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QUARTERLY UPDATE ON CONFLICT AND DIPLOMACY

16 NOVEMBER 2005–15 FEBRUARY 2006

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

This quarter was marked by dramatic shifts in the Palestinian and Israeli political landscapes. On the Israeli side there was Israeli PM Ariel Sharon's dissolution of the Israeli parliament, call for new elections, and break away from Likud to form his own Kadima (Forward) party in 11/05, followed by his incapacitating stroke on 1/4/06 that left him in a deep coma, permanently removed from the political scene, and left Kadima's Ehud Olmert as acting Israeli PM. And in the Palestinian arena, the first Palestinian legislative elections in ten years on 1/25/06 brought Hamas's upset victory over Fatah.

As the quarter opened, Israel and the Palestinian Authority (PA) generally were trying to adjust to Israel's unilateral disengagement from Gaza in 9/05 (see Quarterly Update in *JPS* 138). In the weeks following the Israeli pullout, heralded by the U.S. as a "courageous" act of peace requiring a similarly bold Palestinian response, the Palestinians saw confirmation of their worst fears that Israel intended disengagement as a way to freeze the peace process and deepen control over the West Bank. Not only had Sharon flatly stated (9/14) that "there is no chance now" of resuming peace-making and likely would not be for years, but Israel had launched two major military operations in Gaza and virtually sealed Gaza's borders, demonstrating its ability to control the Strip from outside; stepped up assassination and arrest campaigns; announced plans to expand West Bank settlements, especially around East Jerusalem; put in place road closures and started work on a massive new checkpoint at Tapuach Junction south of Nablus, severing the northern from the southern West Bank; and initiated a plan

to create a separate West Bank road network for Palestinians only, reinforcing the sense of apartheid. Hopes had been modestly raised on 11/15, when Israel and the PA agreed—under heavy U.S. pressure and with the personal intervention of U.S. Secy. of State Condoleezza Rice—on a set of security and border crossing arrangements (the Rafah arrangements; see Doc. A4 in *JPS* 138) to be implemented through the end of 2006. These were to guarantee movement and access of people and goods to the Gaza Strip in the aim of promoting Palestinian economic development and Israeli security.

Meanwhile, the cycle of Israeli-Palestinian violence continued (see Chronology for details). The Palestinian factions largely continued to adhere to a unilateral truce declared in 2/05 and set to run through the end of the year. The Palestinian attacks that were launched were mainly by Islamic Jihad, the al-Aqsa Martyrs Brigade (AMB), and the Popular Resistance Committees (PRCs), while Hamas remained mostly quiet. Incidents of violence were usually met with a disproportionate Israel Defense Forces (IDF) response and frequently were directed at Hamas so as to weaken the movement prior to elections. Jewish settlers in the West Bank continued near daily attacks on Palestinian civilians. As of 11/16, at least 4,215 Palestinians (including 46 Israeli Arabs and 17 unidentified Arab cross-border infiltrators), 992 Israelis (including 307 IDF soldiers and security personnel, 200 settlers, 485 civilians), and 56 foreign nationals (including 2 British suicide bombers) had been killed since the start of the al-Aqsa intifada.

Implementation of the Rafah Arrangements

The first weeks of the quarter were dominated by diplomatic efforts aimed at

implementing the Rafah arrangements to give Palestinian a sense that disengagement had been a positive step and otherwise to bolster PA Pres. Mahmud Abbas's popularity. Initially, all parties took steps toward Rafah implementation: Israel and the PA revived (11/20) their security working group to coordinate efforts, with U.S. participation. The U.S. also held (11/20) bilateral talks with Israel regarding upgrading the X-ray machines at Gaza border crossings (at U.S. cost) and demanded that Israel commit to closing crossings only in response to specific security threats and give reasons for every closure. After the European Union (EU) ratified (11/21) plans to provide monitors at the Rafah crossing, Israel and the EU formally declared (11/23) the provisions for the EU Border Assistance Mission for Rafah (EU BAM Rafah) outlined in the 11/15 protocol. EU BAM Rafah (50–70 observers) would monitor, verify, and evaluate PA compliance with the agreed principles on border security; contribute to PA capacity building; and liaise between the PA, Israel, and Egypt. Meanwhile, Egypt and the PA signed (11/23) a memorandum of understanding for the operation of the Rafah crossing and monitoring of the common border, including setting up joint civil and security coordination offices to combat smuggling. Israel allowed the PA to begin operating the Rafah crossing on 11/25 (the date set in the Rafah arrangements) for 4 hours/day until the full EU contingent was in place (scheduled for the following month). An Israeli-PA liaison office at Kerem Shalom (the new Israeli border crossing being built at the intersection of the Israeli, Egyptian, and Gaza borders) had also been formed. On 12/1, Israel signed a \$25 m. agreement with the UN Development Program (UNDP), contracting the latter to remove debris from the Gaza settlements demolished in the disengagement; the UNDP received the funds on 11/22 and expected to complete work by 6/06.

Soon, however, Israel slowed the process in its drive to maintain effective control over Gaza. Six days after the PA assumed operation of Rafah, the IDF threatened (11/30, 12/2) to close all Gaza crossings if the PA did not improve its Rafah operations, complaining that it was not receiving real-time information on Palestinians crossing at Rafah, as promised under the arrangements, and arguing that the 15-minute delay in information transfer had allowed "terrorists" to enter Gaza undetected. Israel specifically cited the entry on 11/29 of senior Hamas mem-

ber Fadl Zahar, cofounder of the Izzeddin al-Qassam Brigades and brother of Hamas political leader Mahmud Zahar, who had not returned to the territories since Israel deported him to Lebanon in 1992, along with 416 other Hamas members. Israel said (12/2) that it would not agree to implement the next step under the 11/15 protocol—a bus link for Palestinians between Gaza and the West Bank—until the problem was solved. Quartet special envoy for economic affairs James Wolfensohn affirmed (11/30), however, that the PA had established clear operating procedures at Rafah and had met its obligations and that the delay was caused by computer software glitch that would soon be resolved, making suspension of further Rafah implementation unwarranted.

Adding to the mix, on 11/17, Sharon agreed to the demands of his coalition partner, the newly elected Labor leader Amir Peretz, to call early elections in 2/06 or 3/06 after Peretz made it clear that he would force new elections by leaving the coalition if the Likud refused. (Elections originally were to be held in 11/06.) Labor formally voted to withdraw from the governing coalition on 11/20, and Sharon asked Israeli pres. Moshe Katsav to dissolve parliament on 11/21. In a surprise move, however, Sharon simultaneously announced (11/21) his departure from the Likud and the formation of a more "moderate centrist" party called Kadima (Forward), stating that even though he was favored to win a third term as PM at the head of Likud, his agenda would have been mired in petty internal party politics. Kadima would run on the platform of laying "the foundations for a peace agreement wherein the country's primary borders will be determined, while insisting on the dismantling of terrorist organizations." Likud's chairman Tshai Hanegbi, Vice PM Ehud Olmert, DM Shaul Mofaz, and Justice M Tzipi Livni, among at least 15 of 40 Likud MKs, followed Sharon. Veteran politician Shimon Peres left the Labor party to join Kadima on 11/30. On 11/22, Israeli officials set 3/28/06 as the date for early elections.

Meanwhile, Israel imposed (ca. 11/17) new, more stringent travel arrangements around Bethlehem, requiring tourists entering and leaving the city to undergo baggage and passport checks and customs processing as if at an international crossing; randomly shut the Erez (11/18–19) and Sufa (11/22–27) crossings into Gaza, citing nonspecific threats (despite U.S. demands; see above); issued tenders for the construction of new

housing units and infrastructure projects in West Bank Jewish settlements; continued land confiscations for the construction of the separation wall; and continued arrest raids (including major operations in Jenin on 11/18 and Nablus on 11/30), house searches, and home demolitions across the West Bank (see Chronology for details). The IDF also assassinated two AMB members in Jenin on 11/17 and for no apparent reason fired at least 20 artillery shells at the open area along the northern Gaza border on 11/27. Settler violence also continued. Until 12/2, Palestinian response to these acts was largely restricted to stone throwing, with one reported incident of mortar fire from Gaza into Israel (11/30), one of rocket fire from Gaza into Israel (12/2), and one of a roadside bomb in the West Bank (12/1), none of which caused damage or injuries.

On 12/3, however, violence escalated sharply. After Palestinians fired two rockets from Gaza into Israel, again causing no damage or injuries, the IDF fired a missile at an Islamic Jihad charity in Gaza City, heavily damaging the building and wounding a bystander. Palestinians fired three more rockets in apparent retaliation, causing no damage or injuries. The IDF responded with massive artillery fire and F-16 air strikes along the northern Gaza border. On 12/4, after the AMB fired three rockets from Gaza into Israel causing light damage, the IDF escalated by resuming mock air raids over Gaza, creating sonic booms to intimidate the population (see Quarterly Update in *JPS* 138); shelling northern Gaza; and conducting air strikes on a second Islamic Jihad charity.

The next day (12/5), an Islamic Jihad suicide bomber from Kefar Rai near Jenin detonated a device outside a shopping mall in Netanya, killing 5 Israelis and wounding 31 (4 seriously), claiming retaliation for the IDF's 10/24/05 assassination of 2 of the group's leaders. The IDF immediately imposed closures on the West Bank and Gaza (keeping only the Qarni crossing open for the import of basic goods), shelled the northern Gaza border area and southern Gaza near Khan Yunis, and appealed to the Israeli attorney general to allow the IDF to resume bulldozing the homes of families of Palestinian suicide bombers. (The practice had been suspended in 2/05 in light of the Palestinian truce and with the IDF finding that the practice was not an effective deterrent.)

After security cabinet meetings that evening, Israel announced that it would

“adopt a harsher response” to rocket fire from Gaza, beginning a wide-scale retaliation operation targeting northern Gaza that could last for up to a month, targeting launch sites in both built up and uninhabited areas, and stepping up assassinations and arrest campaigns in the West Bank. Israel also declared (12/6) that, even when the Rafah technical problems were solved, it would not resume talks on West Bank-Gaza bus convoys and safe passage until Abbas acted against Palestinian militant groups. Quartet envoy Wolfensohn reprimanded Israel, saying it should not target Gaza in response to attacks not emanating from Gaza. Meanwhile, the PA security forces moved to detain some Islamic Jihad figures in Jenin but backed down when confronted by more heavily armed Islamic Jihad and AMB members. In Balata refugee camp (r.c.), however, the PA detained 13 Islamic Jihad suspects on 12/6 and 10 on 12/8, despite coming under fire.

Amid the upsurge in violence, U.S. Asst. Secy. of State for Near East Affairs David Welch arrived (12/9) in the region to press for further Rafah implementation. In a 12/9 meeting with Welch and EU, Quartet, and donor officials, Israel noted that the technical problems at the Rafah border crossing still had not been entirely eliminated, reiterated that the PA's handling of crossing was “very unsatisfactory,” and announced that Israel would restrict Palestinian trade and travel in and out of Gaza if the PA did not improve security procedures within 48 hours (although West Bank and Gaza borders were sealed at the time). At a separate meeting the same day (12/9), Israeli DM Mofaz officially informed Welch that the Israeli cabinet had endorsed plans to freeze implementation of the Rafah arrangements immediately and to resume talks on the matter “only after the PA fulfilled its [road map] obligation to act against terrorists.” Mofaz reiterated that the PA's failure to provide instant information on who was crossing the border left Gaza “wide open to terrorists and weapons, and jeopardizes Israel's security,” but Welch said the U.S. believed that the PA was keeping to its end of the Rafah deal and that the security problems were technical and were being fixed as quickly as possible. Under U.S. pressure, Israel lifted the closure on the West Bank and Gaza on 12/12 but did not begin the bus convoys linking the West Bank and Gaza on 12/15 as scheduled.

Meanwhile, the IDF ramped up assassinations and attacks on northern Gaza, and

Palestinian mortar and rocket fire from Gaza into Israel increased. By 12/18, the IDF had carried out at least 96 air strikes on Gaza (including 45 missiles from F-16s and 5 from unmanned aerial vehicles), mostly targeting roads and bridges; fired more than 95 tank shells, mostly on the northern Gaza border area; and opened fire across the border with live ammunition at least 25 times. The IDF assassinated a PRC member in Rafah on 12/7, an AMB member in Gaza's Jabaliya r.c. on 12/8 (also killing 2 AMB members who were not deliberately targeted), and 4 AMB members in Gaza City on 12/14. Another wanted AMB member was fatally shot (12/11) in a major IDF raid on Balata r.c. near Nablus in what may have been an assassination. In addition, a senior Abu Rish Brigades (ARB) commander was killed when his car mysteriously exploded near Khan Yunis on 12/17; the ARB believed it was an Israeli assassination, but IDF denied involvement. An air strike on the Bayt Lahiya home of a PRC member on 12/14 may have been a failed assassination attempt. The IDF also stepped up arrest raids in the West Bank, with Islamic Jihad reporting more than 120 members arrested between 12/5 and 12/9 alone. Palestinians meanwhile fired at least 16 rockets and 22 mortars from Gaza into Israel, damaging a water network in one incident but causing no injuries. (Mofaz noted on 12/18 that most of the rocket and mortar fire was by Islamic Jihad and that Hamas was refraining from hostile actions in keeping with the truce.) Noting that the rocket fire included 5 larger-than-usual rockets (4 on 12/15, 1 on 12/18) aimed at Ashkelon, the site of Israel's electricity grid, Israel reimposed (12/15) the closure (lifted 3 days earlier) on the West Bank and Gaza (except the Rafah crossing), threatened to cut electricity to Gaza if attacks continued, and imposed an unannounced closure on Tulkarm and Jenin by setting up flying checkpoints barring most travel into and out of the areas. In the only fatal Palestinian attacks, an AMB member stabbed (12/8) an IDF soldier outside Ramallah, and the AMB and Islamic Jihad took joint responsibility for a drive-by shooting (12/16) near Hebron that left 1 Jewish settler dead and 2 injured. As of the close of 12/18, the death toll had reached 4,241 Palestinians and 999 Israelis.

Citing the Israeli escalation, the AMB (12/8), Islamic Jihad (12/9), the Popular Front for the Liberation of Palestine (PFLP; 12/9), and PRCs (12/8) said that they would not renew their unilateral truce with Israel

at the end of the year. Hamas, however, said (12/9, 12/12) it would keep the truce until the 1/25 elections and reconsider its options then.

Election Fears Set In

Hamas's unexpectedly strong showing in 12/15 municipal elections suddenly shifted attention away from Rafah implementation to the upcoming Palestinian parliamentary elections scheduled for 1/25/06. Hamas had done well in the first five rounds of municipal elections (see Quarterly Updates in *JPS* 135, 136, 138), but its gains in the mid-December round, where it won an overwhelming majority in traditionally pro-Fatah Nablus and nearly won in heavily secular Ramallah, the seat of the PA and with a large Christian minority, took everyone by surprise. These results, combined with the disarray within Fatah displayed by violent infighting during the Fatah primaries and the submission (12/14) of two rival Fatah party lists—both headed by jailed *tanzim* leader, reformer, and Abbas critic Marwan Barghouti—raised the possibility of Hamas's winning a significant bloc of seats in the 1/06 elections. (For details on the municipal elections and the Fatah crisis, see the Intra-Palestinian Dynamics section below.) International estimates that Hamas might pull 20–30% in the January balloting were raised to the 30–40% range.

After Hamas's municipal election win, Israel quickly declared (12/21) that it would ban East Jerusalem Palestinians from taking part in the 1/06 elections if Hamas participated, prompting Abbas to threaten (12/21, 1/2) to delay elections if Israel followed through. (On 12/22, 10 Palestinian factions, including Hamas, issued a statement calling on Abbas to hold elections no matter what.) Under pressure from the U.S., Israel backed down, agreeing (1/15) to abide by the compromises reached for the 1/05 PA presidential election: East Jerusalemites would be allowed to vote at 5 East Jerusalem post offices (effectively casting absentee ballots) or to travel to West Bank polling stations. Israel did, however, bar (1/9) Hamas candidates from campaigning in the Jerusalem municipality and required (1/9) all those wishing to campaign there to submit requests to the Israeli police in advance.

The intense focus on the election was temporarily interrupted by the sudden catastrophic turn in Sharon's health: On 12/18, he was hospitalized following a mild stroke and was released on 12/20 in apparently satisfactory health. On 1/4, however, he

suffered a massive stroke, falling into a coma from which he was not expected to emerge. Vice PM Olmert seamlessly moved into the position of acting PM until Israel's 3/28 elections, laying out Israel's conditions for the Palestinian elections and more generally continuing to implement Sharon's agenda. On 1/12, Olmert personally informed U.S. Pres. George W. Bush that the peace process (already on hold) could not continue if "terrorist organizations" like Hamas joined the Palestinian government after elections.

The mildly panicked reaction of the international community seemed calculated to threaten and cajole the Palestinian public into voting for Fatah. The EU declared (12/18) that it might cut off aid to the PA if Hamas won in the legislative elections, stating that European taxpayers would not be likely to support the PA if it included a party that advocates violence and Israel's destruction. (The EU declared Hamas's political wing a terrorist organization in 9/03; see Quarterly Update in *JPS* 130.) The Quartet followed with a 12/28 statement that the next PA cabinet "should include no member who has not committed to the principles of Israel's right to exist in peace and security and an unequivocal end to violence and terrorism," indicating that it could, however, accept a Hamas opposition bloc in the legislature. The U.S. initially limited itself largely to reiterating the Quartet statement, but on 1/11 Secy. of State Rice turned up the heat, stating that the U.S. believed "that there should be no place in the political system for groups or individuals who refuse to renounce terror and violence, recognize Israel's right to exist, and disarm." The U.S. then also began hinting (1/13) that it, too, would review and possibly cut its aid to the Palestinians if Hamas had a role in the new PA government. As the date of elections moved closer, Bush stated (in an interview published the day of elections) that the U.S. would not deal with elected Hamas officials until Hamas amended its charter to remove all references to destroying Israel.

Behind the scenes, the U.S. took steps to sway Palestinian public opinion in favor of Abbas and his Fatah slate. On 1/21, the U.S. acknowledged rumors that it had run some \$2 m. through the U.S. Agency for International Development (USAID) to fund small, popular projects and events (e.g., street cleaning, tree planting, distribution of free food and water, donating computers to community centers, sponsoring a youth soccer

tournament) to take place before the 1/25 elections and for which full credit was to go to the Fatah-dominated PA (through advertising taken out in the Palestinian press) with the aim of raising the popularity of Fatah on the eve of elections. Under the PA elections law and the code of conduct signed by all parties with regard to the 1/25 election, parties could not spend more than \$1 m. to promote their national lists, and no party was allowed to take money from foreign sources. The U.S. also reportedly pressured Israel to allow Arab satellite channels to conduct and widely air (1/22) an interview with jailed Fatah candidate Barghouti on the eve of elections. (The same day, the PA shut Hamas's new TV station, opened on 1/7, for not having the proper license.)

Hamas, meanwhile, took steps to reassure the international community and appeal to the broadest sector of Palestinian voters, releasing (early 1/06) its campaign platform that was notably mild in tone, pointedly omitting among its aims the destruction of Israel, de-emphasizing the movement's religious character, and focusing on "what it is actually capable of offering the Palestinian people in the way of achieving their rights." Hamas also indicated that it was still undecided as to whether it would agree to join the Palestinian cabinet after elections. Hamas Gaza leader and Palestinian Council (PC) candidate Mahmud Zahar also declared (1/23) that Hamas would be willing to participate in "indirect" talks with Israel after elections, saying that it did not consider negotiations taboo, so long as Israel truly had something to offer.

For his part, Abbas vowed (1/18) to resign as president if his agenda for reform and renewal of negotiations with Israel was blocked after elections, and he declared (1/16) that he would not run for president again when his term ends in 2009.

Operation Blue Skies and Israel's North Gaza No-Go Zone

Meanwhile, on the ground, Israeli-Palestinian violence, particularly across the Gaza border, continued to escalate (see Chronology). The IDF assassinated a Hamas member in Jenin (12/21) and a PFLP member and 2 AMB members in Nablus (12/22). Islamic Jihad injured 5 IDF soldiers in a rocket attack on an IDF base near Ashkelon on 12/22.

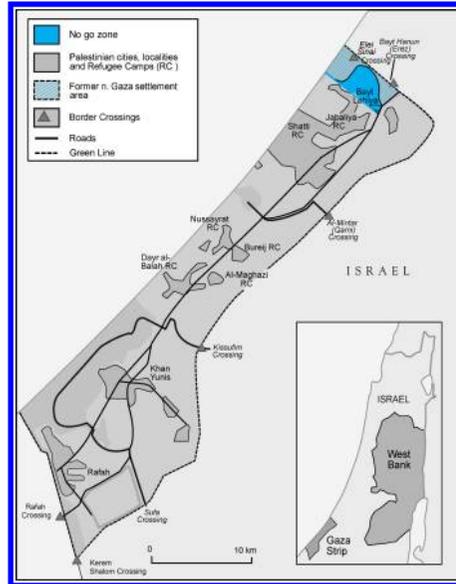
On 12/22, two days after Sharon got out of the hospital following his first stroke, the Israeli security cabinet approved **Operation**

Blue Skies, an open-ended operation aimed at curbing Palestinian rocket and mortar fire from Gaza by enforcing a no-go zone along the northern Gaza border from the coast to the Erez crossing and about 1.5 miles deep using artillery, helicopters, and gunboats; possibly creating a similar no-go zone in southern Gaza; and employing more stringent monitoring of the Gaza Strip by air. On Sharon's first day back at work on 12/25, he ordered the IDF to launch the operation, saying it was necessary "in the context of [the PA's] failure to address the security situation." The IDF also extended (12/25) the sealing of the West Bank and Gaza (except for the Rafah crossing) until 1/3 for Hanukkah, later extending it through 1/7 for Id al-Adha. The AMB, Islamic Jihad, and the PRCs warned (12/26) that they would initiate joint attacks on Israeli targets if the IDF imposed the no-go zone. Although Abbas held talks (12/27) in Gaza with the Palestinian factions regarding extending the 2/05 truce, the factions made no attempt formally to extend it, allowing the truce to expire on 1/1.

While the IDF ramped up air strikes on Gaza immediately after Operation Blue Skies was authorized on 12/26, enforcement of the n. Gaza no-go zone did not begin until 12/28, when the IDF dropped leaflets on Gaza containing maps delineating an area roughly corresponding to the n. Gaza settlement areas evacuated under disengagement plus border areas housing some 100,000 Palestinians for whom the IDF recommended evacuation for "a limited period of time" (reportedly no Palestinians left). The leaflet warned residents to stay clear of the zone as of 6:00 P.M. local time on 12/28 or risk being targeted. Shortly before the deadline, the AMB fired 4 rockets at Sederot, causing no damage or injuries. The IDF launched artillery and helicopter missile fire for several hours in response (wounding 1 militant and 1 bystander) and resumed mock air raids over the rest of the Strip, repeatedly breaking the sound barrier. Through 1/25, Operation Blue Skies targeted roads and access points into the no-go zone, fired on rocket launch sites, and conducted mock air raids on a near daily basis, killing 3 Palestinians, and occasionally shelled areas of s. Gaza (see Chronology for details). The IDF also assassinated (1/2) 3 Islamic Jihad members in Gaza's Jabaliya r.c. and a PRC member in Gaza City on 1/22, as well as a Hamas member in Tulkarm on 1/17.

The day after Operation Blue Skies began, an Islamic Jihad suicide bomber from

Israel Declared Northern Gaza No-Go Zone, December 2005



al-Til detonated (12/29) a device at a checkpoint outside neighboring Tulkarm, killing 1 IDF soldier and 2 Palestinians and wounding 3 IDF soldiers and 7 Palestinians. Two other Islamic Jihad suicide bombings followed: 24 Israelis were wounded in a Tel Aviv attack on 1/19, and an explosive detonated during an arrest raid in Jenin on 1/12 killed only the bomber with no injuries. Islamic Jihad, the AMB, the ARB, and the PRCs also escalated their rocket and mortar fire from Gaza into Israel, causing no damage or injuries. (At least 5 of the rockets fired toward Israel landed inside Gaza, causing damage and an injury in one incident on 1/19.) In addition, the AMB and ARB wounded an IDF soldier in a joint roadside bombing in Jenin on 1/3, and an AMB gunman firing across the Gaza border near Bayt Hanun fatally shot an IDF soldier inside Israel on 1/18. In response to the 12/29 Islamic Jihad bombing, the IDF reinforced the ongoing closure on Tulkarm (see above) and sealed Qalqilya. On 1/2, an unannounced closure was imposed on Nablus using flying checkpoints. Combined with the de facto closure still in place around Jenin, an estimated 800,000 Palestinians in the northern West Bank were prohibited from traveling outside their immediate districts as of 1/2.

Meanwhile, Asst. Secy. of State Welch and National Security Council adviser Elliott Abrams traveled (1/10) to the region to press Israel to resume talks on Rafah

implementation and to touch base with Israeli, PA, and Quartet officials on the Palestinian elections. Israel was still refusing to hold Rafah implementation talks with the Palestinians, and benchmarks for allowing 150 export trucks/day through the Qarni crossing (12/31) and reducing barriers to Palestinian travel inside the West Bank (12/31) had been missed. Israel had allowed the Palestinians to increase the hours of operation of the Rafah crossing to 8 hours/day on 12/19 and had opened (1/3) its Kerem Shalom commercial crossing on the Egypt-Gaza-Israel border for the passage of goods from Egypt into Gaza, but the entry of goods and individuals from Gaza into Israel was a sore point. Since the Islamic Jihad bombing on 12/5, Gaza and West Bank crossings had been almost continuously closed, and little was allowed through the Gaza crossings when they were open—a condition that persisted through the end of the quarter. In talks on 1/12, Mofaz again informed Welch and Abrams that Israel “does not intend to allow Gaza-West Bank convoys” and would not take further steps until Abbas dismantled “terrorist” groups, leaving the Rafah arrangements effectively dead.

During the same period, two serious incidents at the Rafah crossing generated international concern: On 12/30, 100 PA policemen occupied the border terminal to protest the death of a policeman fatally shot during a drug raid on 12/29 and the PA's failure adequately to provision the security forces against heavily armed Palestinian gangs. EU monitors were forced to shut the crossing and leave the area for several hours, until the demonstration broke up. On 1/4, AMB members angry over the PA's arrest of one of their leaders blocked the road to the Rafah crossing, detonated explosives near the Rafah border wall (causing minor damage), and then stole 2 municipal bulldozers and tore down a 15-ft section of the wall. As many as 1,000 Palestinians, some armed, flooded through the opening, overrunning Egyptian border guards. The Egyptians called in reinforcements and declared the area a closed military zone. Though they were able to arrest around 100 Palestinians, the situation quickly deteriorated, with some Palestinians (likely AMB members) setting fire to an Egyptian armored personnel carrier, throwing hand grenades, and firing on the Egyptian contingent, killing 2 border guards and wounding 30. Egypt closed its side of the border until 1/8.

Thus, on the eve of elections, tensions and violence were high, not only between Israel and the Palestinians but internally among Palestinians themselves. Conditions in Gaza were rapidly deteriorating and the situation in the West Bank was precarious. On 1/23, the IDF announced that it was suspending all military operations in the Palestinian areas until after the 1/25 elections and would act only in response to immediate threats. Restrictions on Palestinian movement in the West Bank would also be eased to facilitate the elections. PA security forces would be allowed to carry arms and patrol Palestinian cities during the voting. (Israel normally does not permit the PA security forces to carry arms on patrol.) As of the morning of 1/25, the death toll stood at 4,265 Palestinians and 1,000 Israelis.

Hamas Wins a Majority

The Palestinian legislative elections were held on 1/25 as scheduled, without serious incident (see below for details). Exit polling that evening indicated that Fatah held a slight majority, but preliminary results the next morning showed Hamas taking a decisive overall majority of 74 of 132 seats, with Fatah winning 43 seats. Final results issued on 1/29 adjusted this slightly, giving Hamas 72 seats to Fatah's 45.

Initial Reactions

Virtually everyone, including Hamas, was stunned by the outright Hamas majority. The outcome was not contested, but reactions differed as to how to move forward. EU policy chief Javier Solana stated simply (1/26) that the results “confront us with an entirely new situation which will need to be analyzed.” The Quartet issued (1/26) a preliminary statement, saying that Palestinians had “voted for change” but had not given up “their aspirations for peace and statehood” and reiterated that they found “a fundamental contradiction between an armed group and militia activities and the building of a democratic state.” Rice, attending the World Economic Forum in Davos, Switzerland, made (1/26) virtually the same statement on behalf of the U.S.

The Israeli cabinet declared (1/26) that “should a government be established . . . with Hamas leading or participating, the Palestinian Authority will become a sponsor of terror. . . . The world and Israel will ignore it and it will become irrelevant.” On 1/27, acting Israeli FM Tzipi Livni launched a campaign urging an international boycott of a Hamas-led PA, stating that “Hamas cannot be

a partner for Israel" and that the PA, if led by Hamas, "also cannot be a partner for peace." At the same time, Israel said (1/27) it would suspend transfers of the VAT taxes it collects on the PA's behalf, amounting to some \$50 m. in crucial PA revenue per month. On 1/29, the Israeli cabinet stated that it would not have contact with Abbas or the PA until all Palestinian militant groups are disarmed and until Hamas recognizes Israel's right to exist, annuls its charter, and agrees to uphold all agreements and understandings entered into between Israel and the PA/PLO.

On the Palestinian side, Abbas reiterated (1/26) his commitment to the road map and his threat to resign if he could not continue his political program, including negotiations with Israel. Fatah quickly rejected (1/26) the possibility of joining a Hamas-led government, with key members suggesting that Hamas should lead the government alone to "get a sense of the difficulties involved in governing an angry electorate living under occupation." As for Hamas, it immediately said that it would extend its cease-fire (1/26), stated (1/27) its desire to form a national unity government including all parties (1/27), and vowed (ca. 1/28) not to purge the PA security forces of Fatah or AMB members, but to work with Abbas to improve security performance. From Damascus, Hamas head Khalid Mishal vowed (1/28) that Hamas would adopt "a very realistic approach" toward governance and would work with Abbas to draft a broadly acceptable political program but that the organization would not disarm or amend its charter.

Meanwhile, on the street, thousands of Hamas supporters held (1/27) peaceful rallies celebrating the election victory, while angry Fatah members demonstrated (1/27, 1/28) across Gaza, including outside Abbas's Gaza residence, burning cars, firing in the air, demanding that the party's leadership resign over the election failure, tearing down Hamas campaign posters, and occasionally clashing with Hamas members; smaller Fatah demonstrations were also held (1/28) in the West Bank (see Chronology for details). Hamas quickly ordered (by 1/29) its members to refrain from celebrating so as to reduce Palestinian tensions. Fatah also reined in its people, and incidents tapered off by 2/4.

Conflating Hamas and the PA

As the reality set in that Hamas could not legitimately be denied the chance to

form a government, the tone of the international community hardened, converging with the Israeli position. A Quartet statement on 1/30 said that financial assistance to the new Hamas-led government should be contingent upon the new government's recognition of Israel, renunciation of violence, and "acceptance of previous agreements and obligations, including the road map." Privately, Quartet members nuanced their positions: the U.S. stressed that Hamas must be required to change its declared positions to fulfill the Quartet requirements, while the EU, UN, and Russia viewed this as unnecessarily provocative, doubted that Hamas would (or could politically) comply, and recommended that Hamas be judged on its performance. Separately, Bush stated (1/30, 1/31) that the U.S. "will not support a Palestinian government made up of Hamas," that "this new democracy that's emerging in the Palestinian territories must understand that you can't have a political party that also has got an armed wing to it," and that the U.S. message to Hamas was "get rid of your arms, disavow terrorism." Rice also stated (1/29) that the U.S. would not provide financial aid to a Hamas-led Palestinian government; while humanitarian aid to the Palestinians would continue, it would be reviewed on a case-by-case basis.

This conflation of Hamas with the PA, pressed by Israel and the U.S. and encouraged by Fatah elements loath to lose power, was seen by some observers as dangerous and short-sighted. Instead of reinforcing the principles of democracy and defending the PA as a democratic institution by demanding that Hamas's Change and Reform party, as one party in a multiparty system, adhere to the Basic Law (the interim Palestinian constitution) and uphold laws of the PA (unless it could change them legitimately through the legislature), Israel and the U.S. undermined those democratic principles and threatened to destroy the PA as an institution by demanding that Hamas as a movement change its fundamental positions and threatening that the PA would be isolated by the international community and destabilized if it did not comply.

Meanwhile, Abbas, with the encouragement of the U.S. and the Fatah leadership, took steps before the swearing in of the new legislature on 2/18 to concentrate power in the office of the president and to dilute the authority of the cabinet and legislature. He first ordered (1/29) all branches of the PA security forces to report to him directly to

preempt any Hamas move to exert authority through the Interior Min. The move also pacified the PA security forces, largely made up of Fatah members, who feared losing their jobs and influence under a Hamas-led government. (Fatah reportedly urged Abbas to go so far as to declare the security services under PLO control, in keeping with Oslo, and therefore not answerable to a Hamas-led PA so long as Hamas was not part of the PLO.)

Abbas also pushed several measures through the outgoing PC at its last session on 2/13 (attended by only 45 of 88 members, most of them Fatah). These included a resolution authorizing the creation of a 9-judge constitutional court to be appointed by the president and not requiring PC approval. The constitutional court could veto any legislation it deems in violation of the Basic Law and would serve as the ultimate arbiter in disputes between the president and the government and in civilian petitions against the PA. The court also could conceivably dissolve the PC if it ruled that an impasse between the president and the government prevented the PA from functioning; indeed, many suspected that Abbas's purpose in forcing through the bill was to create a mechanism by which he could dissolve the legislature and call new elections if need be. Three decrees created positions of secretary general of the Employees Bureau (responsible for hiring civil servants), the PC (for hiring PC staff, a function formerly filled by the PC secretary, a position held by an elected PC member), and the comptroller's office, answering directly to the president; Fatah members were installed in each position. This gave Abbas effective control over hiring and firing PA and PC staff, now predominantly Fatah members. Another measure reportedly appointed a Fatah loyalist to head a government watchdog group in charge of weeding out corruption. Abbas also hinted (1/26) that future negotiations with Israel could be held through the PLO as opposed to the PA, since the PLO did not include Hamas (more below). Around 2/13, he issued a presidential decree placing the official Palestinian media under the office of the president.

These steps raised a number of concerns in constitutionally minded circles, especially as they were seen as undoing years of PA reform efforts, encouraged and even forced by the U.S. while Yasir Arafat was in power, to reduce the prerogatives of the presidency and strengthen the legislature

and judiciary in the interests of accountability and transparency. (Ironically, Abbas first entered the government as PM, a position Arafat was forced to create by the U.S. in 2003 to weaken his control, and resigned four months later when Arafat refused to relinquish control of the security forces.) The suggestion of separating the PLO and the PA (the PLO officially represents all Palestinians, both inside and in the diaspora, whereas the PA, a subordinate body of the PLO, represents only the Palestinians in the territories) was seen in similar light. In addition to creating a divided Palestinian authority and raising questions of legitimacy, such a separation would also reverse a trend encouraged both by the U.S. and Israel, which since Oslo had promoted diplomacy with the PA over the PLO in order to weaken the PLO and divide the Palestinians in the territories from the refugees abroad.

As for Hamas's reactions to Abbas's presidential decrees, it declared (1/29, 2/13) the moves illegal under PA law, since they did not have the required two-thirds majority support of all PC members. It added, however, that "we don't want to make a big deal about it yet," saying the new cabinet and legislature would address the issues after they were formed.

The Aid Issue

After the initial battle lines were drawn, the rhetoric cooled as everyone waited to see how Hamas would approach the formation of the government. Officially this could not begin until the new PC members were sworn in on 2/18 and until Abbas officially invited Hamas to form a government. Nonetheless, Hamas opened consultations with Abbas within days of the election. Talks on forming the government planned for 1/29 by Hamas's Ismail Haniyeh (first on the Hamas list and the anticipated PM) and Mahmud Zahar (Hamas's Gaza chief who also won a PC seat) with Abbas were postponed by Abbas, who was afraid to travel to Gaza while violent Fatah demonstrations were going on. The talks finally opened on 2/4, with various options reportedly discussed over the following days, including the possibility of the PM position being filled by a respected technocrat and/or rep. of another minor party (such as former finance minister Salam al-Fayyad, who headed the Third Way list) or by an independent affiliated with Hamas (such as Ziad Abu Amr). Haniyeh and Zahar also met with Hamas leader Mishal in Cairo on 2/5, after which

Mishal stated that Hamas “will view the signed treaties as established facts,” saying that the Oslo accord “does not serve to advance Palestinian rights. The accords have failed, as we predicted. But nevertheless we will approach them as facts.” Mishal also reiterated (2/13) that if Israel recognized Palestinian rights and pledged to withdraw from all occupied territories, Hamas would halt armed resistance.

Meanwhile, Israel, the U.S., and the EU kept the threat of suspension of aid to the PA at the forefront, believing that the very real threat of PA insolvency would force Hamas to recognize Israel, renounce violence, and affirm existing agreements with Israel. Israel initially withheld (2/1) \$55 m. in monthly VAT transfer owed the PA, but transferred it on 2/5 under U.S. pressure to continue payments at least until the new government was installed, so as not to weaken Abbas further during the government formation process. In Washington, Congress put forward a number of resolutions (see below) calling for the suspension of aid to the Palestinians and of diplomatic relations with the PLO and PA should Hamas not fulfill the three Quartet demands.

Russia firmly opposed the calls for withholding aid and effectively broke with the Quartet on this issue. Thus on 1/31, one day after the 1/30 Quartet declaration, Pres. Vladimir Putin stated that while Russia does not “totally approve and support everything that Hamas has done,” it “has never regarded Hamas as a terrorist organization,” and it would not support efforts to cut off financial aid to the Palestinians. Putin also announced (2/9) his intention officially to invite a Hamas delegation to Moscow for consultations.

Faced with the prospect of U.S.-EU aid suspension, Hamas dispatched (2/3) a delegation to South America (Argentina, Brazil, Bolivia, Venezuela) to explore alternative possibilities for PA funding. Mishal personally went to the UAE (2/12) and Khartoum (2/13), host of the upcoming 3/06 Arab League summit, to begin lobbying the Arab League states to increase support of a Hamas-led PA government if the EU and U.S. suspended aid. Meanwhile, Quartet envoy Wolfensohn, whose mission was extended through 3/06, began (2/11) a tour of Jordan, Egypt, Saudi Arabia, Qatar, Morocco, and Kuwait to secure \$200 m.-\$300 m. to cover the PA budget gap for the period of transition to the new government; no details were available on the success of his mission at the close of the quarter.

Behind the scenes, the Arab League was reportedly recommending that Hamas endorse the March 2002 Arab League summit statement agreeing to “consider the Arab-Israeli conflict ended and enter into a peace agreement with Israel and provide security for all the states of the region” (see Doc. B1 in *JPS* 124) if Israel returns to the 1967 borders, accepts a sovereign Palestinian state in the West Bank and Gaza (with East Jerusalem as its capital), and finds a “just solution” to the refugee issue. Israel, however, said (1/31) it would not accept such Hamas endorsement as sufficient.

Separately, the U.S. began serious behind the scenes contacts to explore possible “work arounds” to dealing with a Hamas-led PA. Two days of talks among senior Israeli, PA, and U.S. figures were held (2/7-8) at the James A. Baker III Institute for Public Policy in Houston, Texas, to explore ways of sidelining Hamas. The meetings were chaired by former U.S. amb. to Israel and Syria Edward Djerejian (who was briefed by senior State Dept. officials on 2/7 and updated them by phone as the meetings progressed). Israel and the PA each had four-person teams, the PA team led by Abbas’s national security adviser Jibril Rajub and the Israeli team by former head of Israeli military intelligence Gen. Uri Saguy. Among the ideas discussed were funneling aid to the Palestinians through the Palestinian governors who are members of Fatah, since governors report directly to the president. Parallel with the Houston meetings, Israeli FM Livni was in Washington 2/7-8 to coordinate positions regarding the Hamas elections with VP Dick Cheney, Secy. of State Rice, National Security Adviser Stephen Hadley, and leading members of Congress; no details were released.

Soon after these meetings, the *New York Times* cited (2/14) unnamed Israeli and Western diplomats as saying that the U.S. and Israel were discussing “ways to destabilize the Palestinian government so that the newly elected Hamas officials will fail and elections will be called again.” According to the *New York Times*, “The intention is to starve the Palestinian Authority of money and international connections to the point where, some months from now, its president, Mahmoud Abbas, is compelled to call a new election. The hope is that Palestinians will be so unhappy with life under Hamas that they will return to office a reformed and chastened Fatah movement.” The diplomats argued that if a Hamas-led government was unable to pay workers, import goods,

or generally function, Abbas would have the right to dissolve the PC, even though that right is not spelled out in the Basic Law (see above). Israel and the U.S. denied (2/14) they planned to destabilize the government but repeated intentions to suspend aid and tax transfers if the Hamas-led government did not meet demands to recognize Israel, renounce violence, and accept previous peace agreements.

Meanwhile, Israeli-Palestinian violence, which had slacked off in the days before the election, continued at a low rate until 2/3, with the exception of the IDF assassination of 2 Islamic Jihad members in Jenin on 1/3. On 2/3, a Palestinian rocket launched from Gaza into Israel injured 3 Israelis. The IDF responded by resuming Operation Blue Skies and escalating assassinations, killing 3 AMB members in Gaza City on 2/4, 2 Islamic Jihad members in Gaza City on 2/5, 2 AMB members in n. Gaza on 2/6, 2 AMB members in Gaza City on 2/7, and 1 Islamic Jihad member in Nablus on 2/7. The IDF also attempted to assassinate an Islamic Jihad member in Balata on 2/5 and 3 unidentified Palestinians in Dayr al-Balah on 2/11.

Israel also kept closures on Gaza crossings in place for long stretches, violating Rafah pledges to guarantee the export of Palestinian agricultural goods during the harvest, which peaked during this time. The main Qarni crossing for exports was closed from 1/14-2/5, costing the Palestinians an estimated \$500,000/day in lost revenue and sparking serious riots there on 1/28. IDF arrest raids, home demolitions, bulldozing of agricultural land, and expansion of settlement infrastructure, as well as settler violence also continued (see Chronology for details). The 2/3 attack notwithstanding, Palestinian rocket and mortar fire remained low, though incidents of damage and injuries were unusually high: in addition to the injuries on 2/3, light damage was reported in 3 incidents on 2/3, 1 on 2/7, and 1 on 2/14.

Intifada Data and Trends

During the quarter, at least 70 Palestinians and 10 Israelis were killed (compared to 83 Palestinians and 13 Israelis last quarter), bringing the toll at 2/15 to at least 4,285 Palestinians (including 46 Israeli Arabs and 17 unidentified Arab cross-border infiltrators), 1,002 Israelis (including 310 IDF soldiers and security personnel, 201 settlers, 491 civilians), and 56 foreign nationals (including 2 British suicide bombers). As of

12/27, 9,200 Palestinians were in Israeli jails or under administrative detention.

This quarter, Israel carried out 29 clear assassinations (up from 20 last quarter), killing 3 bystanders and wounding 30. The following individuals were assassinated: the **AMB's** Ahmad Abahra (11/17), Muhammad Zayid (11/17), Iyad Qaddas (12/8), Hussam Abu Nada (12/14), Hamdan Muhanna (12/14), Muhammad Juha (12/14), Rashad al-Son (12/14), Ahmad Jayyusi (12/22), Anas Hamad (12/22), Yasir Barghouti (2/4), Nasr Marshud (2/4), Hani al-Qabid (2/4), Hassan Asfur (2/6), Rami Hanun (2/6), 'Atiya Abu Shari'a (2/7), and Suhail Bakir (2/7); **Hamas's** Zayid Musa (12/21) and Thabit Ayadi (1/17); **Islamic Jihad's** Said Abu Jidayn (1/2), Omar Obayid (1/2), Akram Qaddas (1/2), Nidal al-Sadi (1/31), Ahmad Tubasi (1/31), Adnan Bustan (2/5), Jihad al-Sawafiri (2/5), and Ahmad Raddad (2/7); the **PFLP's** Bashar Hanini (12/22); and the **PRCs'** Mahmud Arqan (12/7) and Mahmud 'Abd al-A'al (1/22). The IDF also attempted to assassinate an Islamic Jihad member (2/5) and 3 unnamed individuals on 2/11. Incidents on 12/11 and 12/17 may have been assassinations targeting an AMB and an ARB member. An incident on 12/14 may have been a failed assassination attempt on a PRC member (see Chronology for details).

During the quarter, 4 Palestinian suicide bombings (up from 2 last quarter) were recorded, killing 8 and injuring 55 (compared to 5 killed and about 20 injured last quarter); all were carried out by Islamic Jihad (12/5, 12/29, 1/12, 1/19). An incident on 2/9 in which an AMB and a PRC member jointly attacked the IDF post at Gaza's Erez crossing, causing no injuries, was a suicide attack insofar as the men clearly knew they would not survive the attack.

Palestinian use of mortars, rockets, and roadside bombs was up significantly this quarter, particularly after the IDF launched Operation Blue Skies (see above). On 1/1, the IDF reported that in early 12/05, the AMB had fired a crude rocket from the n. West Bank toward, but not into, Israel, causing no damage or injuries; if corroborated this would mark the first confirmed rocket fire from the West Bank. (A previous IDF report that 2 rockets had been fired near Jenin ca. 1/1/05 has never been independently verified.) The IDF reportedly also found (12/14) a Qassam rocket when it searched a Hamas building in Nablus.

The Israeli human rights group B'Tselem reported (2/13) that since the return of

Jericho to PA control on 3/16/05, the IDF gradually imposed restrictions on Palestinian movement that by the end of 2005 effectively cut off the Jordan Valley from the rest of the West Bank, barring nonresidents from entering the Jordan Valley, the area of the Dead Sea shoreline, and the eastern slopes of the West Bank hills. The IDF claimed (2/13) that the moves are "security measures" only with no political intent; it should be noted, however, that Israel has long said that it would never cede control of the Jordan Valley under a permanent agreement.

Israeli house demolitions, after nearly ceasing last quarter, were on the rise: 13 Palestinian homes and a three-story apartment building in and near East Jerusalem were demolished, along with 10 homes near Jenin, 9 near Bethlehem, 5 in Ramallah, and 1 in Nablus. The Israeli Committee Against House Demolitions reported (2/8) that Israel's Jerusalem municipality had budgeted \$600,000 to demolish 152 Palestinian homes in Jerusalem in 2005 (up from 90 in 2004). All were ostensibly demolished for being built without permits (no permits for Palestinian construction in Jerusalem have been issued since 1967), but most were on the route of the separation wall.

Israel continued work on its separation wall in the West Bank, with monitors reporting that most construction this quarter was outside Bethlehem, southwest of Hebron, north of Jerusalem, and northwest of Nablus. As of 12/7, the IDF reported that 35% of the wall (171 mi of 472 mi) had been completed. The Israeli High Court rejected (1/9) a petition against the separation wall route around Mod'in settlement and lifted temporary injunctions stopping construction of the wall in that area. On 11/17, Israel began work on a new segment of the wall northwest of Ramallah that will be built on at least 5,330 dunams (d.; 4 d. = 1 acre) of land seized from Abud village (including 3,887 d. that will be cut off from Palestinian access behind the wall). In addition, at least 328 d. of land around Bethlehem and 841 d. near Hebron was confiscated this quarter for the wall.

Aside from the ongoing bulldozing connected with construction of the separation wall, IDF bulldozing of Palestinian lands in the West Bank declined to a handful of reported incidents totaling 150 d. in Hebron, 113 d. in Bethlehem, 5 d. in East Jerusalem, and 5 d. in Nablus.

Jewish settler violence against Palestinians was slightly lower this quarter but re-

mained a near daily occurrence. Incidents included settlers rampaging through Palestinian areas (11/26, 1/13, 2 on 1/14), occupying Palestinian homes and stores (1/13, 1/14), fencing off land for expansion of settlements or creation of new outposts (13 on 12/27, 1/14), beating or otherwise attacking Palestinians (11/17, 11/26, 11/28, 11/29, 1/15, 1/26, 2/3, 2/4, 2/11), barring Palestinians from using roads or accessing property (1/1, 1/4, 1/31, 2/3, 2 on 2/13), vandalizing property (12/29, 1/4, 1/14, 1/15, 1/26, 1/27, 2/11, 2/12, 2/14), setting fire to property (1/14, 1/12, 1/15), destroying crops and uprooting trees (11/16, 11/25, 2 on 11/26, 11/29, 12/17, 12/18, 12/20, 12/24, 12/25, 1/6), and stealing or killing livestock (12/29, 2/3). There were also 2 incidents of deliberate hit-and-runs by Jewish settlers that injured 2 Palestinians (12/3, 1/20). Armed settlers wounded 2 Palestinians in a drive-by shooting on 1/5 and attacked a Palestinian school bus on 2/2, beating 5 students. Of 56 reported incidents (down from 70 last quarter), most occurred in Hebron (20), Nablus (10), and Qalqilya (7). The Israeli Interior Min. reported (1/4) that more than 6,000 new Jewish settlers moved into the West Bank in the second half of 2005.

The IDF also stepped up targeting of journalists. In the most significant case, the IDF arrested a Palestinian News Network (PNN) correspondent in his home on 1/23. Then on 1/24, the Shin Bet summoned a second PNN correspondent for questioning, releasing her with an "offer" to "consider cooperating with them to inform them on her future work with PNN." The IDF also arrested (12/1) al-Jazeera's bureau chief in his home for unspecified "security violations" and detained (12/16) 3 reporters covering clashes near Hebron. On 11/27, following disengagement, the IDF requested that all international and Israeli journalists leave Gaza and not return until further notice.

The Temporary International Presence in Hebron (TIPH) halted (2/8) its activities until further notice and withdrew from Hebron to Tel Aviv. The organization, headed by Norway and including around 100 officers from Denmark, Italy, Norway, Switzerland, and Turkey, cited the unstable security environment in Hebron after Palestinian youths, angry over the publication of Danish cartoons degrading the Prophet Muhammad, surrounded the TIPH headquarters, pelted it with stones, broke into and vandalized the building, and set fire to a vehicle. PA police and IDF soldiers intervened to remove

the youths. TIPH began operating in Hebron in 1/97, when they were mandated to observe and record violations of the human rights situation in Hebron in keeping with the 1/17/97 Hebron Protocol on Israeli redeployment from the city.

Also of note: The private Israeli security firm Mikud began (1/16) operating the Ephraim crossing into Israel near Tulkarm, becoming the first private firm to assume such IDF duties. The IDF awarded 4 private contracts for operation of the Beitunia, Erez, Ephraim, and Gilboa crossings as a test to see if reducing contact between the military and Palestinians would reduce violence. The Israeli security firm Sheleg Lavan began operating the Erez crossing on 1/19.

Independent Initiatives

A two-day Palestinian diaspora conference, gathering 90 Palestinians from Australia, Canada, Europe, North Africa, North and South America, and the occupied territories was held (12/3-4) in Geneva. Participants issued a statement of general principles aimed at unifying Palestinian efforts across the diaspora and drawing up a post-disengagement strategy to prevent the marginalization of diaspora Palestinian communities and safeguard the right of return.

INTRA-PALESTINIAN DYNAMICS

Elections

When the quarter opened, the PA had held 4 rounds of municipal elections (12/23/04, 1/27/05, 5/5/05, 9/29/05), with another round set for 12/15. A final round of voting in 65 West Bank municipalities and several in Gaza was planned, but no date had been set by 2/15 (see Quarterly Update in *JPS* 138). Legislative elections were planned for 1/25/06.

Municipal Elections

The sixth round of municipal elections was held on 12/15 as planned in 44 constituencies including al-Bireh, Jenin, Nablus, and Ramallah in the West Bank and in 3 villages in Gaza (Um Nasr, Fakhari, and al-Qarara). A total of 1,321 candidates (including 266 women) competed for 414 seats. Overall, Fatah took 35% of the seats at stake, compared to 56% won by Hamas, with the rest divided among smaller parties and independents, the strongest of which was the PFLP. Most of Fatah's wins were in smaller villages, whereas Hamas won by an overwhelming margin in al-Bireh (58% to Fatah's 23%), Jenin (over 50%), and the tra-

ditional Fatah stronghold of Nablus (73% to Fatah's 13%). Fatah narrowly won in heavily Christian Ramallah (34% to Hamas's 31%).

Fatah Primaries

Fatah had planned to hold primaries 11/18-25 in the West Bank and Gaza to determine its party list for the 1/25 parliamentary elections. The primaries were a concession to Fatah reformers, angry over the leadership's decision to postpone until after 1/25 Fatah's 6th General Conference, to be held for the first time in 20 years (see Quarterly Update in *JPS* 137), which they had hoped would elect a new Fatah Revolutionary Council (FRC) and Central Committee (FCC) to bring new people into the leadership. As of 11/18, 485 candidates for the primaries had registered for the 80 possible slots in the West Bank alone. The primaries did not begin as scheduled, however, and were officially delayed on 11/19, with the leadership citing internal dissent and threats by local armed Fatah groups to disrupt the voting unless they were paid off with civil service jobs.

The first round of primaries was held on 11/25 in Bethlehem, Jenin, Nablus, and Ramallah and was won overwhelmingly by Fatah reformists, including jailed Fatah *tanzim* leader Marwan Barghouti. The second day of primaries in Gaza (11/28) was marred both by Israel's statement that it would block primary voting in East Jerusalem and by Fatah groups in various locales raiding police stations, firing in the air, stealing and setting fire to ballot boxes, and claiming that the voting was not fair. The Fatah leadership nullified (11/29) the voting in Gaza and postponed further primaries indefinitely, citing broader incidents of violence, voter intimidation, and procedural irregularities (including numerous reports of Fatah members, possibly numbering into the thousands, arriving at the polls to find that their names were not on the rolls or that they were registered in other areas). Despite the decision, angry Fatah officials opposed to the delay went ahead with planned polling in Jerusalem on 11/29, creating further confusion. Meanwhile, some Fatah officials discussed the possibility of re-running the primaries using new voter rolls with significantly fewer members eligible to participate, selecting a "representative sample of the general party membership" to vote; while proponents argued this would speed the process and be easier to regulate properly, it also raised concerns of vote

rigging and was ultimately rejected. On 11/30, the FCC named a 24-member review board, chaired by Abbas, to appoint Fatah's party list "in consultation with" local Fatah leaders. Nonetheless, scattered primaries were held on 12/2 and 12/6, with reformers carrying most of the votes, a notable exception being Hebron, where Fatah stalwart Jibril Rajub won on 12/2, sparking violent protests (12/3) by the AMB, which alleged vote rigging. On 12/7—a week before the deadline for party lists to be submitted to the Central Election Commission (CEC)—Abbas began work with the Fatah Executive Committee and FRC to compile a party list. Outraged AMB members occupied Fatah election offices across Gaza (12/12, 12/13) and in Nablus (12/13) in protest.

Separately, starting from mid-11/05, the Fatah leadership, aware of the movement's internal disorder, was pressuring Abbas to postpone the 1/06 elections for several weeks to allow more time to prepare and to try to amend the election law again (see Quarterly Update in *JPS* 137). The idea was to change the elections from a 50% party list-50% constituency system to an all-party list system, apparently thought to give Fatah the upper hand. (Under the 50-50 system approved in 6/05, half of the 132 PC members would be elected from nationwide party lists, with each party taking a percentage of the 66 seats equal to the percentage of total party list votes won. The other 66 PC members would be elected from district lists by simple majority, with a guaranteed minimum of seats for women and Christians.) A formal proposal to amend the election law again, delaying elections, was rejected by the PC on 11/23.

On 12/14, Abbas submitted the official Fatah list led not by PM Ahmad Qurai', as many expected, but by jailed *tanzim* leader Marwan Barghouti in a bid to draw the support of reformers and AMB members who predominantly sought the removal of veteran leaders deemed corrupt and ineffectual. (In the party list voting, each party, once it knows the number of seats it has won, fills its seats from the top of the party list down, the assumption being that the first member on the list of the party that takes the majority of all 132 seats would be named PM.) In a surprise move, however, Fatah opposition members, outraged by the decision to cancel primaries that had favored them and to allow the existing leadership to appoint the list, announced an hour before the submission deadline that they were breaking away to

form a new movement called Future. The list they submitted was also headed by Barghouti and included Fatah renegades Muhammad Dahlan (former Gaza security chief and civil affairs minister, a favorite of the U.S. and Israel), Jibril Rajub (Abbas's national security adviser), Qaddura Faris (a prominent PC member), and West Bank AMB leader Nasser Juma. Although Future pledged (12/15) to support Fatah in a coalition government, the move threatened to split Fatah's votes and strengthen Hamas's hand.

Abbas immediately opened talks (12/15) with Future rep. Faris to reunite the lists, offering to make concessions in the makeup and order of the official list and threatening to resign as president if Future members did not pull their list and rejoin Fatah. Reaching an impasse with Future on 12/20, Abbas consulted with Egyptian intelligence chief Omar Sulayman, who as Egypt's security envoy to the PA had close contacts with Fatah opposition members, seeking his influence to pressure Future. Meanwhile, the CEC determined (12/17) that, legally, the registration deadline could not be violated, meaning that Fatah and Future could not merge their lists and submit a single, revised slate. Abbas appealed to the judiciary, and on 12/26 a Ramallah court approved a motion to allow Fatah to submit a new list.

Future agreed to return to Fatah in exchange for concessions on the party list, and a new official Fatah slate was submitted to the CEC on 12/28, headed by Barghouti. Some members of the Fatah and Future lists who were strongly opposed by the other camp but had strong local machines (Dahlan in Khan Yunis and Rajub in Jenin being primary examples) were bumped from the party list and allowed to run on the district level. Some senior Fatah members, including PM Qurai' and PC speaker Rawhi Fattuh, apparently unhappy with their placement or believing they could not win if relegated to the district races, decided not to run at all. Not all cadres were pleased by the final result. AMB members angry over the final make-up seized (12/28) 5 election offices in Gaza and waged shoot-outs with the PA police, leaving 1 policeman wounded. Similarly, the AMB Nablus faction threatened (1/17) to disrupt the voting and called on Nablus and Balata r.c. residents to boycott the elections. The FCC was so worried about the state of affairs that most members signed (1/1) a letter to Abbas urging him to postpone elections and calling on Fatah candidates to withdraw their names to force a postponement.

Legislative Elections

The registration period for candidates in the 1/25 elections on district and party lists ran from 12/3 to 12/14. PA cabinet ministers had until 11/25 to resign their positions if they planned to run. Respected Finance M Salam al-Fayyad was the first to step down (11/19), citing not only the desire to run but his frustration with the PA's inability to confront its financial problems; Fayyad also announced the formation of his own party, Third Way. Civil Affairs M Muhammad Dahlan, Higher Education M Na'im Abu Humus, Prison Affairs M Sufiyan Abu Zayda, and ministers without portfolio Sakr Bseiso and Ahmad Majdalani also stepped down to run for Fatah.

After ensuring that applications were complete and valid, the CEC announced on 12/18 that 12 party slates had been registered: **Alternative** (al-Badil, a coalition of the Democratic Front for the Liberation of Palestine [DFLP], Fida, and the Palestinian People's Party, independents headed by DFLP Secretary-General Qays 'Abd al-Karim), **Change and Reform** (Hamas), **Fatah**, **Freedom and Social Justice** (Palestinian Popular Struggle Front), **Freedom and Independence** (Palestinian Arab Front), **Future** (the last-minute Fatah breakaway), **Independent Palestine** (National Initiative headed by Mustafa Barghouti), **Martyr Abu al-Abbas** (Palestinian Liberation Front), **Martyr Abu Ali Mustafa** (PFLP), **National Coalition for Justice and Democracy** (Wa'ad, comprising independents), **Palestinian Justice** (independent), and **Third Way** (headed by Fayyad, with Hanan Ashrawi and the Geneva Accord architect Yasir 'Abid Rabbuh). At the district level, 444 candidates had registered.

Analysts noted that on the district level, "Hamas' approach to the legislative elections has been a model of party discipline and coherence. Hamas higher-uppers have chosen to field a list comprising well-respected, educated, moderate candidates, many of whom have a reputation for probity and high-minded political service" (Miftah 12/17; see also *Ha'Aretz* 1/3). In a decision to de-emphasize Hamas's rigid line, hard-line Gaza leader Mahmud Zahar was placed ninth on the Change and Reform party list and Gaza moderate Ismail Haniyeh was placed first. Hamas also took care to run no more than one candidate per open seat on the district level and brokered alliances with Christian independents in districts with guaranteed Christian seats. Hamas also overcame its internal disputes and signed (1/8) the elections

code of conduct, becoming the last of the 12 parties to do so (see Quarterly Update in *JPS* 138). Fatah, by contrast, ran multiple official candidates for each open seat. In addition, a large number of Fatah members, either not chosen for the party list or unhappy with their placement on it, ran as independents in district races; as many as 120 of the nearly 250 "independents" were Fatah members.

As noted above, Israel on 12/22 had threatened to bar East Jerusalem Palestinians from taking part in the elections and on 1/9 had officially banned candidates linked to Hamas from campaigning in the Jerusalem municipality. In practice, throughout the entire official campaign period (1/3–23), Israel came down hard on candidates of all parties but especially those connected to "terrorist organizations," including not only Hamas's Change and Reform but the PFLP's Abu Ali Mustafa list and Alternative, which included members of the DFLP (see Chronology for details). Israeli authorities routinely barred candidates from entering the city even if they had the proper permits (e.g., 1/10, 1/11, 1/19, 1/22), broke up campaign rallies and arrested candidates (e.g., 3 incidents on 1/3, 1/4, 1/15, 2 incidents on 1/18, 1/20, 1/22, 1/23), raided campaign offices and confiscated election material (e.g., 1/16, 1/19, 1/22), and prevented campaign workers from distributing materials (e.g., 1/9, 1/11, 1/14). In the West Bank, the IDF also barred CEC officials from conducting official business (e.g., 2 incidents on 1/3, 1/24), barred candidates from crossing checkpoints to attend rallies (e.g., 1/11, 1/15, 1/20, 1/21), and broke up a campaign rally (1/20) and tore down campaign posters (1/7) in Hebron. On 1/24, the Jerusalem municipality fined Fatah, Hamas, and the PFLP \$100,000 each for hanging campaign posters in East Jerusalem.

Abbas crossed swords with his own cabinet and the Interior Min. over voting procedures for the PA security forces. On 1/3, he issued a presidential decree, approved by the judiciary, codifying an agreement reached among the CEC, PA, and all Palestinian factions to allow officers to vote in their home polling stations during the 3 days before the elections so that they could be on duty the day of the vote. The cabinet and Interior Min., reportedly instigated by PM Qurai', overruled the decree on 1/4, citing concerns about the potential hindrances to movement that Israel could impose, instead ordering special polling centers to be opened in the barracks and at the

headquarters of the security forces. That same day, the CEC, fearing ballot stuffing by the predominantly Fatah security forces and citing the rule of law, the need for transparency and the importance of preserving the CEC's own integrity, immediately sent (1/4) a letter to Abbas requesting to be relieved of its duties. Abbas reaffirmed his presidential decree on 1/9. The CEC reported (1/23) that 90% of registered officers (53,227 of 58,705) participated in the early voting 1/21-23, 70% of them voting for Fatah.

The elections were held as planned on 1/25, with 77% of the 1.3 million registered voters (82% in Gaza, 74% in the West Bank, and 46% in East Jerusalem) casting 2 ballots—a district ballot (for individuals according to the number of seats allocated to the voter's district) and a national ballot (for a party list). The breakdown of seats allocations for the 16 districts was as follows: **Bethlehem** (4 seats, 2 reserved for Christians; 32 candidates); **Dayr al-Balah** (3 seats; 18 candidates); **Gaza City** (8 seats, 1 reserved for Christians; 49 candidates); **Hebron** (9 seats; 46 candidates); **Jenin** (4 seats; 32 candidates); **Jericho** (1 seat; 5 candidates); **Jerusalem** (6 seats, 2 reserved for Christians; 39 candidates); **Khan Yunis** (5 seats; 43 candidates); **Nablus** (6 seats; 30 candidates); **Northern Gaza** (5 seats; 27 candidates); **Qalqilya** (2 seats; 10 candidates); **Rafah** (3 seats; 12 candidates); **Ramallah** (5 seats, 1 reserved for Christians; 34 candidates); **Salfit** (1 seat; 11 candidates); and **Tubas** (1 seat; 9 candidates); and **Tulkarm** (3 seats; 17 candidates). Some 30 candidates withdrew their names after the registration period closed. Of note: Islamic Jihad, the only significant faction not to field a candidate, called (1/16) on its supporters to boycott the elections.

The CEC released preliminary results on 1/26, showing Hamas's Change and Reform party winning a majority of 76 of the 132 seats, followed by Fatah with 43. The final results released on 1/29 shifted 2 seats from Hamas to Fatah—1 at the district level, in Khan Yunis; 1 from the party lists. The correction was considered suspicious by many, as the additional two seats brought Fatah's representation from 32.5% to 34% of the seats, more than the one-third required to block amendments to the Basic Law or motions to overrule presidential decrees.

The final results for the party lists and district races combined were as follows: Change and Reform (Hamas): 74 seats; Fatah: 45 seats; Abu Ali Mustafa (PFLP): 3 seats; Alternative, Independent Palestine,

and Third Way: 2 seats each; and independent candidates (all allied with Hamas): 4 seats. Significantly, Hamas won almost three times more seats than Fatah in the district races, but just one more in the party list race. The breakdown of the 66 party list seats was as follows: Change and Reform (Hamas) 29, Fatah 28, Martyr Abu Ali Mustafa (PFLP) 3, Alternative 2, Independent Palestine 2, and Third Way 2. The breakdown for the 66 district list seats was as follows: 45 Hamas, 17 Fatah, and 4 independent. Hamas swept races in Bethlehem, Hebron, Jerusalem, and Ramallah (except for Christian seats). Significantly, Change and Reform overall took only 44% of the total votes cast but captured 56% of the seats, while Fatah took 41% of the vote (down from 70% in 1996 elections, in which Hamas did not run) and won 34% of the seats. The disparity emphasized Hamas's superior strategy on the district level, where it captured 68% of the seats with 36% of the vote, with the remaining 64% split among the many Fatah and other party candidates. Fatah reportedly fared better in rural areas than in cities, where corruption was more widespread. Also of note: 17 women were elected (taking 13% of seats), all as members of party lists. Of these, the 6 for Change and Reform won outright, without having to rely on the legislated quota. In addition, 15 seats were won by candidates serving prison sentences. Of these, 14 (11 Hamas; 3 Fatah, including Barghouti) were jailed by Israel and 1 (PFLP leader Ahmad Saadat) by the PA. Israel released 1 Change and Reform member on 2/15 but extended (2/13) the detention order of a second.

Nearly 2,000 Palestinian election observers and 100s of international monitors were in place to witness the elections from the opening of the campaign period on 1/3. Official monitoring teams were sent by China, Egypt, the EU, India, Jordan, Russia, and South Africa. A private American observation team led by former pres. Jimmy Carter and organized by the National Democratic Institute also participated. The U.S. team summed up the opinion of the delegations, deeming the election "a generally smooth process with only sporadic violence and a robust turnout." Few serious election violations were reported overall, the largest being the U.S. disbursement of \$2 m. to influence the election outcome (see above). In the days before the election, observers did note that some PA security vehicles were used for Fatah campaign activities, some PA security officers were seen putting up Fatah campaign posters (1/20), and Fatah members

fired weapons in the air at a campaign rally in Gaza (1/23) in violation of the elections code of conduct. Hamas was cited for airing a campaign commercial from a recording studio in a building attached to a mosque, a technical violation of the code of conduct's prohibition on campaigning at places of worship. All parties reportedly continued modest campaign efforts after the close of the official campaign period on 1/23.

Reform Efforts and Governance

The PA security forces stepped up their efforts to restore order to the territories this quarter, launching (11/27) a large-scale campaign to crack down on criminal activity across the West Bank and Gaza, focusing on searching for stolen property (primarily vehicles), unlicensed weapons, and drugs. In at least two incidents, PA police units tracking stolen vehicles accidentally intervened in IDF covert operations in Palestinian cities in which plain-clothes IDF units were driving stolen cars; serious clashes were narrowly averted. The crackdown also sparked several incidents of clashes with Palestinian militants (e.g., 12/4, 12/24, 1/2, 1/7) and criminal gangs (e.g., 11/27, 12/29, 12/30, 2 on 1/7). Despite the effort, intra-Palestinian violence increased significantly during the quarter (see below). The AMB, Hamas, and Islamic Jihad issued a statement on 1/7 saying that they would set up a special security force to restore order in Gaza if the PA security forces continued to prove unable to do so.

PA Atty. Gen. Ahmad al-Maghani announced (2/5) that a corruption investigation found that at least \$700 m. of PA public funds had been stolen in recent years, citing 52 cases of squandered or stolen funds. (He later claimed that the \$700 m. was "largely generated by journalists" and that he could not give a "meaningful figure.") He said that 25 officials had been arrested thus far, and at least 6 had fled abroad (4 to Jordan, 2 to Arab states); the PA was seeking extradition. On 2/9, Maghani froze the bank accounts and seized the assets of tens of senior PA officials suspected of corruption and issued orders barring them from leaving the occupied territories. The names of those charged were not released.

Under pressure from the PC, Abbas signed (ca. mid-11/05) the PA Judicial Law, significantly amended by the PC without consulting the task force on the judiciary that had drafted the original text. Some legal experts resigned from the task force in

protest over the PC's changes, which they believed undermined both the judiciary's transparency and freedom of action. Soon after the law was published in the Palestinian Gazette, putting it into force, the PA High Court suspended (12/5) the law, ruling it contradictory to the Basic Law and sending it back to the PC. At the close of the quarter, the law was under revision.

On 1/1, the new Palestinian ambassadorial appointments ordered by FM Nasser al-Kidwa last quarter (see Quarterly Update in *JPS* 138) officially went into effect, though several ambassadors were in their new posts weeks in advance. Under the new requirements of the diplomatic corps law of 6/05, Kidwa retired 22 ambassadors and appointed 33 new ambassadors (most of them prominent academics). Of the roughly 90 ambassadors who were held over in the corps, only 12 retained their old positions. Ambassadors will only be able to stay in a post for four years before being rotated. The changes were viewed in part as an effort by Abbas to strengthen his hold on power by shifting control of diplomacy from the PLO (where he faces opposition to his leadership) to the PA.

PA Economics M Mazin Sunukrut announced (11/23) PA plans to build 10 industrial zones in the West Bank and Gaza. One zone near Bayt Hanun was to be built with a \$3 m. U.S. grant, but the future of the grant was in jeopardy following the Hamas election victory.

National Unity and Power Struggles

Palestinian violence and political infighting surrounding the elections continued to raise serious questions about Palestinian political stability and the potential for outright civil war. Fatah, as noted above, was fissured to the point that it arguably no longer existed as a coherent movement. Rival factions fought among themselves and with factions of the Fatah offshoot AMB, which in turn also fought among themselves (see Chronology for details). Other ominous events that indicated that the prospects of further Palestinian infighting were high included Abbas's moves to centralize power after the elections (see above), angry Fatah and AMB demonstrations after elections calling for the Fatah leadership to resign (1/26–28; some members in Hebron and Rafah resigned on 1/29), the serious spate of Fatah-Hamas fighting after the elections (2 on 1/27, 1/28, 2/1, 2/2, 2/3, 2/4), demonstrations (1/30) by PA security force members who said they would

not work for a Hamas-led government, and threats (2/14) by the AMB-Nablu faction to foil the success of the Hamas-led government by "opening fire until they [Hamas] fail in their cabinet as they foiled Fatah."

In addition, some 120 Islamic Jihad members in Bethlehem, angry over the movement's decision to boycott the elections, announced their resignations—an indication of problems in the small, militant faction, which has been devastated by IDF attacks and arrests over the past 6 months.

The elections strengthened Hamas's hand in negotiations for joining the PLO (see Quarterly Update in *JPS* 136). Hamas has in recent years expressed willingness to join if a national unity platform could be agreed upon and a formula devised for its representation in the Palestinian National Council (PNC). Before the recent municipal and legislative elections, Fatah had lobbied to give Hamas only a token representation on the PNC, while Hamas had argued that it should receive a percentage of PNC seats based roughly on its popularity as measured by opinion polls (ca. 20%). The 1/25 win gave Hamas a basis to demand a percentage of seats equal to the percentage of votes it took overall (44%), if not the percentage of seats it actually captured (56%)—something Fatah is not likely to accept. In a strange move, Abbas pushed through (2/13) a measure in the outgoing PC that automatically makes all members of the PC members of the PNC. The move may have been meant to preclude debate on the number of seats Hamas should have in the PNC (restricting them to 72 seats of more than 400), but it undermined other moves by Abbas to centralize his power by differentiating between a PA led by Hamas and a PLO of which Hamas is not a part (see above). It was uncertain what the resolution would mean in practical terms because Hamas does not accept the PLO political platform as it stands, and negotiations on a national unity platform are far from complete.

Overall, intra-Palestinian violence in Gaza escalated dramatically this quarter, becoming a near daily occurrence and leaving at least 15 Palestinians dead and more wounded (see Chronology for details). The rise was clearly due primarily to two factors: political infighting related to the Palestinian elections, as mentioned; and resistance by factions and gangs to the PA's campaign (launched 11/27) to crack down on criminal activity and enforce order (see above). Reprisals, particularly in clan disputes, had reached such a

level by early 1/06 that PA security forces were routinely wearing masks during operations for fear of retaliation against their families.

Most clan-related incidents involved family members attacking the PA to secure the release of relatives who had been arrested (e.g., 12/29, 12/30, 12/31) or PA officers who attempted to break up clashes between clans (e.g., 11/18, 12/3, 12/12). PA crackdowns on guns and drugs and arrest raids to capture felons occasionally erupted in clashes (e.g., 12/4, 12/5, 12/6, 12/24, 3 on 1/7).

Once again this quarter, most demonstrations were led by AMB members seeking jobs (11/17, 12/14, 12/20, 2 on 12/27, 12/31), protesting the PA ban on carrying weapons in public (2 on 11/17), or demanding the release of jailed members (2 on 1/4). Islamic Jihad also held a demonstration (1/24) demanding the PA release its members.

PA police officers even held demonstrations (12/20, 1/2, 1/14), some of them violent, protesting the PA's failure to adequately supply them, leaving them heavily outgunned by gangs and factions.

In two other serious incidents, Hamas members detonated (12/25) an explosive outside the home of a PA police official, causing damage but no injuries, and AMB members fired (1/12) on Interior M Nasr Yusuf's home. Fatah members angry over elections issues also fired on (12/29) and protested outside (1/27) Abbas's residence in Gaza.

Kidnappings by Palestinians in Gaza, a new trend over the past 6 months (see Quarterly Updates in *JPS* 137 and 138), continued this quarter, with the capture and release of 8 foreigners: 1 Dutchman and 1 Australian were kidnapped (12/21) by PFLP members seeking the PA's release of their jailed leader Ahmad Saadat; 3 Britons were kidnapped (12/28) by a previously unknown Fatah offshoot, calling for Britain to take a harder line with Israel; an Italian diplomat was kidnapped (1/1) by AMB members who did not state their demands; unidentified Palestinians angry over a Danish magazine's publication of cartoons defaming the prophet kidnapped (2/2) a German teacher thinking he was a Dane; and a previously unknown group kidnapped (2/9) the Egyptian military attaché; most were released within hours of their capture and all were released unharmed. Two Japanese aid workers evaded kidnapping on 1/2. Palestinians prevented (1/4) the kidnapping

of the parents of American peace activist Rachel Corrie, killed by the IDF in Gaza on 3/16/03.

PALESTINIAN OPINION

The following data are excerpted from a poll conducted by the Jerusalem Media and Communication Center (JMCC) between 8 and 12 February 2006. Results are based on a survey of 1,200 men and women from the West Bank and Gaza. The poll, the 57th in a series, was taken from JMCC's Web site at www.jmcc.org.

1. What is the government structure that you hope to see after the legislative council elections?

	West Bank	Gaza	Total
a. National coalition	59.6%	55.5%	58.1%
b. Hamas government	24.5%	23.4%	24.1%
c. Technocrat government	12.4%	16.1%	13.8%
d. No answer	3.4%	5.0%	4.0%

2. The PA is committed to the option of political negotiations with Israel. Do you believe that the new government headed by Hamas has to continue with the political negotiations [or should] stop the political negotiations and should adopt other options?

	West Bank	Gaza	Total
a. Continue with political negotiations	68.0%	63.2%	66.3%
b. Stop the political negotiations	27.1%	33.9%	29.6%
c. No answer	4.9%	2.9%	4.1%

3. Do you see a contradiction between Hamas responsibility over the Palestinian government and its role in resisting Israel?

	West Bank	Gaza	Total
a. I see a contradiction	45.1%	43.6%	44.6%
b. I don't see a contradiction	51.4%	53.6%	52.3%
c. No answer	3.5%	2.8%	3.1%

4. How concerned are you about Hamas enforcing social restrictions on the Palestinians?

	West Bank	Gaza	Total
a. Very worried	10.0%	5.2%	8.3%
b. Somewhat worried	20.3%	23.0%	21.3%
c. Somewhat not worried [sic]	29.7%	28.6%	29.3%
d. Not worried at all	39.5%	42.0%	40.4%
e. No answer	0.5%	1.2%	0.7%

5. If the elections happened another time today, which list would you vote for?

	West Bank	Gaza	Total
a. Change and Reform	37.1%	48.9%	41.4%
b. Fatah	30.3%	32.3%	31.0%
c. Martyr Abu Ali Mustafa	4.1%	3.9%	4.0%
d. Independent Palestine	2.9%	2.0%	2.6%
e. Alternative	2.9%	0.7%	2.1%
f. Third Way	1.8%	1.8%	1.8%
g. Palestinian Justice	0.4%	0.9%	0.6%
h. Martyr Abu al-Abbas	0.7%	0.0%	0.4%
i. Freedom and Social Justice	0.5%	0.0%	0.3%
j. Freedom and Independence	0.3%	0.0%	0.2%
k. National Coalition for Justice and Democracy	0.0%	0.0%	0.0%
l. Don't know	5.3%	2.7%	4.3%
m. Would not vote	11.4%	5.2%	9.2%
n. No answer	2.3%	1.6%	2.1%

FRONTLINE STATES

JORDAN

Jordan maintained close contacts with Israel and the PA but did not play a major role this quarter. King Abdallah occasionally voiced support for the Palestinians, issuing (1/4) a public statement calling on Israel to allow Palestinians to vote in East Jerusalem and urging (2/7, 2/14) Israel, the EU, and the U.S. to engage with a Hamas-led government and to continue providing Palestinians with tax transfers and aid. In a surprise move on 2/14, Jordan invited Hamas to send a delegation to the kingdom for the first time since

the kingdom expelled Hamas leaders in 1999 following Israel's attempted assassination of Mishal; no date was set.

Jordan also drew closer to the U.S. this quarter in the wake of the 11/9/05 Amman bombings (see Quarterly Update in *JPS* 138). King Abdallah appointed (11/24) his top aide Maruf Bakhit as PM, urged him to launch a war on Islamic militancy, and called for a tougher antiterrorism law that specifies punishment for specific "terrorist" acts.

LEBANON

The most significant event for Lebanese-Palestinian relations this quarter was Lebanon's agreement (1/5), after months of talks (see Quarterly Update in *JPS* 138), to allow the PLO to open a "mission" (i.e., not an embassy) in Beirut. PLO offices in Lebanon were closed in 1982.

This quarter witnessed yet another politically motivated bombing in a string of bombings stemming from the 2/14/05 assassination of former PM Rafiq Hariri. Lebanese journalist and MP Gebran Tueni, his driver, and a bodyguard were killed (12/12) when a car bomb next to Tueni's car exploded in a Beirut suburb, also wounding 32 bystanders. Tueni's was the 10th bombing since Hariri's death targeting journalists and others critical of Syria (the others were on 3/19, 3/23, 3/27, 5/7, 6/2, 6/21, 7/12, 9/17, 9/25). A previously unknown group called Strugglers for Unity and Freedom in the Levant claimed responsibility for Tueni's death, threatening other "opponents of Arabism" in Lebanon. Syria denied accusations of involvement, saying the timing of the bombing, which coincided with the presentation of the latest report by the UN commission investigating the Hariri assassination (see below), was clearly meant to undermine Damascus. The Lebanese cabinet voted (12/12) to convene a tribunal to investigate the bombings, prompting 5 pro-Syrian ministers, including Hizballah's Energy M Muhammad Fneish, to walk out in protest. Britain, France, and the U.S. quickly introduced (12/13) a UN res. calling for the probe into Hariri's assassination to be extended through 6/15/06 and expanded to include investigation of bombings stretching as far back as 10/1/04, before Hariri's killing. The measure passed unanimously in the UN Security Council (UNSC) on 2/15.

In addition, a senior Hizballah official (unnamed) narrowly escaped (12/9) assassination in Chtoura, Lebanon, when a bomb in his car exploded moments after he got

out. Hizballah blamed Israel, which denied involvement.

Violence on the Israel-Lebanon border increased this quarter. Hizballah members simultaneously raided (11/21) three IDF posts in Shaba' Farms, clashing with Israeli troops and shelling the area, leaving 4 Hizballah members and 1 IDF soldier dead and 11 IDF soldiers wounded. Israel confiscated three of the Hizballah bodies but vowed not to retaliate if Hizballah stopped its shelling, which it did. Hizballah had initially claimed that the attack was provoked by two IDF vehicles straying into Lebanon, but Hassan Nasrallah admitted on 11/25 that his group had initiated the attack to kidnap IDF soldiers to hold in exchange for Hizballah prisoners detained in Israel. Israel and the UN Interim Force in Lebanon (UNIFIL) denounced (11/21) the attack. Despite its 11/21 pledges, the IDF shelled and conducted air strikes on a Hizballah base in s. Lebanon on 11/22, killing at least one Hizballah member. The next day, the UNSC issued an unprecedentedly strong statement expressing "deep concern" over Hizballah's "acts of hatred," referring to the 11/21 incident. Keeping tensions high, an Israeli hang glider accidentally landed just inside Lebanon on 11/23. The IDF opened the border gate and ushered the Israeli through, exchanging fire with Hizballah members who attempted to catch the man, causing no injuries. The IDF also dropped leaflets over Beirut denouncing Hizballah. On 11/25, Israel returned the bodies of the 3 Hizballah members in a gesture to restore calm. On 2/2, the IDF fatally shot a Lebanese shepherd near Shaba' Farms, mistaking him for an armed militant. The next day (2/3), Hizballah fired a mortar at IDF troops in Shaba' Farms, lightly wounding 1. The IDF responded with artillery fire and air strikes on Hizballah positions in s. Lebanon, causing no reported damage or injuries. Also of note: Lebanese PM Fuad Siniora declared (2/2) that Hizballah was a national resistance movement against Israel, not a militia. (Under UN Res. 1559, Lebanon was required to disarm all militias.

Overnight on 12/26-27, unidentified assailants fired 9 rockets from s. Lebanon into n. Israel, causing damage but no injuries. In response, the IDF publicly blamed (12/27) Hizballah but carried out (12/27) air strikes on a Popular Front for the Liberation of Palestine-General Command (PFLP-GC) base s. of Beirut, wounding 2 PFLP-GC members. The PFLP-GC, Fatah, and Hizballah all denied responsibility, and no group

initially claimed it. Then on 12/29, al-Qa'ida commander Abu Musab al-Zarqawi issued a statement claiming that al-Qa'ida carried out the attack, raising concerns that some Palestinian elements might be working with al-Qa'ida. Hizballah reportedly was angry that al-Qa'ida was challenging its control of s. Lebanon. Further questions were raised days later, when the Lebanese navy arrested (ca. 1/7) 4 Palestinians from a r.c. near Tripoli on a "weapons-laden boat" heading south, and Lebanon accused the men of being members of a Lebanese faction of al-Qa'ida and of plotting to smuggle arms to Gaza for an attack on Israel. In addition, on 12/30, Lebanese authorities found and disarmed two Katyusha rockets in s. Lebanon pointed at Israel; no group claimed responsibility.

Tensions between Lebanese authorities and the PFLP-GC also continued this quarter (see Quarterly Update in *JPS* 138). On 1/9, PFLP-GC members shot and wounded 2 Lebanese police officers patrolling near their base outside Beirut.

SYRIA

Syria continued to face unrelenting U.S. pressure over suspicions that the Syrian government was involved in the 2/14/05 assassination of former Lebanese PM Rafiq Hariri. On 12/12, Detlev Mehlis, the head of the UN investigation into the assassination, gave his updated report to UN Secy.-Gen. Kofi Annan, stating that new evidence reinforced his initial judgment (see Quarterly Update in *JPS* 138) that Syrian intelligence forces were to blame for Hariri's death (despite growing questions regarding the investigation). The 12/12 report alleges that one witness who recanted his testimony to the commission, Hussam Tahir Hussam, did so because Syrian officials had arrested and threatened some of his relatives. The report also says that the investigation uncovered evidence that a high-level Syrian official had supplied arms and ammunition to persons in Lebanon to stage at least some of the recent bombings in Lebanon "in order to create public disorder in response to any accusations of Syrian involvement in the Hariri assassination." Although the probe was extended for another 6 months on 12/15 at Lebanon's request, Mehlis stepped down when the initial mandate expired on 12/15. He was replaced by Belgian Serge Brammertz.

The U.S. Treasury Dept. froze (1/18) the assets of Syrian military intelligence head Assif Shawkat and banned U.S. citizens from

doing business with him, accusing him of fomenting terrorism against Israel and backing Syria's domination of Lebanon. Shawkat, Pres. Bashar al-Asad's brother-in-law, had been identified by the UN investigation into the Hariri assassination as one of the possible conspirators.

Bush amended (11/22) the Iran Nonproliferation Act of 2000 specifically to include Syria. The new act, now called the Iran Nonproliferation Amendment Act of 2005, authorizes the president to take punitive action against individuals or organizations known to be providing material aid to weapons of mass destruction (WMD) programs in the two countries. The president can suspend export of arms and dual-use technology to any entity violating the act.

Also of note: Former Syrian VP 'Abd al-Halim Khaddam—who resigned on 12/30, accused Asad of involvement in the Hariri assassination on 12/31, and has been living in exile in France since—announced (1/15) that he was forming a government in exile, believing that Asad would be forced from power in 2006. Khaddam criticized Syrian foreign policy before Syria's forced withdrawal from Lebanon and was close to Hariri.

A delegation of senior Israeli officials, led by Likud chairman and MK Hanegbi, held (late 11/05) a strategic dialogue with their counterparts in Washington in which they reportedly stated Israel's preference for the current level of stability under Asad over the likely outcomes of regime change, which it sees as internal chaos, an Islamist regime, or another Alawite strongman. The U.S. team, led by Undersecy. of State for Political Affairs Nicholas Burns, reportedly dismissed their concerns, saying that removing Asad could be "transformative" (Jewish Telegraphic Agency 12/4).

REGIONAL AFFAIRS

Israel continued to explore expanding ties with Arab states this quarter. Israeli FM Silvan Shalom participated (11/16-18) in the UN's World Summit of Information Technology in Tunisia, holding talks on the sidelines with Tunisian officials on increasing bilateral trade and tourism. Shalom also held two meetings with Abbas: the first was an informal meeting in which they discussed Hamas participation in elections and the Rafah crossing arrangements; no details of the second, formal meeting were released. Shalom also attended a dinner

during the visit with the heads of state of Algeria, Lebanon, and Tunisia and the PMs of Bahrain and Qatar. At a transportation conference in Morocco (ca. 12/15), Israel and Morocco agreed to explore beginning air service between the two countries.

Arab states, meanwhile, watched from the sidelines as Palestinian elections unfolded. In response to Israel's announcement (2/1) that it was suspending VAT transfers to the PA (see above), Saudi Arabia promised \$20 m. and Qatar \$13 m. in immediate aid to help the PA cover civil servants' salaries for 2/06. Egypt also agreed (2/5) to sell gasoline to the PA at the same subsidized prices that Egyptians receive—one-fifth the cost the PA was currently paying Israel for fuel.

INTERNATIONAL

UNITED STATES

Hamas's election win was an unexpected setback for the Bush administration. Critics commented (see *New York Times* 1/27, 1/29; *Washington Post* 1/27) that Hamas's victory marked a "huge blow to Bush's advocacy of democracy in the Middle East," noting that it marked the fifth recent case of regional hardliners winning significant gains through elections, the others being the Muslim Brotherhood in Egypt, Hizballah in Lebanon, Shi'i parties backed by militias in Iraq, and Pres. Mahmoud Ahmadinejad in Iran. The U.S., out of touch with the mood on the Palestinian street (due in no small part to the State Dept. ban on travel to the territories without special permission for even its most senior envoys), was unprepared for the Hamas win, placing it in a bind: honoring the democratic process and dealing with the elected PA government meant dealing directly with members of an organization deemed to be a terrorist organization under U.S. law.

Congress, meanwhile, introduced and passed a number of measures against providing aid to and having contact with a PA government that included Hamas, which were at times stronger in language than the Israeli position. The most drastic legislation passed in the wake of elections was introduced (2/1) by Reps. Ileana Ros-Lehtinen (R-FL) and Tom Lantos (D-CA). H. R. 4681, titled the Palestinian Anti-Terrorism Act of 2006, would "prevent U.S. funds from being manipulated for the benefit of Hamas and other terrorist entities" by strengthening travel restrictions to the U.S. on any

"members or associates of Hamas" in the PA, PC, municipalities, or other government branches; withholding U.S. contributions to the UN proportional to the amount the UN provides the PA or UN agencies that support the Palestinians; designating the Palestinian territories a "terrorist sanctuary"; and closing the PLO offices in Washington. If passed, the measure would create tighter restrictions than were imposed on the PLO in the 1980s. Separately, Sens. Rick Santorum (R-PA), Bill Nelson (D-FL), and John Kyl (R-AZ) submitted (2/1) a companion bill (S. 2237) that was similar in content but milder in tone. The Senate also passed (2/1) by consensus a concurrent res. (S. Con. Res. 79) stating in full "that no United States assistance should be provided directly to the Palestinian Authority if any representative political party holding a majority of parliamentary seats within the Palestinian Authority maintains a position calling for the destruction of Israel." The House endorsed the measure on 2/15. In addition, Rep. Vito Fossella (R-NY) submitted (1/31) a resolution (H. R. 4668) that would ban any aid to the PA, arguing that "the Palestinian people have every right to elect a terrorist organization to control their government—and the United States has every right to eliminate any financial assistance for it."

Congress had also taken steps before the elections to target Hamas. On 12/16, the House passed (397-17) a measure (H. R. 575) drafted by Reps. Ileana Ros-Lehtinen (R-FL), Shelley Berkley (D-NV), Eric Cantor (R-VA), and Michael McCaul (R-TX), with 82 cosponsors, which stated that Hamas and "other terrorist groups" should be banned from participating in 1/06 PA legislative elections and from any future government unless they recognize Israel's right to exist, halt all incitement and violence, condemn "terrorism," and dismantle their infrastructures. The measure also recommended that U.S. aid to the Palestinians be suspended if Abbas did not crack down on these groups. (No companion res. was entered in the Senate, so the measure did not progress.) On 12/21, 73 U.S. senators signed a letter urging Bush to pressure Abbas to disarm Hamas before the 1/25/06 elections, suggesting that if groups such as Hamas were to be brought into the PA, "the United States—and no doubt other countries as well—would have little choice but to reevaluate all aspects of our relations with the Palestinian Authority." Sens. Bill Nelson (D-FL) and Jim Talent (R-MO) began circulating the letter on 11/22.

On a different note, 108 members of Congress signed (12/16) a letter to Rice praising her brokering of the 11/15 Rafah arrangements and calling on the U.S. to maintain active involvement in the peace process. The letter was lobbied by Americans for Peace Now and sponsored by Rep. Henry Hyde (R-IL).

Also of note: At the weekly cabinet session on 1/8, Shalom reported that during the first session of the 109th Congress in fall 2005, 23 senators and 80 representatives visited Israel and that the average congressional support (both houses) for the 15 resolutions passed relating directly to Israel was 400 votes.

Of importance to U.S. policy in the region, Secy. of State Rice announced (1/18) a broad restructuring of the State Dept. under which embassies in Europe would be reduced and embassies in the Middle East, Asia, and other areas expanded to reflect changes in the global power structure since the collapse of the cold war. Career advancement into the senior ranks of the foreign service henceforth will require diplomats to accept assignments in dangerous posts, to gain expertise in at least two regions, and to become fluent in at least two foreign languages (preferably including Arabic, Chinese, Urdu, and similar languages which current foreign service officers typically lack). In the process, new one-person diplomatic posts will be created in some 200 influential cities with populations of over 1 m. Rice also announced changes that will bring USAID under greater control of the State Dept. so as to centralize foreign aid accounts and "ensure more effective and focus spending overseas." Critics worried that the change could further politicize foreign aid objectives and undermine long-term development projects. The two announcements were cornerstones of Rice's new strategy of "transformational diplomacy," which she hopes to make a hallmark of her term as secy. of state, that aims to "shift from merely reporting on events to influencing them to foster the growth of democratic states worldwide."

While the U.S. and Israel did not move forward with talks on a major aid package for Israel in light of the disengagement (see Quarterly Update in *JPS* 138), the U.S. did sign (12/8) an agreement to provide Israel with a \$50 m. first installment to purchase, deliver, and install high-tech scanners and other inspection equipment at crossings through the separation wall. Congress also

approved (12/23) the transfer of \$600 m. to Israel to fund joint security projects, including \$133 m. for the Arrow missile program. The \$600 m. was in addition to regular annual military assistance. Of note: Israeli accountant gen. Yaron Zalika announced (11/26) that Israel is on track to achieve full foreign currency financing independence in early 2007, which means that Israel would no longer need U.S. loan guarantees. U.S. loan guarantees are set to run out at the end of 2007.

The U.S. and Israel renewed their strategic dialogue, suspended over Israel's recent sale of proprietary technology to China (see Quarterly Update in *JPS* 138), with a meeting (11/27) in Washington between an Israeli delegation led by Israeli cabinet minister Hanegbi and a U.S. delegation led by Undersecy. of State for Political Affairs Nicholas Burns, and including the directors general of the State and Defense Depts. In addition, a 25-member U.S. National Guard delegation held (11/17-22) a six-day visit to Israel to observe the Israeli Home Front Command's disaster rescue, civil defense, counterterrorism, and urban warfare training programs. The sides signed two letters proposing to exchange ideas and conduct joint training missions.

The Israeli daily *Yedi'ot Abaronot* reported (12/2) that 10s of former Israeli elite and undercover forces were working with U.S. forces in Iraq to train Kurdish fighters in "anti-terrorism techniques," while other Israeli companies were involved in telecommunications and infrastructure projects, such as rebuilding the Irbil airport. In addition, in a major policy speech on Iraq on 12/11, Bush urged support for the U.S. campaign in Iraq in part because "Israel's long-term survival depends upon the spread of democracy in the Middle East." The high-profile linkage of Israel with Iraq concerned Tel Aviv, which downplayed the statement.

In a precedent-setting case on the use of the Patriot Act, a federal jury acquitted (12/6) former Florida professor Sami al-Arian on 8 of 17 counts of aiding terrorists and deadlocked on the other 9. Of his codefendants, two were acquitted of all charges; one was found not guilty on 24 counts, with the jury deadlocked on the remaining 8. (Afterward, jurors said that on most of the charges on which they deadlocked, the overwhelming majority favored acquittal.) After years of pre-9/11 FBI investigations were unable to substantiate suspicions that the men's ties to

and support of Islamic Jihad qualified them as a domestic terrorist cell with significant decision-making authority in the group as a whole, then-attorney general John Ashcroft used the new Patriot Act provisions to indict the men in 2003. Prosecutors brought 80 witnesses as well as evidence from foreign intelligence probes before the court. Defense lawyers argued that while the men were vocal supporters of the Palestinian cause, knew Islamic Jihad head Ramadan Abdallah Shallah (who had also been a professor at University of South Florida), and may have celebrated Islamic Jihad attacks, they were protected by the First Amendment and all their donations were to legitimate Palestinian charities. Arian and one codefendant will remain jailed until the federal court decides whether to retry them on the deadlocked counts. Even if the charges are dropped, Arian will probably remain jailed until he is deported; U.S. Immigration and Customs Enforcement (ICE) has said it will "most likely" move to deport Arian, though it has not said on what grounds.

A federal court sentenced (1/20) former Pentagon analyst Larry Franklin to more than 12 years in prison for passing classified information to an Israeli embassy official and to American Israel Public Affairs Committee (AIPAC) officials as well as for unlawful possession of classified documents. The judge gave Franklin a minimum sentence, saying that he believed Franklin did not intend to do harm and was a loyal American, but still must be punished. He pleaded guilty in 10/05 (see Quarterly Update in *JPS* 138).

The U.S. Supreme Court refused (11/28) to hear an appeal to overturn a \$116 million judgment against the PLO for the drive-by shooting deaths of a Jewish couple returning to Israel from a Jewish settlement in the West Bank. Prosecutors argued that the PLO was to blame for giving a safe haven to Hamas. The PLO did not defend against the charges and lost in a default judgment.

Employing, for the first time, the same technique, the Center for Constitutional Rights (CCR) and the Palestinian Center for Human Rights brought (12/8) a class action lawsuit in New York district court against Israel's former Shin Bet head Avi Dichter, seeking millions of dollars in damages on behalf of the Palestinians who were killed or injured in a 7/22/02 air strike in Gaza City, which killed 15 Palestinians (including Hamas's Shaykh Salah Shihada, the target of the assassination) and wounded 150. The suit charged Dichter with war crimes for his participation

in planning and ordering the one-ton bomb to be dropped on the residential neighborhood. Dichter is currently a fellow at the Brookings Institution in Washington.

CCR also filed (12/15) a class action lawsuit in District of Columbia district court against Lt. Gen. (ret.) Moshe Ya'alon, charging him with war crimes; extrajudicial killings; crimes against humanity; and cruel, inhuman, or degrading treatment or punishment in connection with the 4/18/96 shelling of the UN compound in Qana, Lebanon, killing over 100 civilians and wounding 100s more. The suit seeks millions of dollars in damages for the families of those killed and wounded. Ya'alon was served with papers in Washington, where he is currently a distinguished fellow at the Washington Institute for Near East Policy, which is linked to AIPAC.

RUSSIA

Russia, which normally restricts involvement in the peace process to participation in the Quartet, took significant stands this quarter against Israeli- and U.S.-led efforts to isolate the newly elected Hamas-led government. As noted above, Russian president Putin said (1/31) that Russia would not support efforts to cut off financial aid to the Palestinians.

In addition, he stated (2/9) intentions to invite a Hamas delegation to Moscow to discuss the peace process, restating that Russia would not declare Hamas a terrorist organization. Hamas welcomed the statement, but Israel accused (2/9) Russia of violating the "ground rules for negotiations" agreed by the Quartet on 1/30 and warned that any official contact with Hamas was a "slippery slope" to international legitimization of terror. Days later (ca. 2/13), in a bid to pressure Putin to withhold the invitation, Israel began circulating a document claiming that Hamas had supported Chechen separatists and their "terrorist tactics" (alluding to the 9/04 Belsan school attack). The document cites as examples (without evidence) that Hamas allowed Chechens to use their Web sites and distributed anti-Russian literature in 2003-4. An Israeli government official speaking anonymously said (2/13), "we think that it would be a good thing if Russian citizens became aware of that."

EUROPEAN UNION

The major incident of the quarter was the leaking (11/24) to the press of the draft of an internal report to EU FMs by officials

at the British consulate in East Jerusalem (Britain was the current rotating head of the EU) in which the diplomats strongly criticized Israel's policies in East Jerusalem (including increasing settlement expansion, construction of the separation wall, house demolitions), saying they "are reducing the possibility of reaching a final-status agreement on Jerusalem that any Palestinian could accept" and "risk radicalizing the hitherto relatively quiescent Palestinian population of East Jerusalem." The draft report (see Doc. A5 in *JPS* 138) recommended a stronger EU stance in opposition to these policies, including possibly convening meetings with PA officials in East Jerusalem rather than in Ramallah to underscore EU displeasure. At a meeting on 11/21, the FMs decided not to publicize or acknowledge the report, given the "delicate time" in EU-Israeli relations, but to defer the matter until their 12/05 session. Instead, the EU released (11/21) an official statement expressing "grave concern" over Israeli acts in East Jerusalem. While the *Independent* called (11/25) the draft "the most detailed and remorselessly critical account yet produced by a Western international body of Israel's policy in East Jerusalem," EU special envoy Marc Otte downplayed (11/24) it, calling the assessment "nothing exceptional or extraordinary." Even after news of the report broke, the EU FMs reaffirmed (12/12) the decision to forgo publication, arguing that the EU's influence with Israel would be severely curtailed by publication and that it would be inappropriate to release the document before the 3/06 Israeli elections.

At the close of a two-day Euro-Mediterranean (Euro-Med) summit in Barcelona (11/27-28), participants agreed on a code of conduct to counter terrorism, including that all states will "prevent terrorists accessing money and weapons, to disrupt their plans and disrupt their networks, and to bring them to justice by strengthening international cooperation"; they did not agree, however, on definitions of "terrorism" or "terrorist." Israel and most EU states wanted a statement that would expressly say that the right to self-determination does not justify acts of violence, whereas Arab states demanded upholding international law's guarantee of the legitimate right to resist occupation. The participants also could not agree on a joint statement on the Middle East peace process, largely because Israel refused to include mention of the road map or the 2002 Arab League declaration.

Also of note: German chancellor Gerhard Schroeder's outgoing government agreed (11/19) to sell Israel two Dolphin class submarines at a deeply discounted price. Germany gave Israel two Dolphins in the early 1990s, and Israel bought a third at discount. The submarines can be equipped to carry nuclear weapons

In 12/05, the Norwegian provincial government of Sor-Trondelag passed a res. to boycott Israeli products to protest the occupation. On 1/4, Norway's Socialist Left party, part of the governing coalition, endorsed the plan, sparking a diplomatic crisis between Norway and Israel. Although Norway emphasized that this was not a government decision, the Socialist Left reaffirmed its endorsement on 1/9, prompting U.S. Secy. of State Rice to warn (1/11) Norway that it would face "serious political consequences" and a "tougher political climate" with the U.S. if the boycott were not rescinded. The party backed down and apologized (ca. 1/14) and Israel said it was satisfied, though the Sor-Trondelag res. was not rescinded.

UNITED NATIONS

The U.S. continued efforts this quarter to eliminate or shrink, ostensibly to "cut costs," UN programs and missions relating to Palestinians (see Quarterly Update in *JPS* 138), with U.S. Amb. to the UN John Bolton warning (12/4) that the U.S. would oppose the adoption of the UN's two-year budget (2006-7), currently under discussion, until wide-ranging management changes are implemented, including "the elimination of outdated missions." (In an address to the annual Zionist Organization of America national dinner on 12/11, Bolton also vowed to confront "UN-sponsored anti-Israel campaigns.") Senior U.S. adviser Robert O'Brien urged (11/30) the UN General Assembly (UNGA) to eliminate rather than renew the mandate of the Comm. on the Exercise of Inalienable Rights of the Palestinian People (CEIRPP) and the UN Division of Palestinian Rights (DPR) within the Secretariat, set to be extended on 12/1, saying that they "perpetuate a skewed and biased approach to the Middle East conflict" and "undermine the ability of the United Nations to play a constructive role in furthering peace." The Special Committee to Investigate Israeli Practices in the Occupied Territories was also targeted. Nonetheless, the mandates of CEIRPP and the DPR were extended indefinitely on 2/10; the CEIRPP measure passed

by a vote of 106-8 (Australia, Canada, Israel, Marshall Islands, Micronesia, Nauru, Palau, and the U.S.), with 59 abstentions, while the DRP measure passed 105-8 (the same as above), with 59 abstentions. Under pressure from Bolton, a limited six-month UN budget was passed in 12/05, with pressure placed on Secy-Gen. Annan to draft a reform plan.

The UNGA passed (12/2) two resolutions affecting the Palestinians: the first, denouncing unilateral economic measures as a means of political and economic coercion against developing countries passed by a vote of 117 to 1 (the U.S.), with 48 abstentions; the second, expressing concern over the destruction of Palestinian agricultural lands and calling on Israel not to exploit, damage, deplete or endanger Palestinian national resources, passed by a vote of 151-7 (Australia, Israel, Marshall Islands, Micronesia, New Guinea, Tonga, Tuvalu, Vanuatu), with 9 abstentions.

The UNGA reaffirmed (12/1) six resolutions in support of the Palestinians that come up annually: a res. calling for Israel's withdrawal to 1967 borders passed 156-6 (Australia, Israel, Marshall Islands, Micronesia, Palau, U.S.), with 9 abstentions; a res. affirming East Jerusalem as occupied territory passed 153-7 (Costa Rica, Israel, Marshall Islands, Micronesia, Nauru, Palau, U.S.), with 12 abstentions; a res. reaffirming the Golan Heights status as occupied passed 106-6 (Canada, Israel, Marshall Islands, Micronesia, Palau, U.S.), with 62 abstentions; a res. supporting the Comm. on the Exercise of Inalienable Rights of the Palestinians passed 106-8 (Australia, Canada, Israel, Marshall Islands, Micronesia, Nauru, Palau, U.S.), with 59 abstentions; a res. supporting the Division for Palestinian Rights of the Secretariat passed 105-8 (Australia, Canada, Israel, Marshall Islands, Micronesia, Nauru, Palau, U.S.), with 59 abstentions; and a res. extending the UN Secretariat's Dept. of Public Information's special information program on Palestine through 2006-7 passed 106-7 (Australia, Israel, Marshall Islands, Micronesia, Nauru, Palau, U.S.), with 6 abstentions.

Another 9 resolutions were renewed on 12/8: a second res. reaffirming the Golan Heights as occupied territory passed 156-1 (Israel), with 15 abstentions; a res. on Israeli practices in the territories and human rights passed 148-7 (Australia, Grenada, Israel, Marshall Islands, Micronesia, Palau, U.S.), with 17 abstentions; a res. on settlements in the territories passed 158-6 (Grenada,

Israel, Marshall Islands, Micronesia, Palau, U.S.), with 7 abstentions; a res. reaffirming the applicability of the Fourth Geneva Convention to the West Bank, Gaza, and East Jerusalem passed 158-6 (Grenada, Israel, Marshall Islands, Micronesia, Palau, U.S.), with 7 abstentions; a res. supporting the work of the Special Committee to Investigate Israeli Practices Affecting the Human Rights of the Palestinian People and Other Arabs of the Occupied Territories passed 86-10 (Australia, Canada, Grenada, Israel, Marshall Islands, Micronesia, Republic of Nauru, Palau, Tuvalu, U.S.), with 74 abstentions; a res. affirming the right of refugees to compensation passed 160-6 (Grenada, Israel, Marshall Islands, Micronesia, Palau, U.S.), with 3 abstentions; a res. supporting UNRWA operations passed 159-6 (same as previous), with 3 abstentions; a res. on refugees and displaced persons passed 161-6 (same as previous), with 5 abstentions; and a res. on assistance to Palestinian refugees passed 161-1 (Israel), with 11 abstentions. A new res. calling upon the international community to increase assistance to the Palestinian people was adopted without a vote on 12/15. And a res. affirming Palestinian sovereignty over natural resources in the territories passed (12/22) by a vote of 156-6 (Australia, Israel, Marshall Islands, Micronesia, Palau, U.S.), with 8 abstentions.

The Palestinian Red Crescent Society (PRCS) and Israel's Magen David Adom (MDA) signed (11/28) an agreement of mutual recognition and on operational arrangements, which in principle should facilitate the movement of PRCS ambulances through checkpoints (though Israel continued to state that its security needs will be the ultimate factor in allowing movement). The agreement, which marked the first time that Israel recognized the sovereignty of the PRCS and its right to work with freedom in the territories, paved the way toward MDA being admitted to the International Committee of the Red Cross (ICRC) on 12/8 (by a vote of 98-27, with 10 abstentions). The 12/8 protocol allows Israel to participate in global relief efforts under international protection by recognizing a new symbol, a red diamond on a white field into which the Star of David (the MDA's symbol) can be placed. The red diamond compromise had been discussed since at least 2000. During the negotiating process, Syria reportedly pressed for Israel to allow the Syrian Red Crescent recognition and access to the Golan Heights similar to the PRCS, but Israel refused. On

12/12, the IDF barred a PRCS ambulance from transporting a critically ill ten-year-old Palestinian boy through a checkpoint to a hospital, beating a female paramedic and driver, and arresting the paramedic, raising questions as to how much the PRCS's situation would change as a result of the signing of the operational arrangements.

On 12/5, 20 countries pledged \$74 m. for the UNRWA's \$1.3 b. 2006-7 operating budget. Among the pledges were \$28 m. from Sweden, \$14 m. from the Netherlands, \$10 m. from Denmark, \$6.5 m. from France, and \$5 m. from Belgium. The U.S. did not make a pledge.

The UN Latin and Caribbean Meeting on the Question of Palestine was held (12/14-15) in Caracas, Venezuela. At the close, participants issued a declaration condemning the separation wall, expansion of settlements, and renewed Israeli assassinations and urging Israel to allow East Jerusalem Palestinians to vote freely in the 1/06 elections.

A UN legal comm. declared (12/1) that it would be unable to complete the drafting of a comprehensive treaty against terrorism by the end of the year, agreeing to resume work on 2/27/06. As in the case of the Euro-Med statement (see above), progress has been stalled since 1996 in a dispute over how to define "terrorism," with the many arguments focusing on how to classify Palestinian suicide bombings and Israeli military actions inside the West Bank and Gaza. All 192 UN mbrs. have a seat on the legal working group.

TURKEY

In a bid to foster Palestinian economic development after disengagement, Turkish FM Abdullah Gul met (1/5) with Israeli FM Silvan Shalom in Jerusalem to sign a joint declaration on rehabilitating the Erez industrial zone, aimed at enhancing Gaza's economic opportunities. Shalom said, however, that operations in the zone would be contingent upon a cessation of Palestinian rocket fire. Turkey will pay the estimated \$5 m. cost of the project.

Turkey also kept bilateral lines with various parties open. Turkish PM Recep Tayyip Erdogan held (11/28) separate meetings with Abbas, Olmert, and Lebanese PM Siniora on the sidelines of the Euro-Med Barcelona meeting. In Hong Kong, the Israeli and Turkish FMs held (12/14) talks on expanding trade ties and entering a qualified industrial

zone (QIZ) agreement similar to those Israel has with Egypt and Jordan.

IRAN

This quarter the new Iranian pres. Mahmoud Ahmadinejad shocked Israel, the U.S., and many other countries by making statements (e.g., 12/8, 1/1) in which he expressed doubt that the Holocaust occurred, calling Zionism "de facto neofascism" and an imperialistic idea created by Britain that "is currently killing Muslims with the help and direct lead of the United States and parts of Europe," and suggesting that Germany and Austria should give up land so that Israel may be reestablished in Europe and Palestinians returned their land. At Israel's urging, the UNSC condemned (12/9) Ahmadinejad's 12/8 comments questioning the Holocaust.

Sharon once again warned (12/1) that Israel could not accept Iran as a nuclear state and that the international community had only months to act before diplomatic efforts to halt Tehran's nuclear program become futile, stating that if talks failed, Israel would not be "helpless" and "we are making the necessary preparations to be ready for such an eventuality." When asked, Sharon stated that preparations "definitely" included a military response. Similar warnings were made by IDF intelligence chief Maj. Gen. Aharon Ze'evi Farkash (11/30), Israeli DMin. chief of strategic and security planning Amos Gilad (12/13), IDF Chief of Staff Gen. Dan Halutz (12/13), and DM Mofaz (1/21). In an interview with Reuters, Pres. Bush vowed (2/2) that the U.S. would come to Israel's defense against Iran militarily if necessary and denounced Iranian pres. Ahmadinejad for "menacing Israel" by pursuing the nuclear option. A report by the U.S. army on strategies to deal with Iran's nuclear program concluded (12/5), however, that Israeli air strikes on Iran's facilities were unlikely to dissuade Iran from pursuing its nuclear program in the long term.

The U.S. led efforts to press the UN International Atomic Energy Agency (IAEA) to refer Iran to the UNSC for violating its nuclear treaty obligations, saying that more than 2 years of negotiations had made no progress in light of Iran's resumption of uranium enrichment on 1/10. Britain, France, and Germany agreed to support the move on 1/12, and China, the EU, and Russia endorsed the plan on 1/30. UN Secy.-Gen. Annan, however, said (1/12) that Iran's chief negotiator Ali Larijani had assured him on

1/11 that Iran was interested in “serious and constructive negotiations,” with a deadline, and that he would work toward that. On 2/4, the IAEA voted (27–3—Cuba, Syria, and Venezuela—with 5 abstentions) to report Iran to the UNSC over concerns that it is trying to develop nuclear weapons but requesting that no action be taken until the head of the IAEA submits his next report on Iran in 3/06. Meanwhile, AIPAC launched (12/1) a campaign on Capitol Hill criticizing the Bush admin.’s decision not to push for immediate UN sanctions on Iran over its nuclear program, saying recent policy decisions to try diplomacy first and to consider allowing Iran to maintain a civil nuclear energy program not only are “dangerous,” “disturbing,” and “inappropriate” but are actually helping Iran achieve nuclear capability.

In his State of the Union address, Bush denounced (1/31) Iran’s nuclear ambitions and pledged to support the Iranian people when they “win their own freedom.” Testifying before the Senate Foreign Relations Comm., Rice stated (2/15) that the State Dept. planned “to reprogram funds in 2007 to support the democratic aspirations of the Iranian people.” The German daily *Der Spiegel* cited (12/31) unnamed intelligence officials as saying that on a recent trip to Turkey, CIA head Porter Goss asked PM Erdogan for permission for the U.S. to use Turkish military bases for an air strike on Iran planned for 2006. The report also claimed that the U.S. informed NATO member states to prepare for an attack.

PAKISTAN

In a sign of continued warming (see Quarterly Update in *JPS* 138), a 174-mbr. delegation of Pakistani businessmen made (ca. 11/19) a “non-official” visit to Israel “with the knowledge of the Pakistani government” in a bid to improve bilateral relations. Currently the two countries do not have diplomatic relations.

VATICAN

Israeli pres. Moshe Katsav held talks (ca. 11/17) at the Vatican with Pope Benedict and agreed to resume bilateral talks (ongoing for more than a decade) regarding whether all Church properties in Israel should be exempt from property tax (as the Vatican requests) or only those used solely for religious services (as Israel would like). Israel and the Vatican have been in negotiations to finalize the terms of a 1993 agreement

establishing the legal and financial rights of the Church institutions in Israel, including the tax issue; the sides agreed that no taxes would be levied until the understandings were finalized. The Vatican recognized Israel on the basis of the 1993 agreement and the pledge to finalize details and has become increasingly unhappy about the pace of talks. In mid-12/05, Israel announced that the Church was liable for \$65 m. in property taxes, a move seen as hard-line posturing before the resumption of talks. As of the close of the quarter there was no indication the negotiations had resumed.

On the last day of a 3-day trip to Italy, Abbas met (12/3) with Pope Benedict at the Vatican. No details were released.

CANADA

This quarter saw a significant shift in Canadian policy toward the Palestinians. After tough lobbying by prominent members of Canada’s Jewish community, Canada’s rep. to the UN indicated (11/30) that Canada would begin taking a more pro-Israel line in the UN, including changing its vote on some of the recurring resolutions in support of the Palestinians that Canada traditionally has supported. On 11/13, Canadian PM Paul Martin told a conference of Jewish leaders in Toronto that “Israel’s values are Canada’s values” and pledged to “eliminate the . . . annual ritual of politicized anti-Israel resolutions.” Canada indeed switched its votes (12/1) on some of the UN resolutions up for renewal, voting with the U.S. and Israel against motions reaffirming the Golan Heights as occupied territory and supporting the continued work of CEIRPP, the DPR, and the special committee on human rights. Canada also voted (2/10) against extending the mandates of the DPR and CEIRPP (see above).

On 2/15, Canada declared that it would halt aid to the PA unless the new government renounced all forms of violence, recognized Israel, and accepted all previous agreements and obligations. In discussing the decision, however, newly elected Canadian PM Stephen Harper said that Hamas itself must meet these conditions.

DONORS

The main donor event of the quarter was the Ad Hoc Liaison Committee (AHLIC) meeting in London on 12/14 to discuss the post-disengagement rehabilitation of Gaza. At the meeting, donors expressed deep

frustration over the PA's failure to meet benchmarks to cut back the civil service and to reduce salary expenses, citing the devastating effect on budget and deficit projections caused by Abbas's strategy of coopting AMB militants into the security forces with enticements of generous salary and benefits packages. In the donors' view, the potential destabilization of Palestinian government and society caused by the untenable deficit (projected at some \$900 m.–\$950 m./year) far outweighed any political benefits. (The PA wage bill as of 11/19 stood at nearly \$1 b./year, roughly equal to its total annual income.) Donors similarly noted Abbas's failure to adopt a medium-term fiscal stabilization plan or to appoint a new external auditing firm. With the PA's reform benchmarks not met and indeed violated in principle, the World Bank announced that it could not make a scheduled release of \$60 m. from the donors' Public Financial Management Reform Trust Fund. (The U.S. urged against freezing the money, fearing it would harm Abbas in the elections, but the bank firmly opposed setting the precedent of ignoring its own requirements that agreed benchmarks be achieved in order to trigger additional aid, saying it would prefer to return money to donor states and have them give to the PA directly—an option that was under consideration at the end of the quarter.) Donors announced tentative plans to hold a major pledging conference in 5/06 but warned that increased aid (in line with the G-8 call for \$9 b. over 3 years and EU intentions to double its aid in 2006; see Quarterly Update in *JPS* 138) would depend upon successful steps to reassure foreign investors, including implementation of the Rafah arrangements (especially creation of safe-passage links between the West Bank and Gaza); continued PA fiscal and political reforms; and steps by Abbas to crack down on internal chaos in Gaza. Meanwhile, the U.S. pressed (12/17) the EU to make up the \$60 m. frozen by the World Bank so that the PA could pay salaries of 12/05. On the contrary, the EU suspended (1/17) \$42 m. of its own aid to the Palestinians, citing "lack of budgetary discipline." As of 2/10, planning for the 5/06 mtg. was on hold "pending more information on the outcome of the election."

As of 12/18, an unnamed EU official said that the World Bank was preparing to become the stand-in for donors in case Hamas won the 1/25 elections and donor states were forced to cut off aid under domestic

laws prohibiting giving money to Hamas as a designated terrorist organization. Instead of donors giving some money directly to the PA, all money would be run through the World Bank trust funds (and also the UN). Such a change would effectively make the World Bank the trustee for the Palestinian territories, a position the bank is not comfortable with holding.

The Local Aid Coordination Committee (LACC) held a formal meeting (12/5) to receive a briefing by Wolfensohn on the economic needs of the Palestinians following disengagement and a PA report on progress on the Medium Term Development Plan and to prepare for the upcoming AHLC meeting. An informal LACC meeting was held on 12/20 to discuss the AHLC meeting and to discuss donor restructuring issues (see Quarterly Update in *JPS* 138).

The donor's Task Force for Project Implementation (TFPI) met (12/9, 2/10) with Israel's donor rep. to press Israel to lift restrictions on the movement of PA employees working on reform and judicial issues. The TFPI handed (12/9) Israel a list of PA employees (prepared by the PA) requiring valid "long-term" (three-month) travel visas in order to facilitate reform efforts, but there was no indication that Israel acted on the request.

On the sidelines of the AHLC, a group of Palestinian and Israeli private sector reps. held (12/13) a conference on promoting economic growth in the West Bank and Gaza through the private sector and issued a joint declaration identifying priority areas (security, movement of goods, protection of investors, legal and regulatory reform) and key priorities (reducing barriers to movement within the territories and abroad, reducing legal obstacles to investment, building the Gaza sea port and airports, creating incentives for small- and medium-sized firms) to support business. The conference was co-hosted by the United Kingdom Treasury and the World Bank and was attended by PA Economic M. Mazin Sunukrut and Israel's Finance Min. dir. gen. Joseph Bachar, who endorsed the declaration. The group agreed to create a steering comm. to meet regularly with donors, the PA, and Israel.

At the close of the quarter, long-discussed changes to the donor coordination mechanisms were underway, creating a more interactive relationship between donors and the PA (see Quarterly Update in *JPS* 138). The LACC was to be dissolved soon, to be replaced by the Local Development Forum

(LDF). The LDF is not expected to meet until after the new Palestinian government is formed because of “the new integrative (joint) approach of the new aid management system.” The Humanitarian Emergency Policy Group (HEPG) and the Task Force for Palestinian Reform (TFPR) had both been dissolved and four new “strategy groups” created. The TFPR was replaced by the Governance Strategy Group, which will focus on reform and state building within the “framework of the road map”; it will oversee smaller committees that will deal with specific aspects of reform. The jobs of HEPG will fall under the new Social Development and Humanitarian Assistance Strategy Group,

which will also deal with social issues, such as education, health, youth, and women. An economic strategy group and an infrastructure strategy group, not yet formally named, were also in the process of being formed. Existing sector working groups (e.g., health, education, municipal affairs, agriculture) will not be eliminated but rather clustered under the new strategy groups.

Also of note: Veteran World Bank official Nigel Roberts, who has years of experience working on Israel and Palestine, ended (12/31) his tenure as director of the bank’s West Bank and Gaza mission. He was replaced by David Craig, who has extensive bank experience in Africa.



Hamas lawmakers attend a meeting in Gaza City to prepare for the first session of the new Palestinian parliament, 14 February 2006. (Mohammed Salem/Reuters)