



The Knesset

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Deputy Speaker of the Knesset**

**Chair of the Knesset Caucus
for the Resolution of the Israeli-Arab Conflict**

**MK Hilik Bar's Diplomatic Outline
for Resolving the Israeli-Palestinian Conflict**

and

**Steps for creating a diplomatic horizon and
generating positive momentum toward an agreement**

Note: In case of divergence between the texts of this outline, the Hebrew version will prevail unless circumstances indicate to the contrary.

"The outline presented today by my friend, the Secretary-General of our party, MK Hilik Bar, is just the kind of initiative that has disappeared from the Israeli discourse. Hilik, you are presenting a paper that will challenge us and compel us to enter into a process that will awaken the Israeli public and stimulate the discourse. I think that your analysis is correct. Our leadership should have the backbone to fearlessly put new ideas on the table and explore them. We must be on the right side of history, just as my friend Hilik Bar is doing this morning, and just as I will do when I head the next Israeli government."

(From Opposition Leader MK Isaac Herzog's remarks at the launch of MK Bar's diplomatic outline)

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"Hilik, we have all come today to commend your very thorough, professional work; your determination to put new ideas on the table; your deep understanding that two states for two peoples is clearly in the Israeli national interest. Maintaining a Jewish and democratic Israel is the Zionist dream, and it requires us to separate from the Palestinians. This is a shared interest between Israel and the more pragmatic countries in the region. What is needed now is for the free world, together with us, and together with them, to engender this connection, this political alignment, that understands that a resolution to this conflict is not a threat to the state of Israel, but instead is the assurance, the way to preserve Israel as a Zionist, Jewish, and democratic state. Thank you very much Hilik, for your initiative, for your courage, and for your determination."

(From former Foreign Minister MK Tzipi Livni's remarks at the launch of MK Bar's diplomatic outline)

This proposed outline provides a robust basis for a final status, 'end of all claims' agreement between Israel and the Palestinians.

It protects Israel's security interests, keeps Jerusalem united, solves the refugee problem outside of Israel's borders, leaves the majority of the settlers in their homes, strengthens Israel's position in the world, and would boost international support for Israel's unflinching war on terror.

More importantly, this plan resolves the conflict within the framework of a two state solution – two states for two peoples. It ensures Israel will retain a wide Jewish majority, and definitively prevents the possibility of a binational state, the prospect of which would effectively constitute the end of the Zionist idea. 'Isra-stine'? Not on our watch.

The proposed outline is a product of the two years I served as Chair of the Knesset Caucus to Resolve the Arab-Israeli Conflict (the "Two States Caucus"). Two years in which I met with dozens of Israeli, Palestinian, and foreign officials, experts, and numerous elements in the Arab world.

I believe that this outline can serve as an appropriate Israeli proposal for resolving the Israeli-Palestinian conflict, and I believe it to be an important step toward resolving significant parts of the Arab-Israeli conflict.

It is possible, and it is in our hands.

MK Yehiel Hilik Bar

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***Deputy Speaker of the Knesset
Chair of the Knesset Caucus to Resolve the Arab-Israeli Conflict
Secretary-General of the Israeli Labor Party***

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5. Summary

1. Working assumptions

1. The “conflict management” policy of the Israeli Right – an abject failure.

The Right’s assumption that it is possible to “manage the conflict,” instead of resolving it, has been disproven in practice.

Let us examine the results of the Right’s “conflict management” policy:

Security and deterrence have been harmed

- Israeli deterrence against terrorist organizations has been damaged.
- The sense of insecurity amongst Israelis has increased.
- Thousands of rockets have been fired at Israeli citizens, and hundreds of terror tunnels have been dug beneath Gaza.
- The terrorist organizations have been strengthened politically and militarily.
- Gaza has become a terror state.
- The rounds of fighting and “operations” in Gaza have become routine.
- Israelis in the South are unable to live a normal life.
- We are on the brink of a third intifada in Jerusalem.

Rising incitement and polarization

- There is complete polarization and a total lack of trust between the Israeli and Palestinian leaderships.
- The rift between Israeli Arabs and Jews has deepened.
- Incitement between Israel’s Left and Right has become commonplace and has reached dangerous proportions.
- Incitement between Israelis and Palestinians is approaching a point of no return.
- The extremists on both sides have been strengthened.
- The religious dimensions of the conflict have intensified.

Israel’s international stature has been severely damaged

- A wave of boycotts against Israel is gathering momentum.
- Global public opinion is turning against Israel.
- Israel is being isolated from many countries around the world.
- Diaspora Jews have become the target of anti-Semitic and anti-Israel attacks.
- Relations between Israel and the United States have reached an all-time low.

The Right’s policy has failed – conflicts should not be managed, conflicts should be resolved!

2. Two states for two peoples – the only possible solution.

- The policies of the Right are leading us toward a binational state. Period.
- A binational state is the end of the Zionist idea and the end of Israel as a Jewish and democratic state with a solid Jewish majority.
- In the reality of a binational state, Palestinians will ultimately become citizens of that shared state and will come to constitute a demographic majority of its population.
- This conflict will eventually end – either by our own initiative or by circumstances forced upon us. In other words, it will end in two states or one state.
- We must not sacrifice the Zionist dream on the altar of the narrow interests of the extreme Right.
- The majority of Israelis and Palestinians share the same vision and the same desire: a nation state of their own.
- The Palestinian aspiration for a state of their own should also be Israel's aspiration.
- The two-state solution is a shared Israeli and Palestinian interest.

It is either a two state solution – or one binational state.

3. The “no partner” approach – a defeatist approach, evading responsibility.

- The Right has exhorted for years that “there is no partner.” This is a destructive and defeatist working assumption.
- In conflict, there is never an ideal partner. As long as the conflict remains unresolved, the other side is defined as “the enemy.” As a general rule, an adversary is rarely an optimal partner.
- There are two possible explanations for the Right's position stating that “there is no partner:” either the “no partner” policy is an excuse for diplomatic stagnation, lack of courage, dearth of leadership, and a lack of will to make progress; or the Right really believes that one day a Palestinian leader will emerge who is a “perfect partner.”
- Israel will not find a Palestinian leader who is a “perfect partner”. Whilst the Right “waits,” futilely, for the partner of their dreams, the violence and the polarization only get worse. Egypt and Jordan, were much fiercer enemies (“partners”) of Israel's than the Palestinians are.
- If the “no partner disease” had struck during Menachem Begin's and Yitzhak Rabin's time as it has struck the Right and Netanyahu today, Egypt and Jordan would still be enemy states. Rabin said, quite rightly, “You can only make peace with your enemies.”
- The Palestinian partner is currently a partner to stagnation and political despair. Yes, the Palestinians are far from being a “perfect partner,” but, so far, right-wing governments have acted mainly in a manner that weakens them as partners.
- Courageous Israeli leadership can turn the Palestinians into partners for an agreement.

There is a partner. That partner is the leadership of the Palestinian Authority and the PLO (provided they accept the Quartet's three conditions).

4. An Israeli-Palestinian agreement is possible and most of its parameters are known.

- Most of the specifics of an agreement between us and the Palestinians have already been drafted throughout decades of past outlines and draft agreements, in accordance with the principle of “two states for two peoples.”
- There do remain points of controversy, and those must be resolved in a genuine, creative, and concerted effort, supported by the international community and a significant part of the moderate Arab and Muslim world.
- Achieving an agreement is possible. We have made peace with enemy Arab states in the past – we can do it again now.

Most of the details of the agreement are known. What is lacking now is a determined and courageous leadership to bring about a resolution of the conflict.

5. After the establishment of a Palestinian state, Israel will have defensible borders.

- The Right argues that a Palestinian state would make Israel’s borders indefensible. This is not true, and the Right knows it.
- In any future agreement, both sides understand that the future Palestinian state will be demilitarized. In contrast, Israel is a strong country with one of the most powerful and sophisticated militaries in the world and with the most advanced intelligence and weaponry on Earth.
- Moreover, Arab and international military forces would be stationed within the Palestinian state. Egyptian President El-Sisi already committed to send Egyptian soldiers to the Gaza Strip in a final status agreement – not as mere monitors but in order to safeguard both peoples.
- In a world of long-range missiles, the security implications of where exactly the borders lie are diminished. Peace agreements and defense treaties have proven vastly more effective than interminable disputes over the precise location of the border. The agreements with Egypt and Jordan are proof of this. From a broad regional perspective, Israel’s strategic depth also includes the Hashemite Kingdom of Jordan, which has committed, and upheld its commitment, to prevent foreign military forces from entering Israel from its territory. The same is true of Egypt’s fight against terror in the Sinai, along with the other security and strategic advantages emerging from the peace agreement with them. History has proven that Israel’s most effective “weapon” against the armies of Egypt and Jordan has been the peace agreements with them. This will also be the case with the Palestinian state.
- If Israel can defend its borders from enemy countries, with strong regular armies, it can also defend its borders with a small, demilitarized, Palestinian state.
- In the event of Palestinian terrorism after a peace agreement had been signed, Israel will always retain the right to defend itself and strike at the terrorists – only this time it will be with the support of the international community. This time it will be a “state versus state” conflict, rather than “occupiers versus the occupied” or the “strong versus the weak.”

- Following the establishment of a two state reality, the motivation for, and justifications of, Palestinian terrorist organizations to engage in armed struggle and terrorism, will be fundamentally weakened.
- The Palestinian government, by virtue of its interests and international obligations, will become responsible for and committed to the preservation of peace and quiet (instead of inciting violence, as it is often the case at present).
- **Security presence:** Within the framework of the final status agreement, both sides will put in place:
 - An agreed-upon timetable for the gradual redeployment of IDF forces from the Palestinian state's territory;
 - Measures to implement and enforce the demilitarization of the Palestinian state and to prevent areas the IDF evacuates from turning into a terrorist state;
 - A special security regime in the Jordan Valley; and
 - Additional security arrangements vital to Israel's security.

In any case, Israel will always retain the right to defend itself against any element that threatens its security.

It is defeatist to claim that a Palestinian state would make Israel's borders indefensible. Quite the opposite is true: a Palestinian state would render Israel's borders less susceptible to attack. And, in any event, Israel can always defend itself, even – and especially – when a Palestinian state is established.

2. Lessons from the failure of negotiations thus far

The failure of the negotiations thus far is not only because of the leadership, or lack thereof, on both sides. The negotiations have also failed because of fundamental errors in the nature of the process itself. We must learn from these mistakes, and, moving forward, implement three vital principles:

1. Generating “positive momentum” during negotiations and toward an agreement.

- The attempt to advance the conflict’s resolution exclusively through negotiations has effectively meant putting all our eggs in one basket.
- Since the year 2000, there has been almost no practical movement toward a two state reality on the ground, in parallel with negotiations.
- Up until now, we have flitted between active negotiations and complete deadlock.

Lesson 1: The sides must generate “positive momentum” both prior to and during negotiations - no matter how long those negotiations may take. This document will detail proposals for generating this momentum.

2. Including regional stakeholders in the Israeli-Palestinian process.

- The attempt to deal with issues of a clearly regional character through the bilateral (Israeli-Palestinian) track alone is, evidently, wrong and doomed to failure.
- Jordan and Egypt, for instance, are interested parties regarding the issue of borders; Jordan and Lebanon are interested parties regarding the refugee issue; Jordan, Morocco, Saudi Arabia and the whole Arab and Muslim world regarding the issue of the Temple Mount and Jerusalem’s Holy Basin.
- The Arab world can and should be a part of resolving the Israeli-Palestinian conflict.
- The Palestinians do not necessarily have the ability to reach every decision by themselves on issues essential to the resolution of the conflict.
- The Arab world is capable of helping the Palestinians make tough decisions; they can legitimate some of the hard decisions the Palestinians will have to take.
- Israel erred in its approximately thirteen years of deafening silence following the Arab Peace Initiative, and it has also erred in the continued absence of dialogue with the Arab world in parallel with the Israeli-Palestinian dialogue.

Lesson 2: Israel and the Palestinians must engage the moderate Arab world, or at least part of it, in negotiations; and, if possible, obtain its support for an agreement.

3. Dealing with tangible and intangible issues.

- Prior to the Netanyahu era, negotiations were overly focused on “tangible” issues, like the evacuation of settlements, borders, the division of Jerusalem, water and natural resources, while virtually ignoring the psychological, identity-related dimensions – intangible issues, starting first and foremost with the issue of “recognition”.
- Netanyahu, on the other hand, has focused almost exclusively on those intangible psychological/ identity-related issues, such as the “recognition of Israel as the Jewish nation state,” to the near-total neglect of the conflict’s tangible dimensions.

Lesson 3: The conflict’s tangible issues must be tackled during negotiations in parallel with the “psychological/identity” and “recognition” issues.

3. Principles of the outline: Innovative ideas alongside familiar ones

1. The overall goal.

- The State of Israel, as the nation state of the Jewish people, a Jewish and democratic state, will live in peace side by side with a demilitarized and prosperous Palestinian nation state.
- Each state will have a robust national majority alongside a numerically limited minority that does not pose a demographic challenge.
- Each state will constitute a bulwark for the cultural, religious, and national prosperity of its people, alongside dignity and equal rights for ethnic and religious minorities who will live, integrate and prosper in their midst.
- Both countries will integrate into the community of nations in general, and the community of Middle Eastern states in particular, and will be an inspiration regarding the ability to resolve seemingly intractable conflicts; an inspiration demonstrating the possibility of living side by side in mutual respect, advancing equality and successfully integrating minorities in a nation state.

2. Regional dialogue in parallel with Israeli-Palestinian negotiations, and subsequently

- Involvement of Egypt, Jordan, and the Arab League in negotiations on an Israeli-Palestinian agreement.
- Israel will officially respond (for the first time) to the Arab Peace Initiative, noting Israel's comments and objections.
- The Arab League would make good on its offer to begin normalizing relations with Israel (where relevant) immediately upon the signing of an Israeli-Palestinian accord, even if the conflict with Syria and Lebanon were to continue.
- The Arab League, the Organization of Islamic Cooperation, and their member states, as partners in the process, will be asked to help ensure the commitment of Hamas to the agreement that will be signed, and to support Israel in its fight against Hamas should it not cooperate with the process.

3. Mutual recognition of two nation states.

- At the end of the process and within the framework of a permanent agreement (a final status accord that constitutes an 'end of all claims'), both states will recognize each other in their final sovereign borders as determined in the agreement, as "the nation state of the other people." The State of Israel will be recognized as the nation state of the Jewish people, a Jewish and democratic state; whereas the Palestinian state will be recognized as the nation state of the Palestinian people.

4. Prosperous minorities – in both states. (Jewish communities in London and Berlin – why not in Palestine?)

- Jewish communities live prosperously in numerous countries around the world. There is no reason why a Jewish community cannot exist in a Palestinian state, fated to always be our closest neighbor, while taking steps to ensure this community's security. There is no reason why a Palestinian Arab minority should live prosperously in Israel while the Palestinian state will exist "clean" of Jews.
- Those Israelis who live in the West Bank (Judea and Samaria) today, territories that will, following an agreement, come under the sovereignty of the Palestinian state, and whose place of residence is not the subject of agreed territorial exchanges, will be given the option to stay in their homes and obtain residency or citizenship in the newly created Palestinian state.
- This principle will allow Israelis for whom it is ideologically important to remain in their place of residence to do so. Rather than their assets and businesses going to waste, those assets and businesses will be integrated into the Palestinian economy.
- The Jews and Israelis who will choose to stay and live in the Palestinian state will be required to respect the sovereignty and laws of the Palestinian state, just as they would in any other country.

5. Mutual "privileged access" for worship and travel.

- As a result of each party's recognition of the attachment of both peoples to sites that are under the other's sovereignty, both states will extend special "privileged access" to each other's citizens.
- Privileged access will be for the purposes of visiting, tourism, and worship, to historic or religious sites of importance to one side that are located in the sovereign territory of the neighboring state.
- This access will be granted under special legislation and will be subject to supervision, within understandings to be reached in a special reciprocal agreement signed between the states in the framework of the peace accord, and in accordance with the laws of each country.

6. Mutual "privileged access" for business, economics, and academia.

- Economic prosperity and the academic, scientific, and commercial success of the Palestinian state are important to Israel's strength and security.
- Under the peace agreement and after a short period during which the agreement's stability will be tested, Israel will grant Palestinian businesses and academic institutions privileged access to Israeli businesses and academic institutions, in order to advance cooperation and strengthen business and academic ties between the two states.

- Both countries will work toward the granting of a special status to the Palestinian state's economy in the Gulf Cooperation Council (GCC) while also developing and institutionalizing economic ties between the GCC and Israel.
- Both countries will work toward the implementation of the European Union's promise to upgrade its relations with Israel and the Palestinian state to a "Special Privileged Partnership" with the EU, which will significantly enhance the economies and the academic, cultural, and business sectors of both states.
- Both countries will work toward establishing upgraded free trade zones between them at determined locations.

7. Proposed framework on borders.

- Borders will be based on the 1967 lines with agreed-upon land swaps that will enable Israel to retain the major settlement blocs, while at the same time striving to keep as many Israelis in their homes under Israeli sovereignty as possible (in addition to, as previously stated, a minority of settlers who choose to remain under Palestinian sovereignty in certain places.)
- The two sides will determine final borders and land swaps exclusively through direct negotiations.

8. Proposed framework on Jerusalem.

- Jerusalem will not, and should never, be divided. It is impossible, unnecessary, and undesirable. However, in specific areas, there will be arrangements on security, passage, and movement.
- The external Arab neighborhoods of East Jerusalem will form the capital of the Palestinian state.
(The Right's insistence that areas like the *Shuafat* refugee camp, with its 35,000 residents, be part of the capital city of the nation state of the Jewish people, is as blind to the Zionist idea, and to the reality on the ground, as their desire to annex the entire population of the West Bank, against the wishes of that population, and contrary to Israel's strong, clear and understandable interest in preserving its Jewish majority.)
- The Jewish neighborhoods in East Jerusalem and West Jerusalem will form the Israeli capital.
- The final decision on which neighborhoods belong to which capital will be made only with Israel's consent in the framework of negotiations between the two sides.
- The Arab residents of East Jerusalem will be citizens of the Palestinian state.
- A broad Holy Basin will be defined, and will include the Old City, its Quarters, and adjacent neighborhoods.
- Sovereignty over the Holy Basin will be exercised by Israel, or, exclusively with Israel's consent in the context of a peace agreement, there will be shared sovereignty over certain parts of it.
- A combined Israeli-Palestinian policing and supervisory force will operate in parts of the Holy Basin as determined by the parties, and there will be shared Israeli-Palestinian civic administration over a portion of the sites that are holy to both

peoples, unless the sides decide in the agreement to grant exclusive administrative rights to one party at certain sites. This administrative, policing, and supervisory division will be finalized within the framework of the agreement, with Israel's consent.

- Following the signing of an Israeli-Palestinian agreement and as a part of its implementation, Israel will request that foreign nations locate their embassies in Jerusalem, and that the local headquarters of leading international organizations (sports federations, UN agencies, and so forth) also be relocated to Jerusalem.

9. Proposed framework on refugees.

- Following the agreement, the solution to the resettlement of Palestinian refugees will be found outside the borders of the state of Israel.
- The refugees will remain in the Palestinian state, or will be absorbed in their current host countries or in third countries that agree to accept them as citizens.
- Israel will consider (but will not be obligated), on a case-by-case basis and at Israel's sole discretion, granting citizenship or residency to refugees who personally left their homes in 1948, and only on an individual and/or humanitarian basis.
- The international community will establish a fund to finance the resettlement and compensation of Palestinian refugees. Israel will contribute to this fund. The issue of economic rehabilitation for the refugees will also be resolved in the framework of a regional development plan.
- Israel will request that relevant Arab states recognize (and in some cases compensate) the Jewish refugees from Arab countries.

4. Generating “positive momentum” toward an agreement – “shaping a two state reality on the ground”

Israel must take a raft of steps to raise the chances of arriving at a permanent status agreement, and, at the same time, to enhance Israel’s security and international stature prior to such an agreement. The following steps have value both in and of themselves, and also insofar as they will help cultivate the conditions for, and momentum toward, the striking of a permanent status agreement:

1. Israeli recognition of the Palestinian state, including at the UN. How, and why is this desirable?

The Israeli government will take a decision to recognize a Palestinian state.

This recognition will be made without predetermining final borders, and will explicitly state that final borders and other elements of a deal essential to Israel and to its existence as the nation state of the Jewish people (borders, refugees, Jerusalem, security arrangements, and so forth) will be determined exclusively through negotiations.

Israel will coordinate the process of recognition of the Palestinian state with the United States government and major international stakeholders, in order to prevent a situation in which Israel would be dictated guidelines for ending the conflict, which would make it difficult for any Israeli government to reach agreement with the Palestinians.

Israel will support the Palestinian state’s joining of UN institutions, provided that this does not contradict the principle that parameters bearing on the character of the state be determined exclusively through negotiations, as stated above.

The advantages:

- This measure will take the option of a binational state off the table.
- This measure will contribute to securing Israel’s future as the nation state of the Jewish people, and as a Jewish and democratic state with a firm Jewish majority.
- From that point on, negotiations would not be with the Palestinian Authority or a Palestinian entity, but instead with a Palestinian state obligated to comply with international law as a whole, and with the interim peace accords signed to date in particular.
- Following recognition of a Palestinian state, the conflict will no longer be about *whether* there will be two states; instead, the question will be where final borders will be, and what the relations between the two states will be like.
- The deadlock in Israeli policy on the two state issue is, inter alia, a result of the lack of a clear strategic decision. The recognition of a Palestinian state will focus the Israeli government’s attention on finding the best strategy for realizing the two state vision. Such focus is much needed, and is by far preferable to continued fruitless stagnation

and bickering, while the situation on the ground worsens to a point that could force a binational state reality upon us.

- The recognition of a Palestinian state will send a clear message to our neighbors in the region that Israel has a vision to which it aspires. This will enable Arab governments who wish to strengthen their ties with Israel to do so; to help Israel advance the two state vision with more ease vis à vis both domestic public opinion in their own countries and the Palestinian leadership; and to more effectively confront Hamas.
- Recognition of a Palestinian state will constitute progress at the legal level toward the Palestinians' national ambitions.
- This step will reduce, in no small measure, the intense international pressure on Israel.

2. Implementation of existing commitments and “shaping a two state reality on the ground.”

- An unwavering battle against institutionalized anti-Israel incitement in the Palestinian Authority and in its media, along with an unflinching struggle against the “price tag” phenomenon in Israel.
- Building a joint plan for education on peace and non-violence.
- Implementation of previous interim agreements: transferring additional parts of Area C to Areas A or B as a part of the effort to move forward with the construction of a two state reality on the ground (subject to security considerations).
- Dismantling illegal outposts established after March 2001, as required by the Road Map.
- Enacting an “evacuation-compensation” law and beginning the practical implementation of its objects for those interested in it. As a lesson from the disengagement from Gaza, the government must ensure that it provides a complete housing solution in advance, rather than after the fact, for those who choose to leave their place of residence in the framework of the “evacuation-compensation” or in the framework of the final status agreement.
- Israel will refrain from building beyond the Green Line in places that would harm the territorial contiguity of the future Palestinian state.
- Encouragement of international assistance in building up the capacities and institutions of the future Palestinian state, subject to the fulfillment of Palestinian commitments that have not yet been carried out.

3. A first official Israeli response to the Arab Peace Initiative.

- At the Arab League Summit held in Beirut on 28 March 2002, the Arab League, consisting of 22 Arab countries, offered a diplomatic plan for ending the Arab-Israeli conflict (not just the Israeli-Palestinian conflict).
- Under the proposal, Arab states would normalize relations with Israel in exchange for Israel accepting the plan and the establishment of an independent Palestinian state. In return, the Arab states would “consider the Arab-Israeli conflict ended” and would establish “normal relations in the context of a comprehensive peace with Israel.”

- Members of the Arab League adopted the proposal of Saudi Prince Abdullah bin Abdul Aziz Al Saud, which is how the Saudi initiative became a pan-Arab initiative. Since then, the initiative has been re-endorsed almost every year at Arab League summits. The 56-member Organization of Islamic Cooperation also supports the initiative and affirms its support for it at its conferences every two years. Israel's only response to the initiative has been a deafening silence.
- The initiative contains things that are hard, and even impossible, for Israel to accept. However, Israel could have responded in several ways: it could have agreed to the initiative in toto; it could have agreed while expressing its reservations; it could have agreed to part of the initiative; or, it could even have rejected it out of hand.
- Not responding to the Arab Peace Initiative is one of the greatest diplomatic errors Israel has ever made. It is a mistake that has made us seem as if we were belittling the Arab world and its desire for normalization with Israel.
- The backing of the Arab League for an Israeli-Palestinian accord could greatly assist in Hamas's acceptance of the agreement, even if it were forced to acquiesce. Hamas could say "no" to Abbas or to Israel, but not to a significant part of the Arab and Muslim world. Not when Egypt (which Gaza desperately needs) supports the initiative, as do Qatar and Turkey, virtually Hamas's last regional allies who also provide the only funding and backing that Hamas has left.
- It is worth remembering that it was the Qatari foreign minister who led the Arab League delegation which affirmed that land swaps are compatible with the Arab Peace Initiative.
- A final status accord supported by the Arab League will probably lead to Hamas splitting into two factions: a faction that accepts the decision of the Palestinian, Arab, and Muslim world; and a faction that continues to aspire to the destruction of Israel.
- A final status accord backed by the Arab League will augment the chance that the militant-recalcitrant faction will be the smaller of the two, and will find itself isolated in the face of the support of countries in the Arab and Muslim worlds, and in the context of an Israeli-Palestinian peace agreement that obligates the Palestinian state to uphold it.
- An Israeli response to the Arab Peace Initiative could lead (even unofficially) to an exchange of drafts that may eventually turn into a joint Arab-Israeli proposal.
- A first official Israeli response to the Arab Peace Initiative (even if it were to be "yes, with reservations") would be an honest indication that Israel considers the Arab world an important partner in resolving the conflict, in achieving an agreement, and in preserving that agreement after it has been achieved.

Israel's deafening silence, over the thirteen years since the Arab Peace Initiative was first offered, was a mistake. Israel and the Palestinians should engage the Arab world, or at least parts of it, in negotiation, and, as far as is possible, should receive its backing for a final status agreement.

4. A diplomatic and security “prescription” for Gaza.

The problem:

On the one hand, Hamas controls Gaza. Hamas is a terrorist organization that is uninterested in normalization with Israel.

- Hamas launched attacks against Israel mainly in order to improve conditions in Gaza and to improve its position in the Palestinian Authority and the Arab world.
- Gaza’s privation is severe, and provides fertile ground for the strengthening and consolidation of Hamas, and for fanning the flames of hatred and incitement against Israel.
- Gaza is headed for a humanitarian disaster.

On the other hand, Israel rightly has no interest in improving conditions in Gaza in a manner which would enable Hamas to re-arm.

- Israel cannot improve life in Gaza in a way that would be perceived as a political or military achievement for Hamas, or as a capitulation to terrorism.

The solution:

Improving conditions in Gaza in a way that brings the Palestinian Authority back to Gaza and weakens Hamas. Efforts to do this so far have failed.

- In order to succeed, this process of making life in Gaza better must be done in a way that establishes Gaza as part of the Palestinian state, and allows that state’s government and police forces to exercise sovereignty in Gaza and in all of Area A in the West Bank.
- The Palestinian state will administer an independent border with Egypt.

How do we do this?

Essential steps in resolving the Gaza issue:

a. Stabilization of the Gaza ceasefire.

- Restoring the ceasefire agreement of November 2012 between Israel and Hamas (which defines expanded safe fishing and agriculture zones).
- Permit Qatar to pay salaries to the 25,000 out of 42,000 government workers who are not members of either the Gaza security forces or the Izz Al-Din Al Qassam Brigades.
- Continued payment of salaries by the PA to its approximately 70,000 workers in Gaza.
- A gradual merging and streamlining of government workers.

b. Measures for preventing an impending humanitarian crisis in Gaza.

- Allow a UN project to urgently resolve the water and electricity crisis: construction of desalination plants and permitting entry of diesel fuel for electricity generation. (Currently, Gaza has power for about eight hours a day, and the water in Gaza’s aquifer is expected to run out soon.)

- Enable large construction projects to be carried out by UNRWA and the business sector in order to reduce unemployment and rebuild the Strip.
- Permit the export of goods from Gaza to Israel and the West Bank (especially agricultural products).

c. Transferring control of Gaza to the Palestinian state.

- **Recognition** by Israel and by the international community of the Palestinian state as sovereign in the Gaza Strip. Gaza will be recognized as an official part of the Palestinian state. (Hamas would be challenged to recognize the State of Palestine which the entire world, including all Arab states and Israel, will have recognized).
- **Stipulation** by Israel and Egypt that a full normalization of all crossings (Erez, Kerem Shalom, Sufa, Karni, and Rafah) will only occur if representatives of the Palestinian state (and not of Hamas) are placed there, and that Egyptian forces would also be stationed if necessary.
- **Empowerment** and gradual expansion of the Palestinian state's security and police forces in Gaza, while requiring that independent armed groups be disarmed or be merged, under supervision, with the police forces of the new state.
- **Access** to the gas field off the Gaza coast for the government of the Palestinian state for the purpose of electricity production in Gaza and the West Bank.

d. Education.

- The Palestinian state will pursue in Gaza the same education policy it has pursued in Ramallah.
- The activities of the Israeli-Palestinian Anti-Incitement Committee will be resumed.

e. All of the aforementioned proposals will be implemented in a resolute effort, in parallel to three processes:

- The gradual demilitarization of the Gaza Strip, under the supervision of Egypt and the Palestinian Authority/State, alongside an uncompromising intelligence and military struggle against the terrorist groups in Gaza.
- The reconstruction of Gaza, as long as security arrangements and prevention of rearmament take place.
- Incentivizing the full demilitarization of Gaza by making it a condition for a final status agreement with the Palestinian state.

5. A diplomatic and security “prescription” for East Jerusalem.

Jerusalem is frequently on the verge of a third intifada. There are a number of simple steps that can calm the volatile situation in East Jerusalem:

- **Increased policing in the Seam Zone and less inside the Arab neighborhoods.** Massively increased police presence in neighborhoods leads to escalation, to a sense of living in a “police state,” against which “only violence will work.” It hurts the synergy that has so far existed between Jerusalem’s Jewish and Arab residents. Increased policing in the Seam Zone, and its reduction in the heart of Arab neighborhoods, will be implemented in parallel with highly targeted military and intelligence activity against Hamas and Islamic Jihad cells operating in East Jerusalem.
- **Initiating and developing a municipal body representing the residents of East Jerusalem.** There has been no such institution since the closure of Orient House. Since 2001, right-wing governments implemented their declared policy of preventing the emergence of local leadership in East Jerusalem. The resulting vacuum was filled not just by various types of crime, but also by the fatal seeds of the violence that Jerusalemites are now experiencing. There are currently no Palestinian leaders in East Jerusalem who can exercise control over the youth who are becoming radicalized and inciting violence. Israel should work with the residents of East Jerusalem to establish a local leadership that is willing and able to fulfill this role. Unlike the situation with Orient House, this new body could operate more independently from the Ramallah-based Palestinian leadership, in parallel with Israeli-Palestinian negotiations, and could coordinate its activities with Israel and/or the Jerusalem municipality (that is, until the transfer of some of these areas to the PA/Palestinian state control).
- **Implementation of the ‘Barkat Plan’ of transferring responsibility for the provision of services to neighborhoods outside the separation barrier to the Civil Administration and/or the PA.** The Jerusalem municipality can hardly provide services in these areas, and now serious health and sanitation issues have surfaced there, as well as problems of separatism, extremism, and incitement.
- **An Israeli examination and decision on which Arab neighborhoods of East Jerusalem will not, under any scenario, remain under Israeli sovereignty – and transferring their control to the Palestinian Authority even before a final status agreement.** The areas around East Jerusalem presently under PA control (like Azaria and Abu-Dis) remain calmer than those under direct Israeli control because, among other things, PA security forces operate there.
- **Preserving the status quo on the Temple Mount.** Freezing all legislative and regulatory initiatives aimed at changing the situation on the Temple Mount. The government and the Knesset should take the decision that this issue will be discussed only within the framework of an agreement.
- **Implementation and financing of a joint Jewish-Arab educational program** for children and teenagers in Jerusalem.

6. Consulting with the religious leadership on both sides.

- On both sides, there is a religious segment of the population for whom it is important that a future agreement accord, as far as possible, with their religious beliefs.
- Religious leaders from both sides will be granted a 'special advisory status' throughout the negotiations and during the implementation of an agreement, in order to support the process and to assign special emphasis to religious issues relevant to the negotiations.

7. Israeli Arabs.

- **The goal:** A society that is just and egalitarian toward its minorities, by virtue of being a democracy and in light of the discrimination that the Jewish people suffered living as a minority amongst other nations for 2000 years.
- Israeli Arabs have the potential to act as an important bridge to the Arab world in general, and to the Palestinian state in particular.
- Israel will establish a committee to examine and promote the deeper integration of Israeli Arabs and their culture into Israeli society, the educational system, and the broader Israeli culture. Laws that deny or injure such integration will be repealed.
- Israel will work toward broader integration of Israeli Arabs in senior positions at the national level in the public sector, as well as socially, economically, and politically. For example, in the spirit of a statement Ze'ev Jabotinsky once made, there is nothing to prevent Israel from having, for example, an Arab president. Israel should also strive to include Israeli Arabs in future Israeli governments.
- Israel will involve Israeli Arabs in the national planning policy and will establish more Arab cities to meet demographic needs outside of existing Arab towns and villages, many of whose capacity to absorb further construction has been fully exhausted.
- After an Israeli-Palestinian final status accord, Israel will work to enact legislation that would require Arab citizens to perform their choice of national service, civic service, or military service.
- Israel will implement and finance joint Jewish-Arab national and local educational programs for Israeli children and teenagers.
- A bilingual national university will be established to enable Israeli Jews and Arabs to conduct their academic studies in Arabic, in order to train professionals, academics, and experts, from both the Arab sector and the general population, who will be able to advance the integration of Israel into the Middle East, with an emphasis on the special role that the Arab sector can play in this task.
- A national center for education on peace and coexistence between Jews and minorities in Israel will be established, with a special focus on the younger generation, aimed at enhancing equality, tolerance, and the advancement of minorities in Israeli society. The center will investigate the phenomena of racism, incitement, hatred and discrimination in Israel, and suggest ways to combat them.

8. World Jewry.

- Given the shared destiny of Jewish Israelis, world Jewry, and expatriate Israelis, Israel will strive to deepen cooperation with them.
- Today, there is an ongoing need to anchor this partnership in order to strengthen the State of Israel on the one hand, and Jews and Israelis living around the world on the other – as well as their connection to Judaism and the State of Israel.
- Israel will grant world Jewry “consultative status” on certain national and foreign policy issues. To this end, Israel will set up an “Upper House of Diaspora Jewry” with an advisory role, comprised of representatives of world Jewry that will advise Israel on the implications of Israeli government policy on world Jewry, and on the struggle against anti-Semitism. The powers of this body will be determined by the Knesset.
- **Beyond “negation of the Diaspora” and toward “Jewish peoplehood:”** Israel will continue to invite the world’s Jews to make *aliyah* and live in Israel, while it will simultaneously intensify its partnership with Jews who do not wish to make *aliyah* to the land of Israel. Israel will work to strengthen their Jewish identity and their connection to Israel.
- Israel will strengthen its relationship with expatriate Israelis, out of a commitment to the people’s unity and its continuity, in Israel and overseas. Israelis living in the Diaspora can be an important bridge between Israel, Diaspora Jewish communities, and the nations in which they reside.
- Israel will offer Diaspora Jewish communities assistance from the state budget to study Hebrew, as well as Jewish History, Zionism, and Israeli heritage.

Summary

Since last summer, it is clear beyond any doubt that the “conflict management” policy of the Israeli Right has been an abject failure. The rounds of fighting and continual “operations” in Gaza have become an impossible routine for the residents in Israel’s South. Jerusalem is on the verge of a third intifada, and security experts are predicting an intense escalation in the North, worse than ever before. Israeli deterrence has taken a hit and Israel is marching inexorably toward international isolation and, worst of all, toward becoming a binational state.

The government operates without long-term goals or a coherent strategy to achieve them, and without any diplomatic vision or horizon. This situation imperils the future of the State of Israel and the continued viability of the Zionist idea.

The two state solution vs the danger of a binational state

The two state solution is the only possible solution for Israel and for the Palestinians. This is the solution that the Israeli government must advance; it is a paramount Israeli strategic objective. The dire alternative is a binational state, a prospect that would mean the end of Israel as a Jewish and democratic state with a strong, secure Jewish majority.

In the long run, a one state reality would put an end to Israel’s Jewish majority and we would find ourselves in the inevitable situation of a Palestinian majority in a shared Israeli-Palestinian state. In fact, many among the Palestinian public already believe a one-state solution to be preferable. A single state (‘Isra-stine’) would gradually grant Palestinians shared citizenship in the shared state, which would, in due course, lead to an Arab majority in the State of Israel. President Reuven Rivlin and Deputy Foreign Minister Tzipi Hotovely are among those who have, in the past, expressed their view that they do not reject such an eventuality, and even support it. Needless to say, this scenario would be disastrous. It would constitute the destruction of the Zionist dream and the end of Israel as we know it – and as we want it to be.

In a one state scenario, we – Israelis – will lose. We will become a Jewish minority in a binational, Israeli-Palestinian state. If we do not lose this demographic struggle immediately, then we will lose it in 50 years. If not in 50 years, then in 100 years. If we see Zionism as a project of one or two hundred years, then that is well and good. But if we see it as an eternal project, we must have two states and guarantee the Jewish majority in our precious State of Israel.

Today, we are still in a situation in which most Israelis and most Palestinians believe in the two state solution. Currently, only the radical fringe Right and Left believe in the shared binational state “solution.” We must not allow these fringe extremists to impose this very wrong solution on us, a solution that a majority on both sides does not want.

Learning from the mistakes of the past

The oft-repeated right-wing mantra that “there is no partner for peace” is an excuse for inaction and constitutes an evasion of responsibility. Even if the Palestinian partner is not perfect, right-wing governments have acted thus far primarily in a way that weakens that partner, instead of strengthening it. It is up to us to try and turn the Palestinians into partners for peace. We did it before with bigger and stronger enemies than the Palestinians. It took brave and determined leadership – leadership that we lack in Israel today.

The attempts to resolve the conflict have failed so far not only due to a dearth of leadership on both sides, but also as a result of three major failures:

1. The attempt to advance a resolution to the conflict solely through negotiations, effectively putting all our proverbial eggs in the one basket. There have been either negotiations, or, in their absence, total diplomatic deadlock that fueled polarization and incitement. This was a mistake.
2. The attempt to deal with issues of a markedly regional character through the Israeli-Palestinian track alone was fundamentally wrong. The Palestinians do not necessarily have the ability to reach all of the decisions, by themselves, particularly on issues which clearly affect other regional stakeholders. (Issues like borders, refugees, Jerusalem and more.)
3. Prior to the Netanyahu era, negotiations were overly focused on the tangible dimension (borders, settlements, dividing Jerusalem and the like) whereas, in the Netanyahu era, there has been an almost exclusive focus on intangible issues like identity and national recognition, while discussion of those more tangible aspects of the conflict was virtually ignored.

A new way forward

The lessons of the past teach us that, in parallel with diplomatic efforts, a “positive momentum” toward the two state solution must also be created. Learning from these past mistakes, we realize that the final status agreement must combine familiar ideas alongside new and creative proposals. In parallel with direct negotiations with the Palestinian Authority, Israel should establish a regional dialogue that includes an official Israeli response to the Arab League Initiative, thereby harnessing the potential of Arab League member states to have Hamas either accept the diplomatic agreement, or be made to understand that, following an agreement, it would have to fight an Israel at peace with the Palestinians, supported by a majority of the Arab states.

It is precisely now, as the Iranian threat and the threat of radical Islam (Da’ish/ISIS, Al Qaeda, and their cohorts) intensify, that Israel and the Arab states have more shared regional interests, making an Israeli response to the Arab Peace Initiative especially relevant. With the support of moderate Arab states, the establishment of a demilitarized Palestinian state, including an arrangement on the demilitarization and future control of Gaza, will improve Israel’s security, as well as its stature in the international community and among a not insignificant number of states in the Arab and Muslim worlds.

Dealing with the issue of borders and arriving at a mutual recognition between the two nation states will occur within the framework of sincere and determined negotiations, while making mutual concessions, and with the support of countries in the Arab world and the West.

The agreement will promote the principle of privileged access for visiting, worship, and travel by each side at places of special importance to the other side, thereby promoting business, economic, scientific and academic cooperation between the two states.

The solution to the resettlement of the Palestinian refugees is to be found outside the borders of the state of Israel. There will be mutual national recognition between the nation state of the Jewish people and the nation state of the Palestinian people. Each of the states will recognize and protect the rights, security, and dignity of minorities dwelling in its territory.

An effort will be made to involve the religious leadership on both sides in the process and to ensure, as far as possible, that the agreement will accord with the religious views of both peoples. The agreement will strengthen the integration of Israeli Arabs within the state of Israel as citizens with equal rights and obligations, and will deepen cooperation between Israeli Jews and Israeli Arabs along with world Jewry.

In parallel with the diplomatic effort to reach an agreement, Israel must also take interim measures that will simultaneously increase the chances of getting to a final status accord, while also improving Israel's international stature and security until such agreement is reached. Such measures would include formal recognition by Israel of the Palestinian state, with special restrictions to ensure it does not prejudice future negotiations over the characteristics of the Israeli or the Palestinian state; a first official Israeli response to the Arab Peace Initiative; stabilizing the Gaza ceasefire and transferring control of the Strip to the Palestinian state; a far-reaching diplomatic response to the unstable reality in Jerusalem; and the taking of practical steps that would shape a two state reality on the ground, prior to the permanent status agreement being achieved.

A failure of leadership

In recent years, the Israeli Right avoided any real, binding policy initiative, often claiming that there is no partner for a final status accord on the other side. Diplomatic ossification, accompanied by the weak claim that "there is no partner" for negotiations, are not the policies of a government that wants to resolve a conflict. Our relations with our neighbors are dialectical. We are affected by them, and they by us. We will never have the perfect partner in a conflict, but we can surely work in a way that would strengthen the other side as a partner, and encourage that partner to be a partner for peace. We have done this in the past.

Unfortunately, today's right-wing leadership is incapable of bringing about a resolution to the conflict, nor even of bringing Israel an inch closer to one. Today's Right is no longer the national Zionist Right of yesteryear that we knew and respected. The old Right, that

would demonstrate pragmatism in order to safeguard Israel's future and the future of the Zionist project. The Right that would ally and strike agreements with our enemies, and would enlist the support of a majority of Israelis to this end. That same Right about which it used to be said that, "Only the Right can bring peace."

That Right is gone. Today's Right abandoned Zionism and even nationalism when it by and large attached itself, perversely, to the very extreme Left, such that they both favor, and even actively advance, the emergence of a binational state.

This extreme agenda changed the Right of today from a national Right to a binational Right; from a Zionist Right to a post-Zionist Right. A binational Right, because it undermines the existence of Israel as the national home of the Jewish people and instead actively promotes Israel's transformation into a shared binational home for both us and the Palestinians. A post-Zionist Right, because it undermines the Zionist idea which requires the existence of a clear, solid Jewish majority in the State of Israel.

The conduct of today's Right will lead to the future loss of this majority and the rise of a Palestinian majority in a single, shared, binational state. Clearly, our precious State of Israel, which we so love, and the future that we want to ensure for it, are in peril.

Even if the Right does not have this intention (though some of them do intend it and even admit as such), this is where it has been leading us for decades – through its inaction, stagnation, its lack of courage to take initiative and bring about change.

Securing Israel's future

Israel must shake off its political paralysis and rally around a leadership that understands that in the 21st century Middle East, military force is no doubt necessary, but it is not enough. Just as Israel must always be equipped with precision smart missiles, it must also be equipped with smart and precise diplomacy.

Israel must produce a leadership that strives to resolve the conflict, rather than simply "manage" it. A leadership that understands the deep interdependence between us and our neighbors. A leadership that works on the basis of clear objectives and a clear strategy suited to the achievement of those objectives. A leadership that understands what the Zionist dream really is, and that the two state solution is the only solution that will ensure that Israel will continue to exist as a Jewish and democratic state that acts in accordance with Zionist and Jewish values, and takes its rightful place in the community of nations, and in the Middle East.

There is no guarantee that an Israeli diplomatic initiative will yield perfect results and a rosy future. But I can say with a great degree of certainty that the diplomatic outline described in this document will improve Israel's chances of building up a partner on the Palestinian side, and will substantially improve Israel's standing in the international arena, in the Arab and Muslim worlds, and among the Palestinians.

This outline provides a robust basis for a final status, 'end of all claims' agreement between us and the Palestinians, and between us and a significant part of the moderate Arab and Muslim world. This plan protects Israel's security interests, keeps Jerusalem united, solves the refugee problem outside Israel's borders, leaves the majority of settlers in their homes, strengthens Israel's position in the world, and would boost international support for Israel's unwavering war on terror.

More importantly, this plan resolves the conflict within the framework of a two state solution, preserving Israel's demography with a solid Jewish majority and utterly precluding the possibility of a binational state.

The proposed outline is the product of the two years I served as Chair of the Knesset Caucus to Resolve the Arab-Israeli Conflict (the "Two States Lobby.") Two years during which I met with dozens of Israeli, Palestinian, and foreign officials, experts, as well as with many elements in the Arab world. I believe that this proposal can serve as an appropriate Israeli-Zionist outline for the resolution of the Israeli-Palestinian conflict, and I believe it to be an important step toward resolving significant parts of the Arab-Israeli conflict.

The presentation of this outline as an Israeli proposal, with an Israeli commitment to the principles presented herein, would help Israel fight the delegitimization campaign being waged against it. Meanwhile, Israel must try to bring the US government and other international players onboard with the principles of this outline, and prevent a situation in which Israel would be dictated guidelines for ending the conflict, guidelines which would make it difficult for any Israeli government to reach agreement with the Palestinians.

I urge you to study this initiative, to discuss it and share it with the people you know. It is our responsibility to gain the people's support for a brave leadership and policies that are proactive, measured, and resolute; a leadership that will bring Israel out of the current political stalemate and lead it toward a brighter future and toward the only outcome to which Israel must strive: **Two states for two peoples, through an 'end of all mutual claims' final status agreement.**

This effort must be made for our sake, for the Palestinians' sake, for the sake of Israel's future, and for the sake of future generations.

It is possible, and it is in our hands!

Shalom,



MK Yehiel Hilik Bar

**Deputy Speaker of the Knesset
Chair of the Knesset Caucus for a Resolution to the Arab-Israeli Conflict
Secretary-General of the Israeli Labor Party**