QUARTET MEETING TALKING POINTS FOR PRESIDENT ABBAS 9 November 2008

- Annapolis was intended to have two outcomes:
 - 1. negotiations on all permanent status issues with a view to concluding a comprehensive agreement by the end of this year, and
 - 2. implementation of Phase I of the Road Map with a view to generating tangible and immediate improvements on the ground.
- I wish to take this opportunity to brief you, a year after the Annapolis Conference, on where we are with respect to both of these goals, and to make suggestions for the way forward.

A. STOCK-TAKING OF NEGOTIATIONS

- We, Palestinians and Israelis, have been engaging regularly over the past year in a variety of ways negotiation sessions at the political and technical levels, expert meetings, field visits, drafting although the frequency of meetings have not been as intense as we, Palestinians, would have liked or expected in order to reach a peace agreement by the end of the year.
- On some issues, we have achieved a little progress, but there remain many gaps and difficulties.
- The main obstacle to progress is that we have fundamentally different approaches to permanent status negotiations:
 - The Palestinian approach is to define the endgame up-front and then determine how we get there.
 - For us, the endgame is the establishment of a fully sovereign state based on the 1967 borders existing side by side with Israel in peace and security, and a just and agreed resolution to the refugee issue.
 - Palestinians see their future state as having the same rights and responsibilities enjoyed by other states, no more and no less: full sovereignty with all its attributes, including full control of our airspace, maritime space, territory, borders, an equitable share of water based on international law, our electromagnetic sphere and other resources.
 - The Israeli approach to these negotiations, however, is to start with the current situation and negotiate small and incremental modifications to the *status quo* of the occupation.
 - The Israeli approach has as its undisclosed goal an Israeli-controlled Palestinian entity with highest priority given to security for Israelis and only minimal independence for the Palestinian people.

1

- In our view, this piecemeal approach is not conducive to a just, comprehensive and workable agreement.
- Proposals that merely consolidate unilaterally imposed facts on the ground, or result in a "state with provisional borders" contradict our basic, shared interest in an independent and viable Palestinian state and hence would only prolong the conflict rather than end it.
- Negotiations require a mutual understanding regarding the basic terms of reference. We believe the terms of reference are those that the international community and international law have established, in particular:
 - O Any agreement must be based on the United Nations resolutions pertinent to the conflict, namely UNSCR 242, 252 and 338, and UNGAR 194, and the Arab Peace Initiative of 2002, reaffirmed in 2007;
 - o The agreement, based on the "land for peace" formula, must lead to the end of the Israeli occupation that began in 1967 and end the conflict.
- In addition, we have agreed with the Israeli side, at least in principle, that:
 - We do not need bridging proposals from any third party. We need political decisions on both sides.
 - Nothing is agreed until everything is agreed.
 - There will be no postponement of any issue. We will discuss, negotiate and come to agreement on all core permanent status issues, including Borders, Jerusalem, Refugees, Water, Settlements, Security, Compensation and Prisoners, and all other issues necessary for an agreement to end the conflict.
 - We are working towards a comprehensive agreement that resolves all of the core issues, and not another interim agreement or declaration of principles.
 - We will not accept a partial agreement or a state with provisional borders.
 - Due to political developments and the wide gaps, it is clear that an agreement by the end of 2008 is unlikely. However, we will continue negotiations to reach a comprehensive agreement as quickly as possible.
 - We will not involve the media in the discussions, and will keep all substantive aspects of the discussions completely confidential.
- While we are committed to a negotiated settlement as the only way to end decades of occupation and conflict, this does not mean we will accept an agreement that compromises our basic rights and our dignity, that does not treat us with the respect due as a partner for peace, or that does not provide us with the freedom and independence that all other peoples and nations enjoy.

1. Territory

• Our position is principled and remains consistent: that the two-state solution must be based on the 1967 line. That is, the future Palestinian state will comprise the West Bank,

including East Jerusalem, the Jordan Valley, the No Man's Land (including in the Latrun) and the Dead Sea, and the Gaza Strip.

- o For the sake of peace, the Palestinian people made a historic compromise in 1988 when it opted to limit its quest for independence to just 22% of its historic homeland. The 1967 line embodies that painful compromise.
- o Ending Israeli occupation of all Palestinian territory and return to the 1967 line has gained universal acceptance, establishing that the 1967 line is the border between Israel and Palestine.
- While we view the 1967 line as the border between the two states, for the sake of peace, we are willing to consider minor modifications to the 1967 border that are based on fair and reasonable principles, most notably, 1:1 land swaps equal in quality and size, and that satisfy Palestinian rights and interests.
- The percentage of land swapped, while important, is not, in and of itself, a sufficient basis on which to evaluate the reasonableness of a given proposal. The *quality* and *location* of that land is at least as important as its size, and in some cases, more so.
- We cannot accept any proposal that severs or isolates East Jerusalem from the rest of Palestine, harms Palestinian contiguity, or otherwise harms core Palestinian interests as determined by the PLO—or that involves the transfer of Palestinians (on either side of the 1967 line, regardless of their citizenship).
- For these reasons, we do not accept the concept of so-called "settlement blocs", much less accept their annexation wholesale. We will only address possible swaps on a settlement by settlement basis.
- This is also why the settlements of Ariel, Givat Zeev, Ma'ale Adumim, Har Homa and Efrat will not be considered under any scenario.
- Early on, we submitted a realistic and comprehensive proposal on territory based on fair and reasonable principles 1:1 swaps equal in size and value that takes into account the interests of *both* sides without unduly harming the future Palestinian state. It looks at territory on both sides of the 1967 line, and requires evacuation of only a *minority* of the settlers.
- In contrast, Israel has presented a maximal proposal that largely mirrors the current path of the Wall. It would take significant amounts of valuable, vacant land and water productive areas in exchange for desert land, creating enclaves and otherwise undermining Palestinian viability. Significantly, their proposal also postpones resolution of the fate of Jerusalem.

2. Jerusalem

- Jerusalem is the key to successful negotiations. Not only is it essential for gaining the support of the Palestinian people, it is also the key to securing the support of all Arab and Muslim states.
- Palestinians are tied to Jerusalem and its Old City through strong economic, religious and social links. A Palestinian state without East Jerusalem as its capital will simply not be viable economically or politically.

- There are two pillars for a successful resolution to the Jerusalem issue. The first is agreeing political borders, *i.e.* sovereignty. The second is agreeing arrangements over and across those political borders, *i.e.* arrangements and modalities of cooperation to ensure that the city remains open and not physically divided.
- Sovereignty in Jerusalem, as in the rest of the OPT, must be divided along the 1967 lines, with whatever minor modifications that are mutually agreed to as part of the overall land swaps. This is the only division of sovereignty that can be acceptable to both sides, and as such only agreement on sovereignty along these lines can lead to having two capitals for two states in Jerusalem, East Jerusalem as the capital of the Palestine and West Jerusalem as the capital of Israel.
- Arrangements and modalities of cooperation, over and across the political borders, may
 be agreed to in order to ensure access to Holy Sites, movement of people and
 cooperation on the municipal and governmental levels in Jerusalem.
- Postponing the issue of Jerusalem or any part of it would not be credible, realistic or acceptable. Palestinians would overwhelmingly view it as a ploy by Israel to continue creating additional unilateral facts on the ground. Moreover, it is illogical to believe that an issue as difficult as Jerusalem is today would be anything but more difficult tomorrow.
- Although we have put forward our position on Jerusalem several times, Israel refused to talk about it for *months*. Only recently did Olmert present something on Jerusalem to us a proposal that would have Israel annexing virtually every single settlement in the Israeli so called "Greater Jerusalem area" without giving any Jerusalem-area land in return, and that would postpone resolving the fate of the so called "Holy Basin".

3. Refugees

- The issue of the refugees is one of the core issues of the conflict: without its just resolution, there can be no end of conflict. Any agreement that does not address the issue of refugees completely and comprehensively, in accordance with international law and international best standards, would be just another interim agreement and would only prolong the conflict.
- There are four aspects to the issue of refugees. First, Israel's **recognition of responsibility** for the creation and perpetuation of the problem is a crucial part of any solution in order to give people a sense of satisfaction that their overall historical experience has been acknowledged and addressed and to facilitate any possible compromise on implementation. Israel thus far has refused to recognize its responsibility with respect to the issue of the refugees.
- Second, although we understand that full implementation of the **right of return** is unlikely, in order for there to be a solution, the return option will have to be a real one and respect refugee choice. This prerequisite is crucial to ensure the endorsement of the resolution process by Palestinian refugees and Arab Host States. The right of return is a recognized right under international law and it has been a core aspect of the Palestinian struggle for the last 60 years. Therefore, it must be addressed in a reasonable manner that takes into account the existence of this individual right, its centrality in refugee experience, as well as Israel's capacity of absorption.

- Second, although we understand that full implementation of the **right of return** is unlikely, in order for there to be a solution, the return option will have to be a real one and respect refugee choice. This prerequisite is crucial to ensure the endorsement of the resolution process by Palestinian refugees and Arab Host States. The right of return is a recognized right under international law and it has been a core aspect of the Palestinian struggle for the last 60 years. Therefore, it must be addressed in a reasonable manner that takes into account the existence of this individual right, its centrality in refugee experience, as well as Israel's capacity of absorption.
- Third, on **reparations**, the Palestinian position remains that refugees shall be granted restitution, unless practically unfeasible, and full compensation for the material and non material damages they have suffered (including loss of livelihood and opportunities and human suffering, as a result of refugees' protracted displacement). Therefore, compensation is only one part of reparations due. In addition, states that have hosted Palestinian refugees shall be entitled to remuneration. Israel thus far has been willing to consider only compensation for the refugees. Their position on the other aspects of reparations remains unclear.
- Finally, the international mechanism should be solely conceived as a sophisticated instrument which will implement the agreed and just solution on refugees in coordination with the relevant stakeholders. Its purpose is not to resolve outstanding bilateral policy issues and it will therefore not prevent the parties from recognizing first all refugee rights and agreeing on the implementation of these rights. While Israel agrees in principle to the establishment of an international implementation mechanism, it remains at this stage impossible to determine its exact mandate and/or structure because of the absence of any guarantees as to the due recognition of Palestinian refugees' individual rights. In reality, all aspects of the international mechanism must be agreed (in other words it must have full parameters) in order for it to be operational. Thus, once a complete agreement is found on the refugee issue, it is our view that the Palestinian proposal on the international mechanism, which we believe can ensure a just and satisfactory resolution of the refugee issue acceptable by all parties, will provide the most appropriate framework for the resolution of the matter. In addition, we would like to emphasize that the mechanism will have to include all of the stakeholders that are part of the implementation process in order for it to work effectively. Therefore, we think that the international community will have to be consulted regarding the work that will lead to the establishment of the mechanism and represented in it to guarantee the efficiency and durability of the implementation process.

4. Water

- There is a fundamental divergence between the Palestinian and Israeli approaches to resolving the issue of water.
- Palestinians insist that the reasonable first step is to determine the issue of both parties' water rights the Palestinian and Israeli percentages of the shared conventional water resources determined in accordance with international law regardless of the available amount of shared groundwater and surface water year to year. Only then can the parties turn to discussing methods of cooperation to maximize the available water resources for both parties.

- To consider fully their respective water rights consistent with accepted international practice, the parties must analyze and discuss all shared trans-boundary watercourses (surface and ground waters), including the Jordan River Basin to which both parties are riparians along with Jordan, Lebanon and Syria (but in which Israel continually attempts to preclude and deny Palestinian rights in an equitable share of that Basin).
- In contrast to the Palestinian approach, Israel refuses to engage in any discussion of water rights and frames the negotiations in terms of regional water scarcity with the view to cooperate on extending use of current allocations through wastewater treatment, as well as developing new non-conventional sources of water.

5. Security

- Palestinians want the same rights and responsibilities enjoyed by other states, no more
 and no less: full sovereignty, including full control of our airspace, maritime space,
 territory, borders, electromagnetic sphere and other resources. Nevertheless, we are
 sensitive to Israel's legitimate security interests.
- In this vein, we have presented reasonable and flexible proposals in response to Israel's blanket demand for "full demilitarization". We have said that:
 - O Palestine will be a sovereign, independent state with limited arms not limited dignity.
 - O To meet our internal security needs, our security forces will need all appropriate weapons and equipment to perform their duties and responsibilities. Our approach is to start by defining what these responsibilities are, in order to agree on details based on needs later rather than talk about abstract slogans.
- In order to fulfill our responsibilities as a state, and to meet Israeli security concerns, the following framework has been proposed:
 - We are committed to developing our security agencies in a manner consistent with their required functions and up to international standards as an ongoing process. In this important sense, our present efforts will continue to be ongoing until the creation of the state, and will continue thereafter. However, current efforts must be conceptually separated from our discussions on security following a permanent status agreement and the establishment of the state.
 - We require a robust, multi-faceted and possibly long-term international third party presence to assist us with meeting our security requirements, particularly regarding border protection and capacity building, and to serve as a transitional arrangement between full Israeli military withdrawal and the takeover of security functions by the government of the Palestinian state.
 - We cannot, however, accept any residual Israeli military presence or control over any
 portion of our territory, airspace, territorial waters, borders, or electromagnetic
 sphere as part of a permanent status peace agreement. Rather, legitimate security
 concerns should be addressed by the third party presence.

- We are determined to establish strong bilateral and regional security cooperation mechanisms with all neighbouring states and based on the principle of reciprocity and sovereign equality to meet security interests and concerns of all on an equal basis.
- As a fundamental principle, following decades of Israeli military occupation, Palestine cannot accept any Israeli military presence or control over its territory. Our people will not buy into any agreement that includes a continuation of Israeli control over their land. Israel continues to insist on a presence in Palestinian territory post-agreement, and has thus far been unwilling to accept a third party role that would be more extensive than that of purely capacity building.

6. Prisoners

- All remaining Palestinian and Arab prisoners detained or arrested by Israel as a result of the Israeli-Palestinian conflict must be released upon the signature of an agreement.
- Furthermore, for now until an agreement is signed, Israel should gradually release in a coordinated manner political prisoners in support of the peace process.

B. STOCK-TAKING OF ROAD MAP OBLIGATIONS

- It is difficult to reconcile our mutually-stated goal of a comprehensive resolution to the Palestinian-Israeli conflict, with Israel's deeds throughout the process.
- In the months since Annapolis, Israel has disregarded virtually all of its Road Map obligations.
- Some **514** Palestinians were **killed**, and another **2,112 injured** by Israeli forces (up to 28 Oct.) since Annapolis.
- Virtually every indicator of settlement activity shows that Israel has actually *accelerated* its settlement efforts:
 - Construction has continued in at least 101 settlements (excluding Jerusalem-area settlements).
 - The number of housing units **tendered** after Annapolis is **16 times higher** than before Annapolis (2,210 v. 137 housing units tendered in the 11 months after and before Annapolis). Moreover, **80 percent** of these are in settlements located in East Jerusalem, as compared with 34 percent during the 11 months prior to Annapolis.
 - The issuance of **building permits** for privately-initiated construction (*excluding* that in and around East Jerusalem) is **up three times** (1,594 v. 494 permits in the 8 months after and before Annapolis).
 - Government-sponsored construction (excluding that in and around East Jerusalem) has increased by 45 percent (697 v. 482 construction starts in the 9 months after and before Annapolis).

- **Privately-initiated construction** (*excluding* that in and around East Jerusalem) has **increased by 36 percent** (500 v. 369 construction starts in the first 6 months of 2008 and 2007).
- In East Jerusalem alone, Israeli authorities have advanced **plans** for **nearly 10,000 housing units** in Israeli settlements since Annapolis.
- Of the approximately 110 **outposts** in the West Bank, some 58 of which were established since March 2001, **none were dismantled** during the reporting period.¹
- Israeli authorities **demolished** at least **329 Palestinian homes** and other structures since Annapolis, 94 of them in East Jerusalem.
- Israel had established some **630 checkpoints, roadblocks and other physical barriers** to Palestinian movement throughout the West Bank, an increase of 8 percent since Annapolis (Nov. 2007) and a **68 percent increase** since August 2005.²
- Israel has twice renewed the **closure** of 10 **Palestinian institutions in East Jerusalem** since Annapolis.
- Throughout all of our meetings and negotiations, we never ceased insisting that Israel stop its ongoing violations. Yet, throughout the negotiations, Israel has intensified its violations, as demonstrated by the figures cited above.
- Similarly, throughout, we have expressed our commitment to fulfil all our obligations under the Road Map, pointing out the obstacles created by the occupation that continue to make our efforts to do so very difficult.
- These ongoing violations deprive our meetings and negotiations of credibility, and are increasingly depriving us of the necessary support of the Palestinian people.

C. GOING FORWARD

• In our view, there are four major factors that should immediately be addressed in order to ensure the success of this peace process going forward.

Firstly,

1. There must be real efforts *by both sides* to immediately implement the first phase of the Roadmap. On the Israeli side, this requires:

- The immediate cessation by Israel of all settlement activity, including natural growth;
- The reopening of the Jerusalem institutions;
- The removal of all outposts;

¹ This does not include the handful of outposts removed by the Israeli army immediately or shortly after being established, or those that were only partially dismantled.

² UN-OCHA, "Implementation of the Agreement on Movement and Access and Update on Gaza Crossings (23 June – 08 July 2008)".

- The removal of checkpoints; and
- The cessation of military incursions, assassinations and arrests.

The Quartet should assist in this by instituting a robust implementation mechanism to ensure that these obligations are met. To be effective, this implementation mechanism must satisfy four basic requirements:

- A monitoring regime that identifies actions taken, or not taken, by both parties on a real time basis;
- A communication system that informs both parties simultaneously of acts of compliance and non-compliance;
- A commitment to accountability that provides the public with relevant, appropriate and timely information through wide media coverage; and
- An enforcement system that offers incentives for timely compliance with obligations, plus tangible consequences for non-compliance.

Creating an implementation mechanism that meets these requirements is a high priority if the parties want to achieve significant progress toward their joint goals. We ask that the Quartet establish a deadline of no later than January 1, 2009, for its design and implementation. If the parties are unable to provide a design by that date, the Quartet must be committed to implementing by mid-January 2009 a robust implementation mechanism of its own design that would meet the stated requirements.

The process for establishing such a mechanism must live up to the principles of respect and partnership that underlie the entire Road Map and Annapolis processes. We are willing to participate in a joint committee with Israel to advise you on the best structure and procedures for this mechanism.

- 2. There must be an immediate release of all prisoners that were in Israeli prisons prior to Oslo, currently numbering approximately 325 prisoners, and the immediate release of the sick, women and children currently present in Israeli jails;
- There must be a full Israeli withdrawal from the cities and towns in which Palestinian security forces have taken over security responsibility, including Jenin, Nablus, Ramallah, and part of Hebron, as well as a formal announcement of such withdrawal; and
- 4. With the help of the international community, we will increase our efforts to prepare the Palestinian security forces to take on full security responsibility in the Palestinian towns, and increase their ability to provide for civil order and protect against violence and terrorism. In support, Israeli security forces must increase their efforts to protect Palestinians and their property against violence and intimidation by Israeli settlers in the West Bank.

- 5. Consistent with the requirement of a settlement freeze, third states should take concrete measures to ensure that neither they nor they nationals contribute to Israeli settlement activity, such as:
- ensuring that state-owned or -controlled enterprises cease all dealings with Israeli settlements;
- adopting legislative, administrative and other measures to prevent (or at least create disincentives for) their nationals and companies from contributing to Israeli settlement activity, for example by:
 - o divesting from such companies if the state has holdings in them;
 - withholding government loans, credit guarantees and other forms of financial support that could be used to facilitate trade or commerce in settlements or with settlement businesses;
 - o withholding protection of any such dealings or investments against claims of a future lawful government of Palestine; and
 - o issuing an advisory to their nationals about the legal and financial risks associated with purchasing or leasing property within settlements located within the OPT, including East Jerusalem. Many states have already issued a similar advisory in the case of occupied northern Cyprus; and
- prohibiting the import of settlement products.
 - O At a minimum, settlement products should be explicitly and specifically excluded from the application of any trade agreements between Israel and third states. Furthermore, states should require settlement products to be clearly labelled as such so that consumers can make informed decisions about their purchases.

Secondly, support Egyptian efforts underway aimed at Palestinian internal reconciliation.

Thirdly, it would be helpful for the Quartet to reaffirm the key ground rules for the negotiations that have been agreed with Foreign Minister Tzipi Livni, including that:

- 1. Nothing is agreed until everything is agreed.
- 2. We will discuss all core permanent status issues, including Borders, Jerusalem, Refugees, Water, Settlements, Security, Compensation and Prisoners, and all other issues necessary in an agreement in order to end the conflict. All of these issues will be negotiated and agreed, and there will be no postponement of any issue.
- 3. We are working towards a comprehensive agreement that resolves all of the core issues, another interim agreement or a declaration of principles.
- 4. We do not and will not accept a partial agreement nor a state with provisional borders.

- 5. We will work in a concentrated fashion to reach an agreement by the end of 2008, but if this goal is not achieved, we will continue our negotiations to reach a comprehensive agreement as soon as possible.
- 6. We will not involve the media in the discussions, and will keep all substantive aspects of the discussions completely confidential.

Fourthly, the bilateral negotiations process has dragged through the past year without the kind of intense and focused negotiation schedule designed to achieve a just and comprehensive peace agreement. Unreasonable delay, ad hoc postponement and lack of focus on specific agendas are the mark of low priority given to the effort and a lack of serious commitment to achieve the joint goals. The Quartet should assist the parties in organizing a more focused and aggressive schedule by

- monitoring the ongoing progress through more frequent joint sessions, and
- setting time guidelines, when warranted, that are reasonable for both parties.

By June 1, 2009, the Quartet should assess whether sufficient progress has been achieved to allow the existing bilateral process to continue. If little or no progress has been achieved, the Quartet should discuss with the parties the option of reenergizing the process by including a third party in a facilitating role.