Disengagement Toward Re-engagement A policy of unilateral disengagement and mutual responsibilities

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Opportunity or Calamity

The Israelis and Palestinians stand today on the threshold of either opportunity or disaster. The disengagement initiative of the Israeli government can become either an unprecedented breakthrough leading to the renewal of the peace process or it can lead to a catastrophic series of events that will doom progress for a generation.

What is Success?

Success of the initiative must be defined as a complete Israeli disengagement from Gaza and the region between Nablus and Jenin– a larger geographic area than Gaza, hereafter referred to as the Northern West Bank (NWB) – in accordance with Prime Minister Sharon's plan. The ultimate goal must be a peace treaty consistent with the roadmap.

Action Now

Only a policy based on specific and certifiable actions by both sides, as we have outlined below, will enable such success. Only then will both Israeli and Palestinian constituencies and the international community insist to the political leaders of both sides that the precedent be repeated on the West Bank. Furthermore, if the policy is to be workable, both sides must confront their internal opponents.

Israel's Challenge

The Government of Israel has never before embarked on a policy to evacuate settlements in the West Bank or Gaza, which ultimately means a confrontation with those settlers and right wing extremists who will oppose the initiative by all available means. For them, the success of the Sharon plan would mean the end of their dream of Greater Israel and the defeat of the policies they have pursued since the 1967 war. But without the evacuation of settlers, there can be no political solution of the Israeli-Palestinian conflict.

The Palestinians' Challenge

For Palestinians, the unilateral disengagement provides a route that could lead to the establishment of a Palestinian state alongside Israel. For that reason, those in the Palestinian camp who seek the destruction of the state of Israel, by either military or demographic means, will aim to violently disrupt this process and preclude a peaceful unilateral disengagement. If Israel's disengagement turns into a withdrawal under fire, then the process of withdrawal will likely come to a halt. The Palestinian Authority therefore must take full control of the security situation and end the current lawlessness that facilitates violence against Israelis.

Coordination

For the disengagement plan to succeed, Israel must establish full coordination with the Palestinians even before the withdrawal. Though the process itself is unilateral in that the decision was reached on the Israeli side, bilateral coordination of the steps outlined below is still necessary to prevent failure and further deterioration.

An Action Plan

If planning for implementation does not happen now, the necessary preparations will not be in place on the day of withdrawal. It is therefore imperative that the following steps be enacted immediately. There is no time to waste.

On the Palestinian side:

1) Law and order must be reinstated on the Palestinian streets.

2) To do so will require reorganization and reform of the Palestinian security structure, based on the creation of 3 distinct branches, each with a clearly defined mandate, explicitly defined functional jurisdiction, and full accountability. Their missions are:

- To combat subversion and terrorism and keep law and order.
- Gendarmerie
- Gathering and assessment of information on external developments.

The heads of the security services should be professional security experts with no political involvement. Specific information about imminent terror activities as well as long term plans should be promptly relayed to the Palestinian ISS (Internal Security Services).

3) All Palestinian militias and military groups must be fully disarmed, and all unauthorized weapons must be confiscated. Cessation of all hostile activities against Israel is required.

4) The manufacturing of weapons must end completely, along with the smuggling of weapons and ammunition into Palestinian territory.

5) The Palestinian Authority will assume responsibility for the handover of Gaza and the NWB after the Israeli departure. A single party must have the ultimate responsibility for developments inside these territories.

6) The entire process of Palestinian reform must be accelerated before reaching the final deadline for Israel's withdrawal.

On the Israeli side:

1) It is essential that Israel implement the undertakings it assumed in writing in its April, 2004 agreements with the US. Israel will compromise the credibility of its unilateral disengagement strategy if it does not carry out these promised actions. As stated in the exchange of letters, these agreements include a commitment to the following:

• Establishing restrictions on settlement growth, in conjunction with the US.

- Removal of unauthorized settlement outposts.
- Lifting mobility restrictions in the West Bank and Gaza (including roadblocks and barriers).

2) In addition to the above commitments, Israel should take the following types of steps to encourage and facilitate positive Palestinian behavior as actions are taken by the Palestinians to change conditions on the ground in Gaza and the West Bank. These possible steps include:

- Subject to implementation of all Palestinian commitments Israel should end all targeted assassinations and other military incursions into Gaza and the West Bank. This will be especially important with the presence of Egyptian, US, and/or other international officials assisting in Gaza and the NWB.
- Israel should re-open the safe passage from Gaza to the West Bank. If the disengagement continues to succeed, then the plan to construct a railway passage between the West Bank and Gaza should be implemented subject to the successful conclusion of a feasibility study and financial arrangements.
- The airport should be re-opened subject to mutually agreed security arrangements. The reconstruction of a seaport in Gaza must commence consistent with signed agreements and mutually agreed security arrangements. As long as this seaport is not fully operational, an alternative option should be considered, most likely in Ashdod.

International and third party roles

- 1) There should be an American led team to coordinate and assist with security reforms. It should include the participation of several countries, especially Arab and European, in a variety of training and supervisory roles.
- 2) A limited team of international monitors, as called for in the roadmap, should be appointed to verify Palestinian performance and Israeli withdrawals. It should be restricted to verification, but it should not play any military role, "peace keeping "role, or any form of an imposed solution. The monitors should be appointed by the Quartet to whom they should report. Although the Quartet will write their rules of engagement, they should be deployed only with the acceptance of both the Israelis and the Palestinians.
- 3) It must be made clear by Israel, the Quartet, and the World Bank to the people of Gaza what will happen immediately upon Israeli withdrawals, including the dispersal of agricultural land, new housing plans, and the dispersal of settler assets. The monitors should also supervise Palestinian compliance with any commitments they may have made to the international community, regarding destructive behavior both during and after the Israeli withdrawals.

- 4) Given the critical importance of economic improvement in Palestinian society, the international community through the AHLC (the Ad Hoc Liaison Committee of the Donors) must develop a plan for rehabilitation of the Palestinian economy (please see the economic section below). Only donors through the World Bank should handle all non-security and political issues, including joint teams to handle handover and development issues.
- 5) The international community should support civil society efforts to provide social services in a transparent and accountable manner.
- 6) As recognized internationally, Israel's disengagement from Gaza and the NWB should be consistent with the roadmap.

Public Opinion

It is imperative if the disengagement from Gaza and the NWB is to work that public opinion on both sides should be prepared for the new conditions that will occur as a consequence. In particular, incitement of the populace by both sides, violent reactions to developments on the ground, and incendiary statements could doom the prospects for success and must be avoided.

The Role of the Arab States

Although the international community and the Arab states share many of the third party responsibilities listed here, the role of Arab states in assisting the post-withdrawal economic rehabilitation of the Gaza Strip is especially important. Active participation from the Arab states is critical to regional support for this process – without it, the Arab world to this agreement is unlikely to contribute in any meaningful way. The Egyptians, who have a history in the Gaza Strip, could play a pivotal role in persuading other Arab states to lend a hand to the economic aid for the Palestinians after disengagement.

An Economic Plan

The disengagement of Israel from Gaza and the NWB creates the potential for positive economic development in those areas. It also provides an opportunity to address issues that have hitherto not been adequately confronted. For example, the rapid and unprecedented natural population growth in the region will only exacerbate an already scarce supply of resources, and no economic plan can succeed if this issue is not tackled.

Following are some ideas to spur growth, arranged by different economic sectors. In each of these sectors, the responsibilities and requirements for Israel, the Palestinian Authority (P.A.), and other third parties are listed. All of the proposals have a common strategic objective – to create jobs. In most of these categories, the private sector should play a major role in enabling these Palestinian areas to develop to full capacity.

Agriculture

Agriculture is still a significant sector within the Palestinian community. Some of the land which will become available could be used to expand the growth of this sector.

The Israeli Government should:

- 1) Leave existing infrastructure intact.
- 2) Initiate a technology transfer to enable Palestinian production of higher value crops, to be arranged between the two sides.
- 3) Enable the free flow of agricultural goods to Israel itself and abroad (subject to reasonable security checks only).
- 4) Continue the marketing of Palestinian agricultural goods.

The Palestinian Authority should:

- 1) Make the necessary administrative and professional preparations to absorb infrastructure for positive purposes.
- 2) Prepare a master plan for the Gaza agricultural sector, to be submitted to the third parties. Such a master plan can be based inter alia on creating large farms.

The International Community and Arab States should:

- 1) Assist the P.A. in its effort to build infrastructure.
- 2) Finance agricultural projects through grants and soft loans.
- 3) Increase the market access of Palestinian agricultural goods (for example, through increased quotas, lower tariffs, longer periods of duty free access, etc.)

Fisheries

The Israeli Government should:

- 1) Enable the fishing industry to develop to full capacity (subject to security considerations).
- 2) Continue to absorb production.

The International Community and Arab States can provide assistance in building relevant facilities.

Housing and the Construction Sector

As is the case in other economies, the construction industry can be an important economic engine by creating much needed jobs in the Palestinian economy. It can be an economic multiplier by stimulating other industries directly and indirectly related to this sector.

The disengagement plan and the evacuation of Israeli settlements, including large areas of land, affords the opportunity to initiate large-scale projects for assisting and enhancing living conditions of residents of densely populated places and needy sectors of the Palestinian population. This is an extraordinary opportunity to initiate special projects, including construction of high rise buildings for housing. The Turks, for example, are skillful in this area.

We believe that an effort should be made to assist residents who lost their homes during the fighting in Jenin, (two settlements that are included in the disengagement plan in the NWB are adjacent to this town), Khan Yunis, Rafah and near the Philadelphia Corridor. This is a positive project and it should enlist the Palestinians, the Arab states and the international community.

The Palestinian Authority should:

1) Develop a comprehensive strategy for this sector together with the international community. This strategy should include the following elements:

- A distinction between rural and urban development
- A plan for public facilities (schools, hospitals, commercial centers, etc.)
- Mobilization of the private sector to participate in every stage (planning, building and marketing)
- Establishing priorities both in terms of the division between housing and infrastructure construction, and where to put the initial emphasis (refugee camps vs. other populated areas, etc.)
- A plan to develop a mortgage market suitable for the Gaza socio-economic condition.

The International Community and Arab states should:

- 1) Advise the P.A. on how best to create a healthy environment in which the construction industry may develop (including privatization, financing, etc.)
- 2) Help to build a mortgage market
- 3) Give financial assistance to construction projects

Infrastructure

The disengagement creates an opportunity for a major re-hauling of the infrastructure in Gaza, which in turns creates the potential for new jobs and future economic growth. In particular, all parties must participate in an equitable and politically acceptable allocation of the numerous houses that will be evacuated, and all parties can support the construction of additional houses after the disengagement.

The Israeli Government should:

- 1) Ensure the continuing supply of water, electricity and fuel to Palestinian territory, in accordance with past agreements.
- 2) Leave infrastructural installations and networks intact (e.g. electrical grids, telephone lines, and water pipes).
- 3) Develop, as a transitional solution, a special arrangement in the Ashdod port for Palestinian external trade. This would include building a railway link between Gaza and the Ashdod port, in conjunction with the PA and international community. The special arrangement should include security mechanisms that ensure the PA will have full responsibility for security on their side of the border.

The Palestinian Authority should:

- 1) Undertake administrative and professional preparations to absorb infrastructure.
- 2) Develop a master plan for infrastructure networks in Gaza
- 3) Within the master plan, develop short, medium and long term objectives for roads, water, electricity and gas.
- 4) Develop a comprehensive infrastructural plan in conjunction with Egypt, Israel, Jordan, and the international community for cross-border cooperation.
- 5) Continue to develop, in conjunction with the international community, desalination and waste-water plants.

The International Community and Arab states should:

- 1) Assist the P.A. in preparing an infrastructural master-plan.
- 2) Assist the P.A. in developing a financial program to implement the plan.
- 3) Continued financial assistance to re-building the seaport and the airport.

Gas

Natural Gas in commercial quantities has been discovered off shore. Israel is the natural market for it, either by direct purchasing of the gas or the purchase of electricity processed in Gaza by natural gas powered plants or water desalinated by the same source.

Industry

The Israeli Government should:

- 1) Leave relevant infrastructure intact.
- 2) Allow movement of industrial goods into and through Israel (subject to security checks only)

3) Look favorably at the creation of industrial parks along the border. This would mean the reactivation of the Erez industrial zone, the development and expansion of the Karni industrial zone, and the building of the planned Rafah industrial zone.

The Palestinian Authority should:

1) Create a positive legal environment for local and foreign investments.

The International Community and Arab States should:

- 1) Increase access of Palestinian goods to markets, even if for a limited period.
- 2) Encourage investors and industry to invest in Gaza through soft loans, special insurance arrangements, willingness to absorb goods in improved terms, etc.

Labor and Movement of Goods

For various economic and security reasons, Israel cannot be seen in the long run as the only solution to the employment problems in Gaza. However, in order to ease the short term problem, it should consider taking in a considerable number of workers.

The work of Palestinians in Israel will remain for years a major source of their income. That is why the number of workers from Gaza should be increased gradually according to the improvement of security conditions, and will be gradually decreased according to job creation in Gaza Strip. This principle is applicable to the West Bank as well. However, the number of workers in Israel is also a question of the demand of Israeli employers and is subject to security considerations.

Both in terms of the passage of people and the passage of goods, the international community could assist by financing the equipment and technology necessary to facilitate and expedite security checks. The international community could assist the Palestinian side in operating the relevant facilities.

CONCLUSION

Obviously, the economic and security challenges to disengagement are enormous, but the potential benefits are of equal magnitude. If concerted Israeli, Palestinian, and international planning begins immediately, the prospects of success will be enhanced though even then by no means assured. Success itself will occur only after constant vigilance, determined effort, and prolonged engagement by all sides. There is no time to lose.