

## BICOM Briefing

# Peace plan or no plan: US policy in Israeli-Palestinian negotiations

June 2019



## INTRODUCTION

The US is hosting an “economic workshop” in Manama, Bahrain on June 25 and June 26. The event was originally intended to be the launchpad for the economic component of the US plan for Israeli-Palestinian talks. A second election in Israel on September 17 has now delayed the intended publication of the US plan, which could ultimately be postponed until after the 2020 US presidential election.

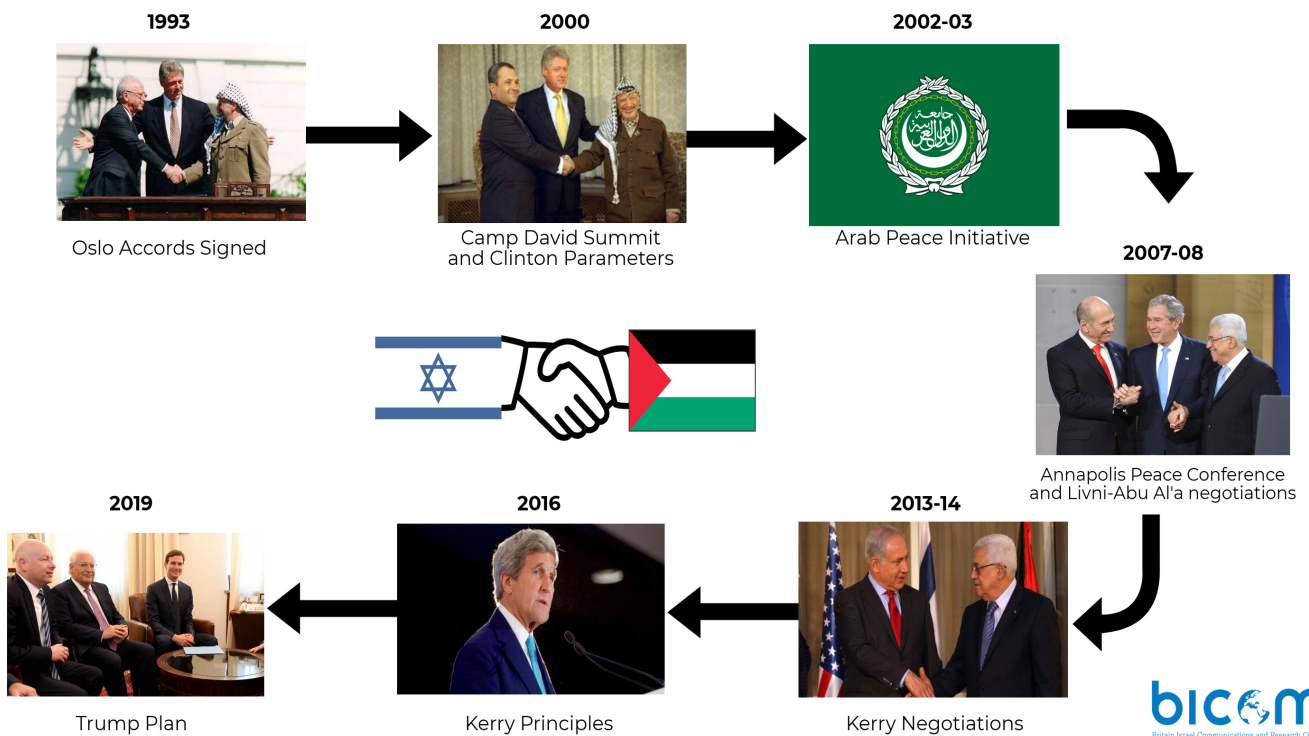
The contents of the administration’s long-awaited plan have remained secret. Jared Kushner has said it is a: “Framework ... [which] will lead to both sides being much better off.” Kushner has emphasised that the plan includes both a political and economic solution and confirmed that it would address the core final-status issues between Israelis and Palestinians.

The Palestinian Authority (PA) has boycotted the US administration ever since US President Donald Trump recognised Jerusalem as the capital of Israel in December 2017 and moved the US embassy to (West) Jerusalem in May 2018. Palestinian Authority Foreign Minister Riyad Malki branded the US plan ‘the consecration of [Palestinians’] century-old ordeal’. Israeli Prime Minister Benjamin Netanyahu’s close relationship with President Trump means he is unlikely to reject the plan outright and may accept it as a basis for negotiations.

## THE TRADITIONAL AMERICAN APPROACH TO PEACEMAKING

The US plan will be vastly different to previous US plans published by Bill Clinton, George W Bush and Barack Obama. Kushner has long argued that ‘doing it the old way hasn’t really worked’ adding: ‘If we are going to fail, we don’t want to fail doing it the same way its been done in the past’.

### The Peace Process: a Timeline



The core issues of conflict between Israel and the Palestine Liberation Organisation (PLO) were defined in the Declaration of Principles on Interim Self-Government Arrangements in September 1993, which subsequently became known as the Oslo Accords. This agreement deferred sensitive ‘final-status’ issues, such as territory/borders/settlements, security, Jerusalem, and refugees, to future (permanent-status) negotiations.

The Clinton, Bush, and Obama administrations led, mediated, or facilitated rounds of Israeli-Palestinian negotiations to reach agreement on these issues. The Clinton Presidency was very active in the peace process. Clinton hosted the signing of the Oslo Accords on the White House lawn, visited Gaza in 1998 when the PLO's Palestine National Council voted to abrogate anti-Israel provisions in its covenant, helped negotiate the 1998 Wye River Memorandum, and was heavily involved in final-status negotiations at the Camp David Summit in July 2000. He subsequently presented the 'Clinton Parameters' in December 2000.

The Bush administration was initially guided by 'ABC' (Anything but Clinton) and wished to steer clear of Israeli-Palestinian peace making. When it began to be involved after 9/11, it initially worked on Palestinian reform and subsequently the Roadmap for Peace – which focused on 'fighting terrorism and establishing a 'Palestinian state in provisional borders' before discussing the final status issues. In a June 2002 speech, President Bush said: "If Palestinians embrace democracy, confront corruption and firmly reject terror, they can count on American support for the creation of a provisional state of Palestine." But in its second term, the administration increasingly turned its attention to final status negotiations with the 2007 Annapolis Conference. Following the conference, two negotiation tracks were launched – one between Israeli Foreign Minister Tzipi Livni and senior PLO official Abu Ala and another between Israeli Prime Minister Ehud Olmert and Palestinian Authority President Mahmoud Abbas. The administration was not actively involved in these negotiations (Bush told the sides "if you want me to negotiate the deal, I won't do it [but] I will be as engaged as you want me to be"), nor did it present any final status parameters. But it did help Israelis and Palestinians agree on a territorial baseline and subsequently lent support to Olmert's proposal to Mahmoud Abbas in September 2008.

The Obama administration position evolved during negotiations led by Secretary of State John Kerry between July 2013 and April 2014. Kerry set out his position in a speech in late December 2013 – which was welcomed by Arab states such as Egypt, Jordan and Saudi Arabia. Kerry had earlier produced two internal documents (never published but reported in Israeli newspaper *Haaretz*). The first of these was circulated on 12 February 2014, soon before Kerry met Abbas in Paris, with the second – which was closer to Palestinian positions but rejected by Abbas – circulated on 15 March 2014, just before Obama welcomed Abbas to the White House. In contrast to Bush's Secretary of State Condoleezza Rice, Kerry was very active and produced his own plan.

## EXPANDING THE PARADIGM: THE EVOLUTION OF THE REGIONAL ROLE

American administrations have long understood the potential value of including Arab states in Israeli-Palestinian talks. On 28 March 2002, at the height of the Second Intifada, the Arab League met in Beirut and unanimously adopted what became known as the Arab Peace Initiative (API). The API called for full territorial withdrawal, by Israel, from all the territories captured during the 1967 Six-Day War and a just, agreed upon solution to the refugee problem on the basis of UN General Assembly Resolution 194. In return, all Arab League states agreed to sign peace agreements with Israel and normalise their relations as part of a comprehensive regional peace deal.

Many Israelis saw the initiative as a non-negotiable offer requiring Israel to commit to a full withdrawal to the pre-1967 armistice lines, before receiving normalised relations from the Arab world. However, in recent years, there have been significant strategic changes in Israeli-Gulf relations, which have led to amendments to the API.

President Bush understood the benefit of including Arab states in the peace process and suggested that Arab states attend the Annapolis Conference in order to strengthen PA Chairman Mahmoud Abbas. Yet it was the Obama administration which sought to leverage Arab support for a breakthrough. Encouraged by Kerry, the Arab League amended the API in 2013 to accept the principle of mutually agreed land swaps, rather than a complete withdrawal to the pre-1967 armistice lines. Arab states have also indicated that normalising steps towards Israel can be taken in parallel to Israeli moves rather than sequentially (whereby Israel has to fully withdraw before any normalisation in relations).



The driving force behind this strategic shift has been a growing convergence of interest between Israel and many Sunni Arab states who are concerned by the threat from Iran and its proxies, the rise of Sunni Jihadism, US disengagement from the region as well as the potential for cooperation in trade, security, technology and diplomacy. Israel and Saudi Arabia have a close intelligence relationship, and between October 2018 and April 2019, Israeli ministers visited Gulf states and Prime Minister Netanyahu visited Oman.

The logic behind bringing Arab states into the process stems from the argument that the potential gains from a two-state solution are insufficient for either side to pay the necessary price. But that Israeli concessions can be more palatable when linked to the enormous advantages of a regional peace deal. For the Palestinians, Arab involvement can provide political and financial support for concessions.

## THE DETAILED POSITIONS OF RECENT US ADMINISTRATIONS

The Clinton, Bush and Obama administrations worked according to the negotiation paradigm that an Israeli-Palestinian agreement would constitute an 'end of conflict' and "finality of claims," and would be based on the concept that 'nothing is agreed until everything is agreed'.

The general parameters of these three American administrations have been broadly similar. They all believed that a deal should result in a Palestinian state (the so-called two state solution) in the vast majority (95+ per cent) of the West Bank and Gaza alongside Israel. Bush was the first to talk openly about a Palestinian state. They believed that all Israeli settlements – apart from those in so-called settlement blocs (areas where a large number of settlers live, often near the pre-1967 lines) – would have to be evacuated and to compensate for Israel keeping these blocs there would have to be a swap of land from Israel. Kerry proposed mutually agreed equivalent land swaps according to a 1:1 ratio. The US believed that Jerusalem should be the shared capital of Israel and the Palestinian State.

They supported the idea that the Palestinian state should be demilitarised and were sympathetic to Israel's call for some form of presence in the Jordan Valley, at least for a limited time. The US also supported Israel's position that Palestinian refugees had no blanket 'right of return,' but sought some kind of measures to address the demands of Palestinian refugees.

## HOW IS THE TRUMP ADMINISTRATION DIFFERENT?

The Trump administration does not appear to be committed to a two-state solution. In September 2018, Trump suggested he was ambivalent when he said: "Bottom line: If the Israelis and Palestinians want one state, that's okay with me. If they want two states, that's okay with me. I'm happy, if they're happy." And in May 2019, Jared Kushner said: "If you say two states, it means one thing to the Israelis and one thing to the Palestinians ... so we said let's just not say it, let's just work on the details of what it means." The administration's view on Israeli settlements remains unclear. In February 2017, Trump told Netanyahu he needed to: "Hold off on settlements for a bit." But the White House said nothing in April when Netanyahu promised during the election campaign that, if re-elected, he would apply Israeli sovereignty to all Israeli settlements. Regarding Jerusalem, in December 2017, Trump "determined that it is time to officially recognise Jerusalem as the capital of Israel" but reaffirmed his administration's "support for the status quo at the Temple Mount" and added that: "We are not taking a position on any final status issues, including the specific boundaries of Israeli sovereignty in Jerusalem, or the resolution of contested borders. Those questions are up to the parties involved." While the President later claimed he had "taken Jerusalem off the table" by declaring the city Israel's capital, the State Department has been at pains to emphasise that this "did not indicate any final status for Jerusalem" and "final status, including the borders, would be left to the two parties to negotiate and decide". On the refugee issue, the administration has stopped funding the UN Relief and Works Agency for Palestine Refugees in the Near East which an administration official described as having "perpetuated and exacerbated the refugee



# The Trump approach

## Two state solution

**"Bottom line: If the Israelis and Palestinians want one state, that's okay with me. If they want two states, that's okay with me. I'm happy, if they're happy."**  
(Trump, September 2018)

**"If you say two state, it means one thing to the Israelis and one thing to the Palestinians... so we said let's just not say it, let's just work on the details of what it means."**  
(Kushner, May 2019)

## Settlements and West Bank

To Netanyahu: **'hold off on settlements for a bit'**  
(Trump, February 2017)

**"under certain circumstances"** Israel has the **"right to retain some, but unlikely all of the West Bank."**  
(Friedman, June 2018)

## Jerusalem

**December 2017**  
US recognizes Jerusalem as Israel's capital

**"we are not taking a position on any final status issues, including the specific boundaries of the Israeli sovereignty in Jerusalem"**  
(Trump, December 2017)

Promised he had **'taken Jerusalem off the table'**  
(Trump, February 2018)

Trump's comment **"did not indicate any final status for Jerusalem"**  
(State Department, February 2018)

## Refugees

**September 2018**  
US ends \$364 annual funding of UNRWA

**"The United States will no longer commit further funding to this irredeemably flawed operation"**  
(State Department, August 2018)

**"I stopped massive amounts of money that we were paying to the Palestinians...We're not paying until you make a deal."**  
(Trump, September, 2018)



crisis" and which Jason Greenblatt has called a "band-aid" that is "running on fumes."

The inclusion of a regional component in the Trump peace plan could be meaningful and it is a positive step that Saudi Arabia, the UAE, Egypt, Jordan, Bahrain, Qatar and Morocco have agreed to attend the June 2019 economic conference. But it is far from clear that the administration is willing to pay the political price for full Arab buy in. Such a price would likely require the adoption of positions closer to those of the Palestinians – especially on Jerusalem and territory – which Trump may not agree to. Israel's ties with Arab states have undoubtedly improved but without a full Israeli-Palestinian peace deal, steps towards greater normalisation will not happen without significant movement in that direction.

## MAP OF THE WEST BANK



## ANNEX: DETAILS OF PREVIOUS NEGOTIATIONS

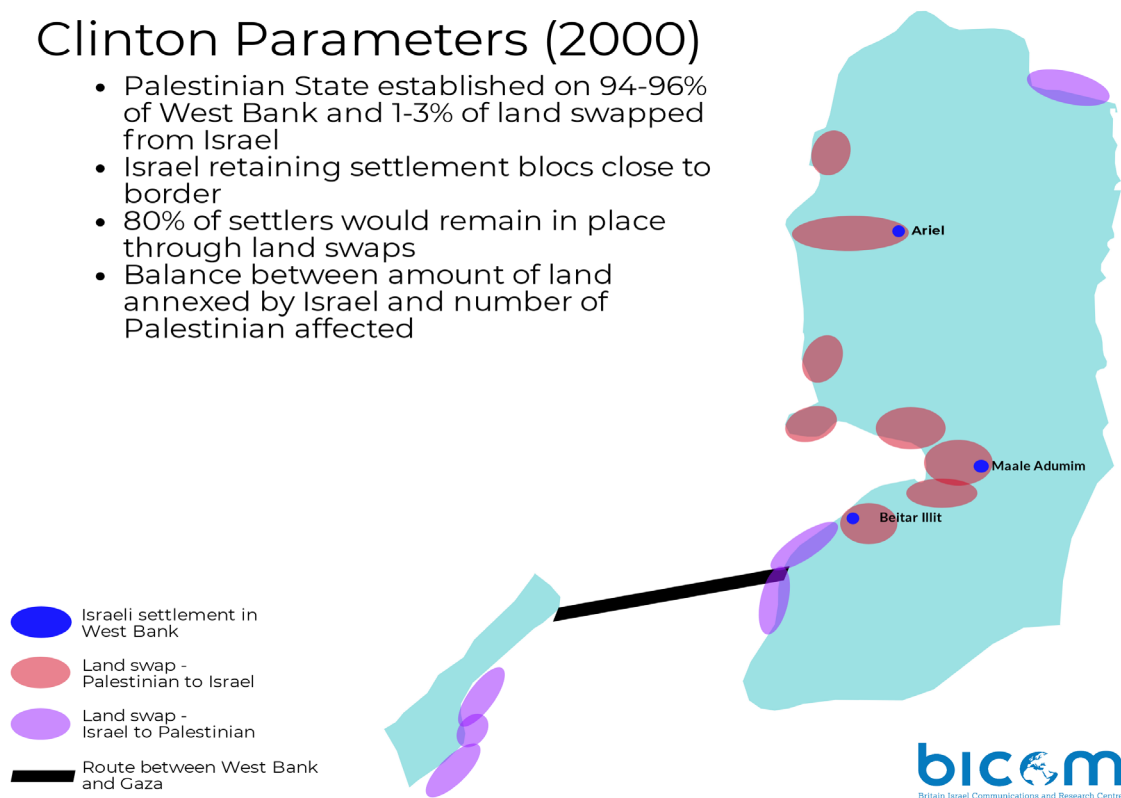
Below is a detailed analysis of specific ideas presented by American administrations as well as the negotiating positions of Israelis and Palestinians during the three previous US administrations to address the issues of territory/borders/settlements, security, Jerusalem, refugees and mutual recognition.

### *Territory/Borders/Settlements*

As part of the Clinton Parameters (2000), the US President told the sides he believed that a Palestinian state should include a so-called safe passage route between the West Bank and Gaza and should be established on 94-96 per cent of the West Bank with an additional 1-3 per cent of land given from within Israel as part of a land swap (to total 97 per cent of the West Bank). Clinton believed that: “The borders should be drawn that result in Israel retaining the settlements blocs close to the border whilst ensuring contiguity of a Palestinian state” adding that: “The line should strike a balance between minimising the amount of land annexed and the number of Palestinians affected.” One principle that guided Clinton was that 80 per cent of the settlement population would not have needed to leave their homes.

### Clinton Parameters (2000)

- Palestinian State established on 94-96% of West Bank and 1-3% of land swapped from Israel
- Israel retaining settlement blocs close to border
- 80% of settlers would remain in place through land swaps
- Balance between amount of land annexed by Israel and number of Palestinian affected



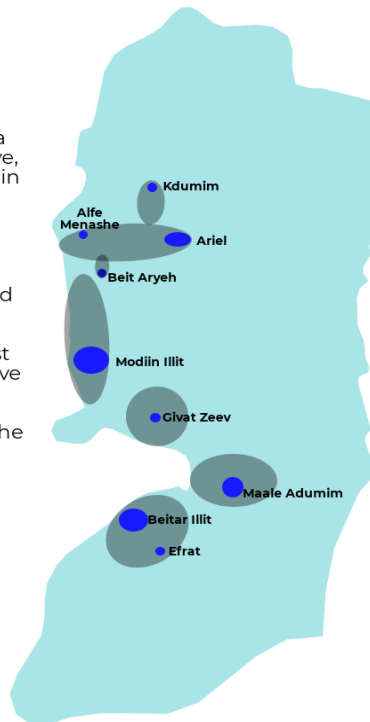
The Bush administration also believed some settlement blocs should remain part of Israel. A letter from Bush to then Prime Minister Ariel Sharon in April 2004 stated that: “In light of new realities on the ground, including already existing major Israeli population centres, it is unrealistic to expect that the outcome of final status negotiations will be a full and complete return to the armistice lines of 1949”. Following the Annapolis Conference (2007), the Bush Administration encouraged the Livni-Abu-Ala track to agree a baseline for calculating the map and territory percentages, concluding that it would include the West Bank, East Jerusalem, Gaza, and also the north-western Dead Sea, and half of the territory within former no man’s land around Latrun. However, the negotiators failed to agree on which, if any, of the four so-called ‘settlement blocs’ Israel could annex. The Palestinians never recognised the concept of ‘settlement blocs’ and argued that any modification to the pre-1967 line was a Palestinian concession. They were however willing to entertain land swaps on a ratio of 1:1 with the same size and value and on no more than 1.9 per cent of the



## Settlement Blocs

Settlement blocs are clusters of settlements in the West Bank (excluding east Jerusalem) in which a large number of Israelis live, and are generally located in areas close to the Green Line. There is broad consensus in Israel regarding these areas – although various Israeli governments have defined the area of these blocs differently, to include between 6-12% of the West Bank. The Palestinians have consistently rejected the term, but it has been generally understood by the sides that at least some of these areas will ultimately become part of Israel in a final status agreement.

● Settlement blocs  
● Israeli settlements



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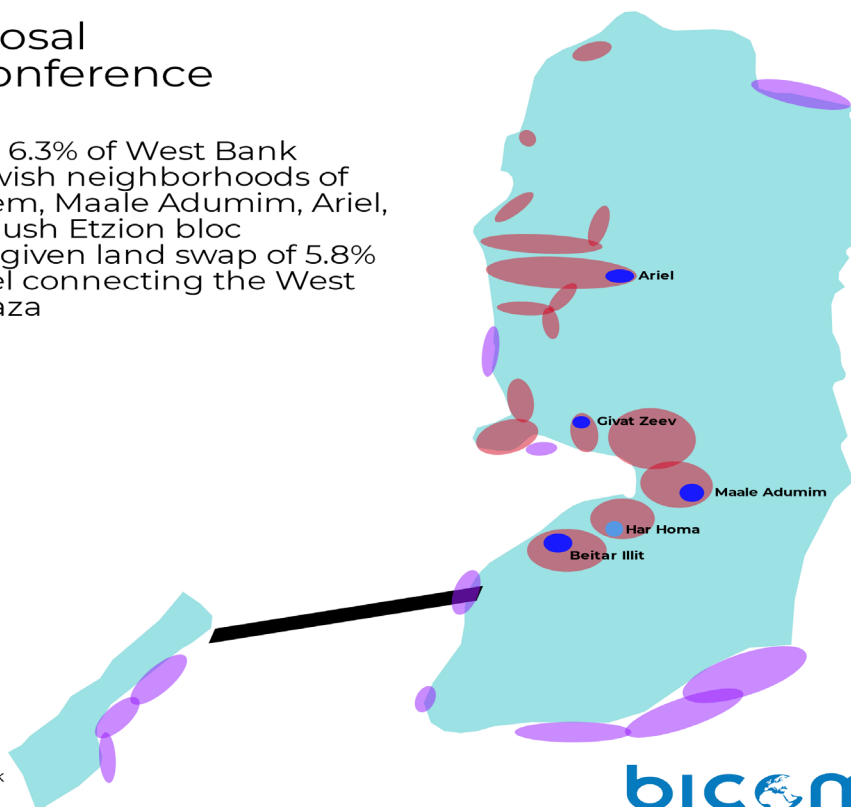
territory (which included territory within east Jerusalem as well). The Palestinians demanded that Har Homa (a neighbourhood in Jerusalem built after the Oslo Accords in the mid-90s), Givat Ze'ev, Ma'aleh Adumim and E1 (which connects Jerusalem to Maale Adumim) be dismantled. During the negotiations, the US suggested that the Palestinians should allow Israel to keep Ma'ale Adumim and Givat Ze'ev if Israel were to evacuate Ariel.

The map presented by Olmert (2008) to Abbas proposed a Palestinian state on 93.7 per cent of West Bank territory as well as a land swap of 5.8 per cent and a 40-kilometre tunnel connecting the West Bank to Gaza whose openings at either end would be under Palestinian control

## Olmert Proposal Annapolis Conference (2007-2008)

- Israel retains 6.3% of West Bank
- Includes: Jewish neighborhoods of East Jerusalem, Maale Adumim, Ariel, Givat Zeev, Gush Etzion bloc
- Palestinians given land swap of 5.8%
- 40 km tunnel connecting the West Bank and Gaza

● Jewish neighborhood in East Jerusalem  
● Israeli settlement in West Bank  
● Land swap - Palestinian to Israel  
● Land swap - Israel to Palestinian  
■ Route between West Bank and Gaza

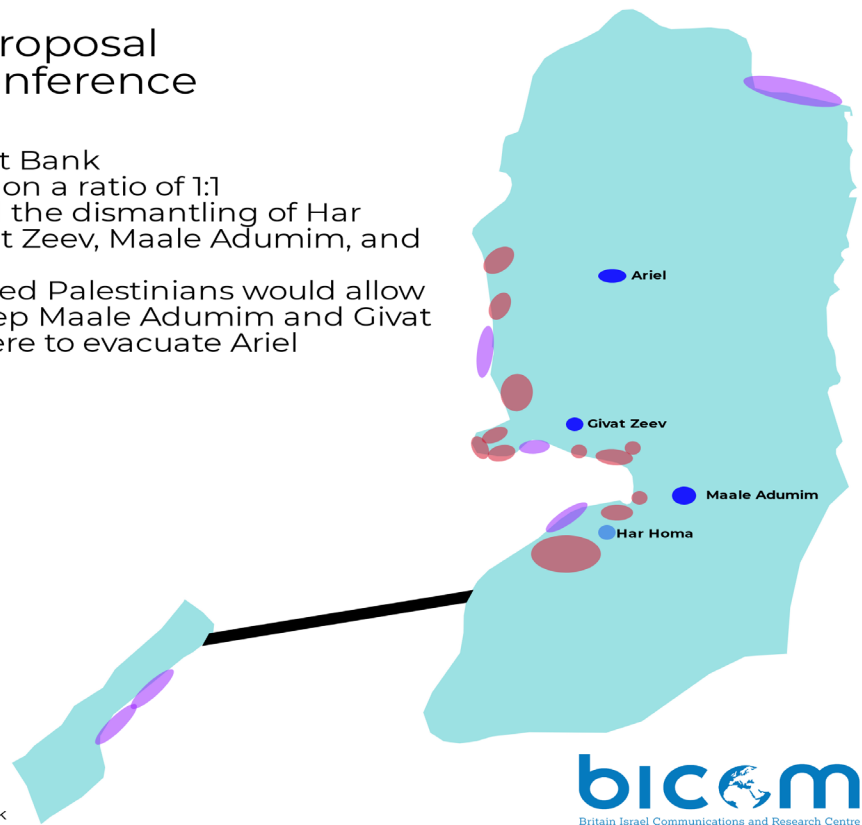


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## Palestinian Proposal Annapolis Conference (2007-2008)

- 1.9% of West Bank
- Land swap on a ratio of 1:1
- Demanded the dismantling of Har Homa, Givat Zeev, Maale Adumim, and Ariel
- US suggested Palestinians would allow Israel to keep Maale Adumim and Givat Zeev if it were to evacuate Ariel

- Jewish neighborhood in East Jerusalem
- Israeli settlement in West Bank
- Land swap - Palestinian to Israel
- Land swap - Israel to Palestinian
- Route between West Bank and Gaza

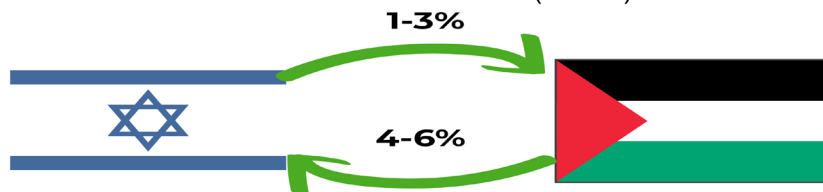


(but Israeli sovereignty). Olmert's proposal entailed Israel annexing settlement blocs consisting of 6.3 per cent of territory, including Ma'ale Adumim, Ariel, Givat Ze'ev and Gush Etzion, as well as all the Jewish neighbourhoods in East Jerusalem. The Bush Administration was not involved in the plan but supported it afterwards.

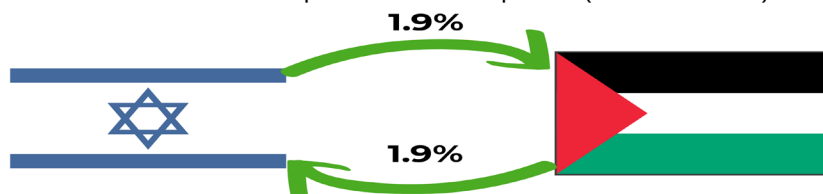
The Kerry principles of December 2016 stated that any agreement should: "Provide for secure and recognised international borders between Israel and a viable and contiguous Palestine, negotiated

## Land Swaps: A Comparison

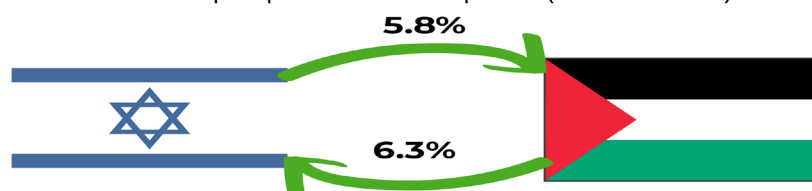
Clinton Parameters (2000)



Palestinian Proposal - Annapolis (2007-2008)



Israeli proposal - Annapolis (2007-2008)



on the pre-1967 lines with mutually agreed equivalent swaps.” The February 2014 document did not detail percentages of territory but referred to the creation of a viable Palestine and secure Israel with the borders based on the pre-1967 lines with mutually agreed swaps – whose size and location were to be negotiated – in order to establish secure and recognised borders for both states. The document added: “Palestine will have viable territory corresponding in size to the territory controlled by Egypt and Jordan before June 4, 1967, with territorial contiguity in the West Bank.” Kerry did not explicitly refer to settlements – which Obama in his 2009 Cairo speech had described as ‘not legitimate’ – but his initial February 2014 document said that in negotiating borders: “The parties will need to take into account subsequent developments [which was believed to refer to settlements], Israel’s security requirements and the goal of minimising movement of existing populations while avoiding friction.” The later March 2014 document did not include the words “subsequent developments”.

## *Security*

One key component discussed in security talks was the Jordan Valley, which Israel argued it needed to control to protect itself against any eastern threat. Starting with Bush, the US administration zoomed in on the question of security arrangements in a two-state solution, conducting its own professional staff work. In January 2008, Defence Minister Ehud Barak presented an ‘eight-point plan’ to Bush which summarised Israel’s core security arrangements. Former commander of United States European Command and later national security advisor General Jim Jones, was tasked with formulating the US position, in a bid to reconcile both parties’ needs (a role subsequently filled by General John Allen during the Kerry negotiations.)

The Clinton Parameters (2000) declared that Israel should maintain a security presence in the Jordan Valley under the authority of an international force for 36 months, and that three early warning stations, jointly manned by Israelis and Palestinians, should be established in the West Bank which would be subject to review every 10 years. It also stated that the Palestinian state should be a “non-militarised state,” but have a strong internal police force and an international force for border security.

The Livni-Abu-Ala track (2008) agreed that a Palestinian state would have limited arms (the equivalent of a non-militarised state), early warning stations, and emergency deployment sites. But the sides failed to agree on the nature and timings of the transition period. Israel demanded a lengthier period with Israeli supervision, and a transition conditioned on Palestinian performance. The Palestinians demanded a relatively short period, with international supervision, ending Israeli control and an Israeli withdrawal, with no prerequisites to moving on to the permanent-status stage. Olmert’s offer to Abbas in 2008 included an international (rather than Israeli) presence in the Jordan valley and in the early warning stations in the West Bank and the emergency deployment sites.

During the Obama administration, Kerry and General John Allen presented initial ideas to Israel in early December 2013. The US agreed in principle that there should be an Israeli military presence in the Jordan Valley for a significant period, but the two sides disagreed on the length of time. Abbas offered five years as the period after which foreign forces might be deployed indefinitely in the area but Netanyahu – who was concerned by simmering regional challenges – was thinking in terms of decades and rejected the invitation of US forces. The US and Israeli sides agreed that the timeframe should be based on specific criteria, although the debate over which criteria and who would judge them was never fully resolved. The 2014 Kerry documents stated that the US agreed on the principle of an Israeli military presence in the West Bank for a significant period of time, to be phased out gradually. The documents also stated that Israel will preserve its ability to defend itself in any case of emergency “or an emerging threat,” and that Palestine will be a demilitarised state but with an effective internal security force. One of Kerry’s principles which related to security stated that any solution should: “Satisfy Israel’s security needs and bring a full end, ultimately, to the occupation, while ensuring that Israel can defend itself effectively and that Palestine can provide security for its people in a sovereign and non-militarised state.”



# Jordan Valley



|  | Israeli security presence                                 | Early warning stations   |
|--|---|--|
| <b>Clinton Parameters</b><br>(2000)      | 36 Months under international force                       | 3 stations, jointly manned by Israelis and Palestinians. Reviewed every 10 years                           |
| <b>Livni-Abu Ala</b><br>(2007-2008)      | Failed to agree on nature and timing of transition period | Early warning stations and emergency deployment sites  |
| <b>Kerry Negotiations</b><br>(2013-2014) | Significant period, phased out gradually                  | Israel would preserve the ability to defend itself by itself in any case of emergency or 'emerging threat' |

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## Refugees

Every American administration has emphasised that the principle of ‘two states for two peoples’ – rather than simply ‘two states’ means that there will be no mass return of Palestinian refugees to Israel.

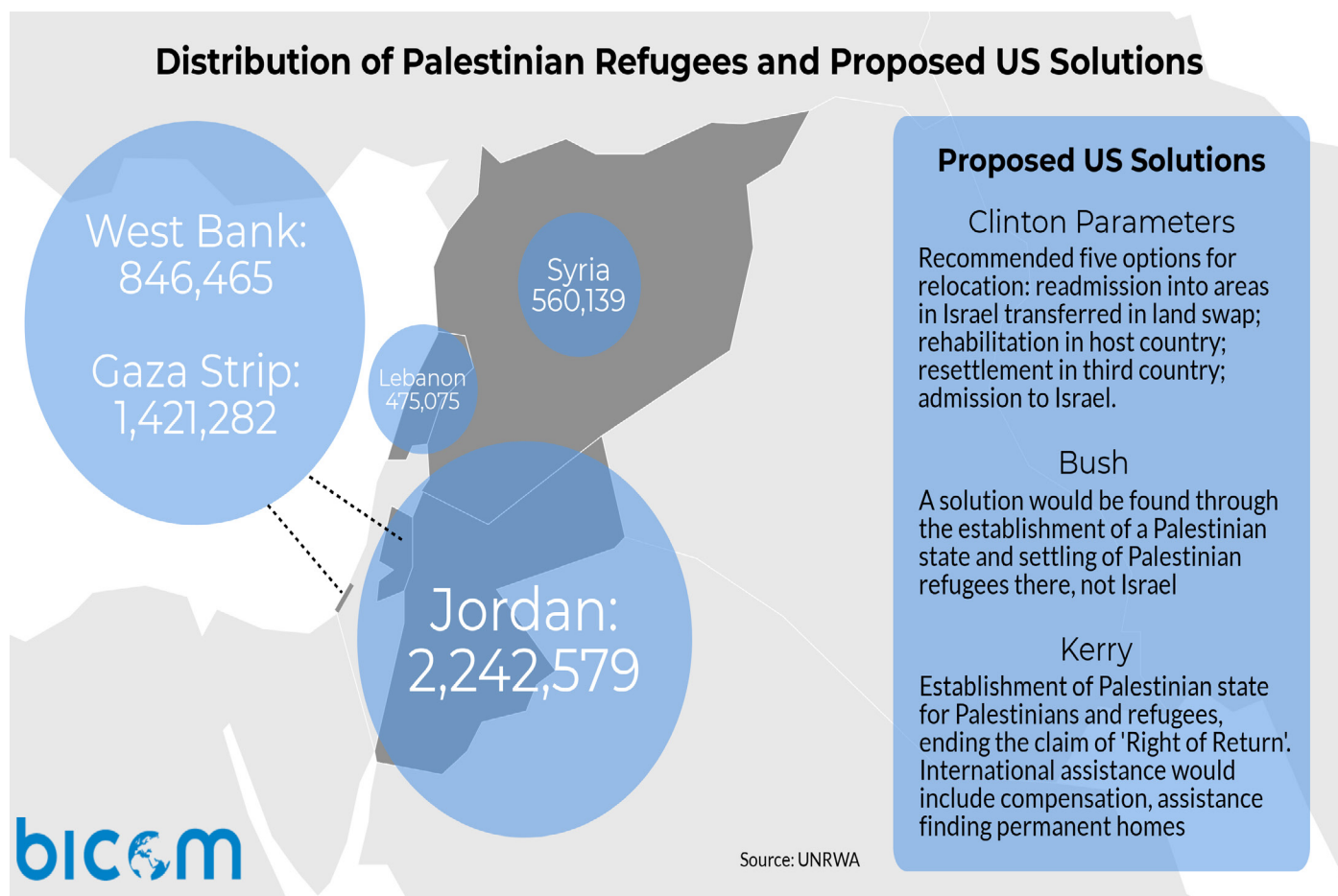
The Clinton Parameters (2000) said that: “The solution will have to be consistent with the two-state approach - the state of Palestine as the homeland of the Palestinian people and the state of Israel as the homeland of the Jewish people.” It subsequently listed five possible options for Palestinian refugees: readmission into the State of Palestine; readmission into areas in Israel being transferred to Palestine in the land swap; rehabilitation in the host country; resettlement in third country; and admission to Israel.

The 2004 Bush letter to Sharon stated that: “It seems clear that an agreed, just, fair and realistic framework for a solution to the Palestinian refugee issue as part of any final-status agreement will need to be found through the establishment of a Palestinian state, and the settling of Palestinian refugees there, rather than Israel.” But negotiators in the Livni-Abu Ala track (2008) failed to reach any agreement on the issue. The Palestinians suggested various figures ranging from an informal minimum of 80,000 to an official demand that 150,000 refugees return to Israel over ten years. Other sticking points included Israel refusing to accept moral and legal responsibility for the refugee issue; the Palestinian demand for compensation, resettlement, and integration of the refugees as residents [in their host countries], while retaining the three options for return (to Israel, to the Palestinian state, or integration into another country); the Palestinian demand for return of property and compensation for both material and immaterial loss, including compensation of host countries; and the demand that the international mechanism for handling the refugee problem include Israel, Palestine, and the host countries.

The plan presented by Olmert (2008) to Abbas said that Israel would acknowledge the suffering of – but not take responsibility for – the Palestinian refugee issue and would accept 1,000 refugees into Israel per year for a period of five years as a humanitarian gesture. In return, Olmert demanded that the final agreement include a reciprocal article recognising the suffering of Jewish refugees from Arab countries, even if only symbolically, and to address that in the compensation mechanism, which Israel would also contribute toward.

The 2004 Kerry documents sought to put an end to the Palestinian claim of Right to Return by stating that the establishment of a Palestinian state: “Will provide a national homeland for all

Palestinians, including the refugees, and thereby bring an end to the historic Palestinian refugee issue and the assertion of any claims against Israel arising from it". The documents included practical solutions for refugees – which were along similar lines to the Clinton Parameters. The US also reacted positively to the Israeli request that the regional context of a future deal include the recognition of the plight of Jewish refugees who were forced to leave Arab countries as a result of the conflict, and the establishment of an appropriate mechanism for compensation. Kerry's principles stated that a solution should: "Provide for a just, agreed, fair, and realistic solution to the Palestinian refugee issue, with international assistance, that includes compensation, options and assistance in finding permanent homes, acknowledgment of suffering, and other measures necessary for a comprehensive resolution consistent with two states for two peoples."

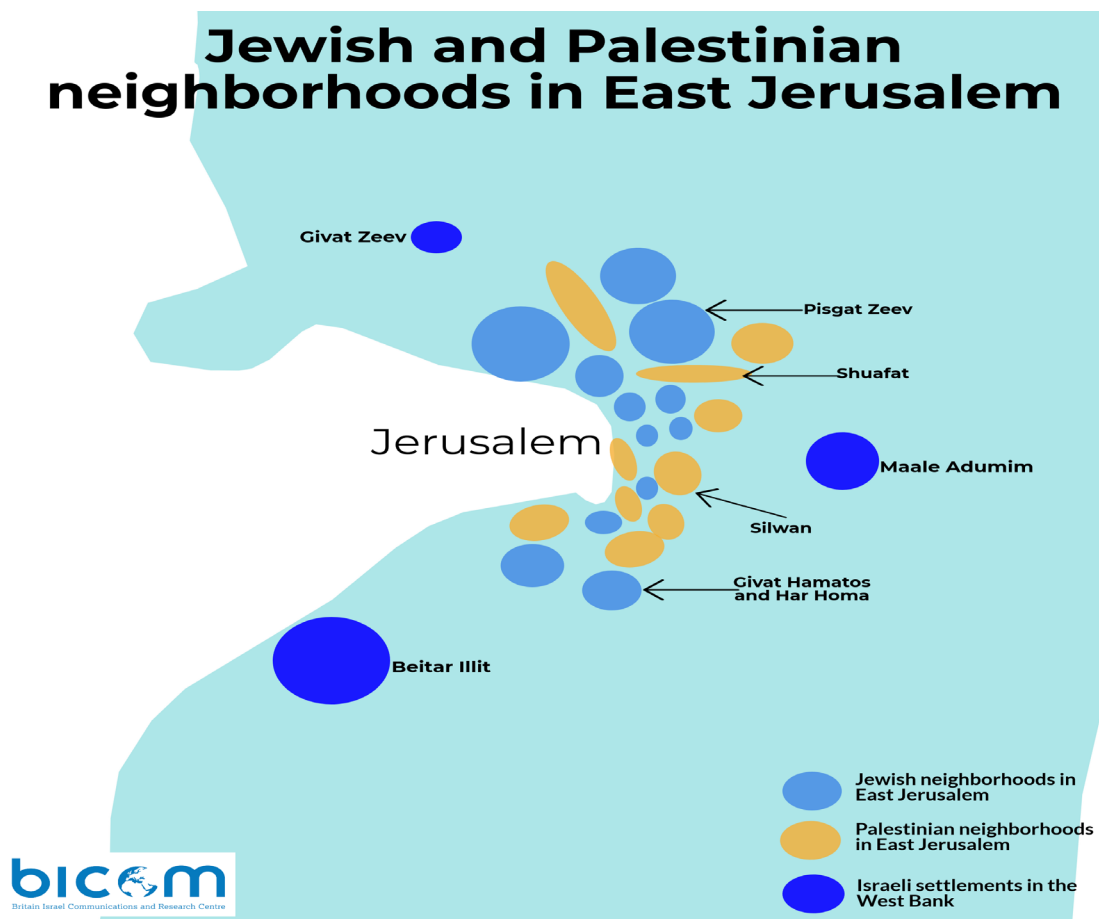


## Jerusalem

Negotiations over Jerusalem have traditionally focused on three different aspects. The future of the Arab and Jewish neighbourhoods in the eastern part of the city; Sovereignty and administration over the so-called 'Holy Basin' (which consist of 2.2 sqm / 2500 dunam and includes the old city, Mount Zion, the City of David, Kidron stream, Mount of Olives and Mount of Vexation); And the Temple Mount (Haram al-Sharif) and Western Wall within the Old City itself.

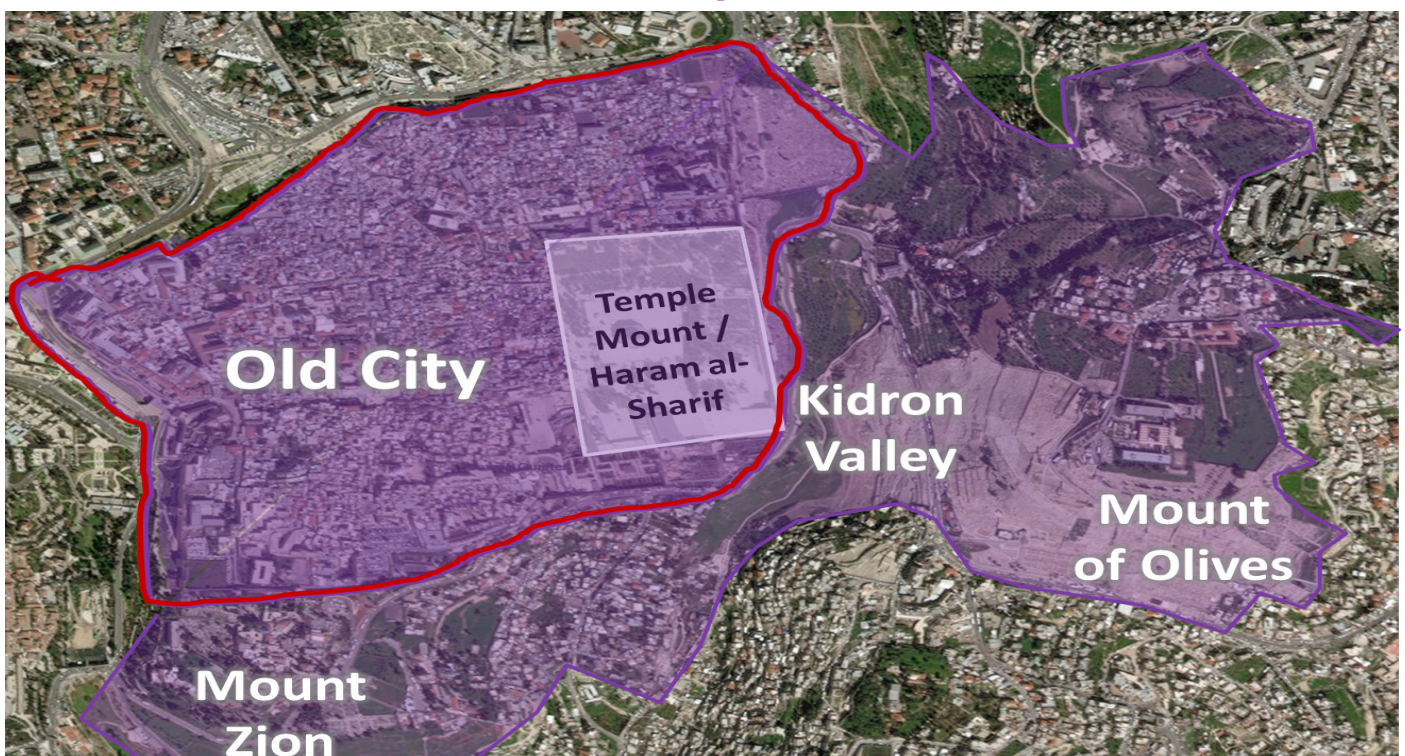
The Clinton Parameters (2000) suggested that Jerusalem should be divided according to the principle that Arab areas should be Palestinian and Jewish ones should be Israeli which would also apply to the Old City. Clinton suggested either Palestinian sovereignty over the Haram and Israeli sovereignty over the Western Wall and the space sacred to Judaism; or Israeli sovereignty over the Western Wall and shared functional sovereignty over the issue of excavation under the Haram and behind the Wall. Ehud Barak's government had reservations about the Parameters but said that they would accept them. PLO Chairman Yasser Arafat introduced reservations to each one of the proposals in a way that was considered unworkable.

# Jewish and Palestinian neighborhoods in East Jerusalem



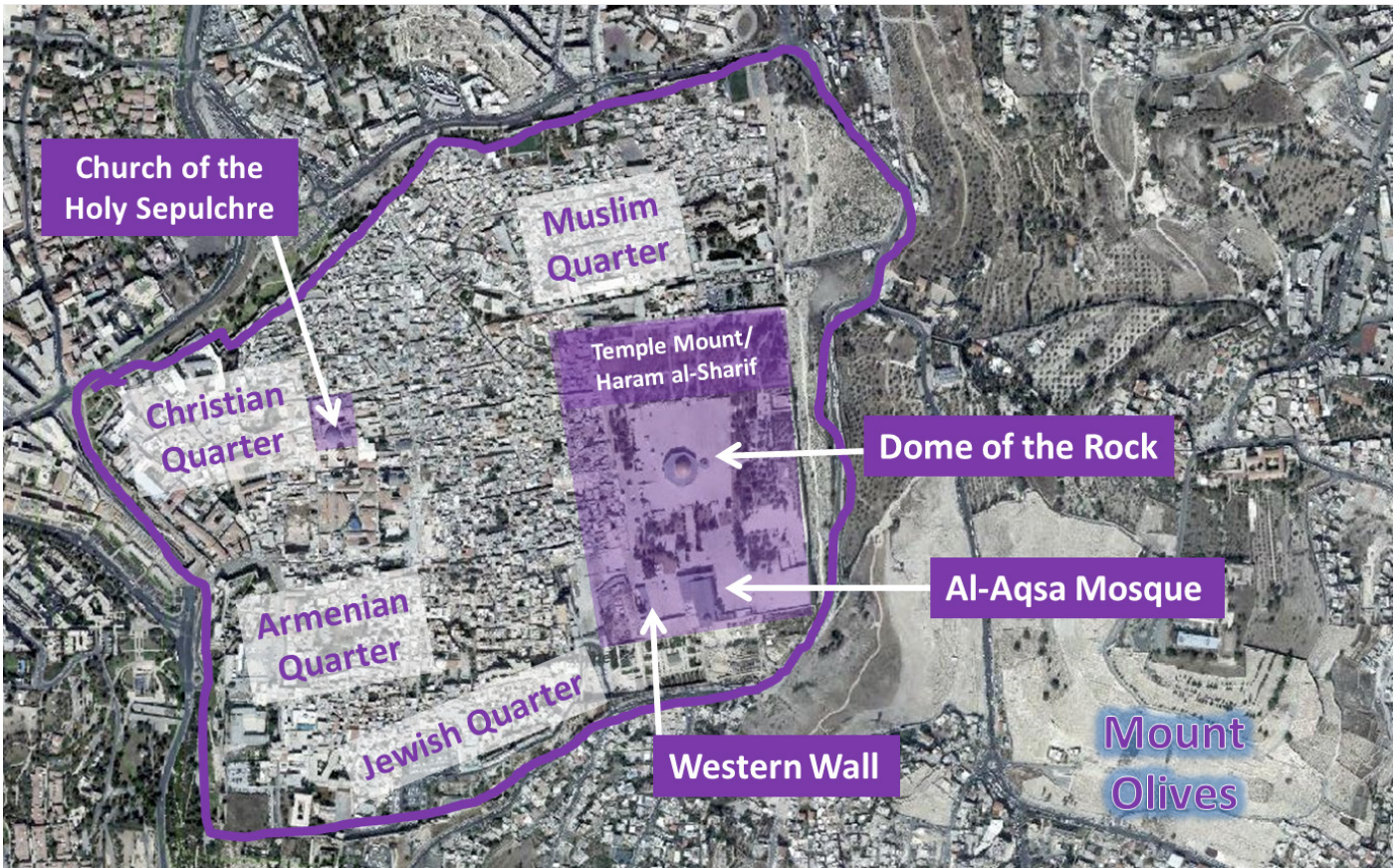
The Livni-Abu Ala (2008) talks did not discuss Jerusalem. But Olmert accepted the Clinton Parameters proposal to divide Jerusalem, with a new road connecting Ramallah and Bethlehem to by-pass East Jerusalem. Olmert proposed placing the Holy Basin under the “trust” of five countries – Saudi Arabia, Jordan, Palestine, Israel, and the US, with sovereignty over the area to be delayed to a later stage, but with Israel maintaining security control over the Old City to ensure free access to all. Olmert claimed that Abbas agreed to the formula of two separate capitals with an “umbrella municipality” but Abbas refused Olmert’s proposed boundaries of the Holy Basin, as they would have left several thousand Palestinians outside the Palestinian state.

## The Holy Basin





# Old City of Jerusalem



Kerry's 2014 February document fell short of the Palestinian demand that Israel explicitly recognise that there would be a Palestinian capital in East Jerusalem. Instead, the document said: "Any solution to these issues must correspond to the deep historic, religious, cultural and emotional ties of both peoples to the city's holy sites, which must be protected. The parties agree that the city should not be re-divided and that there cannot be a permanent status agreement without resolving the issue of Jerusalem." It also suggested two options that could be added to the framework agreement. Option 1: "Israel seeks to have the city of Jerusalem internationally recognised as its capital and the Palestinians seek to have East Jerusalem as the capital of their state." Option 2: "Palestinians seek to have the internationally recognised capital of their state in East Jerusalem and Israelis seek to have Jerusalem internationally recognised as their capital." The March 2014 document stated clearly that any agreement will have to provide for both Israel and Palestine to have their internationally recognised capitals in Jerusalem. The Kerry Principles (2016) stated that a solution should: "Provide an agreed resolution for Jerusalem as the internationally recognised capital of the two states and protect and assure freedom of access to the holy sites consistent with the established status quo."

## *End of Conflict / Mutual Recognition*

The central part of any final agreement is that it would signal an end of conflict between Israel and the Palestinian national movement and involve mutual recognition of the two peoples' right to self-determination.

President Clinton ended his 2000 parameters by saying that he proposed: "That the agreement clearly mark the end of the conflict and its implementation put an end to all claims," suggesting it could be implemented through a UN Security Council resolution.

The 2008 Livni-Abu Ala track did not discuss the End of Conflict / Mutual Recognition issue and Olmert's proposal did not include it. In the 10th Meeting of the Joint Legal Committee, the Pales-

tinian team argued that prior to an agreement on end of claims, all claims and issues would have to be addressed and solved. According to Tal Becker, then assistant to Livni and negotiator during the 2007 Annapolis process, Olmert insisted on the importance of the Palestinians recognising Israel as a Jewish state in the lead up to the conference.

The 2016 Kerry Principles declared that any agreement between the two sides: “... will need to be based on a shared commitment to fulfilling the vision of two states for two peoples, with full equal rights and no discrimination against any member of any ethnic or religious community. Achieving this outcome of two states for two peoples – Palestine, the nation-state of the Palestinian people, living in peace with Israel, the nation-state of the Jewish people – will enable the establishment of full diplomatic relations between the two states.” One of Kerry’s principles stated that a peace treaty should: “Fulfil the vision of the UN General Assembly Resolution 181 of two states for two peoples, one Jewish and one Arab, with mutual recognition and full equal rights for all their respective citizens.”

## Refugees

**“The solution will have to be consistent with the two-state approach... the state of Palestine as the homeland of the Palestinian people and the state of Israel as the homeland of the Jewish people... We need to adopt a formulation on the right of return that will make clear that there is no specific right of return to Israel itself but that does not negate the aspiration of the Palestinian people to return to the area.”**

(Clinton Parameters, 2000)



**“It seems clear that an agreed, just, fair and realistic framework for a solution to the Palestinian refugee issue as part of any final status agreement will need to be found through the establishment of a Palestinian state, and the settling of Palestinian refugees there, rather than Israel”**

(Bush Letter, 2004)

**The establishment of a Palestinian state "Will provide a national homeland for all Palestinians, including the refugees, and thereby bring an end to the historic Palestinian refugee issue and the assertion of any claims against Israel arising from it"**

(Kerry Document, 2014)



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