

Israeli-Palestinian Working Group Policy Paper

Trilateral Action Plan
for Roadmap Phase I
Implementation

DECEMBER 2005

JAMES A. BAKER III INSTITUTE FOR PUBLIC POLICY
RICE UNIVERSITY



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*TRILATERAL ACTION PLAN FOR ROADMAP
PHASE I IMPLEMENTATION*

I. Introduction

This Trilateral Action Plan for Israeli-Palestinian Roadmap Phase I Implementation complements the Baker Institute's Israeli-Palestinian Working Group Policy Paper of February 2005. It is focused on what needs to be done following the Israeli withdrawal from Gaza and part of the Northern West Bank and during the upcoming period when the Israelis and Palestinians are preparing for elections, which should conclude in the spring of 2006. It is our hope that decision makers, under current political circumstances, will take these suggestions under serious consideration in order to secure Phase I implementation of the Roadmap and to then launch consultations with the parties, under United States leadership and within the framework of the Quartet, on Phase II and III implementation of the Roadmap. A separate Baker Institute Report will be prepared in the spring of 2006 on this issue by the Baker Institute's Rabin Fellow, Dr. Yair Hirschfeld.

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II. Strategic Framework

- A. In the previous Report of February 2005,¹ the Baker Institute recommended that the United States and international community develop support structures to assist the Israelis and Palestinians in carrying out their obligations under phase I of the Roadmap. In line with these recommendations, the US and the Quartet empowered General William Ward and James Wolfensohn to coordinate the work of Palestinian security reform and economic development. These missions have achieved important tactical successes in laying the groundwork for strategic change. In building upon these accomplishments, the coming six months should focus on three specific objectives: strengthening the international support structure; promoting economic development; and building effective security capacities to meet the needs of both Israeli and Palestinian societies.
- B. At this stage, both Israelis and Palestinians are preparing for elections. Consequently, neither side can be expected to undertake significant political action, and with a focus on domestic audiences, a hardening of positions may be expected. Concurrently, however, until the end of the election period and the formation of new governments, all parties—the Israelis, Palestinians, the Quartet led by the United States, Egyptians and Jordanians—can be expected to seek a continued period of calm and stability.
- C. In discussions with Israeli and Palestinian decision makers, the Baker Institute gained the impression that following the elections period (ending in spring 2006), both parties will have a vested interest in moving from tactical measures to strategic change. The new Israeli Prime Minister, regardless of party affiliation, will have an interest in defining Israel's borders, seeking international legitimacy for doing so, and, if possible, Palestinian agreement. According to this scenario, Israel is likely to seek negotiations once the Palestinians meet their phase I Roadmap obligations. Under the leadership of President Abu Mazen, the PA appears determined to move toward phase I implementation in order to return to Permanent Status Negotiations.

¹ "Creating a Roadmap Implementation Process Under United States Leadership," Israeli-Palestinian Working Group Policy Paper, James A. Baker III Institute for Public Policy, Rice University, February 2005.

- D. For strategic change to be achieved, the PA will need sufficient domestic legitimacy in order to carry out its phase I obligations: creating law and order, effective government, and a monopoly over the use of force. The action points described in this paper all aim to enhance the legitimacy of the PA to carry out its phase I obligations.
- E. The working assumptions of this paper are:
1. Even if the Government of Israel (GoI) will have a vested interest in moving toward strategic change to define its borders, it will not agree to the renewal of bilateral negotiations until the PA can establish a functional government, retain a monopoly over the use of force, and maintain stability as well as tranquility;
 2. The interest of the parties to maintain stability over the coming months creates the need for effective engagement from the international community;
 3. A Trilateral Action Plan for the coming months, geared toward overcoming stumbling blocks in reaching agreements on practical matters can substantially contribute to PA legitimacy;
 4. The GoI's pledge of June 2004² to return to bilateral negotiations once the PA will have carried out its phase I obligations is an important indication of Israel's willingness to renew these negotiations;
 5. Once both sides have returned to the negotiating table within the framework of the Roadmap, Israel's interest in defining its final borders, and the Palestinian interest in reaching a Permanent Status Agreement, coincide to facilitate progress in the peace process.
- F. Accordingly, this Baker Institute Report provides recommendations for trilateral action during this election period in order to sustain momentum, strengthen international mechanisms for Roadmap implementation, and prepare the ground for the resumption of bilateral negotiations for phase II and III of the Roadmap.

III. Quartet Middle East Envoys

- A. To date, the US and Quartet Envoys have concentrated their focus on specific issues and by doing so have succeeded in creating tangible progress on the ground. Envoy General Ward and his team were empowered to assist the PA in developing an effective security structure to facilitate PA and Israeli security cooperation. To this end, Ward's team was highly successful in creating security coordination and preventing friction during the withdrawal from Gaza. On the other hand, the Ward team has yet to overcome internal Palestinian fragmentation. The success achieved in preparing for security cooperation during the Disengagement was seriously threatened when intra-Palestinian fighting led to the assassination of Musa Arafat, former head of Military Intelligence.
- B. The Quartet Special Envoy for Disengagement James Wolfensohn and his team were empowered to provide for the development of the Palestinian economy. Similarly, Wolfensohn and his team have

² The Revised Disengagement Plan passed by the Israeli Cabinet on June 6, 2004, states that once, "the Palestinians ... implement in practice their obligations to combat terrorism and effect reforms as required by the Roadmap, [this will] enable the parties to return to the path of negotiation."

made considerable headway in producing the conditions for economic development, including the transfer of the greenhouses and a system for agricultural exports; the opening of the Rafah crossing; the management of the Karni and Erez crossings; convoys between Gaza and West Bank; and early steps toward the opening of the air and sea ports in Gaza.

- C. In spite of these accomplishments, these missions have largely focused on localized issues, and the larger goal of assuring and facilitating phase I implementation has yet to be addressed. In order to increase the effectiveness of these support missions, the Baker Institute proposes that the Quartet issue an expanded mission statement for the security and economic envoys to empower them to oversee phase I implementation of the Roadmap on behalf of the Quartet.
- D. In this context, the US government should urge the Israelis, Palestinian, and Egyptian leadership to facilitate the ongoing Egyptian efforts in overcoming fragmentation within the Fatah-controlled security apparatuses and to promote the Palestinian national dialogue, thus permitting the PA to fully implement its strategic goal of “one-authority, one-law, one-gun.”

IV. Support Units

- A. Security Support Unit (SSU): To address the fragmentation of the PA security establishment, the PA, together with the international community and the Security Envoy, should define measures to unify the security establishment. Currently, the Ward Mission is working with the PA to prepare for a White Paper that will outline security needs and requirements for a comprehensive Security Sector Reform (SSR). To assist in the reform process, the Baker Institute suggests the creation of a Security Support Unit (SSU) modeled after the Negotiation Support Unit (NSU)³ including US and international security experts as well as Palestinian security officials. The SSU should have the ability to coordinate the work of the PA plan for SSR and facilitate the resumption of security coordination with Israel. The SSU should assist in creating a system to ensure the adherence to central authority, including the dismissal of Palestinian security officials who do not follow orders.
- B. Information Support Unit (ISU): Multiple polls have indicated that both Israeli and Palestinian societies desire an end to violence. This prevailing tendency should enable both the PA and the GoI to take courageous measures to cut the pavlovian reactions that cause periodic renewals of violence. In order to assist in translating this public attitude into internal legitimacy, the Baker Institute suggests that the Quartet lead in the creation of an Information Support Unit (ISU) to reinforce public opinion against continued violence. The ISU would develop public education and information strategies that will enhance support for Roadmap implementation.

V. Assuring a Successful Disengagement in the Northern West Bank

- A. The Israeli Disengagement involved a withdrawal not only from the Gaza Strip, but also from an area of 869 Km sq. in the Northern West Bank. While the Disengagement Plan states that, “upon the completion of [the withdrawal in the Northern West Bank] there shall no longer be any permanent presence of Israeli security forces in this area,”⁴ there remains a lack of clarity over what functions the PA can assume in the Northern West Bank, where Israel has been hesitant to use the

³ The NSU was created by the British Government in cooperation with the Adam Smith Institute in 1998. The project was intended to provide technical and professional legal assistance to the Palestinian Negotiation Affairs Department (NAD) in preparation for, and during, Permanent Status Negotiations.

⁴ Text, the Cabinet Resolution Regarding the Disengagement Plan, June 6, 2004.

'Oslo language' of areas A, B, and C in transferring responsibility to the PA. The Baker Institute views the full implementation of the Disengagement in the Northern West Bank as of central importance to meeting Roadmap obligations.

- B. Accordingly, the Baker Institute proposes the creation of a trilateral committee to devise a detailed program, permitting the PA to assume full security and civil control over the Northern West Bank. This committee should create subcommittees for such issues as security, crossing points, civilian issues, economic development, and environmental protection.
- C. Security Program: The Trilateral Committee on the Northern West Bank should establish a detailed security program to allow the PA to assume territorial control of the evacuated area while providing sufficient provisions for Israeli security concerns. The Baker Institute proposes that the security program focus on the following issues:
1. An agreement that *de-facto* recognizes PA security control, including police functions, in all the evacuated area, specifying their security responsibilities in confronting local Islamic Jihad and exploring the conditions for IDF early interception and excursions into the area;
 2. The creation of a Joint Operation Room to facilitate the resumption of security coordination on the local level and create a trilateral mechanism to prevent Israeli action in Jenin and other regions that might jeopardize public legitimacy for the PA;
 3. Having achieved effective security control in the Jenin area, the coordination mechanisms and Israel's increased confidence in PA security performance can serve as the basis for expanding PA control to other urban areas in the West Bank.
- D. Water and Sewage: The Israeli withdrawal from the Northern West Bank complicated the system regulating water issues, whereby, (according to the Oslo Accords) Israel retains oversight over Palestinian water allocations and authority to approve water-related projects. In order to adapt the current system to the changing dynamic on the ground, and in order to provide a response to both Palestinian needs for additional water resources and Israeli concerns with preventing damage from unilateral drillings, we recommend the following:
1. An Interim Water Agreement providing additional water resources to the Palestinians from Israel, an agreement over the quantity of groundwater drilling, and a PA commitment to prevent illegal drillings.
 2. The establishment of a wastewater treatment plant in the Jenin area to prevent damage from sewage and to provide for appropriate water resources for agricultural purposes.⁵
- E. Electricity: The Palestinian grid in the Northern West Bank is weak and unstable. It lacks the necessary infrastructure to support current Palestinian demand. In addition, the supply of electricity in the Northern West Bank is not managed by a Palestinian distribution company, but by the municipalities, which use revenues for their own expenses and not for the development of the electric grid. This situation is likely to worsen with the Israeli withdrawal as the existing infrastructure will not be able to meet the demand created by the development of the area. In order

⁵ Such a wastewater treatment plant could provide enough irrigation water for the residents of the Jenin area, roughly 250,000, at 3.5 MCM a year of treated wastewater.

to address these problems, we recommend the creation of a detailed action plan that will address the following issues:

1. Increase the capacity of the Palestinian grid by building electric substations and high voltage transmission lines;
 2. Create a distribution company for the Northern West Bank with strong capacities to act on the ground.
- F. **Job Creation and Trade:** Following the second intifada, international projects for the economic development of the Northern West Bank were halted. These included the construction of an Industrial Zone in Jenin, expected to provide thousands of jobs. Following the Disengagement, there is an opportunity to resume work on such projects. Accordingly, we suggest the following:
1. The establishment of a subcommittee to coordinate measures for Jalame and Sha'ar Efraim cargo terminals, enabling the business communities on both sides to develop marketing facilities in the crossing areas.
 2. The resumption of planned economic projects in the Northern West Bank as well as the study of other projects to promote job creation and trade relations between Israel and the Palestinians.

VI. Gaza Strip-West Bank Link

- A. With the efforts of Envoy James Wolfensohn and the final successful intervention of US Secretary of State Condoleezza Rice, the Israelis and PA reached an agreement in principle on the critical issues of movement and access between the West Bank, Gaza, and Egypt.⁶ This agreement represents a significant step toward developing workable procedures for passage between the Gaza Strip and the West Bank, implementing the recommendations of the World Bank feasibility study of September 2005 for the introduction of truck and passenger convoys between the two territorial units.⁷ However, this arrangement should be seen only as a temporary solution. The Baker Institute recommends the continuation of the coordination activities of the Wolfensohn team to achieve further agreement on the following issues:
- B. **Rail Connections:** The construction of railway lines from Kfar Saba to Tulkarm and from Yad Mordechai to Erez which would make it possible for Palestinian trains to use the Israeli rail system, which will only require the construction of relatively short rail connections.
- C. **Long-Term Solution:** Work to achieve agreements for a long-term solution for a multi-purpose link between the Gaza Strip and West Bank.

⁶ Agreement on Movement and Access, November 15, 2005. This agreement consists of a statement of principles on six issues of movement and access: The Rafah Crossing, Additional Crossing Points, A link between Gaza and the West Bank, Movement in the West Bank, the opening of the a seaport in Gaza, and continued discussion regarding the reconstruction of the Gaza Airport.

⁷ The Wolfensohn team, together with the World Bank, has commissioned a feasibility study to identify the best way for a cost effective link between Gaza and the West Bank. The findings of this study are expected to be concluding by early 2006, and we recommend that practical work along the lines detailed above should start immediately thereafter.

VII. Crossing Points

- A. The above-mentioned agreement on movement and access specified certain conditions for the operation of the crossing points, stipulating that: Israel will permit the timely export of all agricultural products during the 2005 harvest season; the upgrading of the Karni crossing with a new and additional scanner as well as the acquisition of advanced technology x-ray scanners once available; and the establishment of a unified system of border management.
- B. Implemented in a timely and effective manner, these provisions will provide the development of Palestinian export capacities, particularly in the agricultural sector. To increase the effectiveness of this agreement, we suggest developing a comprehensive mutual support structure that will provide clear guidelines for security checking and participation of the business community in developing trade in the crossing areas.
- C. Security Checking: The Baker Institute recommends the creation of a system where responsibility for security checking will rest with the *exporting* country. This means that the PA, in full cooperation with the international community, shall develop a system of pre-security checking, while Israel will retain the right to check the effectiveness of these procedures. This system should be modeled on the arrangements at the Sheikh Hussien Bridge crossing between Jordan and Israel.⁸
1. To begin the transition to this system, the Baker Institute recommends cooperation with the Turkish-led Ankara Forum in establishing a model of pre-security checking in the Erez Industrial Zone (EIZ). The Ankara Forum has already expressed interest in developing the EIZ and has the confidence of Israel, the PA, and the international community.
 2. If this test case proves successful, similar arrangements could be applied at Karni, Jalame and Tarqumia, with other international actors.
- D. Business Participation and Facilities: The Baker Institute also suggests the enhanced participation of business communities, establishing facilities for business transactions at the Karni, Erez, Jalame, Sha'ar Efriam, and Tarqumia crossings. This increased engagement by the business community will contribute to the development of Palestinian investment and export capacities.

VIII. Territorial Control in Gaza

- A. The agreement for the opening of the Rafah crossing, the seaport in Gaza, and further discussions on the reconstruction of the airport have allowed the PA to assume significant attributes of sovereign control over the Gaza Strip. The improved legitimacy of the PA in Gaza following the conclusion of these understandings should permit the PA to initiate a process toward establishing law and order and effective security control in Gaza. The Baker Institute recommends that as a first step, the PA, with the support of the SSU and the International community, will focus on the enforcement of the ban on public display of weapons, beginning three weeks before the PLC elections, now scheduled for January 25, 2006. The national dialogue between various Palestinian groups, facilitated by the government of Egypt, will have to yield an agreement allowing the PA to

⁸ The arrangements for Jordanian exports via Israel and the Sheikh Hussien Bridge functions according to a system whereby products undergo a pre-security check in the Qualified Industrial Zone (QIZ) in Irbid, and proceed along a sterile security corridor. This system also includes effective security cooperation between Israel and Jordan and results in the export of roughly 1.5 billion dollars in exports a year.

take full control of all security activities. In the meantime, measures to stop a build-up of arms and munitions by Hamas and Islamic Jihad will have to be agreed upon and implemented. This should be agreed upon within the framework of a national dialogue.

IX. Economic Development

- A. An agreement on the fundamental issues of movement and access presents the opportunity to initiate economic development projects that can improve the living conditions of the Palestinian people and begin to build the foundations for a sustainable Palestinian State.
- B. In initiating projects for the revival of the Palestinian economy, the Baker Institute recommends that such projects function under the principle of reverse engineering, whereby short-term activities should derive from long-term development plans such as the 10 year Palestinian State building plan conducted by the RAND Corporation.⁹
- C. Immediate Activities
 - 1. Agriculture: Based on Wolfensohn's October 17th letter, the transfer of the Greenhouses was a success, providing for the development of the Palestinians' agricultural industry and market facilities in Israel. The effective support for Palestinian exports by Palestinian Agro-Business Partnership Association (PAPA), in partnership with the USAID, can be extended to the West Bank to create a clear structure where local cooperative agro-communities are given technical advice, financial support, and provided with potential marketing facilities.
 - 2. Housing Activities: To assist in this effort we suggest the creation of a structure similar to PAPA that should work in coordination with the Palestinian Ministry of Housing and Infrastructure. We also suggest the examination of a social housing project similar to the one carried out by the government of the Netherlands following WWII. The feasibility of adapting this model to the Palestinian arena should be checked.
 - 3. Immediate Infrastructural Rehabilitation Projects and Municipal Development Programs: We suggest the cooperation of work with Palestinian municipalities toward urban industrial zones, markets, rehabilitation and infrastructural works.

X. Settlements

- A. Consistent with Israel's pledge regarding settlement activity, the Baker Institute suggests that the US develop a bilateral oversight structure with the GoI to facilitate the implementation of Israeli obligations given at Sharm el-Sheikh in February 2005 and in the Weissglass letter of April 2004, as well as the recommendations of the Talia Sasson Report.¹⁰

⁹ The conception and issue for the development of a 10-year Palestinian State building plan are detailed in "The Arc: A Formal Structure for the Palestinian State," and "Building a Successful Palestinian State."

¹⁰ At the Sharm el-Sheikh Summit of February 2005, Israel and the PA agreed to uphold a cease-fire, begin the process of IDF redeployment to the lines of September 2000. Additionally, Israel agreed to remove illegal outposts and release 900 prisoners. In the Dov Weissglass letter, the GoI committed to restricting settlement activity and the removal of illegal outposts.

XI. Getting to Phase II and III Implementation

- A. After securing GoI and PA agreement for the Trilateral Action Plan for Phase I implementation, and while seeking phase I implementation, the US should launch consultations on phase II and III implementation. Following the Quartet verification of the completion of phase I implementation, the resumption of bilateral contacts should be supported by the US through the development of a similar Trilateral Action Plan for Phase II and Phase III Implementation.

- B. A subsequent Baker Institute Report will be prepared on this issue by spring 2006.