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Author(s): Michele K. Esposito

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# QUARTERLY UPDATE ON CONFLICT AND DIPLOMACY

16 FEBRUARY–15 MAY 2005

COMPILED BY MICHELE K. ESPOSITO

*The Quarterly Update is a summary of bilateral, multilateral, regional, and international events affecting the Palestinians and the future of the peace process.*

## THE PALESTINIAN-ISRAELI CONFLICT

As the quarter opened, there was considerable optimism following the 2/8 Sharm al-Shaykh summit between Israeli PM Ariel Sharon and Palestinian Authority (PA) Pres. Mahmud Abbas (see Quarterly Update in *JPS* 135), which resulted in mutual pledges to halt violence and a package of Israeli gestures to be implemented if Palestinian quiet was maintained. The latter included Israel's agreement in principle to turn over security control for the West Bank cities of Bethlehem, Jericho, Qalqilya, Ramallah, and Tulkarm within three weeks; to release 900 prisoners in stages; to ease restrictions on Palestinian movement; to halt assassinations; and to refrain from targeting Palestinian militants who had turned their weapons in to the PA and agreed not to leave their home towns. A standing comm. on security coordination and five subcomms. addressing various details were also formed, and Sharon stated plans to host Abbas at a follow-up meeting in Israel within a week to keep the process moving forward. Meanwhile, to support Abbas's efforts, Palestinian factions had declared (1/23) their own month-long unilateral truce, which Abbas hoped to extend and expand into a formal bilateral cease-fire with Israel. Uncertainty prevailed, however, when in the week following the summit, Israel postponed the first stage of the prisoner release (set for 2/15), citing legal issues; delayed the 2/15 handover of the first Palestinian city, Jericho; and made no move to set up the follow-up meeting with Abbas (see Quarterly Update in *JPS* 135).

Meanwhile, violence in the West Bank and Gaza was very low in light of the Sharm al-Shaykh efforts, though the Israel Defense Forces (IDF) continued to surround Palestinian population centers and maintain

tight restrictions on Palestinian movement throughout the territories through checkpoints, barriers, bypass roads, and closed military zones, with no appreciable easing after the 2/8 summit. As of 2/16, at least 4,012 Palestinians (including 42 Israeli Arabs and 16 unidentified Arab cross-border infiltrators), 958 Israelis (including 299 IDF soldiers and security personnel, 192 settlers, 467 civilians), and 54 foreign nationals (including 2 British suicide bombers) had been killed since the start of the al-Aqsa intifada.

### *Confidence-Building Steps Falter*

During the last weeks of 2/05, Israel and the PA took limited steps toward fulfilling their Sharm al-Shaykh pledges, while Israel moved forward with planning for disengagement, scheduled for 7/20/05. The U.S. dispatched newly appointed U.S. security coordinator Gen. William Ward to the region for a one-week visit beginning on 2/16 for preliminary talks on strengthening Israeli-PA security coordination and consolidating the PA security forces. Sharon stressed (2/17) that Israel expected the U.S. only to supervise PA security compliance; that security cooperation must be dealt with in stages in keeping with PA progress; and that Ward should focus on building an effective PA security force to "fight terror." Ward consequently pressed (2/17) Abbas to speed up the unification of the security branches and to "not make do with what is called calm," but to take active steps to prevent violence.

The PA began (ca. 2/16) integrating Palestinians on Israel's most wanted list (495 in the West Bank, 28 in Gaza) into the PA security forces in order to control and protect them—a move that Israel previously stated would be welcome (see Quarterly Update in *JPS* 135). Abbas ordered (2/17) the Palestinian

Council (PC) to draft legislation to force the retirement of civil service employees who reached age 60 so as to reinvigorate the civil service in general and the security services in particular by making room for new recruits. On the ground, the PA security forces already deployed along Gaza's borders with Israel began a campaign to find smuggler's tunnels on the Rafah border, sealing 12 by 2/26.

Meanwhile, the IDF announced (2/17) that it would stop "punitive" demolitions of the homes of the families of Palestinian suicide bombers and gunmen after an internal panel concluded that such demolitions do not deter attacks and were unnecessary in periods of relative calm. Israel reserved the right to reinstate the practice "if an extreme change in circumstances takes place." Demolitions of buildings constructed without permits (almost impossible for Palestinians to obtain) or to clear buffer zones for the IDF and Jewish settlements—which together constitute 85% of demolitions—would continue. In addition, Israel made small symbolic gestures beginning (2/18), such as allowing (2/18) a handful of West Bank Palestinians deported to Gaza for security offenses to return to their homes (see below), permitting (2/20) Palestinians ages 16–35 to travel through the Rafah crossing to Egypt, increasing (2/18) the number of Palestinian workers permitted into Israel by one-third (to 1,500), and expanding the Gaza fishing zone open to Palestinians from 6 miles to 10 miles.

As regards disengagement, the Knesset on 2/16 approved (59–40, with 5 abstentions, 16 not present) a financial package of nearly \$1 b. to finance disengagement implementation, including \$870 m. in compensation for the Jewish settlers (approximately \$100,000/individual settler evacuated). On 2/20, the disengagement plan won (17–5) cabinet approval. To make sure the motion passed, Sharon simultaneously put forward a resolution (which passed 20–1) to extend the West Bank separation wall to the east of the Gush Etzion settlement bloc, meaning that the final wall route would effectively annex at least 7% of the West Bank. The IDF also assured (2/24) Israelis that a military "umbrella" would be deployed over the Strip after disengagement, using unmanned drones, helicopters, and jets to patrol Gaza's airspace, identify targets, and order strikes if necessary.

On 2/20, Israel and the PA resumed talks on handing over the five West Bank cities to PA security control, this time focusing

on Tulkarm as the first city for transfer. The following day (2/21), Israel released the first batch of 500 Palestinian prisoners, all of whom had to sign pledges that they "oppose terror" and would not undertake "any activity against the State of Israel." Palestinian factions made plans to resume talks in Cairo on 3/5 to discuss extending their cease-fire.

Through 2/24, IDF and Palestinian violence remained very low, with 2/17 marking the first day since the outbreak of violence in 9/00 that no incidents were reported in the press. IDF restrictions on Palestinian movement remained tight, however, and the IDF continued to conduct arrest raids and house searches, as well as stepped up land confiscations for construction of the separation wall. The IDF fatally shot (2/20) 2 Palestinians in Rafah suspected of smuggling arms, and fatally shot (2/24) a Palestinian laborer attempting to sneak into Israel from Gaza to find work. In addition, settler attacks on Palestinians began to rise (see Chronology for details). One instance of Palestinian mortar fire, causing no damage or injuries, was reported in Gaza on 2/16.

This modest progress was jeopardized on 2/25, when a Palestinian suicide bomber detonated a device outside a Tel Aviv disco, killing 5 Israelis and wounding 22. Israel and the PA immediately blamed Hizballah, which denied involvement. Abbas vowed (2/24) to track down the "terrorists" who wanted to "sabotage this process." All Palestinian factions denied (2/24) responsibility, saying they would continue to abide by their unilateral truce. The next day, a Damascus-based Islamic Jihad cell claimed responsibility for the attack, saying that the month-long cease-fire had lapsed on 2/23 and Israel had to be punished for its cease-fire violations. Islamic Jihad's leadership denied (2/25) responsibility and again pledged to hold its fire, but later confirmed (2/28) that the bomber was a member who had carried out an "individual act" without coordination with the organization. The PA security forces quickly arrested six suspected accomplices in Gaza, and Israeli security forces arrested five in Israel.

After internal consultations, Israeli DM Shaul Mofaz announced (2/26) that Israel would continue to refrain from carrying out "initiated operations" (e.g., assassinations) in order to give Abbas an opportunity to assert security control, but would halt the transfer of security control in West Bank cities, suspend plans for the final stage of the prisoner release agreed on 2/8, bar Islamic Jihad

members in the territories from attending cease-fire talks in Cairo (these meetings were postponed to 3/15 in light of the bombing), and expand arrests of suspected militants. On 2/27, Sharon declared that there would be no political progress until Abbas "liquidate[s] the terrorist organizations." IDF military actions escalated on 2/27, with more curfews, arrest raids (specifically targeting Islamic Jihad), demolitions, and land confiscation. As of 2/28, the death toll had reached 4,033 Palestinians and 963 Israelis.

#### ***Blair's London Conference and Back-Channel Talks***

The situation following the 2/25 bombing was prevented from disintegrating further by British PM Tony Blair's long-planned conference in London on 3/1, aimed at supporting PA reform and strengthening PA governance prior to Israeli disengagement—a process in which the Israelis, Palestinians, and international community were all vested. Although Israel did not attend the one-day session, hosted by the Quartet and attended by 25 nations and the PA, it was involved in the drafting of the meeting's agenda and parameters (see Quarterly Update in *JPS* 135). Of note: a week before the conference (ca. 2/23–24), Sharon adviser Dov Weisglass met with British officials in London to coordinate on the meeting's final statement, which had been drafted earlier by Britain and the PA, to ensure that the conference would focus only on PA economic and reform issues as agreed by Blair in 12/04. Weisglass reportedly (*Ha'Aretz* 2/20, IDF Radio 2/24) successfully urged Britain to remove references to disengagement, the road map, international law, and final status from the closing statement so that there would be no pressure on Israel "to move forward beyond the disengagement plan."

In the end, the EU, U.S., and World Bank agreed to a three-pronged strategy to foster PA "institutional renewal": the European Union (EU) governance reform, the U.S. security reform, and the World Bank overseeing donor efforts to finance reconstruction and revitalization of the Gaza economy after Israeli withdrawal. Abbas vowed to make a 100% effort on security and outlined the PA's plans and goals for reforming the public sector and civil service, civil society and the economy, the judiciary, and electoral law. France offered to host a follow-up conference on PA reform at the end of 2005.

In a gesture to the Palestinians, the Quartet met on the sidelines of the 3/1

conference to issue a statement that called on both Israel and the PA to take steps to move the peace process forward, warning Israel against taking unilateral actions that could prejudice final status and stressing the need for a viable Palestinian state with contiguous borders. Although the statement also called on the PA to "apprehend and bring to justice" the perpetrators of the 2/25 Tel Aviv bombing and to undertake "further sustained activity . . . to prevent acts of terrorism," Israel complained (3/1) that the text "glossed over terror" and "almost absolved" the PA of the need to combat militant groups.

Soon after the London meeting, Israel and the PA resumed (3/2) high-level political talks on disengagement, with Israeli Vice PM Shimon Peres and PA Civil Affairs M Muhammad Dahlan discussing economic and civilian cooperation in Gaza after Israeli withdrawal, including the possibility of Israel transferring businesses and greenhouses in Gaza settlements to the Palestinians. This was followed by two days (3/4–5) of back-channel talks outside London that brought together unnamed senior PA and Israeli officials (possibly including Peres and Dahlan), academics, and reps. of private relief organizations who, according to one participant (*Washington Times* 3/7), discussed ways "to support the disengagement process and to take the peace process further beyond the disengagement." Peres and two unnamed senior PA officials then held (3/10) an informal meeting regarding disengagement with senior EU and donor reps. in Madrid. Peres and Dahlan (with PA PM Ahmad Qurai', PA chief negotiator Saeb Erakat, and Israeli M without portfolio Haim Ramon) met again on 3/30 in Jerusalem. No details of these meetings were released.

#### ***Coordination and Confidence-Building Advance***

On 3/6, the PA announced that as a result of progress made in the London back-channel, Israel had agreed to transfer security control in Tulkarm to the PA within a week, marking a revival of the confidence-building efforts frozen after the 2/25 bombing. Talks on prisoners also resumed (3/14), without immediate progress. Abbas also called (3/3, 3/6) on Israel and the U.S. to open a back-channel before the end of the year to discuss final status issues to prepare the ground for the final stages of road map implementation; there was no U.S. or Israeli response.

Further talks on security transfer in Tulkarm and Jericho were held on 3/8 and 3/9, but deadlocked over PA demands that Israel as part of the transfer remove IDF roadblocks encircling the cities and ease restrictions on Palestinian movement into and out of the cities. The PA argued that since the IDF did not have an ongoing presence in either town, transfer would otherwise merely constitute a pledge not to make further raids into the cities without prior notification to the PA. Israel responded (3/12) that "the Palestinians will have to lower their demands and agree to take what they can get if the process is to move forward," stating that restrictions outside the towns could not be eased until the PA dismantled militant groups.

After further talks (3/13) and some pressure (3/10) on Israel from Egypt to move forward, Mofaz and Yusuf finalized (3/14) agreements on the transfer in Jericho, which occurred on 3/16. The IDF removed a single roadblock leading into the city from neighboring al-Awja (also placed under PA security control), which was replaced by a PA checkpoint 500 yards away to demonstrate the PA's control; IDF roadblocks on all other roads into and out of Jericho remained in place. Reporters covering the transfer said that many Palestinians interviewed on 3/16 did not even realize it had taken place. On 3/19, the IDF tightened restrictions on Palestinian movement into Jericho, arguably making conditions more difficult than immediately before the handover.

Talks on the transfer of control for Tulkarm resumed on 3/20 and were finalized on 3/21. The formal ceremony, attended by Israeli and PA security officers, marking the 3/22 handover consisted of the IDF removing a single roadblock separating the city from surrounding villages. The IDF placed (3/22) a new checkpoint 30 m down the road. All surrounding villages and the gates in the separation wall encircling Tulkarm to the north, west, and south remained under IDF control.

On 3/23, Mofaz stated that the transfer of Bethlehem, Qalqilya, and Ramallah was in jeopardy unless the PA did more to disarm militants. The next day, Israel declared that the transfers had been suspended because the PA had failed to disarm 17 wanted Palestinians in Jericho and 35 in Tulkarm since the handover of security control there.

The PA continued to expand its security efforts, albeit on a limited basis. PA security

forces made (3/5) their first raid in Dura, near Hebron, seizing bombs and weapons, and arresting at least 13 Palestinians. By 3/16, many IDF arrest raids into PA areas reportedly were coordinated with the PA and based on PA information, and the PA security services in Gaza had coordinated nearly 100 patrols with the IDF, uncovered 14 tunnels, foiled 6 rocket launches, and uncovered 15 landmines. Although progress was slow, Israel's military intelligence research head Brig. Gen. Yossi Kupperwasser told (3/22) the Knesset Foreign Affairs and Defense Comm. that the PA security forces had successfully reduced violence, preventing as many attacks as their Israeli counterparts. He also complained, however, that the PA had not taken steps to dismantle the "terrorist infrastructure." Abbas met (3/19) with Shin Bet head Avi Dichter to discuss security and intelligence cooperation.

On 3/10, Abbas also began meetings with Palestinian factions, particularly Hamas and Islamic Jihad, in preparation for talks in Cairo 3/15-17 aimed at upgrading the truce declared by Abbas on 2/8 to a comprehensive, official cease-fire. The factions stated (3/14) that they would agree to a formal cease-fire with Israel, if Israel released all Palestinian prisoners and pulled back from West Bank population centers. Sharon, however, rejected the deal, saying Abbas should dismantle the factions instead of negotiating with them. Once the Cairo talks opened, the factions quickly agreed (3/17) to extend their unilateral truce begun on 1/23 until the end of 2005, provided that the lull in violence continued and that Israel followed through on its Sharm al-Shaykh pledges; in the absence of any Israeli assurances, they would not declare a formal cease-fire. Sharon welcomed (3/17) the statement as "a positive first step," but the U.S. said (3/17) the pledge fell short of U.S. demands that the factions renounce violence. A spokesman for the Palestinian Resistance Comms. (PRCs), an umbrella group operating predominantly in Gaza and made up of members of all Palestinian factions, stated (3/18) that the PRCs did not consider the cease-fire agreement binding on them since the PA had not invited them to the Cairo talks, though they pledged not to initiate attacks against Israeli targets and only to respond if attacked. The announcement suggested that not all members of the Palestinian factions agreed with the truce extension and that the leaderships might have trouble keeping all of their members in line.

Meanwhile, Sharon cleared hurdles with his coalition government to move disengagement forward. On 3/26, he secured a deal with the Shinui party to support his 2005 budget, which had to be approved by 3/31 or his government would collapse (disengagement foes had threatened to block the budget to force new elections and an effective referendum on the disengagement plan; see Quarterly Update in *JPS* 135). The Knesset rejected (72-39) a motion explicitly calling for a national referendum on 3/28 and passed (58-36) the budget on 3/29, removing the last impediments to disengagement implementation. In preparation for disengagement, Israel banned its citizens from moving to Gaza (3/18) and the four West Bank settlements (3/20) slated for evacuation. Also of note: IDF Chief of Staff Moshe Ya'alon said (3/8) that Israel planned to phase out Palestinian labor in Israel by 2008, stating explicitly that "our goal is to stop any kind of Palestinian working in Israel by 2008. This is our policy, this is our political directive." Before the outbreak of the intifada, 150,000 Palestinians had permits to work in Israel, and perhaps as many as 150,000 worked in Israel illegally.

U.S. envoy Ward officially took up his post, based in Israel, on 3/10 and immediately began meeting with Israeli and PA officials on security aspects of disengagement. He, however, was not permitted to visit Gaza because of the U.S. ban on travel there imposed after a 10/15/03 roadside bombing that killed three American security officers with the U.S. embassy.

Meanwhile, after the London conference, the U.S. stepped up pressure on Israel to take action to dismantle unauthorized settlement outposts and to halt continuing settlement expansion in keeping with its road map obligations. In a meeting with Israeli FM Silvan Shalom in Washington on 3/8, U.S. Secy. of State Condoleezza Rice expressed U.S. displeasure at Israel's slow pace of meeting its 2/8 Sharm al-Shaykh pledges despite Abbas's success in curbing Palestinian violence and incitement, and pressed Israel to dismantle outposts. Shalom acknowledged "some progress" by Abbas but said that Israel was not required to take steps until Abbas "dismantle[d] the terrorist groups." After Sharon approved (3/21) the construction of 3,500 new housing units in Ma'ale Adumim to link the Jewish settlement to East Jerusalem, the settlement issue became the focus of a long-scheduled visit to region (3/21-24) by National Security Council

Middle East adviser Elliott Abrams and Asst. Secy. of State for Near East Affairs David Welch. Israel claimed (3/21) the construction would not violate the road map because it was approved in principle in 1999 and was of "strategic importance" to Israel. Sharon spokesman Raanan Gissin also cited (3/21) the 4/04 exchange of letters between U.S. Pres. George W. Bush and Sharon (see Special Doc. B in *JPS* 132) to support Israel's contention that the expansion was legitimate. In that exchange, Bush stated that in light of "realities on the ground, including already existing major population centers, it is unrealistic to expect that the outcome of final status negotiations will be a full and complete return to the armistice lines of 1949." Israel further argued it was not currently implementing the road map because the PA had not taken steps to dismantle "terrorist groups." Rice rejected the explanation, reiterating (3/25) that the Ma'ale Adumim project was "at odds with American policy." Israel affirmed (4/4, 4/6) its intention to move ahead with Ma'ale Adumim construction, but assured (4/6) the U.S. that building was not likely to begin for two years.

Meanwhile, Israel stepped up violence following the 2/25 Tel Aviv bombing, assassinating (3/10) the Tulkarm Islamic Jihad member who allegedly orchestrated the attack (Islamic Jihad did not retaliate), escalating arrest raids (particularly targeting Islamic Jihad) and land confiscations, easing open-fire restrictions, tightening Palestinians' freedom of movement, and conducting a spate of house demolitions in East Jerusalem (see Chronology for details). Jewish settler attacks spiraled, especially in Hebron and in the Nablus area, becoming near daily occurrences, with as many settler as IDF incidents on some days (see Chronology). With the factions adhering to the cease-fire, Palestinian violence remained low, with only scattered attacks. The IDF reported (5/6) that from mid-2/05 through 3/05, there was an average of roughly two incidents (e.g., shooting, roadside bombing, mortar fire) a day across the entire Gaza Strip. The only reported injuries were two Israeli border policemen wounded by Palestinian gunmen who fired (3/7) at their post in Hebron, and 4 IDF soldiers wounded by Palestinian gunfire during a raid into al-Amari r.c., near Ramallah. Indeed, 3/05 was the first month since the start of the intifada in which no Israelis were killed. (The last deadly Palestinian attack was on 2/25.) As of 3/31 the death toll was

holding relatively steady at 4,039 Palestinians and 963 Israelis.

### ***Bush Meets with Sharon***

By 4/1, it was clear that while there had been one major achievement since the 2/8 Sharm al-Shaykh summit—the considerable reduction of violence—neither Israel nor the Palestinians had seen the dramatic changes they had hoped for. Most important, the Palestinians had seen no substantive improvement in their daily lives, were acutely aware of the Sharm al-Shaykh pledges that Sharon had left unfulfilled, and remained dubious that disengagement would be in their best interests. As a result, tensions on the Palestinian street were rising, and it was becoming increasingly difficult for the PA and Palestinian factions to maintain the calm.

In hope of keeping momentum alive, Bush invited Sharon to meet with him at his Crawford, TX, ranch on 4/11 and Abbas to meet with Bush in Washington on 5/26. (Abbas reportedly had been invited to come in 4/05, but requested the date be pushed back so he could have time to demonstrate serious efforts on security and reform.) Once the meetings were confirmed in early 4/05, Israel and the PA began positioning themselves to capitalize on their visits. For Israel, this meant dispatching Sharon political adviser Shalom Turgeman and Israeli ambassador to the U.S. Danny Ayalon to Washington with drafts of statements for Bush to issue at the summit, aimed at “sharpening” the 4/04 Bush-Sharon understandings (see Special Doc. B in *JPS* 132) on U.S. support for Israeli retention of settlements under final status and at securing strong U.S. support for disengagement. Ayalon and Turgeman reportedly exchanged 61 drafts with Rice, Abrams, and Welch before Bush approved a final draft on 4/8. Rice also held (4/5) preparatory talks on disengagement with Weisglass.

As planned, Sharon held his 11th meeting with Bush in four years on 4/11. The Crawford ranch venue was considered a gesture to “reward Sharon for taking the politically difficult step” of evacuating Gaza settlements and to highlight the close relationship between the leaders. Both men focused their statements on disengagement rather than on settlements. Bush gave high-profile backing for the “courageous initiative to disengage from Gaza and part of the West Bank” that Sharon sought, urged the PA to coordinate with Israel on the plan, and praised Sharon’s pledge (reiterated by Sharon) to remove

unauthorized settlement outposts. He also stated that “While the United States will not prejudice the outcome of final status negotiations, those changes on the ground, including existing major Israeli population centers, must be taken into account in any final status negotiations”—the wording drafted by Israel and agreed to by Bush on 4/8. Sharon stated that Israel was committed to carrying out a unilateral disengagement and stressed that “only after the Palestinians fulfill all their obligations, first and foremost a real war against terrorism and the dismantling of the terror infrastructure . . . can we proceed toward negotiations based on the road map.” Regarding settlements, he stated that “the position of Israel is that in any final status agreement the major Israeli population centers in Judea and Samaria will be part of the State of the Israel.” When questioned directly by the press about the Ma’ale Adumim expansion, Bush said only that Israel should not undertake any activity that contravenes the road map, while Sharon plainly stated that Israelis “are very much interested” in achieving “contiguity between Ma’ale Adumim and Jerusalem” and that large West Bank settlement blocs would remain in Israeli hands under final status, as per the Sharon-Bush understandings of 4/04. Bush also pledged to help economic development of the Negev and Galilee to facilitate the relocation of the evacuated settlers, but said that additional financial aid had not been discussed. (An Israeli team arrived in Washington on 4/20 to present Israel’s new aid requests; no details were released.)

After the Bush-Sharon meeting, Rice spent the day (4/12) phoning Middle Eastern and European leaders and the Russian FM to urge them to support disengagement as a step toward road map implementation. Bush also phoned (4/12) Abbas to reiterate his opposition to settlement construction. Israeli FM Shalom went (4/12) to Cairo to urge Egyptian pres. Husni Mubarak to press Arab states to normalize relations with Israel following disengagement.

### ***Little Progress Despite Cooperation***

Meanwhile, Abbas stepped up efforts to reform the security services, which was certain to be the main topic of his meeting with Bush. Between 4/1 and 4/5, Abbas fired several security officials for failing to halt lawlessness in the territories, including West Bank public security head Haj Ismail Jabr, West Bank general intelligence head Hani Ayyad, West Bank military

coordination cmdr. Muhammad Haybi, Ramallah preventive security chief Yunis Has, and Ramallah police chief Bilal Abu Said. He also signed off (4/23) on the restructuring of the security forces into three main branches under the control of the Interior Min. and named the three new branch heads: Rashid Abu Shibak replaced Musa Arafat as public security head; Tariq Abu Rajab replaced Amin al-Hindi as head of general intelligence; and Ala' Husni, who was named head of police, in charge of reining in militant groups. Military intelligence was subsumed under general intelligence, while Force 17 reportedly remained under the direct command of the president. Hindi and Arafat became security advisers to Abbas, with the rank of cabinet minister. Abbas also ratified (4/2) a law requiring security officers over age 60 to retire (1,150 left their posts on 4/23, the remaining 1,000 were scheduled to step down later); the retirees would receive pensions but be barred from holding other jobs in the PA. Abbas appointed (4/3) two comms. to focus on disarming Palestinian gunmen and incorporating them into the security services. By 4/23, some 300 Palestinians on Israel's wanted list had accepted PA jobs and signed pledges committing them to all decisions by the PA political leadership and agreeing not to do anything that may "disturb public order" or "undermine agreements signed between the PA and any other party."

At the same time, the Peres-Dahlan back channel seemed to continue (4/6) on the sidelines of an Aspen Institute conference in Washington to discuss the apparent stalemate of PA-Israeli coordination on Gaza disengagement. Among those believed to have taken part were Peres, Dahlan, Rice, Sharon adviser on disengagement Maj. Gen. Giora Eiland, PA Planning M Ghassan Khatib, and Israeli Housing M Yitzhak Herzog. Israel and the PA reportedly agreed to form five comms. to examine aspects of disengagement (transfer of Israeli assets, future trade arrangements, borders and transit points, the Gaza sea port, Palestinian labor in Israel). At the public conference, which focused on development prospects in Gaza after disengagement, Dahlan said the PA would coordinate with Israel in "every way that the Israelis like and the international community likes" and would do all it could to make disengagement easy for Israel. Eiland complained that the PA was "winging it" and must come up with some comprehensive plan for the future of Gaza, including where

they would plan new neighborhoods and industrial zones. The PA replied that Israel had still not taken the necessary first step of turning over a list of assets in and data on the settlements to be evacuated, which the World Bank said (ca. 3/21) was crucial for the PA to make basic plans for its assumption of control over the settlement areas.

By 4/11, there were complaints in Washington that U.S. security coordinator Ward was moving too slowly, was not making progress on security, and was not making explicit demands of either Israel or the PA. Bush and Rice were reportedly planning to "beef up" Ward's team and to widen the scope of his responsibilities by having him meet more frequently with PA security officials to speed up the pace of PA security reform and to monitor more closely progress on the ground. On 4/14, Rice announced that outgoing World Bank pres. James Wolfensohn had been named Quartet special envoy overseeing nonmilitary aspects of disengagement, working parallel to Ward. He would focus on developing the Palestinian economy, promoting PA-Israeli cooperation, and ensuring a smooth transition to PA administrative control of Gaza, including disposition of homes and other assets the Israelis left behind. Wolfensohn began work on 4/24.

The PA stated (4/13) that it had decided on "limited cooperation" with Israel regarding disengagement and planned to place all settlement assets evacuated under government control. (There reportedly were divisions within the PA over how much to cooperate, with Abbas favoring more cooperation and an "increasingly powerful faction" led by PM Qurai' opposing it on the ground that it tacitly legitimized the Israeli occupation.) On 4/20, numerous contacts between Israel and the PA were held, but no agreements were reached: Peres and Qurai' met to discuss the economic aspects of disengagement, including provisions for the Erez industrial zone and the lucrative greenhouses in Jewish settlements; Mofaz and Dahlan discussed Israel's timetable for disengagement; Weisglass and Erakat resumed talks on holding a second Abbas-Sharon meeting in 5/05; and PA Prisoner Affairs M Sufiyan Abu Zayda and Israeli Internal Security M Gideon Ezra resumed talks on the release of the 400 Palestinian prisoners. Israeli and PA officials held (4/24) talks on control of Gaza border crossings after Israeli withdrawal, the possibility of bringing in international monitors, and the PA's request

for Israel to build a safe-passage link between Gaza and the West Bank, in keeping with the Oslo Accord.

Meanwhile, Israel continued to take unilateral steps on disengagement that undermined Palestinian confidence, such as announcing (4/14) plans to build new roads in Gaza parallel to the existing settler-only bypass roads to ease congestion during the evacuation of settlements. The IDF also began (ca. 4/14) constructing a special 200–300 foot high concrete wall, with observation towers, along the Philadelphia Route to separate Gaza from Egypt solely in preparation for disengagement. (Israeli atty. gen. Menachem Mazuz ruled ca. 3/2 that an earlier idea for construction of a canal or water-filled trench along the Rafah-Egypt border would be unacceptable.) On 4/20, the IDF began moving equipment from its base in Gaza's Neve Dekalim settlement in preparation for withdrawal.

Violence on the ground also continued to creep up (see Chronology for details). The IDF increased arrest raids and house searches, continued demolitions and land confiscations for the separation wall, fired more frequently on Palestinians and residential areas, and in several cases (e.g., 3/29, 4/5) beat and detained PA policemen in Hebron. Palestinian sniping at settlers and soldiers also escalated, leaving 1 settler wounded (4/5), while attacks by Jewish settlers continued at a high pace.

On 4/9, violence spiked when the IDF fatally shot three 14-year-old Palestinians playing soccer near the Philadelphia Route in Rafah, saying the youths strayed into a closed military zone. Hizballah, Islamic Jihad, and the PRCs retaliated (4/9–10), firing some 70 mortars and 30 rockets at Jewish settlements in Gaza, lightly damaging one house but causing no injuries. The groups claimed that the barrage was a one-time response and did not mark the end of the cease-fire. Following internal security consultations on 4/10 and 4/11, Israeli DM Mofaz stated (4/11) that Israel would not respond to the fire, effectively accepting that the cease-fire was still in place. Hamas and the PA warned (4/11), however, that the truce was in danger of collapse, and urged Israel to implement the prisoner release and scale back its military operations to restore confidence. When no change was noted by 4/13, the al-Aqsa Martyrs Brigade (AMB), the Islamic Jihad's al-Quds Brigades, and the PRCs Salah al-Din Brigades issued a joint statement saying that they were no longer bound by the

3/17 cease-fire; Hamas, however, reiterated (4/13) its adherence. The next day, the IDF fatally shot a wanted AMB member in what may have been an assassination and sharply escalated its military operations in the West Bank (see Chronology). Still, new casualties remained low. By the end of the quarter, the Palestinian death toll reached 4,043 and the Israeli toll remained unchanged at 963.

### *Optimism Fades, Disengagement Delayed*

By the time Abbas reached his 100th day in office on 4/17, public consensus was that he was losing momentum and his opportunities for success were closing; neither Israel nor the Palestinians were pleased with his efforts to date (see Doc. A4). In a meeting with Israeli journalists on 4/19, Abbas complained about the Israeli media and government treatment of him, stating that “despite the instructions we have issued to halt incitement on our side, Israeli officials have not stopped inciting for a moment. . . . There has not been a single minute without criticism, without complaints or incitement. Just like the first government I headed, we cannot get a moment's rest from these onslaughts. . . . we are not being given a chance.” He said Israel's continued killings of Palestinians, arrest raids, and failure to follow through on Sharm al-Shaykh pledges made the PA seem like liars to the Palestinians and eroded his legitimacy.

By 5/1 it was clear that the Bush-Sharon and Aspen Institute meetings had not improved the chances for peace. Despite the PA's willingness to coordinate on disengagement and its expanded efforts to improve security, Sharon again suspended discussion on the transfer of cities (4/29) and prisoner release (5/8). Instead of providing Abbas with something tangible to present to the Palestinian people, Israel demanded (5/8) “reciprocity” for whatever pledges had been met, saying Abbas must disarm and disband the militant groups before the remaining Sharm al-Shaykh commitments would be fulfilled. From the Palestinian perspective, it made little sense not to release 400 Palestinians as a confidence-building gesture when the IDF had rounded up 500 Palestinians in 3–4/05, or not to turn over security control in Qalqilya when the city was already surrounded by the separation wall on all sides.

Even the IDF command appeared at odds with the government refusal to be more forthcoming. In an assessment on 5/5, Israeli

military intelligence dir. Maj. Gen. Aharon Ze'evi stated that the PA was reining in and disarming Palestinian militants and took the task seriously. He acknowledged that the PA had begun coordinating disengagement with Israel and said that the newly appointed heads of the PA security forces "should be given some time to change things." Regarding Gaza, Ze'evi believed that Hamas's military and political strength effectively made it a "parallel authority" to the PA, and that Abbas correctly realized that he did not have the power or legitimacy to use force against Hamas in the near term or to take major steps such as collecting its weapons; however, Abbas's efforts at persuasion had "won him a temporary and fragile lull in violence, . . . the fact is that this lull is holding" and should be encouraged. Outgoing IDF West Bank cmdr. Brig. Gen. Gadi Eisencott similarly stated (5/13) that "since the Sharm al-Shaykh summit, there is a change on the ground. Except for the Popular Front [PFLP] and some parts of Islamic Jihad, the rest of the organizations are committed to the lull." He added, "If you ask me how many alerts I am facing, the answer is zero."

Nonetheless, by early 5/05, the IDF had been instructed to plan a series of major "iron fist operations" for Gaza, to be called **Operation Summer's End**, in the event of any Palestinian fire during disengagement. Indeed, *Yedi'ot Abaronot* reported (5/6) that the operations could begin even before disengagement started "so that on the day of the evacuation there is quiet."

As the quarter ended, Sharon announced in an independence day address on 5/9 that he was postponing the start of disengagement implementation by three weeks, to around 8/15, to honor the mourning period that precedes the Jewish holiday of Tisha B'Av, which would otherwise fall during the start of implementation. He also hinted that if Hamas were to win Palestinian legislative elections in 7/05 and take control of the PA, disengagement could be canceled: "We must all reject the inclusion of Hamas in the Palestinian political system. There is no place, nor can there ever be, in a democratic society for a political party which bears arms." Continuing in this vein, FM Shalom stated further in his holiday address (5/9) that "a regime that permits terrorist organizations to operate under the guise of political organizations has no right to exist" and specifically told (5/10) PA Interior M Nasir Yusuf that the PA must not allow Hamas to take part in legislative elections. Sharon also vowed

(5/9) that West Bank settlements would remain in Israeli hands forever and that there would never be a Palestinian right of return.

At the same time, the Quartet reps., along with Ward and Wolfensohn, met (5/9) in Moscow to discuss prospects for disengagement and ideas for economic and social rehabilitation of Gaza. The Quartet called on Abbas and Sharon to fulfill their Sharm al-Shaykh commitments, but they did not comment on Sharon's postponement of the disengagement.

Meanwhile, IDF arrest raids, house demolitions, land confiscations, and closures continued at the same level. The IDF invaded (5/2) Tulkarm for the first time since it ceded security control there on 3/22, fatally shooting a wanted Islamic Jihad member in an exchange of gunfire, in which 1 IDF soldier was also killed (the first Israeli fatality at the hands of Palestinians since the 2/25 Tel Aviv bombing; one IDF soldier was killed in a friendly fire incident on 4/25). On the Palestinian side the PA security forces made their first arrests (4/29, ca. 5/3) of Palestinians for truce violations, while incidents of rocket and mortar fire increased slightly (see Chronology).

#### *Intifada Data and Trends*

Deaths decreased significantly this quarter: at least 39 Palestinians and 7 Israelis killed (compared to 172 Palestinians and 16 Israelis last quarter), bringing the toll at 5/15 to at least 4,051 Palestinians (including 42 Israeli Arabs and 16 unidentified Arab cross-border infiltrators), 965 Israelis (including 301 IDF soldiers and security personnel, 192 settlers, 472 civilians), and 54 foreign nationals (including 2 British suicide bombers).

The UN reported (5/5) that between 11/04 and 4/12/05, the IDF had removed 75 of the total 680 barriers in the West Bank (in fact, 102 were removed and 27 added): 34 in Bethlehem, 16 in Hebron, and 12 in Jenin. The vast majority of the barriers removed were earthen mounds, though four manned IDF checkpoints (2 in Nablus, 1 in Bethlehem, 1 in Hebron) were also removed. On the other hand, IDF use of "flying checkpoints" (random stop and searches) had increased.

This quarter, Israel carried out 1 clear assassination (down from 9 last quarter), killing Islamic Jihad's Muhammad Abu Khazma (name also reported as Muhammad Abu Khalil). One incident on 4/14 in which

1 AMB member was killed may have been an assassination.

During the quarter, there was 1 Palestinian suicide attack (down from 8 last quarter)—the 2/25 bombing in Tel Aviv that killed 5 and injured 22 (compared to 8 killed and about 23 injured last quarter).

As noted above, house demolitions this quarter declined as a result of the IDF suspension of “punitive” home demolitions on 2/17, citing the lull in Palestinian violence that followed the Sharm al-Shaykh summit. No house demolitions were reported in Gaza. In the West Bank, 1 punitive demolition was carried out in Hebron on 3/10 (related to the 2/25 bombing), 5 houses were demolished in Bethlehem to make way for the separation wall, and 1 house was demolished in Qalqilya for lack of permit. In East Jerusalem, on the other hand, demolitions increased significantly (mostly for lack of permits): the IDF demolished 14 houses, two two-story apartment buildings, and one six-story apartment building and issued (4/14) demolition orders for 92 Palestinian homes in Silwan (housing more than 1,000 Palestinians) to create a park.

IDF bulldozing was also down significantly this quarter. While massive tracts of land were confiscated for construction of the separation wall, land actually bulldozed involved 49 dunams (d.; 4 dunams = 1 acre) near Qalandia checkpoint for new IDF buildings; 28 d. in Hebron for the separation wall, a new IDF post, and a parking lot at Rachel’s Tomb for Jewish settlers; and 4 d. in Mawasi to create a buffer along a settler bypass road.

Jewish settler violence was up sharply this quarter, especially around Hebron, and for the first time 3 incidents (3/26, 5/8, 5/9) were reported in Gaza (see Chronology for details). Israel’s West Bank district police reported (5/6) that the number of violent incidents by Jewish settlers—against Palestinians and IDF forces—reached 265 cases for the period 1/1/05–4/30/05, or an increase of more than 50% over the same period in 2004 (174 cases). Incidents of settler violence against Palestinians this quarter included at least 4 hit-and-runs (5 Palestinians injured); 41 beating incidents; 9 cases of preventing Palestinians from reaching their land; 7 instances of rampaging through Palestinian areas, with property damage and threats to residents; 11 instances of the uprooting of trees or crop burning; 9 cases of fencing off or bulldozing land; 2 instances of poisoning feed in sheep grazing areas and 1 of poisoning a well, killing a horse; and 9 cases

of vandalism. Settlers also occupied a Palestinian house (4/1) and partially demolished 2 others (3/11, 3/16), set up 4 unauthorized outposts (2/21, 2 on 4/17, 5/14), and attacked IDF troops protecting Palestinians (3/25, 4/6, 4/30). In 6 cases (3/2, 3/5, 3/14, 4/4, 4/5, 4/14), settlers fired on Palestinians, wounding 4 and damaging a car. For the first time this quarter, there were 3 reports of settlers kidnapping Palestinians and taking them to settlements (3/24, 3/25, 5/14). In one case (3/24), a Jewish settler woman abducted a nine-year-old Palestinian boy on his way home from school, took him to Ramat Yishai settlement and severely beat him with a rock, breaking his teeth, and injuring his back and limbs before the IDF intervened. In addition, 40 rabbinical students on 3/18 clubbed, stoned, and—according to Israeli police—“nearly lynched” 8 Palestinian laborers working legally at Nachliel settlement, seriously injuring at least 5.

On 2/18, Israel allowed 16 of the roughly 55 West Bank Palestinians deported to Gaza since 9/02 (see Quarterly Update in *JPS* 126) to return to their homes. Another four were allowed to return on 3/15. Israel also pledged (2/18) that it would allow 20 Palestinians deported to Europe as part of the settlement ending the Church of the Nativity stand-off in 5/02 (see Quarterly Update in *JPS* 124) to return home once Bethlehem had been handed over to PA security control (which had not occurred by the end of the quarter).

### *Separation Wall*

Construction on Israel’s separation wall in the West Bank continued, with monitors reporting that most construction this quarter was concentrated around Jerusalem, with work also ongoing around Qalqilya, Ramallah, Salfit, and Tulkarm. A wall segment between Dahiyat al-Barid and Qalandia checkpoints north of Jerusalem was completed by 2/20. By 3/8, the wall encircled Tulkarm to the north, west, and south.

As noted above, the latest version of the proposed route of the separation wall approved by the Israeli cabinet on 2/20 would, if implemented, effectively annex at least 7% of the West Bank. Most alterations to the route were around Jerusalem, placing Ma’ale Adumim settlement to the east, and Gush Etzion block and Rachel’s Tomb and the Bilal Bin Rabah Mosque in Bethlehem to the south on the Israeli side of the wall; Shu’fat r.c. would be surrounded by a fence. Under the new plan, Israel’s map for Greater Jerusalem (i.e., the land that lies beyond

the Green Line but west of the separation wall) would be increased by 300%. Final full government approval of the new route was given on 3/14. The government also authorized (3/13) the construction by 7/05 of a "temporary wall" between Jerusalem and the West Bank in areas where legal challenges to the wall route are still underway.

#### INTRA-PALESTINIAN DYNAMICS

##### *Elections*

At the opening of the quarter, the PA had held two rounds of municipal elections (12/23/04, 1/27/05), with at least two more rounds to go but no dates set. On 1/8, Abbas had announced 7/17 as the date for legislative council elections, despite Israel's decision to begin implementation of the disengagement plan on 7/20.

On 3/20, the PA Central Elections Commission (CEC) submitted its final report on the 1/9 presidential elections to Abbas. Although international monitors had generally endorsed the elections as free and fair (see Quarterly Update in *JPS* 135), the CEC report cited serious irregularities resulting from the PA's last-minute decision to combine the lists of newly registered voters with its civil registry records to create a new list of eligible voters, so as to encourage as many Palestinians to vote as possible. (The civil registry, which had not been updated in years, included some 660,000 names that did not appear on the updated voter rolls, and many of those people were believed to have died, moved, or emigrated; see Quarterly Update in *JPS* 135.) The CEC as a whole then presented its resignation to Abbas pro forma, to mark fulfillment of its presidential elections mandate. Abbas asked the officials to stay on; most did, though a few did not in protest of the irregularities.

##### *Municipal Elections*

On 2/24, the PA set the third round of municipal elections for 5/5 and the fourth round for 8/05. Islamic Jihad, which had not participated in any Palestinian elections to date, declared (3/31) that it would take part in the third round but announced no list of candidate. The official campaign period for the 5/5 elections was to run from 4/22 to 5/4.

On 5/5, Palestinians in 76 municipalities in the West Bank and 8 in Gaza participated in the third round of municipal elections, choosing among 2,519 candidates (including 399 women) to fill 906 seats on their town

councils. (If a single party wins more than 50% of a town's council seats, it is allowed to select the town's mayor from among its winning candidates. If no party wins a clear majority of seats, the new council's first job is to vote on a mayor from among its members.) Voter turnout was estimated at 60% in Gaza and 45% in the West Bank. Initial returns (5/6) showed Fatah winning control of 52 of the 84 municipalities, Hamas 24, and independents 4, with 4 municipalities undecided. Fatah clearly captured more small municipalities (with a combined population estimated at 200,000), while Hamas won the larger towns, including Bethlehem and Qalqilya in the West Bank, and Bayt Lahia and Rafah in Gaza (with an estimated combined population of 600,000). Overall, Fatah won 56% of the votes and Hamas 33%, with the remainder going to independents. (In the 2 previous rounds, Hamas had secured 36% compared to Fatah's 44% in the West Bank, and took 64% in Gaza.)

Although there had been only one verified incident of vote tampering on the day of elections (Palestinian gunmen broke into two polling stations in the West Bank village of Attara and destroyed three ballot boxes), rumors immediately began to circulate that the Hamas victories in the towns resulted from fraud. On 5/6, Fatah and Hamas members clashed in Rafah in election-related disputes, leaving eight Palestinians injured. On 5/7, armed AMB members shut down the central Gaza CEC headquarters in Dayr al-Balah and the local CEC office in Bayt Lahia with the declared aim of overturning what they called "fraudulent election returns" favoring Hamas in Bayt Lahia, Bureij, and Rafah; Fatah officially called for a revote in those areas. As a result, the CEC postponed the release of the final election results, which was set for 5/9. The results were not released before the close of the quarter.

##### *Legislative Elections*

By mid-4/05, rumors were circulating that Abbas was considering postponing the 7/17 legislative election, prompting Hamas to threaten (4/16) to reconsider the cease-fire in the event of a delay. By mid-5/05, reports suggested that Abbas, under pressure from Fatah elements concerned that Hamas would make a strong showing in the PC elections, had opened talks with Hamas regarding delaying elections. According to these reports, the suggested quid pro quo for Hamas's acceptance of postponement until anywhere from 11/05 to 4/06 (after disengagement

implementation and internal Fatah elections at the Fatah General Council in 8/05) would be an interim power-sharing arrangement based on the percentage of votes Fatah and Hamas had received in municipal elections to date. On 5/12, Abbas denied any such discussions were underway and reaffirmed his intention to hold elections on 7/17 as planned.

By that time, however, the elections were in jeopardy because the PC had failed to pass proposed amendments to the 1995 election law, which according to the CEC needed to be in place at least two months before balloting (see Quarterly Update in *JPS* 135). The proposed changes, still under debate from last quarter, included raising the number of PC members from 88 to 132, imposing a minimum quota for female PC members, and reducing the minimum age of candidates (currently set at 30).

In addition, the question of whether to keep the same voting system as the law mandated for the last PC elections in 1996 (i.e., a majority system whereby PC members would be elected by majority vote from open lists in 16 constituencies) or to adopt a new system remained unresolved. Most Palestinian factions were leaning toward adopting a new "mixed system" under which a percentage of PC members would be elected from open lists as previously, with the remainder elected from closed party lists by proportional representation, with the West Bank and Gaza constituting a single constituency. If a mixed system were adopted, the factions would also have to decide the proportion of seats elected by open list to seats elected from party lists. At national unity talks in Cairo (3/15-17), the factions called on the PA to support a 50% open list, 50% party list system. Fatah, however, later moved (4/19) to support a two-thirds open list, one-third party list system, a decision protested (4/20) by the DFLP and PFLP.

Various arguments were made for one system over the other and how they should be weighted. Some thought that use of party lists would give Fatah's existing leadership undue weight in determining Fatah's candidates, particularly if elections took place as planned in 7/05, before the Fatah General Council in 8/05. Open lists were thought to favor candidates with strong family and clan affiliations, which could give Fatah reformers a hand over the existing Fatah leadership, but might also aid Hamas. Some thought party lists would reduce the chance

that Islamists could gain a majority of the PC, while others feared it would give them more seats than they would have won on open lists. Some Fatah reformists reportedly supported whichever system they thought Abbas would veto in order to force a delay of elections until after the General Council, believing that if they won greater control of Fatah at the General Council, they would be in a stronger position going into the PC elections. The end result was that debate continued into 5/05, with the PC failing to pass an amended bill on 5/11, as would have been required for the elections to occur as planned.

Meanwhile, the CEC reopened (5/7-21) voter registration in 1,041 locations across the territories to accommodate any Palestinians who wanted to take part in legislative elections but had not yet registered. (The IDF raided two CEC stations in Jerusalem on 5/10, confiscating documents and arresting two employees.)

The DFLP (3/22), Hamas (3/12), and PFLP (3/22) announced plans to field candidates in the legislative council elections, with the PFLP confirming (4/30) that leader Ahmad Saadat, jailed by the PA in Jericho at Israel's demand, would head the group's list. Hamas planned (3/12) secret primaries to choose its candidates.

#### **Cabinet Formation**

By law, a new government was to be formed within a month of the 1/9 presidential elections, but PM Qurai' did not present his proposed cabinet until 2/21 (see Quarterly Update in *JPS* 135). Qurai''s proposed cabinet, presented first to Fatah PC members (who comprise two-thirds of the PC) to gauge their backing before presenting it to the full PC, differed little from the existing cabinet: portfolios were shuffled, Abbas allies replaced a handful of Arafat allies, and four technocrats who had never held political office were introduced. After hours of heated debate (2/21), it became clear that the PC would not approve the slate, which seemed unlikely to introduce the serious reforms needed. The PC suspended the vote and asked Qurai' to try again.

On 2/24, Qurai' presented a revised 25-member cabinet slate including 17 new faces, most of whom were technocrats and reformers. FM Nabil Shaath, tapped to be dep. PM, was the only long-time Arafat ally among them; other important holdovers from the previous cabinet were Finance M Salam al-Fayyad, Education M Na'im Abu

al-Hummus, and Ghassan Khatib, who moved from the Labor to the Planning Min. The PC quickly gave its approval (5/4-12, with 4 abstentions, 14 not attending), and Abbas swore in the cabinet the same day (see Doc. B??). Abbas stated (2/22) that the cabinet's first main goals would be to provide security, make reforms, and hold legislative elections. With little cabinet action by 4/1, Abbas reportedly threatened to resign unless certain officials (apparently Qurai') stopped blocking his administrative, financial, and security reform efforts.

Of note: When Arab FMs gathered (3/19) in Algiers to prepare for the yearly Arab League summit, a dispute broke out between newly appointed FM Naseer Kidwa and Fatah chairman Faruq Qaddumi, who demanded to head the delegation as PLO Political Dept. head. Arab League secy.-gen. 'Amr Musa intervened to resolve the dispute by allowing Qaddumi to lead the delegation to the opening session of the meetings, while allowing Kidwa to lead the delegation in the substantive discussions.

#### **Reform Efforts and Governance**

Finance M Fayyad reported (3/21) that PA income rose by roughly \$30 m./mo. in 2004 compared to 2003, thanks to PA financial reforms and crackdowns on corruption and illegal trading. Fayyad also announced (3/18) that the PA would hire an international accounting company to audit PA accounts to ensure transparency and assess antifraud and anticorruption efforts; the U.S. agreed (5/12) to finance the review. The PC also ratified (3/8-10, with 2 abstentions) the PA budget for 2005.

Qurai' had issued (2/26) an order banning all ministries from receiving money from outside the treasury and requiring (as a cost-saving measure) ministry officials to obtain permission of the PM to travel abroad on any government-related mission.

On 4/2, Abbas forwarded the files of three Finance Min. officials and one official in the president's office to the atty. gen. on suspicion that they embezzled public funds. The PA asked (4/6) Jordan to extradite two of the officials.

Abbas ratified (4/3) the civil service law after it passed its final reading (see Quarterly Update in *JPS* 135). Palestinian teachers observed three days of strikes (4/6, 4/17-18) to protest PC's failure to amend the law to increase teacher salaries; they then launched an open-ended strike on 5/11 that

was still underway as of 5/15. Of note: Hamas complained (4/5) that the PA had recently fired a number of teachers working in PA schools who are Hamas supporters.

On 5/8-9, 69 of 88 Palestinian ambassadors met in Ramallah to discuss the draft diplomatic corps law, written by PA FM Kidwa. (The other 19 either were not granted entry permits by Israel or could not attend for health reasons.) If approved, the law would force the retirement of a significant number of ambassadors and require those who had worked in the same mission for more than four years (74 of the 88) to be transferred to a new post.

In addition to the security reforms outlined above, the PA announced (5/1) a new law-and-order campaign to put more police on the streets, halt patrols by militant groups, and boost confidence in the PA. Hebron police chief Awni Samara reported (3/2) that a month-long campaign to remove "illegal" (presumably unregistered and unsafe) Palestinian vehicles from the streets of the city had resulted in the destruction or confiscation of around 600 vehicles; police planned to expand the program to target larger vehicles, such as bulldozers and trucks. Samara also announced plans to remove street stands "that bother the citizens" and to crack down on health code violations at restaurants, food stands, and grocery stores.

The PA Land Authority in Gaza closed (4/2) its offices indefinitely, citing threats and harassment by "people who are affiliated with the security apparatuses and who seek to illegally gain a foothold in government lands." On 5/2, the PA security forces bulldozed three seaside homes in Gaza illegally built on public land seized by senior PA officials.

#### **National Unity and Power Struggles**

The Palestinian factions continued efforts this quarter to revive PA and PLO institutions and possibly create an interim governing authority for Gaza following Israeli withdrawal and prior to final status discussions (see Quarterly Update in *JPS* 135). To this end, Abbas and the factions resumed national unity talks along with the cease-fire talks in Cairo (3/15-17), where they agreed to form a comm. to study ways to rebuild the PLO on new foundations that would allow Hamas and Islamic Jihad to join. The committee was to be headed by Abbas (as the pres. of the Palestinian National Council) and to comprise members of the PLO Executive

Comm., the heads of all the Palestinian factions, and independent national personalities. (Of note: Syria's Dep. FM Walid Moualem attended the talks as an observer and afterward said that Syria supported the reform moves.) Hamas, Islamic Jihad, and PLO reps. then met in Gaza on 3/28, where Hamas and Islamic Jihad announced a "preliminary decision" to join the PLO. Hamas political leader Mahmud Zahhar explained (3/28) that disagreement remained over the PLO charter and the "principles on which we will join," stating that the factions essentially would have to agree on a new political program acceptable to all. (Abbas had stated on 3/12 that Hamas leaders had indicated to him that Hamas might accept a two-state solution and recognize Israel within its 1967 borders, but that the entire leadership, notably Hamas leader Khalid Mishal, was not yet on board. Other sources indicated on 3/30 that Hamas was prepared to suspend armed struggle, but not to disavow it, as part of a deal.) On 3/29, an Islamic Jihad rep. participated in a PLO Executive Comm. session in Gaza, marking the first time an Islamist group took part in a PLO meeting. Abbas's consultations with the groups continued through the end of the quarter, with Abbas stating (4/25) that he would expect Hamas to disarm when it joined the PC.

Meanwhile, divisions within Fatah intensified. For the first time, the Fatah District Conference in the territories held (3/4) a meeting without a Fatah Central Comm. rep. present—a move seen as bypassing the Fatah leadership. Participants alleged that Fatah chiefs had deliberately marginalized "new talent" within the party prior to the 7/05 legislative elections and stressed the need to end the monopoly on decision-making within Fatah by holding as planned the 6th General Conference to elect a new party leadership in 8/05 (the 5th General Conference was held in 1989). At the same time, in a move reportedly orchestrated by jailed Fatah *tanzim* leader Marwan Barghouti, 32 members (half the membership) of Fatah's Mobilization and Organization Office (MOO), which oversees the district committees, resigned in what was interpreted by some observers as a "show of strength by Fatah's so-called young guard." On 3/7, 134 Fatah activists released a signed statement accusing MOO members of attempting to split Fatah. On 3/6 Abbas held a Fatah Central Comm. meeting to discuss the 3/4 resignations and

preparations for legislative elections. Participants agreed to hold "a kind of a primary" before selecting Fatah's candidates, stating (3/11) that any Fatah member who ran as an independent would be expelled from the party, though Fatah candidates could form alliances with independent candidates in certain locales for municipal elections. Registration for "internal preparatory elections" of candidates opened on 4/30, with the voting taking place on 5/7-8; those selected in this process would participate in the party primaries set for 5/21.

At a meeting in Gaza days later, some 250 Fatah members (including 18 senior figures such as Ramallah PC member Qaddura Faris, Fatah Revolutionary Council member Ahmad Ghunaym, and Hebron PC member Jamal Shubaki) resigned (3/9) from the movement, warning that Fatah would be defeated in upcoming legislative elections if it did not reform. The group strongly criticized the Fatah Executive Comm., comprising mainly Palestinians who had returned to the territories after the 1993 Oslo agreement. Many of those who resigned were Barghouti supporters. (On 4/28, Israel banned all prison visits to Barghouti until 7/17 to limit his influence on the elections.) On 3/15, after discussions with senior Fatah officials, most, if not all, of the 250 retracted their resignations.

In Ramallah, some 25 armed, masked AMB members broke (3/10) into a Fatah meeting on reform, fired in the air, and drove out the 1,000 participants, shouting that they were being ignored by the Fatah leadership. Organizers of the meeting reportedly accused the Fatah Central Comm. of being behind the disruption.

General lawlessness in the territories continued this quarter. Though many incidents were politically motivated, there did not seem to be high-level power struggles underway, as there have been in previous quarters. Incidents tended to be one or a combination of the following: turf battles; protests against PA reform efforts or insufficient PA support for needy, unemployed, and wanted Palestinians; election disputes; and simple mayhem, capitalizing on the PA's lack of security control. The following events were noteworthy:

- On 3/1, when PA Interior M Yusuf attended the opening ceremony of a new security headquarters in Jenin r.c., several AMB members fired in the air to protest the PA security service's failure

- to coordinate the visit with them. Yusuf and local AMB head Zakariyya Zubaydi met (3/1) at the Jenin headquarters to discuss the matter, with Yusuf warning that such occurrences would not be tolerated. On 3/2, Yusuf fired 11 high-ranking security officials in Jenin for failing to control the AMB.
- In Gaza City, 100s of PA police officers loyal to Civil Affairs M Dahlan gathered (4/21) outside police headquarters in a show of force to protest Abbas's forced retirement of 100s of security officers. On 4/24, 19 Palestinian gunmen (some masked, all allegedly former members of the PA security services) shut down the Gaza coastal road for two hours in a similar protest and also demanded that Abbas rehire officers or give them new jobs in the PA.
  - On 3/30, 6 AMB members rampaged through Ramallah, firing on Abbas's office inside his Ramallah compound and ransacking several nearby restaurants, causing no injuries. The men were among 26 wanted AMB who had been given refuge at the PA headquarters for more than a year to protect them from Israeli assassination and who had been ordered to leave earlier that day, after Israel promised not to target them if they disarmed and renounced violence.
  - Some 2,500 unemployed Palestinians stormed (3/12) the PC building in Gaza, throwing stones at police, breaking windows, vandalizing walls, and demanding that the PA provide them with jobs, exempt the unemployed and poverty stricken from paying utilities, provide them with subsidies for basic goods and food, and halt inflation.
  - In Jenin, 10s of AMB members took over (4/17) a main intersection and closed down a government building, demanding that the PA provide jobs to militants, former prisoners, and relatives of Palestinians killed by the IDF.
  - Gunmen with the Fatah-offshoot al-Awda Brigades fired (3/4) on a PA security office in Nablus, sparking an exchange of gunfire that left two PA officers and one bystander wounded.
  - Rival factions of the PA police clashed in Ramallah on 3/7, leaving one policeman dead.
  - At Hebron University, 100s of pro-Fatah students disrupted (3/13) a Hamas student rally prior to campus elections, leaving 9 Palestinians injured.
  - Fatah-affiliated lawyer Majid al-Jafari was slightly wounded (3/28) when an explosive charge planted under his parked car exploded in Gaza City. Jafari had received death threats after announcing his independent candidacy for the local bar association. No group claimed responsibility.
  - Unidentified gunmen fired (3/4) on the Ramallah home of Fatah PC member Jamal Tarifi, causing damage but no injuries. Two days later, Tarifi announced that he would run in the legislative elections on an independent ticket, effectively resigning from Fatah.
  - Unidentified gunmen fired (4/13) on the Bir Nabala home and car of pro-reform PC member Ahmad Batsh (Fatah-Jerusalem).
  - Unidentified Palestinians threw (3/5) a Molotov cocktail at the home of PA preventive security officer and Fatah member Jamal Khadayr, causing damage but no injuries.
  - In Rafah, 5 unidentified Palestinians beat (3/29) and moderately injured Hamas municipal elections candidate Azmi Abu Mur.
  - Unidentified assailants torched (3/31) the cars of several candidates in the municipal elections in Gaza.
  - Some 25 AMB gunmen invaded (4/1) a youth center in Balata r.c. and tried to disrupt vote counting for elections for the center's board, which Hamas seemed to be winning (81% of the votes had been tallied, showing a clear victory for Hamas). The AMB members fired in the air, destroyed furniture and declared the vote invalid, saying the center was a Fatah institution and must remain so.
  - Several unidentified gunmen raided (3/19) the PA's Rafah police office, fired shots in the air, and freed a jailed Palestinian who had thrown stones at PA security officers sealing a smuggler's tunnel in Rafah on 3/18.
  - Several armed Palestinians broke (2/28) into a Jenin prison and freed a relative jailed for robbery.
  - Angry Palestinians set fire (3/31) to a PA checkpoint in Gaza after officers manning the post fired on a suspected stolen vehicle, wounding at least 1 Palestinian.
- The PA stepped up efforts to prosecute Palestinian collaborators this quarter. Abbas authorized (2/16) death sentences against three collaborators (along with several

Palestinians convicted of murder) but set no date for their executions. A PA court sentenced (3/20, 3/30) another eight collaborators to jail terms of 3-5 years. Unidentified Palestinians fatally shot (3/5) an alleged collaborator in Ramallah. An Israeli security source said (3/22) that Israel would evacuate from Gaza 100s of Palestinians and Egyptians who had collaborated with the IDF when disengagement is implemented and would grant them Israeli residency. (Israel estimates that there are currently 1,200 Palestinian collaborators living in Israel with residency status.) Meanwhile, Mufti of Jerusalem Ikrima Sabri approved (ca. 3/8) the execution orders of 16 Palestinians; 51 Palestinians are thought to await execution.

**PALESTINIAN OPINION**

*The following data are excerpted from a poll conducted by the Birzeit University Development Studies Program (DSP) on 28 April 2005. Results are based on a survey of 1,200 men and women from the West Bank and Gaza. The poll, the 21st in a series, was taken from DSP's Web site at [www.birzeit.edu/dsp](http://www.birzeit.edu/dsp).*

**1. In your opinion, which priority is most important?**

	West Bank	Gaza	Total
a. Withdrawal of Israel from Palestinian cities	39.4%	43.9%	41.1%
b. Improving the economic situation	29.8%	30.0%	29.9%
c. Reducing suffering related to roadblocks	13.2%	7.1%	10.9%
d. Improving internal security	7.3%	9.8%	8.3%
e. Resumption of talks with Israel	5.7%	4.6%	5.3%
f. Improving PA performance	2.8%	2.3%	2.6%
g. Reinforcing democratic practices	1.8%	2.3%	2.0%

**2. In your opinion, which one of the following factors is most important**

**in impeding the ability of President Mahmud Abbas to implement his election program?**

	West Bank	Gaza	Total
a. Israel's practices	51.3%	55.0%	52.7%
b. The corruption existing before his presidency	18.3%	17.0%	17.8%
c. The practices of the PLO and the Fatah leadership	7.0%	8.4%	7.5%
d. His personal competence is insufficient	8.5%	5.7%	7.5%
e. The practices of the armed groups refusing to give him a chance	6.7%	7.3%	6.9%
f. The practices of the opposition and lack of coordination with the PA	6.1%	5.5%	5.9%

**3. Do you support or oppose the allocation of a specific quota for women within the legislative council?**

	West Bank	Gaza	Total
a. Support	81.6%	73.7%	78.6%
b. Oppose	18.4%	26.3%	21.4%

**4. How much should the quota for women be?**

	West Bank	Gaza	Total
a. 10%	22.5%	24.1%	23.1%
b. 20%	19.5%	18.8%	19.2%
c. 30%	18.4%	17.0%	17.9%
d. 40%	10.3%	8.9%	9.8%
e. 50%	29.3%	31.2%	30.0%

**FRONTLINE STATES**

**JORDAN**

Jordan made several gestures to Israel this quarter to foster a cooperative environment before disengagement. First and foremost, Jordan returned its ambassador to Israel, Maruf al-Bakhit, to Tel Aviv on 2/20, as promised at the 2/8 Sharm al-Shaykh summit. (The previous ambassador to Israel, Abu al-Ilah al-Kurdi, was named in 8/00 but never

took up his post because of the intifada, which broke out in 9/00.)

During preparatory talks for the 3/05 Arab League summit, Arab FMs rejected a proposal by King Abdallah to revise Arab conditions for normalizing relations with Israel by dropping the requirement that Israel withdraw to the 1967 borders. (Some sources said that Jordan called on Arab states to normalize relations with Israel immediately in order to give Israel incentive to withdraw from the occupied territories, but Jordan denied this.) Lebanon, Sudan, Syria, and Yemen reportedly were the most vocal in their opposition. King Abdallah consequently canceled plans to attend the summit himself and sent a lower-ranking delegation.

King Abdallah met with Bush in Washington on 3/15, where he stated that Middle Eastern nations would not democratize without pressure from the U.S. and expressed concern that Hizballah would try to derail the Israeli-Palestinian peace process. In an off-the-record meeting with Jewish leaders in Washington on 3/22, Abdallah stated that Hizballah, Iran, and Syria were plotting a terror attack against Israel hoping that an Israeli retaliation would distract attention from Syria's problems in Lebanon (see below); the king hypothesized that the attack could be carried out by Hizballah directly or its Palestinian allies in the territories. He said that he had already warned Sharon and urged him to investigate the possibility of Hizballah involvement in any further attack inside Israel before blaming the PA. The king also stressed his agenda to divorce Islam from politics, saying he was seeking American Jewish partners to develop a program to highlight the similarities between Judaism and Islam, so as to reduce religious tensions and depoliticize religion. Jordanian officials reported (3/22) that talks were underway regarding a visit by King Abdallah to Israel but that no date had been set. Abdallah's only visit to Israel was in 8/00, following the Camp David talks, to meet with Israeli PM Ehud Barak regarding final status of Jerusalem (see Quarterly Update in *JPS* 118).

Israeli FM Shalom was scheduled to make a trip to Jordan on 2/21, but the meeting was postponed after Jordan suggested that Israel release Jordanian prisoners to coincide with the visit, and Israel refused. (On 3/1, roughly 25 Jordanian prisoners being held in Israeli jails began a hunger strike, demanding to be released. The strike lasted through 3/15.) Despite postponement of Shalom's visit, Jordanian FM Hani al-Mulqi went ahead as planned with a visit to Jerusalem, mark-

ing the first trip to Israel by a Jordanian FM since 4/01. (He also visited Ramallah.) His talks with Sharon on 3/6 focused on security cooperation, the release of Jordanian prisoners, and the status of Waqf property in Israel. Mulqi stressed the need to involve Jordan in final status discussions concerning borders, refugees, water, and Jerusalem and urged Israel to accept the 1,500-member contingent of the PLO Badr Brigade in the West Bank following disengagement to help the PA ensure security (see Quarterly Update in *JPS* 135). Following the meeting, Shalom announced Israel's intention to release Jordanian prisoners by the end of 3/05. The first nine Jordanian prisoners were released on 4/21. On 5/7, Israel deported 16 Palestinians with Jordanian citizenship to Jordan. Jordan admitted only 12, and Israel allowed the other four to remain in Jericho.

On the economic front, the Israeli and Jordanian tourism Ms agreed (2/16) to jointly market tourist packages to both countries for the first time since the outbreak of the intifada in 9/00. Israel and Jordan also agreed (3/6) to establish a joint economic comm. to advance tourism and infrastructure building.

There was some coordination among Israel, Jordan, and the PA on tourism and environmental issues of mutual interest. Israeli, Jordanian, and Palestinian officials held (3/8) a conference on Peace Island in the middle of the Jordan River to discuss the river's pollution and to renew pledges to clean it up and revive its flow. Israel, Jordan, and the PA signed (4/21) an agreement to study the feasibility of digging a Red Sea-Dead Sea canal for power generation and desalinization, to improve tourism, and to save the Dead Sea, which is shrinking. The idea was first proposed by Israel in 2000, and the World Bank agreed to help fund the \$20 m. feasibility study and the \$690 m. project if it was approved. The study began on 5/22 after the World Bank approved \$15 m. for the project.

#### LEBANON

The quarter was dominated by the political fallout of events precipitated by the 2/14 assassination of former PM Rafiq Hariri (see Quarterly Update in *JPS* 135). In the weeks immediately following the massive bombing, PM Omar Karami resigned (2/28) in the face of widespread popular protests charging his pro-Syrian government of complicity in Hariri's killing. However, after Hizballah organized a massive popular demonstration on 3/8 in solidarity with Syria as a counterbalance to U.S. and Israeli influence, Karami

was again charged (3/9) with forming an interim government to serve until parliamentary elections in 5/05. Bush publicly praised (3/5) the 10,000s of Lebanese who had joined opposition rallies and criticized Syria's continued occupation of Lebanon as a "key obstacle" to a broader Middle East peace.

Under strong international pressure (see below), Syria agreed (3/8) to withdraw all its 14,000 troops and 1,000 intelligence personnel from Lebanon and immediately began redeploying forces to the Biqa' Valley, pledging (3/29) to conclude the pullout before the 5/05 elections. Meanwhile, France and the U.S. as early as 3/1 said that they were examining what could be done to "stabilize" Lebanon after a Syrian pullout, including possibly forming an international peace-keeping force or new UN mission to "ease the transition and fill the security void." Reports later (ca. 5/12) indicated that the U.S. and Israel were discussing replacing the IDF in the disputed Shaba' Farms region with an international force until a final determination as to whether the area is Lebanese or Syrian. The Shaba' Farms being the last zone where Hizballah claims the right to resist against Israel, such a move would give grounds for demanding that Hizballah disarm and that Lebanon sign a peace treaty.

On 3/2, Sharon and Peres discussed whether to apply pressure on Lebanon to normalize relations with Israel. Days later, the Israeli daily *Ha'Aretz* reported (3/4) that Lebanese opposition members had contacted Israel's former military commander for Lebanon, Uri Lubrani, and other Israeli officials, urging Israel to encourage the U.S. to keep up pressure on Syria. The paper also alleged that senior officials in the Israeli Prime Minister's Office had been in contact with "some Lebanese leaders even before the current crisis." Israeli FM Shalom visited (ca. 3/8) Washington, where he urged international support for a full Syrian withdrawal from Lebanon, inclusion of Hizballah on lists of terrorist organizations, and pressure on Hizballah to dismantle its "terror infrastructure," arguing that these steps could contribute to progress on the Palestinian front. U.S. officials reportedly asked Israel to curtail its public comments on Lebanese politics so as not to provide ammunition to Syria's supporters.

Even as Syrian forces were being withdrawn, Lebanese opposition figures and U.S., EU, and UN officials charged (3/30) that Damascus was creating a network of Lebanese operatives and of Syrian intelligence officers new to Lebanon and therefore

unrecognizable to outsiders. A senior U.S. official warned (3/30) that "any use of the assets [Syria] has in Lebanon, residually or otherwise, will not be tolerated—and to the degree anything bad happens, Syria will be held responsible." The same official also said that the U.S. believed Syria to be responsible for three bombings (3/19, 3/23, 3/26) in Christian areas of Lebanon since the Hariri assassination (further bombings occurred on 4/1 and 5/6), and accused Damascus of wanting "to foment the kind of bombings and dislocation that the Lebanese fear could happen—and that will allow the Syrians to say this is what happens when we remove our forces from your country."

Syria declared that it completed the withdrawal of its 15,000 forces on 4/26. Meanwhile, EU and U.S. officials reported (4/12) that Iran, too, had moved most of its Republican Guard units out of Lebanon in compliance with UN Res. 1559, declaring that the Iranian presence in Lebanon was now a "nonissue." The Republican Guards, sent into eastern Lebanon following the 1982 Israeli invasion, were estimated to number about 2,000 before they began to be drawn down in 2000. As of 4/12, the EU and U.S. believed that 12–50 units remained, "probably on the lower end of that range." Israel stated (4/27) that it would continue overflights of Lebanon even though the forces had departed.

Lending some credence to U.S. and Lebanese opposition claims of a continuing Syrian network of control, Popular Front for the Liberation of Palestine-General Command forces in the Biqa' Valley fired (5/4) warning shots at a UN monitoring team seeking to verify unannounced that Syrian units had left the country. They also barred the team access to one of their camps.

A UN mission to Lebanon to investigate the Hariri assassination completed its work on 3/15 and issued its final report on 3/24, concluding that Syria bore "primary responsibility for the political tension that preceded the assassination," since its presence in Lebanon was "heavy-handed and inflexible" and helped to create the environment of "political polarization" that led to the assassination. The report also cited sources as claiming that Bashar al-Asad threatened Hariri's life when the two met in 8/04, allegedly stating that he would "break Lebanon over the heads" of Hariri and Druze leader Walid Junblatt if they blocked the extension of pro-Syrian Pres. Emile Lahoud's term (see Quarterly Update in *JPS* 134). On the recommendation of the UN mission, the UN

Security Council (UNSC) unanimously passed (4/7) a resolution put forward by the U.S. and France ordering an independent international investigation to determine who was behind the assassination. Lebanon agreed (4/7) to cooperate with the mission.

Following the Hariri assassination, the U.S. also resumed (2/16) pressure on the EU to designate Hizballah as a terrorist organization, which would mean that Hizballah charities providing much-needed social services could no longer fundraise in Europe. The EU parliament (3/10) overwhelmingly approved a nonbinding decision to classify Hizballah as a terrorist organization, but EU ministers had not endorsed the vote by the close of the quarter, without which the decision could not be implemented.

Meanwhile, an unattributed U.S. statement (reportedly put out as a feeler by the State Dept.) was released (3/9) to the press (see *New York Times* 3/10) that the U.S. was prepared to accept Hizballah's role as a mainstream political party in Lebanon, provided that its role was exclusively political and not military. Israel did not comment on the statement, which if formalized would constitute a significant policy shift. Indeed, a week later on 3/15, Bush publicly stated in a press conference with King Abdallah that the U.S. would accept Hizballah as a political party if it renounced terrorism and laid down its arms.

The statements may have been a gesture to Hizballah in advance of a meeting (3/21-22) in Beirut organized by Alistair Crooke, the former British MI6 official and security liaison between EU foreign policy chief Javier Solana and Palestinian Islamist groups. The meeting, which reportedly was held with tacit Bush administration approval, brought together U.S. figures with access to U.S. decision-making circles (including RAND's Graham Fuller, Washington attorney and drafter of the Mitchell Report Frederick Hoff, the Foundation for Middle East Peace's Geoffrey Aronson, and Washington lobbyist and Arafat confidant Mark Perry), a Hamas delegation led by Musa Abu Marzuq (deputy of Hamas head Mishal), and a Hizballah delegation led by the head of the group's foreign relations dept., Nawaf Musawi. The aim was to promote coexistence with Islam through education and to raise awareness among those leading the U.S. campaign for democracy in the Middle East that, in Crooke's words, "many mainstream Islamists are actively involved in political activity and are very legitimate and are often leading groups

in their own societies." Hamas reportedly stressed its desire to participate in the Palestinian political process, but said it would not necessarily renounce violence, seeing violence as often the Palestinians' only option. Musawi revealed that the U.S. had offered to remove Hizballah from its list of "terrorist organizations" if it were to condemn al-Qa'ida and other "extremist jihad movements and remove the Palestinian issue from its agenda." He explained that Hizballah has differences with al-Qa'ida and other groups but does not make a practice of condemning other Muslim organizations; said that Hizballah had decided to put "the occupied territories in northern Israel outside the struggle"; and stressed that Hizballah is not an enemy of the Jews or the U.S. but of occupation, hence it would respect any agreement that the Palestinians reached with Israel. On 5/12, the State Dept. had said that the Bush administration "will neither recognize nor engage with" members of Hamas or Hizballah who are elected to office unless the groups disarm.

The PA had planned to send a senior-level solidarity mission to Lebanon in early 3/05 as an expression of support for Lebanese sovereignty and independence, to coordinate with the Lebanese government regarding Palestinian refugees, and to meet with Palestinian refugees and assure them that the PA would not agree to their permanent resettlement (*tawtin*) in Lebanon but would continue to fight for the right of return. The visit was postponed ca. 3/19, since the interim Lebanese government had not been formed. (A caretaker government in fact was formed on 4/18, too late for the PA mission to be sent to Lebanon before the 5/05 elections.)

On 4/1, Abbas appointed Ramzi Khoury as the Palestinian ambassador to Lebanon after the Lebanese government approved the PLO's request to open an embassy. Abbas also dissolved (4/1) Fatah's Lebanese Committee, in charge of overseeing Fatah activities in Lebanon, and appointed Fatah Central Comm. member and foreign affairs chief Abbas Zaki to manage the movement's affairs in Lebanon and Syria.

IDF Chief of Staff Moshe Ya'alon reported (3/19) that the number of incidents on the border with Lebanon dropped from 150 in 2003 to 13 in 2004. The border was quiet this quarter until 4/11, when Hizballah flew a drone into Israeli air space in what it said was a response to the near daily violation of Lebanese air space by Israeli warplanes that had continued since Israel withdrew

from southern Lebanon in 5/02. This was the second drone Hizballah sent into Israel; the first was launched in 11/04 (see Quarterly Update in *JPS* 134); both returned to Lebanon without incident. The IDF blamed Hizballah for several roadside bombs that exploded (4/24) along roads frequently used by the IDF in the Shaba' Farms area, causing no damage or injuries. On 5/9, the IDF fired a shell into Lebanon, which it immediately reported as accidental to the UN Interim Force in Lebanon. The shell caused no injuries, and Israel apologized to Lebanon. The next day, a Katyusha rocket fired (possibly by Palestinians) from southern Lebanon landed in Shlomi village in the western Galilee, damaging a bakery but causing no injuries. On 5/12-13, Hizballah and the IDF traded rocket and artillery fire across the border in the Shaba' Farms area, and IDF warplanes destroyed guerrilla positions in southern Lebanon, marking the heaviest clashes in months; Israel reported no damage or injuries, and there was no word on Lebanese casualties.

#### SYRIA

The Hariri assassination triggered an escalation in U.S. pressure on Syria. Two days after the assassination, Secy. Rice told (2/16) the Senate Foreign Relations Comm. that Syria should be held at least partially responsible "given their continued interference in Lebanese affairs," and committee member Sen. George Allen (R-VA) warned that Syria could finance terrorist groups to assassinate Abbas. In a press conference on 2/17, Bush stated that Syria was out of step with democratic trends in the Middle East and must halt aid to Iraqi insurgents and stop interfering in Lebanon to avoid becoming further isolated. (On 2/23, a U.S. funded Iraqi TV channel aired the confession of an alleged Syrian intelligence officer claiming that he trained Iraqis to behead people and to build car bombs; it also ran interviews with men identified as Egyptians and Sudanese who had been trained in Syria to carry out attacks in Iraq.) Days later, U.S. media outlets reported (2/27) that Syria had captured and handed over to the U.S. 30 Iraqis on the U.S.'s most wanted list, including Saddam Hussein's half brother. Syria denied this, saying the announcement was a U.S. ploy to put pressure on Syria by falsely suggesting that Syria had harbored Iraqi insurgents.

On 3/2, the Bush administration outlined a three-pronged strategy against Syria (see *Washington Post* 3/3): increasing daily pub-

lic statements against Syria's "domination" of Lebanon, sending harsher messages to Syria through diplomatic channels, and emphasizing the possibility of new sanctions if Syria does not comply with U.S. demands to withdraw all troops from Lebanon and cut off all support to Hizballah and Palestinian resistance groups in keeping with UN Res. 1559. In pursuit of this strategy, the U.S. sought to create a united international front by coordinating such messages with the EU (especially France) and the UN and by urging Syria's Arab allies to exert their own pressures on Damascus to the same ends. Egypt and Saudi Arabia promptly told (3/3) Syria to withdraw its forces from Lebanon quickly or they would be forced to scale back relations. The U.S. also opened channels with the U.S.-based Syrian opposition group, the Syria Reform Party, to discuss "how we can help [promote reform and change in Syria,] and work with people in the region and Syria to support that process." The opening, revealed by Rice on 3/25, reportedly was made after French pres. Jacques Chirac informed Bush in their 2/21 meeting in Europe that he believed that the Asad government was unlikely to survive the withdrawal of Syrian forces from Lebanon. (The Syria Reform Party previously sought U.S. administration support for lawsuits in U.S. courts against Syrian officials engaged in human rights abuses, though no suits have yet been brought.) Syria announced having completed its withdrawal on 4/26. The same day, the U.S. (and Lebanese opposition figures) reiterated claims that Syria was building a network of control in Lebanon and threatened to impose further sanctions if Syria did not comply fully with UN Res. 1559.

On the Syria-Israel front, Israel accused (2/26) Damascus of partial responsibility in the 2/25 Tel Aviv bombing on the grounds that it harbored the rogue Islamic Jihad cell that ordered the attack, threatening possible military retaliation. On 2/28, Israeli military intelligence briefed the ambassadors of the EU and UN Security Council countries on Israel's evidence of Syria's responsibility for the bombing via its "ongoing support" for terrorism emanating from the occupied territories. Israel also dispatched DMin. officials to Washington, London, and Paris to brief government officials. On 3/1, Rice stated that the U.S. believed Israel's evidence (an intercepted phone conversation in which Damascus-based Islamic Jihad leader Ramadan Shallah gave orders to Islamic Jihad operatives) was "firm" and that "the Syrians

have a lot to answer for. . . . [C]ertainly what is happening on the territory of Syria, in and around Damascus, is clearly threatening to the different kind of Middle East we're trying to grow."

UN special envoy Terje Larsen met with Asad in Aleppo on 3/12 to warn him to comply quickly with UN Res. 1559 to avoid broad punitive sanctions from the international community amounting to "total political and economic isolation." Larsen preceded his trip to Aleppo with visits to Egypt (3/10) and Jordan (3/11) to urge the Arab League, Egypt, and Jordan to use their influence with Syria.

Syria joined (4/24) the UN Convention for the Suppression of the Financing of Terrorism, which requires signatories to crack down on money laundering and organized crime used in support of terrorism, and to "make the provision of such funding a criminal offense under their domestic laws and to confiscate assets allocated for terrorist purpose." The U.S. warned (4/26) Syria that it would have to do much more to prevent its banking system from being used by "terrorists," if it wanted to retain access to hard currency.

The IDF detained (4/15) a Fatah member who infiltrated the occupied Golan Heights from Syria and fired on IDF troops, causing no damage or injuries.

Of note: Asad replaced (2/18) longtime military intelligence chief Hassan Khalil with brother-in-law and confidante Gen. Assif Shaukat, raising speculation that the Hariri assassination may have been carried out by elements of the Syrian intelligence or military not under Asad's full control.

## REGIONAL AFFAIRS

### RELATIONS WITH ISRAEL

Following the 2/8 Sharm al-Shaykh summit, several Arab states made overtures to Israel at the urging of the U.S. In addition to Jordan (see above), Egypt named a new ambassador to Israel, Muhammad Ibrahim, on 2/22; the Egyptian and Jordanian ambassadors presented their credentials to Israeli pres. Moshe Katsav on 3/21. Egypt also invited Knesset speaker Reuven Rivlin to give the opening speech at a Euro-Med conference in Cairo on 3/14 and aired the speech on Egyptian television. Rivlin invited (3/14) his Egyptian counterpart, Fathi Srouf, to address the Knesset; Srouf agreed in principle, but the issue was not discussed further.

Egypt expressed (3/31) astonishment and dismay at Israel's public honoring of nine Egyptian Jews recruited by Israel in the 1950s to carry out a series of fire bombings in Cairo and Alexandria at sites frequented by foreigners with the aim of undermining an Egyptian rapprochement with the U.S. and Britain.

In mid-3/18, Israeli FM Shalom went to Geneva to hold a secret meeting (revealed in *Ma'ariv* on 3/21) with Moroccan FM Muhammad Benaissa to discuss renewing bilateral relations. Rumors circulated that full diplomatic ties would be restored in 4/05 (Morocco froze them at the outbreak of the intifada in 2000), but by the end of the quarter this had not occurred.

Tunisia invited (2/25) Sharon to attend the upcoming UN-sponsored world conference on information technology in Tunis in 11/05. Israel called (2/25) the invitation an "important signal."

The *Jerusalem Post* reported (5/15) that Israel had confirmed plans to open an economic interests office in Dubai, but intended to keep a very low profile (e.g., no flag, the Israeli diplomats would be there on foreign passports). The UAE, however, denied that any such plans were afoot.

Of note: Israel FM Shalom told (2/21) the Knesset Foreign Affairs and Defense Comm. that the Foreign Ministry expects that at least 10 Arab countries would open embassies in Israel and establish full diplomatic relations immediately after disengagement is implemented.

On 2/19, Sharon gave his first interview ever to an Arab newspaper, telling Egypt's *al-Abram* that he was willing to make "painful concessions" for real peace, but would not make concessions that would compromise Israel's security. In the same interview, he emphasized that Jerusalem would remain Israel's undivided capital, that large settlement blocs in the West Bank would be annexed to Israel, and that Israel would only allow a right of return for Palestinian refugees to a Palestinian state.

### INTER-ARAB HIGHLIGHTS

The annual Arab League heads of state summit convened in Algiers 3/22-23, with only 13 of 22 heads of state attending (including leaders of Algeria, Djibouti, Egypt, Libya, Mauritania, Morocco, Qatar, Somalia, Sudan, Syria, and Tunisia, as well as Abbas and the interim pres. of Iraq; leaders of Bahrain, Jordan, Kuwait, Lebanon, Oman, Saudi Arabia, and the UAE were absent). The main focus of the

session was reform of Arab League bodies, including possible formation of an appointed Arab parliament. Arab states reiterated their offer to normalize relations with Israel once it withdraws to 1967 borders and issued a statement of solidarity with Syria, rejecting further "foreign intervention" in Syria's pullout from Lebanon but urging Damascus to withdraw in full. Otherwise, the issues of Israel and Palestine, and of Syria and Lebanon, were not discussed in detail. Democratization was also not debated, though Morocco's King Muhammad stated that "self-reform is an internal process. . . . [W]e will not tolerate being told what to do." The summit's final statement was bland, with passing references to Arab political reform and the Lebanon crisis, positions on the Arab-Israeli conflict merely restated, and the Saudi peace initiative endorsed by the Arab League in 2002 reaffirmed. Arab and international press coverage of the summit reported (e.g., *New York Times* 3/24) a great deal of "personal squabbling" among the representatives, noting that some even refused to be photographed together.

This quarter, private Saudi individuals and institutions donated \$32.6 m. in food aid to 200,000 needy Palestinian families in the West Bank and Gaza. The program stipulated that food be bought from Palestinian companies, rather than imported from abroad. The World Food Program began collecting and distributing the first installment of the aid to 70,000 families in Gaza on 2/20.

## INTERNATIONAL

### UNITED STATES

With U.S. intervention in Iraq plateauing, the U.S. turned its focus to the broader Middle East this quarter, lending increased support to Israel's disengagement plans and extending its democratization agenda to Lebanon and Syria (as mentioned above), and to a lesser extent Egypt and Iran (both of which faced upcoming elections). The Bush administration continued to avoid close involvement in the Israeli-Palestinian conflict, but took steps to encourage the sides to coordinate, keep violence down, and move toward a final status realizing two democratic states. In this regard, the U.S. warily watched the unfolding Palestinian elections, fearing Hamas would win landslides in freely contested municipal and legislative elections.

U.S. statements meant to give encouragement Israel and the PA revealed some underlying discrepancies in U.S. regional aims. At

a NATO meeting in Brussels on 2/21, Bush stated that a Palestinian state must have contiguous territory in the West Bank in order to be viable, saying "a state of scattered territories will not work." On 3/15, he repeated that "there must be continuous territory for a Palestinian state—in which a Palestinian state can grow." But in an off-the-record briefing to the Anti-Defamation League, National Security Adviser Stephen Hadley stated (4/6) that democratic institutions, not borders, were necessary to the making of a Palestinian state. While EU diplomats said (4/6) Hadley's statements were "disastrous" and served as a green light for continued settlement expansion, Israel welcomed (4/6) them, saying they corresponded with the second phase of the road map, which calls for a Palestinian state with provisional borders.

Bush signed (5/12) an emergency spending bill including the \$200 m. for the Palestinians that he had announced in his State of the Union address (see Quarterly Update in *JPS* 135), but imposed strict restrictions on its use, possibly undermining U.S. efforts to support Abbas. The \$200 m. was allocated to economic and infrastructure development as follows: improving the flow of people and goods to Israel, \$50 m.; roads and water, \$50 m.; trade promotion and capacity building, \$24 m.; job creation, school and community center construction, \$20 m.; reform and rule of law, \$16 m.; health care and food assistance, \$13 m.; agricultural production and marketing, \$15 m.; education and vocational training, \$8 m.; community policing, \$3 m.; home construction financing, \$1 m. Of the \$200 m. in total, \$50 m. would go directly to Israel to build high-tech terminals at crossing points between Israel and the West Bank; \$5 m. would be used to conduct an independent audit of the PA accounting procedures and expenditures (see above); and \$3.5 m. would go to Holy Family Hospital in Bethlehem and \$2 m. to Hadassah (the Women's Zionist Organization of America) to provide healthcare for Palestinians. The rest of the money must be funneled through U.S.-approved NGOs so that it is not given directly to the PA. While the White House could seek a waiver of the restrictions, the State Dept. informed (5/3) Congress that it would not do so. The U.S. also reported (5/3) its requirement that the \$20 m. given directly to the PA in 12/29 be used to pay bills owed to Israel's electricity company rather than to fund elections, finance reform efforts, and water, electricity, and sewer

infrastructure projects, as originally stated by the Dept. of State (see Quarterly Update in *JPS* 135).

Commenting on reports that the U.S. had taken a decision to move its consulate to West Jerusalem (a possible precursor to relocating the embassy from Tel Aviv to Jerusalem), the State Dept. stated (4/7), "We are currently located in several different sites in Jerusalem. We have leased a parcel of land in the Arnona area and plan to build an annex to mitigate overcrowding and improve the security posture of some of our offices." The possibility of building in Arnona, which is in West Jerusalem, has been discussed at least since 2003 but has not moved into the planning stage until now.

Also of note: the State Dept. lifted (4/10) its warning on travel to Israel, citing the sharp decline in violence.

Sen. Sam Brownback (R-KS) submitted (4/24) draft legislation that would obligate the U.S. to recognize Jerusalem as the unified and indivisible capital of Israel and move its embassy from Tel Aviv to Jerusalem at least 180 days prior to the recognition of an independent Palestinian state. He also called on the international community and Arab states in particular to recognize Jerusalem as Israel's capital as a precondition for the U.S. to consider the possibility of permitting establishment of a Palestinian state.

Rep. Anthony Weiner (D-NY) proposed (4/4) legislation to downgrade the PLO offices in Washington because of Abbas's efforts to bring Hamas and Islamic Jihad (which are on the State Dept. list of terrorist organizations) into the umbrella organization. Weiner stated, "Terrorists organizations should not be welcome on U.S. soil. . . . We should close the PLO's offices until the Palestinian Authority commits to disarming terrorists and bringing violence in the Middle East to an end."

Some strain in U.S.-Israeli military relations persisted this quarter over Israel's "upgrade" of Chinese weapons systems (see Quarterly Update in *JPS* 135). By 4/8, the U.S. had reportedly frozen regular strategic and defense coordination talks with Israel until the issue was resolved. Nonetheless, the U.S. and Israel held (ca. 3/10) biannual joint air defense exercises in Israel. The maneuvers involved deployment of Patriot and Arrow missile batteries, developed to shoot down medium- and high-altitude missiles fired from neighboring countries. The U.S.-Israeli Joint Economic Development Group (JEDG) also met (4/18) in Washington to dis-

cuss Israeli economic issues; the U.S. relayed Congress's decision to extend the period of the loan guarantee program to Israel for two years to 2008 and announced that the U.S. would provide another \$3 b. in loan guarantees in annual \$1 b. installments through 2008. An Israeli company, Palsen Sasa, won (3/8) a contract to armor U.S. military vehicles in Iraq.

U.S. Atty. Gen. Alberto Gonzales signed (5/11) a memorandum establishing the Office of Justice for Victims of Overseas Terrorism to monitor the investigation of terrorist attacks against Americans abroad. The new body will be attached to the office of the asst. atty. gen. for the Criminal Division and will include a joint task force consisting of Justice and State Dept. personnel. The decision to create the special office was a result of lobbying in response to the death on 5/9/01 of 13-year-old Israeli-U.S. dual citizen Koby Mandell, who was found beaten to death, allegedly by Palestinians, in a cave outside Tekoa settlement, where he lived.

The *International Herald Tribune* reported (4/28) three sources as saying that John Bolton, Bush's controversial choice for ambassador to the UN, had previously met with top Mossad agents in Israel without State Dept. permission. The State Dept. said the charges were unsubstantiated.

The American Israel Public Affairs Comm. (AIPAC) fired (4/20) its policy dir. Steve Rosen and senior analyst Keith Weissman based on "recently learned information" from the FBI regarding charges that they transferred classified government material to Israel (see Quarterly Update in *JPS* 135). Rosen and Weissman, who were placed on leave in 1/05, continued to deny charges of spying for Israel. On 5/4, the FBI arrested former Pentagon official Larry Franklin on charges of passing Rosen and Weissman classified information on "potential attacks" on U.S. forces by Iranian insurgents in Iraq. The charges did not mention Israel at all.

On 5/9, Israeli FM Shalom reported that Sharon had decided ca. 4/1 "to take real action to bring about Jonathan Pollard's release." Sharon agreed to have a series of Israeli officials visit the convicted spy for Israel in jail, beginning with Amb. Ayalon on 5/17.

A U.S. court of appeals ruled (4/3) that the PA must pay \$116 m. to the estate of a victim of a Hamas suicide bombing. The court reject the PA's claim of immunity from lawsuits on the grounds that a state of Palestine does not exist.

**RUSSIA**

Russian pres. Vladimir Putin made (4/26-29) a tour of the Middle East aimed at reinvigorating Russia's role in the peace process. The visit was Putin's first to the region and the first by a Russian president to Israel. During his stops in Egypt (4/26-27), Israel (4/27-28), and the occupied territories (4/29), he stressed the importance of implementing the road map and discussed the situations in Iraq, Lebanon, and Syria. Sharon and Putin emphasized their common aims in fighting "terrorism," but expressed deep differences over Russia's support for Iran and Syria and over Israel's refusal to move forward with road map implementation until the PA dismantles militant groups. Putin proposed hosting an international peace conference on the Israeli-Palestinian conflict, but Sharon stated that the time was not right for new initiatives and that enough countries (i.e., the U.S.) were already involved in promoting peace. In his meeting with Abbas, Putin offered the PA 50 armored personnel carriers (APCs), two helicopters, and communication equipment for the security forces, but Israel blocked the deal. (Russia provided the PA with 50 APCs in 1994, but all were destroyed by the IDF after the outbreak of the intifada.)

After weeks of Israeli warnings and Russian denials in the press (beginning ca. 1/19), Russia announced (2/16) plans to sell Syria an SA-18 Strelitz short-range anti-aircraft missile system, but specified that it has no intention of selling Syria the SA-18 Igla surface-to-air or tactical SS-26 Iskander-E ground-to-ground missiles, as Israel had feared. The SA-18 system, Russia explained, was purely defensive and would not easily fall into the hands of "terrorists" because it is mounted on a vehicle or tracked chassis, whereas the Igla is shoulder mounted and portable. Israel nonetheless stated (2/16) it was "not happy" with the sale.

**EUROPEAN UNION**

EU FMs held (4/14) a meeting in Luxembourg to discuss ways of ensuring a successful Israeli disengagement from Gaza and encouraging democratic and economic reform in the Middle East. The EU reportedly was considering offering Israel a package of economic benefits (e.g., relieving customs on exports of products manufactured in qualified industrial zones) if it eased pressures on Palestinians (e.g., removing roadblocks, relaxing restrictions on transport of mer-

chandise to Israel and overseas, facilitating movement of Palestinian workers to and from Israel).

As of 3/16, some EU states were reportedly debating whether to remove Hamas from the list of terrorist organizations because of Hamas wins in Palestinian municipal elections and as a way to encourage Hamas's transformation into a mainstream political party.

Abbas met with EU foreign policy adviser Javier Solana in Brussels on 3/2 to urge the EU to take a greater role in the peace process.

Ireland's *Evening Herald* reported (3/5) that Ireland's intelligence agency had recently detained two Mossad agents plotting to assassinate senior AMB member Jihad Jarrah in Dublin. Jarrah was among 12 Palestinians Israel had deported in 2002 as part of the agreement to end the Church of the Nativity stand-off. Israel declined to comment on the report.

Britain's Association of University Teachers voted (4/22) to boycott Israel's Haifa and Bar Ilan Universities to protest their involvement in "illegal activity" in the occupied territories. The association also accused Haifa University of mistreating Prof. Ilan Pappé for defending a graduate student's research into Israeli massacres of Palestinians in 1948, and of building university buildings on confiscated Palestinian land. It accused Bar Ilan University of supporting degree programs at a campus in Ariel settlement. The association also urged British establishments to divest from Israeli firms. Israel said (5/3) that as a result it was upgrading the status of the college in Ariel to a university. Under heavy international pressure, the association voted to reverse the ban on 5/26.

**UNITED NATIONS**

UN Secy.-Gen. Kofi Annan led a 40-member international delegation to Israel for the opening of a new Holocaust museum at Yad Vashem on 3/15, marking his first trip to the region since 3/98. On 3/14, he met in Jerusalem with Sharon, who said Israel would make no progress on the peace process until the PA halts all violence against Israel. Annan also met (3/14) with Abbas in Ramallah, where he said that creation of a Palestinian state was a realistic goal in the not-too-distant future. In Ramallah, at least 300 Palestinians (Israeli reports said 1,000s) protested Annan's visit and his refusal to tour or explicitly condemn the separation wall.

Annan named (5/6) Peruvian diplomat Alvaro de Soto as his special coordinator to

the Middle East peace process and his rep. to the PA, replacing Terje Larsen. Annan also appointed (4/3) Karen Koning Abu Zayd as acting head of the UNRWA until the position, vacated by Peter Hansen on 3/1, is permanently filled.

The UNSC issued (2/28) a press statement condemning the 2/25 Tel Aviv bombing and welcoming PA efforts to apprehend the perpetrators. Israel welcomed the statement as a small sign of thawing relations with the UN. (Press statements carry less weight than a statement by the pres. of the UNSC or a UNSC res.)

On 4/14, the UN Human Rights Commission (UNHRC) passed (39-2, with 12 abstentions) a measure condemning Israel's settlement policy, demanding that the policy be reversed, and calling on Israel to "prevent any new installation of settlers in the occupied territories" and to guarantee the safety of Palestinian civilians. Israel condemned (4/14) the measure as "one-sided," saying it brought "shame" on the UN. The same day, the UNHRC passed (29-10) a separate resolution condemning Israel's use of force against Palestinian civilians and a third resolution (32-2) calling on Israel to respect the rights of Syrian citizens in the occupied Golan Heights.

The UN released (4/5) the third annual Arab Human Development Report for 2004 after a six-month delay, during which the Bush administration sought to block it. While the report urges Arab states to take steps toward democratization, it criticizes Israel and the U.S. for suppressing Arab freedom. The UN acknowledged that some language was toned down to appease the U.S., but maintained that no sections had been excised or conclusions changed or omitted to please the U.S. State Dept. spokesman Richard Boucher stated that the report "fits in the pattern" of the previous reports, saying "It's not even so much that we disagree with the problems. . . . We tend to disagree with these sort of gratuitous statements about where they come from."

#### TURKEY

Turkish PM Recep Tayyip Erdogan made (5/1) a one-day trip to Israel in an attempt to restore friendly ties and to expand trade and military ties. He and Sharon agreed to set up a telephone hotline to share intelligence information. Meeting with Abbas in Ramallah on 5/2, Erdogan brought the PA copies of 135,000 Ottoman land records from the Turkey's Ottoman archives and offered to help build high-rise

housing and a power station in Gaza after disengagement.

#### IRAN

U.S. military sources said (2/20) that Israel had been pressing the U.S. privately to "solve the Iran nuclear problem," hinting that Israel might take military action itself if Iran continued to pursue its nuclear program. Defense Dept. officials said that Israel's concerns were one reason that the Bush admin. had increased its public pressure and intelligence gathering on Iran over the past year. Asked in a press conference on 2/17 if he would support an Israeli attack on Iran's nuclear facilities, Bush replied, "Clearly if I was the leader of Israel and I'd listened to some of the statements made by the Iranian ayatollahs that regarded the security of my country, I'd be concerned about Iran having a nuclear weapon as well. And in that Israel is our ally, and in that we've made a very strong commitment to support Israel, we will support Israel if her security is threatened."

During Sharon's visit to the U.S. in 4/05, his military secy. Yoav Galant gave (4/11) Bush Israel's latest satellite photos of Iran and intelligence purporting to show that Iran was near "a point of no return" on developing a nuclear bomb. (Israel estimated on 5/14 that Iran would have the knowledge to make a nuclear weapon in 6-9 months.) Sharon discussed (4/12) the nuclear issue with VP Dick Cheney, but no details were released.

On 4/26, the Pentagon informed Congress of plans to sell Israel 100 5,000-lb laser-guided GBU-28 "bunker buster" bombs that are capable of penetrating 90 feet below ground and destroying a bunker encased in 30 feet of concrete. (Israel requested the \$30 m. purchase.) Since Israel already produces a similar bomb on its own, the sale was seen as a warning by the U.S. and Israel to Iran.

As of early 5/05, AIPAC was lobbying members of the House to sign onto draft legislation calling for U.S. sanctions on Iran. Some 200 representatives had reportedly signed on to the measure as of 5/13. The Senate was reportedly considering a toned-down version of the bill, but few senators were showing interest. AIPAC also announced plans to make the Iran issue a central theme of its upcoming annual conference later that month.

Responding to increased U.S. rhetoric against them following the Hariri assassination, Iran and Syria declared (2/16) a "united front" against economic sanctions and other "common threats" from the U.S.

**OTHER**

NATO FMs opened (4/20) a two-day meeting in Lithuania to discuss a possible role for NATO in the Middle East, marking the organization's first detailed talks on the region. (Rice led the U.S. delegation.) The FMs ruled out an immediate military role in securing Middle East peace and said that NATO had no intention of becoming involved in Israeli-Palestinian negotiations, but left open the possibility of a future role following the conclusion of an Israeli-Palestinian agreement. NATO also showed interest in undertaking joint training missions with Mediterranean Dialogue countries (Algeria, Egypt, Israel, Jordan, Morocco, Mauritania, Tunisia) so that forces could be integrated for joint operations in the future. Prior to the meeting, Jaap de Hoop Scheffer made (2/13) the first visit by a NATO secy.-gen. to Israel to hold consultations.

Arab and Latin American leaders held a five-day summit (5/7-11) in Rio de Janeiro, Brazil to promote greater economic integration between the regions. Seven heads of state attended the summit, along with senior delegations from Algeria, Bahrain, Comoros, Djibouti, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Morocco, Mauritania, Oman, the PA, Qatar, Saudi Arabia, Sudan, Syria, Somalia, Tunisia, UAE, and Yemen on the Arab side, and Argentina, Brazil, Bolivia, Chile, Colombia, French Guiana, Paraguay, Peru, Uruguay, and Venezuela on the Latin American side. The differing political priorities of the two regions were immediately apparent: the Arabs wanted to emphasize criticism of Israel and the U.S., calling for greater solidarity with the Palestinians, while the Latin Americans wanted to keep the focus on economic issues, "the need to design a new international economic and commercial geography." After lengthy debate, the sides included a section in their final statement that called on Israel to withdraw to 1967 borders, denounced "terrorism," defended the right to resist occupation, and called for an international conference to define "terrorism."

**DONORS**

The donors' regular Local Aid Coordination Comm. (LACC) meeting held in Gaza

on 2/25 focused on aid to rebuild Gaza after Israeli withdrawal, following up on the last Ad Hoc Liaison Comm. (AHLC) held in Oslo on 12/8/04 (see Quarterly Update in *JPS* 135); no details were released. Another LACC meeting was held on 3/10 to discuss the PA's 2005 budget and implementation of its medium-term development plan (MTDP) for 2005-2007 to reduce poverty, encourage sustainable growth, and enhance and accelerate PA government efficiency and reform (see Quarterly Update in *JPS* 135).

Participants at the 3/1 London conference (see above) endorsed the MTDP objectives, with the EU, U.S., and World Bank agreeing to lead an international effort to coordinate "institutional renewal" in the Palestinian territories. To this end, the U.S. pressed the Arab states to fulfill previous donor pledges. (An unnamed U.S. admin. official said that the Arab states "were told their checkbooks were invited [to London] and they could come along too.") According to the PA and IMF, the PA had not received pledges of \$148 m. from Libya; \$140 m. from Kuwait; \$132 m. from Iraq; \$106 m. from Egypt; \$86 m. from Algeria; \$66 m. from Morocco; \$52 m. from Qatar; \$43 m. from UAE; \$23 m. from Yemen; \$20 m. each from Bahrain, Oman, Syria; \$13 m. each from Jordan, Mauritania; and \$12 m. from Tunisia. Saudi Arabia was the only country to have fulfilled its commitments. Countries (mostly EU and the U.S.) renewed pledges and made new pledges of aid totaling \$1.2 b. for 2005. (By 3/25, Algeria had transferred \$50 m., Kuwait \$40 m., and Qatar \$11 m.) Donor nations also stated the aim of holding an AHLC meeting in 4/05 to review the first periodic monitoring report on PA economic reform and to hold a Consultative Group (CG) meeting by 6/05 to seek pledges to fund the MTDP. In fact, the AHLC was not held and no planning seemed underway. At the close of the quarter, donors hoped to convene the AHLC in early fall 2005. The CG, the highest ranking donor body, has not met since 2/99.

Sector working groups (SWGs) on health, education, municipal affairs, and agriculture continued to hold regular meetings this quarter. Efforts to launch five new SWGs proceeded (see Quarterly Update in *JPS* 135).