# **Policy Briefing**

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# The Israeli-Palestinian Conflict: Annapolis and After

## I. OVERVIEW

The process that will be launched shortly at Annapolis may not quite be do-or-die for the Israeli-Palestinian peace process but at the very least it is do-or-barely-survive. Positively, a U.S. administration that neglected Middle East peacemaking since taking office appears committed to an intensive effort: it has persuaded both sides to agree to negotiate final status issues – no mean feat after years of diplomatic paralysis and violent conflict. But pitfalls are equally impressive. The meeting, like the process it aims to spawn, occurs in a highly politicised context, with sharp divisions in the Palestinian and Israeli camps. These will make it hard to reach agreement and to sell it to both constituencies and, for the foreseeable future, virtually impossible to implement. Moreover, failure of the negotiations could discredit both leaderships, while further undermining faith in diplomacy and the twostate solution.

To maximise chances of success and minimise the costs of failure, Israelis and Palestinians need to seriously confront permanent status issues, while taking steps to improve the situation on the ground; the U.S. and other international actors need to adopt a more proactive role, proposing timely compromises as well as imposing accountability for both sides' actions; and a different approach is needed toward those (principally Syria and Hamas) whose exclusion risks jeopardising any progress.

In the roughly four months since it was announced, Annapolis has gone through three incarnations. What began in July 2007 as a meeting cautiously focused on building Palestinian institutions metamorphosed – as a result of unexpectedly convivial dynamics between Prime Minister Olmert and President Abbas – into a conference to unveil agreed final status parameters. But hopes cooled as negotiators were unable to translate warm sentiments into dry ink. It now is meant to serve not as the culmination of a bilateral process but rather the launching pad for three simultaneous ones: permanent status negotiations; implementation of the first phase of the 2003 Quartet Roadmap; and gradual Arab-Israeli diplomatic engagement. The idea is for the two sides to reach a peace agreement; present it to their respective publics through elections or referendums; and condition implementation on Roadmap compliance. While virtually all attention has been given to the gathering itself, therefore, what truly matters is what follows it – chiefly, whether final status talks can succeed.

A useful starting point is comparison with President Clinton's attempt at Camp David a half year before he left office to broker a permanent status agreement. Not only does the Bush administration have more time to achieve its objectives, but little need be wasted determining how to do so. Annapolis comes six months earlier in Bush's tenure, and the parties do not start from scratch: their positions have been well rehearsed, and the contours of a settlement are broadly known. Abbas and Olmert seemingly share a personal bond, common purpose and desperate need for success. Their talks have exceeded in substance anything between past Israeli and Palestinian leaders. All this is a far cry from the desultory relationship between President Arafat and Prime Minister Barak. In contrast to 2000, the Arab world's involvement is being actively encouraged; its presence will boost the meeting significantly.

But the flattering comparisons end there. Since Camp David, Israel has all but destroyed the Palestinian Authority (PA), Palestinian infighting has dramatically increased, and Abbas's authority pales compared to Arafat's. Critics rail that Hamas controls Gaza and Israel the vast majority of the West Bank, leaving the PA only Ramallah and, during the daytime hours that the Israeli military deem it safe, Nablus. Fatah, Abbas's party and presumptive backbone of the Palestine Liberation Organisation (PLO), is divided, chaotic and bereft of ideology. Olmert fares not much better. He has recovered – slightly – from the humiliation of the 2006 Lebanon war but his poll ratings remain low, he faces multiple corruption investigations, and he must contend with rivals itching for his job and deal with a fragile coalition that could splinter or collapse at the first hint of compromise with the Palestinians. The U.S. administration's staying power and willingness to take risks at a time when it must confront urgent crises in Iraq and Iran remain untested.

The past also offers useful lessons. Three reasons for Camp David's failure stand out: lack of direction in the negotiations; disregard for developments on the ground; and inadequate management of Palestinian domestic politics. These problems inevitably will recur. They should be dealt with differently.

- The U.S. and others should support and closely supervise the negotiations and introduce bridging proposals as necessary. Much debate between Palestinians and Israelis has concentrated on the need for a deadline (the former want one; the latter don't; the U.S. says, aim for the end of the Bush term). But the real question has less to do with a timetable which would be impossible to enforce than steps that should be taken to maximise chances of success. At Camp David, the U.S. was loath to put its ideas on the table, waiting until December, when it was too late. This time, the international community should be more active, organise follow-on steps including by reconvening periodic, Annapolis-like meetings to concentrate the parties' minds and offer ideas at the right time.
- Talks need to be accompanied by rapid, visible changes on the ground consistent with and conducive to a two-state settlement. The goal should be less to build confidence than to move in convincing ways toward that solution. Measures include Palestinian restoration of law and order in the West Bank; a comprehensive Israeli settlement freeze; reopening Palestinian institutions in East Jerusalem; and regular and significant prisoner releases. The U.S. and the Quartet will have to monitor performance of Roadmap obligations and hold both sides accountable.
- Internal Palestinian divisions must be overcome and Syria should be fully included. However distant it may appear - and distance grew with the tragic killings in Gaza on 12 November – Fatah/Hamas reconciliation and reunification of Palestinian territory ultimately are necessary for successful peacemaking. Unfortunately, isolating Hamas appears to be a principal motivation behind the Annapolis process: the U.S., Israel and Fatah are convinced Israeli-Palestinian progress and the Islamists' marginalisation must go hand in hand. The idea is based on an assumption – that Gazans will rise up against Hamas because of the punishing siege – that reflects wishful thinking, not strategic thought.

More importantly, coupling Israeli-Palestinian peace with intra-Palestinian conflict risks promoting even greater opposition to a controversial endeavour, denying Abbas the means to legitimise an agreement and encouraging those who are excluded to sabotage the effort through violence. Through intra-Palestinian dialogue and Arab mediation in particular, Palestinian reconciliation must become an integral part of the Annapolis process. Given its central role, Syria must likewise become an integral part of the Annapolis process through revival of negotiations over the Golan.

With weak Israeli and Palestinian leaderships, inhospitable political environments, intra-Palestinian conflict and a polarised region, prospects are uneven at best. Yet, Annapolis is already in a sense a milestone: an apparent break with the incremental approach, which, by conditioning resolution on so-called confidence-building measures, guaranteed that neither took place. This is a break that Crisis Group has long urged and that gives at least some reason for hope.

# II. THE MANY LIVES OF ANNAPOLIS

In the short time since it was announced, the meeting has gone through several incarnations. While the goal of holding it remained fixed, the expected outcome has repeatedly shifted as the participants ascertained what was possible vis-à-vis both each other and – perhaps more importantly – their domestic constituencies.

## A. BUILDING PALESTINIAN INSTITUTIONS

President Bush's 16 July 2007 statement regarding a forthcoming meeting between Israelis and Palestinians was an exercise in caution. At the time, very little was known: neither the date (Bush spoke only of the fall), nor the agenda nor the invitees. Consistent with the administration's approach over the years, much of his focus was to encourage Palestinian institutional reform and (coming barely a month after Hamas seized control of Gaza) support the new interim government in Ramallah. Indeed, in the wake of Hamas's takeover, Washington, along with the rest of the international community, sought to bolster President Abbas. In June, aid flows to the PA were restored, and Tony Blair was appointed Quartet Envoy, with a mandate to assist in developing Palestinian governmental institutions, rebuilding the economy and establishing law and order. The major objective appeared very much to be to marginalise and weaken Hamas – one Washington felt could mobilise a powerful coalition including Israel and so-called moderate Arab countries. The U.S., Bush said, would do its part:

I will call together an international meeting this fall of representatives from nations that support a two-state solution, reject violence, recognise Israel's right to exist, and commit to all previous agreements between the parties. The key participants in this meeting will be the Israelis, the Palestinians, and their neighbours in the region. Secretary Rice will

<sup>&</sup>lt;sup>1</sup> The Quartet – the EU, Russia, the UN, represented by the Secretary-General, and the U.S. – is the informal group that devised the so-called Israeli-Palestinian "Roadmap" and has sought to supervise it for the last several years.

chair the meeting. She and her counterparts will review the progress that has been made toward building Palestinian institutions.<sup>2</sup>

Not that the administration believed it could wholly put political issues on the back burner. A senior administration official told Crisis Group: "We need to promote a political track between Israel and the PA because Hamas will not be defeated militarily, but only politically". But political track did not mean final status negotiations; it meant, rather, discussions on the "contours" of a Palestinian state:

We need two things: reform of Palestinian political and institutional structures, coupled with an Israeli-Palestinian track in which they talk not about permanent status but about a Palestinian state – what economic relations will it have with its neighbours? What will be its overall security concept? Let's be candid: Olmert and Abbas are not in a position to discuss Jerusalem or refugees tomorrow. In fact, permanent status issues could get in the way of all the rest that can be discussed. What I mean is that it would be easier to talk about borders if the parties knew what the security arrangements were beforehand. Likewise, even if there were a deal tomorrow, the Palestinians could not run their state.

That is what we mean when we say a "political horizon". It does not necessarily mean that the parties will negotiate; indeed, we may not have negotiations soon. But by having them to talk about what a state looks like and put the pieces in place, the Palestinian people will start believing in a state. This is key because we are seeing a radicalisation of Palestinians. If we are not careful, the next generation will not be Fatah, it will not even be Hamas, but a nihilistic, al-Qaeda type. We will lose the Palestinians as they have been up until now.<sup>4</sup>

Bush referred to this dimension when he claimed that the meeting also should provide "diplomatic support" for the bimonthly Olmert/Abbas meetings held at Secretary Rice's behest.<sup>5</sup>

Arguments over the meeting also brought to the fore latent tensions within the administration. Some officials, led by Secretary Rice, were deeply invested in the gathering and believed the political track, however defined, was crucial. Others were far more sceptical of any political breakthrough and preferred sticking to the strict sequential approach – first the Palestinians must reform their institutions and their ways, then they can discuss politics – that had been the administration's hallmark. Downplaying any expectations, and insisting on calling the event a "meeting" rather than a conference, White House Press Secretary Tony Snow said:

I think a lot of people are inclined to try to treat this as a big peace conference. It's not. This is a meeting to sit down and try to find ways of building fundamental and critical institutions for the Palestinians that are going to enable them to have self-government and democracy.<sup>6</sup>

Momentum gradually shifted, almost entirely due to the dynamics between Abbas and Olmert. It is hard to assess precisely what occurred; their discussions do not appear to have been detailed, and Palestinian officials privately belittle their content. But there is no doubt that the leaders developed an uncommonly good rapport. Importantly, these were the most substantive discussions on final status between a Palestinian president and Israeli prime minister. By many accounts, Olmert, who lacks Abbas's long negotiating experience, was struck by the Palestinian president's pragmatism. Abbas showed understanding for Israel's demographic concerns and sensitivity to its security needs – stances that hardly were new but, to an unaccustomed ear, remarkable.

Personal atmospherics aside, the two leaders also shared political reasons to deepen the discussions. Abbas had been asking for – and needing – final status discussions since he succeeded Arafat in November 2004. Commenting on Hamas's 2006 electoral victory, a former Abbas adviser said, "the only thing that could have saved Fatah was final status negotiations after the January 2005 presidential

<sup>&</sup>lt;sup>2</sup> "President Bush Discusses the Middle East", at www.white house.gov/news/releases/2007/07/20070716-7.html.

<sup>&</sup>lt;sup>3</sup> Crisis Group interview, senior U.S. official, Washington DC, June 2007.

<sup>&</sup>lt;sup>4</sup> Ibid.

<sup>&</sup>lt;sup>5</sup> President Bush stated that Rice and her counterparts "will provide diplomatic support for the parties in their bilateral discussions and negotiations, so that we can move forward on a successful path to a Palestinian state", "President Bush Discusses the Middle East", op. cit.

<sup>&</sup>lt;sup>6</sup> Press Briefing by Tony Snow, 17 July 2007, at www.white house.gov/news/releases/2007/07/20070717-9.html.

<sup>&</sup>lt;sup>7</sup> "There are no serious discussions. They are remarkably superficial – but somehow the leaders think they've achieved something!", Crisis Group interview, PA official, Ramallah, August 2007.

<sup>&</sup>lt;sup>8</sup> The last time Israeli and Palestinian negotiators discussed final status issues, there was virtually no meaningful dialogue between the leaders. "Barak refused to hold any substantive meeting with [Arafat] at Camp David out of fear that the Palestinian leader would seek to put Israeli concessions on the record". Robert Malley and Hussein Agha, "Camp David: The Tragedy of Errors", *The New York Review of Books*, 9 August 2001.

<sup>&</sup>lt;sup>9</sup> Crisis Group interviews, Palestinian officials, Ramallah, August 2007; New York, September 2007; and U.S. officials, Washington DC, September 2007.

elections". <sup>10</sup> This was no less true a year later, when the Fatah/Hamas rivalry had escalated, and the president banked on a successful diplomatic process as the best – if not only – means of weakening the Islamists. Even Fatah members interested in reconciliation with Hamas believed this should happen only after Abbas had registered a diplomatic achievement, "allowing him to negotiate from a position of strength". <sup>11</sup>

Olmert faced his own domestic crisis. The 2006 Lebanon war had left his credibility in tatters and, coupled with corruption allegations, dragged his popularity to rock bottom. 12 His election platform – "convergence" or unilateral disengagement from West Bank territory – had become wholly out of tune with Israelis who, based on events in Lebanon and Gaza, associated withdrawals with intensified rocket fire. Facing challenges from within his own Kadima party and the prospect of an early, ignominious exit from office, Olmert was in desperate need of an agenda more inspiring than rebuilding parts of Israel affected by the Lebanon war. A renewed bilateral process offered a political lifeline.

# B. DRAFTING A FRAMEWORK AGREEMENT OR DECLARATION OF PRINCIPLES

By August/September 2007, the Abbas/Olmert talks had taken on a life of their own, leading a U.S. official to quip that they were "outpacing the peace process". Washington played catch up, trying to assess where precisely the discussions could lead. It was a tricky balancing act. On the one hand, U.S. diplomats were energised by the leaders' progress, which they sought to market to sceptical Arab leaders whose presence at Annapolis was deemed crucial. At meetings held on the margins of the UN General Assembly in September, Rice impressed her Arab counterparts with a sense of real possibility, suggesting that the forthcoming meeting would delve into the most sensitive issues. <sup>14</sup> On the other hand, the administration

 $^{\rm 10}$  Crisis Group interview, former Abbas adviser, Washington DC, January 2006.

was fearful that the rapidly rising expectations would set up the meeting for inevitable failure. <sup>15</sup>

The worry proved justified. After weeks of optimistic talk, discrepancies began to appear even at the leadership level. Abbas, confident an agreement was within reach, evoked the prospect of a "framework agreement", a document outlining solutions on all the core issues (Jerusalem, borders, refugees, security and water). Although even that was a subtle and largely unnoticed shift – he earlier has called for detailed solutions on each<sup>16</sup> – Olmert was less ambitious; facing severe political constraints, he was loath to address Jerusalem or final borders head-on, fearing concessions might lead some of his coalition partners to bolt. It is not evident that Abbas himself ultimately could have agreed to clear language on the refugee issue. As many analysts have noted, both leaders wanted clarity on some matters and vagueness on others - they just did not happen to be the same.<sup>17</sup> A Palestinian negotiator acknowledged that "any accord would need the same level of clarity on all issues". 18 At that point, this was straining the parties' political capacity. In September, a U.S. official observed:

Secretary Rice should go see the two leaders and put a simple question to them. She should ask Abbas whether he is ready to sign a document that makes clear the refugees will not return to Israel. And she should ask Olmert whether he is ready to sign a document that makes clear the borders will be 1967 with one-for-one swaps. If the answer to either is "no", we should stop dreaming of an ambitious statement and get back down to reality.<sup>19</sup>

Whether or not those conversations took place, the talks quickly bogged down in October, when the leaders delegated the process to their newly appointed negotiating teams.<sup>20</sup> Both the form and content of the document became

<sup>&</sup>lt;sup>11</sup> Crisis Group interview, Fatah official, Ramallah, August 2007.

<sup>&</sup>lt;sup>12</sup> In early March 2007, a mere 3 per cent of the Israeli public said they supported Olmert as prime minister, *Haaretz*, 8 March 2007.

<sup>&</sup>lt;sup>13</sup> Crisis Group interview, U.S. official, Washington DC, September 2007.

<sup>&</sup>lt;sup>14</sup> Crisis Group interviews, Arab officials, New York, September 2007. One Arab official said, "Rice was very encouraging. She made clear the meeting would not be a photo op, that all core issues would be on the table and that there would be no taboo", Crisis Group interview, Arab official, New York, September 2007.

<sup>&</sup>lt;sup>15</sup> "We know we have to be careful in managing expectations. One of our advantages compared to the past is that people are not hoping for much; if anything good happens, we will exceed their expectations. If the mood changes, people anticipate too much and we disappoint them, that's when our troubles will begin", Crisis Group interview, U.S. official, Washington DC, October 2007.

<sup>&</sup>lt;sup>16</sup> According to Palestinian sources, Abbas agreed to lower his demands after President Bush assured him the U.S. would press hard after Annapolis to reach a political settlement, Crisis Group interviews, Palestinian officials, New York, September 2007.

<sup>&</sup>lt;sup>17</sup> Crisis Group interview, U.S. analyst, Washington DC, October 2007.

<sup>&</sup>lt;sup>18</sup> Crisis Group interview, Palestinian negotiator, Ramallah, 11 November 2007.

<sup>&</sup>lt;sup>19</sup> Crisis Group interview, U.S. official, Washington DC, October 2007.

<sup>&</sup>lt;sup>20</sup> The composition of the negotiating teams has changed since they met for the first time on 3 October 2007. Today, the Israeli

contested subjects. In part because Abbas had so elevated expectations, most Palestinians in and out of office took the position that the document had to deal substantively with final status issues for it to be worthwhile. Former PA Foreign Minister and Fatah Revolutionary Council member Nasir Qidwa commented, "if it doesn't specify 1967 borders, throw it away". A former senior security official echoed this sentiment: "The document needs to say Israel agrees to end the occupation. This means clarifying a withdrawal to the 1967 borders". 22

The two sides' goals diverged from the outset, and the gap widened as discussions proceeded. Insofar as the U.S. had left the parties to define their own agenda, negotiating teams were stymied when they sat down to translate positive sentiments into political agreement. An Israeli official complained: "Nobody has a clear idea what should come out of the meeting. Different people have different agendas, some with high expectations and some with low". A former Palestinian security official concurred:

The participants are not clear. The terms of reference are not clear – do they revolve around the Bush vision? UN resolutions? The Roadmap? The Arab initiative? The work mechanism is not clear: if there is a Declaration of Principles, how will it be implemented? Or will there just be a vague statement, and that will be the end of it?<sup>24</sup>

As negotiations dragged on and political difficulties became more apparent, prospects for a substantive document faded. This may have been inevitable. Once it became manifest that a clear, detailed agreement was beyond reach, it was

delegation is headed by Foreign Minister Tzipi Livni and includes her adviser, Tal Becker; Yoram Turbowicz, Olmert's chief of staff; Shalom Turjeman, Olmert's political adviser; Aharon Abramowitz, director general of the foreign ministry; and Amos Gilad, head of the security-political task force at the defence ministry. Former PA Prime Minister Ahmad Qureia heads the Palestinian team, which also includes Saeb Erekat, head of the Palestinian Liberation Organisation's Negotiations Affairs Department; Yasser Abed-Rabbo, Secretary of the Palestine Liberation Organization's executive committee; Saadi al-Krunz, Secretary of the PA Cabinet; political adviser Akram Haniyeh, and a legal counsellor from the Negotiations Support Unit.

<sup>21</sup> Crisis Group interview, Nasir Qidwa, Ramallah, 6 September 2007.

<sup>22</sup> Crisis Group interview, former Palestinian security official, Ramallah, 30 October 2007. Palestinian analyst Khalil Shikaki argued three components were necessary to "significantly change the status quo and boost Abbas: 1967 borders, UN Resolution 194 on refugees, and a solution on Jerusalem that makes it the capital of the Palestinian state and gives Palestinians sovereignty over the Holy Places", Crisis Group interview, Ramallah, 29 August 2007.

<sup>23</sup> Crisis Group interview, Jerusalem, 17 September 2007.

hard to see how the end result could be anything but an exceedingly vague one. A Palestinian official made this point early in the talks:

We have only two possible alternatives. Either we can agree on something detailed, clear and specific. It would be controversial, but at least we would be able to make our case and argue it in front of our people: we got a state in the 1967 borders, we got Jerusalem, and our refugees are not going home. Or we agree on something so broad and vague that it becomes hard to attack – something mentioning the terms of reference of the peace process, the need for a viable two-state solution and other boilerplate. The worst outcome would be something in between: too vague for us to defend, yet specific enough to expose us to attacks – that we sold out Jerusalem or the refugees.<sup>25</sup>

# C. ANNAPOLIS AS LAUNCHING PAD

Rice's early November visit to the region appeared to break the logiam – though by force of reality more than by consensus. Olmert's argument to the Americans – that his coalition would not survive if the Annapolis statement included meaningful compromises; that it made little sense to expend so much political capital on what at best would be a paper exercise; and that the real fight should be over a genuine final status agreement – had won them over. According to an Israeli official, "Olmert cannot maintain his coalition if at Annapolis he signs off on a substantive document with language on Jerusalem. Paradoxically, he can maintain it if he goes into a serious negotiation process on a final status deal". 26 Palestinians were told that the hoped-for substantive declaration no longer was on the agenda. A U.S. official reported that while some Palestinian negotiators expressed displeasure, "they swallowed hard, grumbled a bit, and realised it wasn't worth the fight".<sup>27</sup> One U.S. diplomat explained:

Why fight for the statement? Even if they can draft a statement, they would then have to negotiate a real final status deal. And if they can't negotiate a final status deal, what difference would the statement make? In fact, it may be harder for the parties to agree to abstract principles than to agree on concrete

<sup>&</sup>lt;sup>24</sup> Crisis Group interview, former Palestinian security official, Ramallah, 26 September 2007.

<sup>&</sup>lt;sup>25</sup> Crisis Group interview, Palestinian official, New York, September 2007.

<sup>&</sup>lt;sup>26</sup> Crisis Group interview, Israeli official, Jerusalem, November 2007.

<sup>&</sup>lt;sup>27</sup> Crisis Group interview, U.S. official, Washington DC, 6 November 2007. The Palestinians' resignation to this state of affairs was conveyed, candidly and perhaps unwittingly, by a U.S. official who reportedly said, "Washington was encouraged by the latest Palestinian position, which appears to match Israeli and American thinking", Associated Press, 8 November 2007.

details. We have something we haven't had for seven years: a joint commitment to negotiate final status issues after Annapolis. That's the real prize.<sup>28</sup>

Rather than the culmination of negotiations on a joint statement, in short, Annapolis had become a kick-off event for three parallel processes:

Final status negotiations. In lieu of a substantive document on final status issues, Olmert committed to pursuing final status negotiations. There is no hiding the fact this represents a serious failure, insofar as the parties were unable to bridge their gaps. It has contributed to a significant darkening of the mood among Israeli and Palestinian negotiators, many of whom now worry that the process is doomed to fail.<sup>29</sup> Still, Bush, Olmert and Abbas could claim a measure of success. Given years of Israeli resistance to talks on a permanent agreement, the U.S. took pride in its accomplishment. An official said, "if we had told you six months ago that we would soon commence final status talks, you'd have called us crazy. Do you think this would have happened without our efforts". 30 Americans also pointed out that in so doing they had persuaded Israel to agree to modify the Roadmap sequence, since phase three (final status negotiations) would now take place prior to completion of phase one ("Ending terror and violence, Normalising Palestinian life and Building Palestinian Institutions").31

Olmert avoided concessions that could have toppled his government, satisfied basic U.S. demands and maintained momentum in a process that is politically useful to him. According to some Israeli officials, he will try to get an agreement during Bush's term and "once there is an agreement, he will go for elections and campaign on that platform". In response to criticism that he had deviated from the Roadmap's sequence, he could point out that *implementation* of phase three remained wholly contingent on prior implementation of phase one. In other words, even if a final status agreement is reached, it would not be carried out before Palestinians had put their house in order — a task that could take considerable time.

Although many within it were extremely dissatisfied and disappointed, the Palestinian leadership also could claim some achievements. It had not surrendered on any matter of principle; had obtained a resumption of permanent status negotiations after years during which Israelis insisted the

<sup>28</sup> Crisis Group interview, U.S. official, Washington DC, November 2007.

PA first carry out its Roadmap obligations; and had gained some degree of internationalisation of the process, a consistent Palestinian demand since the 1991 Madrid conference. As for the timetable, they took solace in the common aspiration that negotiations be concluded before the end of the Bush administration.

Roadmap implementation. The pre-Annapolis discussions also led to the Roadmap's unexpected revival. This reflected an odd convergence of interests. For Olmert, mention of the Roadmap was important to quell any suggestion he was skipping stages and endangering Israel's security by accepting Palestinian statehood before the disarmament of Palestinian militias. As mentioned, he argued (with U.S. backing) that implementation of any political agreement would depend on fulfilment of security requirements.<sup>33</sup> As further discussed below, he also felt that focusing on the Roadmap rather than on final status would help maintain his coalition intact.

For the PA, mention of the Roadmap means putting critical Israeli obligations (withdrawal to the positions held prior to the second intifada; a settlements freeze; removal of unauthorised outposts established since 2001; and reopening Palestinian East Jerusalem institutions) back on the table. Palestinians also argue (in this case too with U.S. backing) that in terms of Roadmap implementation, they have a far better story to tell than does Israel.<sup>34</sup> The U.S. administration likewise found comfort in resurrecting the Roadmap. An official claimed: "Phase one of the Roadmap is key – everything else flows from it and nothing can happen without it. Of course, we have to do better in terms of monitoring than in the past. We will establish a mechanism to assess who has complied with phase one; it will be led by the U.S., perhaps on behalf of the Quartet". <sup>35</sup>

<sup>&</sup>lt;sup>29</sup> Crisis Group interviews, Israeli and Palestinian officials, Jerusalem and Ramallah, November 2007.

<sup>&</sup>lt;sup>30</sup> Crisis Group interview, U.S. official, November 2007.

<sup>31</sup> Ibid

<sup>&</sup>lt;sup>32</sup> Crisis Group interview, Israeli official, Jerusalem, November 2007.

<sup>&</sup>lt;sup>33</sup> A U.S. official said, "it's not only about the contours of a Palestinian state; it's also about its nature. A state can only be born once Israel's and the region's security requirements are met", Crisis Group interview, U.S. official, Washington DC, November 2007. Some – though by no means all – senior Palestinian officials agreed. "If we reach an agreement, we are ready to wait several years before it is implemented. We know we have work to do; we are not yet ready to assume statehood", Crisis Group interview, Ramallah, August 2007.

<sup>&</sup>lt;sup>34</sup> PA officials claim they have implemented some 90 per cent of their phase one obligations, pointing to steps they have taken to disarm militias, fight Hamas, rebuild security institutions and so forth. U.S. counterparts consider this a significant exaggeration but nonetheless point out that while the PA has begun a process of implementation, Israel has done virtually nothing. "You can say the Palestinians are in a grey zone. But Israel's obligations are black and white: did they reopen Palestinian institutions in East Jerusalem? No. Did they dismantle unauthorised outposts? No. Did they freeze settlement activity? No", Crisis Group interview, U.S. official, Washington DC, November 2007.

<sup>&</sup>lt;sup>35</sup> Crisis Group interview, U.S. official, Washington DC, November 2007.

Alongside Roadmap obligations, Annapolis also will focus on what the parties are calling an "action plan" – a new set of steps to which both parties will commit in order to improve the situation on the ground. Together, the Roadmap and action plan are designed to provide a sense of momentum and, importantly, compensate the Palestinians for the statement's lack of substance on final status issues.

Arab engagement with Israel. As the U.S. sees it, Annapolis should mark the onset of renewed, gradual Arab engagement with Israel, which it considers a necessary inducement for Israeli concessions and important political cover for Palestinian ones. Washington also seeks to solidify a front of so-called moderate or "responsible" Arab leaders in its confrontation with Iran and believes progress between Israelis and Palestinians would be helpful in this regard.<sup>36</sup> Broad Arab attendance would certainly give the meeting a significant boost. Central to this is Saudi Arabia, whose participation the U.S. and Israel consider the most important prize. In American eyes, Annapolis should be only the beginning. A senior official said:

We have taken an important step in altering the sequence of the Roadmap. The parties have agreed to negotiate phase three at the same time as we are implementing phase one. The Arab world should reciprocate by revisiting the sequencing of the Peace Initiative. Why not start normalising relations before a final agreement is reached?<sup>37</sup>

# III. DOMESTIC POLITICS

So far, Olmert and Abbas appear to have encountered fewer problems dealing with each other than with their respective domestic constituencies. In the words of an Israeli official, "the gaps within each side are more important than those between the sides". Both are viewed as leaders who face powerful opposition and challenges to their legitimacy and whose terms will soon end.

# A. ISRAELI POLITICS

On paper, Olmert's coalition enjoys a comfortable Knesset majority, with 78 out of 120 seats.<sup>39</sup> But as the run-up to

<sup>36</sup> "We need to pursue peace between Israelis and Palestinians because it is important on its own. But of course we look at the regional context and are trying to strengthen ties to oppose Iran's aspirations in the region", Crisis Group interview, U.S. official, Washington DC, November 2007.

<sup>37</sup> Crisis Group interview, senior U.S. official, Washington DC, November 2007.

<sup>38</sup> Crisis Group interview, Israeli official, Jerusalem, 4 November 2007.

<sup>39</sup> The government's coalition is comprised of Kadima (29 seats),

Annapolis – and Israel's long history of chaotic politics – show, it is not necessarily a stable one. Indeed, of all the issues that confronted the prime minister, coalition politics proved among the most vexing, constraining his ability to make substantive progress on final status issues. In advance of Annapolis, two key partners, the hardline Israel Our Home (Yisrael Beitenu, eleven Knesset members) and the ultra-orthodox Shas (twelve Knesset members) threatened to bolt the coalition if concessions they considered excessive were made. Israel Our Home leader Avigdor Lieberman threatened to quit the government if core issues were on the table at Annapolis; for its part, Shas ruled out any agreement touching on Jerusalem or refugees. 40 Historically, its electorate has not voted based on the Israeli-Palestinian conflict "but for the moment, electoral politics dictate that the party cannot be seen to be any weaker than Israel Our Home",<sup>41</sup> – nor, for that matter, any weaker than Likud.<sup>42</sup>

A Shas adviser and confidant explained the political class' predicament:

It's like in a military review, where all eyes are turned toward the last soldier on the right. That soldier is Avigdor Lieberman, who feels that he is losing ground to [Likud and opposition leader Binyamin] Netanyhu and so has taken a very hawkish line. If Lieberman bolts, there is a high probability Shas will follow.<sup>43</sup>

Olmert's problems ran deeper. He faced grumblings within his Kadima party, an eclectic assortment of former Likud and Labour party members who came together essentially based on the force of a personality (former Prime Minister Ariel Sharon) and of a plan (convergence), neither of which remains politically relevant. Some are said to be preparing their return to Likud and wish to shore up their right-wing credentials by invoking ill-advised concessions to the Palestinians as the reason.<sup>44</sup>

Labor-Meimad (nineteen seats), Gil Pensioners Party (seven seats), Shas (twelve seats), Israel Our Home (eleven seats).

<sup>40</sup> A Shas adviser said, "they can discuss; that's fine, but there can be no agreement. Rabbi Ovadia Yosef [Shas's spiritual adviser] doesn't want to leave the government, but he can be influenced. And Eli Yishai feels very strongly about Jerusalem". Crisis Group interview, Jerusalem, 29 October 2007; also, Crisis Group interview, Shas parliamentary adviser, Jerusalem, 14 November 2007

<sup>41</sup> Crisis Group interview, Shas adviser, Jerusalem, 29 October 2007.

<sup>42</sup> Crisis Group interview, Likud parliamentarian, Tel Aviv, 12 November 2007.

<sup>43</sup> Crisis Group interview, Shas adviser, Jerusalem, 29 October 2007.

<sup>44</sup> Crisis Group interview, Israeli analyst, Jerusalem, 31 October 2007. Even among theoretically more natural allies, issues have surfaced. Most importantly, Labour party leader, Defence Minister and former (perhaps future) Prime Minister Ehud Barak is widely seen as having resisted Israeli political concessions and steps on the ground in the run-up to Annapolis. Deeply sceptical of the PA's security capacity, of Abbas's authority over a divided Palestinian polity and of the value of unimplemented political agreements, he is said to remain convinced that Israel's best option remains unilateral disengagement from wide areas of the West Bank based on its own security considerations. <sup>45</sup> Moreover, Barak – along with members of military intelligence – are said to believe that the Syrian track (more important in their eyes, and more realistic given the state of Palestinian politics in particular) should be given the priority. <sup>46</sup>

Others suspect less high-minded – and more immediately political – calculations. Some Labour party members claim that Barak's foot-dragging is designed both to deprive Olmert of an achievement<sup>47</sup> and to refurbish his credentials as a security hawk in anticipation of the next elections.<sup>48</sup> Palestinians are no less vehement in their charge that Barak is sabotaging their security efforts.<sup>49</sup> Not least because he heads a party which has tied its political fortunes to the process launched in Oslo, he cannot afford to scuttle (or to be perceived as scuttling) the process.<sup>50</sup> But because of his position within the security establishment and as head of a party to Kadima's left, Barak's posture is particularly embarrassing to Olmert and resonates with an Israeli public that has lost faith in Palestinian security performance.<sup>51</sup>

<sup>45</sup> Crisis Group interview, former Israeli official with ties to Barak, Washington DC, October 2007.

The overall political translation of this situation has been to reduce Olmert's manoeuvring room to attending Annapolis and agreeing to further talks.<sup>52</sup> As early as September, a former defence ministry official caustically remarked, "80 per cent of what will happen at the international meeting will be a function of small, cruel, petty Israeli politics. There is no beauty and no high philosophy here. Olmert will be forced to lower expectations to the point that people understand the real meaning of the meeting: zilch".<sup>53</sup>

In arguing against a substantive statement at Annapolis, Olmert made the point that it will be easier for him to maintain his coalition if he is in the midst of final status talks than if he had to agree to a declaration of principles. The point seems illogical – if Olmert could not even face down his coalition partners on a mere statement, why would he be willing or able to do so when the stake is a final settlement? – but is not entirely without merit. Likud has assiduously courted Israel Our Home and Shas, encouraging them to quit the government and return to their "natural home" in a right-wing, Netanyahu-led government. <sup>54</sup> But it is neither party's first choice. Polls predict that both stand to lose in early elections, <sup>55</sup> explaining why, if they feel they have the option, they prefer to remain in the coalition.

A controversial statement at Annapolis might have forced the two parties' hand and led them to withdraw but drawn-out negotiations could allow them to stay put. Adamant as they were about Annapolis, they have been relatively relaxed concerning future final status talks. In this sense, Olmert's presumed strategy – to negotiate an agreement and then use it as his electoral platform for a second term – suits his needs and theirs. Our Home and Shas would stay in the coalition during the talks, thereby providing the prime minister with the political cushion he needs to survive; and Olmert would go to elections once an agreement was

nobody should expect them to. It serves no good to harp on the fact they are weak and can't protect us. To give them responsibility today would be, as the Hebrew saying goes, putting a stumbling block before the blind". Crisis Group telephone interview, former adviser to the minister of defence, 16 September 2007.

<sup>&</sup>lt;sup>46</sup> Crisis Group interview, former Israeli official, November 2007. During a recent visit to the U.S., Barak reportedly pushed this, saying "there is room for re-examining the Syrian track", *Haaretz*, 19 November 2007. A widespread assumption in Israel is that the country cannot tackle both the Palestinian and Syrian tracks simultaneously.

<sup>&</sup>lt;sup>47</sup> According to an Israeli official, "Barak is doing his best, and will continue to do his best, to prevent a clear Olmert success", Crisis Group interview, Jerusalem, November 2007.

<sup>&</sup>lt;sup>48</sup> Crisis Group interview, Labour party parliamentarian, Jerusalem, 20 August 2007.

<sup>&</sup>lt;sup>49</sup> Senior Palestinian officials claim that despite promises to halt incursions into Nablus while their security services tested their mettle, the Israeli military conducted three incursions into Balata Camp, two of them following specific promises to Ramallah and Washington not to do so, Crisis Group interviews, Ramallah, 11 November 2007.

<sup>&</sup>lt;sup>50</sup> "Barak cannot take this risk. People are exaggerating his willingness to play the spoiler", Crisis Group interview, Israeli official, 4 November 2007.

<sup>&</sup>lt;sup>51</sup> Even Israeli security officials who commend Prime Minister Fayyad's actions – and many rate the PA's security performance higher than at any time in the past – express serious doubt. "The Palestinian security services cannot handle the job today, and

<sup>&</sup>lt;sup>52</sup> Crisis Group interview, senior Israeli official, 1 November 2007. An Israeli journalist who covers the Knesset concurred: "Simply going to Annapolis maxes out Olmert's wiggle room", Crisis Group interview, 24 October 2007.

<sup>&</sup>lt;sup>53</sup> Crisis Group telephone interview, former adviser to the Israeli minister of defence, 16 September 2007.

<sup>&</sup>lt;sup>54</sup> Likud is pushing for public demonstrations against Annapolis but Netanyahu prefers to keep silent, "because his stature as a national leader is growing anyway, and when Annapolis fails he will lead the nation", Crisis Group interview, Likud parliamentarian, Tel Aviv, 12 November 2007.

<sup>&</sup>lt;sup>55</sup> Israel Our Home was predicted to lose one seat and Shas two, *Haaretz*, 12 October 2007.

reached, thereby providing the two parties with the option to dissociate themselves from the document if they wished.<sup>56</sup>

Moreover, both parties strongly doubt an agreement will be achieved. An Israel Our Home Knesset member said, "the only reason Olmert is going through with this process is to say that he tried and failed. Abbas hardly represents anyone and cannot control the West Bank, and Israel and the Palestinians are too far apart". A Shas adviser agreed: "Olmert can't do it. He still has the Winograd Commision report pending; corruption investigations against him; the gap with the Palestinians is too big; and his coalition will still be weak and unstable even as negotiations progress. Plenty of things can bring him down". In other words, why jump now and forsake the benefits of office when the boat sooner or later will capsize of its own accord.

## **B.** PALESTINIAN POLITICS

In preparing for Annapolis, Abbas had to contend with a jaded public, a dysfunctional and disintegrating Fatah, divided territory and a violent confrontation with Hamas. As a result, reactions have run the spectrum between passive disinterest and active opposition. Even when Abbas's confidence was at its peak, few ordinary Palestinians seemed to place much faith in the meeting. Deep-seated distrust of Israel, continuing restrictions on movement and frequent Israeli incursions left West Bankers sceptical that anything would change. <sup>59</sup> In Gaza, it is hard to find anyone thinking about Annapolis; <sup>60</sup> with the

<sup>56</sup> While the notion that Olmert would stand a chance in an election appeared wholly fanciful a few months ago, it is somewhat less so today. The Winograd Commission appears to have lost some of its political salience and Olmert's commitment to an agenda with the Palestinians in addition to his government's efforts to restore the Israel Defence Forces' (IDF) credibility has substantially improved his poll numbers. Crisis Group interview, former Israeli minister, November 2007.

<sup>57</sup> Crisis Group interview, Israel Our Home parliamentarian, Jerusalem, 15 November 2007.

<sup>58</sup> Crisis Group interview, Shas parliamentary adviser, Jerusalem, 15 November 2007. The Winograd Commission is a government-appointed commission of inquiry charged with investigating the Israeli leadership's conduct during the 2006 war in Lebanon. It published an interim report on 13 March 2007 that was highly critical of several key cabinet members at the time, including Olmert and former Defence Minister Amir Peretzm as well as former IDF Chief of Staff Dan Halutz. Its final report is expected shortly. Separately, four corruption charges are pending against the prime minister, stemming from a real estate deal, the privatisation of Bank Leumi, his tenure as minister of industry, trade and labour and campaign financing.

<sup>59</sup> Crisis Group interviews, Palestinian residents, activists, and officials, various West Bank cities, September-November 2007. <sup>60</sup> "People have other problems. They do not trust the Israelis, and they have no expectation that anything will come out of it.

leadership in Ramallah pursuing what appears as a West Bank-first policy, Gazans expect no improvement, even if Abbas's agenda bears fruit.

The most outspoken opposition has come from Hamas. Contrary to some predictions, this has not yet taken the form of attempts to spoil the meeting by escalating attacks in the West Bank or in Israel proper. To some extent this may be due to Israeli counter-measures and restrictions placed on West Bank Islamists in the aftermath of the Gaza takeover. The interim government has shut down over 100 charities, arrested scores of Hamas activists, instituted controls on mosque sermons and prohibited Hamas rallies, distribution of literature and display of flags. <sup>61</sup> Israeli forces, too, have continued an extensive campaign of detention.

But Hamas's relative restraint also reflects its strong sense that Abbas's strategy will collapse under its own weight and that the Islamists should not, through their actions, give him an excuse for the impending failure. Speaking in September, a Hamas official said:

Everybody also knows we don't even have to try to undermine the upcoming meeting. On the contrary, it's better for us to have a complete failure under ideal circumstances, so that the causes are all the clearer. That doesn't mean that we don't want a solution, but we want a real solution, which means a new peace process rather than pretending that the old one isn't already dead.<sup>62</sup>

## Another added:

Abbas is betting everything on the meeting. But I believe it will be a disaster for him politically. First, there is no will on the part of the international community, particularly the U.S., to pressure Israel. Secondly, the Israeli government is weak and therefore is not in a position to deliver solutions. Thirdly, Abbas no longer represents all Palestinians. Even the U.S. seems to be realising that he cannot convince his own people. He is negotiating on his

It's simply not an issue; it's not part of our conversations, even among the elites. People are talking about the problems of daily life and Hamas", Crisis Group interview, PLO official, Gaza City, 20 September 2007.

<sup>61</sup> Crisis Group interviews, Hamas municipal and party leaders, Nablus and Hebron, September-October 2007. Hamas members say they are reluctant to even talk about the Islamist movement and the challenges it faces, out of fear they will be harassed or worse. A Hamas municipal council member claimed he had been arrested for mentioning the name of the movement over a loudspeaker in a mosque. According to his account, his interrogator said, "there is no such thing as Hamas anymore". Crisis Group interview, Nablus, 1 November 2007.

<sup>62</sup> Crisis Group interview, senior Hamas official, September 2007.

own behalf, without a clear and consensual mandate. He's promising the people things he just can't deliver. Basically, the current process is damaging him in two ways: because the U.S. and Israel are seen as giving him support and because in fact they don't give him any.<sup>63</sup>

Developments over the past weeks have done little to alter that view. "Rice has nothing in her pocket. Olmert is weaker than ever, and his coalition gives him no breathing space. Abbas is desperate for anything, even something small – but Rice and Olmert have nothing to give".<sup>64</sup> In a sign of increased defiance, the Islamist movement withdrew the mandate Abbas had been given in the 2006 National Conciliation Document and February 2007 Mecca Agreement, thus demonstrating that he could no longer negotiate on the Palestinians' behalf.<sup>65</sup> Speaking to a gathering of Arab intellectuals in Damascus on 5 November, Hamas leader Khaled Meshal said:

No one is authorised to offer any concessions or downsize the Palestinian national stand that was agreed upon [by Hamas and Fatah in 2006]. The message is clear...in light of the Palestinian division, the absence of national accord and the role of the legitimate Palestinian institutions, no one in the Palestinian arena is authorised to run negotiations of this type....Not only is no one authorised to offer concessions, no one has such an authorisation under the canopy of this Palestinian division and the absence of Palestinian national accord and of the genuine Palestinian decisionmaking institutions. Those who believe that the institutions that have been paralysed constitutionally and democratically for at least fifteen years...can provide them with a cover will find that they are naked.66

Hamas's posture appears predicated on the assumption that Abbas, returning empty-handed from Annapolis, would be forced to resume the intra-Palestinian dialogue.<sup>67</sup> As of now, that appears a miscalculation. Annapolis has been defined

in a way that virtually excludes the possibility of failure: while an event that launches permanent status talks, even with significant fanfare, falls well short of what had once been contemplated (and is much closer to the photo-op so loudly decried), it is hard to see how it can fail. Indeed, while Fatah and Hamas both harbour hopes that they will emerge strengthened from Annapolis (the former because of its success, the latter due to its failure), both probably will turn out to be wrong. Annapolis, in its current guise, can be said to be both failure-proof and success-proof – and thus unlikely to have any significant immediate impact on internal Palestinian dynamics.

Abbas and particularly Prime Minister Fayyad also face significant opposition from within Fatah. There is considerable resentment that, at a critical time in Fatah's history, neither the prime minister nor cabinet members are affiliated with the movement.<sup>68</sup> Nasir Qidwa, a Fatah Revolutionary Council member and former PA foreign minister, argued that appointing independents helps neither the movement nor the two-state cause at a time when Fatah already has been ousted from Gaza: "Precisely because of the severity of recent political events, we need the participation of all national political groups in the government – including big figures and a heavy Fatah presence, including at the level of prime minister".69 Attempts to restore order by bringing under control and disarming the collection of Fatah-affiliated militias operating in the name of the Al-Aqsa Martyrs' Brigades also have generated displeasure within its ranks. That said, even many who are dissatisfied acknowledge that they cannot now replace Fayyad, whose international credibility and capacity to attract foreign aid are unrivalled.<sup>70</sup>

# IV. THE DAY AFTER ANNAPOLIS

Whatever excitement is generated by Annapolis – and the sight of many countries, including some still technically at war with Israel, assembling in the quest for Israeli-Palestinian peace is certain to produce some, at least for a time – the test will come after, when final status talks resume in earnest, and action plans must be implemented on the ground.

The challenge will not be easy. The parties' inability to settle even on a broad statement of principles is a good indicator of the gaps and political difficulties they will face; the unsuccessful history of attempts to reach a final settlement

 <sup>&</sup>lt;sup>63</sup> Crisis Group interview, senior Hamas official, September 2007.
 <sup>64</sup> Crisis Group interview, senior Hamas official, November 2007.

<sup>65</sup> According to the 25 June 2006 National Conciliation Document, "administration of the negotiations falls within the jurisdiction of the PLO and the [PA] President". The Mecca Accords reconfirmed this document. See further Crisis Group Middle East Report N°62, *After Mecca: Engaging Hamas*, 28 February 2007.

<sup>&</sup>lt;sup>66</sup> English translation of address provided to Crisis Group by the office of Khaled Meshal.

<sup>&</sup>lt;sup>67</sup> "I think he will come back to dialogue with us after the conference", Crisis Group interview, Hamas official, September 2007. This view was reiterated by several other Hamas officials, Crisis Group interviews, Hamas leaders, Jenin, Nablus, and Ramallah, October 2007.

<sup>&</sup>lt;sup>68</sup> Crisis Group interview, Ziad Rujub, local Fatah leader, Dura, 27 September 2007.

<sup>&</sup>lt;sup>69</sup> Crisis Group interview, Nasir Qidwa, former PA cabinet minister, Ramallah, 6 September 2007.

<sup>&</sup>lt;sup>70</sup> Crisis Group interview, Fatah activist, Ramallah, October 2007.

is another. There is a serious question of what will happen if Israelis and Palestinians cannot agree and the risk that, should they fail, faith in diplomacy will be lost, and violence will resume. As for steps on the ground, the Oslo process as a whole casts serious doubt on their feasibility and strongly suggests that in the absence of a genuine political deal, neither party will be both willing and able to fully carry out its obligations. This is particularly true if spoilers on either side seek to undermine the process. These sobering considerations ought to guide the parties and international community in devising the post-Annapolis process. What follows are a series of issues that will be central in assessing its chances for success.

# A. STEERING FINAL STATUS NEGOTIATIONS

# 1. Structuring the talks

In discussions with Palestinians, the most oft-mentioned fear is of an open-ended negotiating process that generates little pressure on Israel to conclude. In reaction, they traditionally have requested timetables, deadlines and some form of forceful international intervention in the event of a deadlock. However appealing in principle, these tend to break down in practice. While Palestinians are convinced that a timetable is required to protect the negotiations' credibility and generate pressure on the parties,<sup>71</sup> the history of the peace process is one of missed deadlines (the Oslo accords projected that a final status agreement would be reached by 1999 and the 2003 Roadmap that this would be achieved within two years). Justifiably or not, Israelis also argue that to set a deadline and then miss it would increase the chances of a violent Palestinian reaction.<sup>72</sup> Although the parties appear to be settling for the end of the Bush presidency (January 2009) as a target, Palestinians should be under no illusion that this will be binding or even meaningful.<sup>73</sup> Likewise, there is little chance that the U.S. will be prepared to impose a solution should the parties disagree.

That said, the negotiations structure at a minimum should be set up with an eye on preventing the talks from going adrift, maintaining constant pressure on the parties and providing them with outside proposals in the event they hit gridlock. Israelis and Palestinians should be asked

<sup>71</sup> Crisis Group interview, senior PA official, Ramallah, October 2007. to report periodically to relevant international actors (e.g., the Quartet and key Arab countries) at meetings to be convened at regular intervals. (Rice is said to have promised a second gathering in Russia.) The parties thereby would be under some pressure to account for their progress, or lack thereof.

# 2. Tabling bridging proposals

At the right time, the U.S., in conjunction with others, should be prepared to table their own bridging proposals – not as an imposition, but as suggestions to break a logjam, and not as individual initiatives, but as collective ones enjoying the broadest possible international support, not least from Europe and the Arab world. During the last U.S. effort, this was tried too late and with insufficient prior international coordination. By December 2000, President Clinton had only a month left in office and Prime Minister Barak not much more. Of course, this will require a willingness – especially on the part of the U.S. – to take difficult and at times controversial positions on issues and to stick by them.

# 3. Preparing a safety net

Another key lesson of Camp David is the need to think ahead about what will happen if the parties fail to reach a final accord. This entails considering possible fallbacks; to date, the only suggestion has been to revive the Roadmap notion of a state with provisional borders. But Palestinians have strong reservations, fearing the provisional would become permanent and that such statehood would make the search for a comprehensive and sustainable solution less urgent.

# B. IMPROVING THE SITUATION ON THE GROUND

# 1. Concrete steps toward a two-state solution

A core assumption of the Oslo process was to begin with mutual confidence-building measures through which the parties would demonstrate their good-will; with trust established, they could more effectively engage in final status negotiations. The logic proved utterly flawed. Rather than build trust, the exercise undermined it as both sides husbanded their assets in anticipation of the final negotiations. Israel continued building settlements and confiscating property; Palestinians did not do enough to rein in their armed groups. As a result, permanent status negotiations were repeatedly postponed and, when they took place, occurred in an atmosphere that had significantly soured.

<sup>&</sup>lt;sup>72</sup> Crisis Group interview, Israeli official, Jerusalem, November 2007

<sup>&</sup>lt;sup>73</sup> Mocking this achievement, Khaled Meshal said, "when the Palestinian negotiator brought a little pressure to bear on the issue of the timetable, Rice brought them glad tidings – the timetable will be until the end of Bush's term in office. When Bush ends his term, he will, naturally, not be able to commit the administration that comes after that. Thus, we will be paying the price without getting anything in return", 5 November address, op. cit.

That does not mean that one can or should ignore realities on the ground. To the contrary: discrepancy between lofty talk at the table and appalling realities on the ground discredits both the talkers and what they are talking about. It means that concrete measures should not precede but should rather be implemented parallel to ongoing permanent status talks. Instead of framing this in terms of confidence-building measures designed to help the other side, the parties should think in terms of steps that serve their own self-interest: Israelis increasingly are aware that disengaging from Palestinian territories is a critical Israeli interest, just as Palestinians increasingly understand that restoring law and order is a Palestinian interest. In the same spirit, the two sides should focus on concrete steps that can move the situation on the ground toward a settlement. In so doing, they could both improve daily lives and, importantly, maintain the credibility of the two-state solution, even at times when negotiations stall. The purpose would also be to create the sense of a process that would be ongoing, even in the event that talks failed, rather than one that might come to an abrupt end.

The most important Israeli decisions in this respect would be to freeze settlements and reopen Palestinian offices and institutions in East Jerusalem. These have no possible security drawback, point to resolution of two critical final status issues (territory and Jerusalem) and therefore can help build the case that movement toward a two-state solution is real. The settlements freeze would have to be comprehensive; reports that it could exclude areas west of the separation barrier which Israel claims are slated for annexation, or obvious loopholes such as allowing for undefined natural growth, would raise serious questions among Palestinians.<sup>74</sup> In East Jerusalem, the priority should be to reopen Orient House and the Chamber of Commerce, as well as educational and health institutions,

<sup>74</sup> On 19 November, Olmert told his cabinet that Israel will not establish new settlements and will begin to dismantle outposts. "Let us admit to ourselves: We committed not to build new settlements – we won't build new settlements. We promised not to expropriate land – we won't expropriate. We promised to raze illegal outposts – so certainly, we will raze them". Haaretz, 19 November 2007. Palestinians were quick to point out that the pledge did not say that Israel would freeze all construction in existing settlements, as required by the Roadmap. Ibid. In discussions with the U.S., Israeli officials indicated clearly it would be easier for them to freeze settlement construction than to remove unauthorised outposts, since the latter involved an actual physical confrontation with settlers. Referring to Israel's traditional practice of invoking exceptions that empty the freeze of much of its content, a U.S. observer caustically commented, "of course they chose the settlements freeze over the removal of outposts. It's easier to do, and they won't have to do it". Crisis Group interview, Washington DC, November 2007.

as a signal of the Israeli government's understanding that the Palestinian capital will be there.

Finally, and although not included in the Roadmap, the importance of large prisoner releases should not be underestimated – nor should that of small releases be overestimated. The two releases effectuated earlier this year (approximately 335 in total), won the interim government at best limited kudos, at worse derision. 75 Larger prisoner releases and, better yet, an agreed-upon plan for rolling releases, would have a measurable impact.<sup>76</sup>

For reasons mentioned above, all sides have now embraced the long-dormant Roadmap as the most effective guide for such practical steps. The apparent consensus masks a disagreement: whereas Palestinians argue (and a plain reading of the document suggests) that the parties must implement their commitments in parallel, Israel traditionally has insisted that it will carry out its obligations only after the PA has met its security requirements. While some Israeli measures are related to Palestinian performance (withdrawing to the positions held on 28 September 2000 or facilitating free movement), many are not -a settlement freeze, removing outposts or reopening Palestinian offices and institutions in East Jerusalem. The U.S. and the Quartet should make clear they do not accept the sequential approach.

All in all, though, some scepticism is in order. An Israeli minister remarked:

> Olmert is too weak to implement the first stage of the roadmap. He cannot open Palestinian institutions in Jerusalem. He cannot evacuate all the outposts. He cannot reduce the number of checkpoints in a way that would be meaningful for Palestinians. As for a settlement freeze, he can say it but it won't really matter – maybe on the East side of the fence it will matter. But on the West side, it won't.<sup>77</sup>

<sup>&</sup>lt;sup>75</sup> A former PA cabinet minister contends that it is humiliating and undignified for Abbas, as PLO leader, to entreat Olmert to release prisoners; these pleadings seemed a throwback to an earlier era when village *mukhtars* (headmen) would supplicate before Israeli military governors. Crisis Group interview, Ramallah, August 2007. Another former cabinet minister said of these releases, "making prisoners a high-priority issue simply gives Israel a card to play against us. If you have a political settlement, Israel will be begging us to take the prisoners back. And in return for a political settlement, will a prisoner complain about sitting in jail for an extra six months? I'm not insensitive to prisoner concerns; they are vital. But the land is the number one priority", Crisis Group interview, Ramallah, 6 September 2007. On 19 November, the Israeli cabinet approved the release of another 441 Palestinian prisoners,. *Haaretz*, 19 November 2007.

<sup>&</sup>lt;sup>77</sup> Crisis Group interview, Israeli minister, Jerusalem, 14 November 2007.

# **2.** Being realistic about Palestinian security performance

The most important PA step would be to restore law and order in the West Bank – a Palestinian as much as an Israeli interest. There should be no false hope. True, the current round of security reform has started somewhat promisingly. Increased safety in Ramallah and Nablus has encouraged their residents, including armed elements who also thirst for a better life. 78 Palestinian security services are acting with increased boldness, venturing into refugee camps and Nablus's Old City, areas previously considered off-limits. Within Nablus, which has been hailed as the principal PA success story, achievements are attributed to a determined new governor, Jamal Muhaisin, who enjoys collective backing from the president, prime minister, and interior minister, "thereby limiting the ability of local security officers to ignore him in coordination with their commanders in Ramallah".79

That said, and PA claims to have implemented 90 per cent of the Roadmap notwithstanding, optimism is premature.<sup>80</sup> Nablus's security problems – not to mention those of the rest of the West Bank and the fact that Gaza is under Hamas's control – remain profound. Although there has been a reduction in car thefts and street crime, and although some weapons have been confiscated, armed gangs so far have not so much disbanded as lowered their public profile, waiting for the situation to clarify. 81 Indeed, the interim government's capacity is still limited. There is no functioning court system; in the absence of jails in some areas, the authorities are using rented buildings as holding pens. Local security personnel report that in many places they are still outgunned, mostly by Hamas but also by some gangs, which can afford M16s. 82 According to a PLO official, "there is order but no law; the security forces are brandishing the stick but the judiciary remains non-existent. For now, lawless elements are cowed and lying low, but for how long? This is not sustainable".83 In areas beyond Nablus and Ramallah, efforts to restore law and order have yet to bear fruit.

Such realities contribute to Israeli scepticism, which lead to continued Israeli military interference, which further debilitate Palestinian capabilities. A former senior

<sup>78</sup> Crisis Group interview, Fatah activist, Nablus, 2 September 2007.

Palestinian security official argued that repeated Israeli incursions obstruct and discredit the Palestinian campaign, while adding nothing to its achievements, because internal Palestinian law and order "is not part of Israel's agenda".<sup>84</sup>

# 3. Monitoring the parties' actions and holding them accountable

During Oslo, neither side fulfilled its commitments, and neither was held to account. If the Annapolis process is to be different, the Quartet needs to put in place a credible monitoring mechanism. As noted above, the U.S. administration has acknowledged its failing in this regard and has promised to remedy it, though here too details will be crucial.

# C. CREATING AN INCLUSIVE PROCESS

# 1. Restoring Palestinian unity

As Crisis Group repeatedly has argued, internal Palestinian divisions hinder achievement of a sustainable peace. The PA cannot effectively and durably deliver on security without Islamist cooperation, or on peace if Hamas's constituency has been pointedly excluded or on statehood if Gaza is left outside the equation.

The Annapolis meeting, and now the process poised to emanate from it, have become a primary arena within which the Hamas-Fatah struggle is being played out. Not coincidentally, U.S. interest in renewed diplomacy occurred in the aftermath of the Gaza takeover, the Bush administration clearly sensing the opportunity for supporting Fatah and marginalising Hamas. Through Annapolis, Abbas hopes to undermine the Islamists by demonstrating that diplomacy and flexibility can succeed where militancy has failed, not only with credible progress towards national objectives, but also in terms of real change on the ground, including revitalisation of the PA and the Palestinian economy. Hamas, by contrast, is wagering that Abbas will either return empty-handed or shatter the legitimacy of his approach by strategic concessions which go beyond the Palestinian consensus. Conversely, should the Annapolis process appear poised to yield results, particularly at a time when Gaza remains under siege, it is unlikely that a sidelined Hamas would stand idly by.

Whether Annapolis succeeds or fails, in other words, the Hamas question will remain unresolved, and its exclusion risks undermining chances of stability and peace. A former Islamist minister put it bluntly:

<sup>&</sup>lt;sup>79</sup> Crisis Group interview, Nablus municipality employee, Nablus, November 2007.

<sup>&</sup>lt;sup>80</sup> A senior PA security official went so far as to claim, "we have implemented the first phase of the roadmap", Crisis Group interview, Ramallah, 11 November 2007.

<sup>&</sup>lt;sup>81</sup> Crisis Group interview, PLO official, Nablus, October 2007.

<sup>&</sup>lt;sup>82</sup> Crisis Group interview, Palestinian security officials, Salfit, 18 September 2007.

<sup>&</sup>lt;sup>83</sup> Crisis Group interview, PLO official, Nablus, November 2007.

<sup>&</sup>lt;sup>84</sup> Crisis Group interview, former senior PA security official, October 2007. The assessment was echoed by other Palestinian security officials interviewed by Crisis Group.

Without Gaza and without Hamas in the West Bank, what and who is Abu Mazen negotiating on behalf of? Negotiations involve give-and-take, but given the current political reality, there is very little he will be able to give. Will he be able to guarantee a ceasefire? Can he guarantee that Palestinians will carry out his commitments? Were he to go as part of a national unity government, on the Mecca platform, he would be in a stronger position. He would represent all Palestinians. Any agreement will need to be approved in a referendum. But Abbas can't do it in Gaza. And in the West Bank, Islamic Jihad and Hamas will be excluded. So whatever vote might occur will be tantamount to primaries within Fatah.<sup>85</sup>

However, current prospects for reconciliation are dim. <sup>86</sup> This is particularly true after the bloody Gaza events of 11 November, in which – under still unclear circumstances – Hamas security forces fired upon and killed several demonstrators commemorating the anniversary of Arafat's death and after which Abbas urged Gazans to oust the Islamists from power. <sup>87</sup> Both movements presently appear more concerned with consolidating power within their respective areas of influence. To the extent talks are taking place, they are limited to "informal contacts aimed at exploring the basis upon which substantive talks might take place at a later stage". <sup>88</sup> A senior Hamas leader said:

There are no real talks between Hamas and Fatah, and the situation is unclear. This is good neither for Hamas nor for the people. Sure, many meetings occurred, but Fatah didn't consider them as openings. We need such contacts, but in practice they don't fit Abbas's policy. Also, I think Abbas is scared because the U.S. and Israel have vetoed talks with Hamas.<sup>89</sup>

Within Hamas, the influence of the more militant elements that have physical control over Gaza and scant interest in relinquishing it appears to have risen, as has the temptation to forsake politics and revert to a more traditional stance of

85 Crisis Group interview, Muhammad Barghouti, Islamist minister of local government in the PA national unity

social action and armed activity. Within Fatah, many view the prospect of dialogue with those considered putschists as beyond the pale and will accept nothing less than a wholesale reversal of fortunes. <sup>90</sup> Israel and the international community have deepened the rift with their insistence that Israeli-Palestinian diplomacy and Palestinian reconciliation are fundamentally incompatible. <sup>91</sup>

At some point, however, and sooner rather than later, Arab countries should pressure both factions to resume their dialogue and restore both the PA's territorial integrity and at least a modicum of Palestinian unity. Ultimately, successful Israeli-Palestinian diplomacy will require a new power-sharing agreement between the factions and a clear political platform which includes commitment to a comprehensive Israeli-Palestinian ceasefire; reform and defactionalisation of the security forces; and Islamist integration into a reformed PLO. 92

# 2. Pursuing a ceasefire in Gaza

The question of how to deal with Gaza, especially in the shadow of negotiations, is no less salient for Israel. A senior security official acknowledged: "We need a new strategy for Gaza as we proceed with negotiations. There are a number of options but we haven't figured the best one out yet". One option, which currently enjoys majority political support, is to further increase pressure in response to each firing of rockets from Gaza. Many Israelis dismiss the notion that they are engaged in collective punishment, arguing that they cannot be expected to help a "hostile entity" – as the government defined it on 19 September – that is subjecting them to attacks. They also hope that they can exacerbate tensions between Hamas and the Palestinian public, thereby either significantly reducing its popular support or forcing it to halt the attacks.

The siege clearly is taking its toll. According to recent statistics, some 80 per cent of Gazans live in poverty, and unemployment stands at around 44 per cent; vital medical necessities are in short supply, and several patients have died because they were denied access to Israeli facilities; and there are shortages of basic food stuffs, including milk powder, fruits, fresh meat and fish, vegetables and dairy products. Between June and September 2007 the cost of 1kg of fresh meat increased by 25 per cent; that of chicken by 50 per cent. 94 A senior Hamas official conceded:

government, Ramallah, 26 September 2007.

<sup>&</sup>lt;sup>87</sup> Abbas said, "we must get rid of this clique that took control of the Gaza Strip by force and which is exploiting the suffering and tragedies of our people", *Arab News*, 16 November 2007. Hamas responded that it was a "pillar of the Palestinian people and not a clique that one can simply remove". Ibid.

<sup>&</sup>lt;sup>88</sup> Crisis Group interview, PA official, Ramallah, October 2007.

<sup>&</sup>lt;sup>89</sup> Crisis Group interview, senior Hamas leader, 11 November 2007.

<sup>&</sup>lt;sup>90</sup> "Abbas Calls for Hamas Overthrow in Gaza", *Haaretz*,, 15 November 2007.

<sup>&</sup>lt;sup>91</sup> See Crisis Group Middle East Reports N°68, *After Gaza*, 2 August 2007; N°62, *After Mecca*, op. cit.

<sup>&</sup>lt;sup>92</sup> See Crisis Group Report, *After Gaza*, op. cit.

<sup>&</sup>lt;sup>93</sup> Crisis Group interview, senior Israeli security official, 14 November 2007.

<sup>&</sup>lt;sup>94</sup> Crisis Group interview, humanitarian aid worker, Washington DC, November 2007.

Nothing worse has ever happened to Hamas than the current siege on Gaza society. Gaza has been turned into a prison by Egypt and Israel. In a prison, only five things are made available: air, water, light, food and medicine. That is all Egypt and Israel make available to us. We cannot put Egypt and Israel on a par but the Egyptians share the responsibility. They are doing nothing, less than nothing if that's possible, and it is a disgrace. I guess they are scared. Perhaps the Israelis threatened them with having to take full responsibility for Gaza, and nobody is ready to do that, apart from Hamas!<sup>95</sup>

However, precedent hardly suggests that Hamas will respond to such pressure by surrendering; to the contrary, there is every reason to fear that if the pressure continues without the movement being offered a realistic way out, it will escalate its attacks, shifting the debate to a topic – the Israeli-Palestinian confrontation – in which it can count on broad popular support.

Another option is for Israel to pursue a ceasefire, which would include a relative opening of the crossings and restoration of some normalcy in Gaza. For now, it is widely opposed in both Jerusalem and Ramallah. 96 A ceasefire, they fear, would legitimise Hamas at a time when it is most isolated internationally, allow it to rebuild its strength in anticipation of the next round of fighting and enable it to concentrate its efforts in the West Bank.<sup>97</sup> Officials in Ramallah argue that a Gaza ceasefire agreement between Israel and Hamas would deepen and institutionalise the split between the West Bank and Gaza Strip; manifestly, they also feel that it would strengthen Hamas in its rivalry with Fatah. According to a Palestinian negotiator, "a ceasefire in Gaza would allow Israel to manage the West Bank and Gaza separately and reinforce Hamas's legitimacy as a separate government".98

The concerns may be understandable but are shortsighted. Beyond the sheer imperative of reducing casualties on both sides, a ceasefire accompanied by genuine loosening of the siege would give Hamas (including its more hardline elements in Gaza) a stake in continued calm and decrease the likelihood that the Islamists would torpedo the post-Annapolis talks. Conversely, escalating attacks from Gaza would affect what happens on the political front. Should they

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lead to significant loss of Israeli life, they inevitably would sour the mood for negotiations and compromise. Should they trigger heavy Israeli retaliation or incursion into Gaza, with concomitant substantial Palestinian victims, the Palestinians would find it hard to negotiate as if nothing had happened. Nor could one exclude a spillover effect in the West Bank, dooming any prospect of improvement there.

# 3. Including Syria

There are signs both that the U.S. will invite Syria to the meeting and that Syria (if satisfied that it had received a separate invitation and that the gathering would mention the necessity of a comprehensive peace) will attend. This appears to be a response to Palestinian and wider Arab demands (both of whom fear that if Syria is not present, that will become the story of the meeting), <sup>99</sup> and even, apparently, to an Israeli request <sup>100</sup> – not a reflection of any underlying shift in U.S. policy. In other words, it does not yet settle the question of whether and to what extent the U.S. is prepared to engage Syria and support resumed negotiations over the Golan. <sup>101</sup>

American officials who oppose reaching out to Damascus list a series of reasons. They argue that the Syrian regime merely seeks a respite from international pressure, not genuinely to change its regional posture. They consider any overture by President Bashar – and particularly his calls for renewed Israeli-Syrian peace negotiations – as disingenuous attempts to break out of increased isolation, cover up greater intrusion in Lebanese affairs (particularly in the context of its presidential elections), and shift focus away from the investigation into former Prime Minister Hariri's assassination.

Engagement with Syria is seen as futile or, worse, damaging, an escape hatch for a regime that only responds – if at all – to sustained pressure. As U.S. officials put it, Damascus may like to recover the Golan, but its core interests lie elsewhere: resuming its hegemony over Lebanon and scuttling the international tribunal. Since Washington is not prepared

<sup>&</sup>lt;sup>95</sup> Crisis Group interview, senior Hamas official, November 2007.
<sup>96</sup> Opinion among officials in Ramallah and Jerusalem is overwhelmingly against a ceasefire, though opposition is not monolithic. Crisis Group interviews, senior foreign ministry official, Jerusalem, 6 November 2007; senior security official, Jerusalem, 14 November 2007.

<sup>&</sup>lt;sup>97</sup> Crisis Group interview, Israeli defence official, Jerusalem,14 November 2007.

<sup>&</sup>lt;sup>98</sup> Crisis Group interview, Palestinian negotiator, Ramallah, November 2007.

<sup>&</sup>lt;sup>99</sup> A Palestinian official argued in favour of including Syria while excluding Hamas, thereby splitting Damascus from both the Islamists and Tehran, Crisis Group interview, Ramallah, November 2007.

<sup>&</sup>lt;sup>100</sup> Crisis Group interview, Israeli official, Jerusalem, November 2007. Defence Minister Barak in particular has indicated his strong interest in resuming negotiations to "test" Bashar's sincerity. Crisis Group interview, Israeli official, Jerusalem, November 2007. Olmert too has sent signals of interest, saying, "the fact that there is currently a great focus on the Palestinian question in the Annapolis summit does not mean that other parties are being neglected, but it is best not to expound on this matter at this time". *Haaretz*, 19 November 2007.

<sup>&</sup>lt;sup>101</sup> See Crisis Group Middle East Report N°63, *Restarting Israeli-Syrian Negotiations*, 10 April 2007.

to concede on either, there is little to be gained by discussions. Indeed, initiation of a high-level dialogue would send a signal to worried U.S. allies in Lebanon (the March 14 forces) that a deal was being cooked behind their backs.

Commenting on the debate within the administration, a senior U.S. official said:

There are two camps within the administration. Those who see things principally through a Lebanese lens tend to believe Syria needs to be isolated and pressured. Those who have been on the ground in Iraq tend to believe engagement is the better course. Until now, the first school has the upper hand. <sup>102</sup>

The current American position is flawed and its conclusions erroneous. While there is widespread agreement that President Bashar's position has been bolstered as a result of both the 2006 Lebanon war and personnel changes he has been initiating over the years, he contemplates an uncertain future. The regime faces sectarian polarisation in the region, a decline in its political legitimacy and, most of all, acute economic problems linked to the loss of external subsidies, the expected drying up of its oil resources within the next few years and the sclerosis of its system. Although in his early 40s, Bashar has inherited an ageing regime for whom caution increasingly is akin to inertia. Confronted with the real possibility of regime stagnation and gradual decline, he needs a major achievement to revive its legitimacy. Regaining the Golan, with all the attendant diplomatic and economic benefits - most notably normalisation with the West – could be critically important.

Responding to the concern expressed by a U.S. official that Syria might try to "hijack" the peace conference and divert attention away from the Israeli-Palestinians process, a senior Syrian official said:

Of course, the Golan must be listed as an item on the agenda. But I wonder: who is telling these people that Syria will hijack the conference, or wants to take the focus away from the Palestinian cause. The Palestinian issue is the cause, the central cause, the crux of the matter. The Golan was occupied because of it. We consider that any progress on the Palestinian track translates into progress on all tracks. But in no way should the Palestinian track mean that we just forget about the Golan. These people are simply crazy to think we want to compete with the Palestinians and draw the attention away from them. In our recent meetings with Mahmud Abbas's envoy and Khalid Meshal, we told them that (1) the priority is the Palestinian issue; (2) all tracks need to be dealt with; and (3) Palestinians should work to advance their unity. What happened in Gaza is unacceptable, whoever carries the blame and despite absurd declarations of "victory". 103

Ultimately, the picture of Syrians sitting at the table with Israelis and negotiating the Golan would have a ripple effect in a region where rejection of Israel's right to exist is gaining ground and where Syria's allies (Iran, Hizbollah and Hamas) are on record as opposing a negotiated settlement. Moreover, the onset of peace talks would affect the behavior of militant groups close to Syria. For these reasons, not only should Syria be invited to Annapolis; Annapolis should serve as the starting point for renewed, genuine negotiations over the Golan.

# 4. Deepening Arab involvement

The question of Arab, and especially Saudi, participation at Annapolis has been poorly handled from the outset. By publicly highlighting its centrality as a prerequisite for the meeting's success, the U.S. and Israel unwittingly heightened the Arab world's leverage. Paradoxically, by claiming such attendance as a potential breakthrough, they also made it more difficult; at a time of deep scepticism among their publics toward the peace process, many Arab leaders would prefer not to be seen as taking a so-called historic step.

The end result has been bad feelings all around. An Israeli official reflected the general mood: "The Arabs are misreading the Israeli political scene. We will not do something we think is a mistake in order to get a sheikh to come to the meeting. The real damage here is to Abbas. He needs Arab legitimacy to stave off Hamas". In mirror image, Arab states fear being dragged into normalisation with Israel without commensurate political progress. A senior Arab official remarked that "success at Annapolis or after should not be measured by whether Arabs speak to Israelis. That is childish". Arab diplomats point out that the Arab Peace Initiative lays out a clear position: full normalisation with Israel in exchange for full withdrawal

<sup>&</sup>lt;sup>102</sup> Crisis Group interview, senior U.S. official, Washington DC, November 2007.

<sup>103</sup> Crisis Group interview, senior Syrian official, Damascus, November 2007. On the question of Palestinian unity, he added: "If I were in the shoes of someone negotiating with Mahmud Abbas, I would ask him these two questions: Who do you represent, if it's only 20, 30, 40 per cent of Palestinians? And can you deliver if we sign an agreement with you? Those are the questions the Israelis are asking, and the answers are obvious. Therefore, we told both our Palestinian brothers that we stand at equal distance from all factions, that they should work toward unity, and that we are willing to help if there is anything we can possibly do".

<sup>&</sup>lt;sup>104</sup> Crisis Group telephone interview, senior Israeli official, November 2007.

<sup>&</sup>lt;sup>105</sup> Crisis Group interview, Arab official, New York, September 2007.

to the 1967 lines (although it is understood that, in the Palestinian case, territorial swaps are acceptable).

The main challenge after Annapolis will be to use Arab engagement as a tool for Israeli-Palestinian progress. By supporting Palestinian compromises, the Arab world can provide important political cover to the Palestinian leadership and, to some extent, mute internal Palestinian opposition. Likewise, by tying gradual normalisation with Israel to advances in the peace talks and improvements on the ground, the Arab world can substantially facilitate the Israeli public's acceptance of such steps. For any of this to work, and contrary to what occurred at Camp David, the U.S. will have to treat Arab countries as full partners in the peace process, and they, in return, will need to assume this status in full.

Jerusalem/Washington/Brussels, 20 November 2007

## APPENDIX A

## ABOUT THE INTERNATIONAL CRISIS GROUP

The International Crisis Group (Crisis Group) is an independent, non-profit, non-governmental organisation, with some 145 staff members on five continents, working through field-based analysis and high-level advocacy to prevent and resolve deadly conflict.

Crisis Group's approach is grounded in field research. Teams of political analysts are located within or close by countries at risk of outbreak, escalation or recurrence of violent conflict. Based on information and assessments from the field, it produces analytical reports containing practical recommendations targeted at key international decision-takers. Crisis Group also publishes *CrisisWatch*, a twelve-page monthly bulletin, providing a succinct regular update on the state of play in all the most significant situations of conflict or potential conflict around the world.

Crisis Group's reports and briefing papers are distributed widely by email and printed copy to officials in foreign ministries and international organisations and made available simultaneously on the website, www.crisisgroup.org. Crisis Group works closely with governments and those who influence them, including the media, to highlight its crisis analyses and to generate support for its policy prescriptions.

The Crisis Group Board – which includes prominent figures from the fields of politics, diplomacy, business and the media – is directly involved in helping to bring the reports and recommendations to the attention of senior policy-makers around the world. Crisis Group is co-chaired by the former European Commissioner for External Relations Christopher Patten and former U.S. Ambassador Thomas Pickering. Its President and Chief Executive since January 2000 has been former Australian Foreign Minister Gareth Evans.

Crisis Group's international headquarters are in Brussels, with advocacy offices in Washington DC (where it is based as a legal entity), New York, London and Moscow. The organisation currently operates twelve regional offices (in Amman, Bishkek, Bogotá, Cairo, Dakar, Islamabad, Istanbul, Jakarta, Nairobi, Pristina, Seoul and Tbilisi) and has local field representation in sixteen additional locations (Abuja, Baku, Beirut, Belgrade, Colombo, Damascus, Dili, Dushanbe, Jerusalem, Kabul, Kampala, Kathmandu, Kinshasa, Port-au-Prince, Pretoria and Yerevan). Crisis Group currently covers some 60 areas of actual or potential conflict across four continents. In Africa, this includes Burundi, Central African Republic, Chad, Côte d'Ivoire, Democratic Republic of the Congo, Eritrea, Ethiopia,

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November 2007

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