

MEMMO

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Israel Takes Steps for Peace, Palestinians Reject Moves

Despite persistent Palestinian rejectionism, Israel has creatively offered important political and economic incentives to the Palestinian Authority (PA). Instead of returning to peace talks, the Palestinians are threatening once again to turn to the United Nations. The United States should recognize Israel's accommodating approach and continue pressing PA President Mahmoud Abbas to return to bilateral negotiations with Israel.

Israel has moved to dramatically bolster the Palestinian economy and condition the environment for peace.

- Israel signed a new tax agreement aimed at increasing the PA's revenue from tax collection to help bolster the PA's finances.
- Israel advanced \$45 million to the PA before Ramadan to help compensate for the failure of Arab states to provide their pledged support.
- Israel pressed the International Monetary Fund (IMF) to provide a \$1 billion loan to support the PA budget. Despite Israel's creative efforts, the IMF rejected the loan request.
- Israel has issued 5,000 additional permits for Palestinians to take jobs in Israel's construction sector.
- Israel agreed to allow construction of four power substations in the West Bank.
- Israel agreed in principle to the PA's development of natural gas fields off the Gaza coast. Such development could help the Palestinian economy, create additional jobs and reduce the PA's dependence on foreign assistance.
- Despite continuing security threats, Israel allowed more than one million Palestinians from the West Bank into Israel during Ramadan to visit sites, including the Temple Mount, and to see relatives throughout the country, according to Guy Inbar, a spokesman for the defense ministry.



Israel allowed more than 1 million Palestinians from the West Bank into Israel during the Ramadan holiday as a goodwill gesture to the PA.

The PA has spurned Israel's steps toward peace by placing preconditions on talks and pressing forward with their U.N. status upgrade bid.

- Instead of sitting down with Israeli Prime Minister Benjamin Netanyahu—who has repeatedly called for direct negotiations—Abbas has set unrealistic preconditions, including a freeze on construction in the Jewish neighborhoods in Jerusalem and the release of prisoners who committed mass murders—demands that have not been made in previous negotiations.
- Abbas continues to threaten that he will seek to upgrade the Palestinians' status at the United Nations to that of a non-member observer state. This is a violation of the Oslo accords, which require negotiations with Israel as the exclusive path to Palestinian statehood.

- Palestinian Foreign Minister Riad Malki has indicated that Abbas will announce Palestinian plans at the U.N. General Assembly meeting in September. Reports say Abbas may push for a vote in November after the U.S. elections.
- The U.N. bid only serves to undermine Israel's confidence in the PA as a legitimate partner for peace and could cause a breakdown in relations between the parties, making it even more difficult to resume negotiations in the future.
- If the U.N. General Assembly recognizes Palestine as a state using the 1949 armistice lines as borders, the prospects for successful talks would be less likely. The Palestinians will find it difficult to compromise on any terms that have been adopted by the United Nations, while Israel will find it difficult to enter talks when unacceptable results are the baseline.
- Despite Israel's recent steps to help the PA, the PA sent a letter at the end of July to the European Union calling for it to cease upgrading relations with Israel.
- The PA also recently expressed gratitude to the International Olympic Committee for refusing to hold a moment of silence at the opening ceremony to commemorate the 40th anniversary of the 11 Israeli athletes murdered by Palestinian terrorists during the Munich Games.

The United States should continue to press the Palestinian leadership to return to talks with Israel without preconditions and make clear the consequences of pursuing statehood recognition at the U.N.

- The United States and international community should continue to press Abbas to return to talks with a willing Israel, and must signal that there will be significant consequences for his continuing refusal to negotiate.
- President Obama has made clear that the Palestinians cannot create a state through the United Nations. "No vote at the United Nations will ever create an independent Palestinian state," he said in May 2011. "And the United States will stand up against efforts to single Israel out at the United Nations or in any international forum."
- Secretary of State Hillary Clinton said during a visit to Jerusalem in mid-July that Middle East peace will be achieved "only through negotiation, not through international venues or unilateral acts."
- U.S. law prohibits economic aid to the Palestinians if they achieve "the same standing as member states or full membership as a state" in the United Nations, or any of its agencies, outside an agreement with Israel. The PLO office in Washington would also be closed for at least three months if the Palestinians receive an upgraded status at the U.N.
- The House and Senate overwhelmingly passed resolutions in mid-2011 (H. Res. 268 and S. Res. 185) warning the Palestinians that there will be serious implications for U.S.-Palestinian relations and continued U.S. aid to the PA if it continues its efforts at the United Nations.