REBOOTING THE PEACE PROCESS
WHAT THE EU AND THE GCC CAN DO TO REVITALISE PALESTINIAN-ISRAELI PEACE NEGOTIATIONS

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JUNE 2020
The Bussola Institute is an independent and not-for-profit, non-governmental organisation established in Brussels in 2017. Bussola is committed to fostering and enhancing relations between the countries of the Gulf Cooperation Council (GCC) and the European Union (EU) particularly concerning to political, social, economic, security and cultural relations.

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Executive Summary

An opportune moment has arisen for the EU to collaborate with its allies in the Gulf to promote a joint initiative in an attempt to reopen Palestinian-Israeli peace negotiations. Taking into account the current stalemate of the peace process, the unraveling of Trump's Deal of the Century has as expected only deepen the trenches of the conflict. Given the broad uncertainties linked into the two-state solution being taken off the table, and the fact that a solution to the Palestinian issue remains intricately tied to numerous security issues impacting the Middle East and the emotional response this cause continues to evoke, it is time for the EU to become more than just a payer and strategically work with their allies in the GCC to hold in-depth discussions about how to move forward with a new approach on the Middle East peace process.

The EU’s High Representative for Foreign and Security Affairs Josep Borrell has already expressed his interest in presenting a new European peace initiative. The sentiment amongst policy officials on the Palestinian side is that Europe is the most qualified to present itself as a negotiator and should shoulder the responsibility for reopening negotiations given the historical connection Europe has to the Palestinian-Israeli conflict.

Given the need for a new strategy, the EU should collaborate with the initiatives such as the Arab Peace Initiative, originally proposed by Saudi Arabia, to lay out a framework for the way forward. Key aspects could include

I. Pushing for greater reform in the Palestinian leadership through aid incentives and political collaborations. The EU and GCC are both major contributors to aid, giving them an advantage over other countries, both in the western and the Arab worlds.

II. Use the EU’s position and the API to propose alternatives and to lay out the base framework for the way ahead. Here, the EU and GCC do not need to create an entirely new framework. The API provides a basis to create a framework suitable for both Israeli and Palestinian needs.

III. The US Peace Deal has no tangible solution to the issues of refugees, Jerusalem, border security and territory to be included in the negotiations. The EU and the GCC have reiterated their commitment to these issues on numerous occasions and they both have the financial and political capacities to put ideas forward on these key issues.
Introduction

The Palestinian-Israeli issue has been at the forefront of political debates and United Nations Security Council (UNSC) resolutions for over six decades and the international community is still at a standstill as far as a comprehensive and just resolution for this conflict is concerned. This paper addresses what the European Union (EU) and the Gulf Cooperation Council (GCC) can do to break out of the current standstill. This paper is divided into five sections. The first section outlines the development of the peace process and its current status. The second section analyses the policies and roles of key actors - Israel, Palestine, Egypt, the US, Russia, the EU, the GCC and the UN - concerning the peace process. In the third section, the paper focuses on the issues that continue to make the Palestinian-Israeli conflict a key priority for regional, national, and international peace and security. The fourth section then elaborates on why this is could be an opportune time for the EU and GCC to promote a joint initiative to reopen negotiations about the peace process. Finally, the paper summarizes the key findings and provides recommendations on how the EU and GCC can provide the peace process with a path forward.
Current Status of the Palestinian-Israeli Conflict

The key issues in the Israel-Palestinian standoff have basically remained the same for the past 70+ years and especially since the 1967 war. Yet there has been no tangible movement on the core issues for the past 20 years since the Oslo peace process began to stall in the mid-1990s. These issues are the Israeli occupation of the West Bank and the Gaza Strip, the legal status of the Israeli settlement policy, the Right of Return for Palestinian refugees and the structure and competence of the overall Palestinian leadership. A brief overview is provided in Box 1.

As of May 2020, a resolution appears as elusive as ever. The decisions by the US Trump administration to move the US embassy from Tel Aviv to Jerusalem and its subsequent recognition of Israel’s annexation of the Golan Heights have made the ability to reboot the peace process particularly difficult. The unveiling of the long-awaited ‘Deal of the Century’ at a White House ceremony at the end of January 2020 has not created any significant breakthrough, as the Palestinians vehemently oppose it. In addition, the formation of a new Israeli government of emergency unity on 20 April 2020 has led to suggestions that Israeli Prime Minister Netanyahu, who will serve as prime minister for the first eighteen months of the new government, will try to apply ‘sovereignty’ to parts of the West Bank, thereby further diminishing the prospects of a two-state solution. The timing of these steps is said to be tied to the U.S. election campaign as President Trump’s re-election is uncertain due to the implications of the COVID-19 pandemic. The combination of a stalled peace process and additional unilateral Israeli steps has led to calls for international law to be upheld.

Overall it can be argued that there has been no real movement towards developing a solid peace process, both by the international community and by the Palestinian and Israeli sides. Domestic Israeli politics has been moving away from a viable two-state solution, with increased settlement building, the question of Jerusalem and right-wing religious fundamentalism. A poll in June 2018 found that support for the two-state solution among both Palestinian and Israeli respondents had fallen below the halfway mark – to exactly 43 percent on each side, its lowest level in two decades. A more recent but smaller sample poll, conducted in March 2019, showed that only 34% of Israelis support a two-state solution and 42% support the annexation of the West Bank. It is important to note that the obstacles mentioned above do not exist in a vacuum, as there is a history associated with these barriers that have led to the current stalemate in peace negotiations. Overall these obstacles require a new and different approach in order to tackle this stalemate.

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BOX 1

MAIN OBSTACLES TO A POTENTIAL RESOLUTION

Israeli Occupation of the West Bank and the Gaza Strip: Israel has continued to occupy the West Bank since 1967, while it withdrew from the Gaza Strip in 2005. Despite its disengagement, Israel is also still considered to be occupying the Gaza Strip. Of particular contention is the status of East Jerusalem. While the framework of the two-state solution is based on Jerusalem being the capital of both the Palestinian state and the Israeli state, as at January 2020 there were more than 300,000 Jewish Israelis living in East Jerusalem. The construction within East Jerusalem is only a fraction of the overall Israeli government’s settlement policy. Moreover, as Graph 1 illustrates, there is a disproportionate allocation of resources within East Jerusalem: 62% of the population is Jewish and receives 87% of the municipality’s budget whereas only 13% is allocated to the remaining 38% Palestinian population. There is also the undisputed fact that Israel has not yet declared its borders. The international community accepts the 1967 Green Line as Israel’s borders.

Israeli Settlement Policy: More than 700,000 Israeli citizens currently live in settlements that are considered under international law to be illegal. Of these about 200,000 live in the parts of the West Bank that Israel annexed to the municipal jurisdiction of Jerusalem (according to the Jerusalem Institute for Policy Research figures from late 2016) and 413,400 live throughout the rest of the West Bank (according to the Central Bureau of Statistics figures from late 2017). Given these numbers, Israel claims it will be very difficult to uproot them, for both political and religious reasons.

Right of Return: Israel heavily rejects granting Palestinian refugees the right of return because, if the 7 million+ Palestinian refugees were to claim their ancestral homes, they would exceed the Jewish majority population that Israel tries so hard to maintain. The Palestinian leadership has stood by its demand that Israel should grant Palestinians their right of return, but Israel has also pointed out the logistical nightmare of relocating more than 7 million people.

Palestinian Leadership: The Palestinians have suffered a series of internal splits, in particular between the factions of Fatah and Hamas. A weak Palestinian leadership is of tantamount concern to Israel’s security and this argument is often frequented by Israel, when it says that the Palestinian leadership does not want to establish a lasting peace with Israel. Divisions also plague the Palestinian Authority, with Rami Hamdallah stepped down as the Palestinian Authority’s Prime Minister in January 2019.

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6 JSettlements, B’tselem, January 16, 2019, https://www.btselem.org/settlements
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Graph 1

EAST JERUSALEM 2018

The two state solution is possible based on two capitals in Jerusalem: the Israeli capital, the Palestinian neighborhoods being the Israeli capital, the Palestinian neighborhoods becoming the Palestinian capital, and a special arrangement for the Old City and the Holy site.

PEACE NOW

Graph 1

Jerusalem Population: West and East Jerusalem
62% Jewish Population
30% Non-Jewish Population

Palestinian Population

Jerusalem Municipality Budget

87% Jewish neighborhoods
11% Non-Jewish neighborhoods

Government initiated construction in East Jerusalem since 1967

99% Jewish neighborhoods
1% Palestinian neighborhoods

Housing units

Investment in Jewish neighborhoods: 3.8 Billion NIS
Investment in Palestinian neighborhoods: 501 Million NIS

Jerusalem neighborhoods

Palestinian neighborhoods

Graph 1

Jerusalem before 1967
Jerusalem under Jordan
Jerusalem under Israel

The situation in East Jerusalem 2018

The situation in East Jerusalem 2019

The situation after 1967

Jerusalem under Jordan

Jerusalem under Israel

A third of the area that were annexed to Jerusalem annexed. It is to be assembled by the Israeli government for the establishment of a Jewish neighborhood. The neighborhood will include an area of 20,000 hectares, which is about 15% of the area of East Jerusalem under Jordan. The neighborhood will be a Jewish neighborhood and will be populated with Jewish residents from other neighborhoods.

Jerusalem under Israel

Jerusalem remains a divided city, where Jews and Palestinians live separately from each other.
Despite the continuing stalemate, there are four possible initiatives on the table that could give the negotiation process a new momentum: the US-led “Deal of the Century”, the Saudi-led Arab Peace Initiative (API), the yet-to-be-announced Russian plan for mediation and the possibility of rebooting the Oslo Peace Accords.

The US-led Deal of the Century, under the leadership of US President Donald Trump’s son-in-law and senior advisor Jared Kushner, began over two years ago. While the intricacies of the deal had been kept private, it was no secret that the deal was going to be used as a political tool in favour of Netanyahu’s election efforts. Following the initial two Israeli elections, in April and September 2019, Netanyahu was unable to form a government, so the Deal of the Century was unveiled on 28 January 2020.1 Announced before Israel’s historic third election in less than a year and coinciding with US elections, it has been suggested that the timing suited the political needs of both Netanyahu and Trump.2 The current situation, since the release of the Middle East Peace Deal, has been outright rejection by the Palestinians3, passive rejection by the Gulf Arab states, Egypt and Morocco4 and opposition from other Arab states like Jordan, Tunisia and Algeria.5 A majority of EU member states and EU officials also voiced their criticisms, with the EU’s High Representative for Foreign and Security Affairs Josep Borrell stating: “The proposal clearly challenges the internationally agreed parameters” of a peaceful resolution to the Israeli-Palestinian conflict.6

The Arab Peace Initiative (API), initially known as the “Saudi Initiative” because it was pioneered by King Abdullah of Saudi Arabia, calls for the normalisation of diplomatic relations between the Arab region and Israel, in exchange for a full withdrawal by Israel from the Occupied Palestinian Territories (OPTs) and a just settlement of the Palestinian refugee crisis, based on UN Resolution 194. The API was endorsed by the Arab League in 2002 at the Beirut Summit, re-endorsed at the 2007 Arab League summit and again at the 2017 Arab League summit. The 2018 Arab League summit held in Dhahran, Saudi Arabia, re-named the Jerusalem Summit in solidarity with the Palestinian people following the Trump’s administration’s decision to move the US Embassy to Jerusalem, also reaffirmed the API and stressed:

“The importance of a comprehensive and lasting peace in the Middle East as a strategic Arab option embodied in the Arab Peace Initiative, adopted by all Arab countries at the Beirut Summit in 2002, and supported by the Organization of Islamic Cooperation, which is still the most comprehensive plan to address all final status issues, provides security, acceptance and peace to Israel with all Arab countries.”7

Israeli Prime Minister Netanyahu and the then Israeli President Simon Perez and other Israeli officials have over time expressed cautious support for the initiative, coupled with a degree of

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2 Ibid
3 Ian Black, “This ‘deal of the century’ for the Middle East will be just another bleak milestone,” The Guardian, January 30, 2020, https://www.theguardian.com/commentisfree/2020/jan/30/donald-trump-israel-palestinians-middle-east
7 Secretariat of the Arab League, “Dhahran Declaration – The Jerusalem Summit,” April 15, 2018, http://www.laportal.org/ar/summits/Documents/%D8%A7%D9%84%D8%AA%D8%B1%D8%AC%D9%85%D9%87%20%D8%A7%D9%84%D8%A7%D9%86%D8%AC%D9%84%D9%8A%D8%B2%D9%8A%D9%87%20%D9%84%D8%A7%D8%B9%D9%84%D8%A7%D9%86%20%D8%A7%D9%84%D8%B8%D9%87%20%D8%B1%D8%A7%D9%86.pdf

satisfaction at the Arab Gulf states’ wish to initiate peace and to promote the international recognition of Israel. Yet Prime Minister Netanyahu’s attitude has been largely dismissive and his government has never taken the initiative seriously. Other reasons why the API has not been enacted include the widespread instability that has engulfed the Middle East, in particular following the Arab Spring in 2011, and tensions among the Middle Eastern states.

As of May 2020, Russia has not come forward with any concrete proposal to challenge Trump’s ‘Deal of the Century’, but it has hinted at putting forward a plan for mediation at the request of the Palestinian leadership. In early February 2020, upon the revelation of the Deal of Century, Russia voiced its criticism of the plan, citing that it was not in compliance with UNSC resolutions. For the time being it appears unlikely that Russia will put together a comprehensive peace process plan.

The same dilemma lies in relying on the Oslo Peace Accords to revive the peace process. In fact it would be putting it very generously to say that the Oslo Peace Accords can be resuscitated, although in May 2020 the Elders, including former U.N. Secretary-General Ban Ki-Moon, former U.S. President Jimmy Carter, the former UN High Commissioner for Human Rights Mary Robinson and the former Algerian Foreign Minister and UN Diplomat Lakhdar Brahimi, called for the revitalisation of multilateral mechanisms like the Middle East Quartet.

With the Deal of the Century rejected by the Palestinians and without another comprehensive plan providing a substitute, the current stalemate is moving away from the two-state solution and

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towards the one-state alternative with all its known problems. Yet because the US has largely isolated itself as a balanced negotiator for both sides, a door has possibly been opened for the GCC and the EU to move into the vacuum and give the peace process the new momentum it needs, under a changed framework, to push past this standstill. This is discussed in more detail below.

Current Position of Key Actors

Before considering how to move beyond the current stagnation in peace negotiations, the position of the key actors with regard to recent developments should be outlined. These include Israel, the Palestinians, the US, Russia, the EU, Egypt, the GCC and finally the UN.

Israel

Israel has made it clear that it will not compromise on its security, its territory and granting the Palestinians the right-of-return. In terms of Israeli security, Hamas poses the biggest internal threat and Iran the greatest external threat to Israel’s security.

Israeli Prime Minister Benjamin Netanyahu pledged in his recent election campaigns to expand Israeli sovereignty over the West Bank. While his pledge lacked any substantial clarification and may simply have been a political play to push through the polls, there are suggestions that Netanyahu will move forward with his plans prior to the U.S. election in November. Netanyahu has previously suggested the annexation of “Judea and Samaria”, the terminology used by the current right-wing Israeli government in reference to the West Bank, as part of an apparent drive to prevent the creation of a viable Palestinian state. A recent Haaretz poll found that 42% of Israelis support West Bank annexation. Another recent survey, conducted by Tel Aviv University’s Evens Program in Mediation and Conflict Management and the Migdam Consulting and Research Institute, called the “Peace Index,” has found that 53% of Jewish-Israelis reject a solution to the

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17 With the US making the continuous argument that there has been no input from the Palestinian side, see https://www.vox.com/world/2019/4/15/18306224/palestinians-israel-khaled-elgindy-blind-spot
19 Dina Kraft, op.cit.
conflict based on establishing an independent Palestinian state alongside Israel. Only 40% of Jewish-Israelis support this option, while among Palestinian citizens of Israel support stands at 68%.

With the Israeli government making it clear that the two-state solution may be off the table, the peace process is thus stuck ‘between a rock and a hard place.’

**Palestine**

The Palestinians have made it clear that they will not accept anything less than the 1967 borders, with East Jerusalem as their capital, and the right-of-return. The President of the PA, Mahmoud Abbas, has stated that “I have never and will never give up the right of return.” Despite this pledge, the current Palestinian leadership has little leverage to push forward with its own agenda. This is mainly due to the fact that overall the Palestinian leadership remains divided, also with due to the new changes in the Palestinian Authority (PA). The growing polarization between the Fatah and Hamas factions has been a major factor behind the long standstill in the peace negotiations.

The formation of the Palestinian’s new government, which is entirely made up of factions of the PLO, put an end to the stalled reconciliation efforts between Hamas and Fatah. Hamas, the Islamic Jihad group and left-wing factions of the PLO have boycotted the new government, arguing that it will increase divisions among the Palestinian people. PA President Mahmoud Abbas appointed Mohammed Shtayyeh as the new Palestinian Prime Minister following the resignation of former Palestinian PM Rami Hamdallah due, in part, to his inability to make progress in reconciliation talks between Fatah and Hamas. There is no indication at this stage that Hamas would support a deal that the PA might consider supporting. What the two do agree on is a rejection of the much hyped ‘Deal of the Century’ put forward by the US, with President Abbas calling for an international alliance against the much-vaunted peace plan of US President Donald Trump.

Without concrete understanding on key issues, the Palestinians will not agree to any potential normalization between Israel and specific Arab states. The PA said it ‘deeply regrets’ the decision by some Arab states to attend the June 2019 US-led Economic Workshop in Manama, Bahrain, further stating that, “[n]ormalisation with Israel is a grave mistake for any Arab state.”

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The United States

In late January 2019, Washington confirmed that it had cut off more than $360 million in annual funds to the United Nations Relief and Works Agency for Palestine (UNRWA), as well as more than $60 million in assistance to the Palestinian Security forces. In 2018 Washington cut more than $100 million of aid to the Palestinians, which included the funding of humanitarian projects - such as health, education and infrastructure - supported by USAID. This was widely viewed as a way of pressing Palestinian officials to restart peace talks with Israel and to re-engage with the White House ahead of the announcement of its promised Middle East peace plan.26

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<td><strong>Total</strong></td>
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Sources: U.S. State Department
Notes: All amounts are approximate.

Coupled with other recent moves by the Trump Administration, including the decision to move the US Embassy from Tel Aviv to Jerusalem and the announcement that the US would recognize Israeli sovereignty over the occupied Golan Heights, the latter seen as an attempt to increase Netanyahu’s chances of re-election,27 the US has made the likelihood of continuing negotiations on the peace process far less likely. In the Arab world and in the GCC, Trump’s Embassy move and Golan Heights recognition were seen as a political flirtation in favour of Israel’s right-wing and that has made the majority of Arab states, including the Palestinians, less prepared to use the US as a reasonable negotiator for the Palestinian-Israeli conflict.28

The Trump administration’s Middle East Peace Plan was announced at an ideal time for Netanyahu in the run up to Israel’s third election. The unveiling of the peace deal underlined that the Trump administration has moved US policy in the peace process even closer to conservative Israeli thinking than ever before. This in turn has strengthened Israeli right-wing thinking, which has been the least willing to push forward with any peace efforts over the past two decades.

Figure 1

Detailed U.S. Bilateral Assistance to the Palestinians, FY2012 FY2019

<table>
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<tr>
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<td>$215</td>
<td>$35</td>
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<td>$1</td>
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</tbody>
</table>

Sources: U.S. State Department and USAID, adapted by CRS.

Notes: All amounts are approximate. Amounts stated for FY2018 and FY2019 have been requested, with ultimate appropriation and allocation amounts to be determined. NADR = Nonproliferation, Antiterrorism, Demining and Related Programs, INCLE = International Narcotics Control and Law Enforcement, ESF = Economic Support Fund, OCO = Overseas Contingency Operations. For FY2018 and FY2019, ESF is referred to in the Administration’s budget request as Economic Support and Development Fund (ESDF).

27 “Donald Trump’s Golan move sets a dangerous precedent” The Financial Times, March 25, 2019, https://www.ft.com/content/964b8e12-4caf-11e9-8b7f-d49067e0f50d
Russia

In 2016 bilateral contacts between Russia and Israel and between Russia and the Palestinian Authority intensified, with the aim of promoting the idea of a summit meeting between the Palestinians, the Israelis and neighbouring Arab states. Neither side responded enthusiastically to the Russian initiative. Nevertheless four high-ranking Israeli delegations visited Russia in 2019 and while the main topic of discussion has been Syria and Iran, the Israeli-Palestinian conflict also featured on the agenda. President Abbas and PA Minister of Foreign Affairs Riyad al-Maliki flew to Moscow for meetings in 2018 but have held no further discussions since then. The PA has turned to Russia for help with its economic crisis following the US aid cut and the Israeli government’s deductions from its monthly transfer of tax revenues to the PA. While Russia announced its willingness to grant $10 million, this falls well short of the almost $200 million the US used to supply.

Russian Foreign Minister Sergey Lavrov has expressed his government’s willingness to act as a mediator between the Palestinians and Israelis, stressing that until the conflict is resolved there will be no peace and stability in the region. “It is impossible to create stability in the Middle East, including in Libya and Iraq, without a solution to the oldest regional problem, the Palestinian problem,” said Lavrov. Russia has positioned itself as a Middle East player at the same time that the US has taken a hands-off approach to the region. This is spearheaded by Moscow’s involvement in the conflict in Syria which has seen Russia increase its ties with a variety of actors throughout the Middle East, including Egypt, Saudi Arabia and the United Arab Emirates (UAE). Russia could therefore be a force to be reckoned with once again when it comes to Middle East issues.

According to the Palestinian Ambassador to Russia, Abdel Hafiz Nofal, Russia’s proposed peace-plan would be an alternative to President Trump’s Deal of the Century. On April 24, 2019, Nofal announced that Russia is currently working in coordination with the European Union (EU) “to crystallize a new vision for the Palestinian-Israeli peace process based on international legitimacy.” Palestinians have expressed their interest several times in having a more active Russian involvement in the peace process. The Russian news service Sputnik has reported that President Abbas would be willing to meet with Netanyahu without any preconditions, as long as the session is mediated by Russia. The interest Russia is showing comes at a time when the US is amplifying its ‘maximum pressure’ sanctions against Iran, which are also aimed at weakening Iran’s influence with groups such as Hamas and Hezbollah. As President Putin does not want Iran or other radical groups to use Syria as a base to attack Israel, promoting a peace process is therefore also an effort to de-radicalize the present environment.

As for the position held by the Israeli government, its primary reservations remain Russia's relationships with Iran and Syria. The enduring fact that Moscow does not consider Hamas to be a terrorist organization, and has not indicated any intention to change that view, has been a major point of contention for Tel Aviv. The current stalemate between Hamas and Fatah has been Russia's key focus, as expressed in the last round of talks in Moscow in 2019. As Foreign Minister Lavrov said: “Russia will continue its efforts to overcome the intra-Palestinian split.” The potential unification of the Palestinian factions would be a positive contribution to the peace process and Russia’s ability to achieve this would further its leverage in this negotiations.

The United Nations and the Quartet

Following the US’s recognition of Israeli sovereignty over the Golan Heights in March 2019, UN Secretary-General Antonio Guterres made it clear that the status of the Golan Heights has not changed, as per the UN Security Council resolution adopted in 1981 that declared Israel's 'decision to impose its laws, jurisdiction and administration in the occupied Syrian Golan Heights is null and void.' Mr. Guterres is a prominent supporter of the two-state solution and he called for such an approach at the World Economic Forum on the Middle East and North Africa meeting in April 2019.

Despite the UN’s involvement in the so-called Quartet that also includes the US, Russia and the EU, the UN plays no clear role when it comes to pressing for peace negotiations to resume. That the Quartet would resume in playing a role in the reopening of peace negotiations is unlikely; there are simply too many diverging interests at play and political rivalries that intend to outbid each other for their roles in the peace process. Likewise, with the UN’s role as whole, it does not have

38 Khaled El-Gindy writes “Meanwhile, the Quartet has failed to keep pace with the dramatic changes that have occurred in the conflict and the region in recent years, particularly since the advent of the Arab Awakening. Having spent most of the last three years in a state of near paralysis, and having failed to dissuade the Palestinians from seeking UN membership and recognition in September 2011, the Quartet has finally reached the limits of its utility.” See https://www.brookings.edu/wp-content/uploads/2016/06/02_middle_east_eldingy_b-1.pdf
the viability to become a possible future interlocutor for a peace settlement. Whereas the Palestinians have quite a positive view of the UN, Israel has quite the opposite, constantly claiming that the UNGA is anti-Israeli in its focus and in its resolutions, condemning Israeli settlement building, the occupation and its human rights violations.

The intensive UN and Egyptian efforts to mediate between Israel and Hamas have staved off conflict for a while, in the hope that a sustainable political solution between Israel and Hamas, the PA and Hamas and Egypt and Hamas could be accomplished. But despite those efforts, no tangible progress has been achieved.

The European Union

With the Venice Declaration in 1980, the EU became one of the first to acknowledge the Palestinians’ right to self-government: “The Palestinian people, which is conscious of existing as such, must be placed in a position, by an appropriate process defined within the framework of the comprehensive peace settlement, to exercise fully its right to self-determination.” Yet, the EU suffers from being seen as a payer rather than a player within the peace negotiations. The Palestinian Authority has received more aid and humanitarian assistance per capita than did post-war Europe under the Marshall Plan. The EU provides €300 million of aid per year and since 2000 a total of over €770 million has gone on humanitarian assistance. Yet overall such assistance has translated very little into concrete advances within a peace talk framework.

On 1 May 2019, the EU announced €22 million in additional humanitarian assistance. However, Federica Mogherini, at that time the EU’s High Representative for Foreign Affairs, said that a two-state solution cannot be substituted by endless technical and financial assistance, as this would “simply not work.” Ms. Mogherini remained a staunch supporter of the two-state solution and said in April 2019 that “abandoning the two-state solution for resolving the Israeli-Palestinian
conflict would deepen the chaos in Israel and the entire Middle East."\(^{42}\) There have also been discussions in Brussels about the reality of a one-state alternative, with unequal rights being ushered in if Israel continues to build settlements and to defy international law, according to Ms. Mogherini in her statement on the ‘Regularization Law’ adopted by the Israeli Knesset.\(^{43}\) In the meantime, a letter signed by two former NATO secretary-generals, six former prime ministers and 25 former ministers called on Europe to “reject any plan that does not create a Palestinian state alongside Israel, with Jerusalem as the capital for both countries. It is time for Europe to stand by our principled parameters for peace in Israel-Palestine.”\(^{44}\) The new EU High Representative, Josep Borrell, has expressed his objection to the US Peace Plan saying, “The EU recalls its commitment to a negotiated two-State solution, based on 1967 lines, with equivalent land swaps, as may be agreed between the parties, with the State of Israel and an independent, democratic, contiguous, sovereign and viable State of Palestine, living side by side in peace, security and mutual recognition.”\(^{45}\)

It is important to note that individual EU states have differing stances on their policies towards Israel. On 29 April 2019, without providing a reason, Hungary vetoed the EU statement condemning Israel’s ongoing violence in the West Bank and continued settlement building, making it the only country out of the 28 EU member states to oppose the statement.\(^{46}\) Still, the EU unanimously opposed US recognition of Israeli sovereignty over the Golan Heights.\(^{47}\) Given the growing uncertainty over the continued US role in the region, this has opened an opportunity for the EU to step in and lead possible peace negotiations under a new framework.

**Egypt**

Egypt has historically played a vital role in the Palestinian-Israeli peace process, not only due to its geostrategic position, but also its long-standing peaceful relations with Israel since the Egypt-Israel Peace Treaty of 1979. President Abdel Fattah el-Sisi has acknowledged that his country’s cooperation with Israel is ‘the closest and deepest’ ever, as they, for example, coordinate together in the Sinai to contain Hamas’s actions.\(^{48}\) However, President Sisi has reiterated that Egypt’s stance is in support of a two-state solution based on the pre-1967 borders, with an independent Palestinian state that has East Jerusalem as its capital.\(^{49}\)

\(^{42}\) Under such a consideration, Israel would be required to either grant equal rights and privileges to the five million Palestinians living under its military rule, or end the illegal occupation. See https://www.haaretz.com/israel-news/israeli-palestinian-conflict-solutions/.premium-eu-s-mogherini-abandoning-two-state-solution-will-deepen-conflict-1.7135685


\(^{46}\) “Hungary hits out after EU ‘ignores its veto’ on statement critical of Israel” Euronews, May 2, 2019, https://www.euronews.com/2019/05/02/eu-ignores-hungary-s-last-minute-veto-on-statement-criticising-israel


\(^{48}\) “Egypt’s Sisi acknowledges close coordination with Israel in Sinai” Reuters, January 7, 2019, https://www.reuters.com/article/us-egypt-sisi-usa-dkusckcn1p101x

Following the public release of the Trump administration’s Middle East Peace Process deal, Egypt has expressed its reservations. While relations between the two states have remained cooperative due to a combination of domestic politics, joint efforts at combating terrorism stemming from Muslim Brotherhood affiliated groups and a shift in the regional environment, including the civil war in Syria, Egypt joined its fellow Arab states in February 2020 in condemning the Trump administration’s Deal of the Century as “not meeting the minimum rights and aspirations of the Palestinian people.”

There is potential for Egypt to play a role as a neutral moderator, as it has already assisted Israel in both military and political operations to keep tensions between Israel and Hamas to a minimum in the run up to Israel’s third domestic election. Egypt released its statement on Trump’s Peace plan saying it “appreciates the continuous efforts” of the Trump administration to end the conflict and it encouraged both sides to resume negotiations in the hope that eventually they would grant Palestinians their “full legitimate rights through the establishment of a sovereign independent state.” Egypt also continues to express its hope that the Palestinian National Authority and Israel will sign a final peace accord. So far, however, this prospect has been met with resistance on the Egyptian and Israeli sides following Trump’s unveiling of his peace process deal, as they disagree over the parameters of the Middle East Peace Deal.

The GCC Countries

The GCC states have consistently argued for an equitable solution based on UNSC Resolutions 242 and 338. In 2002 Saudi Arabia proposed the Arab Peace Initiative (API) at the Arab League meeting in Beirut, Lebanon as a further proposal to end the larger Arab-Israeli conflict. The API proposed ending the occupation of the occupied territories and establishing a Palestinian state with East Jerusalem as its capital, in exchange for the Arab world giving full recognition and maintaining comprehensive peace with Israel. Despite the API being subsequently endorsed at

52 Ben Hubbard and Declan Walsh, op.cit.
the 2007 and 2017 Arab League summits, there has been only lukewarm support, if any, for the initiative on the Palestinian, Israeli or international community sides. This is partially due to the differing opinions within the Arab League. Direct neighbours like Egypt and Jordan have preferred to maintain their peace treaties with Israel and to prioritize stability, even if it is short-term, to outright confrontation with Israel and the US, whereas Syria and Lebanon have never established relations with Israel. Even within the GCC there are varying views. States like Kuwait have been averse to any normalization of Arab-Israeli relations. Saudi Arabia, Bahrain, and the UAE take a more realpolitik approach; their governments currently see a greater threat to the region in Iran and are eager to secure allies in the US and Israel.

Some have expressed their concerns over the lack of initiative to resolve the Palestinian-Israeli conflict. Saudi Arabian Prince Turki bin Faisal Al Saud said in an interview that, “if there is peace, unfortunately Israel chooses to ignore all the efforts of Saudi Arabia to make peace.”54 With the unveiling of the Trump Peace Plan, Prince Turki expressed his opposition to the plan and his support for the Palestinians in an interview with the CNBC. “[The Peace Plan is] just a monstrous conception of a Palestinian state. Its rightful capital Jerusalem is stripped from it, so that takes away its heart, and its borders are undefined and that takes away its soul.”55

The GCC states have maintained their financial support for the Palestinians, with Saudi Arabia providing $6 billion in aid between 2000 and 201856, the United Arab Emirates sending $489 million between 2013 and 2018 and Qatar providing $1.1 billion between 2012 and 2018. Doha announced in May 2019 an allocation of $480 million in humanitarian aid to the PA to help with its financial crisis.57 In 2018 alone Kuwait contributed $50 million to UNRWA after the US withdrew its funding. There are several reasons why the GCC states have contributed to supporting the Palestinian cause financially; one of those reasons is that the domestic population is still empathetic and supports the cause.

All of the GCC states have underlined that they will not normalize relations with Israel until the occupation has ended. During the 2018 Arab League Summit in Dammam, which was subsequently called the “Quds (Jerusalem) Summit,” Saudi King Salman stated: “We reiterate our rejection of the US decision on Jerusalem … East Jerusalem is an integral part of the Palestinian territories.” The King said he had named the 2018 meeting “the Jerusalem summit so that the entire world knows Palestine and its people remain at the heart of Arab concerns.”58 The leaders of the Arab world also released a statement at the Mecca Summit, which took place in Mecca, Saudi Arabia, in June 2019, calling Trump’s decision on Jerusalem “illegal and irresponsible.”59

While King Salman underlined unequivocally the Kingdom’s stance, the overall position of Riyadh has been more ambivalent. Following discussions between the Saudi Crown Prince Mohammed

58 “Saudi Arabia pledges $200m to support Islamic endowment and international relief programs in Palestine,” Arab News, April 15, 2018, http://www.arabnews.com/node/1285086/saudi-arabia
Bin Salman and Jared Kushner, the Trump's administration's coordinator for the Deal of the Century, suggestions circulated that Saudi Arabia may abandon some of its long-held principles and throw its weight behind the Trump administration's efforts. Saudi Arabia, alongside Jordan and the UAE, praised Mr. Trump's efforts but did not fully endorse his plan, although the Saudi Crown Prince has been the first of the Saudi leaders to break from previous hostilities with Israel by speaking of Israel's right to its own land and by praising its economy.60 King Salman of Saudi Arabia has said that “the Kingdom stands alongside the Palestinian people and supports its choices and what[ever] will actualize its hopes and aspirations,” showing that the Kingdom still has not changed its position on the conflict. No formal steps towards Israel have so far been taken.61

With reservations and preconditions, Oman remains among the very few Arab countries which have maintained relations with the state of Israel. Nevertheless Oman has equally called upon the rest of the Arab world to resolve the Palestinian-Israeli conflict and only then will it openly normalize ties with Israel. Israeli Prime Minister Netanyahu met with Oman's Sultan Qaboos in October 2018 in Muscat for the first time. Other GCC states have also broadened their relations with Israel in recent years, due to the changing strategic circumstances in the region. Oman followed suit with the UAE, Saudi Arabia and Bahrain in supporting the efforts of the Trump Administration on the Middle East Peace Deal. At the same time Kuwait and Qatar have emphasised the need to respect the 1967 borders. The Kuwaiti Ministry of Foreign Affairs stated that while it “highly appreciates the efforts of the United States to resolve the Palestinian issue and end the Arab-Israeli conflict that has spanned more than seventy years,”62 it also said that the issue is an obstacle to security and stability in the region as it is a cause of suffering for the Palestinian people.

A statement by Bahrain's former Foreign Minister Khalid bin Ahmed Al-Khalifa, saying that the “Iranian threat is more dangerous and important than the Palestinian cause at the moment,” is indicative of the current strategic thinking in the Gulf region.63 The UAE has also improved its relations with Israel and has called on both Israel and the Palestinians to move forward in any negotiations. With the release of the US Middle East Peace Deal the UAE Ambassador to the US, Youssef Al Otaiba, released a statement saying, “The United Arab Emirates appreciates the continued efforts made by the United States to reach a Palestinian-Israeli peace agreement. The UAE believes that both the Palestinians and the Israelis can achieve lasting peace and genuine coexistence with the support of the international community.64

Taken together the GCC states have continued to emphasize that any normalization of relations with Israel will only come about if there is a just resolution to the Palestinian-Israeli conflict.65 However there has been no coordinated response from the GCC as an organization to the Trump Middle East Peace Plan, as individual GCC states have expressed cautious support for the proposal.

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60 Ben Hubbard and Declan Walsh, op.cit
62 Mohamed Abdelaziz, op.cit.
64 Mohamed Abdelaziz, op.cit.
65 “Kuwait reiterates rejection of Israel normalization,” Middle East Monitor, op.cit.
Overall Security in the Middle East

Faced by a myriad of challenges, the “Palestinian Problem” still continues to stand at the core of much of the turmoil and insecurity in the Middle East today. On three issues in particular, the unresolved Palestinian-Israeli conflict is likely to prevent significant forward movement: Iran, containing radicalisation and terrorism, and overall normalization of relations between Israel and the Arab states.

Iran

The GCC and Israel are largely aligned in their interests to curb Iranian influence in the region. It is not an inaccurate assumption to make that Iran uses conflict in the region to heighten its presence and influence within the Middle East, for example through its support for organizations like Hezbollah, Hamas and the Houthis. Iran continues to take a hard-line stance against Israel, with an Iranian general saying as recently as January 2019 that Tehran aims to wipe Israel off the global political map, by starting a war that will end in the annihilation of Israel.

Iran and its Lebanese ally Hezbollah have obtained advanced missiles that are designed to exploit certain weaknesses within Israel’s defences. For Israeli security officials, the nightmare scenario is that these missiles become accurate enough to hit Israel’s civilian and military infrastructure, paralysing daily life in the country. Iran’s supply of weapons extends to more than just Hezbollah and Hamas, but also to the Houthis. Fuel is being shipped illegally from Iran to Houthi rebels in Yemen to finance their war against the government and both sides are violating international law with their military campaigns and arbitrary detention of rivals, U.N. experts said in a recent report. The Houthis have several times reaffirmed their anti-Israel position, with threats to attack Israeli targets.

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69 Edith M. Lederer, “UN experts: fuel from Iran is financing Yemen rebels’ war,” AP News, January 19, 2019 https://www.apnews.com/b406265e1c6642fd9a614416270263b6
70 Mohammed Hatem, “Yemen Houthis claim to have a list of viable Israeli targets” Bloomberg, December 8, 2019, https://www.bloomberg.com/news/articles/2019-12-08/yemen-houthis-claim-to-have-list-of-viable-israeli-targets.
Iran’s continued support for these organizations thus poses a grave threat to the security and stability throughout the greater Middle East, with a direct impact also on the EU’s neighbourhood. It is in this context that both the GCC - Saudi Arabia in particular - and Israel have expressed their disapproval of the announcement by the Trump administration in early 2019 of the drawing down of US forces from Syria. Overall this is seen as opening the path for Iran to increase its presence in Syria and provide them with an operating theatre from which to threaten Israel more directly. The Iranian project to establish a link from Iran to the Mediterranean coast through Syria and Iraq is further evidence that Iran’s intentions are more about securing its influence than about bringing about greater stability in those countries.

As far as the peace process is concerned, Iran’s continued support for Hamas is also a factor that jeopardizes any attempt at a reconciliation process between the Palestinians. According to reports in March 2019, Iran has re-established its financial support for Hamas, with Tehran providing $15 million annually to the movement.71 Such an amount, if it is indeed provided, is bound to be detrimental to furthering any peace negotiations, because it would maintain and even widen the divide between the PA and Hamas. Throughout 2019 and the start of 2020, Iran also stepped up its hostilities toward the Gulf Arab states, with its attacks on Saudi oil installations and UAE oil tankers in international Gulf waters. The period saw its temporary escalation with the US assassination of Iranian General Qassem Soleimani in January 2020, leading to Iranian retaliation against US forces stationed in Iraq. With the US determined to maintain the pressure on Iran and subject the country to its ‘maximum pressure’ economic sanctions, Iran is bound to continue to use the Palestinian issue as a means to garner public support for its position from the rest of the Arab world.

**Countering Violent Extremism and Terrorism**

Secretary-General António Guterres said “[r]esolving the Israeli-Palestinian conflict will remove a driver of violent extremism and terrorism in the Middle East.

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71 This amount that could potentially increase down the road, however given the current financial impact of the COVID-19 crisis, these numbers may also decrease. Ahmad Abu Amer, “Did Iran ever stop funding Hamas?” Al-Monitor, March 12, 2019, https://www.al-monitor.com/pulse/originals/2019/03/iran-hamas-relations-financial-support-regional-development-s.html. See also http://www.alquds.com/articles/1551638692640160000/.
and open the doors to cooperation, security, prosperity and human rights for all.” The EU has seen a spike in radicalization, violent extremism and terrorist attacks on European soil originating from the wider instability in the Middle East; this is not due solely to the Palestinian issue but the instability in the region is one of the root causes of violent extremism.

The rhetoric required to counter violent extremism is very important in the context of the Palestinian-Israeli issue, for all sides. While within the occupied territories there is an evident animosity toward Israel, within Israel there is a staunch right-wing that vehemently opposes Palestinian statehood. Both sides produce extremists and unfortunately both sides suffer the consequences of that radicalization. As shown in Graph 2, the growing economic inequality between the West Bank and Gaza is one factor contributing to such radicalization.

Graph 2

Real GDP per capita* gross income 1994 - 2016
During the mid 1990s, there was little difference between incomes in the West Bank and Gaza. But have diverged during the past decade

Graph from https://www.middleeasteye.net/news/gaza-crisis-explained-eight-graphics

Terrorist organizations like ISIS, Al-Qaeda and Hezbollah use the Palestinian-Israeli conflict as a means of recruiting and radicalizing young people to join their ranks. In addition violent extremism is endangering the stability of neighbouring countries like Jordan, Lebanon, Egypt and Syria. On 26 May 2019, a 23-year-old Palestinian woman, who joined ISIS through the social network app, Telegram, was arrested by the Palestinian authorities for planning to carry out a terrorist attack in Israel. Such incidents of radicalization will continue to shake regional stability

73 “The Islamic State also released several statements under the following titles: “Letter to the Fathers on the third of the Two Holy Mosques; Letter to the Mujahideen in Bayt al-Maqdis; People of Bayt al-Maqdis: Terrorize the Jews; Letter of encouragement and support for our people in Ard al-Masra; The true promise is nigh; Where are the revolutionaries in the land of Palestine?; Restore terror to the Jews.” See https://www.washingtoninstitute.org/fikraforum/view/how-terrorist-groups-use-jerusalem
unless the root source, as opposed to the symptoms, is effectively dealt with. Although these organisations have other methods of recruitment, ending the occupation is still seen as a fundamental way to lay the foundations for a peace that meets both Israeli security needs and Palestinian aspirations for statehood and sovereignty.

*Open Wound*

Without a resolution to the Palestinian-Israeli conflict it remains a minefield for the Arab states to officially recognize the state of Israel, if only for political reasons. The domestic political climate within the Arab world is still staunchly pro-Palestinian and that is a primary reason behind the GCC states, like Saudi Arabia and the UAE, pursuing rather clandestine relations with Israel. The reality is that the populations of the majority of Muslim countries are against their governments cooperating or establishing relations with Israel, a factor which those governments are well aware of. For the GCC states, it is also a unique situation, as their populations include sizeable Arab expatriate communities. Internal politics therefore play a significant role in this issue, with states trying to create bridges between their national strategic interests and the often very strong attachment felt towards the Palestinian cause by significant sections of their populations. As long as the Palestinian-Israeli issue remains unresolved, full normalisation with Israel remains a no-go for most Arab citizens and residents. As a result, and following the Warsaw Conference held in February 2019, Kuwait reiterated once again that it rejects normalisation with Israel without a just resolution to the Palestinian problem. And while the GCC states have made it clear that some of their interests lie in collaboration with Israel, in order for example to have a common front on Iran, a full normalisation process can only occur if there is substantive movement towards a Palestinian-Israeli peace.

Simply put, the Palestinian-Israeli issue remains at the forefront of the Arab states’ concern for security and stability in the region. An unresolved or an unjust resolution to the Palestinian issue remains an emotional issue for the Arab world. At the Arab Inter-Parliamentary Union in Amman, Jordan in February 2020, the Kuwaiti National Assembly Speaker Marzouq Al-Ghanem symbolically threw a copy of the Trump Peace Plan into the rubbish bin, saying it was “destined to die”. Neighbouring Arab states like Egypt, Syria, Jordan and Lebanon have security concerns over the unresolved Palestinian issue because Hamas, Hezbollah and ISIS pose imminent threats to the region. The populations of Arab countries are empathetic toward the Palestinian cause but, as seen with the unveiling of Trump’s Peace Plan, the governments of Arab countries are far less empathetic to the emotional factor that has long driven the Palestinian cause. This is due to the security risks posed by internal and external regional instability factors, such as Iran and ISIS.

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76 Raphael Ahren, “Israel and UAE have maintained close covert ties since 1990s, magazine claims” The Times of Israel, June 11 2018, https://www.timesofisrael.com/israel-and-uae-have-maintained-close-covert-ties-since-1990s-magazine-claims/

77 The National, “Kuwait’s Speaker throws Donald Trump’s Peace Plan in the bin” February 9, 2020 https://www.thenational.ae/world/mena/kuwait-speaker-throws-donald-trump-s-peace-plan-in-the-bin-1.976475
Towards Effective EU-GCC Collaboration on Israel-Palestinian Peace

After more than 70 years of war, distrust and failed peace processes, it has become evident that the two-state solution may not be a viable one in which Palestinians and Israelis can live side by side in peace and security, unless a new initiative provides the motivation to each player to come to the negotiating table again (see, for example, Graph 3). Given the two factors of a growing political polarization in the Middle East that could further radicalize the region and the reality that the Kushner peace plan put forward by the US Trump administration was more or less “dead on arrival”, the EU and the GCC states should cooperatively produce an alternative approach, one that injects the peace process with a new momentum. Josep Borrell has already expressed his criticism of the US’s Middle East Peace Plan and in mid-February he said in an interview that he hopes that the EU can present a European initiative.\(^78\) He acknowledged that it “will be difficult, but it is not impossible” for the EU to be united on a European initiative and for the EU to be accepted as a moderator by both the Palestinians and Israelis, but the incentive is there.

Graph 3

Fewer Arabs now say peaceful coexistence between Israel and independent Palestinian state is possible

% of Israeli Jews / Arabs who say a way can be found for Israel and an independent Palestinian state to coexist peacefully with each other

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<tr>
<td>Arabs</td>
<td>74</td>
<td>50</td>
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<td>Jews</td>
<td>43</td>
<td>43</td>
</tr>
<tr>
<td>Arabs</td>
<td>64</td>
<td>46</td>
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<td>Jews</td>
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<td>Arabs</td>
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<td>Jews</td>
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Sources: Survey conducted October 2014-May 2015.

Data for 2013 and 2014 are from Pew Research Center surveys conducted in Israel. The 2013 and 2014 surveys do not include East Jerusalem, while the current survey does include respondents in East Jerusalem. If residents of East Jerusalem were excluded from the current survey, the proportion of Arabs who say a two-state solution is possible would rise to 53%.

PEW RESEARCH CENTER

While the EU and the GCC largely pursue similar policies when it comes to the peace process, there have been few concrete, coordinated actions that have allowed these common positions to be translated into a more coherent framework. There have been several EU-GCC joint communiques on various issues regarding the Palestinian-Israeli conflict. The communique from the 23rd EU-GCC Joint Council and Ministerial Meeting stated:

“The Ministers reaffirmed their shared position that a just, comprehensive and lasting peace in the Middle East is vital for international peace and security, noting that such a solution must be based on UN Resolutions and the Arab Peace Initiative, leading to the establishment of an independent and sovereign Palestinian State on the territory occupied since 1967 … The Ministers reaffirmed their position not to recognize any chances to the pre-1967 borders other than those agreed by both parties including with regard to Jerusalem. They stressed their common position that Israeli settlements anywhere in the occupied Palestinian territories are illegal under international law and constitute an obstacle to peace. In this regard, they called on Israel to immediately end all settlement activity in East Jerusalem and the rest of the West Bank, including natural growth, and dismantle all outposts. The Ministers agreed on the need to continue to support Palestinian state-building efforts, both politically and financially.”

The changing role of the US in the Middle East, the internal dynamics within Israel and the growing role of the GCC states all suggest that this might be an opportune moment to consider a renewed approach.

**Changing role of the US**

The current Trump administration has decided to take a largely hands-off approach to the Middle East, claiming that the only reason the US remains in the region is to safeguard Israel's interests. The US attitude toward the conflicts in Syria, Iraq and Yemen leaves a region with a vacuum of power, given that in the past the US always played the leading role of maintaining peace and security in the region. The US's position as a guarantor of Gulf security has also come under more intense scrutiny, forcing the GCC states to explore broader partnerships with countries such as Russia and China.

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Furthermore the US’s reputation among the Arab states and the Palestinians plummeted dramatically following the moves to recognize Jerusalem as Israel’s capital, the annexation of the Golan Heights and the release of the Trump Peace Plan. With the PA boycotting all negotiation efforts with the US and the US’s cutting of aid, any Deal of the Century is bound to face almost insurmountable obstacles. An opinion poll conducted by the Jerusalem Media and Communication Centre, in cooperation with the Friedrich Ebert Foundation, showed that as far as the “Deal of the Century” was concerned, about two-thirds of respondents, 65.3%, said they believe the Palestinian leadership should reject the plan, while 6.1% said they should accept it and 21.3% said they preferred that the Palestinian leadership negotiates it. Overall, the Palestinian’s lack of confidence in the US’s ability to be a fair negotiator is a significant obstacle to getting peace negotiations back on track.

This situation provides the EU and the GCC with an opportunity to fill the vacuum by introducing new approaches and exploring the basis for bringing both the Palestinians and Israelis to the negotiating table. That would be easier said than done, but with the shifting interests of the US, the Palestinians are willing and have already called on the EU to intervene in negotiations. A primary challenge will be to prompt Israeli counterparts to agree to begin negotiations under EU-GCC auspices, as well as debunking the Israeli argument that there is no structure to the Palestinian leadership and therefore they are unable to negotiate with them. This is discussed in the next section. In the meantime, a more active role by the EU should stake out positions that challenge the US approach, in order to provide a basis from which constructive US-EU discussions over the future of the Middle East peace process could emerge, in particular in view of future US administrations with the presidential election approaching. Such a role should further highlight fields in which distinctive EU approaches can underline Europe’s role in conflict mediation and resolution, humanitarian assistance and the building of stable neighbourhoods. The EU has already invested heavily in providing humanitarian aid and this can be incorporated into what Josep Borrell referred to as a new EU strategy. The Israeli-Palestinian conflict impacts the EU’s southern neighbourhood, providing an opportunity to build a lasting peace in the region. There is potential for the EU to

take the lead on several issues, as a global leader in climate change and maritime security. EU-GCC cooperation on this matter would also allow GCC countries to see their positions being communicated and acted upon.

**Current Israeli Government Circus**

Prime Minister Netanyahu’s right-wing party, the Likud Party, has held the majority in the Knesset for several election cycles. As of May 2020, Netanyahu has served 14 years, making him the longest serving Prime Minister since David Ben Gurion, Israel’s first PM. A national election on 9 April 2019 saw Netanyahu’s Likud party win the election but without a clear majority. Following a period during which Netanyahu was unable to form a governing coalition, parliament was disbanded and a new vote set for 17 September 2019. However, this election also did not lead to a new government thus forcing a third election in within one year.

The 2 March 2020 election ended in results that differed little from the previous two elections. All three elections, however, underlined that a significant challenge exists to Netanyahu’s leadership from the centrist-left coalition led by Yair Lapid and Benny Gantz, the Blue and White Party. With the added uncertainty of the Coronavirus pandemic (COVID-19), Israeli lawmakers began urging the contenders to put politics aside, so that a unified effort can be put into fighting the spread of COVID-19. Ultimately, Netanyahu and Gantz agreed to form an emergency unity government, with Netanyahu serving as Prime Minister for the first eighteen months, followed by Gantz for a second eighteen-month period. The emergency solution however faces its own challenges, with the stability of the coalition in doubt. Gantz has already seen support in his own ranks dissipate, as he had previously publicly pledged not to serve under Netanyahu in any unity government. Netanyahu himself is also facing trial for bribery, fraud and breach of trust, having been formally charged in January 2020. 

Despite the uncertain political outlook, recent developments have underlined a changing political landscape in Israel that potentially opens the door for engagement with groups in Israel that would be willing to further peace negotiations. If anything, the past 3 elections have shown that a new centrist-left movement exists, which, with the right incentives, may engage with the Palestinians to begin peace negotiations. One key component would be to counter the Israeli argument that the Palestinians have no coherent structure to their leadership that is conducive to peace talks and therefore that there is no one to negotiate with. While the argument contains degrees of validity, it has also been used by the Netanyahu government in order to stall any form of negotiations and to maintain Netanyahu’s political popularity among his right-wing, ultra-orthodox Jewish voter base. At the same time, effective EU-GCC collaboration and the current political animosity between the Palestinians and the US provide an opening to introduce new cooperative efforts to continue the process of transforming the Palestinian leadership into a capable force. The EU and GCC already financially support the PA and, in conjunction with emerging political alliances in Israel, it may be a step in the right direction towards a more viable peace process.

**Shifting Circumstances**

Key components of EU and GCC policy objectives in the Middle East are the restoration of regional stability and the promotion of a more stable environment. While not alone, the unresolved Palestinian-Israeli conflict, along with the turmoil caused by the post-Arab Spring, continue to contribute to levels of regional instability that at this stage show no signs of decreasing. This is why

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it is an opportune time for new creative initiatives that could stem the tide and start the process of bringing about more lasting and deeper change. The outbreak of the COVID-19 pandemic and its widespread consequences are also an opportune moment to revisit positions and make a renewed effort.

While there are risks associated with new initiatives, similar to the risks that came with the 1979 Camp David treaty between Israel and Egypt, there are also potential rewards. The 1979 accords, for example, led to regional cooperation between Egypt and Israel on matters of security, defence and stability. Similarly an attempt by an EU-GCC collaboration to reboot the Palestinian-Israeli peace process may set a precedent for greater regional cooperation, even in theatres outside that of Israel-Palestine, such as Yemen, Syria and the Gulf region. As a result numerous benefits can be gained from the security, stability and economic partnerships that would emerge from this collaboration. With the Iranian crisis heightening at the beginning of 2020, the GCC states have called for de-escalatory steps to be implemented so that regional stability does not deteriorate further. As UAE Minister of State Anwar Gargash stated in May 2020: “The [Gulf] region, like all regions in the world, is going to be financially and politically weaker. We would be wise to think about our development models, about de-escalation and to try some problem-solving.” As a result the UAE withdrew its forces from Yemen in 2019, opening the door to further peace talks in that context. It is within this framework of changing circumstances that a renewed effort to revisit the Palestinian situation could be undertaken.

The current unprecedented situation, in conjunction with the COVID-19 pandemic, has even led to cooperative measures taken between the Israeli and Palestinian governments, to a degree that has not been seen since the Oslo Peace Accords. A call initiated by Israeli President Rivlin to PA President Abbas thanked Abbas “for the high level of cooperation and coordination” in order to combat the spread of the virus in both Israeli and Palestinian territories. The situation on the ground due to COVID 19 is represented by the fact that the vast majority of COVID cases are Israeli Jews. This is due to the disproportionate testing that is available to Israeli Jews as opposed to the Israeli Arab communities. According to sources on the
ground in the West Bank, as testing was being made available to Israeli Arab communities there was a 10% increase in cases in those communities. In the West Bank there has been an effective lockdown, with the PA enforcing it in area A and the Israeli army in control of Areas B and C. This is a representation of how the Israeli government is, in essence, the sole authority deciding how the Palestinians can and should respond to the COVID-19 crisis. What we see unravelling is how a one state solution would play out, with unequal treatment of Palestinian citizens. The potential of an outbreak of COVID 19 in the Gaza strip would be catastrophic, as Israel is the occupying power and under international law Israel has the legal duty to provide for the people of Gaza. Obviously however that will not be the case. It is important to remember that the Israeli economy is dependent on some 300,000 Palestinian workers who commute from the West Bank into Israel proper every day. Once the pandemic has passed, there is an opportunity to take this bipartisan collaboration further into the political sphere.

Suggested Steps

Given the outlined factors above of the danger of the two-state solution being taken off the table, the fact that a solution to the Palestinian issue remains intricately tied to numerous security issues impacting the Middle East and the emotional response this cause continues to evoke, the final section will outline this paper’s findings and recommendations for both the EU and the GCC to take into consideration. In 2020 and in light of the worldwide, unprecedented threat posed by COVID-19, it is time for the EU to become more than just a payer and strategically work with their allies in the GCC to hold in-depth discussions about how to move forward with a new approach on the Middle East peace process. The following steps are put forward for consideration:

I. Push behind the scenes for greater reform in the Palestinian leadership through aid incentives and political collaborations. The current stalemate between Hamas and the PA is a valid concern that needs to be resolved. With the United States cutting off aid and arguably no longer politically neutral, the EU and its GCC allies are in a position to reignite progress on this issue. Leaders on the Israeli and Palestinian sides have to be committed to peace and prepared to make the necessary concessions to reach a workable and implementable agreement. The EU and GCC are both major contributors to aid, giving them an advantage over other countries, both in the western and the Arab worlds. This advantage is key to establishing a platform to bring both parties to the negotiating table.
II. Use the EU’s position and the GCC’s API to propose alternatives and to lay out the base framework for the way ahead. The good thing is that the EU and GCC do not need to create an entirely new framework, as the API was put forward as a basis for further discussions. Thus the API can be utilized and refined. Incorporating previous attempts at peace negotiations may serve as a starting point during periods of stagnation. Given the agreement between the EU and GCC on the framework of a future Palestinian state and their understanding of Israel's need for security and stability on its borders, the API provides a basis to create a framework suitable for both Israeli and Palestinian needs.

III. Ensure issues such as refugees, Jerusalem, border security and territory are included in the negotiations. The US Peace Deal has no tangible solution to any of the issues central to a viable Palestinian state. The EU and the GCC have reiterated several times their commitment to the issue of Palestinian refugees, Jerusalem and the 1967 borders. The EU’s allies in the GCC have the financial and political capability to negotiate these key issues; having a peace deal negotiated by neutral and regional actors could potentially promote regional stability and security.

IV. Engage with Russia, China and other international and regional players to gain support and momentum for the API. While the EU and GCC have the capability to reopen negotiations, they do not operate in a vacuum. Keeping a deal secret has potential downfalls, as witnessed by the Trump administrations’ peace deal. It is important to galvanize the international community behind a comprehensive and just peace negotiation. The situation has stagnated past the point of a single international actor (the US) resolving the crisis. Russia is politically involved in the region and has a stake in the stability of the region. With the US commitment to Middle East security as a whole beginning to fray, Russia could potentially have a keen interest in being a party to a new initiative. China has several economic ventures, including the Belt and Road Initiative, in the region and would benefit from stability and economic opportunities with the Palestinians and Israelis.

V. Engage with the Israeli centre-left to build momentum and incentives to reboot the peace process within the Israeli domestic political scene. With the unity government formed during the COVID-19 state of emergency, domestic priorities have shifted, but once this crisis passes Benny Gantz will hold the office of Prime Minister after a year and half of Netanyahu’s term as Prime Minister. This provides ample time for the EU to engage with its allies in the GCC and Israel’s centre-left to reopen negotiations. In order for these negotiations to bring about a successful peace plan, both the Israelis and Palestinians need to secure their domestic bases of political allies and most importantly their domestic populations.

VI. When it comes to Israel, the EU should not shy away from challenging Israeli policies toward Gaza and the West Bank. As a minimum, the EU should push Israel to tighten its rules of engagement in Gaza and to end its blockade. Anything less will prevent economic restoration and development in Gaza and the EU should push Israel to reopen negotiations to end the occupation of the West Bank. The GCC countries have proven to be willing to burden some of the financial costs, in terms of investment and reconstruction, so the EU should stress the importance of ending Israel's policy of closure and separation in Gaza and its occupation of the West Bank.
Conclusion

The COVID-19 crisis has for the moment refocused the policies of respective governments, as more pressing domestic concerns have begun to dominate other issues. The crisis has, however, also stressed the interlinkages that exist with a pandemic that respects no borders and that can only be combatted effectively within a framework of greater regional and international cooperation.

In that context and once worldwide efforts against COVID-19 show success, a moment could appear that would allow the launch of a new joint push on the Israeli-Palestinian front. In addition to the impact of the Coronavirus on regional and international cooperation, there are other multiple reasons in this regard. Firstly the US’s reorientation underscores an emerging reality that the United States is unlikely to provide the proper framework for the rebooting of the peace process. This is unlikely to change even after the current US Trump administration ends. One clear piece of evidence is the fact that the much-hyped US Deal of the Century was ‘dead on arrival,’ as predicted, so an alternative initiative needs to be made available.

Secondly the past years have shown that trying to persuade Israeli Prime Minister Netanyahu and his party to come to the negotiating table is a dead-end. At the same time the April 2020 election and his inability to form a coalition government proves that there are alternative options to a peace deal. While one needs to watch and follow the continuing developments, there is a potential opportunity to engage in dialogue with other Israeli political forces that represent an alternative to the obstructionist approach of the current government.

Thirdly there is currently no one else willing or able to fill the vacuum that the US has. Russia has shown interest but alone it does not have much leverage in the region to reboot the peace process. This in itself provides an opportunity for the EU and GCC to promote themselves by taking a leading role on an important issue in the region. A commitment and ultimately a resolution to the standstill will not only will send the signal that one of the longest unresolved conflict issues has not been forgotten, but progress itself will also be an element toward greater peace and cooperation in the region.