



The Day after the Annapolis Summit:

Preparation for the Failure of the Political Process

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Policy Position

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Summary

1. The negotiations between Israel and the Palestinians in the lead up to the Annapolis Summit are being conducted under a cloud of doubt over its chances for success. In spite of this, there does not appear to be any current Israeli preparation for the possibility that negotiations will fail nor any understanding of the possible consequences. This document focuses on the political implications of failure and the preparation for such an event.
2. Since Hamas' takeover of Gaza (6/07) and the establishment of the emergency government in the West Bank under Salam Fayyad, it seems an opportunity has been created to break the political deadlock between Israel and the Palestinians and to conduct negotiations with Abu Mazen as Chairman of the PLO and the PA. Ostensibly, Abu Mazen and Fayyad are the most 'moderate' partners that the Palestinians are able to offer.
3. However, its doubtful whether an Israeli – Palestinian 'partnership' is currently possible due to: (a) Significant gaps between the two sides over the 'outstanding issues', the structure, and the agenda of negotiations; (b) Abu Mazen's internal weakness in the Palestinian arena and (c) Hamas' control over Gaza and its strength in the West Bank. There is therefore a high possibility that the political process will hit a dead end.
4. The Reut Institute defines 'failure of the political process' as one of the following: (a) One or both of the sides declare their inability to reach an agreement (b) The sides formulate an agreement but the ratification or implementation processes clearly fail (c) An external event which foils the process and brings to its end, such as a Hamas takeover of the West Bank, the assassination of Abu Mazen or Salam Fayyad, etc.
5. Failure may hold far-reaching political consequences. It may pave the way for a Hamas takeover of the West Bank, a new wave of violence, the collapse of the Palestinian Authority (PA) and a Palestinian inversion towards the principle of a 'Two State Solution' that may lead to the voluntary dissolution of the PA.
6. These trends may ultimately lead to an inversion in the position of the international community towards the 'Two State Solution' and to the adoption of the 'One State Solution' on the basis of 'one man one vote'. In other words, the failure of the political process will have strategic significance for the Israel's national security.
7. The premise of this document is that even in the case of the failure of the political process, the existence of the PA and its ability to provide for the basic needs of the Palestinian population is a key Israeli interest.
8. Therefore, this document suggests a series of policy options whose aim is to ground the principle of the 'Two State Solution' and to strengthen the PA and the Fatah leadership in the West Bank even before the end of the current round of negotiations and independent of its outcome. The main points include:
 - a. Strengthening the PA through cooperation and the transfer of powers and authorities in the economic and diplomatic realms that are currently under Israel's control.
 - b. Considering freeing Marwan Barghouti in order to create the continuation of Fatah leadership after Abu Mazen and Fayyad.

Introduction

1. At the current phase of the political process (end of October), the sides are trying to formulate an agreed-upon document to be presented at the international summit due to take place in the US in the fall. There is disagreement over the scope and content of this document.
2. These negotiations are taking place despite Israel's doubts over the chances of reaching understandings in the current stage and an agreement in the next stage.¹ In spite of this, Israel is not preparing for the potential failure of negotiations and currently has no alternative political strategy.
3. **What is Failure** – The Reut Institute defines failure of the political process as one of the following scenarios:
 - a. One or both of the sides declare their inability to reach an agreement.
 - b. The sides reach an agreement but its ratification or implementation process fails.
 - c. An external event foils the process and brings to its end. Such an event may be a Hamas takeover of the West Bank, the assassination of Abu Mazen or Salam Fayyad, etc.
4. In this document, the Reut Institute evaluates the significance of a possible failure and suggests a number of policy options to prepare for such an event. This document *does not* deal with the question of how to reach an agreement.

Section 1: Are Abu Mazen and Fayyad 'partners'² for Israel?³

5. **There are significant differences between Israel and the Palestinians:**
 - a. **Resolving the 'outstanding issues'** – Despite the apparent sincerity of the present Palestinian leadership headed by Abu Mazen and Fayyad, significant differences remain between the Israeli and Palestinian sides regarding how to resolve the 'core issues' – borders, Jerusalem, refugees, security, etc – that are the focus of negotiations.⁴

Despite popular opinion that the contours of a future Israeli – Palestinian permanent status agreement are already known, and that the Clinton Ideas (12/00) are the most advanced expression of such parameters, in practice, Israel and the Palestinians only fully agree on a small number of clauses connected to Permanent Status.⁵

¹ Different Israeli officials have questioned the decision-making and implementation capabilities of the Palestinian side: Defense Minister Barak said Abu Mazen and PM Fayyad will not be able to implement an agreement with Israel, even if they want to (Benn, Mualem, [Ha'aretz](#), 9/22/07); PM Olmert expressed doubt over Abu Mazen's ability to 'deliver the goods' (Benn, Issacharoff, Ravid, [Ha'aretz](#), 6/21/07); Foreign Minister, Tzipi Livni said that expectations must be moderated in accordance with the capacity of the sides to deliver (Ravid, Issacharoff, [Ha'aretz](#), 9/20/07).

² PM Olmert: "We are currently in a period in which we have a moderate Palestinian leadership, which declares its interest in peace with us. For many years we made do with thinking that "there is no partner." Now...we have a partner (Sofer, [YNET](#), 9/20/07).

³ **What is a partner?** – The Reut Institute defines 'partner' as a political entity which has the **will** and **delivering capability** to promote a previously agreed upon political process. In order to determine whether a 'partnership' exists between Israel and the Palestinian side, three questions must be examined: Who is the Palestinian partner and what is its mandate? What is the object of partnership between the sides: a 'Permanent Status Agreement', an 'Interim Agreement' a general declaration or local cooperation? And what are the political conditions for establishing partnership?

⁴ Israeli officials have recently expressed concern that the Palestinian side may toughen its position toward the international summit in Annapolis (Benn, Ravid, Issacharoff, [Ha'aretz](#), 9/30/07). In addition, according to the press, it seems that the refugee issue continues to be at the center of division between the sides (Ravid, [Ha'aretz](#), 8/17/07).

⁵ For instance, Abu-Mazen recently announced that he expects a better offer regarding border issues than the one received during Camp David 2000 ([Jerusalem Post](#), 9/29/07). In addition, it seems that the principle of a

- b. **Negotiation structure and agenda** – Currently, Abu Mazen is only prepared to discuss a comprehensive document that deals with all permanent status issues⁶ and is refusing the idea of establishing a Palestinian State in provisional borders (PSPB)⁷ without a 'political horizon' that grounds the principles of Permanent Status⁸ and includes a timetable,⁹ a mechanism for execution, and guarantees for implementation.
6. **Abu Mazen wants to fly, but has no wings** – Following Hamas' takeover of Gaza (6/07),¹⁰ an opportunity has apparently been created to negotiate with Abu Mazen as President of the PA and Chairman of the PLO as well as with Salam Fayyad who heads the Emergency Government in the West Bank.

However, there is doubt whether Abu Mazen can make and implement the required decisions in the framework of the political process:

- a) **The political weakness of the West Bank Emergency Government** – The Emergency Government in the West Bank is weak and lacks the capacity to fight terror and ensure order and security. The absence of a legal basis for its actions in light of the paralysis of the Palestinian Legislative Council (PLC)¹¹ and the legal criticism over Abu Mazen's actions¹² has increased this weakness.

Moreover, in spite of Hamas' apparent weakness in the West Bank, the strength of the movement constitutes a real threat to Abu Mazen and Fayyad's power.¹³

demilitarized Palestinian state, which was fundamental during the 1999-01 negotiations has been eroded. (see Reut document: [A Militarized Palestinian State](#)).

⁶ At first, the Palestinians demanded a comprehensive and detailed agreement (see for instance the PLO's Executive Committee decision, **Al-Ayam** 9/2/07; Benn, Issacharoff, Ravid, [Ha'aretz](#), 9/17/07). However, it appears that after Olmert and Abu-Mazen's meeting (10/3/07), the Palestinians renounced their demand for a detailed agreement.

⁷ Since February 2005, Abu Mazen has repeatedly said that a PSPB prior to a permanent status agreement is a "trap" (NYT, 2/14/07). Head of the PLO negotiation team Saeb Erekat, said that "establishing a state with provisional borders or any other temporary solution will not be accepted by the Palestinian side and is not on the agenda..." ([Ma'an](#) 8/28/07).

⁸ 'Permanent Status' refers to the reality in which a Permanent Status Agreement has been signed and implemented. A Permanent Status between Israel and the Palestinians is an agreement that determines: a path to Finality of Claims that emanate from the historic conflict (such as borders, settlements, Jerusalem, refugees and security agreements); reaching an End of Conflict; ending of the state of Occupation as defined by international law; the establishment of a Palestinian state and the establishment of official relations between it and Israel (see Gidi Grinstein's blog [The difference between 'Permanent Status' and 'Permanent Status Agreement'](#); and Reut concept: [Permanent Status Agreement](#)).

⁹ In the past, the Palestinians insisted on a short timetable for implementation of the agreements (see: Ravid, Issacharoff, [Ha'aretz](#), 10/18/07).

¹⁰ Following the failure of the Camp David Summit (7/2000) and the eruption of the Intifada (9/2000), Israel developed a perception that there was no Palestinian partner for a political process. This view led to the adoption of a unilateral approach, as seen in the disengagement from Gaza (8/2005)/ Following Hamas victory (1/2006) a boycott was imposed on the PA as part of the 'Three Demands Policy'.

¹¹ The PLC has not met since Hamas' takeover of Gaza nor ratified Abu Mazen's Presidential Decrees appointing the emergency government in the West Bank.

¹² For example, due to internal Palestinian criticism by organizations such as the Palestinian Center for Human Rights ([PCHR](#), 7/10/07), Abu Mazen was forced to cancel the Presidential Decree calling for broadening the authorities of Palestinian military courts in times of emergency; Two of the jurists who took part in formulating the basic Palestinian Constitution in the last decade, Anis Al-Qassem and Eugene Cotran, also criticized the formation of the Emergency Government, and the cancellation of clauses in the basic law that require PLC approval ([Al Jazeera](#), 7/8/07).

¹³ In the elections for the PLC, Hamas beat Fatah in both Gaza and the West Bank. For more details see Reut document: [Is Fatah the 'Address' in the West Bank?](#)

- b) **Division within Fatah¹⁴** - Fatah is divided between different factions that include terror groups such as the Al Aqsa Brigades that do not accept the authority of the movement's central leadership.
- c) **Challenge to the PLO's legitimacy to conduct negotiations with Israel (in its current composition)¹⁵** - According to the Mecca Agreement (2/07), only the 'new PLO' that includes Hamas, Islamic Jihad and other resistance movements is allowed to negotiate with Israel and to ratify agreements.

However, since the 'new PLO' has not yet been established, and Abu Mazen has suspended the PLC and dissolved the Haniyeh government, Hamas is challenging the authority of Abu Mazen to conduct negotiations in the name of the Palestinians.

- d) **The question of ratification** – The legitimacy of any agreement achieved with Israel will depend on the level of involvement by Gaza residents and the Palestinian diaspora in the ratification process. Thus, Abu Mazen has committed himself to bring any future permanent agreement with Israel to a referendum in both Gaza and the diaspora.¹⁶ However, in light of Hamas' control over Gaza and the difficulty of carrying out a referendum in the diaspora, it is doubtful whether such a policy is even possible.

Therefore, Abu Mazen is considering whether to bring the understandings formulated with Israel to a vote in the Palestinian National Council of the PLO, where he believes he will have a majority. However, without Hamas involvement, the legitimacy of the political process led by Abu Mazen will be undermined.¹⁷

- 7. **Is Israel a 'partner' for Abu Mazen and Fayyad?** – In light of the current system of government, any meaningful political process with the Palestinians is likely to lead to a political crisis and even to the collapse of the coalition. Previous Prime Ministers have suffered from political instability during the political process as well as from the need to deal with the double challenge of conducting negotiations while fighting violence and terror.¹⁸
- 8. **In conclusion, it is doubtful whether an Israeli – Palestinian partnership regarding the core issues exists at this time. The scope of agreement between the two sides is minimal: the agreement needs to be diluted enough not to undermine the stability of the Israeli government, and substantive enough not to undermine Abu Mazen's position.**

Section 2: The Hamas Challenge to the Political Process

- 9. **Hamas' aspirations in the internal Palestinian arena** – Hamas aspires to take control of the Palestinian national movement in its entirety while challenging the secular-nationalist path of Fatah. Its aim is to control the PLO, which is recognized as the sole legitimate representative of the Palestinian people.¹⁹ To do this, Hamas needs to remove Fatah from its leading position, assume its

¹⁴ See: Robert Malley and Aaron David Miller, [Washington Post](#), 6/19/07.

¹⁵ Officially, the PLO is the sole legitimate representative of the Palestinian people. In practice however, the main political center of gravity has shifted to the PA, while the fact Hamas is not represented in the PLO has eroded its legitimacy. Hamas spokesperson, Fawzi Barhoum, recently said that PLO's Executive Committee lacks the legitimacy to represent the Palestinian people. ([Maan](#), 9/02/07). See: Reut document: [Crisis of Palestinian Representation](#).

¹⁶ See: [Reuters](#), 9/28/07.

¹⁷ On this issue see: Shlomo Brom, "[Towards the Israeli Palestinian Summit in November](#)", [Overview](#), Edition 30, 9/17/07; International Crisis Group: After Gaza, [Middle East Report](#) No 68, 8/02/07.

¹⁸ For more on this issue, see Reut document: [Conundrum of Negotiations between Israel and the Palestinians](#); and Gidi Grinstein's blog [It's the Structure, Not the Content!](#).

¹⁹ In the Cairo Declaration (3/05) and later in the Mecca Agreement (2/07), Fatah, Hamas and other Palestinian factions agreed to reform and expand the PLO to include Hamas, and other resistance organizations. Khaled Mashal, head of Hamas' political bureau has previously demanded the position of head of the Palestinian

positions of power in the West Bank, and remove Fatah representatives from the positions of President of the PA and Chairman of the PLO. To do this, Hamas aims to prove that Fatah's political path is futile and will not lead to the fulfillment of the national goals of the Palestinian people.

10. **Hamas' 'political' agenda** – The success of the negotiations between Israel and the Palestinians is a threat to Hamas' ideology and goals in the internal Palestinian arena.

However, since Hamas' electoral victory in the PLC (1/06), the movement has been subject to internal and international pressure to be politically flexible. This pressure has caused an internal disagreement within the movement around Hamas' 'political agenda'.

In the Mecca Agreement (2/07), Hamas agreed that Abu Mazen can negotiate with Israel on behalf of all Palestinians due to his position as Chairman of the PLO. This would take place after the establishment of a 'new PLO' that would include Hamas and other Palestinian resistance movements.

However, the bar Hamas has set for Palestinian positions in the political process are extremely high: the establishment of a Palestinian state in 1967 borders with the right of return as part of an interim agreement.²⁰

11. **Hamas' capacity for thwarting the political process** – (1) Strategic terror against Israeli targets; (2) Violence within the West Bank against the PA. (3) Challenging the political legitimacy of Abu Mazen to negotiate with Israel and to reach an agreement (see above); (4) Striving for Palestinian unity thus making it more difficult for Abu Mazen to conduct negotiations with Israel;²¹ (5) Undermining the ratification process of the agreement.

12. **Hamas wants the political process to fail on its own** – According to Hamas' *political* leadership, the movement should allow negotiations to 'fail on their own' in order to prove to the Palestinian public the futility of Fatah's policies. In order to do this, Hamas is trying to expand the negotiation agenda and escalate Palestinian demands.

According to this logic, Hamas will only adopt terror tactics if negotiations seem to be heading towards an agreement.

This is the background to the tension created between Hamas' political branch and its military wing which is still trying to foil the political process through terrorism against Israel.²²

The failure of the current political process, especially if it is not caused by Hamas, will deal a harsh blow to the Palestinian moderate camp. This is likely to strengthen Palestinian public support for Hamas and increase the pressure on Fatah to carry out reforms in the PLO that will ultimately end in Hamas controlling the entire Palestinian national movement.²³

Executive Committee ([Al-Quds Al-Arabi](#), 6/19/06).; also on this issue, see Reut document: [Hamas and the PLO – Hostile takeover of a Shell Company](#).

²⁰ Ismail Haniyeh: "Hamas supports the establishment of the independent Palestinian state with its capital in Jerusalem, on the territories occupied after 1967 only as an interim solution. The movement will continue its position on the borders of 'Historic Palestine' and not recognize the legitimacy of the occupation." (MEMRI, 1/23/06, from: [Al Ayam](#), 1/22/06). Moreover, Hamas conditions the establishment of the PSPB with the demand for the return of Palestinian refugees to their homes (MEMRI, 1/23/06, from: [Al-Hayat Al-Jadida](#), 1/19/06).

²¹ Since Hamas' takeover in Gaza, the movement's leaders have tried to conduct negotiations with Fatah over renewed power sharing within the PA. (See Reut document: [ReViews: Gaza and the West Bank: Between Separation and Reunification](#)).

²² Despite requests from the Hamas Government, Palestinian resistance organizations in Gaza continue to shoot rockets at Israel ([Ma'an](#) (in Hebrew), 9/24/07). In a security report to the Knesset's Foreign Affairs and Defense Committee, Head of Military Intelligence Amos Yadlin, said that Hamas will try to torpedo the Annapolis Summit (See Sephi Ovadia, [MSN](#) (in Hebrew), 9/16/07).

²³ See Reut document: [Hamas and the PLO – Hostile Takeover of a Shell Company](#).

Section 3: The Significance of the Failure of the Current Political Process

13. **Strengthening the Resistance Network's Strategy of Implosion** – The Palestinian component of the 'Resistance Network'²⁴ – supporters of the Palestinian Ethos of Struggle – are committed to the vision of Israel's disappearance as a state.²⁵

Part of this group believes that the best way to serve this goal is to work towards bringing about the destruction of Israel from within, similar to the cases of white South Africa and the Soviet Union.²⁶

The main strategy for promoting implosion is through the dissolution of the PA. The aim is to place the full economic, military and diplomatic burden of the occupation onto Israel. These forces are opposed to any steps that aim at ending Israeli control over the Palestinian population or lifting Israeli responsibility and do not see a potential Israeli incursion into Gaza as a threat.

The failure of the political process is likely to instigate a process that will develop into a strategic inversion in the Palestinian national movement: From a struggle to end 'occupation' and establish a Palestinian state, to a struggle *against* ending the 'occupation' and demanding the establishment of one state.²⁷

14. **Wave of violence and the danger of PA collapse** – In recent years, the PA has swung between a process of political – structural institutionalization²⁸ on the one hand, and a trend towards dissolution and the difficulty of providing for the basic needs of the population on the other.²⁹

Following the strengthening of Hamas' control in Gaza, the renewal of negotiations with Israel and the attempts to rehabilitate the PA in the West Bank,³⁰ it seems that this trend towards the dissolution of the PA has been stopped for the time being.

However, there is a danger that failure of negotiations of will once again renew this trend towards the dissolution of PA governmental institutions in the West Bank.

²⁴ The Reut Institute defines the 'Resistance Network' as a system of state and non-state actors that promote an extremist political agenda in the Middle East through strategic, cross-boundary collaboration. See Reut document [The Resistance Network](#).

²⁵ Regarding this subject, see Gidi Grinstein's blog [Negotiations 5: Ethos of Struggle vs. Historic Compromise](#).

²⁶ See Iranian President Mahmoud Ahmadinejad's speech, saying: "We will soon witness its [the Zionist regime's] disappearance and destruction" ([YNET](#), 11/13/06) and that Israel will "disappear" like the "Soviet Union disappeared" ([Al-Jazeera](#), 01/04/07). For more details see the following Reut documents: [Inversion Towards Occupation: Challenge to Israel's National Security Concept](#), [The Logic of Implosion](#), [Logic of Implosion: The Resistance Network's Political Rationale](#), [Dismantling the PA: An Emerging Trend](#).

²⁷ A senior Hamas leader, Mussa Abu Marzouq, explained that the failure of political plans for resolving the Israeli-Palestinian conflict will lead to a final victory and the elimination of Israel. (See Dachoch Halevy, [JCPA](#) (in Hebrew), 5/28/07).

²⁸ The main milestones in this process were: The founding of the PA and the transfer of powers and authorities from Israel's civil administration (5-8/94); Abu Mazen's electoral victory (1/05); Hamas' integration into the Palestinian political system (5/05); Elections for the PLC and Hamas' victory (1/06); The transfer of power from Fatah to Hamas (3/06); The establishment of the Palestinian Unity Government (2/07).

²⁹ This process is manifested in: (1) The PA's constitutional paralysis following Hamas' rise to power (3/06); (2) Hamas' takeover of Gaza (6/07); (3) Fatah's weakness; (4) Increased anarchy within the Palestinian population; and (5) Emerging calls from leading Palestinians to dismantle the PA. See Reut document: [Dismantling the PA: an Emerging Trend](#).

³⁰ With support from the international community, Abu Mazen and the Fayyad government have been working to rehabilitate PA control in the West Bank. As part of these efforts, certain aspects of security and civilian coordination with Israel ([Ha'aretz](#), 7/07/07, [Ha'aretz](#), (8/31/07); Israel released part of the tax monies to the PA that had been frozen since the boycott on the PA ([YNET](#), 7/22/07) efforts have been made to rehabilitate the PA's security forces ([Jerusalem Post](#), 8/28/07); [Ha'aretz](#), 9/25/07) and the PA is carrying out arrests of Hamas activists in the West Bank ([Jerusalem Post](#), 8/27/07).

15. **The dilemma of Israeli presence in the West Bank** – On the one hand, the IDF presence in the West Bank prevents a Hamas takeover and thwarts terror attacks.³¹ On the other hand, if the PA collapses in the West Bank while the IDF is there, Israel will be in danger of the renewal of its full responsibility over the area.³²
16. **Negotiation 'Dream Team' is a double-edged sword** – On the Palestinian side, Abu Mazen and Fayyad are considered to be the most moderate legitimate leaders in the Palestinian political system. On the Israeli side, the international community views the combination of Prime Minister Olmert, President Peres, Defense Minister Barak, Foreign Minister Livni and Minister Ramon as representing a combination of moderate policies and internal legitimacy. Therefore, the failure of these two teams to reach an agreement is likely to increase the doubt over the viability of the 'Two State Solution.'

Moreover, Abu Mazen's admission that he will not seek an additional term as President of the PA after the end of his present term in approximately 18 months, further increases the fear that the current negotiations are likely to be seen as the final opportunity for the political process with a Palestinian leadership that accepts the Two State Solution.³³

17. **Ongoing erosion of the 'Two State Solution'** – In recent years, there has been an ongoing erosion in the status of the 'Two State Solution', that has been the basis of international support for the State of Israel as a Jewish state since the Partition Plan (UN General Assembly Resolution 181, 11/47) as well as in the political process since the beginning of the 1990s.³⁴

This trend has increased against the backdrop of the political deadlock between Israel and the Palestinians between 2001-07, the strengthening of Hamas, and claims that the geographical dispersal of Jewish and Palestinian communities, the size of the territory involved and issues over water do not allow the establishment of a viable Palestinian state.³⁵

18. **The danger of an inversion of the international community towards the 'Two State Solution'** – Today, the discussion within the international community deals with the question of how to implement the 'Two State Solution'.

However, the combination between the aforementioned trends may lead states and international bodies to reevaluate their support for the Two State Solution., or any other solution that grounds the principle

³¹ The Director of Military Intelligence estimated that Hamas aims to take over the West Bank but that the Israeli presence there is preventing it (See Ronny Sofer [YNET](#), (6/24/07).

³² Ostensibly, Israeli Disengagement from Gaza (8/05) reduced Israeli responsibility for the residents of the area and prevents the possibility that such responsibility will be renewed if Palestinian institutions in Gaza collapse. (See Reut document [Impact of the Disengagement Plan on the One-State Threat](#) and concepts [Deluxe Occupation](#); [End of Responsibility](#)).

³³ See Shachar, [Galatz](#) 7/26/07 Similarly, a letter by European Foreign Ministers to Tony Blair on his appointment as Quartet Middle East Envoy, points out that a historic opportunity exists for an Israeli – Palestinian agreement, and emphasizes that this may be the 'last opportunity' (See [Foreign Minister's Letter to Tony Blair](#), 7/10/07).

³⁴ One of the indicators of the erosion of the 'Two State Solution' is the appearance of alternative ideas to resolving the Israeli – Palestinian conflict such as the idea of a confederation or an international trusteeship., although these ideas are still based on the principle of separation between the two sides. See Shmuel Rosner, The Return of the Jordanian Option, [Ha'aretz](#) 7/4/07; Reuven Pedatzur, The Plan that Refuses to Die, [Ha'aretz](#) 7/24/07 and Martin Indyk, Is Trusteeship for Palestine the Answer, [Foreign Affairs](#), 6/27/07.

Recently, there has been an increase in those who claim that a 'Two State Solution' is impractical. (See Shavit, [Ha'aretz](#), 8/5/03; also the list of [articles](#) Ha'aretz has published on the topic). Foreign Minister Livni recently pointed out that there is a realization that "time is working against those who support a two state solution." (See [MFA website](#) 7/24/07).

³⁵ In recent years, the concept Viable Palestinian State has obtained the status of a precondition for establishing a Palestinian state in spite of the ambiguity towards its actual meaning. (See Reut concept [Viable Palestinian State](#)).

of separation between Israel and the Palestinians, and instead adopt the One State solution on the basis of 'one man one vote'.³⁶

19. **In conclusion, failure is likely to have far reaching consequences** including the acceleration of the erosion of the Two State Solution, paving the way for Hamas control over the Palestinian national movement and even endangering the existence of the PA.

Section 4: Policy Options

20. The premise of this document is that ending control over the Palestinian population, while ensuring security needs, is an existential Israeli interest. Such a process requires the existence of a Palestinian political entity in the West Bank.

Since the common denominator of the political threats identified in this document is the weakening of the PA, the conclusion is that there is a need to ensure the stability of the PA and its capacity to provide for the basic needs of the population, even while negotiations are taking place and before the sides reach an agreement.

21. **Abu Mazen's weakness limits Israel's maneuverability** – Abu Mazen's weakness is the major stumbling block to the political process and condemns the negotiations to a high chance of failure. This weakness makes it difficult for Israel to reach an agreement, as well as to adopt unilateral measures if the political process collapses, as this would strengthen Hamas and undermine Abu Mazen's position even further.
22. **Negotiations reduce Israel's capacity to fight Hamas through political means** – Ostensibly, Israel and Fatah share a joint struggle against Hamas' rule in Gaza. However, negotiations actually reduce Israel's flexibility in its battle with Hamas.

This is because the political, diplomatic and legal aspects of the struggle in Gaza are part of negotiations with Abu Mazen. Israel's hands are thus tied in pressurizing Hamas through these means.³⁷ Moreover, as Abu Mazen claims to be the leader of all Palestinians, his position would be undermined by any strong Israeli action in Gaza.³⁸

23. **Ensuring the PA's survival: Strengthening institutions not individuals (Abu Mazen)** –
- a. **Strengthening institutions and the effective control of the PA** via unilateral measures or those coordinated with third parties (such as the Quartet's Middle East Special Envoy, Tony Blair) during the current negotiations and independent of their results.

At the core of this option is continuing the effort to build the powers and authorities of the PA, **as well as the systematic transfer of economic, diplomatic and administrative powers and authorities currently held by Israel by virtue of the Interim Agreement.** For example, Israel could lift its opposition to the establishment of diplomatic embassies in the PA, the issuing of Palestinian currency, the establishment of an independent **tax and revenue clearance mechanism** or to PA membership in international organizations.³⁹

³⁶ Former UN envoy, Albert De-Soto, recently warned about the strengthening of the One State option stating "The one state solution will come out of the shadows and into the mainstream." ([The Guardian](#) 6/12/07). Also see Reut concept [The International Inversion towards the Two State Solution](#)).

³⁷ In theory, Israel could work towards cancelling the 'Customs Envelope' and the constraints surrounding the Gaza population registry in order to increase the political and economic pressure on Hamas (See Reut document [The Disengagement - Opportunity to Dilute the Refugee Issue](#)).

³⁸ A Fatah spokesperson criticized Israel's decision to declare Gaza a 'hostile entity' from a legal perspective (9/19/07) and said that the PA is working on all levels to cancel the decision (See [Maan](#), 9/19/07; Ravid [Ha'aretz](#), 9/20/07) (See Reut document [West Bank and Gaza Strip as a Single Territorial Unit](#)).

³⁹ According to the Interim Agreement (9/95) the PA is not allowed to conduct foreign relations (Article XI, section 5 of the Interim Agreement). In Chapter 5 of the Interim Agreement it was specified that the customs

- b. **Freeing Marwan Barghouti in order to create future leadership in the West Bank** – It seems that jailed Fatah leader Marwan Barghouti is the only person able to unite Fatah ranks and maybe even become the leader of the entire Palestinian people after the current leadership leaves the scene.

Currently, the release of Barghouti is mainly discussed with regards to a deal for freeing Gilad Shalit.

However, in the context of preparing for the possible failure of negotiations, Israel should consider Barghouti's early release even before the conclusion of negotiations in order for his leadership to 'halt' the expected instability if negotiations fail, especially if Abu Mazen or Fayyad are hurt or disappear from the political stage. However, freeing Barghouti after the failure to reach an agreement or Abu Mazen's position is undermined, is likely to damage his ability to consolidate control in the PA.

24. **Can the PA be unilaterally strengthened *after* the failure of process?** – In theory, the State of Israel could implement unilateral actions that serve its interests if the attempt to reach an agreement with the Palestinians fails.

However, it is doubtful if such a possibility actually exists: First, it is possible that negotiations will continue without a clear end point of either agreement or failure that could serve as the basis for unilateral measures. Second, failure of the political process is likely to damage the PA in a way that will not allow any additional Israeli action. Third, it is reasonable to assume that any serious attempt to reach a substantive agreement will damage the stability of Israel's coalition government and prevent any additional political move during the current government term. **Therefore, it makes sense to advance unilateral steps that serve Israel's interests *in parallel to the negotiations and independent of their results.***

End.

regime will apply to Israel and the PA territories (Customs Envelope Agreement) and that Israel is responsible for the import and export of goods as well as collecting revenues on behalf of the Palestinians; The introduction of Palestinian currency will be carried out in an agreement between the sides (Article IV, Section 10).

In Appendix III of the Interim Agreement, it was determined that the PA is required to report any change in the population registry to Israel. (Clause I Article 28 (13), 28 (14)); The PA is not authorized to change its status in the International Postal Authority (Clause I Article 29 (6)); The PA is not authorized to create international communications services (Clause I, Section 36 (b) (2)); An independent Palestinian telephone network will be established in an agreement with Israel (תוספת I, Section 36 (d) (5)).

For more information, see Reut document '[The Roadmap and the Future of a Palestinian State in Provisional Borders](#)'.