



THE SABAN CENTER FOR
MIDDLE EAST POLICY
AT THE BROOKINGS INSTITUTION

PROCEEDINGS

Number 2, June 2004

THE DANIEL ABRAHAM
ISRAELI-PALESTINIAN
WORKSHOP

MAKING GAZA DISENGAGEMENT WORK:
ISRAELI, PALESTINIAN, AND
INTERNATIONAL REQUIREMENTS

WASHINGTON, DC
MAY 11–13, 2004



THE SABAN CENTER FOR
MIDDLE EAST POLICY
AT THE BROOKINGS INSTITUTION

PROCEEDINGS

Number 2, June 2004

THE DANIEL ABRAHAM
ISRAELI-PALESTINIAN
WORKSHOP

MAKING GAZA DISENGAGEMENT WORK:
ISRAELI, PALESTINIAN, AND
INTERNATIONAL REQUIREMENTS

WASHINGTON, DC
MAY 11–13, 2004

TABLE OF CONTENTS

| | |
|---|------|
| EXECUTIVE SUMMARY | V |
| LIST OF PARTICIPANTS | IX |
| PROGRAM | XI |
| INTRODUCTION | XIII |
| I. TIMELINE | 1 |
| II. REQUIREMENTS FOR SUCCESS | 5 |
| A. CEASE-FIRE | 5 |
| B. PALESTINIAN POWER SHARING | 6 |
| C. PALESTINIAN SECURITY REFORM | 8 |
| D. ISRAELI COMMITMENT TO FULL WITHDRAWAL | 9 |
| E. ROBUST INTERNATIONAL ROLE | 11 |
| F. LINKAGE TO WEST BANK AND BROADER POLITICAL PROCESS | 15 |
| G. U.S. LEADERSHIP | 16 |
| APPENDICES | |
| 1. THE DISENGAGEMENT PLAN OF THE GOVERNMENT OF ISRAEL (MAY 28, 2004) | 19 |
| 2. LETTER FROM PRESIDENT BUSH TO PRIME MINISTER SHARON (APRIL 14, 2004) | 25 |
| 3. LETTER FROM PRIME MINISTER SHARON TO PRESIDENT BUSH (APRIL 14, 2004) | 29 |
| 4. LETTER FROM PRESIDENT BUSH TO PRIME MINISTER AHMED QUREI (MAY 11, 2004) .. | 33 |
| 5. LETTER FROM DOV WEISSGLAS TO CONDOLEEZA RICE (APRIL 14, 2004) | 37 |
| 6. QUARTET STATEMENT ON UNILATERAL DISENGAGEMENT PLAN (MAY 4, 2004) | 41 |

EXECUTIVE SUMMARY

The Israeli government's decision to disengage from the Gaza Strip and a limited number of settlements in the northern West Bank provides an opportunity to arrest the violence and terrorism that have raged since the breakdown of Israeli-Palestinian negotiations at the end of 2000. While the road ahead remains uncertain and complicated, the evacuation of all settlements from Gaza and Israel's complete withdrawal could contribute to rebuilding Palestinian political, security, and economic institutions, paving the way for renewed negotiations leading to a two-state solution.

With preparations already underway following the Israeli cabinet's June 6 decision, it is essential to define the factors that can contribute to a successful withdrawal and the role of each of the parties involved. Israel, the Palestinians, and the international community—led by the United States—each have varying interests in the disengagement but they will need to work together to ensure that the following requirements for success are met:

- a cease-fire
- a Palestinian power sharing
- Palestinian security reform
- an Israeli commitment to full withdrawal
- a robust international role
- linkage to the West Bank and the wider political process
- U.S. leadership

Although all of these requirements are unlikely to be achieved in their entirety, it is important to understand the symbiotic relationship between them. Success in one sphere will strengthen and reinforce the others, while failure to realize some requirements will undoubtedly affect the success of others.

Conceptually, the disengagement should be divided into preparatory and implementation phases. The preparatory phase, which is already underway, must create the conditions that will allow Israel to leave Gaza and transfer authority and responsibility in an orderly manner to the Palestinians, with the guidance and assistance of the international community. This initial phase will require a robust international role, which would decline over time as the Palestinians regain the capability to fulfill their responsibilities for maintaining order and reforming their institutions.

DEFINING THE REQUIREMENTS

1. Cease-Fire

A cease-fire between Israel and the Palestinians is the key to a successful withdrawal and will determine the extent and scope of the Israeli withdrawal. An effective cease-fire will also help to rehabilitate Palestinian institutions, strengthening moderates who seek an orderly transfer of authority in Gaza. The degree of stability and order created by a cease-fire will also affect the extent of U.S. and international participation in the process.

2. Palestinian Power Sharing

As soon as practicable, elections will need to be held to create a legitimate and accountable Palestinian governing body for Gaza. In the meantime, a cease-fire will only be possible with the compliance of the militant Palestinian factions, in particular Hamas and Islamic Jihad. Such acquiescence requires a broader Palestinian dialogue culminating in a power-sharing agreement that would give Hamas a role in the emerging Palestinian political system in exchange for ending its militancy and laying down its arms. Such an agreement could help moderate the movement by integrating it into mainstream Palestinian politics while preventing it from assuming a dominant role. Given the mutual distrust between the factions and Hamas's reluctance to give up its violent methods, concluding such an agreement will be difficult. Yet excluding Hamas and other militant factions will ensure that those opposed to the disengagement will continue to launch terror attacks against Israel in order to advance their political cause.

3. Palestinian Security Reform

All parties have an interest in seeing the Palestinians take over full security responsibility for Gaza. In order to achieve this objective, however, it will first be necessary to restructure and rehabilitate the Palestinian security services. The first step in this process will be to persuade Chairman Arafat to allow the consolidation of the security services under a Minister of Interior who is answerable to the Palestinian Prime Minister, rather than to Arafat himself. Egypt is willing to play a significant role in the restructuring effort in order to serve its own national security interests. While Egypt will not police Gaza, it is committed to assisting a legitimate Palestinian authority to establish its capacity to maintain law and order there. It may also be necessary to absorb some of the Hamas cadres into the restructured security services. By establishing security institutions that are able to maintain order and thus have legitimacy in the eyes of the Palestinian people, such reforms will also strengthen any internal Palestinian agreement.

4. Israeli Commitment to Full and Complete Withdrawal

Israel has an interest in retaining control over the Philadelphi corridor, the Rafah border crossing, and Gaza's air space and territorial waters in order to prevent Palestinian militants from smuggling and manufacturing weapons and to stop external terrorist elements from entering Gaza. If Israel can be convinced that a third-party force is equally committed to these security interests, however, it could consider a full and complete withdrawal as defined by the international community and Quartet statement of May 4, 2004. This Israeli commitment to ending the occupation would remove one source of conflict and would delegitimize attacks against Israel from Gaza. A full withdrawal would be implemented in stages with third-party coordination.

5. Robust International Role

The role of the international community, including the Arab states, is to assist the Palestinians in rebuilding the capacity of Palestinian institutions and overseeing the creation of a responsible government capable of good governance and maintaining order. These efforts should focus on three major areas: security, economic assistance, and coordination between Israel and the Palestinians. On the level of security, an international force should assume responsibility for controlling the flow of goods and people into Gaza, protecting the settlement infrastructure and ensuring its orderly exploitation for the benefit of the Palestinian people, and assisting in the process of Palestinian security reform. Meanwhile, economic assistance will play an equally important role. Various international efforts—including assistance in rebuilding economic infrastructure, investment in job creation, and financial oversight—will be needed to create an economically viable Gaza with a physical link to the West Bank and world markets. Economic progress will strengthen Palestinian incentives to cooperate with the disengagement plan. In the context of a full Israeli withdrawal, the Arab states in particular must play an active role in legitimizing the difficult steps ahead for the Palestinian leadership in its reform efforts, starting

with security reform, where Egypt and Jordan will need to take the lead. The Gulf Arab states will also need to contribute financial assistance and to provide job opportunities for Gazan workers.

6. Linkage to West Bank and Broader

Political Process

The disengagement process must be seen to be a first step on the road to resuming Israeli-Palestinian negotiations for the achievement of a two-state solution to the conflict. Without such an explicit linkage and the prospect of resuming bilateral negotiations, Palestinians will have less incentive to cooperate with the process since they fear that “Gaza First” will become “Gaza Last,” leaving Israel in occupation of the West Bank. For such a negotiation to proceed, however, Gaza disengagement needs to serve as a springboard for the creation of a credible, capable, and accountable Palestinian leadership in the West Bank as well as Gaza.

7. U.S. Leadership

Strong U.S. leadership is essential to the success of the Gaza disengagement process. While U.S. policymakers envision a broad and diverse role in the disengagement process, there is no intention at the moment of deploying American troops in Gaza. The extent of U.S. participation depends largely on the security environment, and whether it is safe for U.S. and international officials to operate there. Yet it will not be possible to create the necessary security environment without U.S. leadership. In other words, if Israel’s disengagement from Gaza is to work, it will require a greater commitment of leadership and resources than the Bush Administration currently envisages.

LIST OF PARTICIPANTS

Ed Abington, *Bannerman and Associates; former U.S. consul-general, Jerusalem*

Daniel Abraham, *Center for Middle East Peace and Economic Cooperation*

Ziad Abu Amr, *member, Palestine Legislative Council and Palestinian Council on Foreign Relations*

Hasan Abu Libdeh, *bureau chief, Office of the Prime Minister, Palestinian Authority*

Abdel Ila Al Khatib, *former foreign minister, Hashemite Kingdom of Jordan*

Khaled Al Yazjy, *Palestinian Foundation for Culture, Science, and Development*

Amjad Atallah, *Strategic Assessments Initiative; former member, Negotiation Affairs Department, Palestinian Authority*

William Burns, *assistant secretary of state for Near Eastern affairs, U.S. Department of State*

Robert Danin, *director for Near East and South Asia, National Security Council*

Ali Erfan, *Ministry of Foreign Affairs, Arab Republic of Egypt*

Avi Gil, *Peres Center for Peace; former director general, Ministry of Foreign Affairs, State of Israel*

Nisreen Haj Ahmed, *Negotiation Affairs Department, Palestinian Authority*

Fred Hof, *Armitage Associates; former director, The Mitchell Fact Finding Committee*

Martin Indyk, *director, Saban Center for Middle East Policy; former U.S. ambassador to Israel*

Naser Jaber, *deputy director general, Ministry of National Economics, Palestinian Authority*

Bruce Jones, *Center on International Cooperation, New York University; former assistant to the U.N. special coordinator for the Middle East*

Flynt Leverett, *visiting fellow, Saban Center for Middle East Policy; former senior director for Near East and South Asia, National Security Council*

Amnon Lipkin-Shahak, *former IDF chief of staff and deputy prime minister, State of Israel*

Riad Malki, *Palestinian Center for the Dissemination of Democracy and Community Development*

Rob Malley, *International Crisis Group; former director for Near East and South Asia, National Security Council*

Pini Meidan, *former policy advisor to Israeli Prime Minister Ehud Barak*

Marc Otte, *special envoy for the Middle East peace process, European Union*

Kenneth Pollack, *director of research, Saban Center for Middle East Policy; former director for Near East and South Asia, National Security Council*

Dennis Ross, *Washington Institute for Near East Policy; former U.S. special coordinator for the Middle East*

Abdel Monem Said Aly, *director, Al Ahram Center for Strategic Studies*

David Satterfield, *principle deputy assistant secretary of state for Near Eastern Affairs, U.S. Department of State*

Ze'ev Schiff, *defense editor, Ha'aretz*

Salman Shaikh, *Department of Political Affairs, United Nations*

Ilan Shalgi, *member of Knesset, Shinui Party*

Meir Sheetrit, *minister, Ministry of Finance, State of Israel*

Gilead Sher, *Sher, Brenner & Kadari Law Offices; former bureau chief for Prime Minister Ehud Barak*

Jill Sinclair, *Department of Foreign Affairs and International Trade, Canada*

Baruch Spiegel, *Ministry of Defense, State of Israel*

Shibley Telhami, *University of Maryland and nonresident senior fellow, Saban Center for Middle East Policy*

Toni Verstandig, *Center for Middle East Peace and Economic Cooperation*

Tamara Wittes, *research fellow, Saban Center for Middle East Policy*

PROGRAM*

TUESDAY MAY 11

11:30 AM REGISTRATION

12:00 PM LUNCHEON SESSION: THE U.S. PERSPECTIVE

Welcome:

Daniel Abraham, Martin Indyk

Speaker:

William Burns

2:00 PM ISRAELI AND PALESTINIAN OPTIONS

Speakers:

Hassan Abu Libdeh, Ilan Shalgi

3:30 PM BREAK

4:00 PM – 5:30 PM

THE INTERNATIONAL POSITION

Speakers:

Marc Otte, Abdel Monem Said Aly

7:00 PM – 9:00 PM

CONGRESSIONAL DINNER ON CAPITOL HILL

*Hosted by the Center for Middle East Peace
and Economic Cooperation*

Moderator:

Toni Verstandig

WEDNESDAY MAY 12

9:00 AM DEFINING THE ISSUES

Speakers:

Martin Indyk, Ziad Abu Amr, Pini Meidan

10:30 AM COFFEE BREAK

11:00 AM WORKING GROUP SESSIONS:
POLITICAL/SECURITY WORKING GROUP

Chair:

Martin Indyk

Opening Presentations:

Khaled Al Yazjy, Amnon Lipkin-Shahak

ECONOMIC/SECURITY WORKING GROUP

Chair:

Jill Sinclair

Opening Presentations:

Meir Sheerit, Nisreen Haj Ahmed

1:00 PM LUNCH

2:00 PM WORKING GROUP SESSIONS (CONTINUED)

4:00 PM – 6:00 PM

BREAK

6:30 PM – 9:00 PM

DINNER SESSION: WORKING GROUP REPORTS

Respondent:

Robert Danin

THURSDAY MAY 13

9:30 AM – 11:30 AM

GENERAL DISCUSSION

Speaker:

David Satterfield

12:00 PM LUNCHEON SESSION:
CONCLUSION AND NEXT STEPS

2:00 PM WORKSHOP CONCLUDES

* Please note: Chatham house rules apply to all sessions. Participants may refer to the discussions but without any attribution to any of the participants.

INTRODUCTION

With the failure of the Camp David negotiations and the outbreak of large-scale violence in October 2000, Israel and the Palestinians have descended into a crisis that threatens to undermine the chances of a peaceful resolution of the conflict for years to come and is taking a heavy toll in human casualties, many of them innocent victims. The two sides have reached an apparent impasse, with violence and retribution supplanting dialogue and negotiation as driving principles of Israeli-Palestinian relations.

The purpose of the Daniel Abraham Israeli-Palestinian Workshop, established in 2002 in Washington, D.C. under the auspices of the Saban Center for Middle East Policy at the Brookings Institution, is to promote dialogue between Israelis, Palestinians, and Americans to generate innovative ideas for ending the violence and returning to negotiations with the aim of reaching a final status agreement to end the conflict. Participants in the workshop include former negotiators, former and current government officials, and policy experts.

The fifth meeting of the workshop, held at the Meridian International Center in Washington, D.C. from May 11-13, 2004, discussed the requirements for a successful Israeli disengagement from the Gaza Strip. The workshop was held amidst great uncertainty following the defeat of Israeli Prime Minister Ariel Sharon's plan for unilateral disengagement in a Likud referendum. Yet the workshop proceeded on the basic assumption that in one form or the other, the withdrawal will proceed in the near future. The challenge

of the withdrawal is to ensure that the Israeli exit allows for orderly transition to a Palestinian government that can eventually exercise control over Gaza and ensure the well-being of its citizens. At the same time, Israel's unilateral act should be used to generate positive momentum toward restarting the political process and bringing the conflict to a negotiated conclusion. Both objectives will require a robust international role.

To discuss these issues the workshop brought together Palestinians, Israelis, Americans, Canadians, Europeans, Egyptians, and Jordanians for two and a half days of off-the-record discussions. The report that follows summarizes the conclusions of that discussion and the requirements that Israelis, Palestinians, and the international community will need to meet to ensure a successful Israeli withdrawal and the transition to Palestinian independence in Gaza. While it is unreasonable to expect that all of these requirements will be fulfilled in letter and spirit, it is important to understand the symbiotic relationship between them and the reinforcing effect that achieving some of them can have for the greater realization of others. What emerged from these discussions is tantamount to a first blueprint of the requirements for turning Israel's unilateral disengagement into a successful first step for resolving the Israeli-Palestinian conflict.

We are deeply grateful to Danny Abraham for providing the support which makes these workshops possible and the inspiration to achieve our objective of ending the Israeli-Palestinian conflict.

I. TIMELINE

Unilateral withdrawal is unlikely to occur overnight. In fact, Prime Minister Sharon is talking now about a phased withdrawal over 18 months. It is therefore important to establish a timeline that will have a preparatory phase as well as several phases of implementation. In a sense, the preparatory phase has already begun, since Israel is already coordinating with Egypt about the role it will play. But many other steps will have to be taken, involving a high degree of coordination between Israel, the international community, and the Palestinians before the implementation phase begins. In the implementation period, the timeline should reflect the gradual phasing out of the Israeli presence in and around Gaza. At the beginning of this process there will be a requirement for a robust international role and more limited Palestinian responsibility because of a lack of Palestinian capacity. The international and Israeli roles should then steadily decline throughout the subsequent phases, as the Palestinians take on greater responsibility and exercise greater control over time. At the end of the process there should be a complete Israeli withdrawal, a minimal international role, and assumption of full responsibility by an elected Palestinian government.

PREPARATORY PHASE

The preparatory phase should be marked by the transition between the Israeli government's decision to

withdraw and the actual commencement of settlement evacuation. This is a critical period when militants and extremists will attempt to sabotage the withdrawal and violence will likely increase. The challenge of all parties during this phase is to ensure that the necessary preparations lead to smooth implementation. The transitional period could last as long as 12 months because of Israeli legal preparations for settler evacuation, although if the Israeli government decides on withdrawing from only a few settlements in the first phase, this could be implemented before the necessary legislation is in place. Whatever the case, the preparatory phase should be telescoped as much as possible in order to avoid leaving the arena open to exploitation by elements that do not favor an orderly Israeli withdrawal.

International efforts are key during this period, a requirement that could be complicated by Washington's preoccupation with the situation in Iraq. The international community, led by the United States, Egypt and the Quartet, will need to assume an active coordinating role between Israel and the Palestinians. It will need to shape the role of Chairman Arafat to ensure the necessary political and security reforms are achieved. It will need to reach understandings with Israel concerning its security requirements, which will enable Israel to commit to full and complete withdrawal by the end of the implementation period. And its own mandate will need to be agreed upon,

including the establishment of an international force, possibly through the vehicle of a U.N. Security Council resolution.

The steps the international community will need to initiate in the preparatory phase include:

- a cease-fire
- a political understanding between the major Palestinian factions in Gaza, including Hamas
- the restructuring and retraining of the Palestinian security apparatus
- preparations for international involvement in the economic and security spheres
- securing an Israeli commitment in principle to a full and complete withdrawal from Gaza

IMPLEMENTATION PROCESS

The implementation process will involve a phased Israeli withdrawal from the settlements and military positions inside the Gaza Strip. But the success of the Gaza disengagement process for all concerned parties will also depend on its withdrawal over time from the Philadelphi corridor, the passages, and the sea and air space around Gaza. As Israel does so, the international community and whatever governing body emerges on the Palestinian side in Gaza will need to assume responsibility in order to avoid the creation of a vacuum that could be filled by militants, war-lords, and armed gangs. As Israel withdraws from the settlements, there will need to be an orderly assumption of responsibility by a body which will act as caretaker to ensure that the land and infrastructure is managed for the benefit of the Palestinian people.

II. REQUIREMENTS

A. CEASE-FIRE

A cease-fire between Israel and the Palestinians, either through a formal agreement or informal understandings, is a prerequisite to any successful withdrawal effort. Without it, there is a high probability of escalating violence. The terror organizations will try to prove that Israel is withdrawing because of their attacks, and in return the IDF will attempt to demonstrate that they are not granting a victory to terror. Such a dynamic could disrupt Palestinian efforts to establish order, deter international efforts to play a constructive role, and reduce Israel's willingness to commit to a complete withdrawal.

Conversely, an effective cease-fire would facilitate the process of rebuilding Palestinian political, security, and economic institutions that will aid in the creation of a Palestinian leadership that can eventually serve as a responsible and credible negotiating partner. It would create a more conducive environment for international intervention, encouraging a greater donor effort. And it would, over time, have a major impact on Israeli public opinion, leading Israel to be more open to a resumption of negotiations with the Palestinians, especially if a cease-fire that began in Gaza could be extended to the West Bank.

Why should a cease-fire be more likely to take hold now than in the past? The key is whether, in the con-

text of Israel's decision to withdraw from Gaza, Hamas's calculations have changed sufficiently to lead them to adhere to a cease-fire. Some Palestinian participants who have knowledge of Hamas's thinking asserted that they would be prepared to lay down their arms in return for participation in the governing of Gaza and the incorporation of some of their cadres into the restructured Palestinian security services. Israel's security tactics, including its targeted assassinations of Hamas leaders, have seriously weakened Hamas and therefore inclined it for tactical reasons to be open to a cease-fire. But its strategic calculations would also change once it was clear that all of Gaza would be liberated. Lacking a justification for continuing its militancy, Hamas has indicated that in those circumstances it would want to participate in the governing of Gaza.

However, for such logic to prevail, Hamas would require some type of commitment from Israel that it would end targeted assassinations and incursions into Hamas strongholds and that its withdrawal from Gaza would be full and complete. Israeli participants agreed that if Israel could be convinced that Palestinians were genuinely committed to a cease-fire, then it would be willing to halt preemptive attacks, incursions, and targeted assassinations.

Yet, experience with previous cease-fires made participants wary that one could be achieved in Gaza before the Israeli withdrawal even in the face of these

changed circumstances. One unpredictable element has been the influence of Hizballah on Palestinian operations in Gaza, since it has been making a determined effort to become a player there by backing various splinter groups which could easily destroy a nascent cease-fire by continuing their attacks on Israeli targets. Hizballah does not have the same interest as Hamas in seeking a cease-fire; it would prefer to demonstrate that Israel was withdrawing under fire from Gaza as it did from southern Lebanon. An active international role in brokering the cease-fire arrangements is therefore essential, with Egypt engaging the Palestinian organizations as it has on previous occasions and others pressing Iran to rein in Hizballah.

B. PALESTINIAN POWER SHARING

The need for a Palestinian political arrangement between Fatah, Hamas, and the other factions was discussed at length and considered by some to be the key to any successful cease-fire in Gaza. Such an agreement must be based on a power-sharing arrangement, that provides political space for the inclusion of all Palestinian movements. The continued exclusion of certain groups within the Palestinian political arena, most notably Hamas and Islamic Jihad, can prevent the Palestinian leadership from making the necessary political and security reforms, and complicate the withdrawal process by creating instability following the Israeli withdrawal. Therefore, such an agreement is the prerequisite for stability in Gaza prior to and following the Israeli withdrawal. Reaching an agreement will be difficult, but is essential for the success of any political process.

Previous talks conducted during the short-lived Abu Mazen government under Egyptian sponsorship focused primarily on the cease-fire or *hudna*. While these discussions were important for inter-Palestinian dialogue, they failed to agree on a common direction and objective, leading the cease-fire to unravel. The only way to sustain a cease-fire capable of withstanding the challenges ahead for both Palestinians and Israelis is through a broader political agreement among the Palestinian factions.

The foundation of any political agreement must be a Fatah-Hamas understanding, that integrates the Islamic Resistance Movement into the Palestinian political system. Some Palestinian participants asserted that the integration of Hamas would not lead to the radicalization of Palestinian politics, as some fear, but rather would serve to moderate the Islamic movement and strengthen the credibility of the Palestinian political system, which has become illegitimate in the eyes of many Palestinians. It would also serve to minimize the threat of Hamas preventing political progress as it has done in the past.

Hamas as a pragmatic organization, does not intend to lead the Palestinian political system, but to participate on an equal level with Fatah, allowing it to influence Palestinian policy and decision-making on all levels. Such a role, as envisioned by the movement's leadership, will also allow Hamas to participate in and influence the political process and future negotiations with Israel without relinquishing its commitment to the creation of an Islamic state in all of Palestine. Thus Hamas seeks to become a political opposition movement within a legitimate and inclusive Palestinian political structure.

Hamas has articulated its own plan for administering Gaza following the Israeli withdrawal, including a national committee to supervise evacuated settlements, which it wants to see used for schools and hospitals. Allegedly, the Hamas plan for Gaza was rebuffed by the Palestinian Authority, which insists any political arrangement in Gaza be part of a broader political process to include the West Bank. On the security level, Hamas foresees its military wing integrated into the overall Palestinian security force. In its view, however, such integration of military forces should come at a later phase in the process.

Reactions to the suggestion of a Palestinian political agreement between the Palestinian Authority, Hamas, and other militant factions were mixed. While all Palestinian participants agreed on the importance of such an arrangement for long-term Palestinian

political progress, some insisted that any agreement would have to be worked out by the Palestinian Authority and not behind its back between Hamas and Fatah in Gaza. And there would have to be a complete dismantling of the Hamas military wing as part of the agreement. If the leadership of Hamas and the other militant organizations did not accept this, the Palestinian security force would have to forcefully disarm the movements. An opposing perspective argued that force should be the only method of engaging Hamas, claiming that its vision of an Islamic state and use of terror preclude it from being a trustworthy component of any political system.

Several Israeli participants also accepted, in principle, the necessity of a political power-sharing arrangement as a prerequisite to stability. Israel might tacitly accept such an agreement, recognizing that a Palestinian political agreement may be the only real chance of sustaining a cease-fire and rehabilitating Palestinian institutions. Furthermore, the unilateral nature of Israel's withdrawal plan, removes Israel's ability to influence a post-withdrawal Palestinian political order. Nonetheless it does have a preference for stability over chaos if an agreement with Hamas can produce that. From the Israeli perspective, the first requirement is an end to attacks on Israelis, and in the aftermath of its withdrawal, attacks on Israel itself originating from Gaza. Otherwise the political arrangement will lead back to the same cycle of violence, while legitimizing Hamas as a political force.

A binding and genuine agreement would require the acquiescence of Yasser Arafat as well as the willingness of the Hamas leadership to enter a bargain with Arafat. Both sides are suspicious and do not trust the intentions of the other. Arafat primarily fears relinquishing any power and legitimizing Hamas, which will demand to influence Palestinian policy. Arafat fears that the movement, which is already more popular than Fatah in public opinion polls, will become the dominant force in Palestinian politics. At the moment this mistrust may prevent the two sides reaching an understanding.

The discussion of Hamas's inclusion into a Palestinian political arrangement left a number of questions unanswered, such as the extension of such an arrangement to the West Bank, the influence and position of the external leadership, and the role of other militant groups. What did emerge from the discussion, however, was that an Israeli commitment to a full and complete withdrawal from Gaza was as important to the bargaining position of those who would incorporate Hamas into the political process as it would be to the achievement of a real cease-fire and laying down of arms. Without a commitment to complete withdrawal the militants would use the appearance of continued occupation as an excuse for maintaining their infrastructure and operations (as Hizbullah did with the Shab'a farms on the Golan).

A Palestinian political agreement in Gaza will undoubtedly create a new dynamic in the Palestinian political structure. In this context, a certain tension emerged in the discussions regarding the future of the Palestinian Authority. This was in part because some argued that in Gaza the Palestinian Authority had lost its legitimacy due to corruption and the failure to provide security for Palestinians. The new reality in Gaza and the fact that Hamas has become as popular as Fatah there require a new approach. It was suggested that a new legal framework be created for Gaza to prepare for the Israeli pullout: a PLO-appointed governing structure should be installed instead of the Palestinian Authority. Other Palestinians were adamant that the Palestinian Authority will not be dismantled in order to create a new governing body in Gaza, and that any faction joining the Palestinian political system must do so on the conditions set forth by the Palestinian Authority.

Palestinian elections in both the West Bank and Gaza were put forward as an alternative mechanism for achieving a power-sharing arrangement. While the Palestinian Authority recently announced its intention to hold municipal elections in August 2004, many Palestinians advocate the need for general elections including for the Legislative Council and president.

Some of the Palestinian participants felt that the Palestinian Authority and the Palestinian Legislative Council wanted to avoid these general elections for fear of losing power. American participants expressed concern that it would only lead to Arafat strengthening his control and since the United States would not deal with him, this would only prolong the political stalemate. Proponents of elections, however, argued that they would empower a new generation of Palestinians, laying the foundation for an accountable and responsible government. They believed that even though Arafat would be re-elected, the Legislative Council would be given renewed legitimacy and new leaders could emerge through this process to challenge Arafat's control over the political system. In the effort to hold fair elections, the Palestinians would need assistance from the Quartet in structuring the election process. Proponents of elections argued that the United States could also assist the process by renewing a serious U.S.-Palestinian dialogue.

There were clear differences of opinion on the role of Arafat and the strategy for pursuing a new Palestinian leadership. Clearly, Arafat intends to be a player in the Gaza disengagement process, and a strategy is needed for securing his cooperation or overcoming his efforts to obstruct the process. Some Palestinians argued that allowing him to travel in return for his cooperation was the best approach. Palestinian participants rejected the notion that the leadership could be changed by external pressure, an approach that has failed thus far because it has only increased Arafat's incentive to undermine and obstruct the process. An imposed leadership also lacks credibility and would be unacceptable to the Palestinian public.

C. PALESTINIAN SECURITY REFORM

Security responsibility for the Gaza Strip must ultimately be under the complete control of the Palestinians. This can only occur through the creation of a capable and responsible Palestinian security apparatus, that is committed to maintaining stability and preventing terror attacks. This force would have

to assume responsibility for policing Gaza and ensuring that the governing authority holds the monopoly on arms and that no attacks are conducted against neighboring states from the territory under its control. The consolidation of Palestinian security forces under a unified leadership with political oversight will also strengthen any internal Palestinian agreement reached between the various factions. The international community, and Egypt in particular, has a central role in the reconstruction and retraining of the Palestinian security apparatus on several levels. Israel can support this process by suspending targeted assassinations and refraining from strikes against Palestinian institutions. Arafat will have to be persuaded to go along with the restructuring of the security services in Gaza since, at the moment, the various security chiefs there report directly to him and are dependent upon him.

The Role of Egypt

Egypt has a unique role to play in regard to Palestinian security because of the historic link and shared border between Egypt and Gaza. Egypt has already announced that it is prepared to play a central role in the restructuring of the Palestinian security forces because it has a "national security interest" in ensuring that Gaza does not descend into chaos following Israel's withdrawal, leading to a takeover there by Islamic extremists. However, it is clear that its role will be bound by certain constraints and dependent on several factors, including the extent of the Israeli withdrawal, as well as the coordination between Israel and the Palestinians. Egyptian policymakers have made it clear that Egypt is not willing to help Israel unilaterally withdraw or police the Palestinians for Israel. But it is willing to help the Palestinians take responsibility for Gaza.

It is vital for Egypt that withdrawal be linked to a wider political process, and Egypt has made it clear that it will not legitimize a withdrawal which does not endorse the goal of reaching a two-state solution. Cairo can not afford to be seen legitimizing a process that clashes with Palestinian nationalism, delays the

creation of an independent Palestinian state, facilitates continued Israeli occupation of the West Bank, or generates friction with Israel that could undermine the Israel-Egypt Peace Treaty. Thus, while Egypt seeks stability in Gaza, this goal does not trump all other national interests, and Egypt will not be dragged into the conflict against either the Palestinians or Israelis.

Egypt's main security contribution to a successful withdrawal can be in restructuring the security organizations through training and advisory capacities. In no way is Cairo interested in overseeing or accepting responsibility for security in Gaza. It must be clearly understood that Egypt will not police the Gaza Strip after an Israeli withdrawal, nor will it agree to take custody of evacuated settlements. Thus, from an Egyptian perspective full security control and custody of evacuated property should be turned over to the Palestinians. Egyptian security personnel will assist in this process.

In addition to direct security assistance, Egypt and other Arab states have a role to play in influencing militant groups to cooperate and adhere to any security arrangements and cease-fire. The Arab states and the Quartet must also be willing to exert political influence and pressure, if necessary, upon Arafat to allow meaningful security reform to proceed, particularly the consolidation of the Palestinian security forces in Gaza under a unified command.

In order for Egypt to have a meaningful role in the process, the political atmosphere must be more conducive which is, in part, shaped by its relations with the United States. This includes increased U.S. coordination and consultation with the Egyptian government. The Bush speech of April 14, 2004, in which President Bush endorsed Israeli Prime Minister Ariel Sharon's plan immediately after the visit of President Mubarak, was a surprise and an embarrassment for the Egyptian government. Such dynamics make it politically more difficult for Egypt to play its role. By contrast, Israeli-Egyptian discussions have been making good progress because of a recognition that both

states share an interest in stability in Gaza in the wake of Israel's withdrawal.

D. ISRAELI COMMITMENT TO FULL WITHDRAWAL

There is an inherent conflict in Sharon's conception of withdrawal and that which is required by the international community as expressed in the Quartet Statement on Israel's plan (a statement which was approved by the United States). While Sharon has stated in his letter to President Bush that he seeks to absolve Israel of responsibility for the Palestinians in Gaza by withdrawing from there, he has also made it clear that he intends to maintain Israeli control over the border crossings, the Philadelphi corridor, and the air and sea space. The international community, however, will not declare that Israel has ended its occupation as long as it is still in control of parts of Gaza. Therefore, in order for Sharon to receive the benefit of international legitimization of Israel's withdrawal, he would need to commit to a full and complete withdrawal of Gaza, as required by the Quartet Statement. This need not occur in one, sweeping move; indeed it would be better for the international community as well as Israel if it could take place over a number of phases. However, the commitment to a complete and full withdrawal will need to be made by the Government of Israel from the outset of the process with a performance-based timeline for the completion of this withdrawal as Israel's security concerns are dealt with.

Sharon's desire to retain control over the border crossing, Philadelphi corridor, and air and sea space is due to legitimate Israeli security concerns: Israel does not want weapons and people smuggled into Gaza to conduct more lethal attacks against it after it withdraws. Thus the challenge is to reconcile the need for a full and complete withdrawal with these security concerns. Israelis suggested that a full withdrawal could be completed in a later phase of implementation in coordination with the international community, if the right conditions were met. Palestinians, however, feared that the presence of Israeli troops in the

Philadelphi corridor and the border crossing would make it more difficult for the Palestinian leadership to sell the withdrawal plan to the Palestinian people, especially militant groups looking for an excuse to avoid laying down their arms. Furthermore, the fact that Israel is reserving the right of “hot pursuit” as well as the ability to strike militarily in the Gaza Strip led Palestinians to believe that Israel intended to maintain the functional elements of occupation, which would only perpetuate the problem.

One Israeli military expert pointed out that if Israel acceded to the request of the international community for a full and complete withdrawal, it had the right to demand in return a commitment to keep Gaza demilitarized. He recognized that this was not realistic given the limited role the international community would play in policing the Palestinians inside Gaza and ideally should be a commitment undertaken by a responsible Palestinian authority. But since Israel was committed to a unilateral disengagement from Gaza it was difficult to see how it could put such a condition before the Palestinians. Nevertheless, the international community should anticipate that this concern will be raised as Israel considers a full withdrawal.

Philadelphi Corridor

From the Israeli perspective, the IDF presence in the Philadelphi corridor is based solely on the need to prevent the smuggling of weapons into Gaza. If the Palestinian Authority, Egypt, or a third party could effectively stop the smuggling, Israel’s presence there would be deemed unnecessary. Such an evacuation from Philadelphi could be part of a second phase of withdrawal but it could only be done with the deployment of a strong international force, mandated to stop the smuggling. One suggestion was for Egypt to patrol its side of the border with enhanced military capabilities. An international force could monitor the corridor itself with an Israeli presence on the eastern side of the corridor in the initial stages of implementation. In a later phase, once Israel became confident of the will and capability of an international force to prevent the smuggling, it could withdraw from the

Corridor altogether. Meanwhile, as the Palestinian security services improved their capability they could be deployed in Rafah to exercise control over the smugglers there.

An American proposal to extend the role of the Multinational Force of Observers (MFO) from Sinai to the border with Gaza was seen by some participants as a flawed concept because the MFO is an observer force; a fighting force is what will be required in this case. Moreover, it changes the purpose of the MFO in a way that could jeopardize its critical function of providing assurance to both sides that the security arrangements in the Israel-Egypt Peace Treaty are being observed.

Rafah Border Crossing

Israel has thus far insisted on maintaining its presence at the international border crossing between Gaza and Egypt. A proposal to move the international border crossing to an alternative area where Palestinian, Israeli, and Egyptian territory meet was briefly examined but dismissed by the Palestinians, who feel strongly that they must control their own passage with Egypt once Israel withdraws. However, previous Israeli-Palestinian agreements on control of the passages could provide a model for an arrangement that meets the concerns of both sides. Israel could have a “virtual” presence at the border crossing, using advanced technology to maintain its ability to monitor people entering Gaza in real time. This would remove any overt Israeli presence, which would not be welcomed by the Palestinians. These technical means could be bolstered by an international presence in the passage itself, responsible for scrutinizing incoming people and goods.

Israel would still control the crossing points from Gaza into Israel and therefore would retain the ability to seal off Israel from Palestinian goods and people were it dissatisfied with the policing of Gaza’s borders.

Sea Patrols

Preventing smuggling from the sea is a function that Israel could also hand over to an International naval

force. The United States and other countries have developed considerable expertise at interdicting smuggling operations in both the Red Sea and the Persian Gulf under the Multilateral Interdiction Force (MIF) arrangements that operated against Iraq before the toppling of Saddam Hussein. Israel and the United States regularly conduct naval exercises together so they have the ability to communicate with each other. And Gaza's territorial waters are tiny compared to the areas where the MIF has had to operate. In the initial phase, control of the sea space can also be a shared responsibility between the Israeli Navy and an international flotilla until Israel is satisfied that it can hand over full responsibility.

E. ROBUST INTERNATIONAL ROLE

The United States and the other members of the Quartet (the United Nations, Russia, and the European Union) have now endorsed Israel's plan for Gaza disengagement. The main challenge of the international community is to assist in the creation of conditions that will lead to a successful withdrawal and a stable post-withdrawal situation. All participants agreed that a robust international role in facilitating withdrawal is vital and in the interest of the international community. However, the extent of international involvement will depend in part on the willingness of Israel and the Palestinians to cooperate. Israel will need to commit to a full and complete withdrawal and the Palestinians will need to commit to a cease-fire and cooperation with the international presence. The international role would have political, economic, and security dimensions:

- helping to reform and restructure the Palestinian governing institutions
- restructuring and retraining the Palestinian security services
- mounting an effort to rebuild Gaza's economic infrastructure, jump start its economy and oversee its growth

- coordinating Israel's withdrawal with the Palestinians
- assuming responsibility for the orderly transfer of the settlements and their infrastructure
- creation of an international force to assume responsibility for securing Gaza's borders and passages from smuggling and terrorist infiltration

The international community would probably need to pass a formal United Nations Security Council resolution defining donor access and the parameters and mandate of the international role prior to formal engagement. In addition, the Quartet has outlined several conditions for its participation in Gaza. These include linking the Gaza withdrawal to the Roadmap; viewing Gaza as a step towards a two-state solution; a ban on settler relocation to the West Bank; coordination with the Palestinians; and the reconstruction of Gaza in cooperation with Israel. Furthermore, participants argued that the Quartet would need to take ownership of the peace process through a more active diplomatic presence on the ground. However, Quartet member states and the international community would need to be convinced that they could safely operate in Gaza following the Israeli withdrawal. This would come in the form of assurances from Israel that it would refrain from military strikes within Gaza, as well as from the Palestinians that they would prevent terror attacks. The international community would also serve as an arbiter to decide if the Palestinians are fulfilling their responsibilities in terms of cease-fire and security reform.

The international community has three main roles in the Gaza withdrawal and post-withdrawal process: security, economic assistance, and coordination between Israel and the Palestinians.

Security

An international force presence will be necessary if Israel is to conduct a full and complete withdrawal as the international community has requested. However, the functions of this force can be confined to policing

the Palestinian side of Gaza's borders as defined above. While the force could support Egypt in the restructuring and retraining of the Palestinian security forces, particularly by providing equipment, none of the participants argued for a more robust international force presence to police the Palestinians themselves. That was seen to be the responsibility of the Palestinian security forces with the backing of Egypt. In other words, there would be no requirement for international forces to go into the refugee camps to confront militants and destroy their infrastructure. But that, of course, assumes that the retraining and restructuring process, together with the cease-fire and power-sharing arrangements would render such a role unnecessary. Should that prove not to be the case, the international community would have to consider bearing this kind of responsibility. That would require a broader mandate and a stronger international force than the workshop contemplated.

Whatever its role, an international force must not be perceived by Palestinians as an occupying force. If opponents of the withdrawal process succeed in portraying the international force as an occupier, they will likely mobilize popular opinion against the international troops, disrupting transition efforts.

Some workshop participants were skeptical about the international community's (including the United States) willingness to deploy a force capable of fighting terrorism. They argued that realistically the international force will not be able to fight terrorists; therefore a real and continued cease-fire is crucial for the successful operation of an international force.

One critical role for the international force will be to take control of the settlement infrastructure to protect and ensure its orderly transfer to authorities that will ensure it is used for the benefit of the Palestinian people. The territory encompassed by the settlements comprises some 25 percent of the land in Gaza (about the size of Gaza City), including prime beach front property and land developed for agricultural

purposes. It will need to be kept out of the hands of militants, gangs, and corrupt security chiefs and placed in the hands of a responsible authority, such as the World Bank, to oversee its appropriate development by the Palestinian government. An international force will need to play a protective security role in this process.

Economic Assistance

A major international aid program and economic development plan will be necessary for a successful transition from Israeli occupation to Palestinian self-rule of an economically viable Gaza Strip. The initial aim of such aid is to prevent economic collapse and encourage hope by providing a prompt tangible improvement in the standard of living of Palestinians. Gaza's economy is largely dependent on external factors for employment and trade. The public sector, including UNRWA, accounts for 35 percent of total employment, and is funded directly by the donor community. In addition, 80 percent of Gaza's imports pass through the Israeli ports of Haifa and Ashdod. Thus aid must also seek to lay a long-term foundation for a prosperous and independent Palestinian economic infrastructure by increasing access to world markets, and ensuring a physical link between Gaza and the West Bank.

The economic reconstruction of Gaza, however, cannot be discussed or planned independently of the security situation. A prerequisite for any major donor effort is a stable political environment in Gaza. In the absence of calm on the ground, international aid agencies, governments, and investors will be reluctant to rebuild Gaza's infrastructure for fear that it could once again be destroyed if fighting breaks out. Successful economic development and the easing of Israeli security policies that hamper economic progress also depend on a stable and secure environment.

While stability and security are clear prerequisites for Israel to change its policies and for significant international assistance, the Palestinians have set out their

own parameters for successful economic development in Gaza, which focus on four main requirements:

- control of economic assets and natural resources
- access of goods, people, labor, and services to the West Bank, Israel, and international markets
- independent economic planning
- third party assistance and support

Control of Natural Resources and Economic Assets

Property and assets (including housing, industry, and infrastructure) in the areas evacuated by Israel, which comprise some 25 percent of Gaza's territory, should be transferred in an orderly fashion and not destroyed by Israel. The international community should have a significant role in coordinating the transfer of these assets, to ensure that they are used for the benefit of the Palestinian people.

The limited natural resources of Gaza must be efficiently developed and managed, including water sources, natural gas, as well as resources located in territorial waters. A power plant and desalinization plant should be priorities to enable Gaza to become self sufficient in energy and water.

Access of Goods and Labor to Markets

Market access to the West Bank, Israel, and world markets is vital for the economic viability of Gaza. The establishment of a physical, territorial passage between the West Bank and Gaza is important not only for the flow of goods, services, and people, but for maintaining national and political unity. The continued closure and restrictions of movement between Gaza and the West Bank and within the Palestinian areas have had a devastating impact on the Palestinian economy in the last three years. Other policies justified by Israeli security concerns, such as the back-to-back policy of transporting goods, have slowed the pace of economic activity by further hampering the movement of goods.

In addition to access to the West Bank, Israel remains an important trading partner, and it is imperative that Gaza have preferential trade status with Israel. An ideal arrangement would ensure the free flow of Israeli goods into Gaza and unrestricted access of Palestinian labor into Israel. However, this would depend on the successful implementation of the other requirements (cease-fire, power sharing arrangement, international force, etc.). With an improvement in the security environment, Palestinian movement of goods into Israel should also be simplified by removing the practice of back-to-back truck loading for the transport of goods. High-technology security mechanisms in conjunction with third-party involvement can facilitate a more integrated flow of goods and labor.

The Palestinians seek to reduce their dependence on Israel by having independent access to international markets. Thus it is a basic Palestinian demand to maintain exclusive control of the Rafah border crossing, allowing Palestinians freedom of movement for goods and people. Palestinians assert that Israel's security concerns can be addressed through a third-party presence. The third party can also actively assist Palestinian efforts regarding proper management of the border terminal, imports and exports, and revenue collection. However, if Israel lacks confidence in the screening of people and goods at Rafah, it will be less likely to allow access of people and goods into Israel. In this regard, the international community must seek to diversify sources of employment for Gazans by pressing the Gulf states to open their markets to Palestinians from Gaza.

Gaza's imports are overwhelmingly dependent on the Israeli ports of Haifa and Ashdod where goods are often subjected to long delays. While Palestinians seek to reduce this dependence by the creation of an independent port and border crossing, the continued use of Israeli ports should be modified to allow for a more efficient flow of goods. One option is for the clearance of imports to be conducted at the entrance to Gaza. A second option could be a leasing arrangement for a Palestinian customs area in Israeli ports for clearance

and sealing of goods bound for Gaza. In both scenarios a third-party role can assist in both overseeing smooth implementation and addressing legitimate security concerns. The development of sea and airports in Gaza is important for economic growth and development and can be viewed as part of the Palestinian national economic interest.

Economic Development and Planning

The Palestinian Authority has developed a capacity for economic planning and development, and is preparing a master plan for Gaza. The international community, however, will need to work with the Palestinian Authority in designing, financing, and implementing these economic plans. Successful implementation of such plans will depend on the security environment, the arrangements for governing Gaza, the reform of the Palestinian judicial system, and the establishment of the rule of law.

International Economic Assistance

A strong international presence will be necessary in the economic realm. Two models should be considered. The first would be to establish a form of “custodianship” in which an international body, such as the longstanding Ad Hoc Liaison Committee (AHLC), assumed authority for overseeing the international donor effort and the economic development of Gaza. The second model would leave the AHLC or some other donor mechanism functioning alongside the Palestinian Authority to assist the Palestinians in fulfilling their economic plans and responsibilities in an efficient, transparent, and successful manner. In either case, international assistance will need to include:

- budgetary approval, including support in designing, financing, and implementing economic plans
- coordinating the timetable and modalities of evacuation of settlements and transfer of assets, infrastructure, data, and information
- building, operating, and monitoring crossing points and ports

- improving transit arrangements through Israel
- building, operating, and monitoring the West Bank-Gaza link

The European Union, as the major financial contributor to the Palestinian Authority, has a significant amount of leverage in promoting economic as well as political reform. Past European efforts have succeeded in pressuring Arafat to pay all civil service salaries through the banking system, empowering the finance minister, and appointing a prime minister. This pressure will need to continue to ensure the completion of other political, economic, and security reforms.

The World Bank trust fund is an important component of the reconstruction effort, which should be expanded to include Arab contributions as well as a symbolic U.S. contribution. If progress is made, the United States may be willing to increase its economic assistance. Increased financial oversight and transparency led by international aid efforts can also stimulate private enterprise and investment, which can attract capital from the Arab world and the Palestinian diaspora.

Critics of Israel’s security and economic policies argued that if Israel wants to make the withdrawal successful it must take steps to help the Palestinians and cannot simply rely on the international community to salvage the situation in Gaza. For example, in the 1990s Israeli exports to the West Bank and Gaza increased while Palestinian exports to Israel remained stagnant. Israeli protectionist economic policies hurt the Palestinian economy and must be relaxed in order to help spur economic development. Joint enterprise zones and free trade agreements were also discussed as incentives and catalysts for economic growth and cooperation.

Yet Israel’s main concern for the flow of goods and people as well as reducing its intervention in Gaza is based on security concerns. While high-technology arrangements can enhance security, the cost of such systems are very expensive and the question arises of which side will bear the cost. The security and political

situation in Gaza has not only driven Israel's economic policies in Gaza, but has been and continues to be a deterrent for foreign investors. The absence of the rule of law and an independent judiciary further hampers local, Israeli, and foreign investment. There is also the question of which body will collect taxes such as VAT and tariffs in Gaza after the withdrawal. A new tax arrangement will be problematic since Gaza and the West Bank will be under two different tax arrangements. Israelis preferred that a unified tax system remain in force until a permanent arrangement can be reached.

Coordination between Israel and the Palestinians

In the absence of direct coordination between Israelis and Palestinians, the international community will need to strengthen its role as an intermediary between the two sides and coordinate the withdrawal on all levels including political, economic, and security issues. Coordination of the withdrawal with the Palestinians is vital for successful implementation in order to ensure they feel they have a stake in the process. Similarly, coordination with Israel will be essential as the international community takes on responsibilities Israel previously exercised for security and protection of settlements.

Beyond the role of coordinator between Israel and the Palestinians, there was an almost unanimous consensus that the international community must promote a renewed Israeli-Palestinian dialogue. The international community can play an important role in facilitating that dialogue until confidence has been restored between the two sides. The international community, and Europe in particular, also recognizes the need to strengthen its dialogue and ultimately its relations with Israel, in order to play a more effective role in the withdrawal and the overall peace process.

Role of the Arab States

As part of the international community, the Arab states have a significant role to play in Gaza by using their influence in a positive way by legitimizing the difficult steps which must be taken by the Palestinian

leadership in the context of Israel's withdrawal. Saudi Arabia, Egypt, Jordan, and other states in the region can also use their influence with various Palestinian factions, including Hamas, to persuade them to cooperate with the efforts of the international community and enable a smooth Israeli withdrawal.

The key to the international role is that it should facilitate Palestinian responsibility throughout the Palestinian territories, not excuse the Palestinians from their responsibilities. The international community cannot solve the problems of governance for the Palestinians, but it can support and strengthen the reform-minded Palestinian leadership, helping them to embark on the necessary steps. The Palestinian political plan must be Palestinian driven and not imposed by external forces. To be successful the international role must be clearly defined with a legitimate mandate acceptable to all parties.

F. LINKAGE TO WEST BANK AND BROADER POLITICAL PROCESS

Israel's plan for unilateral disengagement from Gaza will need to be linked to the Roadmap which provides a pathway to a final status negotiation to establish a two-state solution to the Israeli-Palestinian conflict. The Government of Israel has declared that it intends its disengagement from Gaza to be consistent with and even help to jump start the implementation of the Roadmap. In many ways, Gaza can be viewed as a test case, with the political process restarting after successful implementation of the disengagement there. If this is to be accepted by the Palestinians, it is vital that they see the Gaza withdrawal as the beginning, not the end of the road.

In addition to a political link, the economic link between Gaza and the West Bank must also be ensured. Gaza's economic viability depends on a physical link to the West Bank, and Gaza must not become politically isolated from the rest of the Palestinian territories as a result of the withdrawal. That will only enhance the perception already taking root among Palestinians that Israel's disengagement

from Gaza is only designed to strengthen its grip on the West Bank.

Palestinians must be convinced that a successful withdrawal process in Gaza that leads to the rehabilitation of the Palestinian leadership will lead to the continuation of the process in the West Bank through direct negotiations. Thus it must be clear that Gaza is not the endgame, but rather a step on the road to the creation of an independent Palestinian state.

G. U.S. LEADERSHIP

The U.S. role in this process was defined by two participants from the Bush Administration. The United States, they argued, has an important role to play in ensuring a successful Gaza withdrawal and assisting in establishing a secure and peaceful post-withdrawal environment. It is imperative that the United States make a sincere effort to revive hope for a peaceful solution to the Israeli-Palestinian conflict. The continuation of the conflict both reduces U.S. credibility in the region and impedes other U.S. efforts such as democratization and reconstruction of Iraq. The U.S. administration, therefore, views the Gaza withdrawal as an opportunity to move towards a two-state solution and an eventual end to the conflict.

The United States is assuming that Israel will withdraw from Gaza in the near future and will lend rhetorical and political support to Prime Minister Sharon for his initiative. That was, in essence, the purpose of the Bush letter of April 14, 2004. If Prime Minister Sharon does go ahead with a unilateral disengagement, however, it is vital for the interests of all parties that its implementation is executed multilaterally.

The Bush Administration would like to see a full and complete withdrawal from Gaza, which can be defined by all parties as ending the occupation. Such a withdrawal will facilitate the mobilization of the international community and revive the peace process. The threat of an incomplete withdrawal, or a situation in which Israel retains any part of the border crossing, the Philadelphi

road, or air and sea space, will be used as a pretext by militant groups to continue attacks against Israel.

The Bush Administration has made it clear to Prime Minister Sharon that the extent of international support will depend on the extent of the withdrawal. The Government of Israel has to weigh these conflicting interests and decide which course to pursue. Creative ways must be found that can accommodate both the need for a full withdrawal and Israel's legitimate security concerns.

While the United States is willing to be actively involved in various aspects of the withdrawal, the administration has no intention of administering Gaza for the Palestinians or deploying troops to the area. However, it emerged from the subsequent discussion that if all sides were to accept a limited role for a U.S.-led international force, the administration might be willing to consider the concept. On the security level, the United States is ready to assist the Palestinian security forces, but this assistance will not include any type of U.S. security force. Assistance will consist of training security forces similar to previous operations. In addition, the United States can play a role in the consolidation and unification of the Palestinian security services, leading to a unified command structure that would prevent the current problems of competition between the various security services. This would also mean the consolidation of Palestinian political control over the security structure. As part of this effort Israel would be expected to facilitate the movement of Palestinian security forces for training purposes. A further U.S. role could be in monitoring the performance of the Palestinian security forces and services.

The United States is also concerned that the Gaza withdrawal be connected to the wider political process leading to direct negotiations between Israelis and Palestinians. Although it is possible to restart the process through unilateral steps, it is not viable to sustain it in the absence of bilateral negotiations. The United States remains committed to the Roadmap and the obligations of both sides to the content of the

Roadmap. The phases of the withdrawal should be performance-based steps, similar to the Roadmap. An integral part of the process is a settlement freeze linked to the withdrawal. One option currently being discussed is to demarcate the boundaries of expansion for existing settlements in order to limit future expansion.

One of the main challenges throughout the withdrawal process is the question of Palestinian leadership and how to strengthen a credible Palestinian Authority while Arafat remains an active force. The United States seeks to bypass Arafat and empower an alternative, responsible leadership that believes in a decisive, non-passive approach to self-government. The administration's position on Arafat will not change, and the United States will therefore continue to push for alternative leadership. In this effort the administration expects Israel to support a credible Palestinian leadership by removing roadblocks and checkpoints as well as easing the ongoing restrictions on the Palestinian public. The Palestinian people must see that their lives are improving following the withdrawal in order to build the critical mass of support for reforms and progress.

Yet if the lives of ordinary Palestinians are to improve, Gaza must also be allowed to develop economically. A trade connection with the West Bank, a transit agreement with Egypt, and a functioning sea port are all vital steps to promoting economic progress. This will be a challenge, as Israel's current intentions are not to relinquish control over Gaza's borders and passages. The United States will therefore need to encourage Israel to act in ways that facilitate the growth of the Gazan economy.

The United States recognizes the need for an international role and is willing to work with the Quartet to assist the Palestinians in various ways. The role of the Arab states is also vital and ranges from Egyptian security assistance to the revival of Crown Prince Abdullah's Arab League initiative. While the United States does not see itself playing any administrative role, it is keeping an open mind about a significant third-party role including a form of limited custodianship.

The extent of U.S. involvement will depend on a stable environment that will allow for the safe operation of U.S. and international officials in Gaza. At the moment, all U.S. aid efforts and projects in Gaza have been suspended due to the security situation. Following the murder of three American officials in Gaza in October 2003, the United States feels that it is no longer safe for Americans to be in Gaza. Furthermore, the killers of the American officials have still not been brought to justice. Only after the security situation improves will the United States be willing to resume its activities in Gaza. Any Palestinian inaction on the security issues will be met with little sympathy in Washington.

The period between the Government of Israel's political decision to withdraw and the actual withdrawal will be a crucial period of heightened tension and increased violence. The transition must be defined from the minute there is a policy decision because the reality on the ground will shape the course of events. There was agreement among the participants that telescoping the process is important to prevent its opponents from disrupting the orderly transfer of territories and authorities. Although there is no substitute for direct negotiations between the Israelis and Palestinians, the international community will have to try to reassure the Palestinians that there is indeed a process underway in the interim. This timetable may be further complicated by the U.S. presidential elections.

On the other hand, there is only so much the United States and the international community can do. In the end, Palestinians need to seize this opportunity despite the challenges and difficulties of the current situation and the unilateral nature of the withdrawal. Continued passivity on the part of the Palestinian leadership will only lead to further erosion of the Palestinian Authority's credibility among its own people. Israel's unilateral Gaza disengagement plan represents a forcing action for all the other parties that have interests in settling the Israeli-Palestinian conflict but that is above all the case for the Palestinians.

APPENDIX 1

THE DISENGAGEMENT PLAN OF THE GOVERNMENT OF ISRAEL

May 28, 2004

Four-stage disengagement plan — Key principles

I. BACKGROUND – DIPLOMATIC AND SECURITY SIGNIFICANCE

The State of Israel is committed to the peace process and endeavors to reach an agreed arrangement based on the vision presented by U.S. President George W. Bush.

The State of Israel believes it must take action to improve the current situation. The State of Israel has reached the conclusion that there is currently no partner on the Palestinian side with whom progress can be made on a bilateral process. Given this, a four-stage disengagement plan has been drawn up, based on the following considerations:

- A. The stalemate embodied in the current situation is damaging; in order to break the stalemate, the State of Israel must initiate a process that is not dependent on cooperation with the Palestinians.
- B. The aim of the plan is to bring about a better security, diplomatic, economic, and demographic reality.
- C. In any future permanent arrangement, there will be no Israeli presence in the Gaza Strip. On the other hand, it is clear that some parts of Judea and Samaria (including key concentrations of Jewish settlements, civilian communities, security zones and areas in which Israel has a vested interest) will remain part of the State of Israel.
- D. The State of Israel supports the efforts of the United States, which is working along with the international community, to promote the process of reform, the establishment of institutions and improving the economic and welfare conditions of the Palestinian people, so that a new Palestinian leadership can arise, capable of proving it can fulfill its obligations under the road map.
- E. The withdrawal from the Gaza Strip and from the northern part of Samaria will reduce interaction with the Palestinian population.
- F. Completion of the four-stage disengagement plan will negate any claims on Israel regarding its responsibility for the Palestinian population of the Gaza Strip.
- G. The process of graduated disengagement does not detract from existing agreements between Israel and the Palestinians. The relevant security arrangements will remain in force.
- H. International support for the four-stage disengagement plan is widespread and important. This support

is vital in ensuring that the Palestinians fulfill their obligations in terms of fighting terror and implementing reforms, in accordance with the road map. Only then will the sides be able to resume negotiations.

II. KEY POINTS OF THE PLAN

A. The Gaza Strip

1. The State of Israel will withdraw from the Gaza Strip, including all Israeli settlements, and will redeploy outside the area of the Strip. The method of the withdrawal, with the exception of a military presence in the area adjacent to the border between Gaza and Egypt (the Philadelphi route), will be detailed below.

2. Once the move has been completed, there will be no permanent Israeli military presence in the evacuated territorial area of the Gaza Strip.

3. As a result of this, there will be no basis to the claim that the Strip is occupied land.

B. Judea and Samaria

1. The State of Israel will withdraw from northern Samaria (four settlements: Ganim, Kadim, Sa-Nur and Homesh) as well as all permanent military installations in the area, and will redeploy outside the evacuated area.

2. Once the move has been completed, there will be no permanent Israeli military presence in the area.

3. The move will provide Palestinian territorial contiguity in the northern parts of Samaria.

4. The State of Israel, along with the international community, will help improve the transportation infrastructure in Judea and Samaria, with the goal of providing continuous transport for Palestinians in Judea and Samaria.

5. The move will make it easier for Palestinians to

live a normal life in Judea and Samaria, and will facilitate economic and commercial activity.

C. The Process

The withdrawal process is slated to end by the end of 2005.

The settlements will be split into the following four groups:

1. Group A – Morag, Netzarim, Kfar Darom

2. Group B – The four settlements in northern Samaria (Ganim, Kadim, Sa-Nur and Homesh).

3. Group C – The Gush Katif bloc of settlements.

4. Group D – The settlements in the northern Gaza Strip (Alei Sinai, Dugit and Nissanit)

The necessary preparations will be undertaken in order to implement the four-stage disengagement plan (including administrative work to set relevant criteria, definitions and preparation of the necessary legislation.)

The government will discuss and decide separately on the evacuation of each of the above-mentioned groups.

D. The security fence

The State of Israel will continue to construct the security fence, in accordance with the relevant cabinet decisions. In deciding on the route of the fence, humanitarian considerations will be taken into account.

III. THE SECURITY REALITY AFTER THE EVACUATION

A. The Gaza Strip

1. The State of Israel will monitor and supervise the outer envelope on land, will have exclusive control of the Gaza airspace, and will continue its military activity along the Gaza Strip's coastline.

2. The Gaza Strip will be completely demilitarized of arms banned by current agreements between the sides.

3. The State of Israel reserves the basic right to self

defense, which includes taking preventive measures as well as the use of force against threats originating in the Gaza Strip.

B. The West Bank

1. After the evacuation of the northern Samaria settlements, there will be no permanent military presence in that area.
2. The State of Israel reserves the basic right to self defense, which includes taking preventive measures as well as the use of force against threats originating in the area.
3. Military activity will remain in its current framework in the rest of the West Bank. The State of Israel will, if circumstances allow, consider reducing its activity in Palestinian cities.
4. The State of Israel will work to reduce the number of checkpoints throughout the West Bank.

IV. MILITARY INFRASTRUCTURE AND INSTALLATIONS IN THE GAZA STRIP AND THE NORTHERN SAMARIA REGION

All will be dismantled and evacuated, except for those that the State of Israel decides to transfer to an authorized body.

V. THE NATURE OF THE SECURITY ASSISTANCE TO THE PALESTINIANS

The State of Israel agrees that in coordination with it, consulting, assistance and training will be provided to Palestinian security forces for the purpose of fighting terror and maintaining the public order. The assistance will be provided by American, British, Egyptian, Jordanian or other experts, as will be agreed upon with Israel.

The State of Israel stresses that it will not agree to any foreign security presence in Gaza or the West Bank without its consent.

VI. THE BORDER AREA BETWEEN THE STRIP AND EGYPT (THE PHILADELPHI ROUTE)

The State of Israel will continue to maintain military presence along the border between the Gaza Strip and Egypt (the Philadelphi route.) This presence is an essential security requirement. The physical widening of the route where the military activity will take place, may be necessary in certain areas.

The possibility of evacuating the area will be considered later on. This evacuation would be conditioned, among other factors, on the security reality and on the level of cooperation by Egypt in creating an alternative credible arrangement.

If and when the conditions are met enabling the evacuation of the area, the State of Israel will be willing to consider the possibility of setting up an airport and a seaport in the Gaza Strip, subject to arrangements agreed upon with the State of Israel.

VII. REAL ESTATE

In general, houses belonging to the settlers, and other sensitive structures such as synagogues will not be left behind. The State of Israel will aspire to transfer other structures, such as industrial and agricultural facilities, to an international third party that will use them for the benefit of the Palestinian population.

The Erez industrial zone will be transferred to an agreed-upon Palestinian or international body.

The State of Israel along with Egypt will examine the possibility of setting up a joint industrial zone on the border between Israel, Egypt and the Gaza Strip.

VIII. INFRASTRUCTURE AND CIVILIAN ARRANGEMENTS

The water, electricity, sewage and communications infrastructures will be left in place.

As a rule, Israel will enable the continued supply of

electricity, water, gas and fuel to the Palestinians, under the existing arrangements and full compensation.

The existing arrangements, including the arrangements with regard to water and the electromagnetic area, will remain valid.

IX. THE ACTIVITY OF THE INTERNATIONAL CIVILIAN ORGANIZATIONS

The State of Israel views very favorably continued activity of the international humanitarian organizations and those that deal with civil development, which aid the Palestinian population.

The State of Israel will coordinate with the international organizations the arrangements that will make this activity easier.

The State of Israel suggests that an international mechanism (such as the AHLC) be set up, in coordination with Israel and international bodies, that will work to develop the Palestinian economy.

X. ECONOMIC ARRANGEMENTS

In general, the economic arrangements that are currently in effect between Israel and the Palestinians will remain valid. These arrangements include, among other things:

A. The movement of goods between the Gaza Strip, Judea and Samaria, Israel and foreign countries.

B. The monetary regime.

C. The taxation arrangements and the customs envelope.

D. Postal and communications arrangements.

E. The entry of workers into Israel in accordance with the existing criteria.

In the long run, and in accordance with the Israeli interest in encouraging Palestinian economic independence, The State of Israel aspires to reduce the number of Palestinian workers entering Israel, and eventually to completely stop their entrance. The State of Israel will support the development of employment sources in the Gaza Strip and in the Palestinian areas in the West Bank, by international bodies.

XI. THE INTERNATIONAL CROSSING POINTS

A. The international crossing point between the Gaza Strip and Egypt

1. The existing arrangements will remain in force.
2. Israel is interested in transferring the crossing point to the "border triangle," south of its current location. This will be done in coordination with the Egyptian government. This will allow the expansion of the hours of activity at the crossing point.

B. The international crossing points between Judea and Samaria, and Jordan.

The existing arrangements will remain in force.

XII. THE EREZ CROSSING POINT

The Erez crossing point will be moved into the territory of the State of Israel according to a timetable that will be determined separately.

XIII. SUMMARY

The implementation of the four-stage disengagement plan will bring about an improvement in the situation and a break from the current stagnation. If and when the Palestinian side shows a willingness, an ability and an implementation of actions to fight terrorism, a full cessation of terror and violence and the carrying out of reforms according to the roadmap, it will be possible to return to the track of discussions and negotiations.

APPENDIX 2

LETTER FROM PRESIDENT BUSH TO PRIME MINISTER SHARON

April 14, 2004

His Excellency
Ariel Sharon
Prime Minister of Israel

Dear Mr. Prime Minister:

Thank you for your letter setting out your disengagement plan.

The United States remains hopeful and determined to find a way forward toward a resolution of the Israeli-Palestinian dispute. I remain committed to my June 24, 2002 vision of two states living side by side in peace and security as the key to peace, and to the roadmap as the route to get there.

We welcome the disengagement plan you have prepared, under which Israel would withdraw certain military installations and all settlements from Gaza, and withdraw certain military installations and settlements in the West Bank. These steps described in the plan will mark real progress toward realizing my June 24, 2002 vision, and make a real contribution towards peace. We also understand that, in this context, Israel believes it is important to bring new opportunities to the Negev and the Galilee. We are hopeful that steps pursuant to this plan, consistent with my vision, will remind all states and parties of their own obligations under the roadmap.

The United States appreciates the risks such an undertaking represents. I therefore want to reassure you on several points.

First, the United States remains committed to my vision and to its implementation as described in the roadmap. The United States will do its utmost to prevent any attempt by anyone to impose any other plan. Under the roadmap, Palestinians must undertake an immediate cessation of armed activity and all acts of violence against Israelis anywhere, and all official Palestinian institutions must end incitement against Israel. The Palestinian leadership must act decisively against terror, including sustained, targeted, and effective operations to stop terrorism and dismantle terrorist capabilities and infrastructure. Palestinians must undertake a comprehensive and fundamental political reform that includes a strong parliamentary democracy and an empowered prime minister.

Second, there will be no security for Israelis or Palestinians until they and all states, in the region and beyond, join together to fight terrorism and dismantle terrorist organizations. The United States reiterates its steadfast commitment to Israel's security, including secure, defensible borders, and to preserve and strengthen Israel's capability to deter and defend itself, by itself, against any threat or possible combination of threats.

Third, Israel will retain its right to defend itself against terrorism, including to take actions against terrorist

organizations. The United States will lead efforts, working together with Jordan, Egypt, and others in the international community, to build the capacity and will of Palestinian institutions to fight terrorism, dismantle terrorist organizations, and prevent the areas from which Israel has withdrawn from posing a threat that would have to be addressed by any other means. The United States understands that after Israel withdraws from Gaza and/or parts of the West Bank, and pending agreements on other arrangements, existing arrangements regarding control of airspace, territorial waters, and land passages of the West Bank and Gaza will continue. The United States is strongly committed to Israel's security and well-being as a Jewish state. It seems clear that an agreed, just, fair, and realistic framework for a solution to the Palestinian refugee issue as part of any final status agreement will need to be found through the establishment of a Palestinian state, and the settling of Palestinian refugees there, rather than in Israel.

As part of a final peace settlement, Israel must have secure and recognized borders, which should emerge from negotiations between the parties in accordance with UNSC Resolutions 242 and 338. In light of new realities on the ground, including already existing major Israeli populations centers, it is unrealistic to expect that the outcome of final status negotiations will be a full and complete return to the armistice lines of 1949, and all previous efforts to negotiate a two-state solution have reached the same conclusion. It is realistic to expect that any final status agreement will only be achieved on the basis of mutually agreed changes that reflect these realities.

I know that, as you state in your letter, you are aware that certain responsibilities face the State of Israel. Among these, your government has stated that the barrier being erected by Israel should be a security rather than political barrier, should be temporary rather than permanent, and therefore not prejudice any final status issues including final borders, and its route should take into account, consistent with

security needs, its impact on Palestinians not engaged in terrorist activities.

As you know, the United States supports the establishment of a Palestinian state that is viable, contiguous, sovereign, and independent, so that the Palestinian people can build their own future in accordance with my vision set forth in June 2002 and with the path set forth in the roadmap. The United States will join with others in the international community to foster the development of democratic political institutions and new leadership committed to those institutions, the reconstruction of civic institutions, the growth of a free and prosperous economy, and the building of capable security institutions dedicated to maintaining law and order and dismantling terrorist organizations.

A peace settlement negotiated between Israelis and Palestinians would be a great boon not only to those peoples but to the peoples of the entire region. Accordingly, the United States believes that all states in the region have special responsibilities: to support the building of the institutions of a Palestinian state; to fight terrorism, and cut off all forms of assistance to individuals and groups engaged in terrorism; and to begin now to move toward more normal relations with the State of Israel. These actions would be true contributions to building peace in the region.

Mr. Prime Minister, you have described a bold and historic initiative that can make an important contribution to peace. I commend your efforts and your courageous decision which I support. As a close friend and ally, the United States intends to work closely with you to help make it a success.

Sincerely,

George W. Bush

APPENDIX 3

LETTER FROM PRIME MINISTER SHARON TO PRESIDENT BUSH

The Honorable George W. Bush
President of the United States of America
The White House
Washington, D.C.
April 14, 2004

Dear Mr. President,

The vision that you articulated in your 24 June 2002 address constitutes one of the most significant contributions toward ensuring a bright future for the Middle East. Accordingly, the State of Israel has accepted the roadmap, as adopted by our government. For the first time, a practical and just formula was presented for the achievement of peace, opening a genuine window of opportunity for progress toward a settlement between Israel and the Palestinians, involving two states living side-by-side in peace and security.

This formula sets forth the correct sequence and principles for the attainment of peace. Its full implementation represents the sole means to make genuine progress. As you have stated, a Palestinian state will never be created by terror, and Palestinians must engage in a sustained fight against the terrorists and dismantle their infrastructure. Moreover, there must be serious efforts to institute true reform and real democracy and liberty including new leaders not compromised by terror. We are committed to this formula as the only avenue

through which an agreement can be reached. We believe that this formula is the only viable one.

The Palestinian Authority under its current leadership has taken no action to meet its responsibilities under the roadmap. Terror has not ceased, reform of the Palestinian security services has not been undertaken, and real institutional reforms have not taken place. The State of Israel continues to pay the heavy cost of constant terror. Israel must preserve its capability to protect itself and deter its enemies, and we thus retain our right to defend ourselves against terrorism and to take actions against terrorist organizations.

Having reached the conclusion that, for the time being, there exists no Palestinian partner with whom to advance peacefully toward a settlement and since the current impasse is unhelpful to the achievement of our shared goals, I have decided to initiate a process of gradual disengagement with the hope of reducing friction between Israelis and Palestinians. The Disengagement Plan is designed to improve security for Israel and stabilize our political and economic situation. It will enable us to deploy our forces more effectively until such time that conditions in the Palestinian Authority allow for the full implementation of the roadmap to resume.

I attach, for your review, the main principles of the Disengagement Plan. This initiative, which we are not

undertaking under the roadmap, represents an independent Israeli plan, yet is not inconsistent with the roadmap. According to this plan, the State of Israel intends to relocate military installations and all Israeli villages and towns in the Gaza Strip, as well as other military installations and a small number of villages in Samaria.

In this context, we also plan to accelerate construction of the Security Fence, whose completion is essential in order to ensure the security of the citizens of Israel. The fence is a security rather than political barrier, temporary rather than permanent, and therefore will not prejudice any final status issues including final borders. The route of the Fence, as approved by our Government's decisions, will take into account, consistent with security needs, its impact on Palestinians not engaged in terrorist activities.

Upon my return from Washington, I expect to submit the Plan for the approval of the Cabinet and the Knesset, and I firmly believe that it will win such approval.

The Disengagement Plan will create a new and better reality for the State of Israel, enhance its security and economy, and strengthen the fortitude of its people. In this context, I believe it is important to bring new opportunities to the Negev and Galilee. Additionally, the Plan will entail a series of measures with the inherent potential to improve the lot of the Palestinian Authority, providing that it demonstrates the wisdom to take advantage of this opportunity. The execution of the Disengagement Plan holds the prospect of stimulating positive changes within the Palestinian Authority that might create the necessary conditions for the resumption of direct negotiations.

We view the achievement of a settlement between Israel and the Palestinians as our central focus and are committed to realizing this objective. Progress toward this goal must be anchored exclusively in the roadmap and we will oppose any other plan.

In this regard, we are fully aware of the responsibilities facing the State of Israel. These include limitations on the growth of settlements; removal of unauthorized outposts; and steps to increase, to the extent permitted by security needs, freedom of movement for Palestinians not engaged in terrorism. Under separate cover we are sending to you a full description of the steps the State of Israel is taking to meet all its responsibilities.

The government of Israel supports the United States' efforts to reform the Palestinian security services to meet their roadmap obligations to fight terror. Israel also supports the American efforts, working with the International Community, to promote the reform process, build institutions and improve the economy of the Palestinian Authority and to enhance the welfare of its people, in the hope that a new Palestinian leadership will prove able to fulfill its obligations under the roadmap.

I want to again express my appreciation for your courageous leadership in the war against global terror, your important initiative to revitalize the Middle East as a more fitting home for its people and, primarily, your personal friendship and profound support for the State of Israel.

Sincerely,

Ariel Sharon

APPENDIX 4

LETTER FROM PRESIDENT BUSH TO PRIME MINISTER AHMED QUREI

Prime Minister Ahmed Qurei
Palestinian National Authority
Ramallah
May 11, 2004

Dear Mr. Prime Minister,

Thank you for your letter, written just after my meeting with Prime Minister Sharon. I appreciate receiving your thoughts on these issues of vital concern to Palestinian people, and have delayed replying until after the Quartet meeting and the visit here of King Abdullah of Jordan.

In my remarks on April 14th, I reiterated my, and America's continuing commitment to the vision I announced on June 24, 2002, of two independent states — Israel and Palestine — living side by side in peace and security, and to the Roadmap as the route to get there.

As you know, in the years since the 1967 war, Israel has not withdrawn any settlements from territory that will become part of the Palestinian State. Under Prime Minister Sharon's proposal, the government of Israel would withdraw all settlements in Gaza, and several more in the West Bank — the latter a powerful precedent for further West Bank withdrawals. This would be a good step toward preparing for peace and it is in this

context that I welcomed Prime Minister Sharon's decision. You will also have seen the Quartet statement of May 4 also endorsing the Prime Minister's initiative: "The Quartet took positive note of the announced intention of Israeli Prime Minister Sharon to withdraw from all Gaza settlements and parts of the West Bank. The Quartet welcomes and encourages such a step, which should provide a rare moment of opportunity in the search for peace in the Middle East."

If the plan is implemented, there is a real chance to move forward towards peace and towards the realization of Palestinian national aspirations. The building of the institutions of a Palestinian State could then begin, in earnest, in Gaza. I urge you and your Cabinet to seize the moment and undertake practical, positive steps that will meet your roadmap commitments, will make an Israeli withdrawal from Gaza and parts of the West Bank a turning point in this long and tragic conflict, and will truly improve the lives of Palestinians living there.

The United States will join with others in the international community to foster the development of democratic Palestinian political institutions and new leadership committed to those institutions, the reconstruction of civil institutions, the growth of a free and prosperous economy, and the building of capable security institutions dedicated to maintaining law and order and dismantling terrorist organizations. At the

Quartet principals meeting on May 4, we discussed with the other members of the Quartet how to better organize and intensify our collective efforts with Palestinians and Israelis to take full advantage of opportunities before us in the coming months.

I stated on April 14, 2004, that the United States will not prejudice the outcome of final status negotiations, including on the borders of a Palestinian state, and I emphasized that all final status issues must still be negotiated between the parties to reach mutually agreed results. This was a matter I discussed in my speech on June 24, 2002 as well, where I said that ultimately, Israelis and Palestinians must address the core issues that divide them if there is to be a real peace, resolving all claims and ending the conflict between them. This means that the Israeli occupation that began in 1967 will be ended through a settlement negotiated between the parties, based on U.N. Resolutions 242 and 338.

Those negotiations, I believe, must reflect certain realities about the lives of Palestinians and Israelis, the future Palestinian state, and the security of Israel as a Jewish state. There must be an agreed, just, fair, and realistic framework for a solution to the Palestinian refugee issue.

I look forward to the day when final status discussions can begin, so the Israel occupation can be ended and a free and independent and peaceful Palestinian state can emerge.

Your letter mentions possible “fast track negotiations on permanent status starting where we left in the Taba 2001” talks. I believe there are no shortcuts to peace, particularly in light of more than 3 years of terrorism in the region. This is why the United States is committed to the roadmap, which is a performance-based plan. Just as Israel must meet its roadmap commitments, I urge you to undertake the roadmap commitments made by the Palestinian Authority, which in Phase I include “calling for an immediate and unconditional ceasefire to end armed activity and all acts of violence

against Israelis anywhere,” “comprehensive political reform,” “sustained, targeted and effective operations” against terrorism, and “dismantlement of terrorist capabilities and infrastructure.”

The road ahead will be difficult, but progress is possible. I am glad you will be meeting with Dr. Rice on May 17, so that she can answer any questions you may have about U.S. policy and can hear fully your views about how to move forward. The United States looks forward to working with the Palestinians, Israelis, peace-seeking Arab states, and with the other members of the Quartet to advance along the roadmap toward a just and lasting peace.

Sincerely,

George W. Bush

APPENDIX 5

LETTER FROM DOV WEISSGLAS TO CONDOLEEZA RICE

April 14, 2004
National Security Adviser
The White House
Washington, D.C.

Dear Dr. Rice,

On behalf of the Prime Minister of the State of Israel, Mr. Ariel Sharon, I wish to reconfirm the following understanding, which had been reached between us:

1. Restrictions on settlement growth: within the agreed principles of settlement activities, an effort will be made in the next few days to have a better definition of the construction line of settlements in Judea & Samaria. An Israeli team, in conjunction with Ambassador Kurtzer, will review aerial photos of settlements and will jointly define the construction line of each of the settlements.
2. Removal of unauthorized outposts: the Prime Minister and the Minister of Defense, jointly, will prepare a list of unauthorized outposts with indicative dates of their removal; the Israeli Defense forces and/or the Israeli Police will take continuous action to remove those outposts in the targeted dates. The said list will be presented to Ambassador Kurtzer within 30 days.
3. Mobility restrictions in Judea & Samaria: the Minister of Defense will provide Ambassador Kurtzer with a map indicating roadblocks and other transportational barriers posed across Judea & Samaria. A list of barriers already removed and a timetable for further removals will be included in this list. Needless to say, the matter of the existence of transportational barriers fully depends on the current security situation and might be changed accordingly.
4. Legal attachments of Palestinian revenues: the matter is pending in various courts of law in Israel, awaiting judicial decisions. We will urge the State Attorney's office to take any possible legal measure to expedite the rendering of those decisions.
5. The Government of Israel extends to the Government of the United States the following assurances:
 - a. The Israeli government remains committed to the two-state solution—Israel and Palestine living side by side in peace and security—as the key to peace in the Middle East.
 - b. The Israeli government remains committed to the Roadmap as the only route to achieving the two-state solution.
 - c. The Israeli government believes that its disengagement plan and related steps on the West Bank

concerning settlement growth, unauthorized outposts, and easing of restrictions on the movement of Palestinians not engaged in terror are consistent with the Roadmap and, in many cases, are steps actually called for in certain phases of the Roadmap.

d. The Israeli government believes that further steps by it, even if consistent with the Roadmap, cannot be taken absent the emergence of a Palestinian partner committed to peace, democratic reform, and the fight against terror.

e. Once such a Palestinian partner emerges, the Israeli government will perform its obligations, as called for in the Roadmap, as part of the performance-based plan set out in the Roadmap for reaching a negotiated final status agreement.

f. The Israeli government remains committed to the negotiation between the parties of a final status resolution of all outstanding issues.

g. The Government of Israel supports the United States' efforts to reform the Palestinian security services to meet their roadmap obligations to fight terror. Israel also supports the American efforts, working with the international community, to promote the reform process, build institutions, and improve the economy of the Palestinian Authority and to enhance the welfare of its people, in the hope that a new Palestinian leadership will prove able to fulfill its obligations under the Roadmap. The Israeli Government will take all reasonable actions requested by these parties to facilitate these efforts.

h. As the Government of Israel has stated, the barrier being erected by Israel should be a security rather than a political barrier, should be temporary rather than permanent, and therefore not prejudice any final status issues including final borders, and its route should take into account, consistent with security needs, its impact on Palestinians not engaged in terrorist activities.

Sincerely,

Dov Weissglas

Chief of the Prime Minister's Bureau

APPENDIX 6

QUARTET STATEMENT ON UNILATERAL DISENGAGEMENT PLAN

May 4, 2004

Representatives of the Quartet — United Nations Secretary-General Kofi Annan, Russian Foreign Minister Sergei Lavrov, Irish Foreign Minister Brian Cowen, U.S. Secretary of State Colin Powell, High Representative for European Common Foreign and Security Policy Javier Solana, and European Commissioner for External Relations Chris Patten — met today in New York.

The Quartet reaffirms its commitment to our common vision of two states, Israel and a viable, democratic, sovereign and contiguous Palestine, living side by side in peace and security; and calls on both parties to take steps to fulfill their obligations under the roadmap as called for in UN Security Council resolution 1515 and previous Quartet statements, and to meet the commitments they made at the Red Sea Summits in Aqaba and Sharm el Sheikh. In that context, the Quartet urges the Government of Israel to implement its recent affirmation of its readiness to implement certain obligations under the roadmap, including dismantling of outposts erected since March 2001 and progress toward a freeze on settlement activity, and urges the Israeli government to implement these commitments and to fully meet its roadmap obligations.

The Quartet members reviewed developments since their last meeting in New York on September 26, 2003

and view with great concern the situation in the Middle East. The Quartet condemns the continuing terror attacks on Israel, and calls on the Palestinian Authority to take immediate action against terrorist groups and individuals who plan and execute such attacks. The Quartet members recognize Israel's legitimate right to self-defense in the face of terrorist attacks against its citizens, within the parameters of international humanitarian law, and the Quartet calls on the Government of Israel to exert maximum efforts to avoid civilian casualties. They also call on the Government of Israel to take all possible steps now, consistent with Israel's legitimate security needs, to ease the humanitarian and economic plight of the Palestinian people, including increasing freedom of movement for people and goods both within and from the West Bank and Gaza, removing checkpoints, and other steps to respect the dignity of the Palestinian people and improve their quality of life. Under the roadmap, the Government of Israel should take no actions undermining trust, including deportations; attacks 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. The Quartet calls for renewed efforts to reach a comprehensive ceasefire as a step towards dismantlement of terrorist capabilities and infrastructure, and renewed progress towards peace through the implementation of the roadmap.

The Quartet notes the Government of Israel's pledge that the barrier being erected by Israel should be a security rather than political barrier, and should be temporary rather than permanent. The Quartet continues to note with great concern the actual and proposed route of the barrier, particularly as it results in the confiscation of Palestinian land, cuts off the movement of people and goods, and undermines Palestinians' trust in the roadmap process as it appears to prejudge final borders of a future Palestinian state.

The Quartet took positive note of the announced intention of Israeli Prime Minister Sharon to withdraw from all Gaza settlements and parts of the West Bank. The Quartet welcomes and encourages such a step, which should provide a rare moment of opportunity in the search for peace in the Middle East. This initiative, which must bring about a full Israeli withdrawal and complete end of occupation in Gaza, can be a step towards achieving the two-state vision; and has the possibility of restarting progress on the roadmap. The Quartet further notes that any unilateral initiatives by the Government of Israel should be undertaken in a manner consistent with the roadmap and the two-state vision that underlies the roadmap.

The Quartet reaffirms President Bush's June 24, 2002 call for an end to the Israeli occupation that began in 1967 through a settlement negotiated between the parties. The Quartet also notes that no party should take unilateral actions that seek to predetermine issues that can only be resolved through negotiation and agreement between the two parties. Any final settlement on issues such as borders and refugees must be mutually agreed to by Israelis and Palestinians based on Security Council resolutions 242, 338, 1397, 1515, the terms of reference of the Madrid peace process, the principle of land for peace, previous agreements, and the initiative of Saudi Crown Prince Abdullah endorsed by the Beirut Arab League Summit; and be consistent with the roadmap.

The Quartet and the international community are prepared to intensify their engagement with the

Palestinians to restore momentum on the roadmap, enhance Palestinian humanitarian and economic conditions, build transparent and accountable Palestinian institutions, ensure security and stability in Gaza and the West Bank from which Israel withdraws, prevent all acts of terrorism, and ensure the dismantlement of armed terrorist groups. In furtherance of these goals, the Quartet will undertake the following steps, with appropriate mechanisms established to monitor progress and performance by all sides:

The Quartet will act on an urgent basis, in conjunction with the World Bank, UNSCO and the AHLC, on the basis of a World Bank/UNSCO rapid-assessment study, to ensure Palestinian humanitarian needs are met, Palestinian infrastructure is restored and developed, and economic activity is reinvigorated. The Quartet welcomes the World Bank-established Trust Fund as an accountable, transparent, and appropriately benchmarked mechanism for receipt of international assistance.

The Quartet is prepared to engage with a responsible and accountable Palestinian leadership, committed to reform and security performance. The Quartet, through an empowered Prime Minister and cabinet, the Task Force on Palestinian Reform, and in connection with the major donors working through the AHLC and LACC, will engage the Palestinians to reinvigorate the reform agenda of the roadmap, including a well-prepared and appropriately-timed electoral process, paying particular attention to areas from which Israel has withdrawn. In this regard, the Quartet members will undertake to oversee and monitor progress on these fronts.

The Quartet will seek to ensure that arrangements are put in place to ensure security for Palestinians and Israelis as well as freedom of movement and greater mobility and access for Palestinians. The Quartet underscores the need for agreed, transparent arrangements with all sides on access, mobility and safety for international organizations and bilateral donors and their personnel. As Israel withdraws, custody of

Israeli-built infrastructure and land evacuated by Israel should transfer through an appropriate mechanism to a reorganized Palestinian Authority in coordination with representatives of Palestinian civil society, the Quartet, and other representatives of the international community to determine equitable and transparent arrangements for the ultimate disposition of these areas as quickly as possible.

Effective security arrangements continue to be critical to any possibility of progress. In coordination with, and under the auspices of, an oversight committee led by the U.S., and in coordination with the empowered Prime Minister and cabinet, Palestinian security services should be restructured and retrained, consistent with the roadmap, to provide law and order and security to the Palestinians, to end terror attacks against Israel and Israelis, and to dismantle terrorist capabilities and infrastructure.

The Quartet welcomes in particular the Government of Egypt's engagement on security issues, including efforts to achieve a comprehensive and lasting cease-fire as a step towards this goal.

The Quartet reaffirms its commitment to a just, comprehensive, and lasting settlement to the Arab-Israeli conflict based upon Resolutions 242 and 338; and reminds all parties of the need to take into account long-term consequences of their actions and of the obligation for all parties to make rapid progress toward resumption of a political dialogue. The Quartet will remain engaged with Israelis, Palestinians and all other parties—including through presence of its envoys on the ground—to ensure appropriate follow-up to the steps outlined above. An appropriate coordinating and oversight mechanism under the aegis of the Quartet will be established. The Quartet also calls on all states in the region to exert every effort to promote peace and to combat terrorism, and to prevent terrorist groups from making use of their territory to plan, prepare, or launch terrorist attacks.

THE SABAN CENTER FOR MIDDLE EAST POLICY

The Saban Center for Middle East Policy was established on May 13th, 2002 with an inaugural address by His Majesty King Abdullah II of Jordan. The establishment of the Saban Center reflects the Brookings Institution's commitment to expand dramatically its research and analysis of Middle East policy issues at a time when the region has come to dominate the U.S. foreign policy agenda.

The Saban Center provides Washington policymakers with balanced, objective, in-depth, and timely research and policy analysis from experienced and knowledgeable people who can bring fresh perspectives to bear on the critical problems of the Middle East. The center upholds the Brookings tradition of being open to a broad range of views. Its central objective is to advance understanding of developments in the Middle East through policy-relevant scholarship and debate.

The center's establishment has been made possible by a generous founding grant from Haim and Cheryl Saban of Los Angeles. Ambassador Martin S. Indyk, senior fellow in Foreign Policy Studies, is the director of the Saban Center. Kenneth M. Pollack is the center's director of research. Joining them is a core group of Middle East experts who conduct original research and develop innovative programs to promote a better understanding of the policy choices facing American decision makers in the Middle East. They include Tamara Wittes who is a specialist on political reform in the Arab world; Shibley Telhami who holds the Sadat Chair at the University of Maryland; Shaul

Bakhash an expert on Iranian politics from George Mason University; Daniel Byman a Middle East terrorism expert from Georgetown University; and Flynt Leverett, a former senior CIA analyst and Senior Director at the National Security Council who is a specialist on Syria and Lebanon. The center is located in the Foreign Policy Studies Program at Brookings, led by Vice President and Director James B. Steinberg.

The Saban Center is undertaking original research and innovating programming in six areas: the implications of regime change in Iraq, including postwar nation-building and Gulf security; the dynamics of the Iranian reformation; mechanisms and requirements for fulfilling a two-state solution to the Israeli-Palestinian conflict; policy for Phase III of the war on terror, including the Syrian challenge; and political change in the Arab world.

The Saban Center also houses the *Project on U.S. Policy Towards the Islamic World* which is funded by a generous grant from the State of Qatar and directed by National Security Fellow Peter W. Singer. The project focuses on analyzing the problems that afflict the relationship between the United States and the Islamic world with the objective of developing effective policy responses. It includes a task force of experts, the annual Doha Forum (a dialogue between American and Muslim leaders), a visiting fellows program for specialists from the Islamic world, and a monograph series.



THE BROOKINGS INSTITUTION
1775 MASSACHUSETTS AVE., NW
WASHINGTON, D.C. 20036-2188
www.brookings.edu