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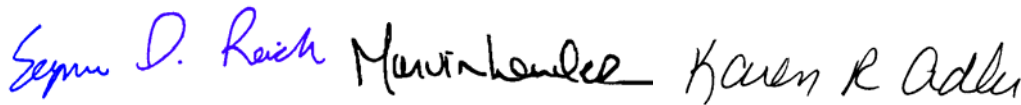
Dear Madame Secretary:

We at Israel Policy Forum welcome and applaud the initiative of the Administration to convene an international conference in November. This conference offers an important opening to advance dialogue and return the parties to the path toward President Bush's vision of two-states, Israel and Palestine, living side-by-side in peace and security.

Israel Policy Forum pledges to generate support within the American Jewish community and among the American public for your efforts to seize this momentous opportunity. Toward this end, earlier this month we convened a distinguished group of analysts and former American officials, including Ambassadors Thomas R. Pickering, Samuel W. Lewis, Edward S. Walker, Jr., Robert H. Pelletreau, Jr. as well as Frederic C. Hof, to discuss steps that might be taken and strategies that might be employed in order to maximize the potential of renewed diplomacy that the November conference represents.

This group has since developed a paper that includes a number of policy suggestions. We enclose a copy of this paper with this letter in the hope that it will be useful to you and the Administration in preparation for the upcoming conference.

Sincerely,



Seymour D. Reich
President

Marvin Lender
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Vice Chair, Government Relations



A Guide to a Successful November International Conference

President Bush has announced an international meeting devoted to the Israeli-Palestinian conflict to be held in the fall, presumably mid-November, and likely in Washington, D.C. This is a potentially important step in moving the stalled peace process forward, especially given the recent appointment of former UK Prime Minister Tony Blair as the Quartet's Middle East envoy.

The November conference can provide a focal point, and to some extent a deadline, for initial progress. It has certainly encouraged Prime Minister Olmert and President Abbas to meet regularly and with increasing frequency to develop some kind of framework or Declaration of Principles (or Statement of Understandings, as some are now calling it), which can be presented at the meeting as a specific accomplishment. It also serves as a vehicle for involving other parties in the region as well as members of the international community to create a consensus on immediate movement. The ultimate aim of course should be an Arab-Israeli settlement based on UN Resolutions 242 (1967), 338 (1973), 1397 (2002), and 1515 (2003); the Madrid Principles; the Arab Peace Initiative, and the Road Map.

Despite these positive objectives, there are serious challenges. Expectations in the region have been raised, and many are hoping for a significant political breakthrough. At the same time, the criteria for success are vague and the perceptions of the various players and potential players differ widely. The meeting as it stands now seems to be something of a gamble. If it fails, resulting in disappointment and disillusionment, it could further set back the situation in the Middle East. Given the varying degrees of expectations and the perhaps exaggerated hopes that have been raised, the chances of a perceived failure even without a breakup are profound.

The risks of failure are several. There are a variety of spoilers who may seek to prevent the meeting from being held or to bury its achievements in violence. This includes militant Palestinian organizations that, already, have been intensifying rocket attacks. It also includes Syria, whose issues (notably the return of the Golan) remain conspicuously absent from the agenda. The question of how to handle Hamas in organizing and running the conference and in its aftermath will remain an issue even as the United States, Israel, and the Palestinian Authority are vehemently opposed to Hamas' representation. This opposition has served to increase Hamas' popularity in Gaza, according to observer reports, and also to make it more difficult for the Saudis to form a new Palestinian unity government and/or to encourage a more moderate stance among some in Hamas. Maximizing the prospects for a successful meeting entails finding a way to deal with both Hamas and Syria (even though it has now been invited) in its run-up.

The following recommendations are designed to mitigate the chances of failure and to enhance the prospects of a successful international conference. We define success as an outcome that creates the momentum for continued progress and movement toward a two-state solution to the Israeli-Palestinian conflict.

1. **A Series of Meetings, not a One-Off:** The United States should announce that this meeting will be only the first in a series intended to promote agreements as they are reached between the parties with the assistance of outsiders such as the United States, while keeping the door open for wider attendance at later meetings. The advantage of a series of

meetings is that it reduces the burden of expectations falling on the planned fall gathering by providing relief from the notion that this one meeting will determine whether there is movement in the Arab-Israeli peace process, at least during the duration of this American administration.

2. **The Statement of Understandings:** The meeting will certainly be judged in large measure on the Statement of Understandings reached by Prime Minister Olmert and President Abbas. At present, the very fact that these two men are speaking has reduced Washington to waiting and watching to see whether or not the discussions can succeed on their own. But we believe that hope is not enough. Political developments on both sides are already working to encourage a dilution of the Principles on which agreement might be reached. Too feeble an agreement between the Israelis and Palestinians could well jeopardize the entire initiative.

The Bush Administration cannot remain on the sidelines for long. It must have contingency plans to work for a successful Statement, and it must balance the internal opposition to Prime Minister Olmert and Prime Minister Abbas with strong backing for a meaningful document. The administration must also be ready to move in at any time prior to and during the meeting with its own bridging proposals. In this regard, Secretary of State Rice's periodic trips to the region to check on progress in preparing the Declaration are critical. But even if she applies sufficient leverage on both parties to keep the process on track, her trips are by their very nature insufficient.

She needs to use Tony Blair, or someone else, between her trips, to work on the players full time to produce a document that has a minimum of sale-ability in Ramallah and Riyadh. Moreover, there should be a strong US push in private to ascertain what the Saudis have to see in the document to guarantee their high level attendance. If, despite these concerted efforts, this Declaration is not completed or at least almost agreed upon before the conference begins, the meeting should be postponed until it is ready.

3. **Details of the Statement:** A successful Statement should include the following six elements: (1) the reaffirmation that the process will end in two independent and sovereign states¹; (2) borders between those two states based on the 1967 lines with adjustments in territory between them as mutually agreed upon²; (3) a just solution for the refugee question that is agreed by the two sides, and is consistent with the notion of Israel as the homeland of the Jewish people and Palestine as the homeland of the Palestinian people³; (4) agreement that there will be two capitals in Jerusalem, with Jewish neighborhoods falling under Israeli

¹ "Both sides will declare that Palestine is the only state of the Palestinian people and Israel is the only state of the Jewish people." (Ayalon-Nusseibeh Plan)

² "Permanent borders between the two states will be agreed upon on the basis of the June 4, 1967 lines, UN resolutions, and the Arab peace initiative (known as the Saudi initiative). Border modifications will be based on an equitable and agreed-upon territorial exchange (1:1) in accordance with the vital needs of both sides, including security, territorial contiguity, and demographic considerations. The Palestinian State will have a connection between its two geographic areas, the West Bank and the Gaza Strip. After establishment of the agreed borders, no settlers will remain in the Palestinian State." (Ayalon-Nusseibeh Plan)

³ "Recognizing the suffering and the plight of the Palestinian refugees, the international community, Israel, and the Palestinian State will initiate and contribute to an international fund to compensate them. Palestinian refugees will return only to the State of Palestine; Jews will return only to the State of Israel. The international community will offer to compensate toward bettering the lot of those refugees willing to remain in their present country of residence, or who wish to immigrate to third-party countries." (Ayalon-Nusseibeh Plan)

sovereignty and Arab neighborhoods under Palestinian sovereignty;⁴, (5) special arrangements for the Holy basin that will guarantee access for all religions⁵ and (6) security arrangements, including a non-militarized Palestinian state.⁶ It is possible that the two leaders could jointly declare either before or during the conference that they endorse the Blair mission and welcome international assistance to reach and implement a serious agreement. [The footnotes represent past proposed language for each of the six points reviewed in this paragraph. They are presented here as illustrative only of the types of statements that might be made.]

4. **UNSC Endorsement:** Whatever Statement of Understandings emerges from the international conference should be promptly endorsed by the United Nations Security Council. The United States should support such a move, assuring full international backing for the arrangement agreed by Israel and the Palestinians.
5. **A Facilitating Agreement:** Even a successful Declaration of Principles between the parties and its endorsement by the United Nations may not be enough to carry forward this process into the future. Therefore, additional mechanisms will be necessary to make sure that the parties can move ahead to a second meeting held within three to four months afterward. Presumably, additional regional participants (including Syria whether or not it attends the first meeting) would be invited to this follow-up conference, which itself would not be designed as the end in the series.

In this light, we recommend a second agreement between the Israelis and Palestinians, a facilitating agreement that would be intended to enhance the prospects for the broadening and deepening of the new opportunities created by the Statement of Understandings. This Facilitating Agreement would either be concluded at the conference, or more likely, an initial framework would be announced at the meeting, and the details concluded in the weeks that followed. Negotiating such an agreement should be the focus of the United States and Quartet Middle East Envoy Tony Blair.

Such an agreement must address the security issue for Israel with a full cessation of the use of force. While this approach has failed many times, a delineation of ways in which the Palestinian Authority can participate in preventing violent steps (including suicide bombings and rocket attacks) against Israelis must be stipulated. These must be measurable means by which success or failure can be judged in leading to next steps.

Simultaneously, the treatment of the Palestinians by Israelis must be handled in a way that will promote President Abbas' capacity to exercise a leadership role. Therefore, steps should be discussed and promises made whose success can be calculated. These types of potential steps include the dismantling of the illegal outposts, the freezing of settlements, the

⁴ "Jerusalem will be an open city, the capital of two states. Freedom of religion and full access to holy sites will be guaranteed to all. Arab neighborhoods in Jerusalem will come under Palestinian sovereignty, Jewish neighborhoods under Israeli sovereignty. Neither side will exercise sovereignty over the holy places. The State of Palestine will be designated Guardian of al-Haram al-Sharif for the benefit of Muslims. Israel will be the Guardian of the Western Wall for the benefit of the Jewish people. The status quo on Christian holy site will be maintained. No excavation will take place in or underneath the holy sites without mutual consent." (Ayalon-Nusseibeh Plan)

⁵ See footnote 4

⁶ "The Parties acknowledge that mutual understanding and co-operation in security-related matters will form a significant part of their bilateral relations and will further enhance regional security. Palestine and Israel shall base their security relations on cooperation, mutual trust, good neighborly relations, and the protection of their joint interests. To further security cooperation, the Parties shall establish a high level Joint Security Committee that shall meet on at least a monthly basis." (The Geneva Accords)

additional return of prisoners, and the issue of reorganizing checkpoints and of assuring greater freedom of access and movement.

6. **Conference Participation:** It is important that the representation at the meeting be as broad as possible. Presumably the more substantive the Statement of Understandings, the more likely Arab countries such as Saudi Arabia will attend. The holding of further meetings could be used as a device to ensure broader and higher-level Arab participation as progress is made in the negotiations. Subsequent conferences should be designed to report on greater progress and to reach additional agreements on wider issues such as Syria and Lebanon, which would be facilitated by the expanded involvement of additional states.

The Saudi presence at the first meeting would be a critical impetus to the new process, but we are unlikely to know until the last minute whether the Saudis will indeed engage. (It is worth noting that Saudi representation at the Madrid conference in October 1991 only occurred at the very last moment.) The administration should not allow the failure of any particular Arab country (beyond Palestine) to attend to be defined as the success or failure of the meeting, even as it seeks to engage as many states as possible.

It is imperative that those who participate in the conference be at least at cabinet level. Representatives of the Quartet should be present as well.

The most difficult problem in preparing any international meeting, and, indeed, in following up on that meeting, will be the role of Hamas. Since Abu Mazen does not control Gaza or the Hamas security forces or the Palestinian Islamic Jihad or the propaganda and hate material coming out of Gaza, he can only be held accountable for the forces, political decisions and information outlets that he controls. But that means that Hamas now rules a third of the Palestinian populace in the territories and has the capacity, presumably violent, to attempt to undermine any meeting or agreement. Moreover, there are many reports that US and Israeli policy (to which Fatah now subscribes) enhances the credibility of Hamas and drives any moderates among them toward the hard line.

What to do to overcome this conundrum, which must be addressed and in considerable detail, if the initiative is to have any chance of success? First, the US might consider announcing that all parties attending will have to accept the Arab Peace Initiative, whatever Statement of Understandings is reached by Abbas and Olmert, and the principle of a Facilitating Agreement that will be on the conference agenda. If Hamas were to take these steps, then it would in effect be accepting the three conditions set forth by the Quartet last year (recognition of Israel, no violence, acceptance of prior agreements), but instead of accepting an international diktat, it would be doing so along with other participants, and therefore technically not being singled out. Second, there could also be an agreement to leave the Hamas issue to the second conference, while making it clear to Hamas through an appropriate intermediary that the option of their attendance would be on the table in the second round as long as they similarly accepted the Abbas/Olmert Statement of Understandings, the Arab Peace Initiative, and the Facilitating Agreement. This option might prevent Hamas from trying to torpedo the conference, and even encourage it to try to prevent Islamic Jihad from doing so. Whatever combination of these or other alternatives the administration chooses to pursue, we urge it to plan carefully with our Mideast partners to formulate a workable strategy; simply saying no to Hamas without planning for the consequences is a likely ticket to new problems.

7. **The Next Conference:** The meeting should not end without an indication of a target date for its resumption. If the subsequent Facilitating Agreement is framed in measurable ways, then

the prospects for the next meeting can be judged by the willingness and ability of the parties to fulfill their commitments. However, there must be a second criterion for reconvening the meeting, and this is relative success in deepening the Statement of Understandings. This success can be judged through a variety of means:

- a. The parties might attempt to conclude an agreement or a draft final text on a particular issue covered by the Declaration of Principles, such as borders.
 - b. Success might be measured by movement on efforts regarding several of the issues simultaneously, with an interim progress report presented at the meeting.
 - c. Sufficient success for reconvening the meeting might be determined by a generalized acceptance of the Abbas/Olmert Declaration from a variety of parties (e.g., the Quartet, the UNSC as previously mentioned, the Arab League, and perhaps even Hamas).
 - d. Other equivalent progress, such as a framework for progress with Syria and Lebanon, if it could be worked out.
 - e. The subsequent successful conclusion of the Facilitating Agreement, especially if it initially produces positive results, might in and of itself be sufficient to convene the first follow-up conference.
8. **Incentives:** Another means of promoting progress, preventing a breakdown, and promoting the possibility of additional meetings will be to structure a series of incentives for the parties to continue on with the process. The series of meetings concept could be a mechanism for building a more flexible timeline, to address the fears of each party, and also to meet the need for maintaining momentum.

Certainly, Syria will have an incentive to desist from serving as a spoiler if the regime believes cooperation will bring it more through participation down the road.

We believe the Israelis would be most interested in a series of international conferences if they had clear ideas of what the deliverables would be from each of those meetings. For example, they are keen to have Saudi participation for the upcoming meeting because they view it as a major first step forward toward normalization. One meeting is not normalization; it is what comes after the meeting. While we cannot speak for the Saudis or the other Arab countries, we assume that if they saw the bilateral Palestinian track moving forwards, and as commitments are implemented on the ground, with verification, a step by step approach to normalization would be acceptable to them. If it is not, the process could easily get stalled, and sooner than later.

What kinds of steps do we have in mind? Public diplomacy at home in preparing Arab populations for peace, government sponsored academic discussions on regional trade commissions/contact groups, convening regional security groups to discuss security architecture, etc. It is not too early for Secretary Rice and Envoy Blair to begin to talk with the parties about a balanced process in which concrete Israeli acts as we envision in the Facilitating Agreement are met by substantive acts by Arab states. Mini Israeli concessions followed by mini Arab steps toward normalization. We recommend starting small but addressing critical issues that are important to Israel and Arab countries.

For the Palestinians, a series of meetings only works if their lives are enhanced in a very tangible way by the terms of the agreements, and quickly. How do they keep the rolling

conferences from becoming all process and no substance, in terms of what is happening on the ground? What deliverables do the Palestinians get from a second or third international conference? At least in the early stages, the positive consequences will go primarily, even exclusively, to the West Bank, a problem in and of itself. But it is therefore even more imperative that the Palestinians witness the revitalization of the West Bank economy through regularizing the transfer of funds and the other types of steps outlined in our discussion of the Facilitating Agreement above, including the dismantling of the illegal outposts, the freezing of settlements, and the reorganizing of checkpoints. Of course, any steps in concretizing the Principles in the Declaration will further serve to encourage most Palestinians.

9. **What if the Process Breaks Down?** It is certainly possible; some would say likely, that the conference will not take place or will break down either during or after the meeting. What then? In case of a collapse, the best course would be to persevere, while seeking to bring along the recalcitrant parties. In attempting to convince them, the US as always has carrots and sticks at its disposal, but perhaps the most effective means of persuading the parties would be for the administration to demonstrate through its determined perseverance that it will not give up, but is committed to the success of its initiative. We should demand the same of ourselves as we do of the parties: 100 percent effort, even if it does not result in 100 percent success.

Conclusion:

We believe that the process outlined here, with a series of conferences, a Declaration of Principles endorsed by the U.N., a Facilitating Agreement for next steps on the ground, and a broad-based regional representation at the first conference would trigger additional international conferences and a new Israeli-Palestinian momentum. The outcome would create a program that would not rise or fall on the success of one meeting this November and would establish a somewhat different process than has ever been attempted before. We believe that these recommendations, if implemented, would enhance the prospects of success over the next several months.

September 26, 2007

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