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The Israeli-Palestinian Conflict: Moving Away from the Ability to Find and Promote Solutions

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Did Israel miss the (last) chance for a two-state solution to the Israeli-Palestinian conflict? With the growing debate among the Israeli public about the viability of a two-state solution, and the lack of public knowledge about the Annapolis process and how close Israel may have been to “two states for two peoples,” INSS recently published a [memorandum](#) on the Annapolis process (2007-2008). The Annapolis process saw the convergence of optimum conditions for negotiations, with a golden opportunity to reach a settlement: calm after the years of the second intifada; trust between Prime Minister Olmert and President Mahmoud Abbas; an outline for negotiations drawn up in advance with the Palestinians and the United States; the involvement of professional elements on the specific issues; a supportive international system; and more. Nonetheless, the professional and practical talks did not bring about the sought agreement. The Biden administration, which hopes to promote the two-state option, could learn from the lessons of Annapolis, if it seeks to restart the political process.

Keywords: political process, two-state solution, Annapolis process, permanent status agreement, Israeli-Palestinian conflict

The End of the Annapolis Process for a Permanent Status Agreement

Toward the end of Ehud Olmert's term as Prime Minister, after he did not manage to reach the long-needed agreement with Palestinian Authority President Mahmoud Abbas (Abu Mazen), a meeting was held with the Israeli negotiations team of the Annapolis Process (2007-2008), whose goal was to achieve a permanent status agreement between Israel and the Palestinians, based on the "two states for two peoples" formula. Prime Minister Olmert presented his goal to achieve a "big bang"—the formulation of a joint document of principles for a comprehensive agreement. According to Olmert, the move was cut short before the task was completed, when he was forced to resign as Prime Minister.

Olmert referred to the map of the arrangement that he himself presented to the President of the Palestinian Authority. According to this map, 6.5 percent of the Palestinian territories would be annexed to Israel, and in return Israel would transfer to the Palestinians the equivalent of 5.8 percent of its own sovereign territory in a land swap. The area of the link between the Gaza Strip and the West Bank would be calculated as 0.7 percent. In other words, the Palestinians would receive land at a ratio of 1:1—the equivalent of 6.5 percent of the territory of the West Bank and the Gaza Strip before they were captured in June 1967. There was no response to Olmert's offer from the Palestinian side, and during the negotiations wide gaps were revealed in the positions of the parties on both large and small issues that appeared unbridgeable. Apparently this would have been the case had the negotiations continued.

Then-United States President George W. Bush explained why the road to a settlement was blocked. In his memoirs he wrote that a move had been prepared to turn Prime Minister Olmert's proposal into an agreement. Olmert was supposed to put his proposal to the US President, while Abbas would declare that the proposal provided a response to Palestinian

interests. After that, President Bush was supposed to invite the two leaders to a summit meeting where details of the agreement would be finalized. The President added that Abbas did not want to sign an agreement with a Prime Minister who was about to leave office.¹

US Secretary of State Dr. Condoleezza Rice, who was very involved in the Annapolis process and followed the progress of negotiations closely, also wrote that Abbas and Erekat made it clear to the Americans that they were unable to accept Olmert's proposal and could not agree to a map that included Israeli annexation of Maale Adumim and Ariel.² In addition, Abbas claimed that there was no suitable arrangement for four million Palestinian refugees. Abbas and Erekat hoped that Rice would persuade Foreign Minister Tzipi Livni (if she managed to form a government when Olmert left) to first define the borders and to reject Olmert's ideas, particularly with reference to the special area (the Historic Basin) in Jerusalem.

The Institute for National Security Studies (INSS) [memorandum on Annapolis](#) states as follows:

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 Palestinians 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.

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 [exclusive] 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). (pp. 87-88)

Furthermore,

The Palestinians explained their absence of a response to Olmert's proposal by saying that Olmert was due to end his term of office in early 2009, and in their assessment there was a significant chance that Benjamin Netanyahu would be the next Prime Minister of Israel. 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." (p. 89)

Olmert emphasized at a 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

The memorandum also states that

Olmert emphasized at [a] 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 [not to continue with negotiations] 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 [i.e., Barack Obama]. (p. 90)

In retrospect, in personal meetings, Abbas expressed regret for not responding positively to Olmert's proposal.

In the Annapolis Process, as in other rounds of negotiations—the Camp David Summit in

2000 between Prime Minister Ehud Barak and PLO leader Yasir Arafat, President Bill Clinton's parameters for a permanent status agreement later that year, and the principles of the permanent agreement sought by US Secretary of State John Kerry (2014)—the purpose of the talks was to achieve a permanent status agreement covering all the issues in dispute, based on the two-state solution (for two peoples, according to the Israeli position). Prime Minister Olmert and Foreign Minister Livni directed the negotiations built on an assessment that the two-state solution was essential to ensure Israel's continued existence as a democratic Jewish state, and on the fear of losing the Jewish demographic majority in the land west of the Jordan River. Moreover, they expressed concern about the voices worldwide calling for a one-state solution, as the possibility of a two-state solution seemed to ebb.

The leaders of the talks on the Palestinian side, Abu Alaa and Saeb Erekat, repeatedly stressed that by adopting the two-state solution and renouncing 78 percent of "Greater Palestine" (the area of the State of Israel before the Six Day War) they were making huge overtures toward Israel. At times of crisis during the talks, Abu Alaa generally explained that the Palestinians would prefer the solution of a single state for all its citizens (i.e., not bi-national, since they do not recognize the Jewish nation), and their very consent to a two-state solution was a compromise on their part, while emphasizing that "the demographic clock" worked to their advantage.

The common assessment is that the government of Israel and the senior PLO officials who were the Palestinian representatives failed to reach the desired agreement due to differences over the core issues—territory and borders, Jerusalem, security, refugees, two nation states, and the end of claims—and because no formula could be found to bridge all the issues, either separately or as a whole. Apart from the gaps in positions on both large and

small issues, there were three main obstacles to progress:

- a. *Full or limited Palestinian sovereignty*: In all rounds of talks until then, Israel agreed to recognize an independent, stable, responsible Palestinian state that functioned effectively and was at peace with the State of Israel. However, mainly for reasons of security and settlement, Israel demanded restrictions on Palestinian sovereignty in several areas, including the long-term presence of IDF forces in the Jordan Valley, even if that was within the borders of the Palestinian state; unified aerial and electromagnetic space under [overriding] Israeli control; Israeli security presence in the external perimeter, including security checks at the external border crossings of the Palestinian state; and the retention of settlement blocs and free movement for their residents into Israel. These restrictions were dubbed "Palestinian state minus." On the other hand, the Palestinians demanded full sovereignty on land, in the air, and at sea, with no security or civilian Israeli presence in their state, and were not willing to compromise on this. They did recognize Israel's security needs and were prepared for restrictions on the abilities of the Palestinian security forces (without an army or capabilities to threaten Israel) and a commitment to prevent terror and military threats against Israel. However, the Palestinian negotiators were not prepared to leave any control over Palestinian sovereign areas in Israeli hands.
- b. *Asymmetry between the parties* was a material obstacle in the talks. Israel came to the negotiations from a position of power, as the party controlling the territory and determining the fabric of Palestinian life, based on a strong army with access to all parts of the territories, including the heart of Palestinian towns. On the other hand, the Palestinians saw themselves as victims and came to the talks on the "rights ticket": after

what they saw as the loss of their rights in the United Nations resolution of November 29, 1947 (and 78 percent of Palestinian territory), they demanded in return full implementation of their rights on the West Bank and in the Gaza Strip. The Palestinian narrative, which they said is grounded in the value of honor, stresses that the Palestinians are under Israeli occupation, and therefore they are unable to exercise their right to self-determination, with their lands stolen and every aspect of their lives subject to Israeli decision. When Israel came to discuss rights, it immediately presented the historical link of the Jewish people to Jerusalem and Judea and Samaria, which prompted the dispute over who has more rights to the land. In a situation of such deep asymmetry, it is very hard to create trust between the parties—something that is essential for flexibility in positions and potential [zones of possible] agreement.

- c. During the dozens of hours of meetings I held as head of the Israeli negotiating team with my counterpart Dr. Saeb Erekat, I repeated the statement that we had an opportunity, perhaps for the last time, to reach a settlement realizing 97 percent of the Palestinian claims, and thus bringing about a dramatic and historic change in favor of the Palestinians, certainly compared to their current situation. Erekat consistently replied: “All or nothing.”

Another important finding of the research on the Annapolis process shows that even professional and practical handling of the talks, in contrast to the criticism directed at Israeli conduct before the Camp David talks in 2000, did not lead to the sought agreement. The Annapolis process saw optimal conditions for negotiations and a golden opportunity to reach a settlement: calm after the years of violent terror of the second intifada; close relationships and even trust between the leaders, Prime Minister Olmert and Palestinian Authority President Abbas; a supportive US administration

involved to a suitable extent in the process, with a steering committee headed by US Secretary of State Rice; an outline of talks drawn up in advance jointly with the Palestinians and the United States; full prior agreement between the parties over how to conduct the process; the establishment of professional groups that included professionals and expert practitioners; discretion and confidentiality, with discussions far from the media; and a supportive and non-interventional international system. Yet even all these conditions did not result in a different outcome from previous negotiations.

The Value and Viability of the Status Quo

The research into the Annapolis process confirmed that in spite of the genuine intentions and strong desire of Israeli Prime Minister Ehud Olmert and Foreign Minister Tzipi Livni to reach an agreement with the Palestinians, the magic formula to achieve the objective could not be found. In light of a series of crises in relations between Israel and the Palestinians, and the failure of the paradigm of negotiations to achieve a comprehensive permanent status agreement resolving all the issues in dispute toward two states for two peoples, many in Israel find the current situation much to their advantage. In their assessment, it provides security stability, partly due to Israel’s control of the Jordan Valley and IDF freedom of operation throughout the West Bank, allowing it to maintain an ongoing campaign against terrorist infrastructures; Israel’s ability to defend itself against possible external threats while it has absolute control in the air, on the ground, and over land crossings into the West Bank; security cooperation with Jordan and Egypt, and with the security mechanisms of the Palestinian Authority (with ups and downs); and the Palestinian Authority’s responsibility for aspects of civil governance in the West Bank—law and order, concern for the public’s daily needs—thus removing this burden from Israel’s shoulders.

Moreover, the rules of the game were also established for Hamas in the Gaza Strip: there are sometimes unusual events that can escalate into military conflicts, but thus far, the reality that has emerged serves the argument of the Israeli government that there is no partner for an agreement, and that the outcome of any agreement is almost certain, namely, the fate of the West Bank would be the same as the fate of the Gaza Strip, which is controlled by a terrorist organization, Hamas. Above all, it appears that both parties, Israel and the Palestinians, believe that time is working in their favor, and there is discernible acceptance on both sides of a status quo that is preferable to other options, which would require their leaders to make difficult decisions involving the necessity to adjust to a different reality.

The research findings show that in the long run, the solution of two states for two peoples is the most stable framework that supports the supreme objective of the State of Israel—a Jewish, democratic, secure, and moral state—and could overcome a host of possible future challenges and scenarios.

In fact, however, the status quo is tantamount to an illusion. The current situation means slowly sliding into a one-state reality: Israel continues its expansion of settlements, taking control and trying to remove Palestinians from Area C in the West Bank; the security barrier between Israel and the Palestinian territories is incomplete, not reinforced, and easily and regularly breached; tens of thousands of Palestinian workers, with and without permits, cross into Israel every day for work; and in practice there is a mingling of the two populations, Palestinian and Jewish, and one day we will wake up and discover that the knot cannot be untied and the two can no longer be separated.

The Institute for National Security Studies (INSS) conducted research to map and analyze the options for an arrangement between Israel

and the Palestinians. In this study, which included simulations, a series of alternatives were examined:

- a. Two states for two peoples
- b. One state with equal rights for all its citizens; one state without equal rights (apartheid)
- c. An Israeli-Palestinian federation
- d. An Israeli-Palestinian confederation
- e. A Jordanian-Palestinian confederation
- f. Two states in one space with open borders
- g. Unilateral separation by Israel from the areas settled by Palestinians in the West Bank
- h. Transitional arrangements—gradual implementation of what can be agreed, before a detailed definition of the final agreement
- i. A regional agreement and multilateral solution for the bilateral dispute between Israel and the Palestinians
- j. A Palestinian state within provisional borders before final status agreement is reached on all the issues (based on the “roadmap”)³
- k. The breakdown/dismantling of the Palestinian Authority and transition to a situation of Palestinian cantons in the West Bank
- l. Continued conflict management, while adjusting to changes in the situation.

The research findings show that in the long run, the solution of two states for two peoples is the most stable framework that supports the supreme objective of the State of Israel—a Jewish, democratic, secure, and moral state—and could overcome a host of possible future challenges and scenarios. A central insight is that there is still a chance for the two-state solution, but to preserve the goal and halt the slide into a one-state reality, it is imperative to promote the optimal and most relevant option for the foreseeable future, which is political, geographic, and demographic separation from the Palestinians. This should preferably be based on coordination and consent between Israel and the Palestinian Authority that maintains freedom of security activity and creates a reality of two separate, distinct political entities, in a

normalization of relations with the United Arab Emirates, Bahrain, Morocco, and Sudan, the expectation of a continuing process with other Arab countries, and the idea that the Palestinian issue can be marginalized. This illusion was shattered by the events of May 2021 in Jerusalem and in Israeli cities with mixed Arab and Jewish populations, and by the fighting with Hamas in the Gaza Strip. Yet notwithstanding these events, the idea encourages the conclusion that there is no reason to rush the process, and it is possible to continue conflict management. Against this background, the Israeli leadership prefers to remain in its comfort zone and steer the Israeli ship without defining its ultimate destination, avoiding the necessity of making fateful decisions to ensure the realization of the vision of Israel as a democratic and Jewish state. A situation in which no decisions are taken will lead to a slow slide into the one-state reality, with no analysis of its significance or discussion of its implications and their complexity. In this sense, it would be correct to treat the events of May 2021 as a harbinger of the possible behavior of Arab society in Israel, the potential for escalation in Gaza, and possibly a deterioration of the security situation in the Palestinian Authority areas as well.

Israel must initiate and lead processes divorced from the Palestinian principle of “all or nothing,” and urge acceptance of an alternative principle of implementing whatever is agreed, in order to not be drawn into the reality of complication and mixing between populations belonging to two peoples who are in a national, religious, and cultural conflict. Inter alia, and perhaps primarily, the Israeli government should spearhead a smart move of enlisting public opinion in Israel for recognition of the importance of a political-territorial strategy to create a situation that will facilitate future separation from the Palestinians. Such a strategy could rest on moves in the following directions:

a. *An official statement* that Israel seeks to shape a reality of two separate and distinct

entities, whereby Israel is the national home of the Jewish people, and Palestine is the national home of the Palestinian people and the framework for realization of its rights. The clear preference is to achieve this situation through negotiation, but if this is not possible, Israel should make independent moves, without shutting the door to subsequent participation by the Palestinian Authority.

b. *Transitional arrangements* introduced in collaboration with the Palestinian Authority, in order to establish the PA as the responsible and effective entity leading the Palestinian camp and a partner in the process. The transitional arrangements will be oriented toward separation, based on the principle that “anything agreed by the parties will be implemented.” Progress in the process, namely, involving the gradual implementation of aspects of independence for the Palestinian state, with a freeze on settlement building outside the security barrier, will be conditional on progress in building the Palestinian state, including an effective fight against terror, enhanced governance, and the establishment of functioning institutions, according to agreed arrangements.

c. *Regional support* to give legitimacy to the moves toward separation and transitional agreements, based on peaceful relations with Egypt, Jordan, the United Arab Emirates, Bahrain, Morocco, and other countries that have espoused normalization. The regional envelope will also provide guarantees to the Palestinian Authority in return for its willingness to cooperate, support gradual progress toward a Palestinian state, and give guarantees for implementation of the arrangements by both parties. Israel should strive to incorporate the Palestinian Authority in the economic, technological, and other changes following supportive regional involvement in the process.

- d. *The retention of overall security responsibility* in IDF hands, together with Israel's freedom of operation in the fight against terror infrastructures throughout the area, and an effort to increase cooperation with the Palestinian security apparatuses. This will be based on the principle that the greater the willingness of Palestinian forces to take action against terror and the greater their effectiveness, the lower the IDF profile will be in Palestinian territory.
 - e. *International legitimacy*, essential for recruiting support for any initiative intended to shape a two-state reality. It is vital for the international community to make it clear to the Palestinians that it does not intend to force Israel to accept the Palestinian terms for a settlement, and that the parties themselves must reach agreement.
- during talks, tracking the status of the process, defining the stages of progress, identifying gaps and how to handle them, and planning in advance how to deal with the obstacles that could hinder negotiations.
- d. The negotiations format must be agreed on in advance with the Palestinians. The first step is to map all the topics and reach agreement over the issues that the parties wish to discuss; followed by definition of the purpose and framework of the expert committees to be established; simultaneous discussions at leadership level—top down—and at specialist level—bottom up; preparation of a chart to monitor all issues under discussion: interests, positions, gaps, areas of agreement. It is important to create a positive trend with the focus first on areas of agreement and an attitude of “whatever is agreed will be implemented,” instead of the approach that nothing will be agreed until everything is agreed. There should be preliminary agreement on a mechanism for resolving any crises in the course of negotiations.

Rules for Conducting Negotiations

If a political process resumes, what follows is a list of ironclad rules for conducting negotiations, based on lessons learned from previous rounds of talks and analyzed in the Annapolis memorandum:

- a. There must be a less ambitious objective than comprehensive agreement on all final status issues, because of the unbridgeable gaps in the positions of the parties and the asymmetry between them.
- b. A complex ethnic dispute between two peoples fighting for their right to the same piece of land cannot be resolved in one stroke, and must be spread over a period of time and sub-issues on which agreement can be reached, and which can be gradually implemented, while constantly learning from the implementation of each stage.
- c. There must be a permanent negotiations team, charged with the tasks of identifying opportunities to further the political process, preparing material required for talks, preparing the negotiations meetings, conducting simulations to prepare the teams for challenges and surprises that may arise
- e. The objective is to locate the zone of possible agreement (ZOPA) and extend it through constant dialogue and formulated understandings between the parties, or issues that both sides can accept and implement, even without signing a final agreement.
- f. To ensure the professional continuation of negotiations, a number of rules must be observed: secrecy—both sides must agree to refrain from revealing the contents of discussions, managing the negotiations through the media, and giving interviews, while keeping all details within the discussion rooms, in order to save the negotiators from the need to deal with external pressures; multiple channels—in addition to the negotiating teams, there should be side channels with senior Palestinian elements to clarify the Palestinian view of progress in the talks and find creative solutions for

problems that are not solved within the negotiations room; negotiations as equals—with no feelings of superiority or patronizing, while giving the Palestinian side a platform from which to present its narrative of rights.

In conclusion, the Palestinian problem will not disappear if we don't talk about it. On the contrary, the absence of dialogue or negotiations distances us from the ability to think, devise, and promote solutions. Since no endgame can be reached now, there is a need to shape the reality of separation by measured steps, bottom up.

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Notes

- 1 Bush, G. (2010). *Decision points*. Crown Publishing Group, pp. 409-410.
- 2 Rice, C. (2011). *No higher honor*. Broadway Books, p. 723.
- 3 The "roadmap" is an American multiphase plan that proposed gradual progress toward the conclusion of the Israeli-Palestinian dispute, and consequently also the Arab-Israeli conflict. The plan was approved by the Quartet (the United States, the UN, the European Union, and Russia) and submitted to Israel and the Palestinian Authority on April 30, 2003. Implementation of the initiative was supposed to bring an end to the conflict by 2005. The roadmap defined three primary stages, each involving reciprocal moves in the areas of security, economy, construction and strengthening of Palestinian institutions, and the humanitarian realm. It was determined that only confirmation by the Quartet that all obligations had been fulfilled at any stage would allow advances to the next stage. In fact, the first stage was not fully implemented, and therefore there was no progress according to the outline toward the second stage of establishing a Palestinian state within temporary borders, before agreement on permanent status issues.