



**EUROPEAN FOREIGN POLICY AND THE ISRAELI-  
PALESTINIAN CONFLICT**

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Advanced European and International Studies (M.A) by

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## INTRODUCTION

The resolution of the Israeli-Palestinian Conflict has always been a major concern for European leaders and has long occupied a prominent position on the foreign policy agenda of European capitals. A strong consensus exists amongst both European policy makers and political commentators that Europe needs to play a more influential and clearly defined role in the resolution of the Conflict. Evidently, speeches by European leaders contain many references to Europe's 'willingness' and 'desire' to work with the region towards achieving peace in the Middle East due to its political historical, economic, religious and cultural links with the peoples of the region, and to the fact that peace and stability in the Middle East are of vital strategic interests to Europe. However, it is clear that, on the ground, the EU's active involvement in the Conflict has been, though progressive, somewhat limited; the reasons of which will be outlined and analysed in this paper.

We will start with a brief historical background to the Arab-Israeli Conflict, the core problem of which is the Palestinian question. Thereafter, our focus will be based mainly on the Israeli-Palestinian Conflict and the European Union's role and endeavours in the attempt to seek a resolution.

The first part of the paper (Chapter I) examines the evolution of the EU's foreign policy and position vis-à-vis the Israeli-Palestinian Conflict as well as the steps it has taken accordingly. Moreover, the second chapter assesses the Union's role in the Middle East Peace Process<sup>1</sup>; its achievements and shortcomings, particularly within the framework of the Common Foreign and Security Policy (CFSP). And finally, the third chapter critically investigates the degree of effectiveness of the EU's foreign policy towards the Israeli-Palestinian Conflict. In doing so, this chapter examines the political dimension of certain EU "insufficiencies" in dealing with the Conflict and argues that these insufficiencies are not only the result of institutional constraints under which CFSP operates (3.1) but also of a deliberate choice on the part of the Union's member-states (3.2). Particular emphasis is

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<sup>1</sup> In this paper, our focus is on the Israeli-Palestinian Peace Process

laid on the positions of the larger countries – France, Britain, and Germany – and how the divergences of opinion among them have, in many respects, contributed to the EU's often-unsatisfactory foreign policy performance. Furthermore, the paper moves on to assess the much controversial relationship between the US and the EU, which has contributed immensely to Europe's impotence in leading an effective Common Foreign and Security Policy in the region. Finally, the conclusion identifies some key recommendations which should shed some light on a few of the future steps that the EU can take to enhance its role and become a more influential as well as effective actor in the resolution of the Israeli-Palestinian Conflict.

## 1) Historical Background to Arab-Israeli Conflict

### *The Balfour Declaration and the British Mandate*

The origin of the Palestinian problem can be traced back to the conflicting commitments undertaken by the British and their allies in the years 1915-1918. The British arrived in Palestine under General Edmund Allenby in late 1917 after the defeat of the Ottoman army that had defended the area. Great Britain, seeking Arab support in her war against the Ottoman Empire, assured king Hussein of Arabia that it was willing to “*support the independence of the Arabs in all the regions within the limits demanded by [him]*”<sup>2</sup>. However, Britain, which was by then administrating Palestine as an occupying Power, was simultaneously making promises to Zionist<sup>3</sup> leaders both in Palestine and in Britain.

Moreover, in a letter to Lord Rothschild, the chief financial supporter of the Zionist cause, British Foreign Secretary Arthur Balfour proposed his famous declaration, which favoured the establishment in Palestine of a “*homeland*” for the Jewish people and would

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<sup>2</sup> Quoted in Cassese, A, *Self-determination of Peoples; A Legal Appraisal*, (Cambridge: Cambridge University Press, 1995), p. 232

<sup>3</sup> The Zionist movement appeared in the 1890s, aiming to create an independent Jewish state in Palestine. The key figure that led this movement was Thédor Herzl, an Austrian journalist of Hungarian origins and Jewish religion. In his *L'Etat des Juifs*, Herzl put forward his theory, arguing that the people among whom the Jews live are, with no exception, anti-Semites and must therefore be “cleared off”, and that the Jews must reorganise themselves in an autonomous centre, which would be the “haven of the persecuted”. The Arabs rejected this theory as a desire to colonise their country and holy capital Jerusalem.

not “*prejudice the civil and religious rights of existing non-Jewish communities*”<sup>4</sup>. The significance of the declaration lays in the fact that, firstly, it has long formed the basis of Zionist claims to Palestine and, secondly, and more importantly, is “*it was a statement whose positional force can only be appreciated when the demographic or human realities of Palestine are kept clearly in mind*”<sup>5</sup>.

The Arabs viewed the Balfour Declaration as a denial of their self-determination and believed it would lead to Jewish control of the region. Consequently, major outbreaks of violence ensued, beginning in 1920, when the Palestinians initiated their first national revolution. By 1936, the tension grew with the influx of Jewish immigrants, particularly those coming from Europe in the last years before WWII. Between 1936 and 1939, the Palestinian Arabs attempted a nationalist revolt after the failure of a long strike. Britain sent a team of investigators, the Peel Commission, in order to find out the cause of the violence. It however provoked further protests, as it recommended a partition of Palestine into Arab and Jewish zones. A similar attempt of finding a solution to the crisis was the publishing of an official ‘White Paper’ in 1939, which met most of the demands of the Arabs: “*majoritarian national independence within ten years, limitations on Jewish immigration and strict restrictions on Jewish land purchases*”<sup>6</sup>. The Zionists, undoubtedly, rejected the recommendation of the White Paper and were angered by the British. They therefore decided to pursue a campaign to drive the British out of Palestine. Consequently, in July 1946, they began a new bombing campaign, attacking the British headquarters in Jerusalem and killing over eighty soldiers and civilians as well as Arabs and Jews.

### *UN Partition Plan*

In February 1947, in the face of increasing Arab-Jewish tensions, Great Britain returned the Palestine Mandate to the United Nations, which established a committee to evaluate the situation in Palestine and make recommendations regarding the future of the territory. In August, a majority of the Committee recommended a partition plan that divided

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<sup>4</sup> Ciment, J, *Palestine/Israel: The Long Conflict* (New York: Facts On File, 1997), p.29

<sup>5</sup> Said, W.E, *The Question of Palestine*, (London & Henley: Routledge & Keagan Paul, 1980), p.15

Palestine into three territories - an Arab state, a Jewish state, and an internationally administered enclave around Jerusalem. The Partition Plan provided for the establishment of independent Arab and Jewish States and conditioned international recognition of each State upon its establishment of effective independence and its declared commitment to guarantee the protection of religious sites and minority rights.

The Partition Plan, however, never came into effect. Although, after some initial hesitation, the Zionists declared their willingness to accept the recommendations, the Palestinian Arabs rejected them out of hand, arguing that the United Nations had no right to allocate the majority of their territory to the Zionists, who, in March 1947, claimed possession of less than seven percent of the land in Palestine and ownership of only 5.66% and represented less than a third of the territory's population. The United Nations General Assembly nevertheless endorsed the partition plan under Resolution 181 on 29 November 1947. Almost immediately thereafter, full-scale war broke out between the Arabs and the Zionists.<sup>7</sup>

*Creation of Jewish State: "Al-Nakba" (disaster)*

On 14 May 1948, after establishing control over all of the territory allocated to the Jewish state (and over some allocated to the Arab state), a provisional Zionist national council announced the establishment of the State of Israel on the portion of Palestine allocated by the Partition Plan to form the Jewish State, which the United States and the Soviet Union were the first to support and recognise. Eventually, all European states were to align together and recognise the Jewish state.

The very next day after the unilateral proclamation of the Jewish state, the Egyptian, Syrian and Jordanian armies were already at war with it. However, this war ended with a victory for the Jews whose military might undoubtedly overpowered that of the Arabs'.

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<sup>6</sup> Ciment, J, op.cit., p.31

<sup>7</sup> Palestine Media Center: Documents: <http://www.palestine-pmc.com/details.asp?cat=11&id=8>

Moreover, Israel captured more territory allocated to the Arab state in fighting after its independence. By the time armistice agreements were concluded in 1949, Israel's boundaries encompassed 77.94% of the territory of Palestine. The West Bank fell under Jordanian control, and the Gaza Strip fell under Egyptian control. Consequently, nearly one million men, women and children- Moslems and Christians- were forcibly expelled and dispossessed.

### *The 1967 'Six-Day' War*

In June 1967, Israel invaded Egypt, Jordan, and Syria, ultimately occupying the West Bank (including East Jerusalem) and the Gaza Strip (as well as Egypt's Sinai Peninsula and Syria's Golan Heights). The West Bank and the Gaza Strip together constitute only 22% of historic Palestine, which is the focus of Palestinian-Israeli permanent status negotiations, the key elements of which we will be discussed in the second part of the introduction.

### *Rise of PLO*

Following the 1967 War, the Palestine Liberation Organisation (PLO) provided the necessary integrative institutions to interconnect the Palestinian people into a well-defined political entity.

The PLO was established in 1964 with Arab support. At that time, the PLO was headed by Mr. Ahmed Al-Shukairy and, since then, has undergone significant changes in its composition, leading bodies, political orientation, and even the locales of its headquarters. In 1968, the organization witnessed the beginning of the engagement of the Feda'iyeen organizations (armed struggle organizations), particularly Fateh. In 1969, Yasser Arafat, leader of Fateh, became the Chairman of the Executive Committee of the PLO and, in 1971, became the General Commander of the Palestine Forces.

In 1974, the Arab Summit recognized the PLO as the "*sole and legitimate representative of the Palestinian people*" and, since then, the PLO has represented Palestine at the United Nations, the Movement of Non-Aligned Countries (NAM), the Organization of

the Islamic Conference (OIC), and in many other fora. In addition to its broad national and political goals, the PLO has dealt with numerous tasks with regard to the life of the Palestinian people in their main communities and throughout the world through the establishment of several institutions in such realms as health, education and social services.

The official position of the Palestinians was reflected in Arafat's speech made on November 1974 to the UN General Assembly. His main points were as follows: firstly, Zionist immigrants who occupied Palestine in the past became the elements of settler colonialism intimately allied to racial discrimination; secondly, after the 1967 War, Israel illegally occupied Arab territories, which are now subject to foreign domination; and thirdly, the PLO, "*in its capacity as the sole representative of the Palestinian people*", has the right "*to establish an independent State on all liberated Palestinian territory*".<sup>8</sup>

As such, the PLO represents a national liberation movement striving to achieve the national goals of the Palestinian people, including the establishment of a Palestinian state with Jerusalem as its capital.

## **2) Key Elements of the Conflict**

Before we can discuss an EU role in the Israeli-Palestinian Conflict, it is imperative to first identify the essential elements of the Conflict on which a sustainable peace should be founded.

If the EU and other outside actors want to have a constructive impact on the outcome of future negotiations between the Palestinians and the Israelis, they need to form an idea for themselves of what may constitute the acceptable bases for final statute. These include: Palestinian statehood, borders, Jerusalem, illegal settlements, security arrangements, and refugees.

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<sup>8</sup> Cassesse, op.cit., p.238

### *Palestinian Statehood*

Clearly, there can be no sustainable peace in the region unless Israel and Palestine mutually recognise each other's right to exist as sovereign member countries of the International Community. According to Dr. Eberhard Rhein, Former Director at the European Commission in charge of the Mediterranean and the Middle East, statehood implies territorial continuity and the right to travel from one point of the country to another, without controls by outside powers. Thus, finding a workable solution for 'free passage' between the West Bank and Gaza Strip is therefore indispensable for the success of any negotiation. Statehood also implies full civilian control over the land, including water and mineral resources. Therefore, the existence of Israeli colonies (settlements) on Palestinian land is incompatible with the concept of Palestinian statehood.<sup>9</sup>

According to the official Palestinian position, the Palestinian people possess sovereignty over the West Bank, including East Jerusalem, and the Gaza Strip and, accordingly, have the right to establish an independent State on that territory.<sup>10</sup>

### *Borders*

The element of borders remains the major bone of contention between both sides. The PLO's position regarding the issue of borders is that the international borders between the states of Palestine and Israel shall be the armistice cease-fire lines in effect on 4 June 1967. Accordingly, both states shall be entitled to live in peace and security within these recognized borders. This position is supported by United Nations Security Council Resolution 242<sup>11</sup>, which underlines the inadmissibility of the acquisition of territory by war and calls for the withdrawal of Israeli armed forces from territories occupied in the 1967 War. Since the signing of the Declaration of Principles in 1993<sup>12</sup>, Israel and the PLO have consistently agreed to the implementation of UNSC Resolution 242.

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<sup>9</sup> Rhein, Eberhard, "Peace Making in the Middle East: Mission Possible" in *The European Union as a Security Actor in the Mediterranean*, ed. by Fred Tanner (Forschungsstelle für sicherheitspolitik und konfliktanalyse der ETH Zurich, 2001) p.87

<sup>10</sup> Palestine Media Center, Permanent Status Issues: [www.palestine-pmc.com/pissue/pissues.asp](http://www.palestine-pmc.com/pissue/pissues.asp)

<sup>11</sup> United Nations Security Council Resolution 242, 22 November 1967, see **Annex I**

<sup>12</sup> See Chapter 2(1)

The Camp David II Peace Summit of July 2000<sup>13</sup> made real progress on this issue, but no agreement was reached. Israel's then Prime Minister Barak had asked for the annexation of 9% of the Palestinian territory and had offered no more than 1% of Israeli land in compensation. Thus, for the Palestinians who had given up 78% of the original Palestinian land (mandatory Palestine), this position was unacceptable. The Palestinians were willing to give up 3% of their territory, including Greater Jerusalem, in order to allow for the territorial integration of a few major Israeli colonies within Israeli borders, but subject to full compensation by Israeli territory.

### *Jerusalem*

According to international law, East Jerusalem has been illegally annexed by Israel and is therefore occupied territory. Israel's extension of its domestic laws and regulations to East Jerusalem is thus illegal. These and other efforts to change the status of Jerusalem, including Israel's declaration of Jerusalem as its capital, have received universal condemnation. A long list of United Nations Security Council resolutions, specifically UN Security Council Resolution 252<sup>14</sup>, express the international consensus in this regard. This is why the city has not, until this very day, been formally recognised by the International Community as Israel's capital.

However, Israeli international law experts, when describing the legal status of East Jerusalem, oppose the use of the term "annexation" and present the subject of Jerusalem as a matter not yet resolved.<sup>15</sup> Consequently, since 1967, the Israeli government has adopted three interrelated sets of policies, which have been systematically pursued: the creation of exclusively Jewish settlements in Jerusalem; the pursuit of discriminatory practices against the Palestinian residents of Jerusalem; and the closing of Jerusalem to the Palestinian population of the rest of the West Bank and the Gaza Strip<sup>16</sup>.

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<sup>13</sup> See Chapter 2(4)

<sup>14</sup> United Nations Security Council Resolution 252, 21 May 1968, see **Annex II**

<sup>15</sup> B'Tselem (Israeli Information Center for Human Rights in the Occupied Territories): [www.btselem.org](http://www.btselem.org)

<sup>16</sup> Since March 1993, Israel has enforced a closure on Jerusalem, isolating it from the West Bank and Gaza Strip and eliminating free access to Jerusalem. Any Palestinian residing in the West Bank or Gaza Strip wishing to enter Jerusalem must use a temporary permit that is difficult to obtain.

During their negotiations in 2000/01 (Camp David and Taba), the Israelis and the Palestinians reached an extraordinary degree of consensus on six basic principles: firstly, the city would be the capital of two countries: West Jerusalem for the Jewish neighbourhoods, East Jerusalem (Al-Quds) for the Palestinians; secondly, Palestine would exert full sovereignty over the neighbourhoods that are inhabited by the some 200,000 Palestinian Jerusalemites; thirdly, Israel, for its part, would have sovereignty over the sections inhabited by some 600,000 Israelis; fourthly, each side would exert sovereignty and control over its holy places, particularly the Temple Mount (Haram Al-Sharif) and the Wailing Wall; fifthly, Jerusalem would be an open city, allowing for free movement of its citizens; and finally, the two municipal authorities would coordinate the management of its water, sewage, roads, transport, etc.<sup>17</sup> However, there remain many divergences and details to be settled.

### *Illegal Settlements*

There is international consensus that Israel's settlement policies and practices in the Occupied Palestinian Territory, including East Jerusalem, clearly contravene international law, namely the 1949 Fourth Geneva Convention<sup>18</sup>.

As Rhein contends, *“as long as the 150 odd settlements with some 200,000 Israeli citizens on Palestinian Territory are considered by Israel as extraterritorial enclaves, which require special highways closed to Palestinians, and a constant military protection by Israel, there is bound to be friction and provocation between the two sides.”*<sup>19</sup> Any lasting agreement between both sides would therefore provide for the complete evacuation of the settlements, except for those 3-4 directly neighbouring Israel, which will be annexed by Israel as part of the final statute.<sup>20</sup>

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<sup>17</sup> Rhein, op.cit., p.90

<sup>18</sup> ICRC, The Geneva Conventions of August 12, 1949, Article 49, par.6, p.172: *“The Occupying Power shall not deport or transfer parts of its own civilian population into the territory it occupies.”*

<sup>19</sup> Rhein, op.cit., p.91

<sup>20</sup> In the Taba negotiations of January 2001 (see Chapter 2.4), a basic consensus was reached between the two sides on the necessity to evacuate all the settlements, excluding those few adjacent to Israel.

### *Security Arrangements*

Israel has traditionally advanced security considerations in order to justify illegal settlements in the Occupied Palestinian Territory and its strict control of the external borders of the Palestinian Territory. Thus, in exchange for abandoning both settlements and border control, it insists on alternative security arrangements to be negotiated with the Palestinians as part of the final status. The Palestinians claim that they understand Israeli concerns but would like to minimise restrictions. However, it is argued that with the recent upsurge in violence, it is more likely that Israel will insist on stricter security rules (than during the previous negotiations) and that it would have the support of the International Community.<sup>21</sup>

### *Refugees*

In 1948, almost a million Palestinians had to flee or were forcefully expelled by Israel from their homes. As a result, the total number of Palestinians living in exile today is estimated to be 3.5 million, most of whom live in Jordan, Lebanon and Syria.

The Palestinians have always insisted on the necessity for Israel to recognise, at least formally, a “right of return” of Palestinian refugees and some sort of compensation for the loss of land and property incurred. This demand is based on UN Security Council Resolution 194, passed in 1948. Paragraph 11 stipulates that: “...*the refugees wishing to return to their homes and live at peace with their neighbors should be permitted to do so at the earliest practicable date... compensation should be paid for the property of those choosing not to return and for loss of or damage to property which, under principles of international law or in equity, should be made good by the Governments or authorities responsible.*”<sup>22</sup> Israel however argues that a right of return would threaten its very existence and its Jewish identity.

During the 2000/01 negotiations, Israel conceded to the repatriation into Israel of 40,000 Palestinians over a five-year period, while the Palestinians asked for a minimum of

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<sup>21</sup> Rhein, op.cit., p.92

<sup>22</sup> United Nations General Assembly Resolution 194 (III), 11 December 1948

100,000. Moreover, there also seems to be wide agreement on both sides on the need for a text expressing Israel's regret for the events of 1948 and 1967 that led to loss of life, displacement, and destruction of homes of Palestinians. In addition, both sides agree on the establishment of a compensation fund and asking for international assistance for the relocation of refugees.<sup>23</sup>

### **3) Europe's Interests in the Middle East and Motivation behind Intervention**

In order for us to be able to effectively assess the EU's foreign policy and role in the Israeli-Palestinian Conflict, we must first look into Europe's interests in the region and the rationale behind the relationship that the Europeans maintain with the Arab world.

Europe comprises a combination of elements: a history, a population, a territory, an economy, institutions and values. Thus, everything that affects the security of its population, the integrity of its territory, the stability of its economy, the strength of its institutions, or the adhesion of its values, constitutes a vital interest. Meanwhile, the Arab world has the privilege to be situated in one of these zones of proximity where Europe possesses such vital interests and, hence, important stakes.

From a realist perspective- which is the dominant view- we can see that Europe and the Middle East share a common geographical area and thus any turbulence in the latter will affect Europe.

As a 'door of access', the Middle East constitutes an area of passage for maritime, air, and terrestrial transport, as it links the Mediterranean with the both the Indian Ocean and Atlantic oceans. Moreover, pipelines that transport petrol from the Gulf to the Mediterranean ports, followed by the European ports, traverse right through it.

Moreover, securing petrol supplies also constitutes a vital interest for Europe. Since the end of the Second World War, superseding carbon, petrol became Europe's key energy

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<sup>23</sup> Rhein, op.cit., p.93

resource to the extent where the European Community in the 1990s became the world's biggest petrol importer (almost 8 million barrels a day, ensuring nearly 80% of its consumption).<sup>24</sup> Thus, any prolonged embargo or interruption or perturbation in the traffic of petrol by the sabotage of a pipeline or the closing of the Suez Channel, represents a threat to European economy, thus to the interests of the European Union's Member-States.<sup>25</sup>

Furthermore, it is also in the interest of Europe to reinforce Euro-Arab trade by maintaining and consolidating the flow of trade with the Arabs as well as contributing to their economic development. Evidently, any destabilisation of a country could have a 'boomerang effect' on European economy, and subsequently have negative effects on the employment market.

Last, but not least, finding a peaceful solution for the Israeli-Palestinian Conflict constitutes not only a necessity but also a priority for Europe. Indeed, the Arab embargo imposed on Holland in 1973 was arguably carried out due to its support for Israel. Similarly, the embargo imposed by the League of Arab States on the Western enterprises working with Israel was also related to the Conflict. In addition, the terrorist attacks that took place in the 1970s in Europe were also not unusual in this context. And the closing of the Suez Channel was the consequence of the Arab-Israeli wars. Thus, most of the difficulties brought to the Europeans between 1967 and 1990 in their engagement in the Middle East were, more or less, the results of the Arab-Israeli Conflict.<sup>26</sup>

Consequently, taking into account its geographic position, its abundance of resources and energy reserves, the significance of its economic trade with Europe, and the deadlock of the Peace Process, - the Middle East constitutes a vital zone for Europe. Therefore, it is deemed a matter of national interest that the Europeans promote peace and stability in the region.

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<sup>24</sup> Khader, B, *Les Cahiers du Monde Arabe* (Belgique: Centre d'Etudes et de Recherches sur le Monde Arabe Contemporain, no. 153/156- 2002/03) p.10

<sup>25</sup> Ibid, p.11

<sup>26</sup> Ibid, p.13

## **CHAPTER ONE – EVOLUTION OF EUROPEAN FOREIGN POLICY IN THE ISRAELI-PALESTINIAN CONFLICT – FROM EPC TO CFSP**

### **1.1 European Political Cooperation (EPC)**

Until The Hague Summit of December 1969, the member-states of the European Community had done very little in the field of a common foreign policy. This was clearly illustrated on the eve of the Six-Day War, when the Heads of State and Government of the Six met in Rome. While France condemned Israel and supported the Arabs at the United Nations, Holland adopted a position favourable to Israel. Germany proclaimed its ‘neutrality’ but in fact strongly backed Israel. Meanwhile, Italian governing circles were divided between the Fanfanis (favourable to the Arabs) and the Saragat faction (favourable to Israel). Belgium tried to find recourse in UN institutions.<sup>27</sup>

Thus, for the purpose of reinforcing their solidarity in favour of a harmonisation of views, the machinery of European Political Cooperation (EPC) was established between the six member-states at The Hague Summit. Due to its impact and implications, the Arab-Israeli Conflict was to become one of the main pillars of the new institution. It was therefore in this context that the Community was to adopt its first three common positions on the Middle East: the Schumann Report, the Brussels Declaration and the London Declaration.

#### ***a) The Schumann Report of 1971***

The unanimous adoption of the Schumann Report on 31 May 1971 by the European Ministers highlighted the first European common stance. Approving UN Security Council Resolution 242 of 22 November 1967, the Report included: the establishment of demilitarised zones; an overall Israeli withdrawal from territories occupied in 1967; the

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<sup>27</sup> Greilsammer, I and Weiler, J, “European Political Cooperation and the Palestinian-Israeli Conflict: An Israeli Perspective” in *European Foreign Policy-Making and the Arab-Israeli Conflict*, ed. by David Allen & Alfred Pijpers (Martinus Nijhoff Publishers, 1984) p.131

internationalisation of Jerusalem; the approval of the jarring mission; and the necessity of allowing Palestinian refugees to return to their homes and to be compensated.

Though it contained nothing new in its content, the Schumann Report provoked an outcry in Israel. It is argued that Israel's anxiety stemmed from the fear that EPC would take place at its expense<sup>28</sup> and that it would worsen Euro-Israeli relations. From the Europeans' point of view, the gain at that stage (before the oil crisis) was more of a way of adapting to the new EPC framework rather than any active or reactive foreign policy goal.<sup>29</sup>

Up until the October 1973 War, there was no other joint statement by the Community on the Middle East. However, accompanied by the oil crisis and the oil embargo on Holland, the October War did bring Europe out of its torpor, as a joint declaration on the Middle East ensued. Likewise, it mobilised the International Community whereby UN Security Council Resolution 338<sup>30</sup> was passed, reaffirming Resolution 242.

### ***b) The Brussels Declaration of 1973***

Putting their differences aside, namely those between France and Holland, the Nine adopted the Brussels Declaration on 6 November 1973. Its key elements, which were not mentioned in the Schumann Declaration, were: the formal recognition of the legitimate rights of the Palestinian people; the respect of UNSC Resolutions 242 and 338; and the inadmissibility of the acquisition of territories by force, and a necessity for Israel to end its occupation.<sup>31</sup>

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<sup>28</sup> Khader, B, "Europe and the Arab-Israeli Conflict 1973-1983: An Arab Perspective" in *European Foreign Policy-Making and the Arab-Israeli Conflict*, ed. by David Allen & Alfred Pijpers (Martinus Nijhoff Publishers, 1984) p.165

<sup>29</sup> Greilsammer, I and Weiler, J, *op.cit.* p.133

<sup>30</sup> United Nations Security Council Resolution 338, 22 October 1973, see **Annex III**

<sup>31</sup> Khader, B, "Europe and the Arab-Israeli Conflict (...)", *op.cit.*, p.164

The adoption of this declaration had important implications. Indeed, “*the new insistence by Europe upon the legitimate rights of the Palestinian people attested to the intention of the Nine to tackle the very heart of the conflict*”.<sup>32</sup> Thus, the Declaration constituted a step forward for solidarity in the European Community.

Moreover, the 6<sup>th</sup> Arab Summit held in Algiers from 26-29 November, welcomed the European initiative and launched an appeal to Europe to strive through all possible means towards the evacuation by Israel of all occupied territories, including East Jerusalem, and the restoration of national rights to the Palestinian people. At the same time, the Arab heads of state emphasized that “*Europe is linked to the Arab world through the Mediterranean by profound affinities of civilisation and by vital interests which can only be developed within the framework of confidence and mutually advantageous cooperation*”<sup>33</sup>. The principle of a European-Arab Dialogue ensued.

The Israeli government’s reaction was, however, very sharp. It considered the Declaration as implying ‘Oil for Europe’ rather than ‘Peace in the Middle East’ and regarded it as a shift in the Community towards the Arab position.<sup>34</sup> Tel Aviv and Washington consequently condemned the statement.

### ***c) The London Declaration of June 1977***

The London Declaration adopted in June 1977 is argued to be the most complete and explicit out of the previous positions of the EC. Reaffirming these positions, the European foreign ministers declared, in paragraph 3, that:

*“The Nine have affirmed their belief that a solution to the conflict in the Middle East will be possible only if the legitimate right of the Palestinian people to give effective expression to its national identity is translated into fact, which would*

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<sup>32</sup> Ibid, p.166

<sup>33</sup> Quoted in Khader, B, “Europe and the Arab-Israeli Conflict...”, op.cit., p.166

<sup>34</sup> Greilsammer, I and Weiler, J, op.cit. p.135

*take into account the need for a homeland for the Palestinian people. They consider that the representatives of the parties to the conflict including the Palestinian people, must participate in the negotiations in an appropriate manner to be worked out in consultation between all the parties concerned.”*

Indeed, the Declaration was an important step in the evolution of the European Community’s position as it mentioned, for the first time, the need for the Palestinian people to take part in negotiations. The only disappointment to the Arabs, however, was that it did not recognise the Palestine Liberation Organisation (PLO) as the legitimate representative of the Palestinian people.

## **1.2 The Euro-Arab Dialogue**

Although the EC’s institutions succeeded in November 1973 in defining a joint position towards the Arab-Israeli Conflict (Brussels Declaration), they failed to reach unanimity on energy problems. The divergences emerged clearly at the European summit in Copenhagen on 14 and 15 December 1973. They were between the countries which had international petroleum companies (opting systematically for a liberal policy over oil), and those which did not (favouring a ‘dirigiste’ policy). Despite these differences, the Copenhagen Summit referred to the possibilities of cooperation with the Arabs, suggesting that development contracts should be arranged between the Community’s member-states and the Arab oil producing countries.

### ***a) The Copenhagen Summit of December 1973***

The Copenhagen Summit of 14-15 December developed into a kind of a European-Arab conference as a result of the arrival of the five Arab delegations who presented the Arab proposals for a Mediterranean dialogue. The Summit reiterated the 6 November statement, and added that the “*requirements of security and sovereignty can be met*

*through the conclusion of peace agreements including, amongst other arrangements, international guarantees and the establishment of demilitarised zones.”*<sup>35</sup> Thus, Europe was seeking to maintain a certain balance between the pressure exerted on Israel to withdraw from the occupied territories and the commitment requested for the Arabs to recognise Israel’s existence and security.

The evolution of the European viewpoint on the Palestinian question is linked to the development of the Euro-Arab Dialogue. On 6 March 1974, the Europeans announced that they were prepared to launch the Dialogue and the Arab states gave their agreement at the meeting in Tunis on 28 April 1974. Among their several meetings, the Cairo meeting of June 1974 yielded the best results, as the two parties adopted a clear memorandum, which considered the Dialogue as *“the fruit of a common political will which has emerged at the highest level and which has as its objective the establishment of special relations between the two groups”*.<sup>36</sup>

### ***b) Obstacles to the Euro-Arab Dialogue***

The Euro-Arab Dialogue unfortunately was not to be without obstacles. In effect, it became clear that the two parties shared different perceptions on the project. The Arabs viewed the Dialogue as being essentially political, hoping that the Europeans would help the Palestinian people reclaim their legitimate rights. The Europeans, on the other hand, considered the Dialogue as more economic and commercial, as they sought to ensure the regulation of energy commerce.

Moreover, the Arabs also hoped that the PLO would take part in the Dialogue meetings. On 14 November 1974, the Arab League demanded the participation of the PLO in the Euro-Arab Dialogue, which was however opposed by the Europeans. It was only until the Dublin compromise of 14 February 1975 that the Europeans finally accepted the

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<sup>35</sup> Quoted in Khader, B, “Europe and the Arab-Israeli Conflict 1973-1983: An Arab Perspective”, op.cit., p.167

<sup>36</sup> Ibid, p.168

participation of the PLO under the idea of negotiations between two groups and not between states.

The Camp David accords, signed between Israel and Egypt in March 1979 under the auspices of the United States, marked another obstacle for the Euro-Arab Dialogue. Opposing this separate peace agreement, the Arabs suspended Egypt's participation in the Arab League and transferred the League's Headquarters from Cairo to Tunis. The Dialogue was then suspended. Determined to revive the Dialogue, however, the Community continued talks with the Arab League, and several meetings between them ensued.

The period to follow was to witness a very important evolution in the Community's EPC and attempt to find common positions on the Middle East.

### **1.3 The Venice Declaration**

#### ***a) The Adoption of the Venice Declaration***

The 1980 Venice Declaration<sup>37</sup>, issued one year after the signing of the Camp David peace treaty, marked the emergence of a distinct and common European stance towards the Israeli-Palestinian Conflict. Basing their position explicitly on the relevant Security Council resolutions, namely resolutions 242 and 338, the member-states called for a negotiated settlement based on the formula of 'land for peace'. The aim of such negotiations would be the establishment of two separate states, Israel and Palestine. The declaration highlighted Israel's right to exist inside "secure" and "*internationally recognised and guaranteed borders*". It also called for a "*just solution*" to the Palestinian problem, underlining the right of the Palestinian people to national self-determination. Furthermore, it stated that the EC would "*not accept any unilateral initiative designed to change the status of Jerusalem*" and maintained that "*settlements, as well as*

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<sup>37</sup> Venice Declaration, 12-13 June 1980, see **Annex IV**

*modifications in population and property in the occupied Arab territories, are illegal under international law*". Finally, it recognised the need to involve the PLO in the peace negotiations in order to reach a lasting solution.<sup>38</sup>

The Israeli government's response was furious and uncompromising. Two days after the Declaration, the Israeli cabinet issued a statement: *"Nothing will remain of the Venice decision but a bitter memory... all men of good will in Europe, all men who revere liberty, will see this document as another Munich-like capitulation to totalitarian blackmail and a spur to all those seeking to undermine the Camp David Accords and derail the peace process in the Middle East."*<sup>39</sup>

Israel denounced the Venice Declaration namely on the grounds that it called on Israel to negotiate with the PLO, which Israel, along with the US, considered a "terrorist" organisation. The Americans particularly opposed the Declaration because they considered that the European were surpassing their commitments, not to mention making unilateral declarations without consulting them.

Paradoxically, the PLO also expressed great disappointment with the text. The Palestinians were first and foremost hoping that the PLO would be recognised as the sole representative of the Palestinian people. Thus, they viewed the Declaration as an alignment with US positions. At the end of July 1980, speaking at the session of the UN General Assembly, the head of the PLO Political Department, Farouk Kaddoumi, declared that he had seen a glimmer of hope in the Statement but reiterated that it was very insufficient, and that the Europeans had yielded to American blackmail.<sup>40</sup>

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<sup>38</sup> Cf. **Annex IV**

<sup>39</sup> Peters, J, "Europe and the Middle East Peace Process: Emerging From the Sidelines" in *The Foreign Policies of the European Union's Mediterranean States and Applicant Countries in the 1990s*, ed. by Stavridis, S, Couloumbis, T, Veremis, T & Waites, N (London: Macmillan Press LTD, 1999), p.299

<sup>40</sup> Greilsammer and Weiler, op.cit. p.146

### ***b) Outcome of the Declaration***

The Venice Declaration marked a low-point in Israel's relations with the European Community from which it never fully recovered. From the adoption of the Declaration in June 1980 to the convening of the Madrid peace conference in November 1991, Israel vehemently opposed any European attempt to play a significant role in the Peace Process. In January 1989, Shamir told the chairman of the European Parliament, Lord Plumb, that because of the Europeans' pro-Palestinian bias it was difficult to conceive of them as participants in the political process in the Middle East.<sup>41</sup> The Israelis were particularly angered by the series of declarations and statements issued by the EC which, following Israel's invasion of Lebanon in June 1982 and the start of the first Palestinian Intifada (uprising) at the end of 1987, became increasingly critical of Israel's policies and more open in their endorsement of the PLO as the representative of the Palestinian people and of the Palestinians' right to self-determination.

Despite its criticism, for the next 10 years, the EU was to try and conduct an active, autonomous policy, in keeping with the spirit and objectives of the Venice Declaration. However, it was only until 1986 that Europe was to abandon its absence.

On 27 October 1986, the Council of Ministers of the EC adopted resolution 3363/86 whereby the Community set a major 139 million financial aid programme for the Palestinians in the Occupied Territory for the period 1987-1993.<sup>42</sup> Moreover, the outbreak of the Intifada and Israel's forceful response, which exploded on the world's television screens in December 1987, triggered publicity and criticism for Israel in Europe, both on the state level and on the public opinion level.

Subsequently, the Palestinian Cause was brought forward in the debates of the European Parliament in March 1988 over the passage of three protocols on Israel's trade and financial relations with the EC. In light of the Intifada, the Parliament voted to deny

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<sup>41</sup> Peters, J, "Europe and the Middle East Peace Process (...)", op.cit., p.299

finalisation of the protocols and attacked conditions set by Israel for the implementation of an EC provision of December 1987 for Palestinian exporters in the Occupied Territory to establish direct contacts with European importers.<sup>43</sup>

On 15 November 1988, speaking before the Palestinian National Council (PNC) in Alger, Yasser Arafat proclaimed “*the establishment of the State of Palestine on our Palestinian territory with its capital Jerusalem (Al-Quds Ash-Sharif)*.”<sup>44</sup> The EC reacted with a declaration published in Brussels on 21 November 1988 whereby it attached great importance to the decisions adopted by the PNC at Alger, which reflect the will of the Palestinian people to affirm its national identity and which contain positive steps towards the settlement of the Arab-Israeli Conflict.”<sup>45</sup>

Finally, on 27 June 1989, the Twelve emphasised for the first time that the PLO must not only be associated but must, in effect, *participate* in the Peace Process. (My own italics)

#### **1.4 Implications of the Gulf War**

The Iraqi invasion on Kuwait on 2 August 1991 increased the tension in the region, as it created geopolitical alliances and great upheavals.

Bound to take a position, the Palestinians found themselves in a dilemma. Morally, they cannot tolerate the occupation of a country and not accept that of their country. Strategically, it would not be right not to defend the Kuwaitis after receiving many Palestinian refugees. Thus, in effect, they should support Kuwait.

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<sup>42</sup> ‘The Middle East and Security in Europe’, Explanatory Memorandum submitted on behalf of the Political Committee by Mr. Baumel, Rapporteur, and Mr. **Akòali**, co-Rapporteur, 20 June 2001: <http://www.assemblee-ueo.org>

<sup>43</sup> Hollis, Rosemary, “Europe and the Middle East: power by stealth?”, *Journal of International Affairs* 73 (January 1997)1, p.19

<sup>44</sup> Palestinian Declaration of Independence, 15 November 1988

<sup>45</sup> Khader, B, *Les Cahiers du Monde Arabe*, op.cit., p.32

Nonetheless, disappointed at how the West was quick and unhesitant to support Kuwait, the Palestinians decided to support Iraq; a choice that was to have many costs for the Palestinians and their cause. Not only was it to affect the image of the PLO in the West as well as in the moderate Israeli camp, but also it was to create hostility in the Gulf countries that had initially supported the Palestinians both morally and financially.<sup>46</sup>

For the EC, the Gulf War marked a decline in its political role, namely in its efforts to re-launch the Peace Process. Firstly, it reflected the divergences among the member-states' political positions, particularly on economic sanctions to be taken against Iraq. Moreover, the EC was further weakened with its alignment with the United States, who took the lead in the deployment of troops in Iraq as well as setting the terms of negotiations. The Europeans however gained no benefit from this alignment and were marginalized at the 1991 Madrid Peace Conference, co-sponsored by the US and Russia, at which they assumed the role of 'payer' rather than 'player' in the Middle East Peace Process.

### **1.5 Common Foreign and Security Policy (CFSP)**

The 1992 Maastricht Treaty was a turning point in the development of the Union's external identity. The Treaty was designed to respond to the two problems which Henry Kissinger had identified when he complained about not being able to find a «Mr Europe» to talk to about foreign policy: The problems of coordinating positions among fifteen diverse countries and the slow speed with which decisions are taken.<sup>47</sup>

As a result, the Maastricht Treaty<sup>48</sup> gave the European Union a Common Foreign and Security Policy (CFSP), in hope of achieving the following objectives: deciding on common strategies; adopting joint actions; adopting common positions; and

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<sup>46</sup> Khader, B, *L'Europe et La Palestine: Des Croisades à Nos Jours*, p.252-253

<sup>47</sup> The Maastricht Treaty and CFSP: <http://www.mideastweb.org>

<sup>48</sup> The 1997 Amsterdam Treaty amended the Maastricht Treaty with the introduction of the position of High Representative for the CFSP – Mr. Javier Solana – and more decisions by Qualified Majority.

strengthening systematic cooperation between member-states in the conduct of policy.<sup>49</sup>  
It was therefore intended to break from EPC.

Within the framework of the objectives set by the Union, the Middle East was given a priority, as it has been one of the constant preoccupations, not to mention contention, of the Community and its member-states. Accordingly, on the basis of joint actions, accepted by the Council unanimously, the EU was to focus on: (i) the development of systematic action to support the peace process of negotiations launched by the Middle East Conference in Madrid on the basis of relevant resolutions of the United Nations Security Council which should lead to a just and comprehensive solution to the Arab-Israeli Conflict and the Palestinian question; (ii) ensure the Union's active involvement in the peace process; (iii) making efforts to persuade Israel to change its policy regarding settlements in the Occupied Territories and to persuade Arab countries to renounce their trade boycott; (iv) support moves towards regional integration; (v) ensure the full compliance by the countries of the region with the relevant treaties and agreements on disarmament and arms control, including those on non-proliferation, and with the relevant resolutions of the United Nations Security Council; (vi) the foreign policy aspects of the fight against terrorism and the illicit traffic in drugs.<sup>50</sup>

Clearly, despite the secondary role it was given in Madrid, the EU seemed determined to play a key role in the Peace Process, as evident in its above-mentioned aims.

So what role was the EU to play in the Peace Process? And more importantly, was the transition from EPC to CFSP going to address the absence of a meaningful politico-security dimension to the EU's policy towards the Israeli-Palestinian Conflict?

The next chapter attempts to answer these questions.

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<sup>49</sup> Treaty on European Union, Title V, Article 12 J.2

<sup>50</sup> Hill, C and Smith, K, *European Foreign Policy, Key Documents*, op.cit., p.167

## **CHAPTER TWO – THE EU AND THE MIDDLE EAST PEACE PROCESS**

With the end of the Gulf War in the summer of 1991, international efforts to resume the Arab-Israeli Peace Process, notably between the Palestinians and Israelis, were intensified. This gave the European Community high hopes that an international conference on the Middle East Peace Process would be convened, in which it would assume a key role. These hopes, however, proved to be short-lived. The United States alone took the initiative of setting up an institutional framework to deal with the protagonists of the Conflict, and effectively blocked any alternative international efforts. Meanwhile, the EC was to be offered only a minor role in the proceedings.

Though it became clear from the beginning that the US would take centre-stage in the Peace Process, this did not prevent Europe from playing a significant role, particularly in its economic assistance programme and within the framework of the Barcelona Process. Politically, however, the Europe's role remained somewhat limited.

### **2.1 Political Marginalisation, Financial Implication 1990-1996**

#### ***a) Madrid Conference October 1990***

The Madrid Conference was convened on 30 October 1990 by the United States with Russia as official co-sponsor (but Moscow's role has only been symbolic). The European Community was invited only to attend, and not participate.

Denied a seat in the bilateral negotiations held in Washington, the European Union was assigned to operate solely within the framework of five working groups<sup>51</sup> of the multilateral talks set by the Madrid Conference. These talks were to run parallel with the

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<sup>51</sup> The five working groups include: arms control and regional security, environment, water, refugees, and regional economic development.

bilateral negotiations. The aim was to bring Israel, its adjacent Arab neighbours and other Arab states in the Maghreb and Gulf to address issues of regional and mutual concern.<sup>52</sup>

The Regional Economic Development Working Group is considered the largest of the five working groups and the one that reflected most fully the broader goals of the multilateral track. REDWG has been active in promoting ideas and ventures for future economic cooperation among the parties of the region. Although its primary focus has been to foster cooperation at a regional level, it has also proved to be an important forum, especially during the early meetings, for addressing the immediate economic needs of the Palestinians.<sup>53</sup>

### ***b) The Oslo Negotiations and the Declaration of Principles 1993***

Following secret negotiations in Norway, Israel and the PLO signed a 'Declaration of Principles' in 1993, often known as 'Oslo I'. The chief negotiators on both sides subsequently received the Nobel Peace Prize. Indeed, the whole world was surprised to the unexpected spectacle of Yasser Arafat and Yitzhak Rabin shaking hands. The two sides recognised each other's 'legitimate and political rights', and agreed there should be negotiations leading to a Palestinian self-governing authority for a transitional period, not exceeding five years. Particularly sensitive issues, including Jerusalem, refugees and illegal Israeli settlements in the Occupied Territory, were to be left for 'a new timetable for the implementation of outstanding commitments and for negotiation of a permanent status agreement', to be agreed during this five year period. (Jordan, now no longer constrained by the need to keep in step with the Palestinians, negotiated on its own with Israel, and agreed a peace treaty in 1994.)<sup>54</sup>

After further negotiations in Oslo, Israel and the PLO signed the Interim Agreement on 28 September 1995, often known as 'Oslo II'. The West Bank and Gaza Strip were

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<sup>52</sup> Peters, J, "Europe and the Middle East Peace Process (...)", op.cit., p.302

<sup>53</sup> Ibid, p.303-306

<sup>54</sup> The Palestinian Track of Negotiations 1991-2002, British Foreign Office Website: [www.fco.gov.uk](http://www.fco.gov.uk)

divided into Area A (controlled fully by the Palestinian National Authority); Area B (controlled by the PNA, but with the Israeli Defence Force responsible for security); and Area C (controlled by the Israelis). The PNA can enter into commercial and economic agreements for Areas A and B, but not foreign relations. Moreover, in April 1996, the Palestinian National Council agreed, in line with the Interim Agreement, to amend the Palestinian Charter (adopted in 1968) so that it no longer denies Israel's right to exist.

As in Madrid, Europe was to be sidelined in the political proceedings and the signature of the Oslo Accords. Nonetheless, the EU was to have a very crucial role in the economic path, which has effectively contributed to the mainstay of international efforts in support of Palestinian economic development and institution building.

On the eve of the signing of the Declaration of Principles, the EC proclaimed an immediate aid package of 35 million ECU, to enable the PLO to establish minimal services and meet the urgent needs of the Palestinian population. Moreover, at the donors' conference held on 1 October 1993, the EU member-states collectively pledged an additional 500 million ECU for a period of five years, to provide for the economic recovery and development of the Palestinian Territory. This aid package amounted to nearly a quarter of the total funds pledged by the participants at the Washington Conference and made the EU the largest donor to the PLO.<sup>55</sup> In addition, in the period 1994-2001, the European Community provided the Palestinians and the Peace Process with 1444 billion euros of assistance.<sup>56</sup>

## **2.2 The Euro-Mediterranean Partnership 1995**

The Euro-Mediterranean partnership, launched at the Barcelona Conference in November 1995, crystallised the EU's strategy towards the Mediterranean as a whole, as it

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<sup>55</sup> Peters, J, "Europe and the Arab-Israeli Peace Process: The Declaration of the European Council of Berlin and Beyond", in *Bound to Cooperate – Europe and the Middle East* (Gütersloh: Bertelsmann Foundation Publishers, 2000), p.162

*“provided for the first time a clear geopolitical and economic scenario for a priority region in the Union’s foreign policy”*<sup>57</sup>. It designed a comprehensive double structure at both bilateral and multilateral levels, aimed at developing an area of political stability and economic prosperity in the region.

The three chapters of the Barcelona Declaration identify three goals, which are presented as complementary: firstly, a political and security partnership to establish a common area of peace and stability; secondly, an economic and financial partnership to create an area of shared prosperity (including a free trade area); and thirdly, a partnership in social, cultural and human affairs, to develop human resources and promote understanding between cultures and exchanges between civil societies.<sup>58</sup>

The Barcelona Process was especially important because of its aim to define a common area of peace and stability through a reinforcement of political dialogue and security; a concept which corresponds with the vision of a safer, more prosperous and less conflictual world that gained currency with the end of the Cold War, the collapse of the Soviet Union and communism, and the assumed triumph of liberal democracy and capitalism. The concept also highlights two phenomena: firstly, a new European preoccupation with so-called ‘soft security’ threats, including economic instability, social unrest, refugee crises, international crime and drug trafficking; and secondly, an new era for the resolution of the Israeli-Palestinian Conflict, boosted by the signing of the Oslo Accords between both parties to the Conflict.

Furthermore, the Barcelona Process was formulated not as a competitive framework to the Peace Process, but rather as one providing a complementary diplomatic environment to help reduce tensions between Israel, and the Palestinians and the Arab States. This was especially true at the time following the election of Israeli Prime Minister Binyamin Netanyahu; although multilateral talks were effectively suspended and there was a

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<sup>56</sup> EC Assistance to the Palestinians and the Peace Process 1994-2001, see **Annex V**

<sup>57</sup> Communication by Mr. Manuel Marin, Vice-President of the European Commission, 26/01/98, in [www.euromed.net/eu/mepp/mepp-index.htm](http://www.euromed.net/eu/mepp/mepp-index.htm)

serious stagnation in the Peace Process, Israel and the Arab states continued to sit down together in the program of follow-up meetings, covering issues such as water resources, industry, tourism and environment, which took place under the auspices of the Barcelona Euro-Mediterranean Committee.<sup>59</sup>

Economically, and in accordance with the Barcelona Process, the EU has given over two billion euros between 1994 and 1998 (which represents half the aid given by the International Community) in support to the Palestinians, through different channels. Aid was given by either the EU as a whole or by individual member-states, through UNRWA<sup>60</sup> or as loans given out by the European Investment Bank. MEDA, which is the main financial instrument of the Barcelona Process, was also created in 1996 as a form of increased finance, given out in the form of grants for mainly socio-economic reforms.

Assistance to the Palestinians for the period 1995-1999, channelled via MEDA and other EU budget lines, amounted to approximately 88 million euros per year in grants. The priority areas for cooperation were infrastructure, institution-building, and private-sector development. The development assistance in these areas, both directly and indirectly, aimed at reaching the overall objectives of the Barcelona Process.<sup>61</sup>

More recently on 7-8 December 2000, the Nice European Council pledged a further 5.35 billion euros to finance the reformed MEDA mechanism as well as 1 million euros in EIB loans during the next financial perspective of the EC budget.<sup>62</sup>

At this stage, nobody can tell whether the Euro-Mediterranean Partnership will lead to 'shared prosperity' and 'political stability' in the region. Yet there is no doubt that its progress relies heavily on ongoing endeavours to put the Peace Process back on track.

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<sup>58</sup> Hollis, Rosemary, "Barcelona's First Pillar: An Appropriate Concept for Security Relations?" in *Bound to Cooperate (...)*, p.109

<sup>59</sup> Spencer, Claire, 'Europe Spurned' in *Middle East International*, 2 October, 1996.

<sup>60</sup> United Nations Relief and Works Agency for Palestinian Refugees

<sup>61</sup> The Barcelona Process, five years on, 1995-2000, EC Brochure, p.34

<sup>62</sup> Lamont, A, *A decade of European Peace Building Efforts in the Israeli-Palestinian Conflict: 1991-2001*, MA Dissertation, p.30

Indeed, “*de-linking the two processes is impractical and counter-productive*”<sup>63</sup>, given the relevance it has had on the mainstay of the Peace Process.

### **2.3 Active Phase 1996-1999**

Until the first Palestinian elections of 20 January 1996 – which were observed and encouraged by the EU –, there had been a marked European absence in the Peace Process.

Europe’s renewed efforts to play a role in the region are argued to be the result of three main factors. Firstly, there was growing dissatisfaction with the Netanyahu government, which took office in May 1996. Previously, under Shimon Peres’ government, the Europeans were already critical of the growing number of illegal settlements in the Occupied Palestinian Territory and were also outraged by the *Grapes of Wrath* operation, which involved widespread bombing of Southern Lebanon. Under Netanyahu, however, the Peace Process broke down. Israel’s decision in September to open a tunnel near Arab holy sites in Jerusalem, the re-establishment of financial incentives for illegal settlements in December and the decision in February 1997 to build new settlements in Occupied East Jerusalem were all viewed as provocative by Europe.<sup>64</sup>

Moreover, Jacques Chirac’s election as French President in May 1995 also stimulated European involvement in the Peace Process. Under his predecessor François Mitterand, France’s role had been secondary to that of the US. Chirac, on the other hand, was in favour of a more assertive French foreign policy in the region, which often contradicted that of the US.

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<sup>63</sup> Khader, B, “Euro-Mediterranean Partnership (EMP): The Unaccomplished Tasks”, Special Euro-Mediterranean Issue, June 1998

<sup>64</sup> Gordon, Philip, *The Transatlantic Allies and the Changing Middle East*, (Oxford: Oxford University Press, 1998), p.20-21

Thirdly, the desire to make CFSP more effective is also argued to have prompted the Europeans to play a more active role in the Peace Process. By 1996, CFSP had enjoyed little success, and the review of the EU Intergovernmental Conference in March 1996 gave the Middle East a priority in the pursuit of cooperation.<sup>65</sup>

#### ***a) Appointment of EU Special Envoy to the MEPP***

The clearest sign of Europe's determination to play a more active political role was the assignment of Mr. Miguel Moratinos as 'Special European Envoy to the Middle East Peace Process' in November 1996. This was within the framework of a CFSP joint action<sup>66</sup>, which specified Moratinos' formal and very much 'vague' mandate: to establish and maintain close contact with all the parties to the peace process; to observe peace negotiations between the parties if and when requested; to monitor the implementation of international agreements reached between the parties; and to monitor actions by either side which may prejudice the outcome of permanent status negotiations.<sup>67</sup>

Initially, the EU's appointment of a special envoy was received with general scepticism. Israel viewed it as a further sign of Europe's desire to 'intrude' in the peace process and put more pressure on Israel. Meanwhile, the Arab states were uncertain with regards to Moratinos' experience in the region and his ability to have a significant political role in the Peace Process.

Nevertheless, the presence of a European special envoy proved to have an impact on Europe's political standing and effectively enhanced its profile in the Peace Process. Indeed, *'Moratinos quickly gained the confidence of all parties to the conflict and showed Europe to be a valuable partner to the United States in helping mediate political*

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<sup>65</sup> Ibid, p.22

<sup>66</sup> Joint Action 96/676/CFSP, 25 November 1996, appointing the Special Envoy

<sup>67</sup> Hill, C and Smith, K, *European Foreign Policy, Key Documents*, op.cit., p.313-314

*agreements between Israel and the Palestinians and offered an additional diplomatic channel through which parties can operate*<sup>68</sup>.

This is best illustrated in the signing of the Hebron Protocol on 17 January 1997, which provided for the partial redeployment of Israeli troops from the city and a timetable for future redeployments in the West Bank. While Moratinos was not directly involved in the negotiations, he was working quietly behind the scenes helping to bridge the gaps between the parties. In effect, the Moratinos' efforts largely contributed to the EU's confidence-building measures and other 'soft-security' instruments<sup>69</sup>; foreign policy instruments which are specifically deployed to reduce distrust and tension between Israelis and Palestinians.

Moreover, under the auspices of its special envoy, the EU has set up a forum in which the representatives of the Palestinian security forces meet regularly with their European counterparts with the aim of developing mutual cooperation on security issues. This was part of the EU's assistance programme initiated on 29 April 1997 to support the Palestinian National Authority in its efforts to prevent terrorist actions from the territory under its control.<sup>70</sup>

### ***b) Association Accords with Israel***

The Euro-Mediterranean Association Agreement, signed between the EU and Israel on 20 November 1995, was an important step in improving relations and creating more trust between both parties.

For Israel, the EU is its leading trading partner, accounting for 44% of Israel's total trade volume in 1996. Furthermore, Israel is the only country in the Mediterranean group that has completely abolished tariffs and duties for industrial products from the EU. In

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<sup>68</sup> Peters, J, "Europe and the Arab-Israeli Peace Process: The Declaration of (...)", op.cit., p.160

<sup>69</sup> Everts, S, "The EU Wants to Deliver Peace Where the US Has Failed", in [www.news.bbc.co.uk](http://www.news.bbc.co.uk)

<sup>70</sup> Joint Action 97/289/CFSP

accordance with Article 40 of the Accord, Israel has also entered into scientific and cultural cooperation agreements with the EU, thereby gaining access to valuable Research and Development funds (R & D).<sup>71</sup>

To ensure that present EU-Israel relations take place according to the framework of existing agreements, the European Commission in 1997 outlined some problematic areas regarding the implementation of the EC-Israel Interim Agreement and in particular on rules of origin. Two main outstanding obstacles were identified, both relating to exports to the European Community of products allegedly originating in Israel whilst effectively produced in: illegal Israeli settlements, Occupied East Jerusalem and the Golan Heights; and the West Bank and Gaza Strip.<sup>72</sup>

It was also noted by the Commission that Israeli restrictions on the Palestinian economy lead to violations by both Palestinian and Israeli economic operators of the Protocol on rules of origin annexed to the EC-Israel Interim Agreement.

### ***c) EU-PLO Interim Accord February 1997***

Underscoring its commitment to the long-term development of the Palestinian economy, the EU signed a Euro-Mediterranean Interim Association Agreement on Trade and Cooperation with the PNA on 24 February 1997. This agreement aimed to provide for a wide range of economic and financial cooperation in support of Palestinian industries, to create suitable circumstances for economic exchange and to contribute to the development of the West Bank and Gaza Strip. It was similar to the association agreements signed with countries in the Mediterranean region, but it was adapted to take into account the special status of the Palestinian Territory.

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<sup>71</sup> Alfer, J, "The Political Role of the EU in the Middle East: Israeli Aspirations" in *Bound to Cooperate* (...), op.cit., p.194

<sup>72</sup> Communication to the Commission by Vice-President Marin in Agreement with Commissioner Monti: <http://www.euromed.net/eu/mepp/com-ec-il-summ.htm>

Though it was of economic nature, this agreement was to have important political implications. By fostering economic development and stability in the Palestinian Territory and the Mediterranean, the EU was aiming to reach a broader, long-term goal: achieving peaceful co-existence and social stability in the region. The idea behind that was the conception that the involvement of these states in a web of economic, technical and welfare interdependencies would force them to set aside their political and/or ideological rivalries.

Moreover, as part of its economic commitment to the Palestinians, the EU also sought to ensure that progress is maintained in the negotiations between Israel and the PLO following the election of Netanyahu. Not only was there a rise in violence, but this period also witnessed a clear deterioration of the Palestinian economy due to the Israeli closure of the West Bank and Gaza Strip, which effectively crippled Palestinian trade. As a result, the EU allocated on 2 November 1996 an additional 20 million ECU to ease the PNA's budgetary problem.<sup>73</sup>

#### ***d) EU Declarations 1996-99***

Following the turbulent phase that followed with Israeli Prime Minister Rabin's assassination and Netanyahu's election as new Israeli Prime Minister, the period 1996-99 was to witness a series of European declarations on the Israeli-Palestinian Conflict, which both reinforced the EU's official stance since the Venice Declaration of 1980, and also reminded the parties to the Conflict of what is unacceptable to international law.

After the violent clashes that erupted after Israel's extension of the Jerusalem tunnel in September 1996, the EU issued a statement which held Israel responsible and urged "*both sides to avoid resorting to disproportionate force, in particular the use of firearms, tanks,*

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<sup>73</sup> Peters, J, "Europe and the Middle East Peace Process (...)", op.cit., p.308

*and helicopter gunships*”. In addition, EU officials also hinted that ratification of the trade agreement might be in jeopardy.<sup>74</sup>

In its declaration, the Council of Ministers also emphasized that East Jerusalem, as well as the West Bank and Gaza Strip, is occupied territory under international law. This position was further reiterated in the Luxembourg Council Declaration of 1 October 1966, which reaffirmed the EU’s policy on the status of Jerusalem, stressing, *‘East Jerusalem is subject to the principles set out in UN security Council Resolution 242, notably the inadmissibility of acquisition of territory by force and is therefore not under Israeli sovereignty. The Union asserts that the Fourth Geneva Convention is fully applicable to East Jerusalem, as it is to other territories under occupation.’*<sup>75</sup>

Moreover, reiterating its call upon all parties to recommence the peace negotiations, as stated in the Florence Declaration of June 1966, the EU further underlined in Amsterdam, on 16-17 June 1966, the ‘foundations of peace’ as: the right of all States and peoples in the region to live in peace within safe, recognised borders; the exchange of land for peace; the non-acceptability of the annexation of territory by force; respect for human rights; the rejection of terrorism of all kinds; good relations between neighbours; compliance with existing agreements; and respect for the legitimate aspiration of the Palestinian people to decide their own future.<sup>76</sup>

However, one of the most significant changes in the EU stance on the Peace Process took place in the summer of 1998, whereby the Council of Ministers issued a statement following the Cardiff summit, calling on *‘[...] Israel to recognize the right of the Palestinians to exercise self-determination, with out excluding the option of a State.’*<sup>77</sup>

Indeed, less than a year later, the EU explicitly affirmed its support of Palestinian statehood at the Council of Ministers meeting held in Berlin on 24-25 March 1999:

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<sup>74</sup> Britain Israel Public Affairs Centre (BIPAC) Briefing, “Europe puts blame on Israel”, 4:2, 9 Oct. 1966, p.3

<sup>75</sup> Hollis, R, “Europe and the Middle East: Power by Stealth?”, op.cit., p.18

<sup>76</sup> Annex III of the Amsterdam European Council of 16-17 June 1996

*“The European Union reaffirms the continuing and unqualified Palestinian right of self-determination including the option of a state and looks forward to the early fulfilment of this right... The European Union is convinced that the creation of a democratic viable and peaceful sovereign Palestinian state on the basis of existing agreements and through negotiations would be the best guarantee of Israel’s security and Israel’s acceptance as an equal partner in the region. The European Union declares its readiness to consider the recognition of a Palestinian State in due course.”*<sup>78</sup>

Though it clearly reiterated European support for Palestinian statehood, the essence of the Berlin Declaration, however, lies in the EU’s crisis management efforts and desire to stabilise the Peace Process. Firstly, the wording of the Declaration was put together in close coordination with the United States and was an important step in diplomatic efforts aimed at preventing a unilateral declaration of independence on 4 May.<sup>79</sup> Secondly, it reflected a European conviction that establishing an independent Palestinian state was not only necessary for Palestinians but was also vital for ensuring Israeli security.

#### *e) Wye River Memorandum 23 October 1998*

Despite its endeavours to play a more active role in the Peace Process, Europe was to be ‘put back in place’ by the United States in the Wye River negotiations.

In a mere compromise to help implement what had already been agreed upon, President Arafat and Israeli Prime Minister Netanyahu signed the ‘Wye River Memorandum’ on 23 October 1998. This accord provided for a phased Israeli redeployment in parallel with Palestinian achievement of security objectives and progress on economic issues including the Gaza Industrial Estate and Airport, and the re-launch of final status negotiations.<sup>80</sup>

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<sup>77</sup> Peters, J, “Europe and the Arab-Israeli Peace Process: The Declaration of (...)”, p.156

<sup>78</sup> Conclusions of the European Council in Berlin, 24-25 March 1999, see **Annex VI**

<sup>79</sup> Peters, J, “Europe and the Arab-Israeli Peace Process: The Declaration of (...)”, op.cit., p.157

Unfortunately, the Europeans once again find themselves marginalized in the negotiations. Though explicitly informing the EU's special envoy about the proceedings of the negotiations, the US made it clear it would take the initiative unilaterally.

In essence, as Mr. Khader Bichara argues, the Wye River Memorandum, like other accords, revealed Europe's principle weakness: It is not a sufficiently recognised strategic actor, capable of taking the lead.<sup>81</sup>

## **2.4 Stalemate in the Peace Process 1999-2002**

### ***a) The Elusive Search for Peace***

The five-year period of the Israel-PLO Interim Agreement (Oslo II) expired on 4 May 1998 without final status negotiations having properly begun. Meanwhile, the Palestinians held back from unilaterally declaring an independent state (as a result of the EU's Berlin statement initiative mentioned earlier).

Following Ehud Barak's election as Israeli Prime Minister in July 1999, a new timetable for the implementation of outstanding commitments and for negotiation of a permanent status agreement was agreed at Sharm Al-Sheikh in September 1999. Accordingly, there was to be a Framework Agreement for Permanent Status by February 2000, and a Comprehensive Agreement for Permanent Status by September 2000. By the summer, however, the deadline had passed with very little progress.

Between 11 and 24 July 2000, US President Clinton, President Arafat and Israeli Prime Minister Barak met at Camp David in order to negotiate a final settlement of the Israeli-Palestinian Conflict based on the Oslo accords. Although it made real progress, the summit however brought no agreement. This is mainly because the Israeli offer on

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<sup>80</sup> The Wye River Memorandum, October 1998: [www.palestine-un.org/peace/p\\_k.html](http://www.palestine-un.org/peace/p_k.html)

<sup>81</sup> Khader, B, *L'Europe et La Palestine: Des Croisades à Nos Jours*, op.cit., p.518

Jerusalem did not acknowledge Palestinian claims to sovereignty over the eastern part of the city.

The situation was further deteriorated following a visit of Israeli opposition leader Ariel Sharon on 28 September 2000 to the Haram Al Sharif, which provoked Palestinian protests. Israeli occupation forces reacted with gunfire, and the second ('Al Aqsa') Intifada ensued. At least 2300 Palestinians<sup>82</sup> and 680 Israelis<sup>83</sup> have been killed. Many thousands, mostly Palestinians, have been injured.

Despite the rising levels of violence, both sides agreed to hold marathon talks in the Egyptian town of Taba in January 2001. Given the short time left to the Barak government and the continuing violence, no agreement was reached. Taba did however achieve some further progress in narrowing the differences between the parties, and a joint communiqué was issued, making clear that "*they have never been closer to reaching an agreement*"<sup>84</sup>. Thus, its importance lies in the fact that it will serve as a reference point for any future talks. Moreover, Taba was particularly important for the EU's CFSP, as it was the first time Javier Solana succeeds in playing an influential role on behalf of the EU.

However, Ariel Sharon's election as Prime Minister on 6 February 2001 marked the death of the little hope that Taba had created. Indeed, his early statements made it clear that he rejected the Camp David and Taba talks, as well as 'bridging proposals' Clinton had made in December 2000 on a permanent solution, as a basis for negotiations. In addition, the new Bush Administration made it clear that these negotiations were binding on neither Sharon nor the US.

Furthermore, the Mitchell Committee, which was established by the Sharm Al-Sheikh agreement to look into the outbreak of the Intifada and trace a path out of the current

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<sup>82</sup> According to Palestinian Red Crescent Society sources: [www.palestinercs.org](http://www.palestinercs.org)

<sup>83</sup> According to Israeli Army sources in B'Tselem: [www.btselem.org](http://www.btselem.org)

<sup>84</sup> Israeli-Palestinian Joint Communiqué, 27 January 2001, as published in *The Jerusalem Post* on 28 January 2001: [www.jpost.com](http://www.jpost.com)

crisis in the MEPP, issued its report on 21 May 2001. The Committee recommended immediate and unconditional cessation of violence, a range of confidence-building measures focussing on security co-operation and greater restraint on the Israeli army's behaviour, an end to closures and a freeze on all settlement activity including so-called 'natural growth', and a return to negotiations. The report was accepted and widely endorsed by the parties, and it also included cooperation between the EU and US. Subsequently, the Tenet security work-plan was concluded on 12 June, which committed both Israelis and Palestinians to implement steps to enforce a ceasefire unilaterally declared by both sides.

Nonetheless, the implementation of both the Mitchell Report and Tent plan was to prove difficult, if not impossible, following Israel's 'Operation Defensive Shield' launched on 29 March 2002. This period was to mark the worst violence since the onset of the Intifada. The Israeli Occupation Forces invaded and reoccupied all Palestinian cities and villages across the West Bank. The Israelis argued that the operations were designed to root out 'terrorists' and dismantle terrorist networks. Meanwhile, President Arafat's compound in Ramallah was besieged (in mid-December 2001), curfews and tight closures were imposed across the West Bank, and there was significant destruction of Palestinian infrastructure (most of which had been financed by the EU). Nearly 300 Palestinians and 70 Israelis died during 'Operation Defensive Shield', which received widespread international criticism and concern.

### ***b) Evaluation of EU's Role during this period***

Faced with the dramatic escalation of violence and the deterioration in the situation, Europe did not fail to react. Unfortunately, however, Europe's reaction was no more 'declaratory' than its previous reactions, as it had no real influence on any of the protagonists of the Conflict.

Indeed, the EU did not hesitate to denounce the repeated Israeli incursions into Palestinian cities and villages as well as Palestinian terrorist attacks in Israel. This was evident in the EU Summit held in Brussels on 29 January 2001 when the 15 member-states called upon the Israeli government to withdraw its forces from the reoccupied Palestinian territories, cease its illegal assassination policy, lift its siege and imposed-closure on the Palestinian people and freeze settlements. The EU foreign ministers also voiced their growing concern regarding Israel's destruction of Palestinian infrastructure and installations funded by the EU (as well as by individual member-states) and stated that it maintains its right to demand compensation at the right time.<sup>85</sup> This came as a 'sigh of relief' to the Palestinians at a time where Israel's attempt to weaken the PNA and its President was heightening. Moreover, following Sharon's decision to isolate and besiege President Arafat in his Ramallah headquarters, the EU was quick to send a diplomatic mission, confirming the President's legitimacy as representative of the Palestinian people.

However, whatever intentions the EU had, one is forced to admit that this policy brought little success. Israel did not withdraw its forces when called upon by the EU. Furthermore, despite its condemnation of the Israeli destruction of Palestinian infrastructure it had financed, the EU did not, and does not seem likely to, demand its proclaimed right to compensation for the 17,292,000 **€ of damage**.<sup>86</sup> In addition, the European diplomatic mission came back empty-handed and ashamed after being refused access to Arafat's headquarters; a privilege that Sharon granted to US Secretary of State Colin Powell a few weeks later.

Moreover, Israel's rejection of a UN inquiry mission into the Israeli Occupation Forces' attack on the Jenin refugee camp (whereby at least 50 Palestinians, mostly civilians, were killed) aroused only weak verbal condemnation on behalf of European leaders. Although suggested by some member-states, the imposition of temporary economic sanctions against Israel for not abiding by theoretically 'binding' Security Council resolutions was rejected on the European level.

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<sup>85</sup> "EU: Israel needs a partner to reach peace, and it could not be but the Palestinian Authority", Palestine Media Center, 30 January 2002: [www.palestine-pmc.com](http://www.palestine-pmc.com)

It is inevitable for us, therefore, to question Europe's capacity, or perhaps willingness, to pursue an effective Common Foreign and Security Policy in the region.

Chapter III intends to investigate, explain and hopefully understand the main reasons behind Europe's impotent CFSP.

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<sup>86</sup> Damages inflicted by IOF attacks to EU-Funded Projects, see **Annex VII**

## **CHAPTER THREE – OBSTACLES TO EFFECTIVENESS OF CFSP IN THE ISRAELI-PALESTINIAN CONFLICT**

We cannot deny the importance of the role that the EU plays in the Israeli-Palestinian Conflict, nor can we question the firm stand that it takes and continues to, especially in this ongoing Intifada. Nevertheless, and despite its achievements and strengths mentioned earlier, the EU has been unable to make any substantial political changes on the ground. The EU is still playing a marginal role in achieving such changes, as opposed to the US, who keeps taking centre-stage in the peace negotiations.

In assessing the reasons behind the insufficiencies of the EU's political role towards the Conflict, we can start off with a lack of a clear-cut common strategic policy, wherein a CFSP does exist but is hard to implement, the reasons of which will be examined in this chapter.

### **3.1 Institutional Constraints**

Since the early steps of the European integration process, the Israeli-Palestinian Conflict has occupied the European foreign affairs agenda. Indeed, when the foreign ministers of the six founding countries of the EC met in the framework of European Political Cooperation (EPC) in Munich in 1970, the first topic was the Middle East Conflict. And since then, the EC, and later the EU, has taken on many important initiatives in that area, ranging from declarations, such as the famous Venice Declaration, to a number of joint actions, such as the appointment of a Special Envoy to the MEPP.

In practice, and as we have seen previously, the EU's role towards the Conflict has remained largely in the economic sphere, accepting a secondary political role to that of the US. Thus, it seems fair to say that the Union's role suffer from a gap between its 'declared' ambitions and its 'actual' performance on the ground. This inconsistency can, to some extent, be explained by certain institutional and procedural constraints under which the EU's Common Foreign and Security Policy (CFSP) operates. In examining

these constraints, we will look into the complex nature of the EU's system of foreign affairs and its implication on its policy towards the Conflict.

### *a) Nature of EU System of Foreign Affairs*

The uniqueness of the European Union's system of foreign affairs lies in its complex division of powers between the member-states and the Community institutions. Thus, foreign affairs are run neither entirely by member-states, which preserve their sovereignty in external relations and intergovernmental cooperation, nor by the Union's Community structure. Meanwhile, external economic relations are subject to the supranational institutional system of the European Communities.

The first characteristic of the Union's foreign affairs system is its evolutionary nature.<sup>87</sup> Though it began as a purely economic union, the aim to provide for a close political cooperation between member-states in foreign affairs has accompanied the EC's evolution since the beginning. The failure of the 1961 Fouchet Plan to establish a 'Political Union', followed by the subsequent creation of EPC in 1970, followed by the 1986 Single European Act, which provided for a treaty base for the CFSP that was to become the Maastricht Treaty's second pillar, - all constituted attempts to broaden the consensus-building process in the formation of a European foreign policy.

Yet the main aspect of the evolutionary nature of the EU foreign affairs system is the difficulty of separating external 'economic' and external 'political' issues, and thus policies agreed on in the EC and CFSP structures inevitably overlap. The role of EPC, and later CFSP, in international relations has always heavily relied on the EC's economic power and instruments. The evolution of both the EC and the EPC/CFSP aspects of the Union's foreign affairs system have therefore been accompanied by a parallel evolution of their interaction.

This double decision-making structure constitutes the second characteristic of the Union's system of foreign affairs. On the one hand, the Union's external economic relations are conducted by the Commission and the Council of Ministers in the framework of the partially supranational decision-making structure of the EC. On the other hand, foreign and security policy issues are dealt with in the essentially intergovernmental framework of CFSP, which has retained the features of the old EC. As a result, the EU's foreign affairs system is governed by the dualism of two structures that not only have different legal bases, but also have different institutional set-up and rationales; i.e. the supranational 'Community' rationale and the intergovernmental cooperation rationale.<sup>88</sup>

The most visible consequence of the Union's dual system is reflected in its external representation. Under the EC Treaty, it is the European Commission that represents the Community in all international organisations on matters covered by the EC Treaty. While in the CFSP area, it is the member-state holding the Presidency that represents the Union in all matters of foreign and security policy. This split in external representation of the Union brings considerable difficulties: Not only does it mean that a substantial effort of coordination is needed to ensure consistency between these two areas of foreign representation, but it also implies that third countries have to deal with different interlocutors depending on the subject issue. In the case of CFSP, the interlocutor changes with the rotating Presidency every six months, which creates further complications and brings problems of continuity and consistency.

Further difficulties resulting from the Union's dual system of foreign affairs are evident in instruments and implementation. In the EC framework, the Council or Commission takes instruments in the form of 'regulations', 'directives', or 'decisions', which are legally binding under EC law. In the CFSP framework, however, only the 'joint action' instrument is legally binding, and under public international law, not EC law. In terms of implementation, in the EC framework, it is the Commission that is responsible for the

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<sup>87</sup> Monar, Jorg, "Institutional Constraints of the European Union's Middle Eastern and North African Policy" in *Bound to Cooperate (...)*, op.cit., p.211

execution of external actions adopted, though it remains subject to the member-states' control. Within the CFSP, however, it is the Presidency that is responsible for the implementation of common actions. Consequently, EU relations with external partners are in fact administered by totally different sets of administrative structures and officials. Inevitably, this leads to problems of coordination and conflicting signals to these countries.

### ***b) Impact of Institutional Constraints on Middle East Policy***

Given the complexity of the Union's external policy making and implementation, institutional constraints are undoubtedly inevitable. Indeed, slow decision-making, different interlocutors, rotating presidency and the problems of instruments and implementation – clearly have an impact on the efficiency of the Union's CFSP, particularly on sensitive issues like the Israeli-Palestinian Conflict.

Nevertheless, these constraints are increased if a policy concerns the vital interests of the Union's member-states, and then the internal struggle for defending national interests is intensified. Evidently, the EU's policy towards the Israeli-Palestinian Conflict touches vital interests of the Union and its member-states from a security, economic and financial point of view.

As Jorg Monar argues, *“the most important effect of the institutional constraints of the system is that it makes of the European Union a clearing house of different interests rather than a unitary actor with more or less clearly defined objectives and strategies.”*<sup>89</sup>

Thus, with the lack of the single governmental structures and central authority of a nation-state actor on the international stage, the EU's policy towards the Middle East, namely the Israeli-Palestinian Conflict, relies on interests that vary over time, and the

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<sup>88</sup> Ibid, p.216

<sup>89</sup> Monar, J, op.cit., p.229

capacity to merge these interests into decisions within the framework of the EC and/or the CFSP framework.

### **3.2. Divergences of Member-States' Positions towards the Conflict, notably the Key Players: Britain, Germany and France**

European states have different views of the extent to which their policies towards the Israeli-Palestinian Conflict should be channelled through the European Union's system of foreign affairs.

Britain generally resists the idea that the Union should be primarily responsible for foreign policy, including in the Middle East. The British are also wary of any EU foreign policy too heavily influenced by France, particularly those that differ from US policy.

By contrast, Germany seeks to direct virtually all its influence over the Peace Process via a European channel. Carrying a historical burden, however, Germany regards as its solemn duty to defend Israel's right to exist and is therefore cautious not to take any action that may be perceived as anti-Israel. Thus, by allowing the EU to take the lead, Germany is able to maintain its special relationship with Israel while taking balanced positions towards the Arabs.

France's attitude towards a leading EU role lies between the British and the German positions. While it has very pro-European feelings, it also yearns for an independent role on the world stage. On the one hand, France strongly supports a leading EU role in foreign policy in general, and in the Middle East in particular. On the other hand, with its traditionally close ties with the Arab world, France has sought independent 'French' initiatives on a number of occasions in the region, including the Israeli-Palestinian Peace Process.

Meanwhile, the smaller EU states generally support a leading EU role in coordinating Middle East policy. However, due to the divergences among the 'Big Three' (Britain, France, Germany), they are usually forced to side with one of them.

### ***a) British Position***

Despite its historical involvement in the region, Britain's influence on the Israeli-Palestinian Conflict is long since over, as it has witnessed a clear and steady decline. Like the EU, Britain does not have a coherent policy towards the Middle East. It rather seeks to encourage whatever process seems most likely to bring a solution to the Conflict, in line with its interests and certainly those of the United States.

Indeed, Britain has aligned itself closest with the US position. Since the mid-1990s, this has meant supporting the Oslo Process, therefore accepting US 'leadership' in the political negotiations, while accepting the European primary role of funding the PNA and developing its institutions. Thus, Britain has contributed to EU policy-making in the Middle East in such a way as it calculates would fit best with US efforts at peace-making.

Peter Hain, who was in charge of the Middle East at the British Foreign Office, describes British policy on the Israeli-Palestinian Conflict as aimed to take into account the situation on the ground and work pragmatically for a solution, as opposed to pronouncing on what or should not happen.<sup>90</sup> Yet, as Rosemary Hollis argues, this sounds like traditional British pragmatism rather than the pursuit of high principle, but it also sounds more like the American position than the French one.<sup>91</sup> Indeed, since the onset of the Intifada, Britain has echoed European and American concerns on Israel's use of force, but has never taken the sole initiative in criticising Israel.

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<sup>90</sup> Hollis, R, "The End of Historical Attachments: Britain's Changing Policy Towards the Middle East", in *Globalization and the Middle East: Islam, Economy, Society and Politics*, ed. by Toby Dodge & Richard Higgot (London: Royal Institute of International Affairs, 2002), p.71

<sup>91</sup> *Ibid*, p.71

In October 2001, British Prime Minister Tony Blair attempted to directly intervene in the Israeli-Palestinian Conflict through his visit to the region. Shortly after his visit, and only after calls by US Secretary of State Colin Powell for the establishment of a Palestinian state alongside the state of Israel as the formula for peace, did Blair himself publicly enunciate the need for a viable Palestinian state.

Carrying a historical responsibility towards the Palestinians and their fate, Britain's policy is far from being supportive of the Palestinian people's legitimate rights and aspirations. Indeed, their loyalty to the US, Israel's first ally, has earned them great disappointment and a feeling of betrayal on behalf of the Palestinians and Arabs in general. Thus, although Britain has attempted to assume the ostensible role of bridge-maker between the positions of Israel's most loyal supporters, like Germany and the Netherlands, and the pro-Arab camp, like France and Belgium, - it is more likely to side with the former and/or echo the US position.

### ***b) German Position***

German foreign policy towards the Israeli-Palestinian Conflict has been characterised by both continuity and change. Though Germany does not have a declared policy of its own on the Middle East, it is possible to identify a number of elements that distinguish its policy in the region, particularly towards the Conflict.

In terms of continuity, German policy has always been shaped by its historical responsibility towards Israel due to the Holocaust. Thus, Germany has maintained a 'special' relationship with Israel, defending its right to exist and avoiding any stances that may be perceived as anti-Israel. Moreover, Germany has sought to strike a balance between its strong commitment to Israel's security and its acknowledgment of the Palestinian right of self-determination, which had been underscored by the EC in the 1980 Venice Declaration. However, Germany's acceptance of Palestinian self-determination also rests on the idea that a viable Palestinian state would ensure Israel's

security. Another element of continuity in Germany's policy is that successive German governments have always defined and implemented their policies on the Israeli-Palestinian Conflict through a European channel rather than taking unilateral initiatives. Through the mechanisms of EPC and later CFSP, German governments could both shape and limit European policies and declarations. Indeed, this approach has also been taken by Foreign Minister Fischer whose 'idea paper' aims for a common 'European' peace plan for the Middle East.<sup>92</sup> Finally, Germany has always considered the active engagement of the United States in the Israeli-Palestinian Conflict as indispensable in the search for a peaceful and final solution to the Conflict.

In terms of change, many agree that German policy towards the Conflict has become more active in recent years, though the extent of this change remains debatable. This activeness is clearly illustrated in Fischer's frequent visits to the region in the past three years and his mediation between both parties. Also, as head of the General Delegation of Palestine in Germany, Abdallah Frangi, notes, Germany's active engagement was also evident in its strong support since 1993-1994 for the build-up of Palestinian infrastructure and for the PNA.<sup>93</sup> Moreover, it is argued that the process of European integration has also contributed to the initiation of a German policy towards the Middle East. Thus, by becoming a "Mediterranean state", Germany was equally affected by the negative consequences of conflict and poverty in the Middle East.<sup>94</sup>

Despite its more active involvement, Germany still finds it difficult to criticise Israel. Whereas it has always been legitimate to criticise Palestinian suicide bombs in Israel, criticism of Israel's repeated incursions into Palestinian cities and villages, building and expansion of illegal settlements in the Occupied Territory, the extra-judicial execution of

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<sup>92</sup> Fischer had proposed that a separation of Israelis and Palestinians be secured with a military contingent made of US, EU, UN and Russian troops that would guarantee an environment in which negotiations could take place to resolve problems within a two-year period. During that period, a provisional Palestinian state would be initiated, Israel would withdraw from occupied territories, including withdrawal of its illegal settlements, and each side would commit to full recognition of the other. The paper was however rejected.

<sup>93</sup> Frangi, A, "Germany and the Middle East Peace Process: The Palestinian Perspective" in *German Foreign Policy in Dialogue*, Newsletter – Issue 07, 17 May 2002, p.35

<sup>94</sup> Overhaus, M, "A 'New' German Foreign Policy in the Middle East?" in *German Foreign Policy in Dialogue*, op.cit., p.7

Palestinians, etc, during the current Intifada – did not come easily by Germany. Thus, Germany’s special relationship with Israel has remained a priority.

In seeking a balance sheet between continuity and change in German foreign policy towards the Conflict, it is evident that this policy remains embedded in a multilateral framework, mainly in the EU framework, but also at the international level. On this basis, a recent policy-paper of a study group working on Germany’s Middle East policy defined the German position towards the Conflict as “even-handed, not neutral”<sup>95</sup>: even-handedness with regard to the parties to the Conflict, not with regard to their policies or disputes; and not neutral when individual countries endanger regional international peace or violate basic norms of international law.

### ***c) French Position***

Since Israel’s creation in 1948, the French attitude towards the Israeli-Palestinian Conflict has been marked by an internal tension between a strong European role and deeper European involvement on the one hand, and the desire to maintain an influential independent French role on the other.

Until the eve of the June 1967 War, France’s position had gone through several phases from recognising the Palestinian refugees’ right of return or compensation, to being Israel’s principle arms supplier. The outbreak of the June War however gave France the opportunity to clarify its position. The French position was reflected in a press conference in November 1967 when Charles de Gaulle observed that “*the Israeli occupation of the territories it captured cannot continue without oppression, repression, expulsions, nor without the emergence over time of a resistance it will then label terrorism*”<sup>96</sup>. Indeed, this warning was to have more significance three decades later, given the current situation in the Occupied Palestinian Territory.

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<sup>95</sup> Grohe, H, Moosbauer, C, Perthes, V, & Sterzing, C, “Even-handed, Not Neutral: Points of Reference for a German Middle East Policy”, Friedrich Ebert Foundation, Amman, Sept. 2001

Because of its realistic approach to politics and its political ties with the Arab world, France could not ignore the Palestinian resistance; first, by participating in the drafting of UN Resolution 242 (calling for Israeli withdrawal to the 1967 borders), and secondly, by seeking to stabilise the situation in the Middle East through efforts to unify the European position and strengthen its role, while developing ties with the Arab states.

Since then, all French initiatives in support of the Palestinian Cause reveal certain continuity. Georges Pompidou continued de Gaulle's foreign policy, maintaining French independence in foreign affairs, while recognising the legitimate rights of the Palestinians. Similarly, under Valéry Giscard D'Estaing, the first Franco-Palestinian contact took place in Beirut, where French Foreign Minister Sauvagnargues met with Yasser Arafat in October 1974. This was followed by the French-initiated EEC resolution on 29 June 1977, which affirmed "*the legitimate rights of the Palestinian people*" and "*the need for a Palestinian homeland*".<sup>97</sup> Subsequently, in March 1980, France officially acknowledged, for the first time, the Palestinians' right to self-determination. France further succeeded in uniting the Six in adopting the famous Venice Declaration of June 1980. Though under François Mitterand, there was more sympathy for Israel than under his successors, the French position on the Conflict did not really change.

However, until the election of Jacques Chirac in May 1995, French policy had been somewhat secondary to that of the US, namely in the context of the Israeli-Palestinian Peace Process. Chirac, however, reasserted French foreign policy in the region and also stimulated a more active European role in the Peace Process. Indeed, Paris pushed most strongly for the appointment of the EU envoy to the Peace Process in 1996, and lobbied most heavily – against British and German resistance – for that envoy to have a significant role.

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<sup>96</sup> Rondot, Philippe, "France and Palestine: From Charles de Gaulle to François Mitterand", *Journal of Palestine Studies* 16 (Spring 1987) 3/63, p.89

<sup>97</sup> *Ibid*, p.93

Moreover, while theoretically supporting an EU-led foreign policy in the Middle East, Chirac did not hesitate to travel to the Middle East, including the Occupied Territory, in October 1996 and articulate positions that were not coordinated with other EU member-states. These include support for a Palestinian state and an equal European role to that of the US in sponsoring the Peace Process.

Arguably, the most significant difference between France and its European partners relates to Europe's relationship with the US in Middle East diplomacy. Unlike their French partner, most European states favour a supporting European role to that of the US. As German Foreign Minister Klaus Kinkel put in 1995:

*“We [Europeans] don not aspire a great political role in this regard; namely, the role of broker, but we want to give advice... I say that we should leave the political mediation to the Americans, and we, the Europeans, should concentrate further on the economic aid.”*<sup>98</sup>

In the Council of Ministers there are frequent calls from France, usually supported by Spain, Greece and others, for the EU to draw its conclusions from America's stance on the Israeli-Palestinian Conflict. These countries make the case for a more audacious, distinctly European approach.

For instance, in the first half of 2002, former French Foreign Minister Hubert Védrine pushed the idea of organising Palestinian elections under international supervision. Védrine hoped that this would put pressure on Israel to end its re-occupation of Palestinian towns and would also convince the Palestinians that the state-building process could be revived. In any case, Védrine said, Palestinians should have the opportunity to express their views in other ways than blowing themselves up as suicide bombers.<sup>99</sup>

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<sup>98</sup> Gordon, P, *The Transatlantic Allies and the Changing Middle East*, op.cit., p.35

<sup>99</sup> Everts, “The EU and the Middle East: A Call For Action”, Working Paper, Centre For European Reform, January 2003, p.30

But a coalition of countries with more pro-Israeli (and pro-US) leanings, such as the Netherlands, Denmark, the UK and Germany, resisted Védrine's plans. They argued that any diplomatic initiative that did not have explicit US backing would be stillborn – because the Israelis would reject it, and be able to do so without serious consequences.

As we have seen, apart from general consensus over a two-state solution, which had been emphasised in the 1999 Berlin Declaration, the EU member-states, notably the main three European players, are far from agreeing on a concrete Middle East policy. Britain's policy may be best characterised as balancing its role in the EU with its 'special relationship' with the US; France supports a strong EU role while maintaining some independence in foreign policy and its special relationship with the Arabs; and Germany is in favour of a European role while preserving its special relationship with Israel.

As Deputy Director of the French Institute for International Relations, Dominique Moisi, sums it:

*“The EU can only succeed in the Middle East if the French are sometimes prepared to annoy the Arabs, if the Brits are sometimes prepared to annoy the Americans and the Germans are sometimes prepared to annoy the Israelis.”*<sup>100</sup>

### **3.3. Relationship with the USA**

As we have seen in the previous section, there are deep divisions among the larger member-states over whether the EU should accept a secondary role to that of the US in the Israeli-Palestinian Peace Process or whether it should pursue a separate path. In light of these divisions, the EU foreign policy towards the Conflict has been marked by inconsistency, particularly with regards to its declared positions and its actual actions, as illustrated in chapter two. As a result, not only has this crippled the efficiency of the EU's

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<sup>100</sup> Quoted in Everts, S, “The EU and the Middle East: A Call For Action”, op.cit., p.50

CFSP, but it also contributed to its loss of credibility as a mediator in the eyes of the Conflict's protagonists.

In addition, the American self-imposed division of labour in the Israeli-Palestinian Peace Process - with the US acting as the primary mediator between the protagonists, while the EU would be responsible for providing the bulk of the financial resources – has equally contributed to Europe's powerlessness in assuming an effective political role in the Peace Process. This inequality in influence and roles in many ways accounts for the EU's frustration and its quest for a more prominent role in the Peace Process.

Thus, the transatlantic debate has, since the 1991 Madrid Conference, evolved around the question of what role the EU and its member-states should play in the Israeli-Palestinian Peace Process in relation to the United States' leading role. Essentially, the issue is not so much whether the EU should become more active, but rather how deeply it would become involved in political negotiation processes, and whether and how European activities might 'complement' or 'conflict' with US policies.

#### *a) EU-US Differences*

Since the 1990s, American and European policies, strategies and approaches towards the Middle East, including the Israeli-Palestinian Conflict, have diverged to an extent that hinders the peace process and damages transatlantic relations. Following the deadlock of the Oslo peace negotiations in 1996, the EU did not hide its frustration with the near-monopoly on regional diplomacy enjoyed by the US in the Israeli-Palestinian Conflict, and have even criticised perceived US impartiality towards Israel. The first signs of the EU's renewed efforts to play an active role include the appointment of Miguel Moratinos as Special Envoy to the Peace Process, prominent visits by European leaders to the region and open disagreement with Netanyahu's government's policies.

Since then, two main features distinguish US and European roles towards the Conflict. Firstly, through its global superpower status, military might, close relations with Israel and large amounts of economic and military aid to key regional powers, - the US has been the privileged interlocutor of all parties in the region. Even most Arab leaders agree with the late Egyptian leader Sadat's famous statement that the US held "99 percent of the cards".<sup>101</sup> Europe however has been regarded as a secondary actor, financing the Peace Process and promoting diplomatic initiatives.

The second feature of US and EU involvement in the Conflict has been the US alignment with Israel, while the Europeans took a more balanced position towards the Palestinians and Arabs. Indeed, whereas the US' key interests in the region involve the security and well being of Israel, Europeans however place more importance on regional stability and emphasize the need for comprehensive peace and security, including the legitimate rights of the Palestinian people. As a result, Washington's support for Israel has been unambiguous, as it has provided Israel with huge amounts of economic and military assistance, no to mention defending its violations of international law and Security Council resolutions. Meanwhile, the EU, though firmly committed to Israel's existence, has shown more respect for international law and justice. Accordingly, it has been more critical of Israel's occupation of Palestinian territory captured in 1967, its illegal settlement activities, and its excessive use of force against the Palestinians.

### ***b) Idea of 'Complementarity'***

With the European quest for a more active role came a pledge that this role would be 'complementary' to that of the US. On the one hand, this concept underscores Europe's claim for a political role, alongside its economic role in the Peace Process. On the other hand, it is meant to diffuse American suspicions that Europe might actually want to

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<sup>101</sup> Gordon, P, op.cit., p.15

‘compete’ with the US or counterbalance American policies towards the Conflict.<sup>102</sup> This is especially the case given the divergences among member-states over whether the EU should pursue a separate strategy from the Americans (France), or whether it should pursue a US-backed strategy (Britain, Germany). Nevertheless, the need for US engagement to resolve the Conflict has never been a question among member-states.

The US response to the European claim for a larger political role in the Peace Process, as well as to the concept of complementarity, was not very enthusiastic. American policy makers doubt that Europe would be capable of exercising a constructive political role, as they believe that the Europeans have neither the means for such a role nor the capability of reaching a common position. As Richard N. Haas argues, the Americans view the EU’s involvement in political negotiations as “*meddling*” that only complicates matters.<sup>103</sup> Instead, European involvement in the Peace Process has been primarily regarded by the US as a matter of burden sharing. This implies that Europe should have a supportive role and must therefore concentrate on the economic dimension of regional peace building. It also implies that Europe should share part of the political burden, by making up for US failures or shortcomings in the Peace Process, while Washington maintains its leadership function.<sup>104</sup>

A clear example of the last point is the EU’s 1999 Berlin Declaration, whereby the Europeans went further than the US in supporting the goal of a Palestinian state. This was an important step in the diplomatic efforts to dissuade the Palestinians from a unilateral declaration of independence on 4 May. The wording of the Declaration was put together in close coordination with the US, which could not, at the time, use identical terms due to its bilateral commitments to Israel not to recognise a Palestinian state against Israeli objections. Indeed, the European initiative had Washington’s blessing.

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<sup>102</sup> Perthes, V, “The Advantages of Complementarity: The Middle East Peace Process” in *The New Transatlantic Agenda: Facing the Challenges of Global Governance*, ed. by Gardner, H & Stefanova, R (Aldershot: Ashgate, 2001), p.106

<sup>103</sup> Hass, R.N, “The United States, Europe, and the Middle East Peace Process” in *Allies Divided. Transatlantic Policies for the Greater Middle East*, ed. by Blackwill, R and Stürmer, M (Cambridge: The MIT Press, 1997), p. 61-77

Thus, it is clear that the US is ready to accept a 'complementary' European role, so long as it corresponds to US criteria and interests.

### *c) Views of the Conflict's Protagonists*

While the US conviction that it must remain the primary player in the political negotiations sets certain restraints on European policy and decision-making, the EU is yet faced with another challenge that limits its ability to act as a mediator between the Palestinians and Israelis. The source of this challenge comes from Israel itself. From the issuance of the Venice Declaration in June 1980 to the convening of the Madrid peace conference in November 1991 and onwards, Israel has vigorously opposed any European attempt to play a substantial role in the Peace Process. Israel has thus continually insisted on distancing Europe from the political arena, and constantly criticized the European approach to the Conflict, which it sees as representing solely the Arab position.

From an Israeli point of view, the first and foremost objection to a primary EU role in the Peace Process is that 'the Americans don't like it'.<sup>105</sup> As a close ally of the US, Israel is closely adjusted to US wishes on this issue, regardless of the rationale. However, as indicated below, Israeli and American views are relatively similar on opposing European mediation.

In the eyes of the Israelis, the EU is not integrated enough to be a 'superpower' and that it rarely behaves like one; unlike in the US, there is no large Jewish community there whose interests, influence and wealth must be taken into account; the EU takes pro-Arab positions; and finally, Europe is preoccupied with economic issues, and is not concerned with Israel's security concerns. Given these reasons, according to this argument, the EU cannot be trusted.<sup>106</sup> Thus, from the Israeli standpoint, the EU should continue along the

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<sup>104</sup> Perthes, V, op.cit. p.104-107

<sup>105</sup> Alpher, J, "The Political Role of the EU in the Middle East: Israeli Aspirations" in *Bound to Cooperate* (...), op.cit., p.201

<sup>106</sup> Ibid, p.201-202

Moratinos track: being helpful in a secondary role, and seeking to achieve complementarity of policy initiatives with the US.<sup>107</sup>

Paradoxically, though the Palestinians and other Arab states appreciate European positions as they relate to them the most and would actually prefer more EU involvement, they nevertheless turn to the Americans when it comes to ‘real action’.

Indeed, the diverging positions of member-states, along with the vigorous US claim to leadership, have pre-empted any European attempt to exert any influence on the Conflict’s protagonists, thus making the EU a second-class peacemaker.

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<sup>107</sup> Ibid, p.204

## **FINAL CONCLUSIONS AND KEY RECOMMENDATIONS**

As illustrated in this paper, the European Union's role in the Israeli-Palestinian Conflict has proved highly crucial and irreplaceable to all parties to the Conflict. Indeed, Oslo would not have been possible without Europe's even-handedness since the Venice Declaration of 1980. Nor would have the Peace Process survived without its economic support, including promoting Palestinian institution building and development, and its role in the multilateral track in promoting ideas and ventures for future economic cooperation among the parties of the region. In addition, though never intended to be related to the Middle East Peace Process, the Barcelona process has played a vital role in maintaining dialogue between the Palestinians and Israelis during the worst periods of stagnation.

Yet, despite these efforts, the EU's weight in the Peace Process has not yet managed to exert real influence on the protagonists of the Conflict, as it remains more or less restrained to America's 'sphere of influence'. True, there are many cases where the EU does not hesitate to stand firm against American pressure and is in favour of international laws and practices. This is evident in its repeated calls upon Israel to end its illegal occupation of Palestinian territory, settlements and excessive use of force, and upon the Palestinians to take measures to halt extremists from carrying out suicide attacks in Israel. Nonetheless, the EU's lack of coercive action, especially against Israel, clearly illustrates its deep divisions – which are dictated by 'special' relationships with the US and/or Israel – and consequently, its lack of credibility to act as a mediator.

Arguably, the EU cannot supplant the primary role of the US. The desire of some member-states to pursue a separate path from the US, though understandable, is unlikely to produce a diplomatic breakthrough, as such a course would divide the EU and alienate the US and thus also Israel.<sup>108</sup>

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<sup>108</sup> Everts, S, "The EU and the Middle East: A Call For Action", op.cit., p.30

Nevertheless, with its capacity to express a greater even-handedness in attending to the political, social and economic needs of the Palestinian side, Europe can play a valuable role in supplementing the efforts of the US and help in shaping the future priorities and direction of the Peace Process. To do this, the EU must take some of the following key recommendations in mind.

First and foremost, the EU must construct a more defined and more confident foreign policy than that developed in the past. Accordingly, it will need to find the balance between maintaining a 'good' relation with the US and the development of new independent initiatives. It will also demand the development of a greater degree of coordination among the member-states, notably the key players: Britain, Germany and France, - who need to set aside their individual 'differences' and national interests, so as to deliver a more comprehensive, unified foreign policy.

Moreover, in light of the current changes on the ground, the EU has a necessary and feasible role to play. Following the election of Palestinian Prime Minister Mahmud Abbas (Abu Mazen) on 29 April, and the end of the US war on Iraq on 1 May, more attention has been placed on the implementation of a 'roadmap'<sup>109</sup>, which specifies the steps for a permanent solution to the Israeli-Palestinian Conflict under the auspices of the 'Quartet' (comprising the EU, US, United Nations and Russia). Based on US President Bush's June 2002 speech on the Middle East, this roadmap envisions "*two states, Israel and Palestine, will live side by side in peace and security*"<sup>110</sup> by the year 2005.

As it is a clearly US-led 'multilateral' initiative, the EU has a vital role to play in becoming a co-sponsor with the United States in helping both parties towards the implementation of this roadmap. To be successful, the EU needs to drop its accustomed passivity, get engaged proactively and, if asked, even send troops to monitor a peace. Basically, the EU ought to assert its position more forcefully, even if it risks being criticised for it.

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<sup>109</sup> Middle East 'Roadmap', see **Annex VIII**

If the EU can rise to this challenge and overcome its own internal divisions, then it can certainly play a key role towards the development of a comprehensive and lasting peace in the Middle East. Meanwhile, it would also grant its Common Foreign and Security Policy more credibility, both internally and in the eyes of its international partners.

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<sup>110</sup> Full text of George W. Bush's speech on Israel and a Palestinian state, 25 June 2002: Palestine Media Center: <http://www.palestine-pmc.com/details.asp?cat=11&id=25>

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## **ANNEXES**

### **Annex I: United Nations Security Council Resolution 242, 22 November 1967**

*The Security Council,*

*Expressing* its continuing concern with the grave situation in the Middle East,

*Emphasizing* the inadmissibility of the acquisition of territory by war and the need to work for a just and lasting peace in which every State in the area can live in security,

*Emphasizing further* that all Member States in their acceptance of the Charter of the United Nations have undertaken a commitment to act in accordance with Article 2 of the Charter,

1. *Affirms* that the fulfilment of Charter principles requires the establishment of a just and lasting peace in the Middle East which should include the application of both the following principles:

(i) Withdrawal of Israel armed forces from territories occupied in the recent conflict;

(ii) Termination of all claims or states of belligerency and respect for and acknowledgment of the sovereignty, territorial integrity and political independence of every State in the area and their right to live in peace within secure and recognized boundaries free from threats or acts of force;

2. *Affirms further* the necessity

(a) For guaranteeing freedom of navigation through international waterways in the area;

(b) For achieving a just settlement of the refugee problem;

(c) For guaranteeing the territorial inviolability and political independence of every State in the area, through measures including the establishment of demilitarized zones;

3. *Requests* the Secretary-General to designate a Special Representative to proceed to the Middle East to establish and maintain contacts with the States concerned in order to promote agreement and assist efforts to achieve a peaceful and accepted settlement in accordance with the provisions and principles in this resolution;

4. *Requests* the Secretary-General to report to the Security Council on the progress of the efforts of the Special Representative as soon as possible.

*Adopted unanimously at the 1382nd meeting.*

## **Annex II: United Nations Security Council Resolution 252, 21 May 1968**

*The Security Council,*

*Recalling* General Assembly resolutions 2253 (ES-V) of 4 July 1967 and 2254 (ES-V) of 14 July 1967,

*Having considered* the letter of the Permanent Representative of Jordan on the situation in Jerusalem (S/8560)<sup>1/</sup> and the report of the Secretary-General (S/8146)<sup>2/</sup>

*Having heard* the statements made before the Council,

*Noting* that since the adoption of the above-mentioned resolutions Israel has taken further measures and actions in contravention of those resolutions,

*Bearing in mind* the need to work for a just and lasting peace,

*Reaffirming* that acquisition of territory by military conquest is inadmissible,

1. *Deplores* the failure of Israel to comply with the General Assembly resolutions mentioned above;
2. *Considers* that all legislative and administrative measures and actions taken by Israel, including expropriation of land and properties thereon, which tend to change the legal status of Jerusalem are invalid and cannot change that status;
3. *Urgently calls* upon Israel to rescind all such measures already taken and to desist forthwith from taking any further action which tends to change the status of Jerusalem;
4. *Requests* the Secretary-General to report to the Security Council on the implementation of the present resolution.

*Adopted at the 1426th meeting by 13 votes to none, with 2 abstentions (Canada and United States of America).*

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<sup>1/</sup> Ibid.

<sup>2/</sup> Ibid., Twenty-second year, Supplement for July, August and September 1967.

### **Annex III: United Nations Security Council Resolution 338, 22 October 1973**

*The Security Council,*

1. Calls upon all parties to the present fighting to cease all firing and terminate all military activity immediately, no later than 12 hours after the moment of the adoption of this decision, in the positions they now occupy;
2. Calls upon the parties concerned to start immediately after the cease-fire the implementation of Security Council resolution 242 (1967) in all of its parts;
3. Decides that, immediately and concurrently with the cease-fire, negotiations shall start between the parties concerned under appropriate auspices aimed at establishing a just and durable peace in the Middle East.

*Adopted at the 1747th meeting by 14 votes to none.*

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1/ One member (China) did not participate in the voting.

### **Annex IV: The Venice Declaration, 12-13 June 1980**

1. The Heads of State and Government and the Ministers of Foreign Affairs held a comprehensive exchange of views on all aspects of the present situation in the Middle East, including the state of negotiations resulting from the agreements signed between Egypt and Israel in March 1979. They agreed that growing tensions affecting this region constitute a serious danger and render a comprehensive solution to the Israeli-Arab conflict more necessary and pressing than ever.
2. The nine member states of the European Community consider that the traditional ties and common interests which link Europe to the Middle East oblige them to play a special role and now require them to work in a more concrete way towards peace.
3. In this regard, the nine countries of the Community base themselves on Security Council Resolutions 242 and 338 and the positions which they have expressed on several occasions, notably in their declarations of 29 June 1977, 19 September 1978, 26 September 1979 by the Irish Minister for Foreign Affairs at the 34<sup>th</sup> United Nations General Assembly.
4. On the bases set out, the time has come to promote the recognition and implementation of the two principles universally accepted by the international community: the right to existence and to security of all States in the region, including Israel, and justice for all the peoples, which implies the recognition of the legitimate rights of the Palestinian people.

5. All of the countries in the area are entitled to live in peace within secure, recognised and guaranteed borders. The necessary guarantees for a peace settlement should be provided by the United Nations by a decision of the Security Council and, if necessary, on the basis of other mutually agreed procedures. The Nine declare that they are prepared to participate within the framework of a comprehensive settlement in a system of concrete and binding international guarantees, including (guarantees) on the ground.

6. A just solution must finally be found to the Palestinian problem, which is not simply one of refugees. The Palestinian people, which is conscious of existing as such, must be placed in a position, by an appropriate process defined within the framework of the comprehensive peace settlement, to exercise fully its right to self-determination.

7. The achievement of these objectives requires the involvement and support of all the parties concerned in the peace settlement which the nine are endeavouring to promote in keeping with the principles formulated in the declaration referred to above. These principles are binding on all the parties concerned, and thus on the Palestinian people, and on the PLO, which will have to be associated with the negotiations.

8. The Nine recognise the special importance of the role played by the question of Jerusalem for all the parties concerned. The Nine stress that they will not accept any unilateral initiative designed to change the status of Jerusalem and that any agreement on the city's status should guarantee freedom of access for everyone to the Holy Places. The Nine stress the need for Israel to put an end to the territorial occupation which it has maintained since the conflict of 1967, as it has done for part of Sinai. They are deeply convinced that the Israeli settlements constitute a serious obstacle to the peace process in the Middle East. The Nine consider that these settlements, as well as modifications in population and property in the occupied Arab territories, are illegal under international law.

9. Concerned as they are to put an end to violence, the Nine consider that only the renunciation of force or the threatened use of force by all the parties can create a climate of confidence in the area, and constitute a basic element for a comprehensive settlement of the conflict in the Middle East.

10. The Nine have decided to make the necessary contacts with all the parties concerned. The objective of these contacts would be to ascertain the position of the various of this consultation process to determine the form which an initiative on their part could take.

**Annex V: European Community Assistance to the Palestinians and the Peace Process since Oslo (in million on a commitment basis)**

<http://www.monde-diplomatique.fr/cahier/proche-orient/aideUE>

<b>Sector</b>	<b>1994</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>1994-2001 by sector</b>	<b>Foreseen 2002 (1)</b>
Humanitarian aid – ECHO interventions	5,00	5,35	9,00	6,65	6,69	6,75	18,00	26,00	83,44	.
EC Support to refugees Through UNRWA (2)	31,80	32,90	34,20	35,30	36,50	38,30	40,20	57,30	306,50	55,00
Food aid programme with UNRWA	15,00	8,20	12,00	11,91	12,20	13,00	13,80	15,00	101,11	15
Development assistance to PA + Palestinian NGOs	74,08	68,76	50,53	45,92	61,68	57,30	34,60	4,00	396,87	12,00
Budget support to PA	10,00	25,00	20,00	25,00	.	.	30,00	100,00	210,00	90
Middle East peace projects / People to people programme	.	11,30	.	15,00	5,10	21,73	22,90	.	76,03	.
CFSP Counter-terrorism programme	.	.	.	3,60	.	.	10,65	.	14,25	.
Grants total :	135,88	151,51	125,73	143,38	122,17	137,08	170,15	202,30	1188,20	172,00
EIB loans	.	26,00	54,00	19,00	97,00	47,00	13,00	.	256,00	.
Grants and loans total :	135,88	177,51	179,73	162,38	219,17	184,08	183,15	202,30	1444,20	172,00
<b>Total Assistance 1994-2001</b>	<b>1444 billion Euros</b>									
Out of which Emergency response commitments (budget support, ECHO, etc.) since 28 Sept. 2000	.	.	.	.	.	.	48,00	141,00		
Emergency Response Total :	189,00									
Disbursements 1999-2001 (3)	.	.	.	.	.	69,00	143,00	255,00		
Disbursements Total :	467									

- (1) Echo operations for the Palestinians have no pre-programmed allocations because of the emergency situation and will therefore be decided throughout 2002 according to arising humanitarian needs. The emergency situation has also prompted the Commission to create a reserve of more than 25M Euro for further development assistance and possible budget support in 2002.
- (2) United Nations Relief and Works Agency for Palestinian Refugees - The 2001 contribution of 57,3M Euro includes a one-time emergency grant of 15M Euro to help cover UNRWA's deficit.
- (3) Since the EC assistance to the Palestinians is spread over several different budget lines, exact disbursement numbers are difficult to aggregate for the overall assistance in real time. The amounts provided here are reliable estimates, including disbursements until 31 December 2001.

## **Annex VI: Conclusions of the European Council in Berlin, 24-25 March 1999**

The Heads of State and Government of the European Union reaffirm their support for a negotiated settlement in the Middle East, to reflect the principles of “land for peace” and ensure the security both collective and individual of the Israeli and Palestinian peoples. In this context, the European Union welcomes the decision by the Palestinian National Council and associated bodies to reaffirm the nullification of the provisions in the Palestinian National Charter which called for the destruction of Israel and to reaffirm their commitment to recognize and live in peace with Israel. However, the European Union remains concerned at the current deadlock in the peace process and calls upon the parties to implement fully and immediately the Wye River Memorandum.

The European Union also calls upon the parties to reaffirm their commitments to the basic principles established within the framework of Madrid, Oslo and subsequent agreements, in accordance with UNSC Resolutions 242 and 338. It urges the parties to agree on an extension of the transitional period established by the Oslo agreements.

The European Union calls in particular for an early resumption of final status negotiations in the coming months on an accelerated basis, and for these to be brought to a prompt conclusion and not prolonged indefinitely. The European Union believes that it should be possible to conclude the negotiations within a target period of one year. It expresses its readiness to work to facilitate an early conclusion to the negotiations.

The European Union urges both parties to refrain from activities which prejudge the outcome of those final status negotiations and from any activity contrary to international law, including all settlement activity, and to fight incitement and violence.

The European Union reaffirms the continuing and unqualified Palestinian right to self-determination including the option of a state and looks forward to the early fulfilment of this right. It appeals to the parties to strive in good faith for a negotiated solution on the basis of the existing agreements, without prejudice to this right, which is not subject to any veto. The European Union is convinced that the creation of a democratic, viable and peaceful sovereign Palestinian State on the basis of existing agreements and through negotiations would be the best guarantee of Israel's security and Israel's acceptance as an equal partner in the region. The European Union declares its readiness to consider the recognition of a Palestinian State in due course in accordance with the basic principles referred to above.

The European Union also calls for an early resumption of negotiations on the Syrian and Lebanese tracks of the Middle East Peace Process, leading to the implementation of UNSCRs 242, 338 and 425.

**Annex VII: Damages Inflicted by IOF Attacks to EU-Funded Development Projects***Estimations of the European Commission - April 2002*

<b>Project</b>	<b>EU donors</b>	<b>Location</b>	<b>Date</b>	<b>Estimated financial loss (Euro)</b>
International Gaza Airport	Spain, Germany, Sweden, European Commission	Rafah, Gaza Strip	4 & 15 Dec 2001, 10 Jan 2002	<b>9 300 000</b>
Palestinian Broadcasting Corporation	Germany, Denmark, French Television, European Commission	Ramallah, West Bank	19 Jan 2002	<b>3 300 000</b>
Palestinian Civil Police Camps	European Commission	Gaza Strip	August 2001, 4 Dec 2001	<b>2 050 000</b>
Jacir Palace Intercontinental Hotel	European Investment Bank	Bethlehem, West Bank	19-29 Oct 2001	<b>758 000</b>
Counter-Terrorism Programme, Forensic Laboratory	European Commission, France, Greece, Sweden	Gaza City	6-7, 10, 12 and 13 Dec 2001	<b>700 000</b>
Gaza Seaport	France, The Netherlands, European Investment Bank	Gaza Strip, south of Gaza City	17-18 Sep 2001	<b>335 000</b>
Palestinian Central Bureau of Statistics (PCBS)	Germany, Sweden, European Commission	Ramallah, West Bank	5 Dec 2001	<b>300 000</b>
Civil Police Anti-Riot Gear	The Netherlands	Gaza Strip and West Bank	Throughout the Intifada	<b>300 000</b>
Green Palestine Forestry Project	The Netherlands	Beit Lahia, Gaza Strip	3 Oct 2001	<b>53 000</b>
Gaza Solid Waste Landfill Site	Germany	Deir al-Balah, Gaza Strip	13 Aug 2001	<b>40 000</b>
Peace Project Cooperation North Cross-border partnership of Palestinian and Israeli cities	European Commission, Germany	Jenin, West Bank	2 Dec 2001	<b>38 000</b>
Municipal Infrastructure Development Project	Greece	Qalqilya, West Bank	Dec 2001	<b>38 000</b>
Al Bireh Upper North Sewerage and Pumping Station	Germany	Al Bireh, West Bank	18 Oct - 6 Nov 2001	<b>24 000</b>
Schools - Construction & Equipment	European Commission	Tulkarem & Jenin, West Bank	8 May 2001, Oct 2001	<b>23 000</b>
The Austrian Housing Project	Austria	Khan Younis, Gaza Strip	Throughout the Intifada	<b>11 000</b>
Halhoul Road Rehabilitation	Italy	Halhoul, West Bank	May 2001	<b>11 000</b>
Ain el Sultan Irrigation Scheme	Belgium	Jericho, West Bank	12 Sept 2001	<b>11 000</b>
<b>TOTAL : 17 292 000</b>				

## **Annex VIII: Middle East 'Roadmap'**

**Date:** April 30, 2003

**Summary:**

The U.S. State Department April 30 released the text of the "roadmap" to a permanent solution to the Israeli-Palestinian conflict. The roadmap specifies the steps for the two parties to take to reach a settlement, and a timeline for doing so, under the auspices of the Quartet -- the United States, the European Union, the United Nations, and Russia.

Text:

### **PHASE I: ENDING TERROR AND VIOLENCE, NORMALIZING PALESTINIAN LIFE AND BUILDING PALESTINIAN INSTITUTIONS**

#### **PRESENT TO MAY 2003**

In Phase I, the Palestinians immediately undertake an unconditional cessation of violence according to the steps outlined below; such action should be accompanied by supportive measures undertaken by Israel.

- Palestinians and Israelis resume security cooperation based on the Tenet work plan to end violence, terrorism, and incitement through restructured and effective Palestinian security services. Palestinians undertake comprehensive political reform in preparation for statehood, including drafting a Palestinian constitution, and free, fair and open elections upon the basis of those measures.
- Israel takes all necessary steps to help normalize Palestinian life. Israel withdraws from Palestinian areas occupied from September 28, 2000 and the two sides restore the status quo that existed at that time, as security performance and cooperation progress.
- Israel also freezes all settlement activity, consistent with the Mitchell report.
- At the outset of Phase I, the Palestinian leadership issues unequivocal statement reiterating Israel's right to exist in peace and security and calling for an immediate and unconditional ceasefire to end armed activity and all acts of violence against Israelis anywhere. All official Palestinian institutions end incitement against Israel.
- Israeli leadership issues unequivocal statement affirming its commitments to the two-state vision of an independent, viable, sovereign Palestinian state living in peace and security alongside Israel, as expressed by President Bush, and calling for an immediate end to violence against Palestinians everywhere. All official Israeli institutions end incitement against Palestinians.

#### **SECURITY**

- Palestinians declare an unequivocal end to violence and terrorism and undertake visible efforts on the ground to arrest, disrupt, and restrain individuals and groups conducting and planning violent attacks on Israelis anywhere.
- Rebuilt and refocused Palestinian Authority security apparatus begins sustained, targeted, and effective operations aimed at confronting all those engaged in terror and dismantlement of terrorist capabilities and infrastructure. This includes commencing confiscation of illegal weapons and consolidation of security authority, free of association with terror and corruption.
- GOI takes no actions undermining trust, including deportations, attack on civilians; confiscation and/or demolition of Palestinian homes and property, as a punitive measure or to facilitate Israeli construction; destruction of Palestinian institutions and infrastructure; and other measures

specified in the Tenet Work Plan.

- Relying on existing mechanisms and on-the-ground resources, Quartet representatives begin informal monitoring and consult with the parties on establishment of a formal monitoring mechanism and its implementation.
- Implementation, as previously agreed, of U.S. rebuilding, training and resumed security cooperation plan in collaboration with outside oversight board (U.S. – Egypt – Jordan). Quartet support for efforts to achieve a lasting, comprehensive cease-fire.
- All Palestinian security organizations are consolidated into three services reporting to an empowered Interior Minister.
- Restructured/retained Palestinian security forces and IDF counterparts progressively resume security cooperation and other undertakings in implementation of the Tenet work plan, including regular senior-level meetings, with the participation of U.S. security officials.
- Arab states cut off public and private funding and all other forms of support for groups supporting and engaging in violence and terror.
- All donors providing budgetary support for the Palestinians channel these funds through the Palestinian Ministry of Finance's Single Treasury Account.
- As comprehensive security performance moves forward, IDF withdraws progressively from areas occupied since September 28, 2000 and the two sides restore the status quo that existed prior to September 28, 2000. Palestinian security forces redeploy to areas vacated by IDF.

#### **PALESTINIAN INSTITUTION-BUILDING**

- Immediate action on credible process to produce draft constitution for Palestinian statehood. As rapidly as possible, constitutional committee circulates draft Palestinian constitution, based on strong parliamentary democracy and cabinet with empowered prime minister, for public comment/debate. Constitutional building proposes draft document for submission after elections for approval by appropriate Palestinian institutions.
- Appointment of interim prime minister or cabinet with empowered executive authority/decision-making body.
- GOI fully facilitates travel of Palestinian officials for PLC and Cabinet sessions, internationally supervised security retraining, electoral and other reform activity, and other supportive measures related to the reform efforts.
- Continued appointment of Palestinian ministers empowered to undertake fundamental reform. Completion of further steps to achieve genuine separation of powers, including any necessary Palestinian legal reforms for this purpose.
- Establishment of independent Palestinian election commission. PLC reviews and revises elections law.
- Palestinian performance on judicial, administrative and economic benchmarks, as established by the International Task Force on Palestinian Reform.
- As early as possible, and based upon the above measures and in the context of open debate and transparent candidate selection/electoral campaign based on a free, multiparty process,

Palestinians hold free, open, and fair elections.

- GOI facilitates Task Force election assistance, registration of voters, movement of candidates and voting officials. Support for NGOs involved in the election process.
- GOI reopens Palestinian Chamber of Commerce and other closed Palestinian institutions in East Jerusalem based on a commitment that these institutions operate strictly in accordance with prior agreements between the parties.

## **HUMANITARIAN RESPONSE**

- Israel takes measures to improve the humanitarian situation. Israel and Palestinians implement in full all recommendations of the Bertini report to improve humanitarian conditions, lifting curfews, and easing restrictions on movement of persons and goods, and allowing full, safe, and unfettered access of international and humanitarian personnel.
- AHLC reviews the humanitarian situation and prospects for economic development in the West Bank and Gaza and launches a major donor assistance effort, including to the reform effort.
- GOI and PA continue revenue clearance process and transfer of funds, including areas, in accordance with agreed, transparent monitoring mechanism.

## **CIVIL SOCIETY**

- Continued donor support, including increased funding through PVOs/NGOs, for people to people programmes, private sector development and civil society initiatives.

## **SETTLEMENTS**

- GOI immediately dismantles settlement outposts erected since March 2001.
- Consistent with the Mitchell Report, GOI freezes all settlement activity (including natural growth of settlements).

## **PHASE II: TRANSITION**

### **JUNE 2003 – DECEMBER 2003**

In the second phase, efforts are focused on the option of creating an independent Palestinian state with provisional borders and attributes of sovereignty, based on the new constitution, as a way-station to a permanent status settlement.

As has been noted, this goal can be achieved when the Palestinian people have a leadership acting decisively against terror, willing and able to build a practising democracy based on tolerance and liberty. With such a leadership, reformed civil institutions and security structures, the Palestinians will have the active support of the Quartet and the broader international community in establishing an independent, viable, state.

Progress into Phase II will be based upon the consensus judgment of the Quartet of whether conditions are appropriate to proceed, taking into account performance of both parties.

Furthering and sustaining efforts to normalize Palestinian lives and build Palestinian institutions, Phase II starts after Palestinian elections and ends with possible creation of an independent Palestinian state with provisional borders in 2003.

Its primary goals are continued comprehensive security performance and effective security cooperation,

continued normalization of Palestinian life and institution-building, further building on and sustaining of the goals outlined in Phase I, ratification of a democratic Palestinian constitution, formal establishment of office of prime minister, consolidation of political reform, and the creation of a Palestinian state with provisional borders.

#### **INTERNATIONAL CONFERENCE**

- Convened by the Quartet, in consultation with the parties, immediately after the successful conclusion of Palestinian elections, to support Palestinian economic recovery and launch a process leading to establishment of an independent Palestinian state with provisional borders.
- Such a meeting would be inclusive, based on the goal of a comprehensive Middle East peace (including between Israel and Syria, and Israel and Lebanon), and based on the principles described in the preamble to this document.
- Arab states restore pre-intifada links to Israel (trade offices, etc.).
- Revival of multilateral engagement on issues including regional water resources, environment, economic development, refugees and arms control issues.
- New constitution for democratic, independent Palestinian state is finalized and approved by appropriate Palestinian institutions. Further elections, if required, should follow approval of the new constitution.
- Empowered reform cabinet with office of prime minister formally established, consistent with draft constitution.
- Continued comprehensive security performance, including effective security cooperation on the bases laid out in Phase I.
- Creation of an independent Palestinian state with provisional borders through a process of Israeli-Palestinian engagement. Launched by the international conference. As part of this process, implementation of prior agreements, to enhance maximum territorial contiguity, including further action on settlements in conjunction with establishment of a Palestinian state with provisional borders.
- Enhanced international role in monitoring transition, with the active, sustained, and operational support of the Quartet.
- Quartet members promote international recognition of Palestinian state, including possible UN membership.

#### **PHASE III: PERMANENT STATUS AGREEMENT AND END OF THE ISRAELI – PALESTINIAN CONFLICT**

##### **2004 – 2005**

Progress into Phase III, based on consensus judgment of Quartet, and taking into account actions of both parties and Quartet monitoring.

Phase III objectives are consolidation of reform and stabilization of Palestinian institutions, sustained, effective Palestinian security performance, and Israeli-Palestinian negotiations aimed at a permanent status agreement in 2005.

## **SECOND INTERNATIONAL CONFERENCE**

- Convened by Quartet, in consultation with the parties, at beginning of 2004 to endorse agreement reached on an independent Palestinian state with provisional borders and formally to launch a process with the active, sustained, and operational support of the Quartet, leading to a final, permanent status resolution in 2005, including on borders, Jerusalem, refugees, settlements and to support progress toward a comprehensive Middle East settlement between Israel and Lebanon and Israel and Syria, to be achieved as soon as possible.
- Continued comprehensive, effective progress on the reform agenda laid out by the Task Force in preparation for final status agreement.
- Continued sustained and effective security performance and sustained, effective security cooperation on the basis laid out in Phase I.
- International efforts to facilitate reform and stabilize Palestinian institutions and the Palestinian economic, in preparation for final status agreement.
- Parties reach final and comprehensive permanent status agreement that ends the Israel – Palestinian conflict in 2005, through a settlement negotiated between the parties based on UNSCR 242, 338, and 1397, that ends the occupation that began in 1967, and includes an agreed, just, fair, and realistic solution to the refugee issue, and a negotiated resolution on the status of Jerusalem that takes into account the political and religious concerns of both sides, and protects the religious interests of Jews, Christians, and Muslims worldwide, and fulfills the vision of two states, Israel and sovereign, independent, democratic and viable Palestine, living side-by-side in peace and security.

Arab state acceptance of full normal relations with Israel and security for all the states of the region in the context of a compressive Arab-Israeli peace.

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