



Deputy Prime Minister and Minister of Foreign Affairs

Jerusalem, August 20, 2012

Baroness Ashton,

I appreciated the opportunity to meet with you July 24th in Brussels, on the occasion of the Israel-EU Association Council. We discussed many regional issues of importance; however, I would like to further share some key ideas with you, and hence, this letter.

I would like to update you regarding the current situation of Israel's relationship with the Palestinian Authority (PA). As a preamble, I would like to emphasize that the purpose of this letter is to demonstrate Israel's goodwill, desire to build trust and sincere desire to create a positive atmosphere vis a vis the PA, with the goal of bringing our neighbors back to the table of direct negotiations. Unfortunately, we have encountered repeated Palestinian patterns of refusal and consistent attempts to turn to pointless activity, counterproductive to any constructive efforts.

Madame, it is important to provide this update to you, because in my opinion, the information herein is not properly represented or reflected in the policy of the European Union or the Quartet on this subject.

Israel has in recent months undertaken several significant gestures towards the Palestinians: Israeli Finance Minister Yuval Shteinitz and PA Prime Minister Salam Fayyad concluded (July 31) arrangements with respect to the transfer of goods between Israel and the PA and related tax procedures. These steps, which were recommended by the International Monetary Fund, will improve the PA's tax system, increase revenues and bolster the Palestinian economy.

In light of the PA's budget crisis, Israel transferred at the beginning of the month of Ramadan (July 27) an advance of NIS 180 million (approximately USD 45 million) of August tax remittances. The money was intended to help the PA pay salaries in time to celebrate the holiday.



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An agreement was concluded (July 14) to employ an additional 5,000 Palestinian construction workers in Israel; the number of roadblocks was reduced to 10, most of which are normally open; the remains of Palestinian terrorists were returned (May 31). In addition, Israel agreed to develop the gas field off the Gaza shoreline.

Israel is promoting infrastructure projects in Area C, including completion of a master plan. In 2011, 119 infrastructure projects were approved, 58 of them with international financing. Fifteen projects relating to the construction and renovation of infrastructures for schools and clinics have received "fast-track" approval. I won't go into all the details of additional Israeli gestures that were made throughout 2012, all of them with the goal of assisting the Palestinian economy and easing the lives of the residents in the West Bank and Gaza.

Unfortunately, despite these steps, we do not see any willingness or positive attitude on the part of the PA. The opposite is the case: we see a rise in the Palestinian activity against Israel in the diplomatic and legal arenas, with attempts to accelerate illegal construction in Area C (including dragging the EU into this problematic activity), to encourage an economic boycott on the Israeli economy in the territories and to generate repeated negative statements against Israel. In addition, we have encountered a relatively new campaign, blaming Israel for the murder of Yassir Arafat, as well as the ongoing institutionalized incitement in the Palestinian media, attacking Israel and the legitimacy of the State's existence.

Mr. Mahmoud Abbas' unfortunate behavior indicates that he apparently is uninterested or unable -- due to his standing in the domestic Palestinian scene vis a vis Hamas, and in light of the regional geopolitical situation -- to reach an agreement which would bring an end to the conflict, including addressing all the core issues. Instead he is creating a culture of blaming Israel for delaying the process, while attempting to achieve advantages without negotiation via blackmailing and ongoing attempts to internationalize the conflict.

The situation as I have described it is supported not only by the facts but also may be corroborated by the Jordanians, who made a great effort to facilitate



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direct dialogue between Israel and the PA. Unfortunately, because of the attitudes of Mr. Abbas and his partners, these efforts did not lead to any progress. This situation is very clear to the Jordanians.

This pattern of refusal is not new. With the Annapolis process, under the previous Israeli government, former Prime Minister Ehud Olmert offered the Palestinians far-reaching concessions and gestures of goodwill, more than any other Israeli government, without success. In this light, the relevant chapter on the subject in former Secretary of State Condoleezza Rice's recent book of memoirs is most enlightening.

Two additional matters should be taken into account: the historic Bar-Ilan speech of Prime Minister Netanyahu, which called for a two state solution, and the unprecedented step of the current government, which, in response to Palestinian demands, temporarily froze the construction in the settlements, in order to renew peace negotiations. As part of the Palestinian systematic pattern of avoiding bilateral negotiations, these steps were met with rejection and with unilateral steps by the Palestinians, under Mr. Abbas' leadership.

In a calculated manner, Mr. Abbas is focusing his dialogue with the international community on the subject of settlements. Unfortunately, the international community tends to accept this discourse lock, stock and barrel, without criticism or a nuanced approach. This is a damaging attitude, which does not reflect the reality on the ground.

I would like to recall several points on this subject:

The entire area of the settlements constitutes approximately one percent of the area of the West Bank. The last settlement which Israel constructed was in 1991. In the framework of the peace accord with Egypt (1979), Israel took the painful step of evacuating all the settlements and military bases in Sinai. In 2005, Israel evacuated all of our settlements from the Gaza Strip, as well as four settlements in the northern West Bank, but instead of peace and security, we received the Hamas government in Gaza which opposes the existence of Israel, and is unwilling to live in peace with us, as well as 14,000 rockets and



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missiles which were indiscriminately shot at towns and villages in southern Israel.

Facts and history, as opposed to the simplistic stereotypes and political bias, contradict the idea that somehow the settlement enterprise is the main obstacle to renewing the negotiations. This premise simply does not stand up to the test of reality or the historic precedent of the peace process between Israel and our neighbors. Both peace accords, with Egypt and Jordan, were signed when settlements existed; the claim that settlements are the obstacle to peace is unfounded.

In recent years, we have seen that Mr. Abbas speaks with a moderate and pleasant voice to the international community, but in fact, has been personally acting to undermine attempts to renew the peace process, despite Israeli gestures and confidence building measures. He has continued in damaging behavior towards Israel, including extreme cases of encouraging a culture of hatred, praising terrorists, encouraging sanctions and boycotts, and calling into question the legitimacy of the existence of the state, as can be seen for example in his last speech at the General Assembly of the U.N. In my view, in his deeds and his behavior, Mr. Abbas does not represent the general Palestinian interest (for example, he has repeatedly postponed the democratic process of elections in the PA), nor even the interest of his constituents in the West Bank.

The Palestinian Authority is a despotic government riddled with corruption. This pattern of behavior has led to criticism even within his own constituency. Due to Abbas' weak standing, and his policy of not renewing the negotiations, which is an obstacle to peace, the time has come to consider a creative solution, to think "outside the box," in order to strengthen the Palestinian leadership. This is crucial, so that the Israeli gestures to strengthen the economy, stability and strength of the PA will not be turned into a boomerang against Israel.

Despite Mr. Abbas' delays, general elections in the PA should be held, and a new, legitimate, hopefully realistic Palestinian leadership should be elected. The PA elections were due to be held in 2010 and have since been postponed several times. As of today, no new date has been set for elections.



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Only such a leadership can bring progress with Israel. We must maximize the holding of new elections in the PA, alongside the tremendous changes in the Arab world, in order to bring a serious change to the relationship between Israel and the Palestinians.

I would like to thank you for the ongoing open dialogue between us.

Please accept, Baroness Ashton, the assurances of my deep consideration.

Sincerely,

A handwritten signature in black ink, consisting of a long horizontal stroke followed by a loop and a vertical stroke that crosses the loop.

Avigdor Liberman

H.E. Baroness Catherine ASHTON
High Representative of the European Union for Foreign Affairs and Security
Policy
European Union