



# A Practical Plan on the Israeli-Palestinian Front

By Mara Rudman and Brian Katulis

December 2016

Center for American Progress



# A Practical Plan on the Israeli-Palestinian Front

---

By Mara Rudman and Brian Katulis

December 2016

# Contents

- 1 Introduction and summary**
- 5 Making a deal: Analyzing the current context**
- 11 Game plan to make a deal: Building blocks for progress**
- 16 Conclusion**
- 17 About the authors**
- 19 Endnotes**

# Introduction and summary

The incoming U.S. administration has an opportunity to increase stability and advance U.S. security interests in the Middle East by outlining a framework for Israelis and Palestinians to make independent, coordinated, and constructive steps toward a two-state solution. This solution would support a safe and secure Israel and a sustainable, contiguous, and sovereign Palestine. At a time when the broader region continues to experience threats from civil wars, state fragmentation, and terrorist networks, the Israeli-Palestinian front is one area where the incoming administration can build on decades of investments to help enhance security and construct lasting institutions to achieve a sustainable resolution to the Israeli-Palestinian conflict.

President-elect Donald Trump has declared that he wants “to be the one that made peace with Israel and the Palestinians.”<sup>1</sup> Direct negotiations between Israelis and Palestinians are unworkable right now, but Trump can move toward this goal if he starts to lay the groundwork with five key steps:

1. **Outline** a vision that includes a nonmilitarized Palestine and a territorial point framed as 1967 lines with mutually agreed swaps. This vision would highlight a horizon that advances America’s interests, reflects bipartisan U.S. precedent and the positions of key international actors, reassures partners, and addresses existential Israeli and Palestinian concerns.
2. **Lead** an international effort that incentivizes Israelis and Palestinians to take parallel but mutually reinforcing routes toward the vision, rather than expecting either to be able to start negotiating immediately.<sup>2</sup>
3. **Follow up** on the White House invitation received by Israeli Prime Minister Benjamin Netanyahu with invitations to key Arab leaders for meetings. All of these meetings should be scheduled for the first half of 2017.

4. **Ensure** that preparatory meetings leading up to these White House sessions are used to see that a coordinated approach is in place.
5. **Recognize** that the United States may be most effective when it operates as a trusted partner between and among critical players, able to advise on what can be realistically delivered and how it can occur. It will be important to appreciate what Israel most wants and needs from its Arab neighbors and what they in turn seek from a relationship with Israel.

To make progress toward the two-state solution, six building blocks are essential:

1. **Enhance teamwork with regional partners.** Deploying a range of incentives and tools of persuasion to various actors, depending on relationships, will make a difference. Messages and work must remain coordinated, however, to leverage each country's strengths. Major shifts in long-standing U.S. policies on the Israeli-Palestinian conflict could undermine the incoming U.S. administration's credibility and leverage to shape the actions of key regional powers on this front.
2. **Support political leadership.** Accompanying the task of making Palestinian Authority President Mahmoud Abbas sufficiently secure in his role and position must be an effort to convince him of the value and import of a reliable supporting bench.
3. **Ensure security.** Israelis and Palestinians need to feel safe from threats for successful conflict resolution. Palestinian security forces coordinate closely with Israeli military and security operations in the context of their complexly intertwined population and geography; east of the security barrier, there are 110,000 Israeli settlers and 2.6 million Palestinians. The U.S. security coordinator, a three-star officer who engages with the Israelis and Palestinians on security initiatives that build trust and confidence, will offer important continuity through this role, reinforcing the Palestinian security force's structural core work and strengthening force sustainability.
4. **Put forward a vision for Jerusalem.** Within the existing Jerusalem municipality structure, an administrative subdivision for Palestinian villages and Jerusalem neighborhoods could be established. It would be "managed as a separate municipal framework within the city."<sup>3</sup> East Jerusalem residents would collect their locality's taxes and pensions, and administer finances; they also would develop, implement, and respond to services needed by their neighbors.

Unexpected and unprecedented U.S. policy shifts on the status of Jerusalem could have broad regional implications with reliable partners like Jordan, which plays an important role in the administration of the Muslim holy sites in Jerusalem.<sup>4</sup>

5. **Prioritize unity in improved services.** More reliable delivery of quality water and electricity can provide a cornerstone for better jobs, homes, schools, and futures. Increasing water access, and the electricity to deliver it, for farmers in the northern West Bank—particularly in areas where there are fewer settlements—would be a reasonable place to start in project portfolios linked to Gaza water efforts. Having a common approach to service delivery—and being seen as taking responsibility for Gaza and West Bank Palestinians alike—is as critical to unifying the West Bank and Gaza as is reaching political understandings between Fatah and Hamas, understandings that must recognize the Quartet Principles to be viable internationally.
6. **Link territory and economy.** Palestinians should be able to run and operate businesses, such as farms and stone and marble quarries, on land they own. If permitted to do so, they could add nearly \$1 billion to the Palestinian Authority’s gross domestic product, or GDP, as long as they had access to land and water in previously inaccessible areas, and committed to maximizing the use of recycled water and other sustainable use techniques.<sup>5</sup> U.S. efforts to accelerate work, partnerships, and engagement between the Palestinian information and communications technology sector, Israelis, and the international market also could increase economic growth significantly.<sup>6</sup>

This report examines the Israeli-Palestinian predicament in the context of today’s Middle East and the efforts by the United States and other global and regional powers to resolve this conflict over the past several years. It makes the case for the incoming Trump administration to adopt a pragmatic approach that brings Israel and the Palestinian Authority closer to resolving the conflict through coordinated actions on the security, economic, and political fronts. This formula would bring the parties closer to a sustainable agreement without direct negotiations at the outset. It outlines the six key building blocks aimed at fostering a more favorable environment to maintain a safe and secure Israel and achieve a sustainable, contiguous, and sovereign Palestine. This practical plan offers the best formula for progress.

The incoming Trump administration has indicated that it may adopt an impractical approach, which could end up producing greater instability in the region. Moving the U.S. embassy from Tel Aviv to Jerusalem—which some Trump senior advisors have suggested as a top priority—could end up isolating both

Israel and the United States in the broader Middle East, where the issue of Jerusalem's status remains an unresolved question subject to negotiations.<sup>7</sup> Furthermore, Trump's nominee for U.S. ambassador to Israel would contradict his predecessors, appointed by U.S. presidents since 1967, in his support for Israel to annex disputed territory in the West Bank and build more settlements there.<sup>8</sup> These moves could inflame a fragile situation unnecessarily.

The Middle East is experiencing tremendous challenges—from the rise of the Islamic State to Iran's ongoing destabilizing regional actions and turmoil in Syria and Iraq, to a refugee crisis with no end in sight. As the Center for American Progress recently outlined, the United States maintains a unique position to shape and influence trends in the region towards a more positive trajectory.<sup>9</sup> The Israeli-Palestinian front is one area where the incoming Trump administration could have an impact if it adopts an approach centered on coordinated unilateral moves by the parties. By outlining a horizon to resolve the Israeli-Palestinian conflict and creating incentives for the parties to move toward a two-state solution, the incoming U.S. administration can focus the energies of the parties in a way that safeguards against the outbreak of another military conflict along Israel's borders, such as the 2008, 2012, and 2014 wars in Gaza.

The new administration has an opportunity to align America's interests and strengths with those of Israel and key Arab countries, and lay the groundwork toward a sustainable two-state resolution and broader U.S. strategy in the Middle East. This route acknowledges that direct negotiations between Israelis and Palestinians are not workable right now. It offers more opportunities for much needed gains in security, economics, governance, and the trust necessary to negotiate any agreement's final steps. This would represent a major shift from what has become the ever-constricting space of the status quo. President-elect Trump could bring this opportunity to America, Israel, the Palestinians, and the region.

# Making a deal: Analyzing the current context

A sustainable Palestinian state with clearly demarcated borders would make Israel more secure and enhance regional and global stability. The incoming U.S. administration has an opportunity to lay the groundwork, while advancing Middle East and U.S. security interests. It can do this by outlining a framework for Israelis and Palestinians to take independent, coordinated, and constructive steps toward a two-state solution. The president-elect can build on decades of investments to help enhance security and lasting institutions to achieve a sustainable resolution to the Israeli-Palestinian conflict. Doing so with a pragmatic vision and coordination can bring together critical actors acting as a force for stability and security, even as the broader region experiences threats from civil wars, state fragmentation, and terrorist networks.

The Trump administration enters office on January 20, 2017. It will be a year with momentous anniversaries: June will mark the 50th year of the 1967 war when Israel's occupation of the West Bank and Gaza started; November will mark 100 years since the Balfour Declaration was signed. Under the Balfour Declaration, Britain promised Israel land in Palestine for a state.

Recognizing the challenge that it represents, President-elect Trump has stated that he wants “to be the one that made peace with Israel and the Palestinians.”<sup>10</sup> As president, Trump could expand opportunities for U.S., Israeli, and regional security in making a deal. Direct negotiations between Israelis and Palestinians are not possible immediately, but the United States can move toward this goal, with an effort supported by Israeli, Palestinian, and regional security, political, and business leaders.<sup>11</sup> The United States can help lead a properly scoped and shaped endeavor, strategically leveraging resources, relationships, and skills. The incoming administration should learn from its predecessors' gains and miscalculations. Such an assessment would conclude that there is sound logic, premised on U.S. national security interests, in the convergence of Republican and Democratic presidents' views on the following:

- The need for a two-state solution, defined as a safe and secure Israel and a sustainable, contiguous, and sovereign Palestine<sup>12</sup>
- Significant reforms to continue building the future Palestine, and some good investment to date on governance and economic fronts<sup>13</sup>
- Regional participation as critical to any plausible resolution

Relations between Israel and the Arab Quartet—Jordan, Egypt, Saudi Arabia, and the United Arab Emirates—have been quietly warming, as have those, to a lesser degree, with Turkey and Qatar. This is a result of shared interests and concerns, including what several commonly perceive as the more threatening regional status of Iran as a result of the nuclear agreement. Within areas of potential partnership, however, the Palestinian situation status remains “like a thorn.”<sup>14</sup> Countries such as Jordan and Egypt also face heightened concern about direct impact on their own security from instability in the West Bank and Gaza. Conversely, they would benefit from an effectively functioning Palestinian state that could be counted as a reliable partner.

President Trump would be on firm ground, and most likely to achieve results, if he makes an early statement that: (1) reaffirms his commitment to working with the parties and regional players to resolve conflict; and (2) frames his goal as a nonmilitarized Palestine and 1967 lines with mutually agreed swaps. In doing so, Trump would be building on a framework grounded in long-standing U.S. policy positions to advance the interests of the United States, Israel, and the United States’ closest partners in the Middle East.<sup>15</sup>

Two key existing elements that could help in constructing a new framework include U.S. positions on territory and security and the Arab Peace Initiative.

---

## U.S. positions on territory and security

The U.S. position on territory and security with respect to Israeli-Palestinian framework issues has remained consistent over nearly two decades. President Bill Clinton, President George W. Bush, and President Barack Obama have each cited the absolute of Israel’s right to self-defense against any threat; required robust provisions to prevent terrorism; and stated that the future Palestinian state be nonmilitarized.<sup>16</sup> Each described a U.S. commitment to a negotiated two-state resolution that would result in a sovereign, sustainable Palestine and a secure Israel, with borders based on 1967 lines with mutually agreed swaps.<sup>17</sup>

---

## Arab Peace Initiative

The Arab Peace Initiative, launched in 2002 by the late King Abdullah of Saudi Arabia, calls for withdrawal to 1967 lines—and from the Golan—as well as “a just solution to the Palestinian refugee problem to be agreed upon in accordance with UN General Assembly Resolution 194.”<sup>18</sup> It also calls for accepting a sovereign and independent Palestinian state in the West Bank and Gaza with East Jerusalem as the capital.<sup>19</sup> The Arab League endorsed the initiative in 2002 at its Beirut Summit and re-endorsed it in 2007. The latest version, endorsed in 2013, calls for the initiative to be based on the two-state solution on the basis of 1967 lines, with the possibility of comparable and mutually agreed-upon minor swaps of the land between Israel and Palestine.<sup>20</sup> Israel’s ambassador to the United States described the 2013 Arab Peace Initiative as “version 1.25” but in the context of openness to conversations toward a version 2.0.<sup>21</sup>

Moving forward, resolving the Israeli-Palestinian conflict requires advancing a framework that includes the desired destination but also captures the coordinated and simultaneous steps necessary to achieve progress on several fronts to improve the lives and security of Israelis and Palestinians alike. The framework should focus on four areas: security; politics and governance; water and electricity service delivery; and economic progress.

---

## Security

Grappling with security is a daily worry. Palestinian security forces coordinate closely with Israeli military and security operations on their complexly intertwined population and geography, and the ever more volatile region that they face together. Consider that in the West Bank, Palestinians number 2.6 million, and Israelis number 570,000. In the West Bank, 19.3 percent of Israelis are living beyond the 1967 line, but this includes nearly 200,000 living within greater Jerusalem, and another 150,000 living in three major settlements surrounding Jerusalem: Beitar Illit; Modi’ in Illit; and Maale Adumim.<sup>22</sup> East of the security barrier, there are 110,000 Israelis, or 4.5% of the total population.

Palestinian law enforcement is constrained in its ability to operate freely only within the limited and noncontiguous Area A jurisdictions.<sup>23</sup> The Israel Defense Forces is responsible for a widely dispersed Israeli settler population, and significantly, for working with Jordan and Egypt to defend against other regional threats.

The Center for a New American Security, or CNAS, worked with Commanders for Israel's Security, or CIS, to tackle how a security system might be developed to promote a two-state solution that meets the needs of Israelis and Palestinians.<sup>24</sup> In doing so, CNAS included guidance on steps that could be taken immediately to lead to security improvements for both parties.<sup>25</sup> The CNAS and CIS work on security solutions, both long-term and interim, supports the two-state destination approach.

---

## Politics and governance

Appreciating that security concerns must and can be addressed, President Trump would make his framing statement recognizing that Palestinian and Israeli politics are consumed by internal matters that need to be tackled before direct negotiations will be productive. This internal work can occur even as they each progress on parallel coordinated paths toward the two-state destination.

In recent years, President Abbas has been subject to intense speculation about his tenure.<sup>26</sup> He is 81 years old, has threatened to resign several times, and last faced a Palestinian Authority election in 2005. He convened the first Fatah Congress in seven years in late November 2016, with restricted participation terms, to support his position as Fatah leader and chairman of the Palestine Liberation Organization, or PLO.<sup>27</sup> He believes, not without reason, that he is in a precarious political position domestically and that he lacks sufficient external backing.<sup>28</sup> He is unlikely to be the Palestinian leader who seals a deal with Israel; instead, he is a transition leader. President-elect Trump should consider what kind of transition this will be, and what is in America's interests for Palestinians and Israelis to transition toward. If the United States is best protected and most secure with a Middle East in which Israel and its Arab Quartet neighbors are strongly allied—and more united than not with Turkey and Qatar—it will be best served by continuing to make gains toward Palestinian statehood.

It seems likely Prime Minister Netanyahu has made the same calculation within his own country and that he is assessing how to execute it given his position within his rightward leaning coalition.<sup>29</sup> Since the 2016 U.S. presidential election, he has more than once made statements to remind his ministers—and others—that he speaks for the state of Israel. He has done so to leave options on the table with the Palestinians and Arab states, and with the incoming U.S. administration.

The political turmoil among Palestinian leaders precludes focus on challenging governance and negotiation issues. Resolving high politics could lead to a stronger foundation for negotiations. Arguably, faith in functioning governing institutions should undergird any future state. Such institutions should be able to deliver services that people need and be seen to be delivering such services. These all should be key for the viability of a future Palestine. So too is unifying Palestinians in the West Bank and Gaza, and getting people the basic services they need: water, electricity, food, shelter, schooling, and rule of law.<sup>30</sup>

Having a government that delivers on its promises to its people is an important component of building and retaining political legitimacy. In laying out his state-building vision in 2010, then-Palestinian Authority Prime Minister Salam Fayyad said, “It’s the power of ideas translated into facts on the ground ... putting institutions together and getting them to coordinate their activities, getting them to be better able to provide services like medical care and security—that’s what statehood is about.”<sup>31</sup> The Palestinian Authority has made some gains since its initial major internal reform and restructuring effort, but it also has suffered some setbacks.<sup>32</sup>

---

### Service delivery: Water and electricity critical

Any Palestinian governance stocktaking requires focus on water and electricity. The Palestinian Authority is neither solely responsible for these services, nor is it completely free of burden. In Gaza, the water situation is dire.<sup>33</sup> Its population could run out of reasonable water supplies as soon as 2020.<sup>34</sup> Israel shares the interests of Palestinians in Gaza to stave off this crisis and put longer-term solutions in place. The Palestinian Water Authority, run by the Palestinian Authority, and the Gaza Coastal Municipalities Water Utility—operated by technicians but on which Hamas-elected mayors may retain a governing majority—share control of water distribution. Israel, Egypt, and/or a privately owned Gaza facility contracted by the Palestinian Authority provide the electricity needed to meet water demands. Water issues also are complicated in the West Bank. Most new water resources require application by permit to Israeli authorities, and funding assistance from international donors. The approval process for Palestinians has not been smooth.

---

## Economic progress

In April 2016, the Center for American Progress published a report discussing specific measures to bolster the Palestinian economy.<sup>35</sup> Particular areas offer the most opportunity for outside actors to leverage their resources to the greatest advantage:

- The Palestinian Information Communications Technologies, or ICT, sector could capture a growing percentage of the Palestinian GDP. It has the basis for natural partnership with Israeli offices of multinational companies, such as Cisco, Microsoft, Google, Hewlett-Packard, and Intel. But Palestinians anxious to work in the ICT sector need skills that match the current needs of the companies from which they seek work.
- The new U.S. administration is well-positioned to encourage the direct input and commitment of high-level executives at the leading companies, whose regional offices in Israel are eager to support outreach to Palestinian ICT companies for contracts that meet current and future market needs.<sup>36</sup>
- U.S. efforts to accelerate work, partnerships, and engagement between the Palestinian ICT sector, Israelis, and the international market could increase economic growth beyond that sector. Technological gains in sustainable water use, for example, would revolutionize Palestinian farming, particularly if combined with smart access to previously unavailable land or water resources.<sup>37</sup>
- President-elect Trump's White House will appreciate that land use planning and other related rule of law efforts are critical to real estate development. The Palestinian Authority needs rules of the road that will impact actors operating now. Laying the foundation for a functioning state that controls the desired destination—land within 1967 lines with mutually agreed swaps, where currently, Palestinian property options and zoning are often haphazard—means restructuring property taxes and seeking stewardship accountability opportunities to incentivize the most appropriate land use in a given municipality.<sup>38</sup>

# Game plan to make a deal: Building blocks for progress

First, President-elect Trump should lay out a vision for resolving the conflict. Next, to make progress toward a two-state solution with a sustainable Palestinian state while maintaining a safe and secure Israel, the Trump administration should focus on the following six initial building blocks.

- 1. Advance teamwork with regional partners.** The United States should work with Israelis and Palestinians who live the realities daily. It also should work with regional actors who have direct and immediate interests in building a sustainable state that will be a good neighbor and an overall asset in a tough neighborhood, and with European and multilateral partners who have long been active contributors.
  - Follow up on the White House's invitation to Prime Minister Netanyahu with invitations to key Arab leaders. All meetings should occur within the first half of 2017.
  - Preparatory meetings leading up to the president's White House sessions should ensure that an integrated approach is in place.
  - Each country shares an interest in building long-term stability for Palestinians in the West Bank and Gaza. It will be important to deploy a variety of tools of persuasion and incentives with different actors, depending on relationships. Messages and work must remain coordinated, however, to leverage each country's strengths.<sup>39</sup>
- 2. Support political leadership.** To progress toward Palestinian statehood, the United States, Israel, and regional and international partners need to make a conscious choice to support Palestinian Authority President Abbas.<sup>40</sup> This means recognizing him as the transition leader that he is, with an appreciation of his strengths and the limits of his capabilities. Accompanying the task of making President Abbas sufficiently secure in his role and position must be convincing him of the value and import of a reliable supporting bench.

- With these assurances, President Abbas should be encouraged to return his focus to daily governance and the broader political horizon required for peace negotiations.
- Included in regular discussions should be transparent planning for a development process for next generation leaders within Fatah and, separately, in the Palestinian Authority.
- Hamas also is undergoing leadership turmoil. Khaled Meshaal, the political leader based in Qatar, has said that he will step down by year's end.<sup>41</sup> Ismail Haniyeh, the political leader within Gaza, may be his logical successor, but significant power also lies within the security and militia wings. More extreme jihadist groups within Gaza, augmented by Sinai groups, are further destabilizing.<sup>42</sup> Arab partners need to bring Hamas toward the Quartet Principles and reconciliation with the PLO.<sup>43</sup>

3. **Ensure security.** Israelis and Palestinians need to feel safe from threats to resolve conflicts successfully. The U.S. security coordinator, a three-star officer who engages with Israelis and Palestinians on security initiatives that build trust and confidence, will offer important continuity through this role. The security coordinator's work reinforces the structural core work of the Palestinian security force, strengthening sustainability.<sup>44</sup>

- To strengthen the Palestinian legal system, CNAS has suggested building counterterrorism expertise, including a special court system, combined with working on the overall Palestinian court system and rule of law.<sup>45</sup>
- The political dynamics are not steady state. Interactions could improve through working on commonly designated tasks that yield concrete results, designed to suit the strengths of each partner, as has been the case on security coordination.

4. **Outline a vision for Jerusalem.** The boundaries of Greater Jerusalem were expanded significantly in 1967. Palestinians now comprise some 40 percent of all city residents.<sup>46</sup> Jerusalem residents pay municipal taxes and depend on Israeli services, but routine administration work, trash pickup, and other services function less effectively in Arab areas.<sup>47</sup> Certain Arab neighborhoods lack access to law enforcement; Israeli police do not enter them, and Palestinian security cannot enter. The housing market also is tight, particularly for Arab residents.<sup>48</sup>

- Within Jerusalem’s existing municipality structure, an administrative sub-division for Palestinian villages and Jerusalem neighborhoods could be established. It would be “managed as a separate municipal framework within the city.”<sup>49</sup> East Jerusalem residents would collect their locality’s taxes and pensions, and administer finances; they also would develop, implement, and respond to services needed by their neighbors.<sup>50</sup>
- Arab residents of East Jerusalem should be sought, through transparent competitive hiring processes, for the senior municipality positions, intended for professionals who will assist Arab residents of East Jerusalem.<sup>51</sup>
- To address law and order concerns, a new unit of police could be created to work throughout East Jerusalem. It could be composed entirely of East Jerusalem residents or, at least initially, of East Jerusalem residents and Israeli police forces. Alternatively, Israelis might consider asking the U.S. security coordinator to develop training for a joint East Jerusalem force, with Palestinian security forces. These structures would address concerns about services and law and order, while also testing some aspects of possible options on separation and unification.

5. **Work toward unity in improved services.** More reliable delivery of quality water and electricity can provide a cornerstone for better jobs, homes, schools, and futures. Increasing water access—and the electricity to deliver it—for farmers in the northern West Bank, particularly in areas where there are fewer settlements, would be a reasonable place to start in project portfolios linked to Gaza water efforts. Having a common approach to delivering services, and being seen as taking responsibility for both Gaza and West Bank Palestinians, is as critical to unifying West Bank and Gaza as reaching political understandings between Fatah and Hamas, understandings that must recognize the Quartet Principles to be viable internationally.

- Palestinians in Gaza can be overwhelmed and isolated by the lack of opportunity and horizon, and also may feel forgotten or cast aside by a world consumed with crises elsewhere.<sup>52</sup> Too often, they may get this sense from Palestinians as close as the West Bank. But when clean water flows and lights work—whether in Gaza or the West Bank—Palestinians should be able to credit the Palestinian Authority, with pride, for getting it done. The United Arab Emirates, Qatar, Oman, and Turkey share expertise that could be useful, particularly if they provide support for service delivery in both West Bank and Gaza.<sup>53</sup>

- In September 2016, the Palestinian Authority signed an electricity agreement intended to resolve its outstanding \$530 million debt to the Israel Electric Corporation and frame a path forward. The agreement created an Israeli-Palestinian committee that will oversee transfer of responsibility to the Palestinian Authority for power lines that supply electricity to West Bank Palestinian cities.<sup>54</sup> There is challenging work ahead for Palestinians in running this service effectively and collecting user fees. An appropriate international actor should help mentor the Palestinian Authority as it assumes this key state role.
  - International actors helping support and ensure service delivery will be better situated to grapple with intra-party politics and constituencies when they have on-the-ground experience.
  - The West Bank and Gaza need to be able operate and act as one en route to statehood. For Hamas elements interested in any long-term prospects for leading within an entity that can achieve international support, this means recognizing Israel and buying into a nonmilitarized Palestine.
  - Israel must be able to negotiate with a unified Palestinian partner, to perceive and treat the West Bank and Gaza as a single unit, to reach the desired two-state resolution.
6. **Link territory and economy.** Palestinians should be able to run and operate businesses, such as farms or stone and marble quarries, on land they own. If permitted to do so in Area C locations, for example, they could add nearly \$1 billion dollars to the Palestinian GDP, according to World Bank estimates, as long as they had the land and water access to commit to maximizing use of recycled water and other sustainable use techniques.<sup>55</sup> U.S. efforts to accelerate work, partnerships, and engagement between the Palestinian information and communications technology sector, Israelis, and the international market also could increase economic growth significantly.<sup>56</sup>
- Israel could consider addressing the lack of building permits for Area C's growing Palestinian population by allowing construction on the small segments in separate locations adjacent to Area B Palestinian villages. Making this policy change would affect less than 1 percent of total Area C territory but would remove demolition threats for 11,000 homes in which 200,000 Palestinians live.<sup>57</sup>

- Israeli citizens pay an economic price in the taxes that subsidize settlement expenditures. They also suffer lost opportunity costs with respect to investment and economic activity for trade with Palestinians; the Arab world; and, increasingly, with Europe.<sup>58</sup>
- Israeli organizations have proposed voluntary compensation legislation that would provide funds and other services for settlers who wish to relocate from a settlement east of the barrier to anywhere west of it.<sup>59</sup> Were Israel to move forward with such a paradigm-shifting approach, it would clear space—literally and figuratively—in the northern West Bank, removing concern about friction points between Palestinians and Israeli settlers. This would give Palestinian leaders, working cooperatively with their Israeli counterparts, the ability to test political and governance structures on much larger expanses of contiguous territory than has been the case previously.
- Palestinian businesses in the West Bank and Gaza sell 80 percent of their products in Israel across agriculture, textiles, and light manufacturing sectors.<sup>60</sup> When borders, and the secure transit of people and goods, are regularized, economies will benefit, as will the region.<sup>61</sup> The crossing at Gilboa-Jalameh between Northern Israel and the northern West Bank provides an illustrative pilot program. Located north of the city of Jenin at the green line, Israel operates it for Palestinians and Israeli Arabs who transit by vehicles and on foot. The United States funded its upgrade to handle commercial transit and vehicles of all types. Since the vehicle crossing opened in 2009 and through the end of 2014, the estimated benefit to Jenin's economy totaled \$230 million.<sup>62</sup>
- This demonstrates the potential of that city's economy, which had previously been isolated from regional markets. As the economy in the northern West Bank has expanded, so has the demand for facilities at crossing points. Today, Jalameh is promoted for its safe, secure, and expanded access for people and trade; few people can recall how challenging it was initially to convince counterparts to proceed.

## Conclusion

From the rise of the Islamic State to Iran's ongoing actions destabilizing the region, turmoil in Syria and Iraq, and a refugee crisis with no end in sight, some see the Middle East as spinning out of control, with the Israeli-Palestinian conflict an ever more remote component in the regional diorama and the United States a less consequential player. President-elect Trump has an opportunity to align America's interests and strengths with those of Israel and key Arab countries, and lay the groundwork for a sustainable two-state resolution and a broader U.S.-Middle East strategy.

This route acknowledges that direct negotiations between Israelis and Palestinians are not workable right now, though such negotiations will be needed in the last steps of any agreement. Many factors currently stand in the way, including mutual mistrust, political stasis, and division among Palestinians and Israelis. At the same time, however, disengagement could leave a vacuum that, given history's lessons, will not lead anywhere good. President-elect Trump could add fuel to a combustible arena unless he finds a way to change the trajectory he has laid with his nominee for ambassador to Israel. But should President-elect Trump desire to make a deal, he can seize the moment, by encouraging coordinated and constructive steps that bring Israelis and Palestinians much closer to a two-state solution that supports a secure Israel and a sovereign, contiguous Palestine. Forward progress on key fronts—including security, governance, and the economy—can help set the conditions for a deal that enhances security and stability across the Middle East and in the United States.

---

## About the authors

**Mara Rudman** has served as a Senior Advisor on the Middle East for the National Security and International Policy Team at the Center for American Progress. She founded and runs Quorum Strategies, providing geostrategic risk assessment, mitigation and advising services, change management and operations, political, and communications strategies. She is concurrently a diplomat in residence at American University, and also has taught a Middle East-focused national security seminar at Dartmouth College. Her government positions have included serving as deputy assistant to the president for national security affairs for Presidents Barack Obama and Bill Clinton, deputy envoy and chief of staff for the Office of the Special Envoy for Middle East Peace at the U.S. Department of State, and assistant administrator for the Middle East at the U.S. Agency for International Development, or USAID. In addition, she previously has been a senior fellow at the Center for American Progress, focusing on national security issues, especially in the Middle East. Rudman also has worked as a vice president and general counsel for The Cohen Group, a Washington-based consultancy founded by former Secretary of Defense William Cohen. Earlier in her career, Rudman was chief counsel to the House Foreign Affairs Committee, working for Chairman and then Ranking Member Lee Hamilton (D-IN). She is a cum laude graduate of Harvard Law School and a summa cum laude graduate of Dartmouth College.

**Brian Katulis** is a Senior Fellow at the Center for American Progress, where his work focuses on U.S. national security strategy and counterterrorism policy. For more than a decade, he has advised senior U.S. policymakers on foreign policy and has provided expert testimony several times to key congressional committees, including the U.S. Senate Committee on Foreign Relations and the U.S. Senate Armed Services Committee.

Katulis has conducted extensive research on the ground in the Middle East, where he has lived and worked in a number of countries, including Egypt, the Palestinian territories, Israel, and Jordan. His past experience includes work at the National Security Council and the U.S. Departments of State and Defense during President Bill Clinton's administration. He also worked for Greenberg Quinlan Rosner Research, the National Democratic Institute for International Affairs, Freedom House, and former Pennsylvania Gov. Robert Casey (D).

Katulis received a master's degree from Princeton University's Woodrow Wilson School for Public and International Affairs and a bachelor's degree in history and Arab and Islamic studies from Villanova University. In 1994 and 1995, he was a Fulbright scholar in Jordan. Katulis regularly provides commentary on leading television and radio programs, including "PBS NewsHour" and National Public Radio. He has also published articles in several leading newspapers, including *The New York Times*, *The Washington Post*, and *The Wall Street Journal*. He is co-author with Nancy Soderberg of *The Prosperity Agenda*, a book on U.S. national security published by John Wiley & Sons in 2008.

---

## Acknowledgments

The authors would like to thank S. Daniel Abraham, Dan Arbell, Alia Awadallah, Johan Berggren, John Clarke, General Eitan Dangoth, William Danvers, Rudy deLeon, Sara Ehrman, Carly Evans, Ilan Goldenberg, Michael Gormley, Ghassan al-Jamal, Sahar Kalifa, Yoni Komorov, Hardin Lang, Ghaith al-Omari, General Israela Oron, Grant Rumley, Manal Zeidan.

---

## Endnotes

- 1 *The New York Times*, "Donald Trump's New York Times Interview: Full Transcript," November 23, 2016, available at <http://www.nytimes.com/2016/11/23/us/politics/trump-new-york-times-interview-transcript.html?hp&action=click&pgtype=Homepage&clickSource=story-heading&module=b-lede-package-region&region=top-news&WT.nav=top-news>.
- 2 Orni Petruschka, interview with author, Tel Aviv, October 27, 2016; Orni Petruschka, "Climbing the Peace Mountain," *Jewish Journal*, July 16, 2014, available at [http://www.jewishjournal.com/opinion/article/in\\_israel\\_and\\_gaza\\_climbing\\_the\\_peace\\_mountain](http://www.jewishjournal.com/opinion/article/in_israel_and_gaza_climbing_the_peace_mountain).
- 3 Commanders for Israel's Security, "Security First: Changing the Rules of the Game" (2016), p. 35, available at <http://www.twostatesecurity.org/wp-content/uploads/2016/05/Security-First-CLS.pdf>.
- 4 The 1994 peace treaty between Israel and Jordan recognizes the role that Jordan continues to play in administering and managing Muslim holy sites in Jerusalem. See Article 9, "Treaty of Peace Between the State of Israel and the Hashemite Kingdom of Jordan" (1994), available at <http://www.mfa.gov.il/mfa/foreignpolicy/peace/guide/pages/israel-jordan%20peace%20treaty.aspx>.
- 5 Access to Area C could therefore deliver an additional \$700 million in value added to the Palestinian economy—equivalent to 7 percent of GDP—as a result of access to fertile land and the availability of water to irrigate it. If Palestinian enterprises have access to Area C to develop new mining and quarrying operations, the resulting incremental value added would be US\$240 million. The World Bank, "Access to Area C Key to Economic Recovery," December 3, 2013, available at <http://www.worldbank.org/en/news/feature/2013/12/03/Palestinian-Access-Area-C-Economics-Recovery-Growth>.
- 6 Mission Measurement, "Cisco Pioneers Market Development Approach in Palestine" (2012), available at [http://www.missionmeasurement.com/wp-content/uploads/2016/02/Cisco\\_Pioneers\\_Market\\_Development\\_Approach\\_in\\_Palestine\\_-\\_White\\_Paper\\_by\\_Mission\\_Measurement.pdf](http://www.missionmeasurement.com/wp-content/uploads/2016/02/Cisco_Pioneers_Market_Development_Approach_in_Palestine_-_White_Paper_by_Mission_Measurement.pdf).
- 7 Tamar Peleggi, "Moving embassy to Jerusalem a big priority for Trump – top aide," *The Times of Israel*, December 12, 2016, available at <http://www.timesofisrael.com/moving-embassy-to-jerusalem-a-big-priority-for-trump-top-aide/>.
- 8 Matthew Rosenberg, "Trump Chooses Hardliner as Ambassador to Israel," *The New York Times*, December 15, 2016, available at <http://www.nytimes.com/2016/12/15/us/politics/donald-trump-david-friedman-israel-ambassador.html>.
- 9 Center for American Progress Middle East Team, "Leveraging U.S. Power in the Middle East: A Blueprint for Strengthening Regional Partnerships" (2016), available at <https://www.americanprogress.org/issues/security/reports/2016/10/19/146283/leveraging-u-s-power-in-the-middle-east/>.
- 10 *The New York Times*, "Donald Trump's New York Times Interview: Full Transcript."
- 11 Meetings and research through fall 2016, in Washington, D.C.; Tel Aviv; Jerusalem; and Ramallah, revealed a significant convergence of views. The authors' discussions included meetings with Israeli military officials in the Office of the Coordinator for Government Affairs in the Territories, or COGAT; reserve Israeli Defense Force Generals Eitan Dangel, Israela Oron, Amnon Reshef, Noam Tibon; Colonel (res.) Shaul Arieli; and Ambassador to the United States Ron Dermer, and with Palestinian political leaders including Akram Haniyeh, Yasser Abed Rabbo, former Prime Minister Salam Fayyad and a range of business leaders.
- 12 "No genuine resolution to this conflict without a sovereign and viable Palestinian state. At the same time, any solution will have to accommodate demographic realities and Israel's security requirements." Israel Policy Forum, "Remarks of President Clinton at the Israel Policy Forum Gala Dinner," January 7, 2001, available at <https://clinton6.nara.gov/2001/01/2001-01-07-remarks-by-the-president-at-the-israel-forum-gala-dinner.html>; "The United States supports the establishment of a Palestinian state that is viable, contiguous, sovereign, and independent," and reiterated U.S. commitment to Israel's security. Letter from President George W. Bush's to Prime Minister Sharon, April 14, 2004, available at <https://georgewbush-whitehouse.archives.gov/news/releases/2004/04/20040414-3.html>; "basis of those negotiations is clear: a viable Palestine, secure Israel. ... Palestinian people must have right to govern themselves ... in a sovereign and contiguous state." Office of the Press Secretary, "Remarks by the President on the Middle East and North Africa," Press release, May 19, 2011, available at <https://www.whitehouse.gov/the-press-office/2011/05/19/remarks-president-middle-east-and-north-africa>.
- 13 "The United States will join with others in the international community to foster the development of democratic political institutions and new leadership committed to those institutions, the reconstruction of civic institutions, the growth of a free and prosperous economy, and the building of capable security institutions dedicated to maintaining law and order and dismantling terrorist organizations." Exchange of letters from Prime Minister Ariel Sharon to President George W. Bush, 2004, available at [http://www.usip.org/sites/default/files/Peace%20Puzzle/15\\_Exchange%20of%20Letters%20Between%20President%20Bush%20and%20Prime%20Minister%20Sharon.pdf](http://www.usip.org/sites/default/files/Peace%20Puzzle/15_Exchange%20of%20Letters%20Between%20President%20Bush%20and%20Prime%20Minister%20Sharon.pdf); Secretary Clinton press conference with Prime Minister Fayyad, July 24, 2009. "I wanted personally to announce the delivery of budget support to the Palestinian Authority ... Because what is at stake for the Palestinian people, for the future of a Palestinian state, for the future security of Israel, and for the region is so critical. ... And it is our hope that the support of the United States ... will help foster conditions in which a Palestinian state can be fully realized, a state that is a responsible partner, is at peace with Israel and its Arab neighbors ... This shared goal depends on strengthening the Palestinian Authority and its ability to meet the needs of its people." U.S. Department of State, "Press Conference With Palestinian Authority Prime Minister Salam Fayyad," Press release, July 24, 2009, available at <http://www.state.gov/secretary/20092013clinton/rm/2009a/july/126444.htm>.
- 14 Ambassador Ron Dermer, interview with author, Washington, D.C., November 2, 2016.

- 15 This approach would be similar to that detailed recently by General Ephraim Sneh, former Israeli deputy defense minister. Ephraim Sneh, "Mr. Trump, Here's How You Can Make the Deal that Can't Be Made," *The Huffington Post*, November 22, 2016, available at [http://www.huffingtonpost.com/entry/mr-trump-heres-how-you-can-make-the-deal-that-cant-us\\_5834cda4e4b0c2ab9436562](http://www.huffingtonpost.com/entry/mr-trump-heres-how-you-can-make-the-deal-that-cant-us_5834cda4e4b0c2ab9436562).
- 16 "Israel must be able to defend itself—by itself—against any threat. Provisions must also be robust enough to prevent a resurgence of terrorism." Office of the Press Secretary, "Remarks by the President on the Middle East and North Africa"; "You have a right to a normal life; you have a right to security." Office of the Press Secretary, "President Bush Calls for New Palestinian Leadership," Press release, June 24, 2002, available at <https://georgewbush-whitehouse.archives.gov/news/releases/2002/06/20020624-3.html>; Israel Policy Forum, "Remarks of President Clinton at the Israel Policy Forum Gala Dinner."
- 17 See endnotes 12 and 13.
- 18 "Text of Arab peace initiative adopted at Beirut Summit," available at [http://www.europarl.europa.eu/meetdocs/2009\\_2014/documents/empa/dv/1\\_arab-initiative-beirut\\_/1\\_arab-initiative-beirut\\_en.pdf](http://www.europarl.europa.eu/meetdocs/2009_2014/documents/empa/dv/1_arab-initiative-beirut_/1_arab-initiative-beirut_en.pdf) (last accessed December 2016).
- 19 (a) Complete withdrawal from the occupied Arab territories, including the Syrian Golan Heights, to the 4 June 1967 line and the territories still occupied in southern Lebanon; (b) Attain a just solution to the problem of Palestinian refugees to be agreed upon in accordance with the UN General Assembly Resolution No. 194. (c) Accept the establishment of an independent and sovereign Palestinian state on the Palestinian territories occupied since 4 June 1967 in the West Bank and Gaza Strip with East Jerusalem as its capital. In return the Arab states will do the following: (a) Consider the Arab-Israeli conflict over, sign a peace agreement with Israel, and achieve peace for all states in the region; (b) Establish normal relations with Israel within the framework of this comprehensive peace. For complete text, see *Ibid.*; See also, Thomas Friedman, "Intriguing Signal from the Saudi Prince," *The New York Times*, February 17, 2002, available at <http://www.nytimes.com/2002/02/17/opinion/an-intriguing-signal-from-the-saudi-crown-prince.html>.
- 20 On April 30, 2013, the League re-endorsed API with updated terms. Al Jazeera, "Arab states back Israel-Palestine land swaps," April 30, 2013, available at <http://www.aljazeera.com/news/middleeast/2013/04/20134306544952976.html>.
- 21 Ambassador Ron Dermer, interview with author, Washington, D.C., November 2, 2016.
- 22 Maya Choshen and others, "Jerusalem: Facts and Trends 2013" (Jerusalem: Jerusalem Institute for Israel Studies, 2013), p. 9, available at [http://en.jerusalemstitute.org.il/upload/facts-2013-eng%20\(1\).pdf](http://en.jerusalemstitute.org.il/upload/facts-2013-eng%20(1).pdf).
- 23 The "Oslo II" Agreement of September 1995 divided the West Bank into separate areas under Palestinian control (Area A) Israeli military responsibility with Palestinian civil administration (Area B), and Israeli control (Area C), respectively. See Office of the Historian, "The Oslo Accords and the Arab-Israeli Peace Process," available at <https://history.state.gov/milestones/1993-2000/oslo> (last accessed December 2016).
- 24 Ilan Goldenberg and others, "Advancing the Dialogue: A Security System for the Two-State Solution" (Washington: Center for a New American Security, 2016), available at <https://s3.amazonaws.com/files.cnas.org/documents/CNASReport-2StateSolution-FINAL.pdf>.
- 25 *Ibid.*, p.57.
- 26 Peter Baker, "In Muhammad Dahlan's Ascent, A Proxy Battle for Legitimacy," *The New York Times*, November 2, 2016, available at [http://www.nytimes.com/2016/11/03/world/middleeast/muhammad-dahlan-palestinian-mahmoud-abbas.html?\\_r=0](http://www.nytimes.com/2016/11/03/world/middleeast/muhammad-dahlan-palestinian-mahmoud-abbas.html?_r=0); Ghaith al-Omari, "Palestinian Succession: An Overview of Institutional Turmoil" (Washington: Washington Institute, 2015), available at <http://www.washingtoninstitute.org/policy-analysis/view/palestinian-succession-an-overview-of-institutional-turmoil>. It is worth recalling however that he was assisted in reaching the presidency by President George W. Bush's emphasis on Palestinian governance reform. This also contributed to Salam Fayyad's heading the finance ministry and assuming the prime minister's post. The Bush administration initiated substantial direct budget support for the PA. Some U.S. support continued even during a period when Hamas ministers led the government. Paul Morro, "International Reaction to the Palestinian Unity Government" (Congressional Research Service, 2007), p. 3, available at <https://www.fas.org/sgp/crs/mideast/RS22659.pdf>.
- 27 Ylenia Gostoli, "Fatah holds congress amid Abbas' succession speculation," Al Jazeera, November 29, 2016, available at <http://www.aljazeera.com/news/2016/11/fatah-holds-congress-abbas-succession-speculation-161128111338827.html>.
- 28 Media reports regularly speculate about who will rule when he dies or otherwise leaves office and/or what power struggles will ensue, within Fatah, and between Fatah and Hamas. Fayyad, who has felt the brunt of President Abbas's crackdown on dissent, commented on how difficult, unfair, and unproductive it is for Abbas to face the constant chatter about his longevity. Salam Fayyad, interview with author, Ramallah, October 24, 2016.
- 29 Michael J. Koplow and Natan Sachs, "Bibi's Trump Dilemma," *Foreign Affairs*, November 17, 2016, available at <https://www.foreignaffairs.com/articles/israel/2016-11-17/bibis-trump-dilemma>.
- 30 These points were made to the author repeatedly in 22-29 October 2016 discussions with Yasser Abed Rabbo and Salam Fayyad in Ramallah; COGAT officials in Tel Aviv; and in meetings with business leaders, staff at the Office of the Quartet, and others in Jerusalem and the West Bank. Initially in his Rose Garden address of 2002, when he called for an independent Palestine, and again in the 2004 letter exchange with Prime Minister Sharon, President Bush emphasized these points.
- 31 Salam Fayyad, "Why I'm Building Palestine," *Foreign Policy*, November 28, 2010, available at <http://foreignpolicy.com/2010/11/28/why-im-building-palestine-2/>.
- 32 Numerous author interviews in Jerusalem and West Bank, October 22-29, 2016.
- 33 Hardin Lang and Rudy deLeon, "Strengthening the Palestinian Economy to Keep a Two-State Solution Viable" (Washington DC: Center for American Progress, 2016) p. 5. Available at <https://cdn.americanprogress.org/wp-content/uploads/2016/04/12143137/PalestinianEcon.pdf>.
- 34 *Ibid.*
- 35 Hardin Lang and Rudy deLeon, "Strengthening the Palestinian Economy to Keep a Two-State Solution Viable" (Washington DC: Center for American Progress, 2016), available at <https://cdn.americanprogress.org/wp-content/uploads/2016/04/12143137/PalestinianEcon.pdf>.

- 36 President Bush and Secretary Clinton reached out to John Chambers of Cisco, which reinforced that company's work in the region and leveraged a greater impact with other companies in the same market. Zika Abzuk, interview by author, Tel Aviv, October 28, 2016.
- 37 Nasser AbuFarha, CEO, Canaan, interview with author, Ramallah, October 26, 2016. Companies such as Canaan have made modest use of such gain in working with farmers' cooperatives throughout the northern West Bank, building a thriving almond, frekki, and olive oil export business. More information available at Canaan Fair Trade, "Home," available at <http://www.canaanfairtrade.com> (last accessed December 2016).
- 38 Saed Ajouli, CEO, Ajouli Real Estate Group, interview with author, Ramallah, October 25, 2016.
- 39 General James Mattis captured why America is most effective when assessing how to work with the strengths that each of its potential partners brings to the table, responding to a question on how he managed diverse and differently skilled peacekeeping forces in a lecture at the Dickey Center at Dartmouth College, see Dartmouth, "General James Mattis, 'In the Midst of the Storm: A US Commander's View of a Changing Middle East,'" YouTube, September 25, 2013, available at <https://www.youtube.com/watch?v=VzI8hZWzVpl>.
- 40 COGAT, interview with author, Tel Aviv, October 28, 2016.
- 41 Jerusalem Post staff, "Hamas Leader Khaled Mashal to step down," Jerusalem Post, September 24, 2016, available at <http://www.jpost.com/Breaking-News/Hamas-leader-Khaled-Mashal-to-step-down-468602>.
- 42 Commanders for Israel's Security, "Security First," p. 41.
- 43 According to the statement: "It is the view of the Quartet that all members of a future Palestinian Government must be committed to non-violence, recognition of Israel, and acceptance of previous agreements and obligations, including the Road Map. We urge both parties to respect their existing agreements, including on movement and access." Department of Public Information, "Statement By Middle East Quartet" (New York: United Nations, 2006), available at <https://unispal.un.org/DPA/DPR/unispal.nsf/0/354568CCE5E38E5585257106007A0834>.
- 44 General Frederick Rudesheim, U.S. security coordinator, interview with author, Jerusalem, October 26, 2016.
- 45 Goldenberg and others, "Advancing the Dialogue: A Security System for the Two-State Solution."
- 46 Historically, although Arab residents of Jerusalem could apply for citizenship, few did.
- 47 Within Jerusalem's municipal boundaries there is a well-developed Israeli city and an underdeveloped Palestinian one. Substantial differences include employment, construction, housing, infrastructure, education, community services, etc. Commanders for Israel's Security, "Security First," p. 32.
- 48 Even two-income families can find it nearly impossible to locate and purchase a property, and qualify for a mortgage. Gaining a mortgage from an Israeli bank is difficult, and Palestinian banks will not loan to them. First-hand accounts from three dual income middle income Jerusalem Arab residents, interviews with author, October 23-27, 2016; Shaul Arieli, *People and Borders: About the Israeli Palestinian Conflict* (Israel: Kapaim, 2015) p. 26.
- 49 Commanders for Israel's Security, "Security First," p. 35.
- 50 Commanders for Israel's Security have proposed establishing an "umbrella municipal authority" that would be funded by a dedicated budget and an international fund and dedicated specifically for Palestinian villages and East Jerusalem neighborhoods, charged with rehabilitation and development, see *Ibid.*; John Chambers of Cisco, for example, is spearheading a possible e-government initiative with Mayor Barkat. Given Cisco's innovative partnerships with Palestinian ICT companies and currently with community redevelopment in the Negev, it is primed to explore e-government approaches to improve administration and effectiveness in running an umbrella sub-municipality. Zika Abzuk, senior manager, business development, Cisco, interview with author, Tel Aviv, October 28, 2016.
- 51 These positions are held now primarily by Arabic-speaking Jewish Israelis.
- 52 "[O]ffers a few hours of respite from the claustrophobia and dysfunction of the Gaza Strip, where 70 percent of the population relies on humanitarian aid and where unemployment rates are among the highest in the world." William Booth and Hazam Balousha "A rare journey from Gaza to Jerusalem stirs memories for these Palestinians," *The Washington Post*, October 5, 2016, available at [https://www.washingtonpost.com/world/a-rare-journey-from-gaza-to-jerusalem-stirs-memories-for-elderly-palestinians/2016/10/05/0fa5b35a-819c-11e6-9578-558cc125c7ba\\_story.html?utm\\_term=.437e861cb16a](https://www.washingtonpost.com/world/a-rare-journey-from-gaza-to-jerusalem-stirs-memories-for-elderly-palestinians/2016/10/05/0fa5b35a-819c-11e6-9578-558cc125c7ba_story.html?utm_term=.437e861cb16a)
- 53 "The Palestinian Authority's insistence that it takes no responsibility for Gaza before Hamas yields all political and security authority has created a major stumbling block for reconstruction." See Commanders for Israel's Security, "Security First," p. 42. Oman has long served as the home for the Middle East Regional Desalination Center, or MEDRC, which cultivates the top regional desalination experts, and has trained Palestinians from Gaza and the West Bank, Jordanians, and many others, often at Israeli desalination facilities. Developing workable solutions—particularly for the next five to seven years in Gaza—could be helped by MEDRC resources, supported by additional support that Qatar, Turkey, and others might provide. They have been past contributors to Gaza projects. Qatar and Turkey also have different West Bank investment efforts: Turkey is the lead on an industrial park near Jenin long in the planning but reportedly to open in coming year. Qataris funded Rawabi, a major real estate development effort near Ramallah.
- 54 *The Times of Israel*, "Israel, PA sign deal on massive PA electricity bill," September 13, 2016, available at <http://www.timesofisrael.com/israel-pa-sign-deal-on-massive-palestinian-electricity-bill/>.
- 55 Access to Area C could therefore deliver an additional \$700 million in value added to the Palestinian economy—equivalent to 7 percent of GDP—as a result of access to fertile land, and the availability of water to irrigate it. If Palestinian enterprises have access to Area C to develop new mining and quarrying operations, the resulting incremental value added would be US\$240 million. The World Bank, "Access to Area C Key to Economic Recovery."
- 56 Mission Measurement, "Cisco Pioneers Market Development Approach in Palestine."
- 57 Commanders for Israel's Security, "Security First," p. 24.
- 58 Lior Dattel, "Special Funding for Israeli Settlements Soared in 2015, Report Shows," *Haaretz*, April 17, 2016, available at <http://www.haaretz.com/israel-news/.premium-1.713152>.

- 59 CIS proposes that Israel pass an “Absorption, Compensation, and Voluntary Evacuation Law” for West Bank settlers east of the security barrier who seek to relocate west of barrier or within the 1967 lines. Commanders for Israel’s Security, “Security First,” pp. 9, 25. The concept of the legislation was formulated by Blue White Future. See Blue White Future, “Diplomatic Plan,” available at <http://bluewhitefuture.org/diplomatic-plan/> (last accessed December 2016).
- 60 Ma’an News Agency, “Business forum anticipates growth in Palestinian-Jordanian trade,” October 16, 2016, available at <https://www.maannews.com/Content.aspx?id=773595>.
- 61 RAND Corporation, “The Costs of the Israeli-Palestinian Conflict” (2015), available at [http://www.rand.org/content/dam/rand/pubs/research\\_reports/RR700/RR740-1/RAND\\_RR740-1.pdf](http://www.rand.org/content/dam/rand/pubs/research_reports/RR700/RR740-1/RAND_RR740-1.pdf).
- 62 The U.S. investment includes infrastructure improvements at the crossing; purchase and installation of a cargo scanner; development of more efficient administration and management systems at the crossing; construction of a container transfer area; and road infrastructure improvements to boost commercial traffic to and from Jalameh Crossing. USAID memoranda on file with author; information from Israel’s Coordinator for Government Affairs in the Territories, “Gilboa-Jalameh Crossing,” available at <http://www.cogat.idf.il/1362-en/Cogat.aspx> (last accessed December 2016).

---

## Our Mission

The Center for American Progress is an independent, nonpartisan policy institute that is dedicated to improving the lives of all Americans, through bold, progressive ideas, as well as strong leadership and concerted action. Our aim is not just to change the conversation, but to change the country.

## Our Values

As progressives, we believe America should be a land of boundless opportunity, where people can climb the ladder of economic mobility. We believe we owe it to future generations to protect the planet and promote peace and shared global prosperity.

And we believe an effective government can earn the trust of the American people, champion the common good over narrow self-interest, and harness the strength of our diversity.

## Our Approach

We develop new policy ideas, challenge the media to cover the issues that truly matter, and shape the national debate. With policy teams in major issue areas, American Progress can think creatively at the cross-section of traditional boundaries to develop ideas for policymakers that lead to real change. By employing an extensive communications and outreach effort that we adapt to a rapidly changing media landscape, we move our ideas aggressively in the national policy debate.

