Operation Cast Lead against Hamas as the negotiations came to an end, while senior officials in the PA conveyed a message to Israel that this was the time to overthrow the Hamas regime in Gaza. When asked if the PA would be prepared to take control of Gaza, the PA answered that it did not have the ability to do so and that it could not reestablish control over Gaza on the tip of the IDF's bayonets.

### ***A Two-State Solution: A Bargaining Chip Held by the Palestinians?***

Prime Minister Olmert and Foreign Minister Livni initiated the negotiations—given the assessment that a two-state solution was essential for Israel to ensure a democratic and Jewish state—out of fear of losing a Jewish demographic majority west of the Jordan. In addition, they were concerned about calls for a one-state solution and the fact that implementing a two-state solution had become increasingly less feasible. In contrast, the Palestinian side—and in particular Abu Ala—claimed on various occasions that the Palestinians preferred a one-state solution (not a binational state since they did not recognize the Jewish nation) and that from their perspective, a two-state solution was a compromise. The members of the Palestinian negotiating team also made it clear that they thought time was on their side and that the “demographic clock” was ticking at an accelerated rate.

### ***Full or Partial Sovereignty?***

The government of Israel under Olmert agreed to recognize an independent and stable Palestinian state, which would have peaceful relations with the State of Israel and would function responsibly. However, due primarily to security and settlement considerations, Israel demanded limitations on Palestinian sovereignty. This included the presence of IDF forces in the Jordan Valley, which was to be under Palestinian sovereignty, for an extended period; a single airspace and electromagnetic space under Israeli control; Israel security inspections at the external border crossings of the Palestinian state; free movement of settlers between the West Bank and Israeli territory, and more. Some refer to this scenario as a “quasistate.” Meanwhile the Palestinian side demanded full sovereignty in the air, on land, and at sea and was not prepared to compromise in this context. It recognized Israel’s security needs and was willing to accept the restrictions placed upon the Palestinian security forces (without any army and without any external alliances) and to commit to preventing terror and military threats against Israel; but it was not willing to give Israel control of areas under Palestinian sovereignty.

### ***Unofficial and Unauthorized Channels of Negotiation***

In parallel to the official negotiation channels, there were also unofficial channels of negotiations involving individuals who believed in peace and were cynically referred to as being part of the “peace industry.” These individuals had previously participated in or advised the official negotiating channels and continued to maintain “informal” dialogue and participate in track-two frameworks. These unofficial channels were extremely important during periods of stagnation when there were no official negotiations for building up a basis of knowledge prior to renewing official negotiations; for mapping areas of consensus and understanding the extent of the gaps; for finding creative solutions to complex problems; and finally for maintaining hope that one day there would be an agreement.

One problem was that on the Palestinian side, the same individuals participated in the official and the unofficial channels. As a result, the Palestinians had the impression that Israel presented greater flexibility in the unofficial negotiations and therefore had more room for compromise than it presented in the official negotiations.

At a certain stage, the members of the Peace Negotiation Team realized that it was necessary to coordinate the activity in the two channels. As a result, the Israelis involved in the unofficial channels were asked not to discuss those issues that had achieved some consensus in the official negotiations. In parallel, they were asked to check the Palestinian degree of flexibility on issues where achieving agreement proved difficult. At the same time, official Israeli negotiators maintained secret channels of dialogue with senior Palestinian officials who were not part of the negotiations, to understand which way the wind blew on the Palestinian side, to map areas of Palestinian flexibility, and to identify potential “tools” for a breakthrough.

### ***The Obstacle of “Packaging” the Core Issues***

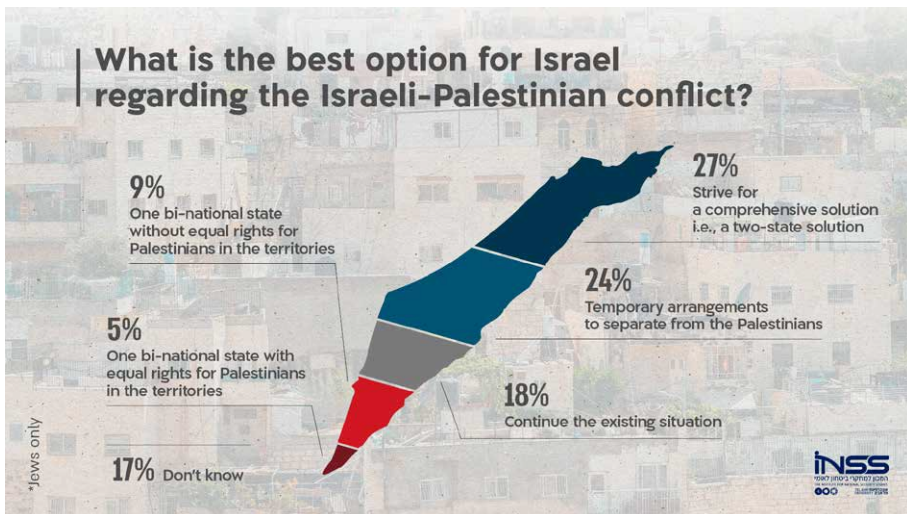
In addition to the difficulty in reaching agreement on each issue separately, treating them as a single unit was also an obstacle to success in the negotiations. Every time that a round of negotiations approached the finish line, of having reached a final agreement that included a discussion of the core issues as one package—with substitutability between them—the Palestinians chose to leave the table, either because they rejected the proposal, refused to consider it, or offered a counterproposal. Abbas chose not to say yes or no to Prime Minister Olmert’s proposal in late 2008 (Rice, 2011b), just as Arafat had done before him at Camp David in 2000 in negotiations with Prime Minister Barak and again later when he rejected the parameters for a permanent settlement drawn up by US President Clinton. President Abbas rejected the idea of the second stage of the Roadmap, namely the establishment of an independent Palestinian state within temporary borders and did not agree to respond to Secretary of State Kerry’s proposed framework of principles for a permanent settlement in early 2014 (Friedman, 2014). Instead, he turned to the international arena for a confrontation with Israel, where he was in a superior position as he did not have to make difficult decisions nor deal with domestic criticism and accusations of treason. This oft-repeated pattern indicated that the Palestinians were not prepared to show any flexibility on the parameters they determined for themselves and that the Palestinian leadership were unable to make difficult decisions that did not meet the expectations of the Palestinian public. Similarly, alongside painful concessions, the Israeli leadership found it difficult to make decisions that involved historic responsibility, security risks, or election considerations.

### *The Public Opinion Paradox*

The paradox that has developed is that close to 70% of the public in Israel still favors political, demographic, and geographic separation from the Palestinians, and between 55 and 60% view the idea of two-states-for-two-peoples as a just solution (See Figure 27). At the same time, a similar proportion of the public believes it is impossible to reach a solution to the conflict and a permanent settlement (Israeli, 2020). The situation on the Palestinian side is a mirror image: In 2015, 56% of the Palestinians in the West Bank supported a two-state solution, while in 2020, that support had fallen to less than 10% (Pollock, 2020, p. 5).

Therefore it can be concluded that indifference has increased among the Palestinian public, while both sides have lost confidence in being able to reach a permanent settlement. As a result, neither leadership is motivated to invest efforts in loosening the political logjam, allowing both sides to avoid the difficult decisions that are needed to restart negotiations. Among the Palestinians, especially the young and educated, the attitude is that the two-stage solution should be put on a back burner and that time and demography will work in their favor. Their ultimate goal is one state, which will eventually become a state of all its citizens, with full civil rights for both Palestinians and Jews.

**Figure 27.** The Best Option for Israel in the Israeli-Palestinian Conflict



Findings taken from the INSS National Security Index, November 2021





## Chapter Seven

# A Future Peace Outline

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The return of a democratic administration in the United States, led by President Joe Biden, increases the chance of restarting the peace process, with the Palestinians realizing that time is not on their side and the growing feeling of isolation as a result of the trend of normalization between Israel and the Arab states.

The two-state solution is not buried yet, despite the expansion of settlements and the creeping annexation of Area C in the West Bank by the Israeli government in recent years. To ensure that Israel achieves its overarching goal—namely a democratic, secure, and moral Jewish state—political, demographic, and geographic separation from the Palestinians is crucial, while Israel maintains its freedom to act to ensure its security. The slow but consistent drift away from this goal in recent years calls for changing direction and for returning to negotiations with the PA or, alternatively, taking unilateral steps toward separation, to gradually and responsibly create a reality of two separate political entities—Israel and Palestine.

As demonstrated in the four rounds of negotiations for a permanent settlement,<sup>16</sup> the paradigm of a permanent settlement of resolving all the disputed issues at once and describing in detail the final-status situation—having dominated the landscape for close to 30 years—has failed to translate theory into practice and to achieve a historical breakthrough. It is inadvisable to assume that the long-awaited negotiations will solve all of the problems since the main obstacles that have prevented the success of negotiations so far—namely the loss of trust between the sides; the attempt to solve all of

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16 The Camp David Summit in 2000; President Clinton's parameters in late 2000; the Annapolis Process in 2007–2008; the Kerry process in 2013–2014; additionally, President Trump's plan for the ultimate solution of the conflict in 2020.

the problems and all of the disputes in one go; and the changing strategic and political environment on both sides—are still there. There is no reason to try the same format again.

The dynamic reality, as well as the fragmentation of Israeli society between the right wing, who opposes a Palestinian state out of fear it will become a source of terror and will serve as a platform for attacking Israel, alongside a refusal to give up any part of the Jewish homeland and land of our ancestors; and the left wing, who believes it is not realistic for the state to include Palestinians in its borders without giving them civil rights, and that over time, Israel will eventually lose both its Jewish majority and Jewish character, as well as its stability and internal security. Public opinion polls carried out in recent years show that the majority of the Israeli public supports separation from the Palestinians.

On the Palestinian side, the PLO leadership and the PA still advocate a two-state solution as a way of realizing Palestinian national rights while hardline organizations, primarily Hamas, are not prepared to recognize the right of the State of Israel to exist and still dream of a Greater Palestine, from the river to the sea, which will be achieved by armed resistance. At the same time, another camp consisting of young Palestinians seek self-fulfillment and their own personal opportunities by advocating for full civil rights in a one-state framework.

In Israel, it is misleading to think that there is no reason to accelerate processes and that Israel can continue to manage the conflict because time is working in its favor, as evidenced by the normalization of relations with the UAE, Bahrain, and Morocco and with additional countries in the future; the diminishing importance of the Palestinian issue both in the region and worldwide; the split in the Palestinian camp; and the criteria of eligibility for a state as presented in the Trump plan, which the Palestinians are unlikely to meet. Against this background, the current leadership in Israel remains in their comfort zone and steers the Israeli ship without defining its final destination, while ignoring the need for fateful decisions that will preserve the vision of a Jewish and democratic state. Such lack of strategy gradually drifts into a one-state reality, without any analysis and discussion of its complexity and implications.

Moreover, the State of Israel should initiate and take a leading role in the processes. It should reject the Palestinian rule of “all or nothing” and should

not be dragged into a reality of entanglement and friction between the two populations. Foremost, perhaps, it should initiate a well-thought-out process to gain public recognition of the importance of a peace strategy whose goal is to create a reality that will enable separation from the Palestinians in the future and will adopt the following:

1. **A declaration that Israel seeks to create a reality of two separate and distinct political entities**, preferably achieved through negotiations and otherwise through unilateral measures.
2. Establishment of **transitional arrangements in cooperation with the PA** to strengthen its status as a responsible and functioning partner in the process. These arrangements should be directed toward separation, according to the principle that “anything agreed on by the sides will move to the implementation stage.” This contrasts to the formula used in the dialogue between Israel and the Palestinians, according to which “nothing is agreed on until everything is agreed on.” Progress in this process, during which components of independence for the Palestinian state will be gradually implemented, will include Israel’s freeze on settlement building outside the settlement blocs; the PA’s active war on terror; improved governance; establishment of functioning institutions; and the strengthening of the economic infrastructure. The condition for progress on this track is that the two sides fulfill their commitments, according to the arrangements that will be agreed upon.
3. The creation of a **regional configuration** that will provide legitimacy to the separation process and the transition arrangements, on the basis of peaceful relations with Egypt, Jordan, the UAE, Bahrain, and Morocco, in addition to other states in the region that normalize relations with Israel. It will provide guarantees to the PA for its willingness to cooperate; it will support gradual progress toward the establishment of a Palestinian state; and it will provide guarantees for the implementation of arrangements by the two sides. This regional configuration should make efforts to include the PA in economic, scientific, and other types of cooperation that will develop on the basis of the relations between Israel and the Arab countries.
4. Sanctioning of the **IDF to control security**, including Israel’s freedom of action in fighting the terrorist infrastructures in the entire area of Israel and the PA, together with an effort to tighten cooperation with the Palestinian

security mechanisms, based on the idea that increased effectiveness will reduce the profile of IDF activity in Palestinian territory.

5. Mobilization of **international support** for an initiative that will lead to a two-state reality. It is important that the international community make clear to the Palestinians that they do not intend to force upon Israel the Palestinian conditions for a settlement and that the two sides must reach agreement.

As emphasized, the option of negotiations to achieve a permanent status agreement is preferable, even as a first step, based on the lessons learned from previous negotiating rounds. Several tracks of negotiations can be considered:

### ***Returning to the Second Stage of the Roadmap***

Establishment of a Palestinian state within temporary borders is the main track for progress toward a two-state reality. Israel can transfer control of an additional 30% of the West Bank in Area C, in addition to 40% of the West Bank already under their control in Areas A and B, to avoid a collapse of the process due to foreseen problems and to promote a reality of separation without evacuating settlements. A Palestinian state will be established in this territory and will have temporary borders (which will include the Gaza Strip subject to the reconciliation between the rival Palestinian camps), even before the establishment of permanent borders and before the rest of the disputed issues are worked out. Taking steps in this direction will substantially change the character of the conflict, by helping the Palestinians to realize the right to self-determination, by placing the burden of proof on the Palestinians and by improving Israel's international standing as well as by deepening and expanding its ties with the Arab world. Even if it is not possible to progress from this stage to a permanent status agreement, for Israel, this situation will be preferable to the current one, since it will lighten Israel's burden of occupation in terms of governance, economic affairs, and international diplomacy.

### ***Discussion of the Core Issues in Stages***

The discussion should focus first on security and borders. International auspices should be found for the discussion, which will center on international recognition for a Palestinian state as the national home of the Palestinian

people, alongside recognition of Israel as the national home of the Jewish people and international recognition of the State of Israel's borders and its security needs, with emphasis on Israel's effective security control of the external perimeter of the two states and preservation of Israel's freedom of operations.

### ***Unilateral Steps Israel Can Take***

If the Palestinians refuse to cooperate in the shaping of a reality of separation or to progress along a track of "transitional arrangements," Israel should independently design a reality of separation into two separate and distinct entities, based on Israel's priorities and, if possible, in cooperation with the pragmatic Palestinian leadership via back channels. Israel's goal will be to maintain its national interests and to neutralize the drift toward a one-state reality, together with a willingness to return to negotiations at any point in time and at any stage. Israel will complete the Security Barrier, which will determine the line of separation. In this way, Israel will begin the long process of transferring territory to the Palestinians and including isolated Israeli settlements within the settlement blocs. This process will continue over time and will include the formulation and passage of an "evacuate and compensate law" while the various camps in the Israeli domestic arena will determine the rules of the game, including the holding of a plebiscite for the transfer of territory to the Palestinians. In parallel, Israel will transfer broad powers to the PA in areas of Palestinian settlement and their environs, including the possibility of advancing economic and infrastructure projects and Israel's annexing of built-up areas that overflowed from Area C to the territory under PA control.

### ***Assistance in Rehabilitating the Gaza Strip***

Progress on each of the possible tracks will be impossible without a comprehensive and multifaceted project to rehabilitate the Gaza Strip, which would upgrade infrastructure, launch projects to increase employment, and ease the closure. Progress in this direction is essential to reduce the potential for escalation of the Gaza Strip and also to prevent the possibility of an absurd situation of "three states for two peoples." In this context, Israel should strengthen its cooperation with Egypt to prevent the smuggling of weapons and the expansion of Salafi-Jihadi infrastructure in this arena.

Even at this stage, when there is no practical alternative to the Hamas regime in Gaza, Israel can establish the rules of the game with a hostile entity and stabilize the arena with the help of regional and international players. If there is reconciliation between Hamas and the PA, then Israel should continue its coordination and cooperation with the PA, on the condition that the reconciliation agreement includes continuing the peace process under the PA leadership and on the basis of three conditions: cessation of terror and violence; recognition of existing agreements and settlements; and recognition of the State of Israel. It is recommended that Israel not negotiate with the Hamas regime in Gaza, since it would weaken the Palestinian peace camp under the PA.

### ***Coordination With the Quartet and its Involvement From the Beginning of the Process***

The Quartet should be involved in presenting the final-status arrangement along very general lines (two-states-for-two-peoples; the June 4, 1967 reference line with modifications and land swaps; two capitals in the Jerusalem area; and the guarantee of security for the residents of Israel). At the same time, it is recommended that international entities be involved to strengthen trust and cooperation between Israel and the PA in an interim agreement to gradually and consensually change the reality on the ground and as a byproduct of the sought-after final status.

An important prerequisite is creating **an atmosphere conducive to dialogue**, which includes considering the needs of the other side, building trust, and gaining mutual respect. It is recommended that each side begin this supportive atmosphere at home. The US, the EU, and the wealthy and pragmatic Arab states will have an important role to play in providing economic aid to the PA, so that it can function effectively, in parallel to creating a solid basis for a state in the areas of governance, security, infrastructure, economic affairs, and civil society.

Apart from security, as well as economic and social benefits that Israel will gain from the changing reality as it takes the path toward separating the Palestinians followed by a two-state solution, Israel will also benefit from multifaceted regional cooperation and the strengthening of its international status.

## Epilogue

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One cannot argue with the bottom line that despite the genuine intentions and the powerful desire to reach a settlement with the Palestinians, Prime Minister Olmert and Foreign Minister Livni did not find the magic formula to achieve that goal. In our own discussions while writing this memorandum, we tried to understand what the motivation of the leadership and the public in Israel should be in creating two separate and fully sovereign states.

This question arises from the fact that ostensibly Israel has a huge advantage in preserving the current situation. It enjoys stable security, partly due to its control of the Jordan Valley and its operational freedom throughout the West Bank, enabling it to maintain the long-term battle against terror. It is responsible for its own protection, using its own armed forces against potential external threats, while it continues to enjoy absolute control in the air, on land, at sea, and in the electromagnetic space. Israel also maintains security cooperation with Jordan, Egypt, and the PA's security mechanisms, despite ups and downs. The PA is responsible for law and order and the day-to-day needs of the Palestinian public, which removes that burden from Israel. Moreover, the rules of the game have also been determined vis-à-vis Hamas in the Gaza Strip, by not allowing that arena to escalate and keeping it below the threshold of war, while the PA also benefits from its noninvolvement in Gaza, which serves to support Israel's claim that there is no partner for a settlement, as the fate of the West Bank under total PA control would be the same as that of Gaza. Moreover, the two sides—the Israelis and the Palestinians—have accepted this “status quo” reality as being preferable to other options that would involve difficult decisions for the two leaderships and the two publics in adjusting to a different reality.

But the sustainable “status quo” reality is a kind of illusion and provides a partial answer to whether there is still motivation to continue seeking a breakthrough that will lead to a settlement; as both Olmert and Livni saw

it, the current situation will “drift to a one-state reality.” In the Annapolis process, Olmert was motivated by what he recognized as an urgent need for the political, geographic, and demographic separation of Israel from the Palestinians, preferably based on an agreement, and otherwise, by means of unilateral measures given broad international recognition.

Prime Minister Olmert believed he could recruit the support of the Israeli public for an agreement. In the briefing he gave at the Jerusalem Institute for Policy Research in July 2012, he stated that “with respect to public opinion: In the end, it is a question of leadership. Leaders can change public opinion. A leader will manage to convince if he proves that he is working on behalf of something that is much bigger than he is. I think that most of the public would agree to the concessions I proposed. You only need to invest all of your efforts and I had a full and comprehensive plan.” However, since then, the reality of intermingling and intermixing between the PA and Israel and between the Jewish and Palestinian populations has only become more pronounced. Already today, this reality makes separation difficult, and it will continue to do so if one day it is realized that separation is the preferred way of maintaining the Jewish character of the State of Israel, its national security, and its economic, social, and political resilience. Currently, the Israeli public is being led gradually into the reality of one-state without fully understanding its implications, and this threatens Israel’s ability to realize its Zionist vision, both now and in the future, and to maintain the status of Israel as a Jewish and democratic state.

Thus, the many details discussed in the negotiations formed a complex configuration of the reality shared by the two sides. As one delves into the details and examines the positions and maneuvering room of the two sides and begins to appreciate the weight each side attributed to its dominant narrative and to their ethos with which they have been endowed over the years, one can more clearly see the obstacles and barriers that prevented narrowing the gaps between the sides and from reaching a settlement.

At the same time, we are still convinced that if the leaderships of both Israel and of the Palestinians can bridge the gaps on the six main issues—namely two national homelands (for two peoples), territory and borders, security arrangements, Jerusalem, refugees, and the end of claims—then it will be possible to close the other gaps, making it possible to create widespread and decisive support among the Israeli and Palestinian publics for a settlement.



A decision to advance toward a final status agreement between Israel and the Palestinians, which is essential to the prosperity of the State of Israel and whose importance is second only to the acceptance of the Partition Plan and to the Declaration of Independence, must be based on the agreement of the Palestinian side. However, some feel that the Palestinians will never compromise on their claim to all of Palestine. Nonetheless, we have reached the conclusion that the Israeli leadership should seriously and genuinely consider unilateral steps toward separating from the Palestinians, while maintaining a way to progress in the future toward consensual separation.

One way or another, Israel must seek the following fundamental conditions: a brave and determined **leadership** that will make fateful decisions and has the ability to persevere in their implementation and survive during that process; **public legitimacy** and rules of the game that are accepted by the main camps in Israeli society; **governance** (i.e., political, economic, legal, and organizational stability); **international and regional recognition** of Israel's borders and its legitimacy, ending the occupation and culminating the Palestinian claims.

The leaders of Israel and its citizens need to recognize the adverse consequences of the noose that is tightening around Israel's future—alongside a Palestinian population that has no intention of loosening the knot—and to thoroughly consider the possibility of unilateral steps toward separation, until the conditions of the conflict change in favor of an overall and agreed-upon settlement. In any case, in any future negotiations it is worthwhile that the State of Israel come to the table after having learned the lessons from the previous rounds of negotiations regarding the obstacles that hindered progress toward a settlement and those elements that facilitated it.



## Appendix

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The Roadmap was an American multi-stage plan that proposed gradual progression toward ending the Israeli–Palestinian conflict and then also the Israeli–Arab conflict. The plan was approved by the Quartet on the Middle East—the US, the UN, the EU, and Russia—and was submitted to Israel and the PA on April 30, 2003. The implementation of the plan was meant to end the conflict by 2005.

The Roadmap defined three overall stages, each of which included mutual steps in the areas of security, economic relations, creation and reinforcement of Palestinian institutions, and humanitarian projects. According to the Roadmap, the Quartet had to approve that all the obligations in a particular stage had been met to make it possible to move on to the next stage. However, as the first stage has not yet been fully implemented, this plan did not advance. Its three stages were as follows:

First stage: Both sides were to cease the violence, renew security coordination, and make a joint declaration of support for the “two-states-for-two-peoples” plan. On the Israeli side, Israel was to dismantle settlement outposts established after 2001 and freeze building in the settlements, withdraw from territory taken over by Israel after the outbreak of the Second Intifada, provide humanitarian assistance to the PA, and support the reforms advanced by the PA. On the Palestinian side, the PA was to approve and implement comprehensive policy and organizational reforms in the government ministries and security organizations and end incitement against Israel and the support for terror, as well as make efforts to eliminate terror.

Second Stage (implementation had been planned for December 2003): The first stage was to be solidified, an international peace conference was to be held, during which normalization of relations between Israel and the Arab states (a return to the situation prior to the Second Intifada) would be agreed upon. Completion of this stage was meant to include the creation of

a Palestinian state within temporary borders, with a new constitution and well-functioning civil and security institutions. The state's characteristics and borders would constitute the implementation of previous agreements (including the issue of territorial continuity).

Third stage (implementation had been intended for the end of 2005): This stage was to be characterized by Palestinian institutions and mechanisms functioning at a continuous and high level; intensive negotiations to reach a final-status agreement between Israel and the Palestinians, followed by a peace treaty between Israel and all the Arab states. The peace treaty with the Palestinians would be based on UN resolutions 242, 338, and 1937 and would bring an end to the conflict, including an appropriate resolution to all of the pending issues, such as borders, refugees, Jerusalem, and water. between Israel and the Palestinians, followed also by a peace treaty between Israel and all the Arab states. The peace treaty with the Palestinians would be based on UN resolutions 242, 338, and 1937 and would bring an end to the conflict, including an appropriate solution to all of the pending issues, such as borders, refugees, Jerusalem, and water.

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This memorandum describes the context and background of the Annapolis process of 2007–2008 for a permanent status agreement between the State of Israel and the representatives of the Palestinians—the PLO and the Palestinian Authority. The authors, who held key positions in planning, organizing, and conducting the negotiation meetings, describe the interactions and events in public and behind the scenes, in a concerted effort to depict the “golden path” between the competing interests and opposing positions of the parties to reach a stable and viable settlement.

The details presented here and the portrayal of the positions in the negotiation rooms constitute the complex shared and separate reality of Israel and the Palestinians. As one delves into the details and examines the attitudes and positions of the parties and their degree of flexibility, the great weight that the parties attached to their narratives and to the ethos entrenched over the years becomes increasingly apparent, as well as the growing obstacles that prevent a settlement and bridging of the gaps.

To reach an arrangement between Israel and the Palestinians—a fateful decision for the prosperity and fortitude of the State of Israel as Jewish, democratic, secure, and moral—the Palestinian side also needed to agree. In the years since the Annapolis process, the gaps between the two sides have grown and become increasingly entrenched, while chances at achieving a permanent, comprehensive, and stable settlement have receded. The authors conclude here that the Israeli leadership should seriously and honestly consider an agreed-upon separation from the Palestinians as well as take independent steps, without impeding any future diplomatic process. In any future negotiations, the State of Israel should approach the negotiation table having learned from the previous rounds of negotiations, including recognition of both the obstacles and factors that will facilitate progress and the formulation of agreements.