

BICOM Briefing

At a Strategic Crossroads: The Palestinian Authority in the Biden Era

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Introduction

The Palestinian Authority (PA) approaches the end of 2020 facing significant challenges. Israeli application of sovereignty/annexation of the West Bank is now off the agenda, and the incoming Biden administration offers an opportunity to reset Palestinian-American relations after the troubled Trump years. But ties with Arab neighbours are deteriorating and final-status talks with Israel are unlikely to be renewed in the short-to-medium term. In this context, the PA finds itself at a strategic crossroads, poised between two divergent and likely mutually exclusive options: Inter-Palestinian reconciliation on the one hand, and outreach towards the Biden administration on the other. Even more challenging is that neither option offers the realistic potential of significant breakthroughs.

This paper sets out the 'state of play' in the Palestinian arena following the presidential election of Joe Biden before detailing the two strategic options currently being pursued by the PA leadership and evaluating their efficacy.

The Palestinian Authority on the eve of American elections

The threat of Israeli annexation has been suspended. Annexation over areas of the West Bank 'allotted' to Israel as part of the Trump 'Peace to Prosperity' Plan had been a much-discussed policy proposal by Israeli Prime Minister Benjamin Netanyahu, both before and after the March 2020 Israeli election. However, in the framework of the normalisation agreements with the United Arab Emirates (UAE) and Bahrain, this policy was shelved. Reports suggest the UAE's Ambassador to the US, Yousef Al Otaiba, received assurances from the Trump administration that it would not support Israeli annexation, and both Emirati and American sources announced the proposed Israeli policy had been 'suspended'.

Biden's victory signals an end to the disastrous Palestinian relationship with the Trump administration. The administration was boycotted by PA President Mahmoud Abbas following Trump's recognition of Jerusalem as Israel's capital and the moving of the US embassy to the city. Relations subsequently worsened as the administration cut almost all civilian and humanitarian aid to the Palestinians – totalling around \$500 million per year – and closed the Palestine Liberation Organization's (PLO) office in Washington. The publication of Trump's 'Peace to Prosperity' plan, which leaned heavily towards Israeli positions on security, territory, settlements, Jerusalem and refugees, further angered the Palestinians. Many of the Trump positions are expected to be reversed by the new Biden administration.

However, the Israeli-UAE peace treaty demonstrates the Palestinians' isolation. The peace and normalisation agreements Israel agreed with the UAE, Bahrain and subsequently Sudan have broken the traditional Palestinian 'veto' over regional normalisation independent of progress towards Israeli-Palestinian peace. Abbas described them as 'a stab in the back' and announced the 'immediate' recall of his ambassador to the UAE in protest.

Palestinian relations with the Arab world are increasingly frayed. Yet Palestinian steps fell on deaf ears. In the aftermath of the normalisation deals foreign ministers at the Arab League refused to pass a Palestinian proposal 'condemning [the UAE] for abandoning Arab decisions'. Arab states have also increasingly shown signs of impatience with the Palestinian leadership. Most notable was an interview given by senior Saudi diplomat Prince Bandar in which he focuses on missed opportunities for peace by the Palestinians, describing their leaders as failures, and publicly called for a change in leadership.

Saudi Arabia – considered the 'jewel in the crown' by Israel – is interested in better ties with Israel, although normalisation will have to wait. Saudi media outlets have also denounced the Palestinian leadership, described Abbas and his associates as 'thieves', and called on 'wise Arabs' to distance themselves from 'gangs of political opportunism' in order to negotiate with Israel over a comprehensive regional peace. A reported meeting in the Saudi city of Neom between

Netanyahu, Crown Prince Mohammed bin Salman and US Secretary of State Mike Pompeo constitutes another indication that the Kingdom is interested in improving its relations with Israel. But public denials from Riyadh about the meeting, King Salman's historic identification with the Palestinian cause, and Prince Turki's recent comments dismissing the Abraham Accords and conditioning Israel-Saudi ties with the Arab Peace Initiative, suggest full normalisation is not on the horizon without Israeli-Palestinian progress towards peace.

The PA's economic situation is dire and its relationship with Israel tense. Security coordination, which Abbas had consistently described as 'holy' and which was considered essential for maintaining stability in the West Bank, was suspended by the PA in May in protest against Israeli annexation plans. Since May the PA has also refused to accept any of the tax funds collected by Israel on its behalf unless Israel retracted its decision to deduct a portion of these funds – estimated at 6-8 per cent of the tax revenues – that the PA uses to pay Palestinians imprisoned in Israel for security offences and families of Palestinians killed or injured carrying out terrorist attacks. The absence of these funds, estimated at \$190m per month and constituting over half the PA's budget, caused a huge financial crisis within the PA – as of November, the amount is thought to be approximately \$900m.

There are rumours of financial disagreements with the EU. The EU's High Representative and Vice President, Josep Borrell reiterated continued support to Palestinian state-building. But reports suggested the EU threatened to stop offering financial assistance or loans until the PA accepts tax revenues from Israel. One official was quoted stating: 'No stopgap extra funding should be expected ... if they do not accept their own money.' The EU have denied these reports, tweeting that while it has 'encouraged the Palestinians to again accept the transfers of their own tax revenues as it is their money' there 'has not been a suggestion of cutting or suspending funds.'

Advancing inter-Palestinian reconciliation

Facing these challenges, the PA again (after numerous failed agreements in the past) began exploring the option of inter-Palestinian reconciliation with Hamas and other factions under the rubric of 'popular resistance'. Such a move would also shift the PA closer towards the regional axis of Turkey and Qatar – which supports Hamas – rather than the Saudi Arabia-Egypt-Jordan-UAE axis to which it has traditionally drawn support.

The PA's initial response to Israeli-UAE normalisation was to aim for mutual understandings with Hamas. In early September, a video conference/meeting took place in Ramallah and Beirut between Abbas and leaders of all Palestinian factions, including the chairman of the Political Bureau of Hamas, Ismail Haniyeh and the general secretary of Islamic Jihad, Ziyad Al-Nakhalah and other heads of factions that are barred from the West Bank.

The factions agreed on some principles, reaffirming their rejection of the Trump Plan, Israeli annexation, and the normalisation agreements. They also determined to form three committees with the aim of: forming a unified national field leadership that would lead popular resistance; reading a jointly-agreed vision for restoring unity between Gaza and the West Bank; and reviving the PLO.

Significantly, the sides decided to create a unified programme for popular resistance. Secretary-General of Fatah's Central Committee, Jibril Rajoub, who first initiated talks with Hamas in June, said Palestinian factions agreed on a 'unified programme for popular resistance against Israel'. He added that: 'There will be a change in the rules of engagement in agreement with all factions, and we will not allow the occupation to uproot an olive tree, or to injure a Palestinian without paying the price'. In mid-September, a 'united headquarters of popular resistance,' issued 'Communique No. 1' itemising a series of Palestinian activities to be held in Israel, the West Bank, Gaza and globally to protest the normalisation process.

Discussions continued over holding elections, but the devil is in the details. In late September, senior Hamas operative Saleh al-Aroui and Rajoub met in Turkey to continue these discussions. A Hamas official in Istanbul said ‘the two sides agreed in principle to hold elections within six months,’ although this was denied by the PA. Rajoub clarified that elections would take place in stages – starting with the PA’s Palestinian Legislative Council (PLC) (which was last held in January 2006), followed by a vote for the PA Presidency (last held in January 2005), and subsequently choosing members of the PLO’s Palestinian National Council (PNC), in which Hamas is currently not represented.

Disputes over major policy issues threaten the possibility of reconciliation. In addition to the disagreement over the timing and mechanism of elections, the sides also remain deadlocked on the future of Hamas’ arsenal and continued control of Gaza. In the past, the PA has demanded that Hamas subordinate these assets to the PA, under a principle of ‘one authority, one law, one gun’ – a step Hamas has rejected. It is also unlikely Hamas would be willing to give up its rule over Gaza. A third difference remains over the policy direction of any unified Palestinian government. Despite a recent ideological evolution, Hamas continues to support violence, reject the Oslo Accords, and refuse to recognise Israel – policies required to bring the movement into line with the Quartet’s internationally recognised principles for engaging Palestinian governments.

Engagement with the Biden administration

While these inter-Palestinian discussions were ongoing, Democratic candidate Joe Biden won the American Presidential elections. The end of the acrimonious Trump era potentially provides the PA opportunities, which it has sought to take advantage by offering gestures towards the incoming administration.

The PA welcomed the election of President-elect Biden. With Biden’s election win, the PA sought to renew its relations with Washington. Abbas offered his congratulations, saying he was looking forward to working with Biden and his administration to strengthen the Palestinian-American relations and ‘achieve freedom, independence, justice and dignity for the Palestinian people’. Husam Zomlot, the former head of the PLO office in Washington (which was closed by the Trump administration), called for ‘engagement based on mutual respect, freedom, justice and equality must be the way forward’. The PA also announced it would return its diplomatic representatives to Bahrain and the UAE.

The Biden administration is expected to act differently from its predecessor in the Palestinian arena. Biden is a long-time supporter of the vision of ‘two states for two peoples’ and is opposed to Israeli settlement building and annexation. His administration will likely take several aspects of the ‘Trump Plan’ off the table. Furthermore, it is thought the administration will re-open a consulate for the Palestinians in Jerusalem, renew financial aid – perhaps also to the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) – and re-open the PLO office in Washington.

The new administration will seek to keep the window open for a ‘two state solution’. Biden has promised to reengage with Palestinians and will aim to stabilise the situation in the West Bank. In contrast to Trump, he may try and create linkage between future Israeli agreements with Arab states on the one hand and progress between Israel and the Palestinians on the other.

The administration’s new approach led the PA to make gestures such a renewing security cooperation with Israel’s civil administration in the West Bank. Fatah deputy chief Mahmoud al-Aloul recently announced the PA had reached ‘a number of understandings’ with Biden’s transition team in late November, including the return of security cooperation. Civilian Affairs Minister Hussein a-Sheikh explained that as a result of the negotiations conducted by Abbas ‘regarding Israeli commitments to agreements signed with us, and relying on written guarantees we have received from official sources that prove Israel’s commitments, cooperation with Israel will be resumed as before’.

The Palestinians are examining reforming the mechanism for paying salaries to security prisoners/terrorists in Israeli prisons. In May, Biden said he would ‘fully support the Taylor Force Act,’ which withholds US aid to the PA based on the payments it makes to security prisoners/terrorists and their families. Moreover, the *New York Times* reported that ‘sympathetic Democrats have repeatedly warned [the Palestinians] that without an end to the payments, it would be impossible for the new administration to do any heavy lifting on their behalf’. One suggested mechanism, proposed by Qadri Abu Bakr, chairman of the authority for prisoners and released prisoners, would require released prisoners to take public-sector jobs. Another is to allow families to receive a monthly payment according to the economic situation of the family, and not according to the number of years their relatives are serving in prison. Such solutions might allow the sides to resolve the issue of transferring tax monies collected by Israel to the PA. Indeed, while Israel continues to hold back monies related to so-called ‘pay to slay’ payments, the security cabinet authorised the transfer of \$725m in tax revenues to the PA in late November.

There is a willingness to return to final-status negotiations. The PA has reportedly informed the incoming administration of its willingness to return to negotiations with Israel on the basis of what it calls ‘already recognised terms of reference’ – namely ‘UN resolutions, the Arab Peace Initiative, and international law’. A spokesperson for Abbas stated the PA was willing to return to negotiations with Israel, as long as Trump’s plan was dropped and both parties returned to negotiations ‘from the point where they last stopped’.

But it may have unrealistic expectations of the new administration. With so many other more pressing regional (and global) issues, Biden’s team is highly unlikely to prioritise Israeli-Palestinian negotiations over final-status issues, especially as the President-elect recently criticised Abbas for not stepping up ‘when given opportunities’. Even if this were the case, it seems doubtful Biden would countenance a return to the proposal drawn up by former Secretary of State John Kerry (when Biden was Vice President) which Abbas himself rejected in 2016. Biden is certainly not Trump, but he remains a strong supporter of Israel. Based on campaign pledges, the incoming President will not condition continued defence assistance to Israel on a change in Israeli policy regarding the Palestinians. Nor will he move the US Embassy from its Jerusalem site back to Tev Aviv, as reportedly demanded by the Palestinians.

Conclusion: At a strategic crossroads

The PA thus finds itself at a strategic crossroads, caught between pursuing internal reconciliation and reaching out to Washington. One challenge is that these policy options are seemingly mutually exclusive. PA gestures to Washington have been denounced by Hamas who declared the decision to renew security coordination as having ‘thrown all our national values and principles, as well as the results of the historic meeting between the leaders of Palestinian organisations, in the trash,’ adding ‘the only thing that will free our land, defend our rights and expel the occupation is real national unity’. Meanwhile, while the Biden administration sees the lack of Palestinian unity as a problem, it is unlikely to accept a government which includes Hamas without the acceptance of the Quartet principles.

The second challenge is that neither strategy is a panacea: reconciliation is a popular domestic move but will likely flounder on the question of election sequencing, Hamas’ military arsenal, the future of Gaza, and the Palestinians’ relationship with Israel. Outreach to Washington will alleviate economic and diplomatic woes but will unlikely offer a return to final-status negotiations.

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