

## **ROAD MAPS AND FINAL DESTINATIONS FOR ISRAEL AND PALESTINE**

---

**MICHAEL EMERSON**

AND

**NATHALIE TOCCI**

This Working Paper is published by the CEPS Middle East and Euro-Med Project. The project addresses issues of policy and strategy of the European Union in relation to the Israeli-Palestinian conflict and the wider issues of EU relations with the countries of the Barcelona Process and the Arab world.

Participants in the project include independent experts from the region and the European Union, as well as a core team at CEPS in Brussels led by Michael Emerson and Nathalie Tocci.

Support for the project is gratefully acknowledged from:

- Compagnia di San Paolo, Torino
- Department for International Development (DFID), London.

Unless otherwise indicated, the views expressed are attributable only to the author in a personal capacity and not to any institution with which he is associated.

ISBN 92-9079-431-6

Available for free downloading from the CEPS website (<http://www.ceps.be>)

© Copyright 2003, CEPS

---

Centre for European Policy Studies

Place du Congrès 1 • B-1000 Brussels • Tel: (32.2) 229.39.11 • Fax: (32.2) 219.41.41

e-mail: [info@ceps.be](mailto:info@ceps.be) • website: <http://www.ceps.be>

## PREFACE

---

**T**he draft road map of 20 December 2002 annexed to this paper was prepared during the last months of 2002 by the Quartet, consisting of the EU, Russia, US and UN. This text was due to be published before the year end, but with the Israeli general elections due on 28 January 2003 the US insisted on delaying its publication. A few days before the beginning of the Iraq war in March 2003, President Bush announced that the road map would be published as soon as Abu Mazen was installed as Prime Minister of the Palestinian Authority. The text had however already been long in public circulation (see, for example, the website of the Israeli NGO called Bitter Lemons at [www.bitterlemons.org/docs.html](http://www.bitterlemons.org/docs.html)).

The present paper is extracted from Chapters 4 and 7, and Annex N, of the authors' book published by CEPS and completed on 16 February 2003, under the title *The Rubik Cube of the Wider Middle East*. The only addition has been the map entitled "West Bank 'Security Wall': Under Construction and Projected Alignment", which was distributed by the Negotiation Affairs Department of the PLO on 25 March 2003.

It is a matter for speculation and eventual clarification whether something like this map might be what Israel has in mind for the provisional borders of the interim Palestinian state under Phase II of the road map, if indeed the process reaches that stage. This map represents around 40-50% of the total territory of the West Bank occupied in the 1967 war, and compares with the 94% under discussion at Taba in January 2001.

Michael Emerson  
Nathalie Tocci  
14 April 2003, Brussels

# ROAD MAPS AND FINAL DESTINATIONS FOR ISRAEL AND PALESTINE

## *WORKING PAPER NO. 12*

*OF THE*

## *CEPS MIDDLE EAST & EURO-MED PROJECT*

**MICHAEL EMERSON AND NATHALIE TOCCI**

---

### **Birth of the Quartet and its road map**

The Quartet was born at a meeting of foreign ministers in Madrid in April 2002, in response to Israeli army incursions into the Palestinian territories and in an attempt to give a fresh impetus to Western efforts to revive the lapsed Middle East peace process. The Quartet consists of the EU, Russia, the US and the United Nations. Given the relative passivity of the Russian and UN participants, the Quartet is effectively being driven by the US and the EU. While not yet successful in re-activating the peace process, it confirms in principle for the EU for the first time since the end of the Clinton period that the peace process is no longer the exclusive domain of the US, and that the US appears to welcome a more active European role as a political player, rather than just a payer of aid.

Since President Bush's speech of 24 June 2002, the Quartet has been especially engaged in the question of Palestinian reform. It has sponsored an International Task Force on Palestinian Reform, which includes the four Quartet members, joined by Canada, Japan, Norway, the IMF and the World Bank. The Task Force has set up seven working groups, tasked with civil society, financial accountability, local government, the market economy, elections and judicial and administrative reform. The Quartet is also meeting with the Arab League's Follow-up Committee, consisting of Egypt, Jordan and Saudi Arabia and joined now by Lebanon and Syria.

Since the summer of 2002, the Quartet has also been busy working on the concept of a road map for a renewed peace process. The first draft road map adopted by the Quartet on 17 September was based on a text proposed by the Danish EU presidency, which was heavily influenced by the speech of President Bush on 24 June and subsequent discussions in the Quartet. The main features of the road map of 17 September were a three-stage process that should deliver the final settlement within three years, i.e. by 2005. Compliance with specific performance benchmarks would be monitored by the Quartet. The three stages had the following main features:

*I. 2002 to first half of 2003:* Cessation of violence, security reform, settlement freeze, Israeli withdrawal to the pre-intifada (28 September 2000) lines "as the security situation improves", and Palestinian elections in early 2003.

*II. Second half of 2003:* Creation of a Palestinian state with provisional borders.

*III. 2004-05:* Israeli-Palestinian negotiations leading to a permanent status solution.

The Quartet's paper work has been impressive and its inception creates the potential for a valuable multilateral framework for the resolution of the Middle East conflict. Yet so far, as

expressed by Commissioner Patten himself, its work has been “virtual”. With Israel’s military occupation of the West Bank and the Palestinian Authority (PA) barely kept alive by foreign donations, much of the Quartet’s work is at best theoretical. At worst it may be counterproductive in undermining the credibility of the process. The road map has been through several stages of revision throughout the last months of 2002, resulting in the draft of 20 December (annexed to this Working Paper). Although this text is widely available publicly, the US has refused to adopt and publish it officially, ceding to pressure from Sharon on grounds that it would interfere with the Israeli elections of 28 January 2003. So far the Quartet in action has not really marked a break from the past. As will be analysed in more detail below, its road map is ambiguous, providing multilateral cover for a weak US policy.

### **Assessment of the road map**

The Quartet’s draft road map of 20 December 2002 has many of the necessary elements for progress towards a just solution of the Israeli-Palestinian conflict – an end to violence in all its forms, a freeze of settlement activity and Israeli withdrawal, reform of Palestinian governance, security cooperation, commitment to a two-state solution and birth of a sovereign Palestinian state, and successive international conferences to negotiate solutions and final status settlements between Israel and Palestine as well as with Syria and Lebanon (see Box 1).

#### *Box 1. Checkpoints in the draft road map of 20 December 2002*

##### **Palestinians**

1. Cessation of violence
2. Reform of governance, elections
3. Security sector reform and cooperation with Israel
4. Declaration of right of Israel to exist
5. Declaration of sovereign statehood

##### **Israel**

1. Cessation of violence, destruction, collective punishment
2. Transfer of Palestinian tax revenues
3. Cessation of all settlement activity
4. Withdrawal of occupation to the pre-September 28, 2000 situation
5. Declaration of right of Palestinian state to exist

##### **Bilateral/multilateral**

1. Agreement by Quartet on the road map
2. Monitoring
3. Recognition of the Palestinian state, with provisional borders
4. Final status: “based on” UN resolutions and Beirut declaration
5. Final status details
  - Exact borders and settlements
  - Jerusalem holy places
  - Refugees
  - Security regime
  - Water
6. Agreements with Lebanon and Syria
7. Multilateral regional initiative

*Source:* Extracted from draft Quartet road map of 20 December 2002 (see Annex 1).

All this would be well and good if the stages of the road map were soundly balanced as between the two parties, and supported by the Quartet with adequate mechanisms of implementation and enforcement to guard against default by either party. But sequencing, substance and enforcement are key to a road map intended to provide the mechanisms to exit from violence and proceed to a settlement. These issues are not adequately handled in the draft of 20 December 2002. While some useful revisions were made compared to the October draft, it still has flaws that are likely to lead to its failure, and these become evident in a closer look at the sequencing of actions through the three phases (see Box 2).

*Settlements freeze brought into Phase I.* An essential improvement in the draft road map of 20 December, compared to the October version, is the bringing forward of the freeze in Israeli settlement construction or expansion to Phase I. Settlements are the most vivid manifestation of the occupation as well as the most evident signal to the Palestinians of the Israeli unwillingness to allow a viable Palestinian state. The continuation of settlement construction, including “natural growth”, during Phase I would seriously undermine Palestinian trust in Israel and the international community and so would reduce the likelihood of a cessation of Palestinian violence. It would also raise further the political and economic costs of a final settlement based on the 1967 borders.

Other key requirements are also rightly shifted to Phase I, such as the need for Israel to ease travel of PA officials, the transfer of withheld revenues to the PA, easing of conditions affecting the humanitarian crisis (curfews, checkpoints) and the end of illegal actions such as attacks on civilians, the destruction or confiscation of property and deportations (effectively the respect of international humanitarian law – IHL).

*Withdrawal to 28 September 2000 lines unclear.* The draft road map says this would occur “as comprehensive security performance moves forward”. This makes the road map vulnerable to sabotage by an Israeli government that did not intend to end the occupation and progress to a viable two-state solution. Concern for this risk is warranted, since Prime Minister Sharon currently advocates only an interim cantonised Palestinian “state” in less than half of the West Bank, and has a track record of provoking Palestinian violence (e.g. the visit to the Al Aqsa mosque in September 2000, IDF escalation since then).

*The PA cannot yet be considered a state actor.* It is a nascent and to a large extent crippled authority only marginally capable of governing a population, since the occupation prevents even the movement of Palestinians outside small localities. Palestinian commitments to prepare for democratic statehood and to end violence are imperative both as a direct contribution to a peace settlement and as an indirect contribution, through the effect this could have on the Israeli public. However, demands made on the PA should be commensurate with its capabilities. Given the weakness of the PA and its dependence upon the international community, the latter is prone to accept any conditions imposed upon them. However, pressuring the PA to accept obligations that it cannot fulfil will only further erode the confidence of Israeli and international public opinion. The road map should thus distinguish more carefully between those conditions that can and should be met by the PA immediately, those that could be met following the easing of Israeli occupation, and those that could only be taken with the support of the international community. Specific reforms in the security services and to some extent in the finance and judicial sectors are important to bring an end of Palestinian violence. Other more general demands (e.g. elections, governance, constitution and institution-building) are part of the long-term process of state-building. While this does not argue for their postponement, it does suggest that they should not be made preconditions of a peace process.

*Box 2. Sequencing of the draft road map of 20 December 2002***Phase I. Present-May 2003 – Ending violence and building Palestinian institutions***Start*

- Palestinian declaration of Israel's right to exist
- Palestinian cessation of violence against Israelis
- Israeli support for the Palestinian state
- Israeli cessation of violence against Palestinians

*Security*

- Palestinian security apparatus rebuilt, aided by the US, Egypt and Jordan
- Palestinian action against terrorism
- Israel refrains from undermining trust (destruction of property, etc.)
- Israel withdraws occupation to 28 September 2000 situation, "as security performance improves"
- Quartet begins informal monitoring

*Palestinian institution-building*

- Preparation of constitution and elections, interim prime minister appointed
- Judicial, financial, administrative reforms
- Israel facilitates travel of Palestinians for above purposes
- Palestinian elections as soon as possible

*Humanitarian:* Implement Bertini report, easing constraints on delivery of external aid

*Civil society:* Donor support

*Settlements*

- Israel dismantles illegal outposts
- Israel freezes construction/expansion, including natural growth

**Phase II. June 2003-December 2003 – Transition**

*Start:* Upon consensus judgement of Quartet and after Palestinian elections

*First international conference*

- Convened by Quartet to launch process
- Leading to Palestinian state with provisional borders
- Aiming at comprehensive peace (*viz.* Syria and Lebanon)
- Reviving multilateral regional cooperation (Madrid process)

*Palestinian reforms:* New constitution; security performance continued

*Palestinian state*

- Created through process of Israeli-Palestinian engagement
- With provisional borders having maximum territorial contiguity
- Quartet promotes recognition with "possible" UN membership

*Monitoring:* Enhanced with support of Quartet

**Phase III. 2004-2005 – Permanent agreement, end of conflict**

*Start:* Upon consensus judgement of Quartet, at beginning of 2004

*Second international conference*

- To endorse provisional borders
- To launch final status negotiations (borders, refugees, Jerusalem and settlements)
- To support progress for comprehensive peace (*viz.* Syria and Lebanon)

*Palestinian reforms:* Ongoing

*Final agreement*

- In 2005, based on UN resolutions, ending occupation begun in 1967
- Settlement with Syria and Lebanon
- Normalisation of Arab-Israeli relations

*Source:* Extracted from draft Quartet road map of 20 December 2002 (Annex 1).

*Back-loaded on final status issues.* Learning from the deficiencies of Oslo, it is critical to be able to see what “map” will prevail at the end of the “road”. As argued by Henry Siegman<sup>1</sup> in a recent article: “the most important reason for the collapse of the Oslo Accords and of subsequent initiatives – the Mitchell Report, the Tenet proposals, the Zinni mission – was their failure to spell out what the Palestinians would get at the end of the process. Oslo was clear about what Israel expected to gain, and not just by the end of Oslo’s five-year term but immediately – security. Palestinians had to renounce immediately and unconditionally any recourse to violence in pursuit of their objectives....The Oslo Accords obligated Israel to engage in negotiations of final status issues, but the accords provided no hint as to what Palestinians had a right to expect as an outcome of those negotiations.”

The current draft road map says that the final settlement would be “based on”, *inter alia*, UNSC resolutions and the Beirut Arab League declaration. Better than Oslo, it also explicitly calls for the establishment of “an independent, democratic and viable Palestinian state living side by side in peace and security with Israel and its other neighbours”. Yet by simply stating that a settlement will “end the occupation that began in 1967”, the Quartet does not take any meaningful position on the basic contours of a settlement, given that any reference to “territories” in the English version of UNSC resolution 242 (as opposed to the Arabic, French, Russian and Spanish versions) has been interpreted by Prime Minister Sharon as meaning some rather than all of the land occupied in 1967.<sup>2</sup> The December draft of the road map also mentions some principles regarding settlements over Jerusalem and refugee issues, but these could be made more substantive. As far as refugees are concerned, the international community could add to Resolution 181 the idea that refugee rights should be recognised and implemented either through return or compensation, accounting for the fundamental needs and interests of the refugees, the principal parties and the host countries. Regarding Jerusalem, the quartet could add its support for the Clinton parameters concerning the sharing of the city.

*Monitoring.* The December 20<sup>th</sup> draft specifies that in the first phase “relying on existing mechanisms and on the ground resources, Quartet representatives begin informal monitoring and consult with the parties on establishment of a formal monitoring mechanism and implementation”. Informal monitoring may be better than none, but if the Quartet is determined to make the road map succeed, then the establishment of a monitoring mechanism should be a first order priority and could be included in the list of commitments at the outset of Phase I. Important questions should be immediately addressed. How would the Quartet monitoring mechanism operate, which and how many international officials would be present on the ground and what would be their precise mandate? The Quartet should prepare a role for armed observers or peacekeepers, particularly to parallel the withdrawal of Israeli forces from the occupied territories in Phase I and the evacuation of settlements in stages II and III.

*Enforcement.* How might the international community strengthen the incentives for the parties to comply with their obligations? How should the international community react to non-compliance by one side? Would this justify non-compliance by the other? What would be the international reaction if non-compliance by one side was deliberately hampered by the actions/inactions of the other? In a recent commentary, PLC member Hanan Ashrawi argues that “...the process becomes subject to an endless reservoir of Israeli preconditions that are

---

<sup>1</sup> See H. Siegman, ‘A Map without a destination’, *International Herald Tribune*, 30 October 2002.

<sup>2</sup> See section 4.4 of *The Rubik Cube of the Wider Middle East* on the different language versions of UNSC 242, and Annex G.

essentially impossible to fulfil, given the fact that Israel can pursue a policy of destroying precisely those conditions that would allow Palestinian compliance”.<sup>3</sup>

As signatories to the Fourth Geneva Convention, third states have a duty and consequently a right to intervene in the event of clear violations of international humanitarian law using the full range of non-military foreign policy instruments available to them. These would include the judicious yet effective suspension of economic aid or cooperation agreements (or aspects of those agreements such as MEDA and budgetary aid to the PA, trade preferences, public procurement, scientific cooperation with Israel). Of fundamental importance would be the conditioning of US aid to Israel upon respect of its obligations under the road map (as pointed out above, Israel has a request for \$14 billion of aid from the US currently pending).

### **An accelerated road map**

The draft road map of 20 December 2002 is still a hugely complex construction. Judging by the current political will of the principal and third parties and the ongoing developments on the ground, it has small chances of success. What developments, in the region and the international community, could open opportunities either for a faster and surer way forward?

- *Palestinian shift from the militarised intifada to non-violent resistance?* A first opportunity might arise with a Palestinian acceptance of an unconditional end to violence against any Israeli targets along the lines proposed by the intra-Palestinian ceasefire talks in Cairo facilitated by Egypt. This could emerge with a continuation of dialogue between Palestinian political factions with Arab and European mediation. It could be spurred by changing public opinion in Palestine and a declining support for the armed intifada. According to a poll commissioned by Search for Common Ground, 72% of Palestinians are willing to embrace non-violent resistance to the Israeli occupation.<sup>4</sup> However, so far a unilateral Palestinian ceasefire, without being matched by Israeli commitments, appears unlikely.
- *Policy change in Israel?* The election of 28 January returned Prime Minister Sharon to power, with an impressive personal victory, yet still faced with the hazards of coalition-building. With enhanced personal authority at the beginning of his second and no doubt last term of office, Sharon may well want to become the man who settled the conflict once and for all. The question would be how, noticing his dismissive remarks about the road map and his plans for a truncated “Palestinian state”. However there remains a latent majority favouring a just peace. According to the same poll reported above, 72% of Israeli Jews would accept a Palestinian state along the 1967 borders if Palestinians would stop violence.
- *More substantive peace plans from Europe and/or Arabs?* The EU and the leading Arab states could further strengthen these tendencies by promoting more explicit and substantive proposals both for solving the Israeli-Palestinian conflict and for fleshing out the Beirut Declaration in the context of a new Wider Middle East initiative (ideas for which are suggested below).
- *Change in the US policy, post-Iraq crisis.* The US conception of the road map, largely reflected in the draft of 20 December 2002, represents the maximum the US felt able to promote without entering into sharp disagreement with Israel. After a resolution of the Iraqi crisis, however, the US could adopt a more pro-active position. The Iraq crisis

<sup>3</sup> H. Ashrawi (2002), *Roadmap*, 28 October, (www.MIFTAH.org).

<sup>4</sup> H. Amr, ‘When non-violent majorities don’t count’, *International Herald Tribune*, 4 February 2003.



should surely have raised US awareness of its need to improve its reputation in the Arab/Islamic world, without which its war against Al Qaeda is undermined. Some combination of the other possible movements described – in Palestinian and Israeli politics and EU and/or Arab diplomatic initiatives – could tip the balance of arguments among US policy-makers. Indeed, already Secretary of State Powell speaks of putting more drive behind the road map “soon after Iraq”.

*Outline for an accelerated road map.* Supposing some combination of events might re-open the peace process, how might they be translated into an accelerated and surer implementation of the objectives of the road map? An outline might be as follows (Box 3 summarises):

- Start with passing of a new UNSC resolution strengthening the legitimacy of the Quartet’s leadership of the peace process, clarify past UNSC resolutions on the occupied territories, give more substance to the principles for the final status, and outline international monitoring, peacekeeping and enforcement mechanisms.
- On the key issue of the future map of the Palestinian state, there is no legitimate basis except a clarified reference to the 1967 green line, leaving open adjustments to this frontier with the aid of minor mutually agreed land swaps.
- The Quartet would be mandated to organise a comprehensive and coordinated structure of monitoring, peacekeeping, security cooperation and assistance of all kinds (humanitarian, economic, governance). This international regime in the future Palestinian state would be a *sui generis* model, reflecting Palestinian realities and thus would not replicate any particular experience.<sup>5</sup> However the international community would take up critical responsibilities during the transition, as Israeli forces are withdrawn. There will be risks in such an operation, but that will be a natural reflection of the present impossibility of the two parties to manage a peace process bilaterally.
- Quartet parties would be authorised to take appropriate measures, such as suspending economic aid or cooperation agreements, in the event of grave default by either of the parties in their obligations. Such measures could not be automatic, however, and would have to be judged in the light of the political context.
- The process of international conferences would be more front-loaded with substantive outlines of the final peace agreement and the recognition of Palestinian statehood.

*Box 3. Proposals for an accelerated road map*

- 1. New UNSC Resolution**, proposed by the Quartet (or the EU), sets out principles of a settlement, immediate obligations, and conditions for international monitoring and enforcement
- 2. Principles**
  - The establishment of a Palestinian state along the borders of 1967 and the evacuation of all Israeli settlements within the Palestinian state, but allowing for negotiated 1-for-1 land swaps in adjusting the green line
  - East Jerusalem as the capital of Palestine and endorsement of the Clinton parameters for the sharing of Jerusalem

<sup>5</sup> The cases of Bosnia, Kosovo and Afghanistan have been important experiences. But, by comparison with Bosnia and Afghanistan, Palestine will be a much more homogeneous state, and unlike Kosovo its state sovereignty will not be in question. Hence, an international protectorate of the kind seen in Bosnia or Kosovo is unlikely, even if some Israelis argue for this. With the withdrawal of Israeli forces, however, there will be a need for a separating force provided by the international community.

- A just and realistic solution to the refugee problem, reconciling the principle of the right of return with Israel's concerns.

### **3. Immediate obligations**

#### *Palestinian Authority*

1. Enforcement of the cessation of violence
2. Reaffirmation of the right of Israel to exist
3. Reform of governance
4. Security sector reform and lawful cooperation with Israel
5. Preparation of constitution and elections

#### *Israel*

1. Respect for IHL in the conduct of the occupation (including an end to all settlement activity, violence, destruction and collective punishment)
2. Declaration of the right of the Palestinian state to exist on the WBGS (West Bank and Gaza Strip)
3. Transfer of Palestinian tax revenues
4. Redeployment to the 28 September 2000 lines
5. Assumption of responsibility of the human welfare of the population in areas remaining under occupation

### **4. Quartet monitoring and peacekeeping**

- International presence with Special Representative for coordination of:
  - Monitoring of performance and conduct of parties
  - Technical assistance for governance reforms
  - Conditional macroeconomic assistance
  - Humanitarian assistance
  - Police/security support unit
  - Military peacekeeping force

### **5. Symmetrical conditionality by members of the Quartet**

If either the Palestinian Authority or Israel defaults on its obligations, Quartet parties may take appropriate measures, including reducing or suspending economic assistance and/or cooperation/association agreements. Quartet supports implementation by PA where needed.

### **6. First international conference**

- Recognise new UNSC Resolution on principles
- Agree immediate start to withdrawal from settlements, e.g. all of Gaza and maximum contiguity of Palestinian communities in the West Bank
- Agree Palestinian statehood
- Agree international presence

### **7. Second international conference**

- Revive regional cooperation working groups
- Begin negotiations on refugees
- Begin negotiations on Lebanon and Syria

### **8. Third international conference**

- Conclude final status negotiations

## Final destinations

During final status talks between Camp David and Taba, significant progress was made on several important dossiers, most notably borders, settlements and Jerusalem. Positions have diverged since, with Israeli leaders stressing frequently that “Taba is no longer on the table”, whereas the Beirut declaration of the Arab states of 28 March 2002 and the Palestinian non-paper of 12 June 2002 are explicit about the 4 June 1967 armistice “green line” being the only basis for negotiation.

However the achievements of those last months of the peace process up to Taba in January 2001 appear to be the only logical place to start, if and when final status talks resume. The content of this legacy has been thoroughly presented in recent documents of the International Crisis Group, with some updating and filling in of missing elements.<sup>6</sup> For the most part we can refer to this work, but feel the need to try to go further with respect to the refugee question, which was the least close to solution.

**Settlements and borders.** Much has been written about the Camp David II negotiations of July 2000 and the ensuing talks up to Taba in January 2001.<sup>7</sup> Apparently no map was on the table at the Camp David talks, but approximate maps have been drawn up reflecting the discussions. What emerges from the literature is that while Barak’s offers at Camp David went beyond those of any other Israeli leader before him, they did not amount to a viable Palestinian state along the 1967 borders. Israel would have annexed approximately 8% of the West Bank, including 97 Palestinian villages (370,000 people). Most important, the annexation of settlement blocs from Jerusalem across to Jericho and the Jordan valley, and further north from Ariel to Shilo would have effectively cut the West Bank into three Palestinian cantons, adding of course the separation from the Gaza Strip as a fourth. The Israeli proposals excluded Palestinian effective control over their borders, given insistence on continuing Israeli presence along the Jordan river border.

The Clinton parameters and the negotiations between Camp David and Taba progressed significantly on the question of borders and settlements. Israel accepted Palestinian sovereignty over the Jordan valley and the reduction of annexed territories in a manner that provided for greater territorial contiguity of the Palestinian state. Israel presented a map including a 6% annexation of territory, while the Palestinians proposed a maximum 3.1% annexation in combination with a land swap. A corridor, or “permanent safe passage”, connecting the West Bank to the Gaza Strip was also foreseen, allowing a link between the two Palestinian zones for the movement of people, goods and the provision of services. The corridor would not have been sovereign Palestinian territory over a strip of land cutting across Israel. The concept of land swaps was also discussed, the Clinton parameters later proposing that land swaps between Israeli settlement annexations and territory currently within Israel should take place on a 3:1 basis.

A sustainable two-state solution will necessarily require a viable Palestinian state, which in turn calls for Palestine’s territorial contiguity and control over its borders. This implies a state along the 1967 cease-fire lines with only minor revisions. It would need also the internationally guaranteed “permanent safe passage” corridor between the West Bank and the

<sup>6</sup> International Crisis Group (2002a), *A Time to Lead: The International Community and the Israeli-Palestinian Conflict*, April, Brussels; and International Crisis Group (2002b), *Middle East Endgame I: Getting to a Comprehensive Arab-Israeli Peace Settlement; Middle East Endgame II: How a Comprehensive Israeli-Palestinian Peace Settlement Would Look, Middle East Endgame III: Israel, Syria and Lebanon – How Comprehensive Peace Settlements Would Look*, July, Brussels.

<sup>7</sup> R. Pundak (2001), ‘From Oslo to Taba: What went wrong?’, *Survival*, Vol. 43, Autumn.

Gaza Strip. Any land swaps allowing Israel to annex select settlements should attempt to maximise the number of settlers but without disrupting the viability of the Palestinian state. Following the logic of the UNSC Resolution 242 and the Arab Peace Plan, the annexation of settlements areas would be compensated on a 1:1 basis of equal value land. Given Palestinian acceptance of a state on 22% of mandatory Palestine, there would be little reason why they should be expected to accept an even smaller share. The question of equal value land is particularly important since many of the Israeli settlements are constructed on the best agricultural land of the West Bank, and located in water shortage areas.<sup>8</sup> Tentative proposals for land to be swapped from Israel in favour of the Palestinians include areas adjacent to the Gaza Strip and areas southwest of the West Bank. Some Israeli analysts, on the other hand, hint at swapping the “little triangle”, an area adjacent to the northwest end of the West Bank, which is home to approximately 200,000 Palestinian citizens of Israel. Such proposals are motivated by a demographic logic, disregarding the wishes of the people in question. Territorial swaps should cause minimal disruption to those legally inhabiting one state or the other, unless of course these were to correspond to the wishes of the people in question.

Remote as it appears at the present time, a re-launching negotiations on the basis of progress made up until Taba appears to be the most plausible way to get a just and sustainable outcome, and maybe the only way. However the continuing growth of settlements, especially in the greater Jerusalem area, is fundamentally altering the socio-political and economic landscape of the region and threatening the likelihood of a future settlement along these lines. The only somewhat hopeful signals noted in recent years have been the surveys carried out by Israeli research centres and peace organisations, documenting the Israeli public’s growing support for the evacuation of settlements as well as the willingness of many settlers to leave, provided suitable economic compensation was offered by the government.<sup>9</sup>

**Jerusalem.** At the Camp David-Taba talks, Israel also broke the taboo over Jerusalem as the “undivided capital” of the state of Israel. The notion of Jerusalem as the shared capital of the two states was endorsed by both parties. The Clinton parameters set out the general principle for the sharing of the city: “What is Arab should be Palestinian and what is Jewish should be Israeli. This should apply to the old city as well”. The parties agreed that Jerusalem would be an open city with a soft border regime and cooperation and coordination over the provision of services and policing.

With regard to the Holy sites, the Clinton parameters proposed Palestinian sovereignty over the Haram al-Sharif and Israeli sovereignty over the Western Wall. Amongst other disputes there was disagreement over the precise definition of the latter, as Palestinians made the distinction between the Wailing Wall and the rest of the wall of the Haram. Mutual consent was foreseen for excavations under the Haram or behind the wall.

The Clinton parameters concerning the sharing of Jerusalem continue to be a useful reference principle for the final status agreement on the issue. However, the ongoing settlement activity within the Jerusalem Metropolitan area renders the application of the principle in current circumstances increasingly inapplicable. In addition to settlement construction, there has also in recent years been an expansion of the Jewish quarter in the Old City. As time passes Palestinian East Jerusalem is gradually disappearing.

**Syria and Lebanon.** Peace remains to be made between Israel and both Syria and Lebanon, even if Israel unilaterally withdrew its forces of occupation from Lebanon in May 2000, such

<sup>8</sup> Settler water consumption is 850cm<sup>3</sup> per capita as opposed to Palestinian consumption of 82cm<sup>3</sup> per capita.

<sup>9</sup> Peace Now (2002), *Settler Attitudes towards Withdrawal from the Territories*, July (www.peace-now.org).

that there is no longer a major territorial issue remaining on this front. The two cases are of course connected in several ways: both Syria and Lebanon have Palestinian refugee communities; Syria maintains a hegemonic military and political presence in Lebanon, and has supported the Hezbollah militias there, and there is a small piece of contested land on the Lebanese-Syrian frontier (Cheba farms) where there are still Israeli forces.

Israel's outstanding conflict with Syria is over the Israeli occupation of the Golan Heights since 1967. Apart from the territorial issue are questions of use of water resources and a post-settlement security regime. Attempts were made to settle the Israeli-Syrian front during the 1990s, initially in parallel with the Oslo process. These failed to reach agreement, and between 1996 and 1999 were effectively suspended. When Barak became Israeli Prime Minister, he quickly attempted to achieve a breakthrough with Syria, given the impending Israeli withdrawal from Lebanon, and President Clinton also became engaged as mediator between Barak and Assad. These talks broke down over proposals from Clinton that did not wholly restore the 1967 border, and which Assad refused.

The International Crisis Group (ICG) has proposed draft treaties of peace between Israel and Syria and Lebanon,<sup>10</sup> and we see no need to take a different view on their detailed proposals. In the draft treaty proposed for Israel and Syria, the border of 4 June 1967 would be restored, subject to fine details to be worked out by the UN's chief cartographer. The area to be vacated by Israel would be demilitarised. The US would maintain surveillance and early warning facilities, and there would be monitoring by US/EU/Russia. There would be a bilateral Joint Water Consultative Committee to regulate the use of water resources.

In principle the Israeli-Lebanese frontier is not contested since the Israeli withdrawal in 2000, and is based on the boundary drawn up in 1923 by the British and French mandatory powers, and confirmed in 1949 in the Israeli-Lebanese armistice agreement. Technical details of the precise frontier remain to be marked out. The uninhabited Cheba farm area (25 square km) involves an arcane element in the Israel-Lebanese-Syrian dossier. At the time of the Israeli withdrawal from Lebanon, this small area, formerly part of Syria, was declared to be part of Lebanon by both the Lebanese and Syrian authorities. Since the Israeli army had not withdrawn from this area, the political argument made by Lebanon and the Hezbollah is that the Israeli withdrawal has not been completed. While this small piece of land still has the potential to cause a lot of trouble, for example by inducing escalating military clashes, it is obvious that upon peace settlements on the two fronts Israel will withdraw from the Cheba farms, and Syria and Lebanon will be free to decide together where its future lies. The Hezbollah maintain hostilities along the Israel-Lebanese frontier, which seems certain to continue until and unless an Israeli-Palestinian peace is agreed.

The ICG draft treaty proposed for Israel and Lebanon also foresees extensive bilateral cooperation between the two countries (economic cooperation, transport and communication links, tourism, etc.), exclusion of irregular forces from the frontier zone, maybe an extended UNIFIL monitoring mandate on the frontier for a while still, and a Joint Water Consultative Board to regulate use of water drawn from the Hasbani River, which flows into Lake Tiberias (Sea of Galilee). The importance of the water issue was highlighted once again in the autumn of 2002, when Lebanon announced new pumping facilities at the Wazzani springs, which feed

---

<sup>10</sup> International Crisis Group (2002b), *Middle East Endgame I: Getting to a Comprehensive Arab-Israeli Peace Settlement; Middle East Endgame II: How a Comprehensive Israeli-Palestinian Peace Settlement Would Look, Middle East Endgame III: Israel, Syria and Lebanon – How Comprehensive Peace Settlements Would Look*, July, Brussels.

into the Hasbani river. Sharon declared this to be a *casus belli*, and diplomats were deployed by the US and France to calm the affair down.<sup>11</sup>

**Refugees.** The number of Palestinian refugees (original refugees from Israel and their descendants) today may be viewed minimally as numbering 1.3 million people in UNRWA refugee camps in Jordan, Lebanon, Syria, and the West Bank and Gaza Strip, or 4 million registered by UNRWA in these same locations living in or out of the camps, through to an estimated registered 5.9 million if one counts all the families of refugees now residing anywhere in the world (Table 1).<sup>12</sup>

*Table 1. Palestinian refugee population, as of 2002*

<b>Place of residence</b>	<b>Number</b>
Israel	276,250
Gaza Strip	876,196
West Bank	746,654
Jordan	1,992,049
Lebanon	466,628
Syria	508,845
Egypt	46,282
Saudi Arabia	314,239
Kuwait	39,308
Other Gulf	120,747
Iraq, Libya	84,957
Other Arab countries	6,340
US	197,913
Other countries	252,022
<b>Grand total</b>	<b>5,928,430</b>

*Source:* S. Abu-Sitta (1998), *The Palestinian Nakba – The Register of Depopulated Localities in Palestine*, Palestine Return Center, London. Figures are updated to 2002, using a 3.5% population growth rate.

During the Oslo process, negotiations only scratched the surface of the refugee dossier. Israel has been unwilling to acknowledge the gross injustice felt by Palestinians at Israel's refusal to accept its responsibilities for the emergence and continuation of the refugee problem. As Ilan Pappé (1999) points out, "it is immaterial whether people leave their homes "voluntarily" in times of war, or whether they are actually physically forced to leave. What is material is that they were never allowed back".<sup>13</sup> The Palestinians in turn for a long time refused to appreciate Israel's concerns at the prospect of refugee return. The prospect of becoming a minority within their state is amongst the greatest collective fears of Israelis. Beyond the specific "demographic" concern is the general fear of Arab intentions, especially since the suicide bombing campaign of the second intifada.

While Palestinians cannot be expected to endorse these Israeli fears, it is important that they recognise them, as appears to be increasingly the case. In his article in the *New York Times*

<sup>11</sup> International Crisis Group (2002e), *Old games, new rules: Conflict on the Israel-Lebanon Border*, November, Brussels.

<sup>12</sup> T. Salem (2003), *Palestinian refugees – How can a durable solution be achieved*, Working Paper No. 6 in the CEPS Middle East and Euro-Med Project, forthcoming.

<sup>13</sup> I. Pappé (1999), 'Were They Expelled?: The History, Historiography and Relevance of the Palestinian Refugee Problem', in Ghada Karmi and Eugene Cotran, *The Palestinian Exodus, 1948-1988*, London: Ithaca Press.

on 3 February 2002, Yasser Arafat stated “we understand Israel’s demographic concerns and understand that the right to return of Palestinian refugees, a right guaranteed under international law and UN Resolution 194, must be implemented in a way that takes into account such concerns. However, just as we Palestinians must be realistic with respect to Israel’s demographic desires, Israelis too must be realistic in understanding that there can be no solution to the Israeli-Palestinian conflict if the legitimate rights of these innocent civilians continue to be ignored.”

While a full convergence of narratives of the past and the present may never be achieved, it is imperative that any agreement encourages an ongoing dialogue between the parties or in public debate. This would both contribute to addressing the injustices of the past, to encourage an agreement and its implementation and to provide guarantees that the events of the past would not be repeated. The Palestinian elites will also have to deepen their dialogue with the refugee communities, both hearing their demands and discussing with them realistic prospects for the future. Throughout the Oslo period, the PA failed in this respect. The refugees were excluded from the political process and no mechanisms to prepare the grounds for a just and sustainable solution were established. The refugee communities will need to be represented more effectively in the conduct of negotiations on refugees and in the implementation of any future agreement. Finally, with the majority of Palestinian refugees living in neighbouring countries, and many likely to remain in their present locations, negotiations on several of the key issues (numbers of refugees, citizenship, social, economic and political rights, development assistance) will have to involve these countries in the negotiation processes, bilateral or multilateral.

The negotiations from Camp David in July 2000 through to Taba in January 2003 did see some progress in defining the framework. In particular President Clinton’s “parameters”, which he presented in December 2000, set out the logical options that would no doubt return to the table with renewed negotiations.<sup>14</sup> These are:

1. Return of refugees to their homes and properties in Israel,
2. Return to future Palestinian state,
3. Return to territory transferred to Palestine from today’s in Israel,
4. Resettlement in the present country of residence and
5. Resettlement in third countries.

The most difficult issue of principle and practice is how to reconcile the right of return with Israel’s concerns. An outright quota of a small size decided by Israel would contradict the right of return and individual choice. Is it possible to square this circle? This may not be completely achieved as any restrictions (whether explicit though quotas or implicit through incentives) would represent a departure from the implementation of a right to return to one’s own property. However, while rights-holders may not be divested of their rights, others with interests and subordinated rights may take measures (devoid of coercion) to affect the rights-holders’ choice. In other words, while not all refugees would exercise their right of return, they would exercise their right to choose. In practice, the closest to a resolution of this issue

---

<sup>14</sup> The Clinton parameters are in essence what were later presented in the Israeli non-paper at the Taba talks. According to President Clinton, “Israel is prepared to acknowledge the moral and material suffering caused to the Palestinian people as a result of the 1948 war”. On how to handle the Right of Return (ROR), “the president knows the history of the issue and how hard it is for the Palestinian leadership to appear to be abandoning this principle. At the same time, the Israeli side could not accept any reference to the ROR that would imply a right to immigrate to Israel in defiance of Israel’s sovereign policy on admission or that would threaten the Jewish character of the state”.

might come from an agreement with Israel over an annual quota of refugee returns, but for an open-ended number of years. Such a solution would also work towards addressing over time the current Israeli suspicions of the returnees' political agenda. At the same time, the other options of the Clinton parameters would be made explicit in terms of their conditions. When the refugees studied all these options, and noted the length of the queue before return to Israel might be possible, many would probably turn to the other options. In this way supply and demand might be brought into equilibrium on the basis of individual choice.

For all locations other than Lebanon a large fraction of the total might stay where they are, of course, with an end to camp life, regularisation of citizenship (mostly host country, with some cases of double Palestinian and host country citizenship), and normalisation of economic, social and political status. In Jordan, the 1948 refugees already have Jordanian citizenship and they are relatively well integrated. The 1967 refugees could presumably be granted citizenship. In Syria the refugees are relatively small in number and fairly well integrated, and citizenship could presumably be granted. Most of those with refugee status in the West Bank and Gaza Strip would presumably become Palestinian citizens with full rights.

Israel began to discuss how many refugees it would be prepared to accept during the Taba talks, for example 25,000 over three years, or 40,000 over five years, according to the Moratinos "non-paper".<sup>15</sup> These numbers were not accepted by the Palestinians. Israel has been receiving annual immigration inflows of about 100,000 per year for the last 10 years.

*Box 4. Principles of a possible settlement of the refugee problem*

**The mechanism**

- Step 1. The Refugee Commission explains the conditions attached to each of the options (Clinton parameters), so that individual refugees can express their free and informed preferences.
- Step 2. Refugees indicate their rank-ordered preferences.
- Step 3. The Commission analyses preferences of refugees alongside possible destinations.
- Step 4. The Commission returns to refugees indicating the possible timetable of acceptance by possible destinations (e.g. up to N refugees per year), and priority categories (e.g. family reunion cases, camp residents, Lebanon or other, etc).
- Step 5. Refugees, having considered this information, may confirm or change their choice among the options.

**Development assistance and rehabilitation costs**

Host countries would also be provided with development funds to absorb refugee communities. Present UNRWA operations would be transformed into a development fund, as camps would be phased out or converted into normal residential housing. Present UNRWA budget in the Middle East of \$350 million would be transformed, possibly with a temporary doubling of the budget, supplemented by other bilateral and multilateral projects.

**Compensation**

Individual compensation would have to be calculated on the basis of the values of the property in 1948/67 plus multiplier to be agreed. An international fund would be established. Amounts from Israel on the order of \$5 to 10 billion have been mentioned in some studies, bearing in mind gains from confiscation of refugee properties.

<sup>15</sup> EU "non-paper" summarising the Israeli-Palestinian peace talks at Taba, January 2001 (as published in Ha'aretz, 14 February 2002).



For the official “priority” case of Lebanon, the most acute needs are for those still in refugee camps, numbering about 200,000. At some point there will have to be a burden-sharing “moment of truth” particularly as between Israel, Palestine, Lebanon and the rest of the world. Lebanon in general resists the idea of the refugees acquiring permanent right of residence, or Lebanese citizenship. Yet many Lebanese refugees retain Lebanon as second preference if return to original home is impossible over a reasonably short time horizon (45% in one survey). Considering that many Christian and Shi’ite Palestinian refugees have actually received Lebanese citizenship (about 100,000), it could be expected that Lebanon offers citizenship to some of the other predominantly Sunni refugees. In addition, existing forms of legal and practical discrimination would end. A third-best alternative would be that some refugees would remain in Lebanon with regular Lebanese residence/employment rights, but as foreigners with Palestinian citizenship. These people would have normal rights as Palestinian citizens to move at any time to the Palestinian state, but this would be a matter of normal individual choice.

The rights of Palestinian citizens in their host countries should in any case be progressively normalised, and protected by Treaty level obligations between the states concerned. Such rights could be included in the jurisprudence of a Confederation of the Mashreq, as argued above, alongside policies defining the rights and rules for the movement of persons, and their residence, employment and acquisition of property.

Offers from the rest of the world might be related to the actual immigration flows of recent years, which amount to a revealed indicator of absorption capacity rather than political statements of the type “we are full up”. Hypothetical annual quotas for Palestinian refugees from Lebanon, for example of only 1% of total recent number of immigrant inflows for Europe and US/Canada/Australia/New Zealand, would build up to 100,000 people over five years, or half the Lebanon camp refugee population.<sup>16</sup> A 1% norm is of course arbitrary, except to show that a very small number for the countries of immigration could add up to a considerable contribution to a solution. A 1% norm would amount to an annual flow of 6,800 for Western Europe and 13,500 for the new world countries indicated. It also is to be noted that these countries at present have open quotas for the reinstallation of refugees from all sources of about 100,000 per year, but this number is largely dependent on the huge US commitment to 75,000 refugees per year.

**Palestinian citizens of Israel.** While not forming part of the agenda of the peace process, there is a remaining Palestinian issue of importance internal to Israel. While Israel’s democracy is a vibrant one to say the least, it is also an incomplete one. The Palestinian citizens of Israel lack constitutionally entrenched guarantees of legal and political equality. The actual issues are described in Box 5, and involve serious legal discrimination as well as more general problems of relatively disadvantaged development. A rapid normalisation of the situation of this community should come with if not before a peace settlement. The EU should also make this a condition of deepening its association with Israel.

---

<sup>16</sup> Recent immigration inflows from all sources have been 685,000 per year into Western Europe, and 1,350,000 into the group of new world countries (Australia, Canada, New Zealand, US).

*Box 5. The Palestinian citizens of Israel*

In 1948 there were 900,000 Palestinians living in today's Israel. With the war 750,000 fled to become refugees, with only 150,000 remaining, their families now representing 19% of the population of Israel. They have Israeli citizenship in some fundamental respects, including the right to have an Israeli passport, to vote in national parliamentary elections and to be member of the Knesset. However they are a disadvantaged group compared to the Jewish population, suffering legal discrimination in a number of ways, as well as according to the main indicators of economic and social development.

The Palestinian minority lack constitutionally entrenched guarantees of legal equality. The Proclamation of Independence speaks of the Palestinian citizens "participating in the upbuilding of the State on the basis of full and equal citizenship", but in the absence of a formal constitution this has never been securely entrenched legally, and there are many distinctions made in law and policy between the Jews and non-Jews. At least 20 laws discriminate against the Palestinian minority, including those that authorise expropriation of land and restrict land use and ownership. The Palestinian minority therefore seeks formal recognition as a national minority, with full recognition and guarantees for equal citizenship and land rights.

In the past year several legislative proposals have been submitted that would further limit the rights of the Palestinian minority. These concern the ejection of Bedouin villagers off farmlands, exclusion from national referenda, denial of citizenship to spouses of Palestinian citizens, and – most alarming of all – even a bill to legalise the physical transfer of Palestinians from Israel to the West Bank or Gaza. While these bills have not been passed, they are indicative of what is debated in Israeli politics and of the climate of growing friction between the communities, aggravated by the reciprocal violence of the second intifada.

The socio-economic situation of the Palestinian citizens is disadvantaged compared to the Jewish community, although on average more favourable than for most Palestinians in the West Bank and Gaza. The average monthly salary is 60% of that of the Jewish population. The level of educational achievement is lower, for example with an 18% qualification rate for university admission, compared to 40% for the Jewish population. Underdevelopment is extreme in the so-called unrecognised Bedouin villages. Out of 46 such villages in the Negev and north of Israel, eight have been recognised in recent years, but the remainders are disqualified from receiving municipal services.

*Source:* S. Kamm, with R. Rinawi, S. Abbasi, J. Farer, A. Faris, A. Nahhas-Daoud and J. Ayoub (2003), *The Arab Minority in Israel – Implications for the Middle East Conflict*, Working Paper No. 8 in the CEPS Middle East and Euro-Med Project, forthcoming.

## ANNEX 1

### **[DRAFT] A PERFORMANCE-BASED ROAD MAP TO A PERMANENT TWO-STATE SOLUTION TO THE ISRAELI-PALESTINIAN CONFLICT**

**20 DECEMBER 2002**

---

The following is a performance-based and goal driven road map, with clear phases, timelines, target dates, and benchmarks aiming at progress through reciprocal steps by the two parties in the political, security, economic, humanitarian, and institution-building fields, under the auspices of the Quartet. The destination is a final and comprehensive settlement of the Israel-Palestinian conflict by 2005, as presented in President Bush's speech of 24 June, and welcomed by the EU, Russia, and the UN in the 16 July and 17 September Quartet Ministerial statements.

A two state solution to the Israeli-Palestinian conflict will only be achieved through an end to violence and terrorism, when the Palestinian people have a leadership acting decisively against terror and willing able to build a practising democracy based on tolerance and liberty, and through Israeli's readiness to do what is necessary for a democratic Palestinian state to be established, and a clear, unambiguous acceptance by both parties of the goal of a negotiated settlement as described below. The Quartet will assist and facilitate implementation of the plan, starting in Phase I, including direct discussions between the parties as required. The plan establishes a realistic timeline for implementation. However, as a performance-based plan, progress will require and depend upon the good faith efforts of the parties, and their compliance with each of the obligations outlined below. Should the parties perform their obligations rapidly, progress within and through the phases may come sooner than indicated in the plan. Non-compliance with obligations will impede progress.

A settlement, negotiated between the parties, will result in the emergence of an independent, democratic, and viable Palestinian state living side by side in peace and security with Israel and its other neighbours. The settlement will resolve the Israel-Palestinian conflict, and end the occupation that began in 1967, based on the foundations on the Madrid Conference, the principle of land for peace, UNSCRs 242, 338 and 1397, agreements previously reached by the parties, and the initiative of Saudi Crown Prince Abdullah – endorsed by the Beirut Arab League Summit – calling for acceptance of Israel as a neighbour living in peace and security, in the context of a comprehensive settlement. This initiative is a vital element of international efforts to promote a comprehensive peace on all tracks, including the Syrian-Israeli and Lebanese-Israeli tracks.

The Quartet will meet regularly at senior levels to evaluate the parties' performance on implementation of the plan. In each phase, the parties are expected to perform their obligations in parallel, unless otherwise indicated.

#### **Phase I: Present to May 2003 Ending Terror and Violence, Normalising Palestinian Life, and Building Palestinian Institutions**

In Phase I. the Palestinians immediately undertake and unconditional cessation of violence according to the steps outlined below; such action should be accompanied by supportive measures undertaken by Israel. Palestinians and Israelis resume security cooperation based on the Tenet work plan to end violence, terrorism, and incitement through restructured and effective Palestinian security services. Palestinian undertake comprehensive political reform in preparation for statehood, including drafting a Palestinian constitution, and free, fair and open elections upon the basis of those measures. Israel takes all necessary steps to help normalise Palestinian life. Israel withdraws from Palestinian areas occupied from September 28, 2000 and the two sides restore the status quo that existed at that time, as security performance and cooperation progress. Israel also freezes all settlement activity, consistent with the Mitchell report.

At the outset of Phase I:

- Palestinian leadership issues unequivocal statement reiterating Israel's right to exist in peace and security and calling for an immediate and unconditional ceasefire to end armed activity and all

acts of violence against Israelis anywhere. All official Palestinian institutions end incitement against Israel.

- Israeli leadership issues unequivocal statement affirming its commitments to the two-state vision of an independent, viable, sovereign Palestinian state living in peace and security alongside Israel, as expressed by President Bush, and calling for an immediate end to violence against Palestinian everywhere. All official Israeli institutions end incitement against Palestinians.

### **Security**

- Palestinians declare an unequivocal end to violence and terrorism and undertake visible efforts on the ground to arrest, disrupt, and restrain individuals and groups conduction and planning violent attacks on Israelis anywhere.
- Rebuilt and refocused Palestinian Authority security apparatus begins sustained, targeted, and effective operations aimed at confronting all those engaged in terror and dismantlement of terrorist capabilities and infrastructure. This includes commencing confiscation of illegal weapons and consolidation of security authority, free of association with terror and corruption.
- GOI takes no actions undermining trust, including deportations, attack on civilians; confiscation and/or demolition of Palestinian homes and property, as a punitive measure or to facilitate Israeli construction; destruction of Palestinian institutions and infrastructure; and other measures specified in the Tenet Work Plan.
- Relying on existing mechanisms and on-the ground resources, Quartet representatives begin informal monitoring and consult with the parties on establishment of a formal monitoring mechanism and its implementation.
- Implementation, as previously agreed, of U.S. rebuilding, training and resumed security cooperation plan in collaboration with outside oversight board (U.S. - Egypt - Jordan). Quartet support for efforts to achieve a lasting, comprehensive cease-fire.
  - All Palestinian security organisations are consolidated into three services reporting to an empowered Interior Minister.
  - Restructured/retained Palestinian security forces and IDF counterparts progressively resume security cooperation and other undertakings in implementation of the Tenet work plan, including regular senior-level meetings, with the participation of U.S. security officials.
- Arab states cut off public and private funding and all other forms of support for groups supporting and engaging in violence and terror.
- All donors providing budgetary support for the Palestinians channel these funds through the Palestinian Ministry of Finance's Single Treasury Account.
- As comprehensive security performance moves forward, IDF withdraws progressively from areas occupied since September 28, 2000 and the two sides restore the status quo that existed prior to September 28, 2000. Palestinian security forces re-deploy to areas vacated by IDF.

### **Palestinian Institution Building**

- Immediate action on credible process to produce draft constitution for Palestinian statehood. As rapidly as possible, constitutional committee circulates draft Palestinian constitution, based on strong parliamentary democracy and cabinet with empowered prime minister, for public comment/debate. Constitutional building proposes draft document for submission after elections for approval by appropriate Palestinian institutions.
- Appointment of interim prime minister or cabinet with empowered executive authority/decision-making body.

- GOI fully facilitates travel of Palestinian officials for PLC and Cabinet sessions, internationally supervised security retraining, electoral and other reform activity, and other supportive measures related to the reform efforts.
- Continued appointment of Palestinian ministers empowered to undertake fundamental reform. Completion of further steps to achieve genuine separation of powers, including any necessary Palestinian legal reforms for this purpose.
- Establishment of independent Palestinian election commission. PLC reviews and revises elections law.
- Palestinian performance on judicial, administrative, and economic benchmarks, as established by the International Task Force on Palestinian Reform.
- As early as possible, and based upon the above measures and in the context of open debate and transparent candidate selection/electoral campaign based on a free, multiparty process, Palestinians hold free, open, and fair elections.
- GOI facilitates Task Force election assistance, registration of voters, movement of candidates and voting officials. Support for NGOs involved in the election process.
- GOI reopens Palestinian Chamber of Commerce and other closed Palestinian institutions in East Jerusalem based on a commitment that these institutions operate strictly in accordance with prior agreements between the parties.

#### **Humanitarian response**

- Israel takes measures to improve the humanitarian situation. Israel and Palestinians implement in full all recommendations of the Bertini report to improve humanitarian conditions, lifting curfews, and easing restrictions on movement of persons and goods, and allowing full, safe, and unfettered access of international and humanitarian personnel.
- AHLC reviews the humanitarian situation and prospects for economic development in the West Bank and Gaza and launches a major donor assistance effort, including to the reform effort.
- GOI and PA continue revenue clearance process and transfer of funds, including areas, in accordance with agreed, transparent monitoring mechanism.

#### **Civil society**

- Continued donor support, including increased funding through PVOs/NGOs, for people to people programs, private sector development and civil society initiatives.

**Settlements** GOI immediately dismantles settlement outposts erected since March 2001.

- Consistent with the Mitchell Report, GOI freezes all settlement activity (including natural growth of settlements).

### **Phase II: June – December 2003 Transition**

In the second phase, efforts are focused on the option of creating an independent Palestinian state with provisional borders and attributes of sovereignty, based on the new constitution, as a way station to a permanent status settlement. As has been noted, this goal can be achieved when the Palestinian people have a leadership acting decisively against terror, willing and able to build a practising democracy based on tolerance and liberty. With such a leadership, reformed civil institutions and security structures, the Palestinians will have the active support of the Quartet and the broader international community in establishing an independent, viable, state.

Progress into Phase II will be based upon the consensus judgement of the Quartet of whether conditions are appropriate to proceed, taking into account performance of both parties. Furthering and sustaining efforts to normalise Palestinian lives and build Palestinian institutions, Phase II starts after Palestinian elections and ends with possible creation of an independent Palestinian state with provisional borders in 2003. Its primary goals are continued comprehensive security performance and effective security cooperation, continued normalisation of Palestinian life and institution-building, further building on and sustaining of the goals outlined in Phase I, ratification of a democratic Palestinian constitution, formal establishment of office of prime minister, consolidation of political reform, and the creation of a Palestinian state with provisional borders.

**Phase III: 2004-2005**  
**Permanent Status Agreement and**  
**End of the Israeli-Palestinian Conflict**

Progress into Phase III, based on consensus judgement of Quartet, and taking into account actions of both parties and Quartet monitoring. Phase III objectives are consolidation of reform and stabilisation of Palestinian institutions, sustained, effective Palestinian security performance, and Israeli-Palestinian negotiations aimed at a permanent status agreement in 2005.

- *Second International Conference*: Convened by Quartet, in consultation with the parties, at beginning of 2004 to endorse agreement reached on an independent Palestinian state with provisional borders and formally to launch a process with the active, sustained, and operational support of the Quartet, leading to a final, permanent status resolution in 2005, including on borders, Jerusalem, refugees, settlements; and, to support progress toward a comprehensive Middle East settlement between Israel and Lebanon and Israel and Syria, to be achieved as soon as possible.
- Continued comprehensive, effective progress on the reform agenda laid out by the Task Force in preparation for final status agreement.
- Continued sustained and effective security performance, and sustained, effective security cooperation on the basis laid out in Phase I.
- International efforts to facilitate reform and stabilise Palestinian institutions and the Palestinian economic, in preparation for final status agreement.
- Parties reach final and comprehensive permanent status agreement that ends the Israel – Palestinian conflict in 2005, through a settlement negotiated between the parties based on UNSCR 242, 338, and 1397, that ends the occupation that began in 1967, and includes an agreed, just, fair, and realistic solution to the refugee issue, and a negotiated resolution on the status of Jerusalem that takes into account the political and religious concerns of both sides, and protects the religious interests of Jews, Christians, and Muslims world-wide, and fulfils the vision of two states, Israel and sovereign, independent, democratic and viable Palestine, living side-by-side in peace and security.
- Arab state acceptance of full normal relations with Israel and security for all the states of the region in the context of a compressive Arab-Israeli peace.

*Source*: The above text has not been officially published but is available on [www.bitterlemons.org/docs.html](http://www.bitterlemons.org/docs.html).

## ABOUT CEPS

---

Founded in 1983, the Centre for European Policy Studies is an independent policy research institute dedicated to producing sound policy research leading to constructive solutions to the challenges facing Europe today. Funding is obtained from membership fees, contributions from official institutions (European Commission, other international and multilateral institutions, and national bodies), foundation grants, project research, conferences fees and publication sales.

### GOALS

- To achieve high standards of academic excellence and maintain unqualified independence.
- To provide a forum for discussion among all stakeholders in the European policy process.
- To build collaborative networks of researchers, policy-makers and business across the whole of Europe.
- To disseminate our findings and views through a regular flow of publications and public events.

### ASSETS AND ACHIEVEMENTS

- Complete independence to set its own priorities and freedom from any outside influence.
- Authoritative research by an international staff with a demonstrated capability to analyse policy questions and anticipate trends well before they become topics of general public discussion.
- Formation of seven different research networks, comprising some 140 research institutes from throughout Europe and beyond, to complement and consolidate our research expertise and to greatly extend our reach in a wide range of areas from agricultural and security policy to climate change, JHA and economic analysis.
- An extensive network of external collaborators, including some 35 senior associates with extensive working experience in EU affairs.

### PROGRAMME STRUCTURE

CEPS is a place where creative and authoritative specialists reflect and comment on the problems and opportunities facing Europe today. This is evidenced by the depth and originality of its publications and the talent and prescience of its expanding research staff. The CEPS research programme is organised under two major headings:

#### **Economic Policy**

Macroeconomic Policy  
European Network of Economic Policy  
Research Institutes (ENEPRI)  
Financial Markets, Company Law & Taxation  
European Credit Research Institute (ECRI)  
Trade Developments & Policy  
Energy, Environment & Climate Change  
Agricultural Policy

#### **Politics, Institutions and Security**

The Future of Europe  
Justice and Home Affairs  
The Wider Europe  
South East Europe  
Caucasus & Black Sea  
EU-Russian/Ukraine Relations  
Mediterranean & Middle East  
CEPS-IISS European Security Forum

In addition to these two sets of research programmes, the Centre organises a variety of activities within the CEPS Policy Forum. These include CEPS task forces, lunchtime membership meetings, network meetings abroad, board-level briefings for CEPS corporate members, conferences, training seminars, major annual events (e.g. the CEPS International Advisory Council) and internet and media relations.