

One step forward, one step back: International discourse on advancing Israeli-Palestinian peacemaking

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A. Introduction

The Israeli-Palestinian peace process has been locked in a stalemate since the 2014 collapse of the US mediation initiative led by then-Secretary of State John Kerry. The relations between the parties have been all but severed and characterized by a series of crises and tensions that peaked over Israel's 2020 West Bank annexation plan. While the Israeli-Arab normalization agreements removed the annexation idea from the agenda, this did not change the Israeli-Palestinian situation. Developments in recent months in the Israeli-Palestinian arena pose challenges and risks but also new opportunities and possibilities. Special attention should be paid to the impact of the May 2021 escalation, the deep crisis in the Palestinian Authority (PA), and the establishment of a new government in Israel.

This paper maps the international discourse on advancing Israeli-Palestinian peace under the current conditions, and constitutes a follow-up to [the paper](#) we published in April 2021. It is based on a series of dialogues held by Mitvim Institute experts in August and September 2021 with European, American and Palestinian diplomats and experts, as well as UN officials, and also on a series of discussions among a team of Israeli experts formed by Mitvim.¹ The paper offers an analysis of the positions and perceptions of international actors regarding the effects of the latest developments on the Israeli-Palestinian arena, and their insights and conclusions about the feasible and desired measures that could be undertaken to advance Israeli-Palestinian peace.

B. The aftermath of the May 2021 escalation

The policy dialogues conducted by Mitvim Institute experts early in 2021 pointed to the relatively low priority key international actors, chief among them the US, were giving to the Israeli-Palestinian matter and their lack of interest in significant involvement in the conflict arena. At that point, various representatives emphasized that the international community was still recovering from the divisions and struggles that characterized the Trump Administration era, especially over the annexation plan, and was preparing for a Biden Administration era heralding a US return to international consensus on the conflict. The recent round of dialogues reflects a certain change in this state of affairs following the May

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¹ The dialogues were conducted under Chatham House rules. Accordingly, this article does not mention participants' names and does not attribute direct quotes to them. The dialogues were led on the part of the Mitvim Institute by Dr. Lior Lehrs, Dr. Gil Murciano and Dr. Nimrod Goren.

2021 escalation, which restored the conflict to international attention temporarily, but ultimately failed to generate a true shift in international policy.

The violent events of April-May 2021 began in East Jerusalem and developed into an escalation with Gaza and into Israel's "Keeper of the Walls" operation, and a round of intense Israel-Hamas fighting that ended in a May 21 ceasefire. These events forced the Biden Administration to intervene, seeking to achieve a ceasefire while providing support for Israel at the UN Security Council. President Biden conducted a series of phone calls to manage the crisis (inter alia with Prime Minister Netanyahu, PA President Abu Mazen and Egyptian President al-Sisi)² and issued a special White House statement on the ceasefire,³ while Secretary of State Blinken conducted a special visit to Israel and the PA shortly after the ceasefire went into effect.⁴ This activity suggested that the administration was changing its approach and intensifying its diplomatic involvement in the conflict. The administration even emphasized that it would ensure that the humanitarian aid and reconstruction efforts in Gaza were carried out "in full partnership" with the PA rather than with Hamas, after years during which the US steered clear of engaging on the Gaza issue. But it soon turned out that the impression was misleading. The US intervention was short-lived and designed only to bring about an end to the fighting, but did not herald a turning point toward efforts to settle the conflict.

The escalation also prompted the involvement of regional actors, chiefly Egypt, which led the contacts on Gaza, and Jordan, which focused its activity on the issue of Jerusalem. The violence also tested the resilience of the normalization agreements with the UAE, Bahrain and Morocco, which all expressed concern over the developments in Jerusalem and called for a ceasefire in Gaza,⁵ but the violence did not undermine their relationships with Israel nor their efforts to forge with it economic, cultural and civilian ties. Nonetheless, various regional actors insisted that the events illustrated the need to take action on the Israeli-Palestinian issue, instead of ignoring it. Jordan's King Abdullah led that approach, saying in an interview that "since 1948, this was the first time I feel that a civil war happened in Israel," referring to Jewish-Arab clashes in mixed Israeli towns, adding that it "was a wake-up call for the people of Israel and the people of Palestine, that unless we move along, unless we give hope to the Palestinians... the next war will be even more damaging."⁶

European states also displayed involvement against the backdrop of these events, with various European representatives recognizing Israel's right to defend itself but also expressing criticism of Israel, especially over the eviction of Palestinian residents of the Sheikh Jarrah neighborhood in East Jerusalem, and calling for a ceasefire. Israel's Foreign Ministry was incensed at the views expressed by EU Foreign Policy Chief Josep Borrell during the fighting and decided in response to boycott the June 2021 visit to Israel by special EU peace process envoy Sven Koopmans.⁷ It should be noted that since the formation of Israel's new government shortly after the fighting, relations between Israel and

² Barak Ravid, "[11 days, 8 calls and a ceasefire: Inside Biden's response to the Gaza crisis.](#)" *Axios*, May 22, 2021.

³ Jacob Magid, "[Biden hails Israel, Hamas ceasefire, sees 'genuine opportunity' to move forward.](#)" *Times of Israel*, May 21, 2021.

⁴ Oliver Laughland, "[Blinken pledges US will deal with 'grave humanitarian situation in Gaza.](#)" *The Guardian*, May 23, 2021.

⁵ AFP, "[Israel escalation puts new Gulf partners in diplomatic bind.](#)" *France 24*, May 15, 2021.

⁶ "[King speaks to CNN's Fareed Zakaria in wide-ranging interview.](#)" *Times of Jordan*, July 25, 2021.

⁷ Barak Ravid, "[Israel shuns EU envoy.](#)" *Axios*, June 9, 2021.

the EU have improved and Koopmans has met with Defense Minister Benny Gantz and other top officials.

Various dialogue participants noted that the May 2021 violence illustrates the fragility and unsustainability of the current diplomatic stalemate and emphasizes the need to seek a political resolution to the conflict. However, these sentiments have not been translated into a shift in international diplomacy and the round of fighting obviously did not spawn a significant international initiative on the part of international actors. The current state of affairs indicates a lack of urgency in the international community and absence of motivation to formulate a clear plan or diplomatic strategy on Israeli-Palestinian peacemaking. This is also evident in the fact that the Quartet (that includes the US, Russia, UN and the European Union) is not playing an active role, it does not hold regular meetings, and does not promote new diplomatic initiatives, despite expectations that the change in administration in Washington would lead to the group's renewed activity.⁸

C. The crisis in the Palestinian Authority

The deepening crisis in the PA has also prompted grave concern in the international community and set off alarm bells for those involved in the Israeli-Palestinian issue. Following the May 2021 escalation, support among the Palestinians for Hamas was reported to be surging compared to a dramatic plunge in support for the PA and its leader.⁹ Various international dialogue participants saw this as a warning sign underscoring the need to bolster the moderate forces in Palestinian society, provide support for the PA, weaken the Hamas rule, and advance moves giving Palestinians a political horizon. Israeli officials, among them Defense Minister Benny Gantz and Foreign Minister Yair Lapid, voiced similar views.¹⁰

The PA crisis is multi-dimensional. It includes a severe crisis of legitimacy, which deepened over the past year, among other things over Abu Mazen's decision to postpone long-awaited elections (April 2021), and the death of political activist Nazir Binat while incarcerated in a PA jail in Hebron (June 2021). Critics of the PA argue that its leadership is centralistic and undemocratic. Many Palestinians also criticize it for continuing its security coordination with Israel. Hamas' attacks on Israel in May 2021 intensified public support for Hamas, as opposed to a feeling that the PA was weak and had failed to deliver achievements. A June 2021 poll by the Palestinian Center for Policy and Survey Research (PSR) found that support for Hamas was 11% higher than for Fatah, but this trend shifted and a subsequent October poll suggested support for Fatah was 5% higher than for Hamas.¹¹ Nonetheless, most Palestinians do not support Abu Mazen: A September 2021 PSR poll found that 78% of respondents sought his resignation, and an October 2021 poll by the Friedrich Ebert Foundation found that 57% of the Palestinian public were dissatisfied with Abu Mazen compared with 35% who were satisfied.¹² The PA is also mired in a severe economic and fiscal crisis, exacerbated by the Covid-19 pandemic, stemming from a decline in external aid and international donations (from European and the Arab countries),

⁸ Quartet representatives met on Nov. 18, 2021 at the conference of the donor states in Oslo after a hiatus of many months. See:

<https://twitter.com/TWennesland/status/1461365461090660369/photo/2>

⁹ Joseph Krauss, "[Poll finds dramatic rise in Palestinian support for Hamas](#)," *AP*, June 15, 2021.

¹⁰ Judah Ari Gross, Lazar Berman, "[In Gaza conflict aftermath, Gantz calls for strengthening PA, sidelining Hamas](#)," *Times of Israel*, May 23, 2021.

¹¹ PSR, [Pre-local elections: Palestinian Public Opinion Poll](#), Oct. 27, 2021.

¹² FES and JMCC, [Poll No. 98](#), October 2021.

Israel's decision to withhold part of the tax revenues it collects for the PA (due to the crisis over the PA's payments to Palestinian prisoners in Israeli jails), and a drop in tax collections. This crisis is manifested in increased unemployment, a growing budget deficit and difficulty paying PA employees.¹³

Against this backdrop, the US and others have urged increased international aid for the PA to prevent its deterioration. US Deputy Assistant Secretary for Israeli and Palestinian Affairs, Hady Amr, reportedly expressed concern over the PA's situation during his visit to the region (July 2021) and called on Israel to help stabilize the PA's political and economic situation.¹⁴ Amr likened the plight of the PA to "a dry forest waiting to catch fire".¹⁵ The Office of the United Nations Special Coordinator for the Middle East Peace Process issued a detailed report warning of the economic and fiscal crisis in the PA and called for a coordinated and integrated international response to the troubling conditions in the West Bank and Gaza.¹⁶ According to World Bank data, the PA's budget deficit is expected to reach \$1.36 billion at the end of 2021. On Nov. 17, the donor countries to the PA convened in Oslo to discuss ways to deal with the crisis.¹⁷

It should be noted that the US administration announced a resumption of US humanitarian aid to the Palestinians (which was cut off during Trump's days) in March 2021,¹⁸ and an agreement between the administration and UNRWA was signed in July 2021 on transferring \$135 million in US aid contingent on a series of conditions. These terms related inter alia to the contents of the textbooks used in UNRWA schools and to the need for the agency's political neutrality.¹⁹ In December 2021, the first meeting in five years was held by American and Palestinian representatives within the framework of the US-PA economic dialogue (USPED) to discuss economic issues, such as infrastructure development, trade and renewable energy.²⁰ On the political level, as part of the Biden Administration's commitment to restore relations with Ramallah, the US pledged to re-open its Consulate in Jerusalem, which conducted ties with the Palestinians for years but was shuttered and integrated into the US Embassy under Trump. The plan has encountered opposition by Bennett and Lapid and has yet to be implemented.²¹

Nonetheless, along with international support for bolstering the PA, international actors are voicing criticism of its leadership over its undemocratic conduct, failure to address the issue of corruption and its management of donor funds. The European-led approach to this issue is more critical and firm than the more cautious American one. This difference was reflected in the response to the delayed elections in the PA, with European countries exerting

¹³ [Press Release: UN report calls for coordinated response to address rapid deterioration in Palestinian economic and fiscal situation](#), Nov. 11, 2021.

¹⁴ Jonathan Lis, "[Israel Considering Financial Relief to the Palestinian Authority Following U.S. Envoy's Visit](#)," *Haaretz*, July 16, 2021.

¹⁵ Barak Ravid, "[U.S. point person on Israel-Palestine says PA facing dangerous economic crisis](#)," *Axios*, July 15, 2021.

¹⁶ UNSCO, [Report to the Ad-Hoc Liaison Committee](#), November 17, 2021.

¹⁷ Norwegian Ministry of Foreign Affairs, "[Palestinian state-building project faces considerable obstacles](#)," Press release, Nov. 17, 2021.

¹⁸ Antony J. Blinken, US Secretary of State, "[The United States Restores Assistance for the Palestinians](#)," Press Statement, April 7, 2021.

¹⁹ US Department of State, [2021-2022 U.S.-UNRWA Framework for Cooperation](#), July 16, 2021.

²⁰ United States Department of State, [Joint Statement on United States and Palestinian Authority Renewal of the U.S.-Palestinian Economic Dialogue](#), Dec. 14, 2021.

²¹ Tovah Lazaroff, Jeremy Sharon, "[Bennett: There's no room in Jerusalem for a US consulate for Palestinians](#)," *Jerusalem Post*, Nov. 6, 2021.

pressure on Abu Mazen to go ahead with the elections while the US avoided intervening. Against this background, the EU delayed funding to the PA.²² The international community faces a dilemma: On the one hand, it regards the PA as the official Palestinian representation and the only moderate element with which it can work on the Palestinian side, whose collapse holds dangerous potential for chaos. On the other hand, it expresses growing criticism of the PA's domestic policy and is aware of the crisis over Abu Mazen's legitimacy. Various international representatives have increased their statements condemning the PA on domestic issues (for example over the death of Nizar Banat) and made demands on issues of corruption, human rights and payments to prisoners, working to advance meetings and contacts with Palestinian civil society actors and organizations in a bid to expand ties with the Palestinian public and not just its leadership in Ramallah.

D. A new government in Israel

In June 2021, a new government was constituted in Israel, eliciting hearty congratulations by various international actors. International representatives who took part in the policy dialogues we held welcomed the changed rhetoric of key figures in the new government on the Palestinian issue as well as the shift in Israel's attitude toward the EU and the US Democratic Party, and the warming relations with Egypt and Jordan. The international community appears to be giving the new government credit and a grace period for adjustment and organization. The Biden Administration, too, is favorably inclined toward the political change in Israel, especially given the clashes between Netanyahu and the Democratic Party under Presidents Obama and Trump, and the administration seeks to build a close and warm relationship with the new government and to avoid destabilizing it. The significant change in the Israeli-Palestinian arena since the advent of the new government has been the renewed dialogue between senior Israeli and Palestinian officials following years of an almost complete disconnect on the political level. The renewed dialogue channels have included meetings between Gantz and Abu Mazen, a meeting between Meretz Knesset members and government ministers with Abu Mazen, meetings between Health Minister Horowitz and Environmental Protection Minister Zandberg with their PA counterparts, facilitated by Regional Cooperation Minister Frej, and a phone call between Public Security Minister Bar-Lev and Abu Mazen. Many in the international community warmly welcomed these developments. Briefing the UN Security Council, UN Mideast envoy Tor Wennesland said he welcomed the dialogue and encouraged the involvement of additional ministers in efforts to advance cooperation between the sides. "I hope that such contacts can result in bringing the Parties in a position to advance unresolved issues, including political ones and those related to the implementation of agreements made by the Parties," he said.²³

The world also welcomed the various confidence-building measures on which the sides agreed within the framework of their dialogues, among them an additional 15,000 Israeli work permits for Palestinians,²⁴ a 500 million NIS loan to the PA to be deducted from the tax revenues Israel will collect for the PA in 2022,²⁵ construction approval for 1,300 housing

²² Aaron Boxerman, "[With no crucial EU aid since start of year, Palestinian PM heads to Brussels](#)," *Times of Israel*, Oct. 24, 2021.

²³ UNSCO, [Security Council Briefing On The Situation In The Middle East, Including The Palestinian Question](#), August 30, 2021.

²⁴ AFP, "[Israel to Issue 16,000 more work permits to Palestinians](#)," *France 24*, July 28, 2021.

²⁵ Judah Ari Gross, "[Gantz says Israel to extend NIS 500 million loan to Palestinians](#)," *Times of Israel*, Aug. 30, 2021.

units for Palestinians in Area C,²⁶ approval of the PA's registration of 4,000 status-less residents in the Palestinian population registry²⁷ and employment of 500 Palestinians in Israel's high-tech industry.²⁸

A survey conducted by Dr. Khalil Shkaki's polling institute indicates that 56% of Palestinian respondents view the confidence-building measures – such as the registration of residents and economic aid to the PA – in a positive light, while 35% view it in a negative light.²⁹ A Mitvim Institute poll found that 32% of Israelis view the meetings of Israeli ministers with their Palestinian counterparts as a positive move that will contribute to improved Israeli-Palestinian relations, 29% see them as a symbolic move without practical impact on relations, and only 17% regard them as a negative move harmful to Israeli interests.³⁰

Nonetheless, the international community is having trouble understanding the Israeli government's exact position on the Palestinian issue given the contradictions between the declarations and actions of various government ministers pulling in different directions. While Foreign Minister Lapid spells out his support for the two-state solution (inter alia in a meeting with EU foreign ministers)³¹ and various ministers have met with Abu Mazen, Prime Minister Bennett ruled out a political process with the Palestinians and Interior Minister Shaked ruled out the establishment of a Palestinian state.³² Lapid's plan for Gaza's rehabilitation ("Economy for Security") drew great international interest,³³ although many wondered whether it represents the government's position and whether PM Bennett backs it up. Lapid's plan calls for increased PA involvement in the Gaza Strip and proposes a leading role for the PA in economic development efforts in the Strip.³⁴

E. The situation on the ground

Along with the positive international response to the changed Israeli attitude, the main concern being voiced by regional and international actors relates to the situation on the ground, and our international dialogue participants pointed to the major gap between the government's changed discourse and its actions on the ground. These diplomats emphasized that while positive declarations are important, as are meetings with senior Palestinians, in the final analysis there has not been any discernible change on the ground and, on the contrary, deterioration and escalation have occurred. They noted that while the annexation plan has been removed from the table, the de facto creeping annexation continues and keeps undermining future prospects for a solution based on two states. In this regard one can note that the approval given for construction of 3,000 housing units in the settlements triggered criticism throughout the world including condemnation by the

²⁶ ["Israel set to okay 3,000 new settlement homes, 1,300 Palestinian homes,"](#) *Times of Israel*, Oct. 21, 2021.

²⁷ Rina Bassist, ["Israel regularizes status of 4,000 West Bank Palestinians,"](#) *Al-Monitor*, Oct. 20, 2021.

²⁸ Shaked Eilat, ["Israel to clear 500 Palestinians for high-tech jobs,"](#) *Ynet*, Nov. 11, 2021.

²⁹ PSR, Press Release: [Public Opinion Poll No \(81\)](#), Sept. 21, 2021.

³⁰ Mitvim Institute, [The Israeli Foreign Policy Index for 2021](#), October 2021.

³¹ ["Addressing EU Foreign Minister, Lapid backs two-state solution,"](#) *Times of Israel*, July 12, 2021.

³² ["Shaked: No Palestinian state under current Israeli government,"](#) *i24News*, Oct. 6, 2021.

³³ Rina Bassist, ["Lapid unveils new economic plan for Gaza,"](#) *Al-Monitor*, Sept. 12, 2021.

³⁴ Israel Ministry of Foreign Affairs, ["FM Lapid addresses World Summit on Counter Terrorism,"](#) 12 Sep 2021.

Biden Administration and 13 European states.³⁵ Plans for a new Jerusalem neighborhood with 9,000 housing units near the abandoned Atarot airfield in East Jerusalem also prompted harsh international criticism. Responding to the Biden Administration, Israel clarified that it would not go ahead with construction of the neighborhood, and the regional zoning and planning committee decided to delay approval of the plan citing a technical issue of the need for an environmental impact report.³⁶ International actors express particularly vehement objections to advancing construction in the E1 area adjacent to Maaleh Adumim, and in East Jerusalem's Givat Hamatos neighborhood, both plans considered strategic moves that could torpedo a future two-state solution.

The planned eviction of Palestinian residents from their homes in East Jerusalem's Sheikh Jarrah and Silwan neighborhoods has also become a cause celebre for the international community and a test of the new government, especially since it contributed to the violent May 2021 escalation. President Biden reportedly raised the Sheikh Jarrah issue at his August 2021 meeting with Bennett, asking him to avoid measures "contributing to a sense of injustice" or "undermining attempts to rebuild confidence between Israelis and Palestinians".³⁷ In May, European diplomats paid a visit to the Sheikh Jarrah neighborhood to express support for the Palestinian families,³⁸ and European representatives attended a Supreme Court hearing on the eviction issue.³⁹ Increased settler violence against Palestinians in the West Bank also prompted an international response. US Ambassador to the UN Linda Thomas Greenfield said at a UN Security Council discussion, "We are deeply concerned by the violence perpetrated by Israeli settlers in the West Bank against Palestinians and their property" and called on Israeli authorities to investigate fully, "including the response by Israeli security forces".⁴⁰ Gantz's decision to designate six Palestinians civil society groups as terrorist organizations also drew harsh international condemnation.⁴¹ Despite the agreement between the Biden Administration and the EU on these issues, Europe can be seen as voicing its criticism more publicly than the US, which prefers to express it mostly behind closed doors in direct dialogue with Israel.

The international community understands that the new government does not plan major diplomatic moves on the Palestinian issue, and it has no plans to exert pressure on the government to act in that direction in the near future. But it is precisely for that reason that the international community is urging Israel, at a minimum, to avoid escalating its measures and avoid moves undermining future feasibility of a political solution. It has also been argued that dangerous developments on the ground render the economic and civilian goodwill gestures toward the PA worthless and that unless Palestinians sense a change on the ground, all the confidence-building measures are doomed to fail.

³⁵ "[13 European states call on Israel to halt plans for 3,000 settlement homes](#)," *Times of Israel*, Oct. 28, 2021.

³⁶ "[Report: Bennett promises US new Jerusalem neighborhood won't happen](#)," *Arutz Sheva staff*, Nov. 25, 2021.

³⁷ Barak Ravid, "[Biden to Bennett: Avoid steps that increase tensions with the Palestinians](#)," *Walla*, Aug. 28 (in Hebrew)

³⁸ Abdelraouf Arna'out, "[European diplomats visit Sheikh Jarrah in East Jerusalem Diplomats meet with Palestinian families threatened with eviction from their homes](#)," *AA*, Nov. 5, 2021.

³⁹ Aaron Boxerman, "[Supreme Court floats compromise in Sheikh Jarrah eviction cases](#)," *Times of Israel*, Aug. 2, 2021.

⁴⁰ Jonathan Lis, "[U.S. Envoy to the United Nations Calls Israeli Settler Violence 'Abhorrent'](#)", *Haaretz*, Oct. 20, 2021.

⁴¹ Ben Samuels, "[Progressive Democrats Push Resolution Against Israel's NGO Terror Designations](#)," *Haaretz*, Oct. 28, 2021.

F. Conclusion

The international community is not engaged in efforts to promote a dramatic diplomatic move on the Israeli-Palestinian conflict at this point in time and sees no point in working to renew talks on a permanent status agreement or convening a peace conference in the near future. The international actors remain committed to the known parameters of a future agreement based on a two-state solution, but at this stage they are setting more modest goals and focusing on confidence-building measures, preventing escalation, avoiding steps that would thwart a future solution and advancing dialogue and cooperation between the sides. A special emphasis is being placed on strengthening the PA's institutions and economy. Contrary to previous stages in the process, the expectations of the various actors appear pretty low.

There is disagreement within the international community over a policy that focuses on advancing practical measures and its capacity to affect change on the political level. Various international actors voice criticism of the focus placed in diplomatic discourse on issues of goodwill gestures and confidence building measures. While they welcome any move that helps improve the living conditions on both sides, they are concerned that such a course could divert attention from the key issues. Thus, while the sides and the world are focusing on largely cosmetic fixes, the structural problems on the ground could blow up in their face. Some claim this is an attempt to revert to the policy of "economic peace" that Netanyahu sought to advance about 10 years ago, designed to use economic measures to divert attention from the need to deal with the conflict's political challenges. Others in the international arena believe that gradual moves improving the situation in the PA and the ties and cooperation between the sides will facilitate gradual progress allowing a shift to more ambitious political goals.