The Foreign Policy of the EU in the Palestinian Territory

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Rouba Al-Fattal

Abstract

Fifteen years after its launch, the impact of the Barcelona Process on the Palestinian Territories is in need of a reassessment. Despite some initial improvements in the political and economic structures, the Euro-Mediterranean Partnership alone has failed to anchor a peace deal between Israel and the Palestinians. In response, the European Neighbourhood Policy was launched to bring out a number of new foreign policy instruments, which induced substantial reforms. Yet the win by Hamas in the 2006 elections brought a halt to the EU’s aid and diplomacy. This boycott proved detrimental, as it widened the rift between the main parties to the point of no reconciliation. Whether the Union for the Mediterranean proves any better than its predecessor policies in the region remains to be seen. This publication aims at providing a broad picture of the EU’s policies towards the Palestinian Territories, in order to draw lessons from them and offer proposals for the way ahead.

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Executive Summary

Fifteen years after its launch, the impact of the Barcelona process on the Palestinian Territories (PT) is in need of a reassessment, especially in light of the two critical junctures that have taken place, around which EU foreign policy has changed dramatically: the second intifada (2000) and the election win by the Hamas Palestinian Legislative Council (PLC) (2006).

The first 10 years, under the Euro-Mediterranean Partnership (EMP) (1995–2005), proved ineffective in significantly changing the situation on the ground. Despite some initial progress in changing some structures (political and economic) at some levels (state and inter-state), the EU’s structurally-oriented foreign policy alone failed to anchor a peace deal between Israel and the Palestinians – in need of a traditional conflict-resolution strategy as well. The outbreak of the second intifada was coupled with an increased level of terrorism and marked the EU’s switch from development assistance to humanitarian aid, while neglecting civil society and peace-building projects.

The end of the EMP witnessed a foreign policy renaissance. European voices called for substantial reforms and civil society engagement in the PT. Thus, the European Neighbourhood Policy (ENP) was set up to bring a number of previously existing instruments and regional approaches together under the same umbrella and to improve their implementation through Action Plans. The PT witnessed substantial reforms in 2003–05, while the EU balanced its financial support between humanitarian and development aid, and started paying more attention to civil society. But before the PT could get back to where it was prior to the second intifada, Hamas won the PLC elections, bringing a halt to the EU’s aid and diplomacy. This boycott proved detrimental as it worsened the humanitarian situation in the PT and widened the rift between Hamas and Fatah to the point of no reconciliation. Since Hamas has taken over, the EU has backed the Fatah-led Palestinian Authority – leading by a presidential decree but lacking in legitimacy, while previously achieved economic, democratic and human rights reforms have been reversed.

In sum, the Barcelona process is still affected by a quintessential gap between the EU’s own interests, the goals it sets and the expectations it raises, on the one hand, and the instruments it is willing to use and outcomes it can deliver, on the other.
THE FOREIGN POLICY OF THE EU IN THE PALESTINIAN TERRITORY
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ROUBA AL-FATTAL

1. Introduction

It has been contended that the foreign policy of the EU directed at assisting the Palestinian Territory (PT) in its transition to an independent, democratic and stable state is failing because of an omniscient gap between rhetoric and political will, which has consistently dogged the EU and reduced its credibility to fulfil the goals that its rhetoric typically inspires. In essence, the image of the EU as a genuine and influential actor in the peace and democratisation processes in the PT has been typically inflated, while the political will and unity of its actors remain severely dwarfed and constrained by their conflicting interests or ideologies.

The nadir of the EU’s failure to fulfil its declarations was particularly evident in its dealing with Hamas after they assured themselves a clear majority in the Palestinian Legislative Council (PLC) elections, in 2006. Not only did the US immediately withdraw its financial and political support from the democratically-elected body, but so did the EU, despite its “self-comfortingly superior moral identity”, boasting about democracy and hailing the success of the process of the elections. This reaction has deepened the humanitarian and political crises, particularly in the Gaza Strip, and widened the rift between Fatah and Hamas to the extent of making a national unity government impractical and almost unfeasible.

After the end of the cold war (1991), politics have been defined by the “victory of democracy”, which has been seen as the panacea for failed states. Thus, since the mid-1990s the EU has been emphasising, in its speeches and through its partnership programmes in the Mediterranean, the dire need to restore peace, stability, democracy and good governance in the PT. The EU has seemed to understand that a comprehensive foreign policy approach is needed to promote peace and stability in the region, given that foreign policy is typically “directed at external actors and

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1 The Occupied Palestinian Territory (OPT) – and not ‘Territories’ – is the term officially used by the majority of the international community, including the EU and the UN (but not by the US or Israel). It will be used interchangeably in this text with the Palestine Territory (PT). (Information on the nomenclature is available from http://ec.europa.eu/external_relations/occupied_palestinian_territory/index_en.htm and http://www.ochaopt.org.) Strictly speaking, the term PT refers to the areas falling behind the Green Line (or outside of the pre-4th June 1967 borders), including East Jerusalem and the West Bank (with all of its zones, A, B and C). Although the Gaza Strip has not been under Israel’s “permanent military presence” since September 2005, the Strip is included under the rubric of the OPT because Israel still retains control of the airspace, seafront, cross points and all vehicle access – including deliveries of food and other goods. Thus, under international law the Gaza Strip, since its capture from the Egyptians during the 1967 war, until today has been considered under Israeli occupation.


their environment with the objective of influencing that environment and the behaviour of other actors within it, in order to pursue interests, values and goals”.

Therefore, the so-called ‘three baskets’ proposed under the umbrella of the Barcelona process (1995), which are focused on the political, economic and cultural dimensions, have been long-standing important elements of EU foreign policy. Security, democracy, economic development, institutional reforms, rule of law, human rights, civil society and gender equality as well as freedom of the press, expression and association in the PT have been continuously emphasised by European policy-makers, presenting these elements as EU foreign policy priorities.

Notwithstanding this emphasis on the aforementioned elements, perceived by European politicians and elites as crucial in paving the way for peace and stability, the EU has acted in a manner demoting rather than promoting progress and democracy on the ground. Not only has the Barcelona process failed to deliver to the Palestinians what it promised 15 years ago (i.e. peace, prosperity and an autonomous state), but also, coupled with the failure of the Oslo Agreement (1993), it has left Palestinians pessimistic about the future and untrusting of the EU as an honest or even effective peace and democracy promoter. The EU is not the only one to blame, however; a combination of different external and internal factors has led to the deterioration of the situation in the PT.

This publication analyses the evolution of the EU’s role in the PT by looking at the situation before the ongoing Barcelona process and while it has been underway. It tries to draw insights and propose solutions to help improve the credibility of the EU in the region, and in turn conditions on the ground. It also highlights the two critical junctures in the history of the PT around which EU policies have switched dramatically – namely the second intifada (or Al-Aqsa intifada) in 2000 and the PLC electoral victory of Hamas in 2006 (see Figure 1).

Figure 1. EU–MEPP and critical junctures timeline

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5 A term utilised by Ruth and David Collier indicating periods in history of fundamental political reorientation, in which actors make contingent choices that set on distinct trajectories of institutional developments and changes that are difficult to reverse.
In doing so, this work gives concrete examples for each of the dimensions in which the EU has attempted to accomplish its goals in the PT (be it political, economic or cultural), in order to demonstrate not only the policy switches but also the shortcomings in new policies from the EU. Lastly, since the Israeli–Palestinian conflict tends to cast its heavy shadow on most EU relations with partners in the Mediterranean region, the EU’s policies in the PT are examined simultaneously through the prisms of Euro-Mediterranean relations and the EU’s approach to the Middle East Peace Process (MEPP).

2. Historical Background of the EU–PT Relations

**Overview**

Through the Directorate-General for External Relations (DG-RELEX), the European Commission carries out the common EU positions and joint actions agreed upon under the common foreign and security policy (CFSP) pillar. Prior to the establishment of the EU/CFSP in 1992, at the 1969 summit meeting in The Hague the European Economic Community (EEC) launched the European Political Cooperation, which lasted until 1993 and dealt with foreign affairs among European Community (EC) member states. Today, the CFSP is the organised and agreed foreign policy of the EU, primarily for security and defence matters. It is decided upon through unanimity among EU member states in the Council of the European Union, in coordination with the General Affairs and External Relations Council – one of the oldest configurations of the Council – and the Political and Security Committee (PSC/COPS), an advisory body to the Council.

The Commission has so far addressed the EU’s strategic objectives with its neighbouring countries mainly through two consecutive yet complementary frameworks. The first is the Euro-Mediterranean Partnership (EMP)/Barcelona process, which was established in 1995, and relaunched in 2008 as the Union for the Mediterranean (UfM). This programme is funded by the EC budget and loans from the European Investment Bank (EIB), which are coordinated through Mediterranean Assistance (MEDA) – an EU financial instrument created specifically for the southern neighbours. The second is the European Neighbourhood Policy (ENP) and its accompanying countries’ Action Plans, which was developed in 2004 “with the objective of avoiding the emergence of new dividing lines between the enlarged EU and [its] neighbours”. Until 2006, the assistance funds of the EC and the EIB for this initiative were still coordinated by MEDA and TACIS, but these instruments were reformed and replaced by a single European Neighbourhood and Partnership Instrument (ENPI). Hence, the EMP “essentially became the multilateral forum of dialogue and cooperation between the EU and its Mediterranean partners”, with complementary bilateral relations “managed mainly under the ENP and through

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9 MEDA is the counterpart of the Technical Assistance to Commonwealth of Independent States (TACIS), an EU financial instrument for its eastern neighbours and Central Asia.
Association Agreements signed with each partner country”. Other specific, thematic funding programmes were also introduced to help the Mediterranean region, such as the European Initiative for Democracy and Human Rights (EIDHR), which was created by an initiative of the European Parliament and lasted from 2000 to 2006. This was replaced by the financial instrument for the promotion of democracy and human rights worldwide for 2007-13.

The European Commission Technical Assistance Office (ECTAO), operating in East Jerusalem since 1994, oversees the implementation of the EMP, ENP, UfM and the Commission’s EuropeAid External Cooperation Programmes. The EuropeAid office, on the other hand, lays out strategies for cooperation with the PT and manages the EU’s external aid to the PT (totalling more than €4 billion since 1994). Since 2008, financial assistance has been channelled to and through the Palestinian Authority (PA) to help build the institutions of the future Palestinian state, in the context of the MEPP. ECTAO also supports Palestinian civil society and non-governmental organisations (NGOs) in fields such as health care, education, human rights and democracy building, peace building and culture. Assistance to Palestinian refugees, on the other hand, is channelled through the United Nations Relief and Works Agency (UNRWA). Socio-economic development of the PT is channelled through the United Nations Development Programme (UNDP), while humanitarian assistance to Palestinians is managed through the European Commission’s Directorate-General for Humanitarian Aid (DG-ECHO), which has been open in East Jerusalem since the end of 2002.

**Evolution of EU–PT relations**

It is not an easy task to define the EU’s interests in the Middle East in general, and the PT in particular, when the EU is an inter-governmental body made up of 27 member states with, to a certain extent, distinct histories, cultures and foreign policy objectives in the region. Nonetheless, over time the EU became interested in peace and stability in its neighbouring region “motivated by geographic proximity and geopolitical considerations – chiefly, the fear of security threats emanating from Europe’s [backyard] (a spillover of conflict in the form of terrorism, organised crime, migration, and the proliferation of weapons of mass destruction), Israel’s security, and access to energy resources”. Also, the Middle East is an important region for its oil resources and what happens there has global ramifications, as was the case when the Organisation of the Petroleum Exporting Countries (OPEC) decided to raise oil prices in the mid-1970s, sparking a global wave of recession. Moreover, the EU is made up of nations with multi-ethnic backgrounds through waves of immigration mostly from the Mediterranean region, a fact European decision-makers take into consideration as they fear their ethnic communities might import regional conflicts into Europe. Hence, there is an implicit assumption that an environment of peace between Palestinians and Israelis is most conducive for reconciling Europe’s different interests, while pleasing Israel and appeasing the Arab states by providing their populations some decent living conditions.

Yet decision-makers do not operate in a political vacuum. Therefore, it is very important to draw a close link between the historical evolution of EU–PT relations and developments in the

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MEPP, especially since peace and stability are the highlights of the EU’s interests in the region. Indeed, European presence in that area dates long before the launch of the EU itself, in the early 1950s, or even the creation of the state of Israel in 1948, owing to the special status of Jerusalem and Bethlehem to the Christian world. Some European consulates, like those of France, Britain, Belgium, Spain, Sweden and Italy, opened their doors in Jerusalem (particularly in what we today refer to as East Jerusalem) between 1900 and 1950. During that period, Jerusalem was transferring from Ottoman rule to the British Mandate followed by Jordanian patronage. Not long after that we saw the creation of Fatah (1958) followed by the rise of the Palestinian Liberation Organisation (PLO) in 1964. Shortly afterwards, the six-day war took place (1967), in which Israel captured East Jerusalem, the West Bank and the Gaza Strip – areas referred to since then by the United Nations (UN) and the EU as the PT.

At the Palestinian National Congress of 1969, Fatah, the largest Palestinian political faction at the time, gained control of the executive body of the PLO, and its leader Yasser Arafat (Abu Ammar) was appointed the chairman of the PLO, a position he held until his death in 2004. By the mid-1970s most of the international community, except for Israel and the US, came to understand that the PLO is the “legitimate national representative of the Palestinians”. For instance, in 1974, the UN General Assembly granted the PLO observer status (Resolution 3236); in 1976, the PLO became a full member in its own right of the League of Arab States. The European Council officially reiterated in its 1980 Venice Declaration the “legitimate rights” of Palestinians to existence and security, in accordance with the previously issued UN Security Council (UNSC) Resolutions 242 and 338.

International aid to the PLO and the Palestinian people has always played an important role in the MEPP, but the financial statistics cannot be specified since the PLO does not circulate its budget. What is known, however, is that during the 1970s and 1980s aid came mostly from

24 Resolution 242 was approved unanimously on 22 November 1967 in response to the six-day war. It refers to the “inadmissibility of the acquisition of territory by war and the need to work for a just and lasting peace in the Middle East in which every state in the area can live in security”.
25 Resolution 338 was approved on 22 October 1973. It called for the immediate ceasefire in the Yom Kippur war and the start of negotiations between parties in line with UNSC Resolution 242.
Arab (oil-rich) states—either directly to the PLO or to charitable Palestinian NGOs. The first EC financial assistance to Palestinians dates from 1971 when the Community channelled its contributions through the budget of UN bodies such as UNRWA (e.g. for refugee assistance) and the UNDP from 1978 (e.g. for humanitarian relief and socio-economic development).

Rising anger against Israeli rule in the PT lead to the first intifada, which started in the Jabalya refugee camp in the northern Gaza Strip and quickly spread through the rest of Gaza, the West Bank and East Jerusalem. The uprising lasted for four years from its start in December 1987, which also marked the birth of Hamas, as an Islamic resistance movement and the Palestinian wing of Egypt’s Muslim Brotherhood. By February 1991, the first Gulf war had ended with a big loss to Iraq and the PLO, which had sided with Iraqi President Saddam Hussein, thus angering Kuwait and Saudi Arabia – the PLO’s biggest financial contributors at the time. US President George H.W. Bush (1989-93), eager to patch rifts with Arab states and aware of the vulnerability of the PLO (whose aid money had been cut off), decided to co-sponsor the Madrid conference with the Union of the Soviet Socialist Republics (USSR) in October of 1991. This early attempt to begin the peace process through negotiations involving Palestinians, Israel and Arab states proved fruitful in the international atmosphere prevailing at the time, with a weak PLO and USSR. Indeed, within a couple of months of this meeting the world witnessed the total collapse of the Soviet Union, and the disappearance of the PLO’s name from the US list of terrorist groups.

Where was Europe during all of this, aside from hosting the conference in Spain in 1991? Through the European Political Cooperation, which lasted between 1970 and 1993, European states carried out discussions on the Middle East and the Palestinian question, which helped “put the Palestinian case on the international agenda” and advance “the fight for self-determination of the Palestinian people”. In addition, the EEC “first granted preferential access for products originating from the Occupied Territories in 1986”.

30 Many Palestinians (whether independents or Fatah sympathisers) with whom this author spoke in the West Bank and East Jerusalem during a research visit in summer of 2009, were strongly convinced that Israel’s intelligence (the Mossad) and the government facilitated the creation and growth of Hamas in order to curb the PLO’s power. Yet that is not to say they believe Hamas was or still is working for an Israeli agenda. This view is also shared by some Israeli academics and elites (such as Zeev Sternell, historian at the Hebrew University of Jerusalem), but was not confirmed by Hamas officials or sympathisers, or by Israeli officials.
the cards for settling the Israeli–Arab conflict,”;34 and that notion does not seem to have changed much over the past two decades.

Prior to the Treaty of the European Union signed in Maastricht, which established the EU and the CFSP in 1992 (the second of the EU’s three pillars),35 there was some EU participation in Middle Eastern affairs.36 Still, these efforts were considered ineffective either because the EU was pushed out of the game by Washington, which wanted to monopolise the outcomes, or because individual European countries were involved in this part of the world on an ad-hoc basis, serving their own specific interests mostly through bilateral relations. There was no ‘made in the EU’ foreign policy, but after the Treaty of the European Union was ratified – a sort of a watershed in terms of EU global involvement – it became easier to talk of a common ‘EU foreign policy’ and formulate an agreed diplomatic view of the EU with regard to the Middle East and the peace process. In reality, common positions remain uneasy to reach because decisions on foreign affairs (even with the Lisbon Treaty) continue to require a unanimous vote among representatives from all the member states at the Council of the European Union (also referred to here as the Council of Ministers).

On 9 September 1993, through letters exchanged between Arafat and Israel’s newly elected Prime Minister Yitzhak Rabin (Labour Party), the PLO renounced violence and recognised Israel, and the latter responded on the same day by officially recognising the PLO. Yet the so-called ‘Oslo process’ did not start until four days later when the Declaration of Principles on Interim Self-Government Arrangements (Declaration of Principles or DOP) between Israel (Shimon Peres) and the Palestinians (Mahmoud Abbas) was signed in Washington, D.C. – with then US President Bill Clinton as witness and Arafat and Rabin shaking hands. The agreement provided a window of opportunity and paved the way for the EU to provide the necessary instruments for structural (political, economic, legal and cultural) changes to take place in the region at all levels.

After the signing of the Oslo Accords, the economic role of Europe in the MEPP increased dramatically, while in comparison its diplomatic involvement remained dwarfed. Through its declarations within the framework of the CFSP – the successor of European Political Cooperation – the EU reiterated to a certain extent the same principles published more than a decade earlier in Venice. Nevertheless, within this new context, Europe actually translated its willingness to be a part of the new political Middle Eastern scene through its commitment to financially assist the peace process. This role was not only needed but also welcomed by all parties. For their part, the Palestinians were in dire need of assistance to kick-start their economic activities, whereas the Israelis and Americans were happy that the ‘Old Continent’ would pay the bill while being alienated from further political aspirations in the region. To begin this process of change, the EU established, and continues to co-chair, an international donor mechanism: the Ad Hoc Liaison Committee (AHLC),37 which coordinates financial assistance to the Palestinians. In the first donor conference for the PA in 1993, donors pledged more than $2 billion to the development of the PT (although donor pledges are usually more

35 The other two pillars being the EEC and justice and home affairs (JHA).
than actual disbursements). On 29 September 1993, the European Commission presented its Communication to the Council concerning its support for the MEPP, in which it proposed a total amount of 500 million ecus to be defrayed to the Palestinian people from 1994 to 1998 in the form of grants and long-term loans. Politically overridden from the Madrid conference, Europe had to find an alternative way to stay active in the MEPP. Its economic involvement was materialised through its participation in the multilateral track of the peace process, and the resumption of the presidency of the Regional Economic Development Working Group (REDWG). In November 1993, the group adopted the Copenhagen Action Plan, comprising 35 projects in various fields: communications, transportation, energy, tourism, agriculture, financial markets and investment, trade, training, and regional networks. A few months later, for the first time, an EU office (ECTAO) opened its doors in East Jerusalem to help coordinate efforts with Brussels on the ground. Simultaneously, on the Israeli side, in its December 1994 Essen Declaration, the EU expressed the “expectation that Israel would enjoy special relations with the EU on the basis of reciprocity and common interests. This has translated into stronger relations between Israel and the EU in trade, exchange between people, culture, research, and other fields than with any other eastern or southern Mediterranean partner.” Equally significant, on 1 January 1995, the EU went through its fourth enlargement, which brought the EU from 12 to 15 member states for the next nine years, by adding Austria, Finland and Sweden, the latter being perceived as a pro-Palestinian country.

Parallel to the EU’s efforts, the Palestinian National Authority (PNA or the PA) was established in 1994 by the Oslo I Agreement (also referred to as the Gaza–Jericho Autonomy Agreement) as a transitional administrative unit with restricted powers that would govern parts of the Palestinian territories in the West Bank and Gaza Strip. The PA was founded on the basis of the DOP on Interim Self-Government Authority, “under which it was given temporary civil responsibilities” for a period of five years (1994-99). Final status negotiations were expected to take place after three years in 1997, but never did. PA mandates excluded issues left for the final status negotiations, such as Israeli settlements in the PT, and left the PA with “no control over its borders, overall security, currency, fiscal or monetary policy [or taxation], natural resources, or [de jure] foreign policy. It did not determine citizenship and its trade is either with Israel or passed through its ports.”

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39 Ecu refers to European Currency Unit(s), predecessor of the euro.
42 Asseburg, “European Conflict Management in the Middle East: Toward a More Effective Approach”: 5.
46 PASSIA, Diary: 383.
A year later, on 24 September 1995, the Oslo II Agreement (aka Taba or Interim Agreement of the West Bank and the Gaza Strip) was signed in Washington D.C. by Arafat and Rabin and witnessed by President Clinton as well as by representatives from Russia, the EU, Norway, Egypt and Jordan. The Agreement called for the creation of the PLC – which would consist of 88 members – and the launch of the Palestinian general election process (presidential and PLC), which would be staged 22 days after Israeli withdrawal from a selected number of areas in 1996. Oslo II deliberately postponed issues such as Jerusalem, Palestinian refugees, Israeli settlements, security, water and borders for the final status negotiations expected to start by 1997. What it did, instead, was outline “the second stage of Palestinian Autonomy” by dividing the West Bank into three zones (and Hebron into two zones) and extending the PA’s responsibilities in certain areas to cover both civilian and security-related issues, in what could be outlined as below.

- Area A, with full Palestinian civil jurisdiction and internal security control, mounting to 4% of the West Bank. It includes Gaza and Jericho and major Palestinian populated centres – Nablus, Qalqilya, Tulkarem, Ramallah, Bethlehem, Jenin and Hebron;
- Area B, with full Palestinian civil jurisdiction, but overriding Israeli internal security. There are 450 Palestinian towns and villages that fall into this zone, which makes up 25% of the West Bank;
- Area C, with Israeli civil and overall security control over the remaining 71% of the West Bank, including uninhabited locations, Israeli settlements, military installations, the Jordan Valley and bypass roads between Palestinian parts (see Figure 2); and
- Hebron, which is split into two security zones, H1 and H2. Palestinian police controls the smaller area, H1, while Israel remains in control of the larger area, H2, where Jewish settlements and many historic sites important to both Jews and Muslims are located.

Shortly after signing the Agreement, Prime Minister Rabin, an agent of change in the peace process, was assassinated by an Israeli Jewish extremist on 4 November 1995, an event that shocked the world and marked an end to an era of regional cooperation.

48 Set up in 1995, at the time of the first elections in 1996 the PLC consisted of 88 members, which were further expanded to 132 members at the time of the second elections in 2006.
49 PASSIA, Diary: 337.
52 Since 1997, there has been a Temporary International Presence in the City of Hebron (TIPH). This is a civilian observer mission, made up of six states (Norway, Switzerland, Turkey, Italy, Denmark and Sweden). It has a mandate renewable every six months with the agreement of both parties. Its reports are not public but rather conveyed to the Palestinian police forces and the Israel Defence Force with questions requesting clarifications.
Figure 2. Map of the West Bank and Gaza Strip

3. EU Foreign Policy towards the PT over 15 Years


Ten years of the Barcelona process has not taken us very far down the road to a common area of peace and prosperity. Despite 3 billion euros a year of community investment through MEDA and EIB loans, Europe’s border with the Mediterranean remains the most unequal border in the world. No other has differences of income levels so great in such proximity.

Extract from European Parliament president’s speech at the Euro-Mediterranean summit in Barcelona.55

Following the aforementioned Oslo II Agreement and in the aftermath of Rabin’s assassination the Euro-Mediterranean Partnership (the Barcelona process) was born at the Euro-Mediterranean Conference on 27-28 November 1995 in Barcelona, under the Spanish EU presidency of foreign minister Javier Solana (the Spanish foreign minister at the time as well as EU presidency representative). Since its inception, the EMP has been “the EU’s central framework in which Euro-Mediterranean relations have been conducted”.56 Undoubtedly, it has also been the EU’s most ambitious, comprehensive, complex and long-term foreign policy.57

At the onset of the Barcelona process, the EMP comprised 28 member countries: 15 EU member states, and 13 non-EU partners. The partners consisted of 11 Mediterranean members (Algeria, Cyprus, Egypt, Israel, Lebanon, Malta, Morocco, Syria, Tunisia and Turkey, as well as the PT), and two non-Mediterranean states (Jordan and Mauritania, the latter being part of the Arab Maghreb Union). Among the participating countries, 9 belong to the Arab League (excluding Israel, Turkey, Cyprus and Malta, with the latter two becoming EU member states in the 2004 enlargement). Libya was invited to join but was absent from the initiative, which proved adverse for the realisation of the EMP objectives and the establishment of north–south good neighbourly relations. While it declined a more recent invitation to join the EMP in 1999, Libya has retained its observer status since that time, although that might change in the near future. The Arab League and the Arab Maghreb Union also participated in the conference.58 (See Table 1.)

Table 1. EMP, ENP and UfM

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a) EUMS = EU member states  
b) NE = Non-EU partners  
c) Italics are used for actors who are on/close to the Mediterranean Sea  
d) Unlike the EMP & UfM, the ENP does not have to do with proximity to the Mediterranean Sea  
e) Two EMP-NEs: Cyprus and Malta, which became EUMS in 2004  
f) Shaded areas: ENPs for Belarus, Syria and Libya are not yet ‘activated’ (i.e. no Association Agreement in force), but that might change in the near future  
g) Libya has only been an observer since 1999  
h) The UK is considered on the Mediterranean because of its overseas territory, Gibraltar, in the Sea  
i) Members of the EMP/ENP and 10 of the UfM are also members in the Arab League (AL)  
j) EUCC = EU candidate country  
k) EUPC = EU potential candidate country

Source: Author’s compilation.
This “ground-breaking Euro-Mediterranean Conference for the first time brought together foreign ministers of the EU member states with their colleagues from the Maghreb, the Middle East and Cyprus, Malta and Turkey”.\(^{59}\) The conference “established the EMP and laid the foundations of a process designed to build a comprehensive multilateral framework for dialogue and cooperation in the three dimensions [or baskets] of the partnership”:\(^{60}\)

- the political partnership, which comprises boosting security and stability, supporting democracy and good governance, encouraging the rule of law and human rights;
- the economic and financial partnership, which includes development and infrastructures, reforming fiscal policies, managing (free) trade, taxation and investments; and
- the partnership in cultural affairs, which encompasses supporting civil society and the media, empowering women and youth, fostering peace education and cultural exchanges.\(^{61}\)

To assess the success and effectiveness of the EMP, each of these ‘baskets’ is examined in detail in the following sections.

### 3.1.1 Political dimension

The first objective of the EMP has been to establish a common area of peace and stability underpinned by sustainable development, democracy, rule of law and human rights, through a reinforcement of political, security and societal dialogue and a set of financial and structural instruments.\(^{62}\) The Partnership is multilateral in nature but also entails a complementary, ‘loose’ bilateral dimension, unlike the strictly bilateral aspect of the ENP that followed it. In fact, the Union has agreements in force with most of the countries that were invited to join, particularly Association Agreements with most of the Middle Eastern and North African (MENA) countries individually.\(^{63}\) These agreements reflect the general principles governing the new Euro-Mediterranean relationship, although they each contain characteristics specific to the relations between the EU and each Mediterranean country.\(^{64}\)

Under the EMP, an Association Agreement has been concluded with three Maghreb countries (Tunisia, Morocco and Algeria) and three Mashreq countries (Egypt, Jordan and Lebanon) (see Table 1 above).\(^{65}\) In addition, the ‘preferential’ arrangements for Israel, introduced by the 1975 agreement, were upgraded and incorporated into the 1994 Association Agreement. This resulted in a steady growth in trade relations between the Community and Israel; at the same time, it provided space for the EU – under the framework of the CFSP – to have an increasing role in

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\(^{59}\) Keukeleire and MacNaughtan, *The Foreign Policy of the European Union*: 275.

\(^{60}\) Ibid.

\(^{61}\) Ibid.


\(^{63}\) The Association Agreement is the equivalent of the Partnership and Cooperation Agreement with the Commonwealth of Independent States (CIS), and the Cotonou Agreement with African Caribbean and Pacific countries (ACP).


\(^{65}\) Among the five other EMPs, Algeria extracted itself from the Association Agreement after it entered into force, Syria did not activate its Association Agreement, Mauritania has signed the Cotonou Agreement instead as an ACP, and Turkey switched and joined Cyprus and Malta in the Stabilisation and Association Process catered for EU candidate countries. The latter two countries joined the EU in 2004.
the peace process. Likewise, an Interim Association Agreement on Trade and Cooperation (1997) was also been signed with the ‘interim’ PA, which is still in force.

According to the EU, “these Agreements are meant to provide for a regular political dialogue, the step-by-step establishment of a free trade area, provisions on the right of establishment, services, competition rules and free movement of capital, strengthening of economic cooperation on the broadest possible front complemented by social, cultural and financial cooperation.” Although this might have been the EU’s plan at first, the stalemate in the final status negotiations between Israel and the PA – which were expected to reach a solution by 1999 – led to the second intifada in 2000, followed by an increase in violence, consequently hampering progress and deadlocking the peace process. Therefore, the second intifada constitutes a critical juncture, where we witness a switch in the EU’s role and effectiveness concerning the PT. It is important to take this event into consideration when analysing the EU’s policies on the ground, by looking at the situation before and after the 2000 landmark (Box 1).

**Box 1. Overview of EU–PT relations under the EMP before the second intifada (1995-2000)**

* Four months after the Interim PA was established, Palestinians held their first general elections on 20 January 1996 (which the EU helped monitor) and elected Yasser Arafat as president.

The post of special representative/envoy of the EU to the Middle East was created in November 1996 to give presence, visibility and political impetus in the region to the EU’s efforts to help bring about a final settlement of the Israeli–Palestinian conflict; Miguel Ángel Moratinos from Spain was appointed the first EU special representative (1996-2003).

* Concluding months of tense negotiations, the Hebron Protocol was signed on 17 January 1997, detailing the Israeli redeployment from the city.

This agreement was reinforced with two letters of assurances: one from the US, and the other from the EU, carefully negotiated by the EU special representative and signed by the EU Presidency. It was the first letter of its kind that the EU signed and marked a new quality of commitment by pledging to use all its political and moral weight to ensure that all the provisions in the agreement already reached will be fully implemented.

* As negotiations on the interim issues (e.g. further withdrawals of Israeli forces, prisoner releases, settlement stop and economic issues) remained in stalemate, in April 1997 the EU special representative “proposed and negotiated with both parties a ‘Code of Conduct’ in order to introduce mutually acceptable guiding principles to resume and conduct the talks. This Code aimed at paving the way for an approach which combines both security concerns and political, economic and cultural policies based on the pursuit of mutual prosperity and welfare.”

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67 European Commission External Relations, Occupied Palestinian Territory.

68 Europedia, EU’s Relations with Mediterranean and Middle East’s Countries.


Box 1. cont’d

The adoption of the Code was supported by both the European Parliament and the Council of Ministers; yet, at the last minute, it was not signed because of disagreements between the parties concerned.72

* Shortly after the Code of Conduct negotiations failed, the Interim Association Agreement on Trade and Cooperation, between the European Community and the PLO, “for the benefit of the PA”, was signed on 24 February 1997 and entered into effect on 1 July 1997. This Agreement, still in effect today, has the primary objective “to establish the conditions for increased liberalisation of trade and to provide an appropriate framework for a comprehensive dialogue between the EU and the PA. These measures are aimed at integrating the Palestinians into the Euro-Mediterranean Process.”73

* The Wye River Memorandum was signed in October 1998. “This Memorandum brought an end to the nineteen-month impasse in the peace process since the Hebron Protocol was signed.” It was meant to implement the earlier negotiated Interim Agreement of 1995, and was brokered by the US at the Wye River Conference Center, in Maryland, where the EU special representative was present and “actively monitored the negotiations”.74

* Owing to the active diplomacy of the EU and the EU special representative, and following the Wye River Memorandum, the Gaza airport was finally opened on 24 November 1998 to flights that allowed Palestinians, for the first time, to establish a direct outlet to the rest of the world.75

The EU Treaty of Amsterdam, signed in 1997, entered into force on 1 May 1999 and amended the Treaty of the European Union. It was designed to change the EU’s decision-making process and to make the EU more democratic by giving additional power to the European Parliament.76 It also marked the real beginning of the CFSP as it introduced a new instrument: the common strategy. “Common strategies are implemented by the Council, in particular by adopting joint actions and common positions, in fields where member states have important interests in common.”77

* By 4 May 1999, the Interim Agreement (Oslo II) between Israel and the PA was scheduled to end; with no other agreement in negotiation, the PA was losing legitimacy and credibility fast.78 “President Arafat, based on his right to self-determination, wanted to declare the independence of a Palestinian state. But mainly owing to the reassurances received by the EU through the Berlin Declaration of March 1999 he was persuaded to postpone this.” This Declaration, adopted by the EU heads of state, represents a landmark of EU diplomacy in the context of its CFSP.79 In it the EU, for the first time, explicitly stated,

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72 Ibid.
74 Council of the European Union, Middle East Peace Process.
75 Ibid.
79 Council of the European Union, Middle East Peace Process.
the reasoning behind the politics it had already been pursuing since the beginning of the Oslo process: the establishment of a democratic, viable, peaceful, and sovereign Palestinian state next to Israel as the best guarantee for the security of Israel as well as for Israel’s recognition as a respected partner in the region. This would include a fair solution to the issue of Jerusalem and a just and agreed solution to the Palestinian refugee question. The position was complemented by the 2002 Seville Declaration, in which the EU stressed that the 1967 borders should be the basis for a final Israeli–Palestinian settlement, if necessary with minor adjustment agreed to by the parties.80

* The Wye River Memorandum, signed a year earlier, was only reluctantly and partially implemented. This made a re-negotiation of the terms necessary, which was made possible by the election of Israeli Prime Minister Ehud Barak (Labour Party). The Sharm El-Sheikh Agreement No. 1 was to restore Palestinian self-rule over the Gaza Strip. Still, the Palestinian side was only willing to sign the renewed Agreement on 4 September 1999 upon receiving letters of reassurance from both the US and the EU.81

* In accepting the above EU proposal, in September 1999, the US collaborated with the EU presidency (of Finland) and the EU special representative in organising a Gathering of Peacemakers in New York, within the margins of the UN General Assembly (UNGA) meeting. This was done with the participation of most Gulf, Middle Eastern and Maghreb foreign ministers to support the Sharm El-Sheikh Agreement.

When the Amsterdam Treaty came into force, the post of high representative of CFSP was formally activated in October 1999. Javier Solana was appointed to this post (until November 2009), replacing Jürgen Trumpf (of Germany), the first secretary-general of the Council of the European Union and CFSP since September 1994. Simultaneously, Solana was also appointed the secretary-general for the Council of the European Union.

During the Helsinki European Council summit, on 10-11 December 1999, the European security and defence policy (ESDP) was adopted (the 2001 Nice Treaty, which came into force in 2003, made it permanent). The ESDP became one of the spearheads of the EU’s CFSP, covering defence and military aspects. Around the same period, the PSC/COPS was established. The latter is an advisory body to the Council of Ministers on issues concerning the ESDP. It prepares coherent EU responses to crises with the help of the European Union Military Committee (the highest military body set up within the Council) and the Committee for Civilian Aspects of Crisis Management (the body responsible for the civilian dimension of the ESDP).83

* The breakthrough of Sharm El-Sheikh I – which was made possible with the newly elected Israeli government, the secretary-general and the high representative of CFSP (Solana) and the EU special representative – encouraged Russia, co-sponsor of the Peace Process, to call for the Re-launch of the Multilateral Track in Moscow, which had remained in impasse since 1996. On 1 February 2000, the Ministerial Steering Group of the MEPP formally re-launched the track, and based on a proposal from the EU special representative, started a serious review of past performance with a view to improving structure and effectiveness.84

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81 Council of the European Union, Middle East Peace Process.
82 Ibid.
Impressed by the success of the Oslo secret negotiations, some Palestinian officials sought to repeat it with the permanent status negotiations. Starting in May 2000, Ahmed Qurei (or Abu Ala), the second-highest ranking person in the PA hierarchy (given his position at the time as the PLC speaker), began negotiations with Israeli counterparts through the Stockholm secret channel. Americans were not directly involved, but were briefed by the participants and senior American diplomats who attended. Mahmoud Abbas (the second-highest ranking person in the PLO hierarchy) and the official Palestinian negotiators were kept in the dark. But soon the press leaked the news, bringing this unofficial channel to a halt, although not before damaging relations between Arafat, Abbas and Qurei (senior advisers on the peace process).

The EU decided to adopt a four-year Common Strategy for the Mediterranean in June 2000, under the provisions of the Amsterdam Treaty. By doing so, it hoped to make the Barcelona process more coherent, “action-oriented and result driven.”

In a desperate attempt by US President Clinton to broker a peace deal while still in office, under the insistence of Israeli Prime Minister Barak and against the reluctance of PA Chairman Arafat, the Camp David summit was convened on 11 July 2000. “The summit ended on July 25, without an agreement being reached. At its conclusion, a Trilateral Statement was issued defining the agreed principles to guide future negotiations.”

* An asterisk before a paragraph indicates meetings, elections and treaties in which the EU was involved.

Both sides have accused the other for the failures of the Camp David talks, but it seems that the international diplomats and the academic community have levelled the blame at Arafat. The general consensus is that Ehud Barak has offered unprecedented compromises to the Palestinians on final status issues including the West Bank and Gaza Strip borders, East Jerusalem as the capital of the new Palestinian state with sovereignty over Muslim holy sites, and reconciliation between Palestinian demands and Israeli concerns over the refugees’ right of return in the form of compensation. This last aspect, however, is said to have been the breaking point of the negotiations. Several contradictory views still persist on this and other matters. Some authors, such as Noam Chomsky, claim that Arafat refused the deal because of the border issues, which would have left the West Bank divided into cantons; others, for instance Alan Dershowitz, say that the “right of return” of Palestinian refugees was the real breaker of the negotiations. In the same vein, still other political scientists and politicians, such as Norman Finkelstein and Shlomo Ben-Ami, respectively argue that the Palestinian position was expected because the perspective of both sides on the international laws guiding the negotiations differed greatly.

86 Ibid.
87 Dershowitz claims that President Clinton told him directly and personally that the right of return was the problem.
Be that as it may, domestic challenges to Ehud Barak’s government were growing ever stronger. It was in this environment that the leader of the Israeli parliamentary opposition, Ariel Sharon, planned his controversial visit to the Al-Harun Al-Sharif compound (‘Temple Mount’ for the Jews). “His stated objective was to assert Israeli control over the holy place in response to Barak’s willingness to compromise that control.”90 True enough, on 28 September 2000, Sharon’s strategically-timed stopover put the last nail in the coffin of the peace process,91 insofar as his provocative act constituted the catalyst that sparked the eruption of the second intifada on 29 September 2000.92 It was exploited by both Arafat as well as frustrated young activists demanding a shift in Palestinian strategy to one resembling Hizbullah’s violent methods in southern Lebanon, which seemed effective in driving the Israeli Defence Forces (IDF) out of the country in June 2000.93

The political context and the Israeli–Palestinian–international community dynamics have changed dramatically since the outbreak of the second intifada. More than ever before, the EU–Palestinian Interim Association Agreement has proven extremely difficult to implement, while the increasing violence at the local and global levels has been detrimental to any attempts at reviving the agonising peace-process debate. Nonetheless, to better appreciate the switch in EU policies that followed the 2000 intifada, a chronology of events that occurred after the first critical juncture is presented in Box 2.

In the subsections that follow, three of the parameters of the EMP’s political dimension (i.e. security and stability, democracy and good governance, and the rule of law and human rights) are examined. Examples for each parameter demonstrate the switch in EU policy that occurred around the first critical juncture during the EMP: the second intifada in 2000.

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*At the Sharm El-Sheikh II meeting that took place on 17 October 2000, “the SG/HR and EU Special Representative, representing the EU, were present and contributed to the success of this gathering that tried to define ways to end the violence between Israel and the Palestinians. The EU maintains that the understandings reached there are still valid and provide a good base for disengagement and an end to incitement.”94

On 20 January 2001, George W. Bush was sworn in as the 43rd president of the US, beginning the first of two consecutive terms (2001-09). Although no longer in the White House, former US President Clinton continued to work towards international peace, among other international issues, through the Clinton Global Initiative.95

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91 There are contradicting views on when the second intifada really started. Some say it began once Camp David failed in July 2000; others say it started on 27 September when a Palestinian security officer on a joint patrol fired at an Israeli security officer; others believe it was the day after Sharon’s visit to the Temple Mount, on 29 September following the Muslim Friday prayer; but the mainstream media outlets and commonly cited sources state that the riots erupted right after Sharon’s visit on 28 September 2000.
93 Ibid.: 157-60.
94 Council of the European Union, Middle East Peace Process.
Box 2. cont’d

* Building upon the ‘Clinton parameters’ outlined at the end of 2000, the Taba talks that took place on 21-27 January 2001 were one of the most successful efforts of both parties [under leadership of Prime Minister Barak and Chairman Arafat] to close negotiations on the issues that were already addressed in Camp David in July 2000. Never before was so much agreement achieved on issues such as land, refugees, Jerusalem, settlements and security. On behalf of the EU, the EU Special Representative was asked by both parties to listen to the points of agreement and disagreement. In February the EU General Affairs and External Relations Council stated that renewed negotiations should start from this point.96

Yet, “the two sides were too weak to take bold steps” and “most Israelis, as the polls showed, viewed the talks with suspicion believing that it was not legitimate for Barak to engage in last minute diplomacy of this nature”.97

Ariel Sharon’s victory in the Israeli elections of 6 February 2001 brought an abrupt end to a process that had started nine months previously. Some say “it was this event that killed the ability of the two sides to capitalise on the achievements produced so far”.98 Still, one could argue that no Israeli government could deliver on the Oslo promises (or Clinton’s parameters) without risking an Israeli division, or even worse, a civil war. In that sense, Sharon actually did what no other Israeli leader could: he unilaterally evacuated about 8,500 Israeli settlers and 5,500 Israeli soldiers from the Gaza Strip in August/September 2005. This move put an end to four decades of Israel’s ‘permanent military presence’, although Israel retains control of the airspace, seafront, crossing points and all vehicle access – including deliveries of food and other goods.99

* With the assistance of the government of Greece, on 4 April 2001, the EU’s high representative for CFSP (Javier Solana) and the EU special representative managed to broker the first high-level meeting in Athens between Israelis and Palestinians, after Sharon became Israel’s prime minister. The aim of this event was to resume a dialogue on how to address the political, security and economic issues in order to end the vicious cycle of violence raging in the PT.100

Starting in 2001, there was a sharp increase in Palestinian suicide attacks in Israel, for which Hamas and its associates often claimed responsibility. After the 11 September 2001 terrorist attacks on the US there was an escalation in the number of deadly suicide attacks in Israel, reaching a peak in 2002, and decreasing gradually until today. The total number of suicide bomb fatalities in this period varies, depending on the source, but ranges between 480 and 542 dead. It is not explicitly mentioned how many of those killed were suicide bombers and how many were victims (either civilians or Israeli security forces), or whether the perpetrators came from the West Bank, Gaza Strip, East Jerusalem or Israel. Also, the sources do not indicate exactly how many of those killed were Jews and how many were Israeli or Palestinian Arabs; however, it is clearly demonstrated that the majority of the victims of these attacks were Jewish civilians.101

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96 Council of the European Union, Middle East Peace Process.
98 Ibid.: 14.
100 Council of the European Union, Middle East Peace Process.
The euro entered circulation on 1 January 2002 replacing the former ecu – introduced in 1979 as an internal accounting unit – at a ratio of 1:1. Since that change, all EU funding and aid to non-EU countries, including the PT, has been made in euros.

The then-acting Saudi regent, Crown Prince Abdullah, brokered the Arab Peace Initiative, which was endorsed by the Arab League during the 28 March 2002 Beirut summit (where only 10 out of 22 heads of the Arab League states where present, and President Arafat was discouraged by the Israeli government from attending). Arab leaders collectively offered Israel recognition of its right to exist and a normalisation of diplomatic ties in exchange for its complete withdrawal from Arab lands captured in and since 1967. The Arab Peace Initiative called for the restoration of a Palestinian state with East Jerusalem as its capital and a ‘fair solution’ for the Palestinian refugees. Although the plan was supported by US President George W. Bush and British Prime Minister Tony Blair, it was opposed by factions in both the Arab and Israeli camps. Syria opposed use of the term ‘normalisation’. Palestinian groups such as the armed wing of Hamas, Islamic Jihad and the Al-Aqsa Martyrs Brigade rejected the Saudi plan outright, while the Israeli government just ignored it and never formally accepted or rejected it.102

The Quartet on the Middle East was established in Madrid in June 2002 by the Spanish Prime Minister José María Aznar, as a result of the escalating conflict in the Middle East. In the same month, President George W. Bush floated the idea of a roadmap to peace in the Middle East under the supervision of the Quartet, with the UN expected to look into the security and financing of this mission.103 Comprising the US assistant secretary of state, the Russian foreign minister’s special Middle East representative, the EU high representative for CFSP and the UN Middle East envoy, the Quartet is chaired by the Quartet’s special envoy (a post that was first set up in May 2005).104

It has been argued that the Quartet “was formed by the Bush administration to provide European states with a formal peacemaking role in exchange for gaining their support for the Iraq war”.105

Following the violent outbreaks of 2001-02, the Israeli government started the construction of the Israel–West Bank separation wall/barrier in June 2002.106 This physical barrier is being erected with the stated objective of separating Israel and the West Bank to prevent the uncontrolled entry of Palestinians into Israel. In most areas, the barrier entails an electronic fence with dirt paths, barbed-wire fences and trenches on both sides, at an average width of 60 metres. In others, a wall six to eight metres high has been erected. Some Israelis attribute the gradual

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106 While Israelis tend to call the separation barrier the ‘security fence’, Palestinians often refer to it as the ‘apartheid wall’. To avoid the normative connotations of both sides, this work follows the BBC journalists’ style guideline by calling it the (West Bank) separation wall/barrier – in some places it is a wall and in other places it is a barrier or a fence. See http://news.bbc.co.uk/newswatch/ukfs/hi/newsid_8370000/newsid_8374000/8374013.stm.
reduction in the number of suicide attacks to the barrier.\textsuperscript{107} This claim is contested as there are many Palestinians living in East Jerusalem who have easy access to the rest of Israel to implement attacks if they so desired. Instead, it seems that Israeli intelligence has become better at preventing the attacks, while suicide bomb attacks have declined and been replaced by rockets launched directly from the Strip into Israel – a trend beginning with the Israeli military disengagement from Gaza (2005) and continuing with Hamas’s ascendance to power (2006) and their takeover of Gaza (2007).

\textbf{Arafat was under siege} for the second time in the PA compound (\textit{Muqata’a}) in Ramallah starting \textbf{September 2002} (the first time being April-May of 2002).\textsuperscript{108}

The \textbf{Treaty of Nice}, signed in 2001, came into force on \textbf{1 February 2003} and helped put forward ways for the EU to work more effectively even after the new wave of member states joined in 2004.\textsuperscript{109}

The ENP was first outlined in a \textbf{Commission Communication on Wider Europe} on \textbf{11 March 2003}, followed by more developed strategy papers (including the EU–PA Interim Association Agreement and Action Plan shortly after the 2004 enlargement).\textsuperscript{110}

On \textbf{19 March 2003}, Abbas became the \textbf{first Palestinian prime minister};\textsuperscript{111} the office was established by the PA under the amended Palestinian Basic Law, which was accepted by the PLC the same day.\textsuperscript{112}

The \textbf{second Iraq war} started on \textbf{20 March 2003}.\textsuperscript{113}

* The official text of the latest version of the \textbf{roadmap} was published by the US government, under EU pressure, on \textbf{1 May 2003}, ironically, this occurred on the same day that George W. Bush announced the “end of major combat operations” in Iraq. The roadmap was the result of a joint US–European initiative.\textsuperscript{114} And it is “a ‘performance-based’ and ‘goal-driven’ plan, with clear phases, timelines, target dates, and benchmarks aiming at progress through reciprocal steps by the two parties in the political, security, economic, humanitarian, and institution-building fields, under the auspices of the Quartet”; in short, “a permanent two-state solution to the Israeli–Palestinian conflict”.\textsuperscript{115}

\begin{footnotesize}
\textsuperscript{114} Asseburg, “European Conflict Management in the Middle East: Toward a More Effective Approach”: 6.
\end{footnotesize}
On 4 May 2003, a final draft for a permanent Palestinian constitution was presented, but it has not yet been adopted. Instead, the Palestinian Basic Law functions as a temporary constitution for the PA until the establishment of an independent Palestinian state.116

A Middle East Peace summit took place on 4 June 2003 at Aqaba, where both Prime Ministers Sharon and Abbas adopted the roadmap under the auspices of President Bush.117

A Joint Committee meeting of the Interim Association Agreement was held in Ramallah on 26 June 2003. “This meeting was the second of its kind and the first in over three years. The meeting discussed ways in which to facilitate trade between the EU and the West Bank and Gaza Strip and means to fully implement the Interim Association Agreement, including provisions related to the Palestinian reform programme.”118

On 14 July 2003, Marc Otte was appointed the new EU special representative for the MEPP. In his mission statement, he declared

our objective for the Middle East is clear and well established: a two-state solution, with Israel and a democratic, viable, peaceful and sovereign Palestinian state living side by side within secure and recognised borders, as well as a solution to the Israeli-Syrian and Israeli-Lebanese conflicts. The Israeli–Palestinian conflict lies at the heart of the problems in the region as a whole and must be resolved in order to bring about a comprehensive Middle East peace. This is vital not only for the region but also for us. We, in the European Union, are close neighbours, on the doorstep of the Middle East.119

Abbas resigned as prime minister on 6 September 2003. “During his six months in office, he has been in a power struggle with Arafat, particularly over control of Palestinian security forces.”120 After his resignation, he led the Executive Committee of the PLO.121

The EU branded Hamas a terrorist organisation on 11 September 2003.122

Since October 2003, Iran plus the EU-3 (Britain, France and Germany) have engaged in negotiations to ensure that Iran will not develop nuclear weapons.123

The Geneva Initiative for peace should be pointed out, although it does not have the status of an accord. Initiated by Prof. Alexis Keller (at Geneva University in 2002), it was further developed by the former Israeli minister of justice, Yossi Beilin and the former Palestinian minister of information, Yasser Abed Rabbo. It was signed in Geneva on 1 December 2003.
More completely than the roadmap, it solves the thorny problems of Jerusalem, the settlements and refugees. The Geneva Initiative has received strong support from the Swiss government and many European powers. Even the US, which first perceived it as a competitor to the roadmap, eventually supported it. Yasser Arafat approved of it but stressed that it was not an official text. But the Geneva Initiative encountered fierce opposition from the government of Ariel Sharon and to date it remains without results. “The media stressed nevertheless at the time that future peace agreements would necessarily be similar to this one.”

The Euro-Mediterranean Parliamentary Assembly (EMPA) was established in Naples on 3 December 2003. It is the parliamentary expression of the EMP/UfM, which provides input and support for the development of the EMP and the implementation of the ENP. Although it adopts resolutions, addressed at the Euro-Mediterranean Conference, they are not legally binding. The EMPA Bureau consists of four members, two of whom are appointed by the national parliaments of the Mediterranean countries, one by the European national parliaments and one by the European Parliament.

The European security strategy was published on 12 December 2003. Drafted under the guidance of Javier Solana, the high representative for the CFSP, “this document was meant to define the security challenges confronting the Union and to provide a common sense of purpose to the EU in shaping the international system. The rationale behind the Union’s strategy is to bring together its soft power and its emerging hard power to make multilateralism more effective.” In this strategic doctrine, “the resolution of the Israeli–Palestinian conflict occupies a primordial place.”

* An asterisk before a paragraph indicates meetings, elections and treaties in which the EU was involved.

### a. Security and stability

The West Bank city of Hebron has been a place of violent clashes between Muslims and Jews since the time of the British Mandate. The city houses the Tomb of the Patriarchs (or in Arabic Al-Haram Al-Ibrahimi) – a shrine where, tradition holds, the ancient Prophet Abraham is buried, making it sacred to both Muslims and Jews. Owing to the “massacre in the Al-Ibrahimi Mosque on 25 February 1994, when the Jewish settler Baruch Goldstein shot and killed 29 Palestinians, the UN Security Council called for an international presence in Hebron”. Since 1997, and based on the above-mentioned Hebron Protocol under the Oslo process, there has been a Temporary International Presence in Hebron (TIPH). This is a civilian observer
mission, made up of six states, namely Italy, Denmark, Sweden, Norway, Switzerland and Turkey. It has a mandate renewable every six months upon agreement from both Israel and the PA. Its reports are not public but rather conveyed to the Palestinian police forces and the IDF with questions requesting clarification.129

Since April 1998, the EU special representative, on behalf of the EU, has initiated and chaired the Joint EU–Palestinian Security Committee. This initiative recognises that Palestinian security services require assistance on issues that would be devolved to them following negotiations at the political level. Since then, the EU has taken practical steps to help improve the security sector of the PA by providing expert training with the aim of upgrading Palestinian security forces.130

Accordingly, under the EMP “at least ten largely autonomous police and security forces” have operated in the PA, including civil police, criminal investigation, preventive security, general intelligence, and military intelligence. In addition, prisons, known as reform and rehabilitation centres, have come under the police directorate. “The various security forces operate their own detention and interrogation centres, access to which has often been denied to outside bodies or international human rights organisations.” Still, efforts to unify the various Palestinian national security services have been unsuccessful over the period because a central element of Arafat’s power structure was his direct control over the various PA security organisations.131 Although he made some changes (due to mounting external pressure), such as unifying the “three internal security organisations – Civil Police, Preventative Security, and Civil Defence – under an empowered Ministry of the Interior” with a stronger prime minister’s office, Arafat never loosened his grip on the security sector. Indeed, the newly appointed minister of interior and prime minister did not “enjoy any authority in their respective positions”, while “all other security reforms remained cosmetic and were part of Arafat’s effort to deflect political pressure and secure his position”.132

Nevertheless, with the eruption of the second intifada, there was a substantial rise in the number of attacks carried out by Palestinians against Israelis; this persuaded Israel to take back control of security and weapons in the PT, fearing that the PA was turning a blind eye to these acts of aggression. Therefore, “[b]etween 2000 and 2002, Israel almost completely destroyed the security infrastructure of the PNA”.133 Consequently,

towards the end of 2003, there were increasing signs of a deterioration of law and order in the West Bank and Gaza Strip. Central commands have been de-connected from local units, and forces are unable to move, due to closures. Police and Preventive Security commanders have often been unable or unwilling to carry out arrests of criminals and armed militants, since this often results in armed confrontations with radical groups or large family clans.134

130 Council of the European Union, Middle East Peace Process.
133 Ibid.: 18.
In its Presidency Conclusions in 2004, the European Council thus urged the PA to “take immediate, decisive steps to consolidate all Palestinian security services under the clear control of a duly empowered Prime Minister and Interior Minister”. The Council reaffirmed its readiness to support the PA in taking responsibility for law and order and especially in improving its counter-terrorism efforts.\textsuperscript{135}

\textit{b. Democracy and good governance}

In this subsection we come to the crux of the controversy surrounding the EU’s foreign policy – more precisely, democracy promotion in the PT. Here is where we can clearly demonstrate what Michelle Pace refers to as the “paradoxes and contradictions in EU democracy promotion in the Mediterranean…and the limits of EU normative power”.\textsuperscript{136}

Let us begin with some clarification of what good governance means, as the term could signify different things to different people. According to UN official sources, “governance means: the process of decision-making and the process by which decisions are implemented (or not implemented)”, be it at the international, national or local levels. Good governance, on the other hand, has eight major characteristics: it is participatory, consensus-oriented, representative and accountable, transparent, responsive to societal needs, effective and efficient, equitable and inclusive, and follows the rule of law. “It assures that corruption is minimised, the views of minorities are taken into account and that the voices of the most vulnerable in society are heard in decision-making.”\textsuperscript{137} To contextualise the different aspects of ‘good governance’ we need to deal with “people’s perception of and interaction with the state”.\textsuperscript{138} For example, do they participate in elections or do they think their officials are legitimate?

Depending on how modern democracy is defined, the link between the concepts of democracy and good governance can become weaker or grow stronger. In its most narrow sense, according to specialists in comparative politics, democracy is “electorally based with some allowance for freedoms of press and association”.\textsuperscript{139} But in a broader sense, according to modernisation


\textsuperscript{136} Michelle Pace, “Paradox and Contradictions in EU Democracy Promotion in the Mediterranean: The Limits of EU Normative Power”, \textit{Democratization} 16, no. 1 (February 2009).


theorists, a full democratic political system has the following characteristics: constitutionalism, decentralisation of power, fair and free competition over power positions, open political participation, peaceful settlement of disputes, respect for minority rights, checks and balances, basic freedoms of press and association, a vibrant civil society and civil equality. (A few other elements that are generally present, but not as conditions, include respect for human rights, a free market economy, economic prosperity and secularism.) 140 So to ensure full democracy, we need good governance. Nonetheless, democracy is not a fixed concept that we can explain in few words; instead, it is a flexible set of social and political preferences and behaviours, with different arrangements depending on time and location, leading to “a matrix of potential combinations that are differently democratic” (e.g. façade or full democracies). 141 Hence, states are said to be more democratic than others depending on how many of the democratic elements they have internalised into their systems over the years.

There are three major fallacies to watch out for, though. The first is what Adrian Little calls “democratic piety”, where the problematic, underpinning assumption is that democracy is a cure for violent conflicts. 142 This finds its root in the democratic peace theory, based on the reductionist observation that democracies have not engaged in full-fledged wars against each other for the past 60 years. 143 The second is what authors refer to as ‘electoralism’, where democracy is practiced in its most narrow sense – holding regular and fair elections, while neglecting other political realities and conditions for success – and is expected to prevent (internal and external) violent conflicts. 144 The third is what democratisation scholars denote as “democracy promotion without democracy consolidation”, where democracy is short-lived because of the lack of robust democratic political institutions and appropriate institutional designs. 145

It becomes tricky when Europe tries to stretch its Western (liberal) concept of democracy to other places in the world, which have different tempos and interpretations of democracy that fit their own traditions and cultures. Some officials have refuted the claim that the EU is


142 Adrian Little, Democratic Piety: Complexity, Conflict and Violence (Edinburgh: Edinburgh University Press, 2008).


‘imposing’ its form of democracy on others, including Benita Ferrero-Waldner, the EU’s external relations commissioner:

The EU does not believe in imposing reform, but we do want to do all we can to support the region’s own reform quite simply because we believe that democracy, good governance, rule of law, and gender equality are essential for stability and prosperity. This has always been an objective of the Barcelona Process and it is the cornerstone of the Neighbourhood Policy.146

This statement nevertheless raises some concerns for a couple of reasons. First, it takes for granted ‘Western’ values (i.e. democracy and gender equality) as universally accepted public goods, which might not be true in places with different cultures and perspectives. Second, from this statement it seems obvious that democracy is not the end goal of EU foreign policy, but merely the means to further the EU’s own interests in stability and prosperity in the region (which are expected to boost the EU’s own objectives of security and reducing migration into Europe).147 This telling quotation leaves us wondering about the EU’s normative position. Is the EU a true normative actor or just a realist one disguised in normative clothing148 or both: normative as much as its own interests permit? It also demonstrates to us how some norms, such as democracy, have been instrumentalised and used by Western decision-makers to achieve their foreign policy objectives. This logic proves problematic, as it undermines not only democracy as a desired political system, but also the credibility of actors who try to promote it abroad.

Even if European officials insist they are not trying to enforce their Western values in the MENA region, the EU’s own treaties tell a different story:

Article 6 of the Treaty on European Union reaffirms that the EU ‘is founded on the principles of liberty, democracy, respect for human rights and fundamental freedoms, and the rule of law, principles which are common to the Member States’. Article 49 of the Treaty of the European Union stresses that respect for these principles is also required of those countries wishing to join the European Union. In addition, Article 7 introduces a mechanism designed to punish serious and persistent violations of human rights by EU Member States. This mechanism was further strengthened by the Treaty of Nice, concluded in December 2000. It also extended the objective of promoting human rights and fundamental freedoms to development cooperation and to all other forms of cooperation with third countries in accordance with Articles 177 to 181 of the Treaty establishing the European Communities (EC Treaty).149

Without going into a deep philosophical debate, the assumption here is that the EU has tried (for its own perceived, collective interests) to export its own set of democratic values and rules to Palestinian society without paying sufficient attention to all the necessary conditions, resulting in a fragile democracy. Then, when it was not satisfied with the results of the elections, the EU has stopped short of consolidating democracy in the PT, thus leading to a democratic reversal

147 Pace, “Paradox and Contradictions in EU Democracy Promotion in the Mediterranean: The Limits of EU Normative Power”: 42, 45.
148 Borrowing the expression from Peter Seeberg, “The EU as a Realist Actor in Normative Clothes: EU Democracy Promotion in Lebanon and the European Neighbourhood Policy”, Democratization 16, no. 1 (February 2009).
and the collapse of the newly established, democratic political institutions (e.g. the PLC). In turn, among Palestinians, there are some local actors who accept – or even admire – the occidental version of democracy and work (effectively or ineffectively) to implement it, while other actors challenge ‘Western democracy’ or at least its ‘social liberal’ notion (passively or aggressively) as they have their own set of priorities and vision of democracy. From here we go on to support these assertions.

1995-2000

The first attempts to democratise the Palestinian system, by establishing a separate ‘legislative’ branch held accountable by the people, go back to the Declaration of Principles in 1993. But the details of the PLC (or Palestinian Parliament) were ironed out in the PA Interim Agreement (Oslo II) in 1995. The PLC, which cannot dismiss the president, who is elected directly by the people in parallel elections, is set up as a unicameral body elected from 16 electoral districts – 11 in the West Bank and 5 in the Gaza Strip. For the first legislative period 1996-2006, the parliament had 88 members elected by the electoral district system (with a quota from the outset in some districts for religious minorities, namely Christians and Samaritan Jews). Two parliament buildings were set up: one in Ramallah and the other in Gaza (the latter was destroyed by the IDF during the first days of the air assault on Gaza in December 2008). During the PA’s early era under Arafat, the building in Gaza was considered the main headquarters; later, the PLC building in Ramallah became the headquarters.

Four months after the Palestinian Elections Law was passed, with the help of a temporary Palestinian Central Election Commission (CEC), and pressure from Israel and the international community, the new PA held its first general elections (presidential and PLC) in the West Bank and Gaza Strip on 20 January 1996. Hamas boycotted both elections but did not try to cancel them, a decision, which it proclaims had little to do with accepting or rejecting democracy at the time and more to do with the fact that it had different political priorities from the PA and did not trust in Arafat’s good governance. This view is put by Mahmoud Zahar, a founding Hamas member:

We have never been against elections as a principle. We boycotted the 1996 elections because they were held within the framework of the Oslo Agreement, which we were against because it proved nothing to us Palestinians, and because the administration of the PA apparatus was completely in the hands of Yasser Arafat. He cheated and fabricated in the 1996 elections.

Registered voters totalled a million Palestinians. The elections were monitored by 519 international observers (including from the EU) and more than 2,000 local observers.

The Commission started providing financial support to the PA for the preparation of the elections as early as April 1994. This assistance amounts to a total of 7.5 [million ecus] (US$9 million), which have been used for preparing the electoral law, drawing

153 Interview in Gaza, March 2007, by Are Hovdenak, “Hamas in Transition: The Failure of Sanctions”, Democratization 16, no. 1 (February 2009): 66. He stated, “the international elections observer delegation to the 1996 elections concluded that ‘the elections can reasonably be regarded as an accurate expression of the will of the voters on polling day’”.

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the electoral districts’ boundaries, setting up the election administrative machinery, training election officers, conducting a public civic education campaign, providing technical equipment, etc. Furthermore, the EU has committed 10 [million ecus] (US$12 million) out of the Community budget to cover the cost of the observation operation [which included approximately 300 observers].

In their final mission report, election observers deemed the elections fair and democratic. With voter turnout of 71% and 97% of the votes cast being valid, Arafat was elected the first president of the PA and 88 PLC members were elected (both for a term of four years) – of whom 55 were Fatah members, 5 were women, 6 were Christians and 1 was a Samaritan Jew. There was no prime minister, only a speaker of the PLC.

At the Palestinian municipal level, the last elections were held in 1976. It is notable that in this context Israel wanted to discredit the PLO representatives, so it allowed the municipal elections hoping that Palestinian personalities distant from the PLO would emerge. The results were quite the opposite, and the majority of those who won were very close to the PLO leadership. “At this point the Israeli authorities resorted to the exile or imprisonment of the elected mayors”, and since then no elections have taken place in the Palestinian localities other than those involving syndicate ones. The return of the PLO in 1994 developed a new dynamic, particularly with holding general elections for the first time in 1996. “But at municipal level, things were handled differently” as municipal councils in the West Bank and Gaza Strip were being nominated, “according to a system of regional and tribal balancing inserted in the Palestinian political system”. Still, the issue of municipal elections remained at the centre of Palestinian internal political and social struggles and demands. Thus, the first law passed by the newly elected PLC in December 1996 (slightly amended in 1997) was precisely on local communities and elections. Arafat, however, who feared Hamas taking over the leadership of municipal councils, “preferred to shelve this question for political reason[s]”. Hence, municipal nominations continued until Arafat’s death.

2000-04

In September 2000, as the Palestinians started to lose hope after five years of fruitless negotiations of achieving their dreams of an autonomous state, the second intifada erupted. As the office of the prime minister was not yet established (that came later in 2003), the lack of any real party opposition in the absence of Hamas from parliament and local councils, and the fact that the second Palestinian general elections (expected in January 2000) never took place


155 The elections report available does not indicate the parties to which the remaining 33 members, the 5 women, and the 7 religious minorities belong. We know that several parties were involved in the elections, that Hamas boycotted these elections, and Fatah won the majority. See Central Elections Commission – Palestine, *The 1996 Presidential and Legislative Elections*.

156 This democratic system of a president elected directly by the people, separate from the legislature, who cannot be dismissed by parliament, without a prime minister but with a speaker instead, resembles the presidential democracy of the US. In the American system, however, the separation between the executive and legislative branches is not as sharp; the president is still accountable to some extent to the legislator and the people through periodic and democratic elections; there is also a viable opposition in the legislative branch.

because of the second intifada, Arafat reigned almost until his death in 2004. He did so in a centralised manner with little accountability to the people, declining legitimacy and scarcely any checks and balances on his actions. The EU, which had invested hundreds of millions in establishing the legal framework, building democratic institutions and monitoring the Palestinian elections, was not pleased with these results. But instead of pushing for an end to the Israeli occupation, which was the basis for Arafat’s remaining legitimacy and the violent second intifada, and demanding more democratic reforms by using its economic leverage over the PA, the EU opted to focus most of its energy on democratic reforms while ignoring the ongoing Israeli–Palestinian conflict. Arafat tried to implement more reforms through the ‘100 Day Plan of the Palestinian Government’, but that proved too little too late. It is interesting to note that while Arafat’s reforms were seen by the international community as insufficient, Arafat was attacked domestically for yielding to the West’s demands without ending the occupation or assuring a Palestinian state.158

Once Brussels and Washington lost confidence in Arafat as a ‘peace partner’ they began to look for an alternative. From here the idea of establishing a strong prime minister’s post, which would curtail the powers of the president, became paramount – especially since they hoped Mahmoud Abbas as prime minister would be a better democratic force in the PT than Arafat. Following the Iraq war in the spring of 2003, pressure mounted on the US to release the final version of the roadmap for Palestinian–Israeli peace, as agreed upon by the Quartet. The Americans, on the other hand, insisted they would not release the document until the Palestinians had amended their Basic Law (or temporary constitution) in 2003, established a parliamentary democracy with a prime minister’s office and chosen a prime minister who would begin working on reforming Palestinian institutions as stipulated in the roadmap. Arafat was not happy with being marginalised but had little choice but to cede to these demands as he had been held under siege at the Muqata’a (or compound) in Ramallah since early 2002 by Israel.159

Accordingly, the office of the prime minister was established in March 2003, giving more power to Prime Minister Abbas. Other ministerial reforms followed suit; for example, in April 2003, Nabil Shaath became the PA’s first foreign minister. In May 2003, a final draft for a Permanent Palestinian Constitution was presented, but it has not yet passed as it awaits the establishment of an independent Palestinian state. Instead, the Palestinian Basic Law functions as a temporary constitution for the PA.160 The Basic Law was passed by the PLC in 1997 and was ratified by Arafat only in 2002. It has subsequently been amended twice: the political system introduced a prime minister in 2003 and a new Elections Law in 2005. “The 2003 reform was comprehensive and affected the whole nature of the Palestinian political system, whereas the 2005 amendment was only minor and affected only a few paragraphs.”161

Abbas vowed in June 2003 at the Aqaba summit to end terror and chaos, and to work for reforms and a negotiated peace with Israel (pledges he reiterated as president in 2005).162 But as a result of a continual power struggle with Arafat, particularly over control of Palestinian

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159 Ibid.
161 Ibid.
security forces, Abbas was so frustrated that he resigned from his post after six months, in September 2003. Arafat was ruling again, and according to Israeli conventional wisdom, “never missed an opportunity to miss an opportunity [to reform],” while Abbas led the PLO’s Executive Committee until Arafat’s death a year later; Abbas then succeeded Arafat as president.

Compared with other Arab states in the Middle East, the Palestinian experience with functional democracy (through local unions, universities and syndicate elections) goes back to the mid-1970s. Conversely, their experience with national-level democracy has not only been very recent and short-lived, but also a façade because it has been very centralised and lacking any real political opposition around which a consensus can be built. It has not held the leaders sufficiently accountable to the public and it has missed a vibrant civil society at a level deeper than the elite stratum, which was created in a top-down approach under the EU’s influence.

c. Rule of law and human rights: The judiciary and fundamental freedoms

Upon its establishment, the PA set about putting in place a new judicial system. Besides the new and unified PA laws, which apply to the entire Palestinian Territory (excluding East Jerusalem which is under Israeli law), the West Bank relies on civil (or French-influenced Jordanian) law, while the Gaza Strip relies on common (or British-influenced Egyptian) law. Some Ottoman and Israeli laws and decrees continue to be applied in both areas, as well as laws used by the PLO prior to the establishment of the PA.

In an exceptional EU–US effort in the summer of 1999, with financing provided by the EU, the Council on Foreign Relations managed to complete an unprecedented, detailed and thorough evaluation of Palestinian public institutions – including the courts. Recommendations were outlined on how best to improve institutional performance, thereby enhancing respect for the rule of law and transparency. To that end the EU special representative, together with Henry Siegman from the Council on Foreign Relations, initiated the Independent Task Force on Strengthening Palestinian Public Institutions. This project brings together high-level EU and US officials, who periodically review and oversee this institutional reform effort while regularly consulting with senior officials from the PA and international institutions.

The key legal bases for the PA judicial system are the Basic Law and the Judicial Authority Law, which are supposed to provide for separation of powers (i.e. executive, legislative and judiciary) and regulate the formation of courts, the delineation of jurisdictions and enforcement of judicial rulings. Between 2001 and 2003, the PA embarked on several reform steps to improve the Palestinian justice system, which helped consolidate the legal status of the judiciary.

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163 CNN World, “Palestinian Prime Minister Abbas Resigns”.
165 CNN, “Palestinian Leader Arafat Dies at 75”.
166 Council of the European Union, Middle East Peace Process.
167 Friedrich and Luethold, Entry-Points to Palestinian Security Sector Reform: 86-87.
3.1.2 Economic dimension

The economic and financial basket aimed at promoting shared economic opportunity through sustainable and balanced socio-economic development, including the gradual establishment of a free-trade area.\textsuperscript{168} Under the EMP framework, the EU has allocated a budget envelope for the 13 partners, including the PT. The Cannes European Council (26-27 June 1995) agreed to set aside €4.4 billion for the financial assistance of its partners in the form of Community budget funds for the period 1995-99, of which €3.4 billion was under the MEDA-I programme and €330.5 million was actually distributed by 2000 (see Table 2). This was supplemented by €4.8 billion of EIB assistance in the form of loans of a similar amount and bilateral financial contributions from the member states. Starting in 2000, the amount of funds allocated by the EMP amounted to a budget envelope of €5.3 billion for the period 2000-06 (although the funds committed in 2000 for the EMP’s activities reached €1 billion, the total payments did not exceed €472.2 million). Most of these funds were committed within the framework of the MEDA-II programme and were again supplemented by EIB loans (the former with €5.3 billion mostly from the EC budget and the latter with a lending mandate of €7.4 billion from its own resources).\textsuperscript{169} These funds were in addition to other budget lines, such as EIDHR-I for democracy and human rights issues (allocating €106 million per year for the period 2000-06).\textsuperscript{170}

The MEDA programme is the principal financial instrument of the EU for the implementation of the EMP (1995-2007). The programme offers technical and financial support measures to accompany the reform of economic and social structures in the Mediterranean partner countries and is implemented by DG EuropeAid.\textsuperscript{171} During the period 1995-99, some 86% of the resources allocated to MEDA-I were channelled bilaterally to the partners (including the PA) under the National Indicative Programmes. Around 12% of the resources were devoted to regional projects (e.g. the EuroMeSCo network of foreign policy institutes and the Short and Medium Action Plan for environmental priorities) under the Regional Indicative Programmes, while 2% was set aside for technical assistance offices.\textsuperscript{172}

Table 2. EU funds for the Mediterranean partners of the Barcelona process

<table>
<thead>
<tr>
<th>EU-committed funds</th>
<th>EU-committed funds</th>
<th>EU-committed funds</th>
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<tbody>
<tr>
<td>(before the second</td>
<td>(after the second</td>
<td>(after the 2006 PLC</td>
</tr>
<tr>
<td>intifada) 1995-99\textsuperscript{a)}</td>
<td>intifada) 2000-06\textsuperscript{b)}</td>
<td>elections) 2007-13\textsuperscript{c)}</td>
</tr>
<tr>
<td>MEDA-I €3.4 billion</td>
<td>MEDA-II €5.35 billion + €600.3 million in 2003 for additional committed funds</td>
<td>ENPI €12 billion</td>
</tr>
</tbody>
</table>

\textsuperscript{168} European Commission External Relations, The Barcelona Process.


\textsuperscript{170} Europa, Summaries of EU Legislation, European Initiative for Democracy and Human Rights (EIDHR) (2000-2006).


\textsuperscript{172} Euro-Mediterranean Information System on Know-How in the Water Sector (EMWIS), About MEDA.
Table 2. cont’d

<table>
<thead>
<tr>
<th>EIB</th>
<th>EIB (FEMIP since 2002)</th>
<th>EIB (FEMIP)</th>
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<tbody>
<tr>
<td>€4.8 billion</td>
<td>€6.4 billion</td>
<td>€8.7 billion</td>
</tr>
<tr>
<td>+</td>
<td>€1 billion for transnational projects</td>
<td></td>
</tr>
<tr>
<td>EIDHR-I</td>
<td>€106 million in 2005-06</td>
<td>€1.1 million</td>
</tr>
<tr>
<td>Development Cooperation Instrument</td>
<td>€16.9 billion</td>
<td></td>
</tr>
</tbody>
</table>

a) European Commission Technical Assistance Office for the West Bank and Gaza Strip, Cooperation and Development: The MEDA Programme.

b) Ibid.

c) European Commission External Relations, European Neighbourhood Policy: Funding.


Notes: It has been extremely challenging to obtain reliable data since there is a high level of discrepancy between figures provided in different documents issued by the EC and available in the public domain. When confronted with that situation the document most recent in date prevailed over previous documents.

Source: Author’s compilation.

In 2000, MEDA-I was upgraded to MEDA-II and the EIDHR-I was introduced; both operated during the period 2000-06. MEDA-II aimed at speeding up project implementation, which were accompanied by an increase in partners’ ownership and better follow-up mechanisms. Owing to devolution, decision-making was mainly in the hands of actors on the ground accompanied by EU monitoring missions. 173 On the other hand, EIDHR-I grouped together the budget headings for the promotion of human rights, democratisation and conflict prevention, which generally had to be implemented in partnership with NGOs, regional organisations (e.g. OSCE, OECD and the Council of Europe) and international organisations. 174 Similarly, the EIB launched a new initiative in October 2002: the Facility for Euro-Mediterranean Investment and Partnership (FEMIP), which brought together the full range of services provided by the EIB to assist in the economic development of the Mediterranean partner countries.175

The official website of the Commission states that the EU’s “financial assistance to the Palestinians dates back to 1971 when the EU made its first contribution to the budget of the UNRWA (mainly funds refugees’ health and education). Since then, the EU has become the

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largest provider of development aid in the PT”,176 and with its member states the biggest donor to the Palestinians.177 The site also states that

since the signing of the Barcelona Declaration in 1995, the PA has been a full and equal partner in the EMP. In this framework, an Interim Association Agreement governing bilateral relations between the EU and the PA was signed in February 1997. The agreement provided for budgetary support, institution-building, technical assistance, humanitarian aid, and bilateral trade relations. Since the outbreak of the second intifada (September 2000), the implementation of the Interim Association Agreement has become more and more difficult.178

In addition, one of the declared and often-repeated commitments of the Barcelona process is “the establishment of a free-trade area by 2010 and increase in economic, financial and technical co-operation and other forms of support for economic development of the partners’ economies”.179

It is worth noting that the economic policy of the EU in the PT is not always appreciated by Israel. Although the EC provides Israel with ‘preferential’ treatment because it is more developed economically and technologically in comparison with other EMP partners, the EU still maintains some level of consistency between its foreign and economic policies. Thus, the Association Agreement with Israel only covers Israeli territories as per the pre-1967 borders and not the disputed territories, to which the separate Interim Association Agreement of 1997 with the PA applies.180 That is not to say that the EU always sticks to this principle as it in fact imports, to a small but symbolic degree, some food and drink items produced in Israeli settlements in the PT. These products might even be falsely labelled as coming from Israel and hence are illegally exempted from tariffs imposed on settlements’ products, in violation of the Israeli–EU trade agreement.181 In February 2010, however, “the European Court of Justice has ruled that Israeli goods made in Jewish settlements in the occupied West Bank cannot be considered Israeli”. This means that goods made in the West Bank’s Jewish settlements cannot benefit from a trade deal giving Israel preferential access to EU markets, even if these companies are employing Palestinians who are not allowed to work in Israel.182

Development funds and assistance aid to the Palestinians have been provided through different financial instruments and institutions, along various thematic lines. Depending on the time and location, the EU has used, inter alia: MEDA, EIB loans, ENPI and the EIDHR, with the latter being a means to channel money for democracy and human rights projects in a way that did not require acquiescence from the PA. The EU has also used FEMIP, the South Regional

178 European Commission: External Cooperation Programmes, Occupied Palestinian Territory.
179 Gomez, Negotiating the Euro-Mediterranean Partnership: Strategic Action in EU Foreign Policy: 74.
Programmes, the Neighbourhood investment facility, cross-border cooperation, the Temporary International Mechanism (TIM), the Palestino- Européen de Gestion et d’Aide Socio-Economique (PEGASE), the Humanitarian Emergency Response Fund (HERF), NGOs, UNRWA, the UN Office for the Coordination of Humanitarian Affairs (OCHA) and ECHO support human rights, elections, the peace process, food aid and security, humanitarian aid and other objectives. 183 (See Figure 3.) These instruments are further discussed as we make the distinction between before and after the two critical junctures: the second intifada in 2000 and the Hamas parliamentary victory in 2006.

Figure 3. EU financial instruments to the PT from 1995 to 2010

Note: This figure does not include other EU funds for PT/Palestinian targeted programmes: Development Cooperation Instrument, People-to-People (before 1998) and Partnership for Peace (since 1998), UNRWA (refugees, education, health, etc.), European Commission Humanitarian Aid (ECHO), and ESDP missions in the PT (EU Police Mission Coordinating Office for Palestinian Police Support (EUPOL COPPS) and EU Border Assistance Mission (EUBAM Rafah).

At the beginning of 2001, Israel withheld its financial transfers to the PA in response to the second intifada – a sum estimated at between $650 and $750 million by September 2002, based on UN figures. 184 With the outbreak of the second intifada in 2000, aid to Palestinians shifted from mainly serving peace and the state-building agenda to mitigating the immediate effects of Israel’s military response to the outbreak of the uprising. Thus, there was a precipitous shift from development aid to humanitarian aid. In realising that its focus on economic development and institution-building is not possible in the absence of a real peace process, the EU and its

183 European Commission: External Cooperation Programmes, Occupied Palestinian Territory.
member states shifted their focus to “alleviating the humanitarian situation, preventing the collapse of the PA, and reforming its institutions”.185 (See Box 3.)

**Box 3. Overview of EU–PT economic aid relations**

From 1995 to the end of 2006, “the EU committed approximately €2.66 billion in assistance to the Palestinians”, in the form of MEDA-I & II and EIDHR-I grants and EIB loans.186 From 1995 to 1999, MEDA-I committed €3.4 billion.187

At the 1998 Washington ministerial donor conference to support the MEPP and the PT’s development, the EU pledged a further €400 million for the period 1999 to 2003. But because of the intifada and rising emergency needs, this amount was exceeded. The “MEDA-II programme has allocated €5.350 million for the 2000-2006 period”.188

There was positive gross domestic product (GDP) growth per capita in the PT of about 6% a year during 2003-05, but real GDP per capita has never recovered the levels registered before the outbreak of the 2000 intifada.189 (See Figure B3.1.)

![Figure B3.1 PT annual growth rate per capita (1995-2006)](image)

*Source: UN Data, GDP Annual Rate of Growth (World Bank Estimates).*

From 1994 to the end of 2002, the EU had committed approximately €1 billion in grants and loans, and a further €500 million in contributions to UNRWA. On top of that, bilateral EU member-state assistance is estimated to amount to €2.5 billion during the same period.190

Based on Official Development Assistance figures, from 2000-07, the EC allocated €2.4 billion to the Palestinians. Indeed, in the period 2000-04, the average annual EC support amounted to €245 million.191 (See Table B3.1.)

**Table B3.1 EU committed funds for the PT before & after the second intifada and after the PLC elections**

<table>
<thead>
<tr>
<th>EU-committed funds for PT (before the second intifada) 1995-99 a)</th>
<th>EU-committed funds for PT (after the second intifada &amp; before the 2006 PLC elections) 2000-06</th>
<th>EU-committed funds for PT (after the 2006 PLC elections) 2007-13</th>
</tr>
</thead>
<tbody>
<tr>
<td>MEDA-I ~ €111 million b)</td>
<td>MEDA-II ~ €522 million c)</td>
<td>ENPI €654 million d)</td>
</tr>
<tr>
<td>EIB ~ €600 million</td>
<td>EIB (through FEMIP) ~ €240 million</td>
<td>EIB (through FEMIP) €45 million</td>
</tr>
<tr>
<td></td>
<td>EIDHR–I €2.5 million</td>
<td>EIDHR–II €4.4 million</td>
</tr>
<tr>
<td></td>
<td>TIM (Mid 2006 –2008) ~ €373 million</td>
<td></td>
</tr>
<tr>
<td></td>
<td>PEGASE (since 2008) ~ €409.2 million</td>
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</tbody>
</table>


c) Ibid.


f) The currency conversion from US dollars to euros was done through the website www.xe.com, and the figures taken from a hard copy of the Palestinian National Authority, “Interim Briefing on International Assistance to the Occupied Palestinian Territory: Prepared for Meeting of the Local Development Forum in Ramallah”.

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186 European Commission: External Cooperation Programmes, *Occupied Palestinian Territory*.
Next, three of the parameters of the EMP’s economic dimension (i.e. aid, development and infrastructures; fiscal policy reform; trade, taxation and investment management) are considered. Examples for each parameter show the shift in the EU’s economic policy towards the PT since the second intifada (2000).

a. Economic aid, development and infrastructure

The notions of development and democracy are not only intertwined, but also inherent to the Barcelona Declaration. To achieve peace, stability and prosperity, the Euro-Mediterranean partners agreed that their goal should be to strengthen democracy and respect for human rights; foster sustainable, balanced economic and social development as measures to combat poverty; and promote greater understanding among cultures.192

Since June 1997, under the auspices of the EU special representative, the EU and Israel have held a regular Dialogue on the Palestinian Economy. These exchanges are conducted in joint working groups on four topics: 1) the passage of goods and people; 2) the Gaza airport and port; 3) fiscal and financial issues; 4) labour issues, and medium and longer-term economic possibilities. The working groups aim at assisting the implementation of the economic protocols between Israel and the Palestinians. This dialogue has at times contributed to easing restrictions on moving Palestinian goods and people, increasing the number of legal Palestinian labourers in Israel (until the second intifada), providing transparency on Israeli export and customs procedures, and assisting the opening of the Gaza airport.193

In addition, the European Commission also proposed 500 million ecus in financial aid to Palestinians from 1994 to 1998, which was divided mainly between development and humanitarian support (e.g. loans and grants that went inter alia to develop hospitals, schools,

192 Europa, Summaries of EU Legislation, Barcelona Declaration and Euro-Mediterranean Partnership.
193 Council of the European Union, Middle East Peace Process.
roads, power plants, water supply and sewage treatment, telecommunications, and Technical Assistance Information Exchange – TAIEX).\(^\text{194}\)

Indeed, both Israelis and Palestinians explicitly called for the EU to assist on two crucial, final-status issues: water and refugees. Therefore, the EU special representative established two informal EU Task Forces on Water and Refugees (in July 1998), with the aim of first, starting to prepare internal options that could inform the EU position on these issues, and second, providing assistance to both parties when requested.\(^\text{195}\)

Also thanks to the dialogue between the EU and Israel on the Palestinian economy in 1997, and the active diplomacy of the EU and its special representative after the Wye River Memorandum (23 October 1998), the **Gaza International Airport was opened on 24 November 1998** (near Rafah on the Egyptian–Palestinian border). It allowed Palestinians to establish a direct outlet to the rest of the world for the first time. “The airport is mainly financed by the EU and considered a strategic project for economic recovery.”\(^\text{196}\)

But since the outbreak of the intifada in 2000, some of the previously established infrastructure has been destroyed. For instance, claiming that the Gaza airport was possibly being used to smuggle weapons to Palestinians to carry out terrorist attacks on Israel, Israeli forces destroyed the airport and rendered it inoperable in December 2001 and January 2002 (and again in 2006 after Hamas won the elections).\(^\text{197}\)

**b. Fiscal policy reforms: Conditionality, transparency and anti-corruption**

The European Commission’s financial aid to the Palestinians, proposed in September 1993, for the period 1994-98 “was never conditioned by the development of democratic institutions or financial transparency”. Yet, conditionality began to emerge through the financial instruments of the Barcelona process. “The MEDA programme managed to introduce the element of conditionality by arguing that any violation of human rights or of democratic principles would immediately entail a suspension of the aid.”\(^\text{198}\) At the same time, the Commission pushed the PA for more fiscal transparency, “by streamlining all revenues to a single account overseen by the Ministry of Finance as well as the parliamentary oversight of the budget”,\(^\text{199}\) with the objective of addressing the charges of corruption that have plagued the Palestinian party of Fatah.\(^\text{200}\)

Although the EU’s conditionality helped increase transparency and reduce corruption, the second intifada and the direct, yet unchecked, subsequent EU budget support to the PA reversed some of these earlier improvements. Following its announcement of a comprehensive reform programme in June 2002, however, the PA has set about tackling shortcomings and improving

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\(^{194}\) European Commission, Communication on EC Support to the Middle East Peace Process, COM(93) 458 final.


\(^{196}\) Ibid.


\(^{199}\) Asseburg, “European Conflict Management in the Middle East: Toward a More Effective Approach”: 38.

its overall system of public finances. Some progress has been achieved in the area of financial
transparency and important achievements have been recognised by the International Monetary
Fund (IMF). Nevertheless, Transparency International’s Corruption Perceptions Index
included the PA for the first time in 2003 with a ranking of 78 out of 133 (higher numbers
equate to higher levels of corruption). The index polls continued for two more years only –
ranking the PA at 108 out of 145 in 2004, and 107 out of 158 in 2005. The polls have indicated
the general perception of a lack of public confidence in Palestinian public institutions.202

c. Trade and taxation

Within the framework of the Oslo process, on 29 August 1994 the Israeli government, together
with the PLO, signed an Agreement on Preparatory Transfer of Powers and Responsibilities. In Article XI on budgetary issues, Israel is expected to collect, on behalf of the PA, the customs duties and taxes until the PA establishes its own VAT collection system. These
revenues amounted to around 60% of the PA budget.203

Similarly, the EU signed an Interim Association Agreement on Trade and Cooperation with
the PA in February 1997, which is still in force. But after the outbreak of the intifada in 2000
and the imposition of closure and curfews within the West Bank and Gaza Strip, implementing
various aspects of the Interim Association Agreement has been extremely difficult.205 These
restrictions would eventually lead to high levels of unemployment, a collapse in investment, a fall in exports, and a sharp
decrease in labour income from Israel. Together with the destruction of infrastructure and
the collapse in domestic revenue, the Palestinian economy has experienced an unprecedented decline since September 2000. GDP per capita fell by more than a
quarter in 2002, and by the end of 2002, unemployment had reached a level of more
than 40%, and over 60% of the population were below the poverty line of $2/day.206

In addition, in the wake of the second intifada, Israel refused to transfer the VAT money it had
collected to the PA. Although this was a temporary measure by Israel to push the Palestinian
government to act decisively to curb the rising numbers of suicide attacks, the EU had to step in
to avert an economic collapse of the PT with direct budgetary support – which replaced the
development assistance that had been provided prior to the intifada.207

201 European Commission: European Neighbourhood Policy, Country Report – Palestinian Authority of
202 Transparency International, Corruption Perceptions Index (CPI) [7 Dec. 2009]. Available from
203 Israel Ministry of Foreign Affairs, “Agreement on Preparatory Transfer of Powers and
204 European Commission Technical Assistance Office for the West Bank and Gaza Strip, Interim
Association Agreement on Trade and Cooperation.
205 UNSCO, “The Impact of Closure and Other Mobility Restrictions on Palestinian Productive Activities:
1 January 2002-30 June 2002”.
206 Europa, External Relations, The EU’s Relations with West Bank and Gaza Strip: Political Background
and Economic Development.
207 UNISPAL (United Nations Information System on the Question of Palestine), Twenty-Seven Months –
Intifada, Closures and Palestinian Economic Crisis: An Assessment, 31 May 2003 [30 Nov. 2009].
Available from http://unispal.un.org/UNISPAL.NSF/0/D8CE118E563CFA7F85256D5D004EE18D.
Yet, following the appointment of a new Palestinian government with a prime minister, and the publication of the roadmap, a Joint Committee meeting on the Interim Association Agreement was held in Ramallah on 26 June 2003.

This meeting, which was the first in over three years, discussed ways in which to facilitate trade between the EU and the West Bank and Gaza Strip and means to fully implement the Interim Association Agreement. There was furthermore an exchange of views on PA efforts to strengthen the rule of law, to combat violence, to stabilise public finances and to prepare for elections.  

3.1.3 Cultural dimension

The cultural, societal and human basket has numerous aims. Among these are promoting mutual understanding and intercultural dialogue among cultures, religions and people. Here the EMP seeks to facilitate exchanges between civil society and ordinary citizens (particularly women and youth), and increase the level of reciprocal tolerance and respect for pluralism. It also has goals associated with establishing links and networks for the benefit of players in the political, socio-economic and cultural spheres, along with disseminating objective and multi-source information to the public through independent media outlets. Generally, it is expected to address the psychological structure at the (intra-)societal, inter-societal and transnational levels.

Since 1995, Europe has been progressively building cultural ties with the Mediterranean world – including the PT – through the Barcelona process. In the wake of the September 11 attacks (2001), the need for intercultural dialogue between the West and the Islamic world resurfaced. This aspect has enjoyed increasing importance in the EuroMed partnership in recent years. Among the many EuroMed joint actions and cooperation programmes dealing with this dimension are the following:

- EuroMed Audiovisual, encouraging film and artistic talents;
- EuroMed Heritage, protecting and introducing cultural heritage;
- EuroMed Information and Communication programme, supporting media and journalists;
- EuroMed Youth programme, preparing and training young adults for the future; and
- EuroMed Gender programme for strengthening the role of women.

There were repeated calls and ministerial declarations during the first 10 years of the Barcelona process – outlined in previous meetings of the EuroMed ministers of culture (Bologna 1996 and Rhodes 1998) and the meeting of the Euro-Mediterranean ministers of foreign affairs (Crete 2003) – to reinforce the cultural dimension of the EMP and foster deeper dialogue among

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208 European Commission Technical Assistance Office for the West Bank and Gaza Strip, Interim Association Agreement on Trade and Cooperation.
civilisations. But it was not until the 2007 meeting of ministers of foreign affairs (Lisbon) that a
tangible work plan with a follow-up mechanism was agreed upon, including places such as the
PT.212

There are considerable differences in the intensity of the cultural cooperation between the EU
and the various Mashreq and Maghreb partners. For instance, when it comes to the EU’s
cultural and human support to the PT in the past 15 years, all the aforementioned elements
(dialogue, civil society support, exchanges, etc.) have been tried in an effort to boost the peace
process. It has been a sporadic effort, however, slow at first and in decline since the second
intifada and the Hamas electoral victory in 2006. Thus, inconsistency in the implementation of
programmes within the EuroMed cultural basket, coupled with the lack of effective monitoring
and evaluation mechanisms, has undermined this initiative and limited its outreach and overall
impact even more than efforts on the other two baskets (political and socio-economic).

In this section, three parameters of the EMP’s cultural dimension (i.e. supporting civil society
and the media, empowering women and youth, and fostering peace education and cultural
exchanges) are addressed. Examples for each parameter demonstrate not only the change in EU
policy towards the PT since the second intifada (2000), but also the absence of a vision on how
to involve and influence the societal level in the PT.

a. Supporting civil society and the media

The People-to-People programme launched in 1995 (and its successor, the Partnership for
Peace programme, since 1998) is an EU instrument designed to work jointly with civil society
organisations in partner countries – including the PT. The programme seeks to build confidence
and “conflict transformation capacities” to help create the necessary atmosphere for the peace
process and provide a solid foundation for democracy and good governance. The programme is
grounded on the assumption that sustainable peace relies on strengthening, as well as increasing,
direct civil society cooperation based on equality and reciprocity between Palestinian and Israeli
societies. Moreover, People-to-People contacts are expected to make the European perspective
tangible for both European citizens and the Palestinian population.213 The programme has called
for proposals “almost every year” since the start with an annual budget ranging from €5 to €10
million (80% is the maximum EC contribution). The programme is jointly managed by the
ECTAO to the West Bank and Gaza, and the European Commission Delegation in Israel and in
Jordan.214 In 15 years, around 140 projects have been funded through this initiative. The level of
participation of civil society organisations in the reforms undertaken in the PT is a strong
determinant of the attractiveness of the process, as well as the level of public support for these
changes; nevertheless, engagement remains rather limited and concentrated at the elite stratum
of society.215

Another indicator of a viable democratic community is the number of independent media
available to the public. EU institutions have aimed at developing the media in the PT in order to

212 European Commission External Relations: Euromed – Social, A Euro-Mediterranean Cultural
culture_en.htm.

213 European Commission Technical Assistance Office for the West Bank and Gaza Strip, EU Partnership

214 Ibid.

and Future Challenges (Summary of the Evaluation Conclusions)” (Talitha Kumi, Beit Jala: Discussion
Paper not yet published by the European Commission, 3 September 2009).
foster freedom of expression and democracy building, but these projects remain scarce and rather limited. For instance, the Birzeit University’s **Media Development Center** was founded in 1996 as a Radio Training Programme. The University station is unique in the region in so far as it broadcasts to the local community with the objective of serving both academics and professionals.\(^{216}\) To further strengthen relations between the media and civic organisations, the Media Development Center established the Media Resource Unit in September 1998. This Unit became a gathering place for professional journalists, offering services for both Palestinian and international journalists working in the region.\(^{217}\) But not until two years after the outbreak of the second intifada was another media-related project established, that being **Ma’an Network** (meaning ‘together’ in Arabic). This non-profit media organisation was founded in 2002 “to strengthen professional independent media in Palestine; build links between local, regional and international media; and consolidate freedom of expression and media pluralism as keys to promoting democracy and human rights”. The Network is a partnership among independent journalists throughout the PT, including nine local television stations and nine local radio stations. Various European countries, along with the European Commission, helped finance this initiative at its different stages of development and continue to do so.\(^{218}\) Still, more of these projects are needed with different partners, to avoid having a restricted cluster of organisations monopolising the media.

On a parallel track, to build trust and cooperation among cultures, the **EU–Israel Forum** was launched in April 2000. The EU political involvement in the MEPP has suffered from allegations of pro-Palestinian bias, but according to EU official sources, “[t]his perception contradicts reality, since Israel enjoys a privileged relationship with the EU in terms of trade, science and political relations”. Thus, to continue developing EU–Israeli relations, while showing that “the EU was only pro-peace”, the EU special representative proposed the establishment of this Forum for dialogue, which was approved by the Council of Ministers in December 1999. Through high-level dialogue, “the Forum aims to improve understanding of each other’s complexities through communication between civil societies, business and media people from both sides”.\(^{219}\)

**b. Empowering women and youth**

EU support for gender and youth programmes took more time to set up, as they were overshadowed by political and economic priorities, in addition to women’s and youth issues not being considered the main concern of these traditional societies. For the first 10 years of the Barcelona process the impact and scope of these initiatives remained constrained.

When it comes to Palestinian women in particular there are many indicators to consider, such as education and training, health, poverty, economy and employment,\(^{220}\) violence (domestic or in public, at the hands of Palestinian men or Israeli soldiers, be it sexual, psychological or

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\(^{219}\) Council of the European Union, *Middle East Peace Process*.

armed conflict, trafficking and prostitution, politics and decision-making, human rights and basic freedoms. On almost all of these indicators Palestinian women continue to suffer. According to the European Commission’s country report, by 2004 women accounted for only 13% of the formal labour force, mostly concentrated in the services sector such as health and education. Whilst equality of rights has not been given highest priority in the past, there has recently been some change in public attitudes. Discussions on issues such as violence against women, rape (including marital rape and so-called ‘honour crimes’) and women’s shelters have been held and, in November 2003, a Ministry for Women’s Affairs was established.

If we focus on the political and decision-making indicator for women, we see that Palestinian women have been fighting from at least 2002 for a women’s quota system of 20% minimum of PLC seats, which was finally adopted by parliament in 2004. It is also evident that Palestinian women’s involvement in politics has definitely increased over the years. Since 1995 and the establishment of an Interim PA, women have gained rights to both vote and run for office. “But it is not about being in power per se, it is more about having women who can bring [a Palestinian] women’s agenda to the table.”

As part of affirmative action towards religious minorities, the PA has set a quota for Christians in some districts and a minimum representation for women in the party lists. While the quota for Christians has been part of the Elections Law from the time it was originally drafted in 1995, the minimum representation for women is a recent development and appears in the newly decreed law. Under a new quota system, the minimum number of women deputies will also increase. Because of the new quota system, the number of women deputies rose to 17 out of the 132 parliamentary seats (about 13%), up from its previous total of 5 seats out of 88 (or 6%) since the last PLC elections in 1996.

Various Palestinian women’s committees and organisations successfully lobbied governing bodies, especially the parliament, to ratify this quota system assuring a minimum representation for women in the local councils. But this was not a smooth ride. For example, the PLC ratified a quota of 20% minimum representation for women in its first reading, rejected it in its second reading, finally adopted it in the third in 2004, but later reduced it to 17%. Still, the de facto percentage of women parliamentarians is only 13%.

224 Interview with Rose Shomali, Director of Women’s Affairs Technical Committee, on 15 September 2009, in Ramallah.
As for youth, the EU set up the EuroMed Youth Programme as a regional initiative within the framework of the third chapter/basket of the Barcelona process dealing with social, cultural and human affairs. EuroMed Youth I (1999-2001) and EuroMed Youth II (2001-04) were primarily run by the European Commission from Brussels. Later they were sub-delegated by the DG of EuropeAid to the Youth Unit of the DG for Education and Culture.\(^{228}\)

The problem with these programmes is that they were both restrictive and too centralised. The situation was further complicated for Palestinian youth by the second intifada and the rise of regional violence, which did not leave much room for the EU to support their movement in the way that had been envisaged earlier.\(^{229}\)

c. Fostering peace education and cultural exchanges

Part of the aforementioned **Partnership for Peace** project is to support local and international civil-society initiatives that promote peace, tolerance and non-violence education in the Middle East.\(^{230}\) The programme has been underway since 1998 in both the West Bank and Gaza Strip, seeking to contribute to the rebuilding of confidence within each society, between Palestinian and Israeli societies, and promoting communication and understanding.\(^{231}\)

Indeed, it is considered one of the main instruments of the MEPP. “Projects include finding and implementing mechanisms for conflict management and educating communities about concepts and skills for dealing with disputes and for promoting peace.”\(^{232}\) The programme also aims at strengthening and spreading direct bottom-up cooperation, based on reciprocity between Israelis and Palestinians. Generally, an average of “15 projects are selected each year, with a maximum duration of 36 months, and EC contributions ranging from €50,000-€500,000”.\(^{233}\) But because of a slow start and the second intifada, the Partnership for Peace programme faced hurdles associated with low levels of appeal and logistics (e.g. restriction on movement and an asymmetry of actors).\(^{234}\)

Concerning cultural exchanges, initiatives were also a little late to come about. The EU established the **Anna Lindh Foundation** (headquartered in Alexandria), which contributes to these efforts through networks that bring people and organisations from both sides of the Mediterranean closer together, with a special focus on youth and dialogue among cultures. Given that intercultural coexistence remains one of the major challenges of the 21st century, the Euro-Mediterranean foreign ministers’ meeting in Naples in December 2003 agreed on setting up this organisation to bring people together as equal partners.\(^{235}\)

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\(^{229}\) Ibid.

\(^{230}\) ENPI: EuroMed, *Middle East Peace Projects (Partnership for Peace).*


\(^{232}\) ENPI: EuroMed, *Middle East Peace Projects (Partnership for Peace).*

\(^{233}\) Ibid.

\(^{234}\) Badioli, Zemach and Said, “EU Partnership for Peace Programme: Evaluation and Future Challenges (Summary of the Evaluation Conclusions”).

The Foundation is shared by 43 Euro-Mediterranean countries, having established in its first phase of operation a region-wide network of over 2,000 civil society organisations (including some in the PT). To fulfil its goals, the Foundation leads regional initiatives in the EuroMed space and supports local activities carried out across civil societies that advocate a better understanding among people, religions and beliefs, and champion human rights and democracy. In doing so, it is a facilitator and an advocate of the participation of civil society in the Barcelona process, working to make peace and prosperity possible in the region.\footnote{EUROMED, \textit{Anna Lindh Foundation Profile} [3 Dec. 2009]. Available from http://www.euromedalex.org/sites/default/files/ALF.pdf.}

### 3.2 The European Neighbourhood Policy (2004 to mid-2008)

\footnote{Europa, \textit{European Union @ United Nations, “Slovenia’s Upcoming EU Presidency – Speech by EU Commissioner Ferrero-Waldner”} (11 September 2007). Available from http://www.eu-un.europa.eu/articles/fr/article_7306_fr.htm.} The European Neighbourhood Policy (ENP) was developed in 2004, with the objective of avoiding the emergence of new dividing lines between the enlarged EU and our neighbours and instead strengthening the prosperity, stability and security of all concerned. In this way, it also addresses the strategic objectives set out in the December 2003 European Security Strategy.\footnote{European Commission External Relations, \textit{European Neighbourhood Policy – Overview}.}\footnote{Keukeleire and MacNaughtan, \textit{The Foreign Policy of the European Union}: 279.} Still, it is very important to keep in mind the failure of the Barcelona process mentioned above to really understand “the EU’s attempts to upgrade and ‘rescue’ the EMP through the ENP”, which was presented by the EU on 12 May 2004.\footnote{EurActiv, Enlargement, “The European Neighbourhood Policy (ENP)”, 22 September 2004. Available from http://www.euractiv.com/en/enlargement/european-neighbourhood-policy-enp-archived/article-129625#.} The ENP does not replace the \textit{multilateral} framework of the EMP, but instead it offers a second \textit{bilateral} track and new financial instruments (ENPI, cross-border cooperation, south regional programmes, Neighbourhood investment facility, development cooperation instrument and TAIEX) that are expected to complement the Barcelona process. Moreover, “the ENP does not aim to open up the prospect of membership to the countries concerned”. As Commissioner Benita Ferrero-Waldner puts it, “the ENP is not an enlargement policy. It does not prejudge prospects for European countries that may at some future point wish to apply for membership, but it does not provide for a specific accession prospect either.”\footnote{EurActiv, Enlargement, “The European Neighbourhood Policy (ENP)”.} Instead, the policy “seeks to provide a means for reinforcing bilateral relations” by strengthening security, stability, development and providing better access to the EU’s market.\footnote{Ibid.} Furthermore, “under the ENP, the EU would also seek to encourage human rights, the rule of law and good governance and would promote co-operation in fighting terrorism and cross-border crime such as trafficking in drugs and human beings”\footnote{EurActiv, Enlargement, “The European Neighbourhood Policy (ENP)”..}.
The ENP involves 16 neighbours, building closer ties with 6 new partners from the Commonwealth of Independent States (CIS). The countries involved in the first round are Ukraine, Moldova, Israel, Jordan, Morocco, Tunisia and the PA. The second ENP round was outlined in 2005, when the Commission issued country reports on Egypt and Lebanon as well as the Southern Caucasus countries of Armenia, Azerbaijan and Georgia.” Although Russia is an EU neighbour it is not included in the ENP, as EU–Russian relations are covered through a separate partnership programme with Moscow (i.e. the Strategic Partnership, which covers four ‘common spaces’). The ENP does not encompass (potential) candidate countries for EU membership such as Turkey and the Western Balkan countries, which fall under the EU’s Stabilisation and Association Process.

While multilateral relations between the EU and southern and eastern Mediterranean partner countries are conducted through the EMP, “there are considerable differences in the intensity of cooperation.” The ENP builds upon existing agreements between the EU and each partner country in the framework of the EMP (such as Partnership and Cooperation Agreements with CIS countries or Association Agreements with most MENA countries), while it identifies means to materialise its strategies through Action Plans accompanied with conditions and benchmarks, and regularly monitors developments through annual progress reports. To date, Association Agreements have been negotiated, signed, ratified and enacted with all southern and eastern partner countries apart from Algeria (where the Association Agreement was suspended but might be activated in the future), Libya (which has been an observer since 1999 but started negotiations only in 2008), Syria (where the Association Agreement is not in force but negotiations were recently initiated) and Belarus. (See also Table 1 above.)

As far as the bilateral dimension of EU relations with the south and the east is concerned, the basic framework is similar for both groups of countries: Association or Partnership and Cooperation Agreements, accompanied by national MEDA or TACIS instruments (later ENPI), respectively. It also includes political dialogue and negotiations on specific issues (e.g. fisheries). Yet, “the most important difference is that, in the Mediterranean, an explicit regional dimension encouraging the development of intra-regional initiatives and cooperation in a broad range of sectors is included”. A Five-Year Work Programme, adopted in 2005 on the occasion of the tenth anniversary of the EMP, identified a series of general and more specific objectives. The policy of promoting intra-regional cooperation supplements the ENP bilateral framework, while maintaining the three chapters previously defined in the Barcelona Declaration (1995): the

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244 European Commission External Relations, *European Neighbourhood Policy – Overview*.


political and security chapter; the economic and financial chapter; the social, cultural and human chapter; and adding a fourth chapter (or basket) on migration, social integration and justice.250

3.2.1 Political dimension

After the first critical juncture in EU–Palestinian relations, namely the intifada in 2000, Hamas’s victory in the 2006 elections marked the second critical juncture. Thus, a chronological depiction (in Box 4) of the political climate that led to their victory sets the stage for the empirical evidence that follows.

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Box 4. Overview of EU–PT relations under the ENP before the Hamas electoral victory (2004-06)

On **11 March 2004**, almost a year after the invasion of Iraq, an al-Qaeda cell operating within Spain claimed responsibility for the Madrid train bombings.251

Not long after, on **1 May 2004** the EU enlarged for the fifth time, adding at first 10 new member states.252

The European Commission produced on **12 May 2004** a more developed Strategy Paper on the ENP, accompanied by an ENP country report on the PT.253

President Arafat became ill in October 2004 and was flown to Paris for medical care. At the time of his departure he had been under house arrest in the Muqata’ā for over two years. Arafat died on **11 November 2004**, and was buried in his compound in Ramallah the next day. Mahmoud Abbas has served as the PLO chairman ever since.254

On **9 December 2004**, the European Commission outlined to the Council and the European Parliament a proposal on how the EU can work more closely with the PA through an Action Plan and new financial instruments (e.g. the ENPI).255

On **15 January 2005**, Abbas won the Palestinian presidential elections for a four-year term in office. While Hamas boycotted these elections, some Hamas officials still congratulated Abbas on his win, saying, “we respect the Palestinian people’s choice”.256 Hamas also started participating, and did relatively well, in the local/municipal elections that took place (for the first time in the PT) between January and May 2005.257

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252 EUROPA, History of the European Union.
254 CNN, “Palestinian Leader Arafat Dies at 75”.
Box 4. cont’d

Five days after the victory of Abbas, US President George W. Bush started his second term in office on 20 January 2005.

The Central Elections Commission was established by a presidential decree of the PA issued on 1 April 2005.258

On 4 May 2005, the ENP Action Plan between the EU and the PA was adopted.259 The Action Plan sets ambitious objectives based on commitments to shared values and effective implementation of political, economic, social and institutional reforms into two spheres: a) structural (constitutional, legislative, public administration, services, judicial and civil); and b) economic (budgetary and fiscal transparency).260

James Wolfensohn was appointed the first special envoy for the Quartet on the Middle East for the disengagement from the Gaza Strip on 31 May 2005.261 Earlier that month, Alvaro de Soto was appointed the UN’s Middle East special coordinator/envoy.262

On 7 July 2005, an Islamist website claimed that al-Qaeda was responsible for the London bomb attacks that had taken place earlier that day.263

Under the leadership of Prime Minister Sharon, the Israeli military disengaged unilaterally from the Gaza Strip during 16-30 August 2005. This move was endorsed by both President George W. Bush and Javier Solana, the EU’s high representative for CFSP, although it faced criticism from Israelis and Jewish settlers in the PT, and from the Palestinian and international side (because it was a unilateral decision not coordinated with the PA). “Israeli officials have agreed in principle to allow foreign inspectors to replace them at the Rafah crossing once improvements there are made, but said a final deal will depend on the Palestinians’ ability to stop attacks on Israel.”264

After succeeding in municipal elections and with Israel’s withdrawal, Hamas started showing interest in participating in the upcoming PLC January 2006 elections. In an address to the UNGA in New York on 15 September 2005, Sharon warned that “Hamas is a terrorist organisation and should not be allowed to participate, and Israel would not cooperate with it”. President George W. Bush was leaning towards Sharon’s views, but upon assurances from Abbas of Fatah’s victory, the Quartet issued a statement on 20 September 2005, leaving the question of participation to the Palestinians and calling on all to cooperate with what the Palestinians decide.265

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264 Wilson, “Israel Lowers Its Flag in Gaza as Last Troops Withdraw”.

Box 4. cont’d

In response to terrorist attacks a fourth chapter on migration was proposed by the European Commission on 12 October 2005, in time for discussion on the tenth anniversary of the EMP. This plan outlined a strategy on the external dimension of the area of freedom, security and justice.\textsuperscript{266} The work programme set for the following five years envisaged progress towards creating an important basis for external cooperation to tackle the region’s challenges, with illegal migration, integration and terrorism being the central issues.\textsuperscript{267}

On 15 November 2005, Israel and the Palestinian Authority concluded an Agreement on Movement and Access (AMA), including agreed principles for the Rafah crossing (Gaza).\textsuperscript{268}

The Five-Year Work Programme of the EMP, marking the tenth anniversary of the Barcelona summit, was put forward on 28 November 2005.

Five days later, the Council of the European Union welcomed the AMA and agreed that the EU should undertake the third-party role proposed in the Agreement. Hence it decided to launch the EU Border Assistance Mission at the Rafah crossing point (EUBAM Rafah) to monitor the operations of this border. The operational phase began on 30 November 2005. But the Rafah crossing point was last opened with the presence of EUBAM Rafah on 9 June 2007, as Hamas took control of the Gaza Strip. Since then, the mission has remained on standby (in Ashkelon, a nearby Israeli city bordering the Gaza Strip) ready to re-engage in 24 hours and awaiting a political solution.\textsuperscript{269} The mission includes approximately 70 personnel, mainly seconded from EU member states, supported by an EC budget of about €10 million.\textsuperscript{270}

The Council also established an EU Police Mission in the PT (EUPOL COPPS) under the European security and defence policy on 14 November 2005. The operational phase began on 1 January 2006.\textsuperscript{271} The mission is based in Ramallah and includes around 70 experts (of which 15 are local staff, about 20 are officers and the rest are civilians), with an EC budget of around €20 million. The mission has been operating only in the West Bank since Hamas took over control of the Gaza Strip in June 2007.\textsuperscript{272}


\textsuperscript{269} Ibid.


\textsuperscript{272} Interview with Victoria Sjolander, EUPOL COPPS Political Adviser, on 10 September 2009, in Jerusalem. She indicated that in the Gaza Strip, Hamas has established separate internal intelligence, police, coastal patrol and border guards.
Disappointment overshadowed the tenth anniversary of the Barcelona Declaration, which was held on 27-28 November 2005 in Barcelona.\textsuperscript{273} It had become clear to all the partners involved that the Barcelona process had failed in accomplishing its goals, including putting an end to the Israeli–Palestinian conflict, creating a Euro-Mediterranean free-trade zone, opening up ‘fortress’ Europe to Mediterranean products, and achieving tangible progress in social as well as economic aspects of development in the region.

A Jerusalem hospital announced on 4 January 2006 that Prime Minister Sharon had suffered a stroke. Ehud Olmert became acting prime minister of Israel – as the new leader of the Kadima party, which Sharon had founded on 21 November 2005 and led very shortly after leaving the Likud party. Sharon underwent several operations and has remained in a long-term care centre in a comatose state since 6 November 2006.\textsuperscript{274}

On 25 January 2006, Hamas participated (as the ‘Change and Reform’ party) for the first time in Palestinian parliamentary elections and won a clear majority (74 seats to 45 of the ruling Fatah party), which stunned everyone, including the US, the EU, Fatah and Hamas themselves.\textsuperscript{275}

Hamas’s electoral victory undoubtedly changed the landscape for all the actors involved. As the second critical juncture in the EU–PT relations it deserves a closer examination. Hence, an overview of the transformation of the political situation is given in Box 5, as the background to EU policies in the region from this time forward.

Box 5. Overview of EU–PT relations under the ENP after the Hamas electoral victory (2006 mid-2008)

On 26 January 2006, the day after the elections, the EU Election Observation Mission (EOM) stressed that the elections were as democratic, free and fair as possible under occupation.\textsuperscript{276} That same day a statement was issued, outlining for the first time the Quartet’s three conditions for engaging with Hamas: renounce violence and disarm, recognise Israel’s right to exist and respect previous agreements between Israel and the PA.\textsuperscript{277} The Bush administration immediately declared that “there would be no recognition, no dialogue and no financial aid for a Hamas-led PA until Hamas complied” with those three conditions, while the EU followed suit, calling for total cut-off of foreign aid to Palestinian institutions.\textsuperscript{278}

\textsuperscript{273} EUROMED, 10th Anniversary of the Barcelona Process: President’s Euromed Visits Euromed – Tenth Anniversary Summit.

\textsuperscript{274} Uri, Ariel Sharon: An Intimate Portrait: 281.


\textsuperscript{277} de Soto, “End of Mission Report”: 17.

\textsuperscript{278} Tamimi, Hamas: Unwritten Chapters: 225.
The US, the EU, Canada and other countries acted on their earlier threats after the Hamas victory and froze financial assistance to the PA once Hamas formed its government (without Fatah members) on 29 March 2006. Israel also suspended the transfer of $55 million in monthly VAT to the Hamas-led government — revenues that are collected on behalf of the PA, constituting a third of its economic income.²⁷⁹

Sharon’s illness and absence posed a serious challenge for his newly created party. But on 28 March 2006, the Kadima party won a stunning majority in the Knesset elections and on 6 April 2006, Ehud Olmert became the new prime minister of Israel.²⁸⁰

After a year of service, James Wolfensohn, the special envoy to the Quartet on the Middle East, resigned on 30 April 2006 over lack of progress (and probably over the Quartet’s boycott of the newly elected Hamas government).²⁸¹

On 6-7 May 2006, hundreds of Palestinians demonstrated in Gaza and the West Bank, demanding payment of their wages. Tension between Hamas and Fatah increased with the “economic squeeze” on the PA.²⁸²

By early June of 2006, the 16-month truce between Hamas and Israel was over.²⁸³ Soon after, on 25 June 2006, Israeli soldier Gilad Shalit was kidnapped by Hamas forces and taken to Gaza where he remains, while negotiations on prisoner release and exchange continue with Israel.²⁸⁴

On 28 June 2006, the IDF carried out rescue operations to free Shalit, but did not succeed in its mission and instead destroyed Gaza’s power plant and major bridges.²⁸⁵

From 12 July to 14 August 2006, the Israel–Hizbullah war took place in Lebanon. Despite the massive destruction Lebanon endured during the battle, the results were seen widely “as disastrous for the Israeli army”.²⁸⁶ The war, according to the Israeli government, was a response to a series of kidnappings and killings carried out by Hizbullah forces on Israeli soldiers at the borders. Whether that is true or other motives existed, such as flexing Israeli military muscle in front of Hamas and Hizbullah and their primary supporter, Iran, remain unproven speculations.

²⁸¹ BBC News, “Blair Appointed Middle East Envoy”.
²⁸³ Hamas declared a unilateral ceasefire with Israel in February 2005, as the latter had expressed its intention of carrying out unilateral military disengagement from the Gaza Strip if Hamas would commit itself to a ceasefire.
Box 5. cont’d

What is certain is that at the start of the war, the EU’s high representative for CFSP called on Israel “not to enter into a logic of war, even as a response to actions that are provocations”.²⁸⁷

On 10 October 2006 a first Eurobarometer special report on the ENP showed that Europeans believe encouraging and supporting reforms in neighbouring countries will bring benefits for the EU’s neighbours in terms of economic and social development as well as good governance. EU citizens tend to have a positive perception of relations with neighbouring countries (68%) and to believe that cooperation with these countries will bring mutual benefits. The vast majority consider that EU assistance to neighbouring countries can help to extend peace (70%) and democracy (77%) beyond the borders of the Union. There are, however, some (45%) who have concerns that their own country’s peace and stability could be endangered by promoting reforms in neighbouring countries.²⁸⁸

On 4 December 2006, the European Commission proposed to strengthen the ENP. The document offered some examples of where the ENP already brings visible changes and improvements, taken from concrete actions and programmes conducted in a variety of areas.²⁸⁹

The EU went through the second phase of its fifth enlargement, adding two new members: Romania and Bulgaria on 1 January 2007, bringing the total number of EU member states to 27.²⁹⁰

On 9 February 2007, an Agreement between Fatah and Hamas was brokered in Mecca, which was expected to end weeks of factional fighting in the West Bank and Gaza Strip. The Palestinians had hoped the Mecca understandings would bring a halt to a year-long international embargo against the Hamas government, by forming a national unity government with ministers from all parties represented in parliament. Israel and the US reacted with caution to this agreement, because of the rejection by Hamas of pressure from donor countries to recognise Israel, and “under this new deal that position has not been forced to change”.²⁹¹

Ismail Haniyeh, the disputed Palestinian prime minister (from Hamas in Gaza), resigned on 15 February 2007 as part of the process to allow for a national unity government between Hamas and Fatah. He was again sworn in on 18 March 2007, as head of the new cabinet, while Salam Fayyad was appointed the finance minister. The Quartet reiterated its three previous conditions for engagement with Hamas. Both the EU and the US refused to resume aid to the PA government, because Hamas did not declare its acceptance of these conditions.²⁹²

²⁹⁰ EUROPA, History of the European Union.
Box 5. cont’d

The 2002 Arab Peace Initiative was not picked up for serious discussion as it was signed by only a handful of Arab countries. This led the secretary-general of the Arab League, Amr Moussa, to declare in 2006 that “the peace process is dead”. Nevertheless, in an effort to revive it, on 28-29 March 2007, a summit was held in Riyadh, where 21 Arab League states (excluding Libya, which boycotted the meeting) unanimously re-endorsed the Arab Peace Initiative. Its wide support this time makes it highly legitimate.293 Among those who attended the summit were UN Secretary-General Ban Ki-Moon (incumbent since January 2007) and Javier Solana. PA President Abbas voted in favour of the initiative, even though Palestinian Prime Minister Ismail Haniyeh abstained in the vote.294 The EU praised the Arab initiative.295 US President Barack Obama said, in an interview to Al-Arabiya news station in 2009, that he appreciated the Saudi peace plan.296 The Israeli government has noted “positive aspects” in the plan but has not formally accepted it.297

The UN envoy to the Middle East, Alvaro de Soto, resigned from his position on 7 May 2007. Before walking out, he wrote a 53-page End of Mission Statement, dated 5 May, “meant only for senior UN officials”, with “wording far more critical than the public pronouncements of UN diplomats.” It was leaked to the Guardian and published on 13 June, and de Soto confirmed the authenticity of the text. In the report, he criticised both the Palestinian organisations (Hamas and Fatah) and the Israeli government for the ongoing conflict. He also condemned the US, the EU and Israel for the imposed sanctions on Hamas. Moreover, he charged that the UN Secretary-General Ban Ki-Moon and his predecessor Kofi Annan provided political cover for US and European efforts to quarantine Hamas. Finally, he said that Ban Ki-Moon had undermined the UN’s “efforts to lead Hamas and the government toward a solution” by not visiting Gaza during his first visit to the region.298

The national unity government calmed the situation a bit, although clan feuds continued in Gaza where law and order were yet to be fully restored and the firing of rockets into Israel was yet to be halted. Separately, Hamas deployed a 3,000-strong shadow security force including its supporters to tackle lawlessness in Gaza. The move exacerbated tensions with pro-Fatah security agencies in Gaza, sparking a major spat, which resulted in Hamas expelling Fatah security forces from the Gaza Strip.299 At the peak of inter-factional fighting, Hamas took control of Gaza on 15 June 2007, ending the national unity government. President Abbas dismissed Prime Minister Haniyeh by a presidential decree (the legality of which Hamas disputes) and appointed a ‘caretaker’ government led by Salam Fayyad, which committed to the Quartet principles. Hamas now controls Gaza, while the Fatah-dominated PA has control of the West Bank. The PLC has not met since then. With the formation of the new government, the EU and the US announced their intention to renew direct assistance to the PA (in the West Bank).300

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295 Ibid.
296 Al Jazeera, “The Arab Peace Initiative”.
298 de Soto, “End of Mission Report”.
More than a year after the position was vacated, Tony Blair became the special envoy of the Quartet to the Middle East on 27 June 2007, following his resignation as the prime minister of the UK.301

On 30 August 2007, a second Eurobarometer report on the EU’s relations with its neighbours confirmed that a large majority of the European public approves of the efforts to intensify cooperation with countries bordering the EU. An overwhelming majority felt it is important to work with neighbours in the fight against organised crime and terrorism, as well as in the fields of environment and energy, economic development, immigration, democracy, and education and training. Most Europeans also believe that assistance from the EU to its neighbours can contribute to the spread of peace and democracy beyond the borders of the Union, while nearly half believe that neighbouring countries also want to cooperate with the EU to carry out domestic reforms.302

Under the Portuguese presidency, the first Euro-Mediterranean ministerial meeting on migration was held in Albufeira (Algarve) on 19 November 2007. During this meeting, political and operational conclusions of this fourth EMP dimension were approved.303

Senior officials from the US, the EU and other countries gathered on 27 November 2007 for the Annapolis Conference in a bid to revive peace negotiations as a means to establish “an independent, democratic, and viable Palestinian state living side by side in peace and security with Israel and its other neighbours”.304 The Conference offered some promises to re-launch the process and for reconsideration of the Arab Peace Initiative. When negotiations began a month later, however, Hamas said it would reject the outcomes of negotiations, whatever they may be.305 Still, by the time Israeli elections took place, no agreement had been reached and election results brought in a right-wing coalition government. Immediately upon assuming his post, Avigdor Lieberman, Israel’s new ultra-nationalist foreign minister, said Israel was not bound by the agreement at Annapolis – in his view it had “no validity” as it had not been ratified by the Israeli government (which was the case with the predecessor roadmap that also calls for negotiations and a two-state solution). Since then, the process has been “at square one.”306

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301 BBC News, “Blair Appointed Middle East Envoy”.
Box 5. cont’d

On 5 December 2007, the European Commission published a Communication highlighting the objectives of strengthening the ENP and identifying areas where additional efforts are required on the part of the EU to extend the ENP further in 2008 and beyond.307 The Lisbon Treaty was signed on 13 December 2007 but it still needed to be ratified by all 27 member states before coming to force, and Ireland (according to its laws) had to hold a referendum on amending the Treaty.308

On 19 June 2008, Israel and Hamas reached an unwritten, open-ended ceasefire agreement, brokered by Egypt, designed to halt Israeli incursions into the Gaza Strip and stop missiles being fired from the Strip into southern Israel.309

Next, three of the parameters of the ENP’s political dimension (i.e. security and stability, democracy and good governance, and rule of law and human rights) are examined. A few examples for each parameter are given to show the shift in EU policy that occurred around the second critical juncture during the ENP, namely Hamas’s electoral victory in 2006.

a. Security and stability

In the aftermath of the second intifada, Palestinian society witnessed a state of abominable insecurity demonstrated by increased homicide and abduction incidents along with a spread of arms and theft. So, in the period 2001-03 some small steps were introduced by the EU to help the Palestinian security forces reinstate security in the PT. But these measures were not enough, as the PT was in dire need of grand-scale security sector reforms to gain the public’s trust in the security system and apparatus.310 Following Arafat’s death, the Palestinian leadership under Abbas was eager to break with the late president’s legacy of monopolising security. Working fast to reform and supported by the EU, the PA concentrated its efforts on four areas: structural reorganisation; establishing a legal framework for the security sector; civil police reform; and disarmament, demobilisation and reintegration of the Al-Aqsa Martyrs Brigade operatives within the official PA security forces.311

Once the ENP and the Action Plans with the PT were in place, the EU set forth to undertake the ‘third party’ security role proposed by the PA and Israel. It agreed to launch the EUBAM Rafah to monitor the operations of the border crossing point, which began working on 30 November 2005. The mission includes approximately 70 personnel, mainly seconded from EU member states, supported by an EC budget of about €10 million.312

310 Friedrich and Luethold, Entry-Points to Palestinian Security Sector Reform: 167.
312 Europa, European Union @ United Nations, EU Border Assistance Mission for Rafah Crossing Point (EU BAM Rafah).
Shortly after EUBAM Rafah was in place, the European Council established the **EUPOL COPPS**, which began operating on **1 January 2006**. The mission is based in Ramallah and currently includes approximately 70 experts (of which 15 are local staff, 20 are officers and the remainder are civilians), with an EC budget of approximately €20 million. It is important to note that this is a ‘civil police’ reform mission, so it supports efforts such as police training, equipping, institution building, establishing legal frameworks and developing security infrastructure. It also supports work on police-related criminal justice matters – prosecution and criminal investigation. Although EUPOL COPPS has relations with the Palestinian attorney-general’s office and works with civil prison services and detention centres, it does not train judges or the Palestinian military, nor is it involved with military prisons.

When Hamas won the PLC elections, Rafah’s crossing point remained open under EUBAM observation. Six months later, however, after Hamas militants infiltrated Israel from the Gaza Strip, killed two Israeli soldiers and kidnapped a third (Gilad Shalit), in June 2006 Israel responded by closing its borders with Gaza and the Rafah crossing was tightened by Abbas’s presidential guards on the Palestinian side and the Egyptian border guards on the Egyptian side. A year later, Hamas took over the Gaza Strip and the Rafah crossing point was last opened with the presence of EUBAM Rafah on 9 June 2007. From that time both Hamas and Egypt have remained in control of the crossing on their respective sides, while the EU mission has remained on standby (in Ashkelon, a nearby Israeli city bordering the Gaza Strip).

Likewise, since Hamas took control of the Gaza Strip EUPOL COPPS has reduced its engagement but continues to operate mainly in the West Bank. The problem this division creates is that while half of the Palestinian police force is being developed in the West Bank, the other half is not being developed in the same way in Gaza. So when, or if, there is reconciliation between the two competing factions, Hamas and Fatah, there will be two civil police groups that do not have the same ideas about or expertise in security. The longer the reconciliation takes, the more difficult it will be to merge these forces together.

More problematic, and in an ironic twist, is that since Hamas won the PLC elections, “the Office of the President and Western Governments tried to restore the centralised structure of the security sector that had existed under Arafat”. For instance, “President Abbas separated the National Security Forces from the Ministry of the Interior and National Security and nominated a Chief of Staff who reported directly to him”. Furthermore, in April 2006, he expanded the presidential guards, provided them with “rapid-intervention capabilities” and put them under his direct control.

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313 Council of the European Union, *EUPOL COPPS*.
314 Interview with Victoria Sjolander, EUPOL COPPS Political Adviser, on 10 September 2009, in Jerusalem.
316 Council of the European Union, *EU BAM Rafah*.
317 Interview with Victoria Sjolander, EUPOL COPPS Political Adviser, on 10 September 2009, in Jerusalem. She indicated that in the Gaza Strip, Hamas has established separate internal intelligence, police, coastal patrol and border guards.
318 Friedrich and Luethold, *Entry-Points to Palestinian Security Sector Reform*: 22.
b. Democracy and good governance

2004-06

The last comprehensive local elections in the West Bank and Gaza were held in 1976 and organised by Israeli authorities. Afterwards, local posts were largely filled by appointment with little influence from residents on municipal government. Although the PA created a new dynamic for democracy, it did not capitalise on local elections because the Palestinian leadership feared it would have to share power with Hamas in municipal councils. But in the wake of the second intifada, the international community pushed for substantial reforms, hoping that democracy would bring stability to the PT. The EU, US and Israel were expecting that by replacing President Arafat with a strengthened Abbas as prime minister, he would be able to implement these reforms. Yet, the resignation of Abbas in 2003 left Arafat again with exclusive powers. Still, with mounting external and internal pressures for reforms “he was obliged to give in to the demands of the political parties and associated movements”. That is why the PA decided, shortly after the PLC introduced some amendments to the local Election Law (of 1996) in 2004, to organise the first phase of municipal elections.

The most important amendment established a minimum quota for the representation of women on municipal councils. “This stipulated the election of at least two women per council, whatever the size of the considered conscription.” Notwithstanding these amendments and new election laws, some important issues were not addressed concerning local elections. For instance, not all of the registered voters were eligible to vote in local elections, including 1) those in Jerusalem, “as the Israeli authorities consider the territory of Jerusalem annexed rather than occupied” and, therefore, as falling under its jurisdictions; 2) refugee camps, even those in the PT, as they are administered by UNRWA, and have their own governing mechanisms, while awaiting final status negotiations; and 3) Palestinian prisoners detained in Israeli prisons “as the Palestinian electoral system does not include provisions for absentee voting at the moment”.

Despite Arafat’s death in November 2004, a month before local elections were scheduled to take place, the plan was scrupulously adhered to. Major Palestinian cities, like Nablus, Ramallah, Hebron, Gaza, Jenin and Rafah were set to elect mayors and city councils over several election rounds starting in December 2004. Having done well in Gaza as social activists and welfare providers to those neglected by the PA, Hamas had earned a reputation of honesty and efficiency that Fatah had lacked for some time, despite their resistance by any means possible and support for terror tactics. Hamas officials were encouraged by their members to participate in the local elections and thus decided to run for municipal councils for the first time in the organisation’s history.

321 Ibid.
323 Kuttab, Palestine Is Adamant: Hamas Will Take Part in Municipal and General Elections.
Contrary to the Local Councils Elections Law, elections were held over consecutive rounds on different days – with a turnout of approximately 80%. The first two rounds of local elections were held according to the cancelled Local Councils Elections Law No. 5 of 1996 and its amendments according to the majority (districts) system. Subsequent rounds were to be held according to “the new Local Councils Elections Law No. 10 of 2005”, which adopted the (lists) system of proportional representation – respecting the amended gender quota of 2004. The first round started on 23 December 2004 in the West Bank and Gaza Strip. Hamas won (with 31% to 30% for Fatah) and secured seats in both territories, marking “the first penetration of the Islamic movement” into the Palestinian political institutions. Despite low voter turnout (roughly 50%), reflecting both Palestinian pessimism about the candidates and rushed elections to replace the late president, Abbas won the presidential elections held on 15 January 2005 (for a term of four years); Hamas decided to boycott the elections. One of the first decrees the new president issued in March 2005 established a denominational quota for some localities “which were historically, or in the majority, Christian. For the [elections] of May 2005, this involved Bethlehem (where 8 out of 15 councillors had to be Christian), Beit Jala and Beit Sahour (7 councillors out of 13).” Another presidential decree re-established a Palestinian CEC on 1 April 2005 with missions supervising and monitoring each step of the electoral process. On 5 May, the second round of local elections began in both the West Bank and Gaza Strip, but this time Fatah won (with 39% vs. 32% for Hamas).

Around that time Hamas announced its unprecedented decision to participate in the upcoming PLC elections of 2006. Fatah, which was plagued by internal disputes and division, and realising it would do better in election polls through the proportional representation (lists) system than a majority (districts) system, decided to introduce amendments to election laws to that effect. In June 2005, the PLC passed a new electoral law (amending the 1995 Election Law), increasing the number of members from 88 to 132, and stipulating a mixed electoral system in which half are elected by proportional representation (utilising the Sainte–Laguë method for seat allocation) and half by traditional districts. The new Elections Law maintained the denominational and gender quotas. The PLC also amended the Basic Law on 27 July 2005 to make it compatible with the new election law.

The third round of local elections took place solely in the West Bank, on 29 September 2005, shortly after the new law went into effect. According a report by the National Democratic

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330 In this method, the share of votes equals the share of seats allocated to the proportional representation system from the total numbers of PLC seats. For example, 40% of votes equates to 40% of the 66 seats allocated to proportional representation (out of a total 132 PLC seats).
331 Translated from Arabic by the author. See Palestinian Legislative Council, *About Council: PLC History.*
Institute (NDI), this led to complications and some misconduct (which were not related to the occupation or restrictions); still, the results were in favour of Fatah (with 45% vs. 31% for Hamas). The fourth and most important round was also held solely in the West Bank on 15 December 2005, “just a month before the second legislative elections when Hamas officially announced its participation”. In this phase, which was held in four main towns in the West Bank, such as Ramallah (centre of the PA), Hamas won (with 44% vs. 35% for Fatah). “It could be said that this stage was in some way a first snapshot of the Palestinian political landscape, since a month later the Palestinian people elected a strong Hamas majority to the legislative council.”

The local elections were not yet completed. The fifth round was expected to be held in major PT towns such as Hebron and Gaza in August 2006, but never took place because of the rising tensions between Hamas and Fatah after Hamas’s electoral victory, and the sense of futility in holding elections when all parties knew the results would not be honoured. At that point, Abbas had been encouraging Hamas to participate in the legislative elections, and the international community did not object to their participation. On the contrary, a statement was issued by the Quartet in September 2005 saying that this was an internal issue for the Palestinians to sort out for themselves. No mention was made at that time of conditionality on engaging with Hamas, because they were not expected to win – as Abbas kept assuring the international community – despite Fatah’s slide in the local elections polls. (See Table 3.)

Both the municipal and presidential elections in 2004-05 were monitored by international and local election observers. Over 1,000 monitors participated in these missions to observe and report their findings without interfering in the procedures, while the Palestinian CEC supervised the logistics surrounding the elections. For the presidential elections the EU sent more than 180 observers and managed a team of 16 short-term Canadian observers. In the report from its EOM, the EU found the elections to be as fair and democratic as possible under the political situation. Observers noted the difficulty facing the electorate, particularly in East Jerusalem, in view of the occupation and restrictions, but they also blamed some of the shortcomings on non-compliance with the law on the Palestinian side. As far as the municipal elections are concerned, there has been a lack of EU monitoring and reporting. Indeed, the “NDI was the only international organisation consistently monitoring and reporting on all of the stages of local elections”.

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334 de Soto, “End of Mission Report”.


336 International Foundation for Electoral System (IFES) – West Bank & Gaza Program, *Q&A: Palestinian Local Elections 2009*?
Table 3. Elections in the PT over the past 15 years

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<td><strong>Presidential</strong> (% of votes)</td>
<td>X*</td>
<td>Expected Second intifada Not Possible</td>
<td>X Hamas boycotted Voter turnout 71.7%</td>
<td>Expected Postponed for a year</td>
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<td>Arafat (Fatah) won (88.2%)</td>
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<td><strong>PLC</strong></td>
<td>X</td>
<td>Expected Second intifada Not Possible</td>
<td>X Hamas joined Mixed system** Gender quota added Voter turnout 77%</td>
<td>Hamas won (Hamas: 44.5%, Fatah: 41.4%)</td>
<td>Changed to proportional representation</td>
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<td>Fatah won (55 of 88 seats)</td>
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<td><strong>Local</strong> (≈80% voter turnout)</td>
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<td>Expected 5th round in West Bank &amp; Gaza Strip</td>
<td>Hamas won (Hamas: 31%, Fatah: 30%)</td>
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<td>Fatah won (Fatah: 39%, Hamas: 32%)</td>
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<td>Changed to proportional representation &amp; gender quota applied</td>
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<td>Hamas won (Hamas: 45%, Fatah: 35%)</td>
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* The X stands for the times an election actually took place.
** Mixed system: half of the seats determined by electoral district and half by the proportional representation system.
b) Ibid; also see Balawi, Palestinian Municipal Elections: A Gradual Change.
Without any preset restrictions on its participation, Hamas took part in the PLC elections on 26 January 2006. Policy analysts predicted a “hung parliament with the two sides forced into a coalition”. But given the long dissatisfaction with Fatah’s “corruption and inefficiency”, and its “lack of progress in achieving the Palestinians’ national goals of independence and a just settlement with Israel”, Hamas surprised everyone by winning with a big majority. With a voter turnout of 77% (out of 1.3 million registered voters) Hamas received 44.5% of the 66 seats distributed by proportional representation (Fatah: 41.4%) and 45 of the 66 district seats (Fatah: 17 seats). In total, Hamas won 74 of the 132 PLC seats compared with 45 seats won by Fatah. The Palestinian CEC records show that more than 25 countries and over 1,000 observers monitored the elections. With a team of nearly 250 international monitors, the EU’s EOM was the largest in the field, costing approximately €3 million. Elections took place in the entire PT (including East Jerusalem), and the reports by the EU and other international observers deemed them largely fair and free to the extent possible under conditions of continued occupation. Although the size of their win was shocking – even to Hamas – many Palestinians voted for Hamas “because of its perceived discipline and integrity, and its strong anti-Israeli ideology”, but at that early stage it was “still too early to say how these characteristics would have manifest themselves in a Hamas-led Palestinian government”. Once Hamas was elected and the international observers concluded that the elections were fair and free, the international community wasted no time in presenting its reactive conditions and threats to boycott the new, democratically elected government. Hamas was only given two options: the Quartet way or the highway. It opted for the second choice and almost all funding taps were turned off. In doing so, the international community’s credibility as democracy promoters was at stake, and “the EU in particular has effectively out-maneouvréd itself from having effective influence” on the conflict. “This is because its influence principally derives from its disbursal of financial assistance contingent upon the recipient’s compliance with specified conditions and rules”, as Nathalie Tocci explains. At a recent workshop, Véronique De Keyser, member of the European Parliament and chief observer of the EU’s EOM, stressed that the EU’s position on Hamas is unacceptable. She argues that Europeans have paid the cost of the democratisation process in the PT and for monitoring the elections, yet in the end, the EU does not accept the results they produced. The EU owes it to its citizens and the Middle East to accept the results of elections

337 BBC News, “Q&A: Hamas Election Victory “.
338 Shikaki, “The Palestinian Elections: Sweeping Victory Uncertain Mandate”.
339 There are discrepancies in the numbers concerning observation missions among sources, but the consensus is that the EU EOMs in the PT have been, so far, the biggest and the most costly. See BBC News, “Hundreds to Watch Palestinian Vote”, 23 January 2006. Available from http://news.bbc.co.uk/2/hi/middle_east/4638962.stm.
341 BBC News, “Q&A: Hamas Election Victory “.
they helped support, once they have been deemed democratic.\footnote{Europa, European Union Election Observation Mission, “West Bank and Gaza Strip: Palestinian Legislative Council Elections” (25 January 2006). Available from http://ec.europa.eu/external_relations/human_rights/election_observation/westbank/legislative/final_report_en.pdf.} By rejecting the results of these elections, the EU has “sent a dubious signal, both to authoritarian Arab regimes and to the Arab street”,\footnote{Asseburg, “European Conflict Management in the Middle East: Toward a More Effective Approach”: 38.} and proved to be a “fair-weather friend to democracy in the region, unwilling to support democratic processes if elections resulted in victory for Islamic parties”\footnote{Keukeleire and MacNaughtan, The Foreign Policy of the European Union: 276.}.

After the results were declared, Hamas tried to assure the international community of its good intentions and its aims of establishing a ‘moderate’ Islamic, democratic government. According to Ghazi Ahmad Hamad, Hamas spokesman for 2006-07, “Hamas never promoted revolutionary ideals, and it never advocated or endorsed the overthrow of national governments, either in the region or in the West”.\footnote{Ghazi Ahmad Hamad, “The Challenge for Hamas: Establishing Transparency and Accountability”, in Entry-Points to Palestinian Security Sector Reform, ed. Ronald Friedrich and Arnold Luethold (Geneva Centre for the Democratic Control of Armed Forces (DECAF), 2007): 130.} Likewise, Jamal Saleh, a Hamas legislator from Gaza, explained that “[w]e would have respected [the conditions] if the Quartet had asked us both [Hamas and Israel] to comply with these demands (renouncing violence and respecting previous agreements) – but they are demanding [the conditions] from us, the weaker party, only.”\footnote{Hovdenak, “Hamas in Transition: The Failure of Sanctions”: 71.}

When asked about his views on democracy during interviews conducted on 15 September 2009 with Hamas officials in the West Bank city of Ramallah, Aziz Dweik (speaker of the PLC and incumbent president of the PA for 2009),\footnote{This was his official title in 2009, as Abbas was not the de jure PA president after his four-year term had ended and the PLC did not renew it; if no other president is elected, the speaker of the PLC (in this case Dweik), by Palestinian law, should have been the PA incumbent president, but de facto this was only accepted in Gaza. Aziz Dweik agreed to be quoted as part of this research.} gave this reply:

> I personally admire democracy and the efficiency of democracy, e.g. in the US. Democracy is a peaceful tool to change one corrupt government with another efficient one, in a way that pleases and satisfies people as they feel they have their own say in their political life. Democracy provides tools (the role of the majority and the minority) to deal with different ethnic groups, human rights and changes of politics. It gives a real impetus for transparency and management of public money. But what we will not accept is some type of democracy that is not accepted by democratic people, one that you can call ‘restricted or designed democracy’, with strategic goals set beforehand.

Mahmoud Ramahi, secretary-general of the PLC (Change and Reform party), had this view:

> Without external interference the Palestinian people are democratic; since the 1980s we have been involved and respected the results of syndicates and university elections. But democracy is only a democracy if we accept the democratic game; we have to respect the right of all, so we have to give the minority their rights too. We said right from the start we will not impose Islam by force, and that the social shape of the cities will not change. We will not impose the veil or stop alcohol in a restaurant which still serves it in Gaza. But also the minority has to respect the options of the majority. We won this time the election agenda; if the minority of today wins it we will have to respect their preferences. The name of the game is ‘reciprocal respect’.\footnote{Mahmoud Ramahi agreed to be quoted as part of this research.}
Despite these efforts to gain the international community’s approval, the EU (among other actors) did not want to take a chance on Hamas, either because of lack of trust in its intentions or fears of a domino effect of other Islamist parties coming to power in the region right on Europe’s borders.

As a consequence to the West’s rejection of Hamas and persistent occupation, Palestinian elections at all three levels (presidential, legislative and local) – which are expected to be held every four years – have been put off. The fifth round of local elections that were to take place in August 2006, in major cities of the West Bank and Gaza Strip (e.g. Hebron and Gaza), were cancelled. The two factions had difficulty in establishing a unity government when Fatah was emulating the West’s position on Hamas. The Israeli occupation, intimidations, travel restrictions and imprisonment – of a third of Palestinian MPs (mostly from Hamas) – also posed logistical difficulties for the proper functioning of the PLC.\(^{351}\) On the rare occasion when there was a majority of MPs available to meet, the PLC members in Ramallah and in Gaza City led joint sessions through video conferencing – provided the technicians showed up.\(^{352}\) (See Table 3 above.)

As the EU’s embargo continued, the humanitarian situation in the PT worsened and the PA was on the brink of total collapse. The national unity government, which was established between Fatah and Hamas and other Palestinian factions in early 2007, could not survive under such conditions for more than six months. As the rifts deepened and violent clashes erupted between members of the two major factions, the unity government crumbled by mid-2007.\(^{353}\) Internationally isolated and bitter, Hamas fighters took control in the Gaza Strip, pushing Fatah loyalists out. Consequently, President Abbas dissolved the Hamas-led coalition and with a presidential decree appointed Salam Fayyad (Third-Way Party) the PA finance minister as well as prime minister of a PA emergency government functioning solely in the West Bank. In this move, Fayyad replaced Prime Minister Ismail Haniyeh (Hamas), who refuted the decree as illegal without the approval of two-third’s of the PLC; Haniyeh continues to exercise his prime ministerial authority in Gaza with a majority of the PLC confidence.\(^{354}\) At this point, the EU and the international community resumed interactions with, and funding of, this ‘emergency’ PA. EU funds have since been channelled through the Temporary International Mechanism (TIM) (2007-08) and the subsequent PEGASE (starting in 2008). The EIDHR-II (2007-13) is also a financial instrument that has been used to support various democratisation micro-projects in the West Bank. One example is a project called “Open and Accountable Government”, which funds the activities of the Palestinian CEC and the Palestinian Central Bureau of Statistics (PCBS).\(^{355}\) These are discussed further in the economic dimension section.


\(^{355}\) Palestinian National Authority, “Interim Briefing on International Assistance to the Occupied Palestinian Territory: Prepared for Meeting of the Local Development Forum in Ramallah” (18 December 2008).
Because of the boycott of Hamas by the Quartet (including the EU) and its backpedalling on accepting the election results, the Palestinians’ hopes for reconciliation and the salvaging of their fragile democratic process seem to be vanishing.

Of course Israel carries a big share in that, by destroying the democratic system here. But we cannot say that it is Israel only – it’s also the Palestinian division, internally, especially the behaviour of Fatah and Hamas. The behaviour has violated the rule of law, democratic principles, and it is quite factional. That’s why what we see here is an effort from the Legislative Council, with the participation of members from all parties, to prevent a deterioration to the level that Palestine, again, becomes an autocracy, instead of sustaining or keeping what we have achieved of a democratic system, in anticipation that, hopefully, sometime soon we will be able to go to elections again. We don’t want the system to be destroyed in the process of division.356

So far, elections at all levels have either been cancelled or indefinitely postponed. In January 2009, presidential elections were due but were put off for a year to be held at the same time as the legislative elections. Surprisingly, the Fatwa & Legislation Office357 “issued a statement in which it declared that the presidential term shall be extended to co-occur with the end of the second legislative council term”.358 This demonstrates a space for Islamists in democracy by shura (consultation among Muslims), for which Hamas often argues, but here it was used to serve Abbas (and his secular Fatah).359 Similarly, municipal elections that were due to take place in 2006 were cancelled; re-elections of incumbent local officials have been due since 2009, but have also been suspended or ignored. PLC elections were due in January 2010, but have been indefinitely postponed because Hamas refused to participate, and holding them in the West Bank alone in this context does not do much to bolster democracy. All the while the EU has been watching as its previous democratisation efforts have fallen to pieces, without any sign of an emerging strategy towards Islamist parties of the region, in general, and Hamas in particular.360

The EU justifies its schizophrenic attitude towards democracy promotion in the PT by reiterating that Hamas is on its terrorist organisation list and thus the EU cannot legally deal with Hamas unless the latter renounces violence. But that does not explain the EU’s double standards, manifest in supporting (emerging) authoritarian regimes in the region – such as Fatah – and in exempting Hizbullah (despite its similarity to Hamas) from being black-listed as well. This is not a matter of definitions or norms as much as it is a matter of strategic interests, for these decisions are highly politicised.361 The EU lists al-Qaeda and Hamas as terrorist entities, but not Hizbullah because several EU governments with interests in Lebanon’s stability (including France, Spain and Britain) are concerned about upsetting delicate confessional362

356 Ibid.
357 A fatwa is an Islamic opinion issued by an Islamic scholar, but not always binding.
360 BBC News, “Q&A: Palestinian Political Turmoil”.
362 Confessional democracy is a system used e.g. in Lebanon, where political seats and appointments are distributed among the different confessional (religious) groups in the country.
negotiations by measures that would cripple finding a solution.\(^{363}\) Conversely, the US includes al-Qaeda, Hamas and Hizbullah on its terrorist list, indicating a strong commitment to both Israel’s security and its own interests in the region.\(^ {364}\) So far, the EU’s policies and even rhetoric concerning the region reflect its predominantly realist approach as opposed to a normative one.\(^{365}\)

One of the perpetual problems affecting the democratisation and peace processes in the PT remains the Israeli occupation, or put differently, the lack of autonomy from direct external influence to make decisions. This problem, however, cannot be solved by holding periodic elections alone. “This fallacy has been called ‘electoralism’ or the faith that merely holding elections will channel political actions into peaceful contests among elites and accord public legitimacy to the winners.” Even if the elections had resulted in a positive scenario, under occupation it would have been rendered superfluous because the rules of procedure entailed in making decisions binding are subject to change at the whim of the occupying power (or external actors). Indeed, the rules of the game (and laws governing elections) were suddenly altered – with the encouragement of self-interested actors – after Hamas won the elections, without any prior notice. This particular phenomenon is what leads many democratisation scholars to reach the conclusion that sustainable democracy is not possible under occupation, where the polity is not self-governing.\(^ {366}\) At the same time, the international community and the Palestinians should not be relieved of their responsibilities for the failure of democracy in the PT or blame it all on the occupation. By ending the occupation and providing political autonomy to a nation, one of the necessary (but not sufficient) conditions for democratisation will be put in place.\(^ {367}\) (See Table 4.) That is not to say that the EU’s democracy promotion experience over the past 15 years in the region in general and in the PT in particular has been completely negative.

One area where debate has progressed since the creation of the EMP is over the issue of democratic change in the Arab world... The democratisation issue is more openly debated in the Middle East than before, but far-reaching political change has not occurred...rhetoric on the promotion of democracy has, for good or ill, been the main focal point of debate.\(^ {368}\)

Moreover, “EU funding and expertise allowed for the establishment of a Palestinian administration and of local authorities, for...the organization of the first democratic elections, [and] the creation and functioning of Palestinian police forces”, which ensures the smooth

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\(^{367}\) There is an inherit fear in Israel that if Palestinians get their own state, they will use it to attack Israel rather than build democratic institutions. The lack of trust between the parties and the uncertainty are paramount obstacles in the face of progress in the region. The EU must play a bigger role in confidence-building between the parties and conflict resolution before peace and democratisation are possible in the PT.

The operation of these elections. The challenge now facing the EU is to identify a strategy to maintain these achievements and to revive Palestinian public trust in democracy and the EU’s commitment to support the Palestinian cause in establishing a stable, secure, democratic and independent state “living side by side with Israel in peace”, as pledged in the roadmap (2003) by the Quartet.

Table 4. Factors affecting the democratisation process in the PT

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<td><strong>EU</strong></td>
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<td>Focus on political &amp; economic structures</td>
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<td>Slow start on cultural &amp; legal structures</td>
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<td>Focus on state/national level</td>
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<td>Neglected societal and local actors (including religious leaders)</td>
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<td>Not enough money disbursed</td>
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<td>Halted economic development</td>
<td>Increased socio-economic development</td>
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<td>Ignored the cultural structure and local actors</td>
<td>Work on the cultural structure</td>
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<td>Continued neglect of religious leaders</td>
<td>Involved local actors</td>
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<td>Pushed for political reforms</td>
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<td>Supported PA (Fatah) only</td>
<td>Deepened rift between factions</td>
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<td>Reversed democratic processes</td>
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<td>Neglected Gazans and Islamists</td>
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<td>Worked selectively on the cultural structure (neglecting religious leaders)</td>
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<td>Lost credibility</td>
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<td><strong>Israel</strong></td>
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<td>Lack of trust in the Palestinians</td>
<td>Increased violence</td>
<td>Separation wall</td>
<td>Increased movement restrictions</td>
<td>Hamas win</td>
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<td>Occupation</td>
<td>Palestinian movement restrictions</td>
<td>Movement restrictions persist</td>
<td>Increased violence and violations</td>
<td>Increased corruption</td>
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<td>Started the peace process</td>
<td>Occupation</td>
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<td>Occupation</td>
<td>Lack of good governance</td>
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<td>Halted the peace process</td>
<td>Restarted the peace process</td>
<td>Improved fiscal transparency in the West Bank only</td>
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<td>Lack of leadership (no strategy or vision)</td>
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<td>No government accountability</td>
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<td>Reversed previous reforms</td>
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<td>Authoritarian governance without public mandate</td>
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<td>Increased violence</td>
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<td>(Hamas-Israel &amp; Fatah-Hamas)</td>
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<td>No national unity government</td>
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<td>All foreseen elections were postponed</td>
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<td>Froze the peace process</td>
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<td><strong>PT</strong></td>
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<td>Lack of fiscal transparency</td>
<td>Second intifada</td>
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<td>Corruption</td>
<td>No security</td>
<td>Less corruption</td>
<td>Increased transparency</td>
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<td>Selective reforms</td>
<td>No elections</td>
<td>Increased corruption</td>
<td>Increased reforms</td>
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<td>(managed democracy)</td>
<td>No reforms</td>
<td>Enhanced democracy</td>
<td>Enhanced rule of law</td>
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<td>Nepotism and partisanship</td>
<td>Continued corruption</td>
<td>Better governance</td>
<td>Violence and terrorism reduced</td>
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<tr>
<td>Lack of trust in Israelis</td>
<td>Increased unemployment</td>
<td>presidential and local elections were held</td>
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<td>Terrorism and violence</td>
<td>Nepotism and partisanship</td>
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<td>General elections were held but no local elections</td>
<td>Increased violence</td>
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<td>Started the peace process</td>
<td>and terrorism</td>
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<td>All elections were postponed</td>
<td>Haltered the peace process</td>
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<td>Restarted the peace process</td>
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a) There are other external factors besides the EU and Israel (e.g. the US, American Israel Public Affairs Committee, Arab countries, Turkey, Scandinavian countries, etc.) but they are not the focus of this paper.
b) Pace, “Paradox and Contradictions in EU Democracy Promotion in the Mediterranean: The Limits of EU Normative Power”: 43.

Source: Author’s compilation.

Keukeleire and MacNaughtan, The Foreign Policy of the European Union: 283.

Israel Ministry of Foreign Affairs, “A Performance-Based Roadmap to a Permanent Two-State Solution to the Israeli–Palestinian Conflict”.  
c. Rule of law and human rights: The judiciary and fundamental freedoms

The rule of law is linked to security and stability as it includes fighting crime, enforcing order in the streets and providing life and property security for Palestinian citizens. Following the establishment of the PA, the EU has supported judicial reforms with an aim of fostering the rule of law, human rights and fundamental freedoms (of peaceful expression, association, assembly, belief, press, speech and movement, as well as freedom from want and fear). This task started in 1995, was slowed down by the second intifada (when violence and disorder spread throughout Palestinian society), and resumed between 2001 and 2003.

By 2004, most of the legislation that applied to the functioning of courts in the West Bank and Gaza Strip had been unified. Even so, many issues have continued to hamper the Palestinian judicial system, which the European Commission’s country report on the PT summarises as follows:

Much of the legislation has not been implemented and the judicial system is far from being fully operational. The division of responsibilities between the Ministry of Justice, [the Ministry of Interior] and the Higher Judicial Council remains unclear. There are also major challenges in implementing the newly unified legal framework under current Israeli movement restrictions and closures. The court infrastructure is extremely poor. Courts are unable to hold sessions most days of the year, resulting in an increased backlog of court cases. There are insufficient resources for proper training within the judiciary. Judges and court personnel also suffer from lack of communication between courts, ineffective procedures and poor management of records. This is once again compounded by movement restrictions between the West Bank and Gaza Strip. The independence of the judiciary has, according to human rights organisations, been undermined by interference from the executive. Whilst in principle the State Security Courts were formally abolished in 2003, the military courts, established in 1995, remain active, including some competence in civilian cases. Military Courts’ jurisdiction applies to police and security force personnel as well as [alleged] crimes by civilians against security forces.

Therefore, in its Presidency Conclusions in July 2004, the European Council reaffirmed its commitment and “readiness to support the PA in taking responsibility for law and order and, in particular, in improving its civil police and law enforcement capacity”. Owing to these efforts, in 2005 Palestinian society witnessed an increase in judicial staff. In that same year, the Basic Law was amended so that the attorney-general, who earlier had only been appointed by the president on the basis of political loyalty, was also to be approved by the PLC. This step was to encourage the post-holder to take further measures to enhance the rule of law (while previously appointed attorney generals did not want to challenge a legal system that assured their survival). Moreover, by 2006 there was a clear increase in the share of women who worked as judges (reaching 11.2%), and who occupied the position of general prosecutor (reaching 12.1%).

374 Friedrich and Luethold, Entry-Points to Palestinian Security Sector Reform: 88.
This progress was curbed, however, by the increasing political and institutional split between the West Bank and Gaza Strip, and the subsequent tightening of the Palestinian president’s grip over the justice system. The PLC stopped its legislative activity after the detention of more than half of its parliamentarians (mostly Hamas) in Israeli jails. Instances of unlawful detentions, torture and death under the PA’s custody have increased without judicial investigation. To add to this, there is insufficient protection of judicial personnel and non-implementation of the courts’ decisions – even in areas where the PA has explicit jurisdiction over security and the judiciary (e.g. Area A in the West Bank). Maen Id’aís, the coordinator of the Public Policy and Research Unit at the Palestinian Independent Commission for Citizens’ Rights since 2001, emphasises that

[1]he responsibility of the current lawlessness in the PNA-controlled areas lies primarily with the [Palestinian] Authority itself. It is true that Israeli occupation has had a negative impact on the PNA’s capacity to enforce law and order. However, it is not true that the increasing number of violations committed by security personnel is an outcome of the occupation and that the Authority is unable to put an end to this... In other words, the PNA can take effective steps to improve the rule of law and the security of the citizens, if only the political will is there to do so.376

Consequently, “the first ENP Joint Committee session in three years took place in May 2008 and decided [on] the formation of four Sub-Committees. The first Sub-Committee on human rights, good governance and rule of law convened in December 2008.”377 This group focused on ways for the EU to support Palestinian judicial reform through a number of major programmes, which include

- establishing the Palestinian Judicial Training Institute, a permanent professional training system; providing legal training for judges and prosecutors and IT training for all legal staff; setting up an inspection department and legal library that supports the High Judicial Council; and the provision of IT equipment for the judiciary. The EU has funded the compilation of a database of all Palestinian court judgements, which is an integral part of the Legal and Judicial Databank, Al-Muqtafi.378

According to EU official sources, “the conditions for training of judges and prosecutors were improved by the establishment of the EC-funded Judicial Training Institutes”. Yet, this is not the only problem impeding the Palestinian justice system and much remains to be done to solve the aforementioned lingering ones that hinge more on the PA’s political will to change than on EU funding.379

### 3.2.2 Economic dimension

As mentioned earlier, the ENP did not replace the EMP, it merely provided a more focused bilateral track with new financial tools (e.g. ENPI) and legal instruments (e.g. Action Plans) to better implement the objectives of the Barcelona process.

376 Friedrich and Luethold, *Entry-Points to Palestinian Security Sector Reform*: 96-98.
Building upon the earlier Interim Association Agreement (1997), and taking into consideration the PT country report prepared by the Commission’s working group in May 2004, the Commission proposed an Action Plan for the PA in December 2004, which was adopted in May 2005. With this Plan, the ENP aimed at opening new partnership prospects for the PT by:

- moving beyond cooperation to a significant degree of integration, through giving a stake in the EU’s Internal Market and the possibility for the PA to participate progressively in key aspects of EU policies and programmes;
- upgrading the scope and intensity of political cooperation;
- providing the opportunity for convergence of economic legislation, the opening of economies to each other, and the continued reduction of trade barriers to stimulate investment and growth;
- increasing targeted financial support for the actions identified in the Association Agreement and Action Plan, through the ENPI, which will also cover the very important aspect of transnational cooperation. There may also be infrastructure investment support through the EIB;
- opening or reinforcing gradual participation in relevant Community programmes, promoting, inter alia, cultural, educational, environmental, technical and scientific links;
- including technical assistance and twinning to meet EU norms and standards, and targeted advice and support for legislative approximation through a mechanism such as TAIEX; and
- deepening trade and economic relations, extending them progressively to cover agriculture and the service sector, and to provide the conditions for increasing investment and exports.

To monitor the implementation of the ENP in neighbouring countries, the EU decided to draft annual progress reports, starting two years after the launch of the ENP in 2004. To date there have been three progress reports concerning the PT (in 2006, 2008 and 2009).

In the early years of the ENP (2004-07), both MEDA-II and EIDHR-I (which started in 2000) continued to be used as the main financial instruments, along with EIB loans for development projects. From 2007, MEDA-II was replaced with the ENPI. EIDHR-I was upgraded to EIDHR-II and EIB loans continued for all neighbouring partners – except for the PA. For the aforementioned political reasons, the EU (along with the US, Canada and other international donors) stopped funds or loans to the PA in the PT completely in the first half of 2006. From mid-2006 until the end of 2007, direct financial assistance to Palestinians in need was transferred through the TIM as discussed in detail below. But starting in 2008 the TIM was replaced by PEGASE, which was designed solely for the PA, while the ENPI, the development cooperation instrument and EIB loans complemented this instrument (as shown in Figure 3 above).

After five months of freezing aid funds to the Hamas-led PA, the Quartet, in May 2006, addressed the financial difficulty of the Palestinian people. Accordingly, the international community decided in June 2006 to establish the TIM. This EU-designed tool has provided funding for emergency health, social and fuel costs. Despite the embargo against the new PA, “it is regularly pointed out that in overall terms European aid had paradoxically increased since

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380 Europa, European Neighbourhood Policy, “EU/ Palestinian Authority Action Plan”.
the boycott was imposed”. Hence, the TIM has often been compared to “covering problems with a sticking plaster”. More problematic, it actually bypasses many of the good governance mechanisms that had been implemented earlier by the PA under pressure from the EU to undertake reforms. In an effort to increase fiscal transparency, the PA had all the money transferred into a single account, which is closely monitored by the IMF. “Under the TIM it is not clear who decides who gets what, and diplomats complain of money draining into a black hole.”

In June 2007, the PA split de facto into a Fatah-led branch in control of the West Bank and a Hamas-led one in control of the Gaza Strip. Given that split, during the donor conference held on 17 December 2007 in Paris, the EU introduced PEGASE to support the Fatah-led PA. PEGASE has been operating since February 2008 and is used to channel support for the three-year Palestinian Reform and Development Plan (PRDP), which was presented by Salam Fayyad in his joint capacity of prime minister/finance minister. “PEGASE, which covers EU assistance to [the] West Bank, Gaza and East Jerusalem, will be coordinated locally with EU member states and other international partners.” In a video press release at the donor conference, Benita Ferrero-Waldner, the European commissioner for external affairs, praised the instrument for being fast, transparent and effective, and urged other international donors to make use of it to channel their funds to the PA.

From 1 January 2007 onwards, as part of the reform of EC assistance instruments, MEDA, TACIS and various other programmes were replaced by a single instrument – the ENPI. “This is a much more flexible, policy-driven instrument. It is designed to target sustainable development in approximation to EU policies and standards – supporting the agreed priorities in the ENP Action Plans (as well as the Strategic Partnership with Russia, which was previously also covered by the TACIS).” Other sub-instruments were developed under the ENPI to target the Mediterranean partners, such as that for cross-border cooperation. The ENPI funds allocated to Mediterranean and Central and Eastern European countries will continue to depend on their needs as well as their implementation of agreed reforms. For that purpose, the Commission has prepared for each of its neighbours (except for Palestine and Libya) both country and regional strategy papers. Each of these papers includes an analysis of the situation by sector and the Commission’s response strategy over a seven-year period (2007-13). In the PT, the ENPI has been in use along with PEGASE since the beginning of 2008, focusing mainly on UNRWA and the Partnership for Peace programme.

383 Ibid.
384 Ibid.
388 Ibid.
It was further decided to upgrade the EIDHR-I (2000-06) instrument to one for the promotion of democracy and human rights in the world (EIDHR-II, 2007-13). While keeping it separate, it is complementary to the ENPI for providing assistance to civil society as well as private and public sectors that are contributing to the development and enhancement of democracy, the rule of law and respect for human rights and fundamental freedoms in neighbouring partners – including the PT.390

For the period 2007-13, about €12 billion was allocated for the ENPI and approximately €17 billion for the development cooperation instrument.391 Under this latter instrument, the EC finances measures aimed at supporting geographical cooperation with the developing countries and territories included in the list of aid recipients of the OECD’s Development Assistance Committee, such as the Palestinian-administrated areas.392 The development cooperation instrument for the period 2007-13 encompasses developing areas not covered under the previous instruments. It supports development cooperation, economic and financial cooperation, and has poverty reduction and the fight against poverty-related diseases as objectives.

International aid to the Palestinians is classified into the following three categories:393

1) budget support, which includes all contributions to TIM/PEGASE and any aid going directly to the ministry of finance to cover government costs and salaries;

2) emergency aid, which includes all funding to UNRWA or other humanitarian organisations for rebuilding destroyed infrastructures, providing food aid and other humanitarian objectives; and

3) development aid, which includes other projects not included under items 1 and 2 above, such as peace-building and cultural projects, or support for specific programmes run by PA ministries.

It is worth noting the sharp increases in EC funding especially after the outbreak of the second intifada and again after the electoral victory of Hamas (see Figure 4). Still, this increase was mainly attributable to emergency aid and PA budget support while there was a noticeable decrease, particularly after 2006, in development assistance and bank loans to the PA (Box 6).394


393 Palestinian National Authority: Ministry of Planning and Administrative Development, “International Assistance to the Palestinian People (2005-2007)”.

394 Ibid.
Box 6. Overview of EU–PT economic aid relations

The European Commission’s economic instruments are incorporated into the various EC support programmes and funds. Within the 2007-13 financial framework, 5.7% (or €53.3 billion) of the total EU budget for that period (about €862 billion) has been devoted to the ‘EU as a Global Partner’. The most important instruments are the ENPI and the development cooperation instrument, which receive in total nearly €29 billion (or 54%).\(^{395}\) The EC also supports the MEPP and allocated for the period 2005-10 an ENP budget of €20 million to help that objective.\(^{396}\)

Despite positive growth rates during 2003-05, real GDP per capita declined after the 2006 elections. Under current conditions of suspension of revenue transfers by the government of Israel and increasing trade and labour restrictions, macroeconomic projections for 2006 pointed to a real GDP contraction of around 18%, and a GDP per capita and personal income per capita contraction of around 21%. The UN Economic and Social Council underlined that for 2006, unemployment (estimated at 23% in 2005) was expected to climb as high as 35%, with poverty levels (estimated at 44% in 2005) at close to 65% of the population.\(^{397}\)


\(^{396}\) ENPI: EuroMed, Middle East Peace Projects (Partnership for Peace).

\(^{397}\) European Commission, “ENP Progress Report Palestinian Authority”.
Box 6. cont’d

Economic distress in the Gaza Strip and the West Bank has been aggravated by the compounded action of several factors: continued restrictions on movement and access between Gaza and the West Bank as well as to and from Gaza, suspension of the transfer of clearance revenues by the government of Israel and reductions in the number of Palestinian workers permitted to work inside Israel. \(^{398}\) (See also Figure B3.1 in Box 3 above.) According to Official Development Assistance figures,

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\text{over the last few years, a sharp increase in aid was registered: while in the period 2000-04 the average annual EC support amounted to €245 million, it was increased to €280 million in 2005, to €340 million in 2006, and to €550 million in 2007. On top of that, bilateral contributions of EU member states have also increased considerably (totalling €315 million in 2005, €385 million in 2006, and €405 million in 2007).}^{399}
\]

For 2008, the EC committed €486 million in assistance to the Palestinians mainly to cover the running costs of the PA and to support the PRDP. “In addition, as the PA found itself in extreme financial difficulties, the EU repeatedly provided extra funds to help the PA meet its recurrent expenditures and ensure the continued delivery of public services as well as emergency aid.”\(^{400}\)

At the December 2007 donor conference in Paris, representatives of states and organisations pledged a reported $7.7 billion of assistance to support the implementation of the PRDP. “While these pledges signalled collective international support for the peace process and the West Bank government of Salam Fayyad, the actual transfer of funds has been delayed in many cases, causing cash flow problems for the PA.”\(^{401}\) EIDHR-II was granted a budget of €1.1 billion for the budgetary period 2007-13, of which the PT has received €2.7 million so far.\(^{402}\)

The EU and its member states are the major multilateral donors to the Palestinians. “In 2003, the EC ranked first in disbursements in Palestine (about 25% of total disbursements).”\(^{403}\) The total EC funds distributed reached $3.5 billion by 2009. On top of that, EU member state assistance is estimated to amount to $3 billion over the same period. Next in line is the US, which has distributed $1.3 billion so far, followed by Saudi Arabia with $1 billion and other Arab nations totalling $1 billion.\(^{404}\) Indeed, in comparison with all of the EU neighbouring partners (eastern and southern), the PT and Morocco seem to have received the lion’s share of the ENPI assistance.\(^{405}\)

(Figure B6.1)


\(^{399}\) Asseburg, “European Conflict Management in the Middle East: Toward a More Effective Approach”: 31.

\(^{400}\) Ibid.

\(^{401}\) Ibid.


\(^{404}\) Ibid.

Box 6. cont’d

Figure B6.1. ENPI funding distribution for the budgetary period 2007-13

Note: The PT percentage is calculated from instruments other than the ENPI (i.e. TIM and PEGASE) for the same period. These are planning figures only and the percentages calculated are based on data provided by Europa, European Neighbourhood and Partnership Instrument (ENPI): Funding 2007-2013.

In 2005, EU disbursements for emergency, budget and development aid were relatively evenly split. After 2006, development assistance dropped from a third of all disbursements in 2005 to under 10% in 2007, while budget support rose from a third in 2005 to nearly 70% in 2007. (See Figure B6.2.)

Figure B6.2. EU assistance to the Palestinians 2005-07


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The following subsections examine three parameters of the ENP’s economic dimension: aid, development and infrastructures; fiscal policy reform; and trade, taxation and investments management. Examples for each parameter are given to highlight the change in the EU’s economic policies in the PT since Hamas won the elections in 2006.

**a. Economic aid, development and infrastructure**

From 2004 to 2006, the international community continued its support of the PA, but mainly through direct budget support and humanitarian assistance; the EU resumed its development aid as the second intifada calmed down. But once Hamas won the PLC elections and formed a government in early 2006, all financial assistance was frozen. This did not last long, though, as the humanitarian situation deteriorated – causing unrest in the PT – and the rift grew between Hamas and Fatah. The EU resumed its financial assistance solely to the Fatah-led PA and to the suffering civilians in the Gaza Strip, while excluding the Hamas government.\(^407\) To keep the PA alive, the EU transferred contributions in the form of direct support to the salaries and pensions of PA employees (Fatah faction) in both the West Bank and Gaza Strip, even when they did not work. The EU also gave social allowances in the form of direct cheques, to vulnerable families and payments for the fuel bill of the Gaza power plant. PEGASE transferred funds from the EU Budget as well as bilateral funds of 14 Member States. Humanitarian aid in the areas of food aid, emergency job creation, health, psychosocial support, water and sanitation and protection has continued through ECHO in parallel. The EC has also maintained its support to UNRWA through a contribution to the General Fund of €66 million and several other projects exceeding an overall contribution of €113 million in 2008. \(^408\) An additional €4.4 million \(\text{was} \) programmed in 2007-08 for the PT under the thematic programme: Non-State Actors and Local Authorities in Development.\(^408\)

In the words of UN envoy de Soto, between 2006 and 2007, “Europeans have spent more money in boycotting the PA than what they previously spent in supporting it”.\(^409\) Taking all contributions together (ENPI, humanitarian assistance and the instrument for stability), total funding for the Palestinian people in 2008 amounted to €486 million.\(^410\) Meanwhile, overall economic growth in the PT in 2008 “remained below 2% GDP, well below the population growth of 3.8%, leading to a continued decrease of per-capita income”.\(^411\)

The PT therefore did not see much development for two years after Hamas won the elections. By the end of 2007, the EU pledged its assistance to the West Bank government of Salam Fayyad, to support the implementation of his PRDP.\(^412\) Before long, the issue of energy was taking centre stage. The European Commission launched a pilot project on wind energy and the PA (in the West Bank) developed plans for a solar power plant in Jericho. In mid-2008, the PA, Israel and the European Commission re-launched trilateral energy cooperation with the aim of facilitating the joint Palestinian–Israeli “Solar for Peace” initiative and the establishment of a

\(^407\) Daraghmeh, “Palestinians Not Getting Funds, Aide Says”.

\(^408\) Europa, Press Releases, European Neighbourhood Policy – Occupied Palestinian Territory.


\(^410\) Europa, Press Releases, European Neighbourhood Policy – Occupied Palestinian Territory.

\(^411\) Ibid.

\(^412\) Asseburg, “European Conflict Management in the Middle East: Toward a More Effective Approach”: 31.
joint energy office. A study financed by the European Commission was undertaken to support this project, but progress was stalled as Israel launched its offensive in Gaza by the end of the year.413

b. Fiscal policy reforms: Conditionality, transparency and anti-corruption

After the second intifada, particularly in 2003-05, the EU focused its efforts on the Palestinian fiscal reform process, through strengthening the financial control mechanisms and enhancing the PA’s reporting on budget execution and public debts. Efforts were also directed at developing a unified pension system covering all public employees, integrating the PA’s donor-funded investment budget into the overall budget and bringing the investment budget under the direct control of the minister of finance.414

Notwithstanding the crisis in Gaza and the deep rift between Hamas and Fatah, the fiscal reform process in the West Bank seems to have been successful in reinforcing transparency in the PA’s public finances. Indeed, it has helped to consolidate all sources of PA revenues into a single treasury account, which is closely monitored by the IMF. Moreover, the EU has ensured that the finance ministry is fully responsible for managing the PA’s payroll, and has maintained a freeze on public sector hiring along with a strict ceiling for expenditures under an austerity budget. A recent IMF report states that the Palestinian Monetary Authority “has made considerable progress during 2008 in internal reform and capacity-building, including in strengthening the supervisory framework and governance”.415 Nevertheless, “safeguards against corruption continue to be weak due to the lack both of an adequate legal framework and of enforcement measures. Bodies established to monitor corruption remain weak without adequate resources to fulfil their mandates.”416

c. Trade and taxation

Thanks to the increased facilitation of trade between the EU and the PT, and the EU’s intentions to better implement the Interim Association Agreement, EU–PT trade improved during the 2004-06 period, but remained limited because of Israel’s restrictions and low cash flow.417

In the period 2006-08, the PT faced political as well as financial crises. These crises stemmed from international sanctions imposed as a reaction to Hamas’s victory, followed by Israel’s suspension of $55 million in monthly VAT for a year and a half to the Hamas-led government.418 This in turn led to an exasperated humanitarian crisis in the Gaza Strip, coupled
with an economic slowdown in the PT. In 2008, “Palestinian exports to the EU decreased dramatically by 49.1%, while imports from the EU increased by 37.1%”. 419

3.2.3 Cultural dimension

EC funds targeting Palestinian civil society improved slightly between 2003 and 2005; nevertheless, as a percentage of total aid disbursements it steadily declined between 2005 and 2007 (e.g. 7% in 2005, 5% in 2006 and 2% in 2007). After the electoral victory of Hamas, the EU completely halted its financial support and half a year later switched its focus to support for the Fatah-led PA government budget and emergency assistance, neglecting the development aid that covers civil society and cultural projects. A shrinking budget, in conjunction with the logistical difficulties associated with Israel’s imposed restrictions on movement, led to the failure in reaching tangible and sustainable results in this domain. 420

Notwithstanding the EU’s neglect of the cultural basket in the PT, there is a rising awareness among European politicians of the need to nurture a healthy Palestinian civil society, among other partners, for the sake of sustainable peace-building. Thus, culture and dialogue among cultures have enjoyed increasing importance in the Euro-Mediterranean partnership in recent years – an observation underscored by the many joint actions and cooperation programmes that have been implemented: the creation of the Anna Lindh Foundation, EuroMed Audiovisual, EuroMed Heritage, the Regional Information and Communication programmes and the EuroMed Youth Programme. But still more needs to be done and the EU knows it. Hence, the meeting of the ministers of foreign affairs in Lisbon (November 2007) agreed on a Euro-Mediterranean partnership work plan, including the organisation of the third EuroMed conference of ministers of culture in Athens, which was held on 29-30 May 2008. 421

The Conference in Athens took place during the ‘2008 European Year of Intercultural Dialogue’ and in the specific context of the ‘2008 Euro-Mediterranean Year of Dialogue between Cultures’. Building on previous meetings (Bologna 1996 and Rhodes 1998), and the meeting of the Euro-Mediterranean ministers of foreign affairs (Crete 2003) devoted to the dialogue among cultures, the conference offered a good opportunity to exchange views on the cultural dimension of the partnership. “The Ministers agreed on a set of conclusions, from which the main objective is to mark the starting point of a fully-fledged Euro-Mediterranean Cultural Strategy, encompassing cooperation in both dialogue between cultures and cultural policy.” An ad hoc working group at the expert level was created to draw up this Euro-Mediterranean cultural strategy as well as tangible proposals to be endorsed by the next meeting of the ministers of culture in 2010. 422 It is hoped that this cultural strategy will bring some concrete projects to invigorate the Palestinian civil society and reach some critical mass – a factor that has been missing.423

The next subsections look at three parameters of the ENP’s cultural dimension (i.e. supporting civil society and the media, empowering women and youth, and fostering peace education and cultural exchanges). Examples for each parameter are provided to demonstrate not only the

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420 Palestinian National Authority: Ministry of Planning and Administrative Development, “International Assistance to the Palestinian People (2005-2007)”.


422 Ibid.

423 Badioli, Zemach and Said, “EU Partnership for Peace Programme: Evaluation and Future Challenges (Summary of the Evaluation Conclusions)”.
change in EU policy towards the PT since Hamas won the 2006 elections, but also the continuous lack of EU effectiveness in how to involve and transform the societal level and the psychological structure of the PT.

a. Supporting civil society and the media

The period 2004-05 saw an increase in the EU’s awareness of the need for intercultural programmes to foster dialogue and understanding among Palestinians, Israelis and Europeans. Different activities involving Palestinian civil society and media were introduced.

Although the events at the beginning of 2006 put a strain on the actors’ movement and communication, most programmes have continued (facing logistical restrictions), while others were created. The Partnership for Peace programme has expanded its activities and broadened its scope, and media competitions have been organised in which Palestinian journalists could participate for the first time. For example, since 2006 the competition for the Samir Kassir Awards for Freedom of the Press has been organised by the Delegation of the European Commission in Lebanon in collaboration with the Samir Kassir Foundation. These awards are dedicated to the assassinated journalist and writer Samir Kassir (of a Palestinian father and a Syrian mother) with the objective of perpetuating his commitment to the rule of law. They are open to journalists from all MEDA countries and include prize monies between €10,000-15,000. Another media award was established in 2007 to be utilised on reporting for promoting and spreading children’s rights. The EC covers 80% of its financing, which could amount to €187,000.

b. Empowering women and youth

Dr Zahira Kamal, the director of the Palestinian Women’s Research and Documentation Centre at UNESCO, recently presented an overview of the current numbers of women in decision-making positions globally, but with a specific focus on the EuroMed region – including Palestinian society.

Women currently account for 17.7% of members of national parliaments globally. According to data from 2007, the Arab region has the lowest average representation of women in both the upper and the lower houses at under 10%. The percentage of women parliamentarians is highest in Tunisia and Iraq with figures of 20% and 25% respectively. The lowest numbers are in Lebanon, where only 4.7% of parliamentarians are female.

The social situation for Palestinian women remains difficult, more so than the situation for Palestinian men. For the same period and age group, women have a higher illiteracy rate than men (9.6% versus 2.7%), higher unemployment rates compared with men with the same

424 Ibid.

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credentials (only 14.7% of women were in employment, compared with 52% of men).\textsuperscript{429} Women are also more exposed to domestic violence than men (almost a quarter of married women in the PT have been exposed to at least one episode of physical violence at the hands of their husbands, compared with 4.2% of Palestinian men being physically assaulted by their wives in that same period).\textsuperscript{430}

Nonetheless, in 2005, “an unprecedented number of women have stepped forward onto the political scene following the [Palestinian] parliament’s introduction in 2004 of a long-awaited quota system”, which guaranteed them a greater level of participation in political life at both local and parliamentary levels.\textsuperscript{431} That same year, two female Palestinian ambassadors were appointed to serve in France and at the European Commission.\textsuperscript{432} Moreover, the 2005 PA Action Plan addressed women’s rights and promoted equal treatment and opportunities for Palestinian women.\textsuperscript{433}

Many women ran in municipal elections during 2004-05, the first municipal elections held in 28 years. In the first round, which took place in the West Bank, a record 139 women took part in the ballot and won an impressive 50 of the 306 seats competed for in local councils – nearly 17% of the total. Similar results have been recorded in subsequent rounds.\textsuperscript{434}

By the end of 2005, “women represent[ed] just over 47% of the 1.34 million registered voters” in the PLC elections in the PT. Hence, their votes and entry into politics will definitely have an impact on the broader political picture. As the parliamentary elections of 2006 approached, a higher number of women, many of them Islamists, were expected to compete.\textsuperscript{435}

Thanks to the quota system in the 2006 PLC elections, numerous women – including the wives and widows of notable political figures – took up seats in the Palestinian parliament: the number of female deputies rose from 5 (1996 elections) to 17 out of the 132 parliamentary seats.\textsuperscript{436} Yet, after the detention of more than half of the parliamentarians (mostly Hamas members) in Israeli jails, the PLC stopped its legislative activity, so it remains unclear what legislative role women (could) have actually played, if any, in their short-lived term in power.

At the first ministerial conference on “Strengthening the Role of Women in Society”, held in Istanbul on 14 November 2006 under the Finnish EU presidency, ministers adopted a five-year framework for action “to strengthen women’s role in political, civil, social, economic and cultural spheres”, as well as to fight against discrimination and violence. The second ministerial conference was held three years later in Marrakesh in November 2009 under the Swedish EU

\begin{footnotes}
\footnote{\textsuperscript{429} United Nations: Economic and Social Council, \textit{Report of the Secretary-General: Situation of and Assistance to Palestinian Women}.}
\footnote{\textsuperscript{430} Palestinian National Authority – Central Bureau of Statistics, \textit{Statistics of Population and Social: Gender Domestic Violence Survey}.}
\footnote{\textsuperscript{432} MIFTAH, \textit{Ashrawi First Woman in PLO Executive Committee}, 29 August 2009 [4 Nov. 2009]. Available from http://miftah.org/Display.cfm?DocId=20425&CategoryId=10.}
\footnote{\textsuperscript{433} Europa, European Neighbourhood Policy, “EU/ Palestinian Authority Action Plan”.}
\footnote{\textsuperscript{436} Quota Database, \textit{Global Database of Quotas for Women: Occupied Palestinian Territory}.}
\end{footnotes}
presidency, which reiterated the previous commitment to strengthening the role of women in society, and it was decided to hold a third conference in 2012.\(^{437}\)

For the first time in PLO history, the Palestinian National Council elected a woman, Hanan Ashrawi, to the Executive Committee on 27 August 2009. Ashrawi, a Christian PLC member from the Third-Way party and a former PA minister of higher education, was elected to the PLO’s highest decision-making body shortly after Fatah’s long-awaited (20 years) sixth convention and party elections took place in Bethlehem in August 2009. “The era of done deals that exclude women is over”, said Ashrawi, who won 182 votes.\(^{438}\)

Between 2004 and 2006, the European Commission was involved with Palestinian youth through the EuroMed Youth II programme. The upgraded EuroMed III Programme was launched in 2006 with a focus on “mobility, non-formal education and intercultural learning”. It covers some new criteria, including “Euro-Med Youth Exchanges; Euro-Med Youth Voluntary Service; [and] Euro-Med Youth Support Measures (Job-shadowing, Contact Making Seminars, Study Visits, Training Courses and Workshops)”.\(^{439}\) Its geographical scope comprises 37 countries: 27 EU member states and 10 of the Mediterranean signatories of the Barcelona Declaration (Algeria, Egypt, Israel, Jordan, Lebanon, Morocco, the Palestinian Authority, Syria, Tunisia and Turkey). The “novelty of this phase is the decentralised implementation of the programme”, seeking to bring the action “as close as possible to the beneficiaries and to adapt it to the diversity of national systems and situations in the field of youth... Applicants (project leaders) from the Mediterranean partners apply directly for grants to their own national youth authorities, now responsible through the Euro-Med Youth Unit for grant awarding and the overall management of the programme.”\(^{440}\)

c. Fostering peace education and cultural exchanges

Peace education and cultural exchanges, particularly between Palestinians and Israelis, have been hampered by the events following the PLC 2006 elections, the deepening rift between Hamas and Fatah and the Israeli-imposed restrictions on movement since the second intifada.

Nevertheless, the first Euro-Mediterranean University (EMUNI) was established in Piran (Slovenia) during the Slovenian EU presidency – representing one of the six priority projects of the UfM, which were confirmed within the Common Declaration adopted in Paris on 13 July 2008.\(^{441}\) The General Assembly of EMUNI includes members from Palestinian universities in the West Bank and Gaza Strip. The year “2008 also saw the first meeting of the expert’s level Ad Hoc Working Group, which was created to guide the implementation of the conclusions of the First Education Ministerial Conference held in Cairo in 2007”.\(^{442}\)

3.2.4 Migration dimension

This is the newest chapter (or basket) added to Euro-Mediterranean relations, which was announced during the tenth anniversary ceremony of the Barcelona process on 28 November


\(^{438}\) MIFTAH, *Ashrawi First Woman in PLO Executive Committee*.

\(^{439}\) EUROMED: Youth Programme, *About Euromed Youth III Programme*.

\(^{440}\) Ibid.


2005. It came in response to the escalation in terrorist attacks within Europe, particularly in Madrid (March 2004) and London (July 2005).\textsuperscript{443}

The Five-Year Work Programme of the Barcelona summit (2005-10) called for enhanced cooperation in the fields of migration, social integration, justice and security through a comprehensive and integrated approach with the following six stated objectives.\textsuperscript{444}

a) promoting legal migration opportunities,
b) reducing significantly the level of illegal migration,
c) pursuing the modernisation and efficiency of the administration of justice,
d) reinforcing judicial cooperation (including cross-border issues),
e) facilitating solutions to mixed marriage disputes and the trafficking of women and children, and
f) implementing the relevant UN conventions on combating organised crime and drugs.

To contribute to these objectives, it was decided to\textsuperscript{445}

a) hold ministerial meetings to discuss all issues pertinent to migration,
b) develop mechanisms for practical cooperation and sharing experiences,
c) promote schemes for safer and easier channels for the efficient transfer of migrants, and
d) enhance cooperation to fight illegal migration, organised crime and arms smuggling.

The European Council agreed in December 2005 on a new global approach to migration and that priority actions should focus on Africa and the Mediterranean for 2006. Cooperation in the field of justice, security and migration was at the top of the agenda of the ENP. For instance, the European Commission’s Communication on strengthening the ENP in December 2006 identified the following “action points” concerning mobility and migration:

a) facilitating visas, removing obstacles to legitimate travel (e.g. for business, education, tourism and official purposes); and
b) ensuring well-managed mobility and migration, and cooperating in fighting illegal immigration.\textsuperscript{446}

Indeed, concerning immigration the EU has a “broad range of instruments at its disposal for tailoring its external cooperation to the situation of each country”. In the case of the Mediterranean countries in general, and the PT in particular, these include Action Plans.\textsuperscript{447}

Under the Portuguese EU presidency, the first Euro-Mediterranean ministerial meeting on migration was held in Albufeira (Algarve) on 19 November 2007. During this meeting, where

\textsuperscript{443} Europa, Summaries of EU Legislation, \textit{The External Dimension of the Area of Freedom, Security and Justice}.


\textsuperscript{445} Ibid.


\textsuperscript{447} Europa, Summaries of EU Legislation, \textit{The External Dimension of the Area of Freedom, Security and Justice}. 
facilitating legal movement was considered one of the key elements of the cooperation, political and operational conclusions were approved. In its December 2007 Communication on a stronger ENP, the European Commission noted that “the promotion of mobility will go hand in hand with the commitment of our partners to increase security and justice and fight illegal migration, with efforts to strengthen our neighbours’ capacity to deal with migratory flows to their countries, and with the security of documents”. It must be stressed that this issue is also one of the priority areas of the ENP Regional Indicative Programme for 2007-13, which identifies a number of concrete projects. (See also Box 7 on the EuroMed migration policy budget.)

Box 7. Overview of the EuroMed migration policy budget

The EuroMed Migration-I (2004-07), with a €2 million budget, aimed to promote analysis and cooperation on questions linked to migration, and the social integration of immigrants. The project developed four research programmes: migration, transfers and development; transit migration; border management; and Diaspora and countries of origin. A database with information on migratory flows in the Mediterranean region has been created and studies were conducted on different areas, such as the Annual Report on Mediterranean Migration.

The new EuroMed Migration-II (2008-11), with €5 million, “aims to strengthen the EuroMed cooperation in the management of migration, so as to build up the Mediterranean Partners’ capacity to provide an effective, targeted and comprehensive solution for the various forms of migration”. Four working groups involved in the management of migration were set up on legislative convergence and institutional reform, labour migration, institutional response and national strategies to combat illegal immigration, and migration and remittances by migrants to their countries of origin.

According to Eurostat statistics of 2008, it seems that the level of Palestinian migration to the EU is among the smallest of the Mediterranean partners, reaching a low total of 1,477 (compared with Turkish 2,395,265 and Moroccan 1,718,738), next only to Jordanian migration (17,217). Among EU member states, the most common migration destination of Palestinians is France (595), followed by Italy (316), then Belgium (267) and the Czech Republic (104). There was a recorded increase in migration from the southern Mediterranean partners to the EU


Ibid.: 34.

after 2000. In 1999, the total share of migration to the EU from the southern Mediterranean partners was 1.9%, which increased to 8.4% in 2000 and further to 17% in 2001. It is not clear, however, whether this was related to the outbreak of the second intifada in 2000 or whether these immigrants were from the PT or other partner countries.  

(See Figure 5.)

Figure 5. Immigration of southern Mediterranean countries to the EU-15 (2000)

* Derived from Eurostat. The ‘P’ in the figure stands for PT, but there are no data available specifically for the PT.
** According to the source, nationality-specific details for eastern and southern countries are not available.


The ENP has stressed the following three goals in relation to immigration from Mediterranean partners (including the PT):

a) combating terrorism, the anti-proliferation of weapons of mass destruction and arms control;

b) fighting organised crime, i.e. human and drug trafficking as well as illegal migration; and

c) providing social justice and integration measures for immigrants.

Still, it remains unclear how the EU implements its migration policies in the PT with the help of the PA, given that the PT is under occupation and lacking control of its own borders. Nevertheless, the EU police and rule of law missions in the West Bank might help implement some aspects of the EU’s migration goals – especially those involving anti-terrorism measures, criminal justice apparatus and the judiciary.

3.3 Union for the Mediterranean (mid-2008 to 2010)

*If we are all gathered here, it is because we all believe that the European dream and the Mediterranean dream are inextricably linked, that they will come true together or they will be broken together.*

Extract from President Nicolas Sarkozy’s speech at the Union for the Mediterranean summit.455

In an attempt to avoid the deadlock and inflexibility imposed by the conditionality associated with the ENP and to revive the MEPP through a European initiative, the second half of 2008 marked the beginning of a new phase for the multilateral EMP track. More specifically, it entailed not replacing the EMP but building upon it, while keeping the bilateral ENP framework in place for those interested in joining it. Under the auspices of the six-month French presidency of the EU, President Nicolas Sarkozy initiated the Barcelona process: Union for the Mediterranean (BP: UfM) on 13 July 2008 – previously known as the Mediterranean Union – in an effort to revive the Barcelona process. This new community has its joint secretariat headquarters in Barcelona and includes 43 members: all 27 EU countries and 16 Mediterranean partners plus an observer. These include Arab League members Algeria, Egypt, Lebanon, Morocco, Syria, Tunisia, the PT, Mauritania (not Mediterranean but a member of the Arab Maghreb Union), Jordan (not Mediterranean) and Libya (only an observer). They are joined by EU (potential) candidate countries Albania, Bosnia & Herzegovina, Montenegro, Croatia and Turkey, along with others (Israel and Monaco) (see also Table 1 above).

The concept was originally presented during Sarkozy’s election campaign, which he started implementing once he assumed office on 16 May 2007 – hoping it would be enforced during France’s EU presidency a year later. Sarkozy first sent an invitation to all Mediterranean leaders, calling them for a summit to take place in June 2008 where they would lay the foundations of a Mediterranean Union. The idea of a Mediterranean Union was proposed at the time as an alternative to Turkey’s EU membership, whereby Turkey would be the backbone of the newly created Mediterranean Union. This Union would include the EU member states bordering the Mediterranean Sea456 and the Mediterranean partners, while non-Mediterranean EU member states would be granted observer status. Yet, this plan was fiercely rejected by both Germany and Turkey. The former felt it would be excluded (as a non-Mediterranean country) and refused to finance Mediterranean Union projects on which it had no influence, while the latter rejected the idea of being part of any group that would undermine its EU membership aspirations. Other EU states also rejected Sarkozy’s proposal, seeing it either as a means to push France’s interests in the region, worrying that it might create a division among existing EU member states, or duplicate efforts that would be detrimental to the existing EMP policies in the area.457

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456 The concept of a ‘Mediterranean state’ proved controversial on its own as no clear definition was given as to which states are considered Mediterranean and which are not. For instance, 1) Malta was irate when Sarkozy forgot to include it in his Mediterranean Union project during his election campaign. 2) The UK claims that it is also Mediterranean because of its overseas peninsula (Gibraltar) on the Mediterranean Sea. 3) Portugal, which is not directly on that Sea was also invited to be part of the ‘Club Med’. 4) Then there are Slovenia (EU), Albania, Croatia and Bosnia-Herzegovina, which are more on the Adriatic Sea. 5) Similarly, Jordan and Mauritania are included because they are part of the EMP (Mashreq and Maghreb policy), although these two are not actually on the Mediterranean Sea.

Left with no choice and dreading to lose completely his ‘Mediterranean dream’ – a vision of a ‘Club Med’ that would project his legacy – at the start of 2008 Sarkozy decided to respond to the criticism. He modified his original plan by including all EU states and giving Turkey guarantees that its involvement would not affect its EU accession negotiations (which had begun in 2005). Once German Chancellor Angela Merkel was promised a seat at the table and Ankara received its assurances of EU membership prospects, they declared that they were ready to take part in the planned Mediterranean Union. But by February 2008, the Mediterranean Union was renamed the BP: UfM, reflecting the Barcelona process and clearly indicating the continuity between the old and the new initiatives.458

The EMP was formally re-launched as the UfM on 13 July 2008 in Paris. The summit was co-chaired by France and Egypt. Among those present were all EU and Mediterranean members as well as the president of the European Commission (José Manuel Barroso), high representative for the CFSP (Javier Solana), the UN secretary-general (Ban Ki-moon) and the secretary-general of the League of Arab States (Amr Moussa).459 The meeting was a diplomatic success for France and “more than anything, a victory for Sarkozy… [Moreover,] even if the result is quite a bit different [from] the Mediterranean Union the French president had envisioned”, he still succeeded in gathering Ehud Olmert, Mahmoud Abbas and Bashar Al-Assad (Israeli, Palestinian and Syrian leaders respectively) at the same table on a rare occasion of unity.460

This relative success of France does not mean the summit went smoothly or without any last-minute hurdles. On the contrary, at first Israel strongly objected to the Arab League receiving an observer status at UfM meetings, but later accepted this in exchange for holding the three-year rotating post of deputy secretary-general.461 Furthermore, on the eve of the summit establishing the UfM, the Arab League held a meeting in Paris to establish a common position, the result of which led to a half-hour deadlock over a Palestinian–Israeli disagreement on the wording of the summit declaration.462 The Palestinians rejected the Israeli insistence on use of the phrase “state for the Jewish people”, saying this infringes the rights of the non-Jewish Israelis within Israel, and hinders the right of return for Arab refugees to the “Jewish” state. At the end, Palestinian demands were granted and “the final text had to undergo some little changes” before it was unanimously adopted.463

Four months later, the UfM was at an impasse again, but this time it was over “where to base its headquarters, who should attend meetings and who should get the top jobs”. On 3 November 2008, foreign ministers from the EU and their Mediterranean partners met in Marseilles and

engaged in “a round of horse-trading” designed to iron out differences and find a way out of the deadlock. After a lengthy debate, Barcelona was chosen as the secretariat’s base, to be led by a secretary-general and five deputy secretary-generals, from both the EU and the southern Mediterranean region – yet to be determined. “Representatives from Israel and Palestine need to be included as joint secretary-generals. But any attempt to bring the two camps closer through the Union seems to stop there.” A co-presidency system for a non-renewable period of two years was also established, to be presided over by one Mediterranean state and shared between an EU state followed by the rotating presidency of the EU. (For instance, 2008-09 saw France/Czech Republic on the EU side and France/Sweden in 2009-10, while from the south Egypt served as co-president for the 2008-10 period.)

At the outset of the project, two camps emerged from the south: the sceptics and the optimists. From the first camp, voices were heard expressing doubts about the initiative, which included the PA, the Arab League and Libya. Leila Shahid, the general delegate of the PLO to the EU, warned against the risk of launching the UfM “in spite of the inexistence of a Palestinian state.” Amr Moussa, secretary-general of the Arab League, suggested that regional problems in the Middle East must be sincerely addressed before any form of Mediterranean Union could succeed. Libyan leader Muammar Gaddafi feared the Mediterranean Union would replace the African Union and divide the African countries, while being nothing but another imperialist Roman Empire in European clothes. Other critics of the Mediterranean Union have claimed that controversial issues such as migration and terrorism have been left out of the scope of the new set-up. A second look, however, reveals that these are addressed in the main official UfM documents (i.e. the Joint Declaration of the Paris summit for the Mediterranean in July 2008, and the final statement of the ministerial conference in Marseille in November 2008).

465 The secretary-general will be chosen among candidates from Mediterranean partner countries for a term of three years, renewable for a maximum of three more years. The first UfM secretary-general is expected to be the Jordanian ambassador to the EU, Ahmad Massaadeh. See http://www.greenprophet.com/2010/01/14/16228/jordanian-mediterranean-union-chief/.
466 For the first term in office, the five deputy secretary-generals are expected to be from the following Euro-Mediterranean partners: Palestinian Authority, Israel, Greece, Italy and Malta. All the Euro-Mediterranean partners are eligible for these posts on a rotational basis.
468 European Commission External Relations, “Final Statement: Marseille Meeting of the Euro-Mediterranean Ministers of Foreign Affairs”.
Despite these doubts, cautioned optimism was also heard from Egyptian President Hosni Mubarak and Israeli President Shimon Peres.473

But how does the UfM differ from its predecessor, the EMP/Barcelona process (launched in 1995)? What else does it offer its members? The UfM, like the EMP, is “the framework of multilateral relations” between EU countries and the Mediterranean non-EU countries. It “complements bilateral relations, which will continue to develop under the ENP and the pre-accession framework. It also builds upon the acquis and reinforces the achievements of the Barcelona Process.”474 While the goals and cooperation areas of the Barcelona Declaration (i.e. political and security dialogue; economic and free trade support; human, social and cultural empowerment) remain valid, the UfM breathes life into the process in three ways, by475

- upgrading the political level of the relationship between the EU and its Mediterranean partners (e.g. inviting heads of states to the negotiation table);
- reinforcing co-ownership of multilateral relations through a system of co-presidencies (one from the EU and one from the Mediterranean side), by setting up a shared secretariat in Barcelona responsible for identifying and promoting projects across different sectors, and using a joint permanent committee to ensure north–south parity; and
- making these relations more concrete and visible through additional regional, trans-regional and sub-regional tangible projects, relevant for the citizens of the region.

In addition, at the 2008 Paris summit, the six priority projects were identified for the UfM476 (see Boxes 8 and 9).

**Box 8. Euro-Mediterranean relations over 15 years**

1. **EMP 1995–2008 (multilateral)**
   1) **Political dimension**
      a. Security and stability
      b. Democracy and good governance
      c. Rule of law and human rights, the judiciary and fundamental freedoms
   2) **Economic dimension**
      a. Economic aid, development and infrastructures
      b. Fiscal policy reforms, conditionality, transparency and anti-corruption
      c. Trade and taxation
   3) **Cultural dimension**
      a. Supporting civil society and the media
      b. Empowering women and youth
      c. Fostering peace education and cultural exchanges

473 For more details on Egypt’s reaction, see http://weekly.ahram.org.eg/2008/905/ed.htm, and on Israel’s reaction, see http://www.ejpress.org/article/16567.
476 Ibid.
II. ENP 2004–present (bilateral)

1) Political dimension
   a. Security and stability
   b. Democracy and good governance
   c. Rule of law and human rights, the judiciary and fundamental freedoms

2) Economic dimension
   a. Economic aid, development and infrastructures
   b. Fiscal policy reforms, conditionality, transparency and anti-corruption
   c. Trade and taxation

3) Cultural dimension
   a. Supporting civil society and the media
   b. Empowering women and youth
   c. Fostering peace education and cultural exchanges

4) Migration dimension
   a. Combating terrorism, anti-proliferation of weapons of mass destruction, and arms control
   b. Fighting organised crime, human and drug trafficking, and illegal migration
   c. Providing social justice and integration measures for immigrants

III. UfM 2008–present (multilateral)

1) Initiatives
   a. Upgrading the political level of the relationship between the EU and Mediterranean partners
   b. Reinforcing co-ownership of multilateral relations
   c. Making these relations more visible through additional tangible projects

2) Projects
   a. De-pollution of the Mediterranean
   b. Construction of maritime and land highways
   c. Civil protection from the effects of climate change and man-made or natural disasters
   d. Identifying alternative energies & the Mediterranean Solar Plan
   e. Encouraging higher education and research through the EMUNI in Slovenia
   f. Supporting business initiatives focusing on small & medium-sized enterprises (SMEs)

Box 9. Overview of the UfM budget and EU–PT economic aid

Funding and implementation of UfM projects will be pursued on a case-by-case basis and will require a high degree of donor coordination. The Commission envisages mobilising financial resources through various sources:477

- the private sector;
- bilateral cooperation from EU member states;
- contributions from Mediterranean partners;
- the FEMIP provided by the EIB;

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477 Europa, Press Releases, “Union for the Mediterranean”.
Box 9. cont’d

- Community budget for the Mediterranean, such as the ENP South Regional Programmes, ENPI EuroMed Envelop, the Neighbourhood investment facility and the cross-border cooperation instrument, all of them within the ENPI;
- other instruments applicable to the countries covered by the initiative, for which the usual selection and procedural rules will continue to apply; and
- other countries, international financial institutions or regional banks.

Additional financial provisions include the following ones:

- The cost of the secretariat (staff, equipment, etc.) will be funded from an operating grant on a shared-balanced basis by Euro-Mediterranean partners (voluntarily), and by the EC budget (from existing resources within the ENPI).
- The host country will provide the premises of the secretariat free of charge.
- Seconded officials will be financed by their respective administrations (possibly through a trust fund).
- Initial financial contributions shall be made available as soon as the statutes are adopted, so as to allow the secretariat to start functioning by May 2009.
- Funding provisions should reflect the EU and Mediterranean partners’ co-responsibility of the UfM.

On the eve of the first anniversary of launching the UfM, the European Commission announced a further contribution of €72 million for 2009-10, in addition to the original amount of €18 million dedicated since July 2008. Irrespective of the political blockage (discussed below), the Commission has kept busy implementing the activities regarded as priorities in Paris and has since provided or earmarked €90 million to achieve its goals. To this amount, contributions of more than €50 million from the EIB and from the European Neighbourhood investment facility need to be added, bringing the total budget to about €150 million.

On 2 March 2009, world leaders met in Sharm El-Sheikh for another Palestinian donors’ conference, which was co-sponsored by the European Commission. At the meeting, Benita Ferrero-Waldner, European commissioner for external relations, pledged €436 million for 2009 in support of the Palestinian economy for the reconstruction of Gaza. This offer is comparable with the €440 million that was made available in 2008 following the December 2007 Paris donors’ conference. The Commissioner also reiterated her offer “to all donors to use PEGASE to channel their assistance to the people in Gaza”, which she considered a “quick, effective, efficient [tool] and in compliance with the highest international standards of monitoring and control”.

The partnership is expected to provide “new impetus to regional cooperation by agreeing on a set of priority development projects that [would] create de facto solidarity between participating nations” while addressing institutional imbalance and weak visibility – issues that have imbued the EMP. Hopes are also high that the structure of the UfM, based on a shared presidency between north and south, will “increase co-ownership in the process and give it more political...

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478 European Commission External Relations, “Final Statement: Marseille Meeting of the Euro-Mediterranean Ministers of Foreign Affairs”.


authority via regular [highest-level] summits, to be held every two years’.481 Robert del Picchia, a French senator and member of the EMPA, recently authored a report about the UfM for the French Senate,482 wherein he pointed out that

[ ]

The purpose of the project is to strengthen bilateral relations between the southern and northern states on each side of the Mediterranean... The UfM objective is to say that if we cannot agree politically, we must at least try to implement the projects. One or two countries from the north can agree with some southern countries to implement projects... If this works, other countries will join such initiatives. If north and south are able to achieve concrete projects, we will be able to think about a political solution.483

Notwithstanding these benefits, critics of the initiative remain concerned about the overlap and duplication of the UfM with the existing ENP policies, which might reduce the effectiveness of the EU’s activities in the region. The loss of the civil society dimension is a further worry. This initiative also allows more room for the southern countries to escape unpopular EU policies based on human rights and democratisation as it is project-oriented without clearly set benchmarks – depriving the EU of its limited leverage on southern countries.484

The short success story of the UfM has been hampered by two consecutive hurdles. The first has been the international financial/economic crisis, hitting its peak in September 2008 and affecting all partners to some extent or another. Nevertheless, when asked about the effects of the financial crisis on the project, del Picchia said “it could be either positive or negative”. He elaborated further that “some countries may choose to fund projects which create jobs. Moreover, some markets may experience strong growth in the south of the Mediterranean and thus assist countries in the north [that] now [experience] financial or industrial problems.”485

The second and worse problem relates to Israel’s devastating bombing campaign in Gaza from 27 December 2008 to 18 January 2009 (code-named ‘Operation Cast Lead’), which took place under the command of acting Prime Minister Tzipi Livni (who had replaced Ehud Olmert on 21 September 2008 as Kadima party leader). The operation – unprecedented in its magnitude of harm to the population – came as Israel’s response to Hamas formally announcing the end of its unwritten six-month truce with Israel and resuming violence by firing four rockets into southern Israel on 19 November 2008. Hamas in turn blamed Israel for ending the ceasefire, charging it with “imposing a painful economic blockade on Gaza”.486 The Israeli military incursion into Gaza not only worsened the socio-economic situation for Gazans but also blocked Euro-Mediterranean progress in the entire region. Arab countries in particular were reluctant to continue to participate in UfM meetings after the Gaza war. Israel, for its part, “did not want the Arab League to attend meetings”. Thus, “as things stand now, there are no more meetings on the


486 New York Times, “Hamas Renounces Cease-Fire with Israel”.
agenda. The process is half-frozen”, del Picchia admitted, before insisting that “the project remains. Experts and diplomats are working ahead without the official endorsement of the institutions.”

Some analysts say the Gaza war was a way for the Israeli government, particularly the Kadima party, to redeem itself before the upcoming elections after its non-victory in the Lebanese war earlier in 2006. Nonetheless, with its 22-day war against Gaza, Israel has been losing the European public-opinion battle, especially with a death toll of over 1,300 on the Palestinian side (100 times more than on the Israeli side), at least half of them civilians. Although Europeans seem to blame both sides (Israel and Hamas) for the violent confrontation, the majority still believes that Israel’s offenses in Gaza “went too far” and its intensity was “unjustified”. At the official level, the EU remains divided along European Parliament party and national lines on the question of sanctioning Israel (i.e. suspending the EU–Israel Association Agreement signed in 2004) or upgrading relations with it. Despite the damage-control efforts of Israel before, during and after the Gaza conundrum, the EU remains reluctant to further advance diplomatic dialogue and economic ties with the country owing to Israel’s settlement policy in the PT.

This issue has been mulled over by the EU (particularly in the European Parliament) since the last unanimous agreement by European foreign ministers to gradually upgrade bilateral relations with Israel in June of 2008 – regardless of numerous PA objections. The current ENP Action Plan with Israel was due to expire and be replaced in April 2009 but has been extended until negotiations on its new form are reached. The upgrade of relations would include “strengthening structures for political dialogue with Israel, for example, by intensifying high-level meetings as well as informal consolidations, by encouraging Israel to align itself with positions adopted in the frame of the EU’s CFSP, and by promoting cooperation on the ground and inviting Israel to take part in civilian missions pursued under the ESDP”.

In the midst of these economic and political challenges, US President Barack Obama assumed office on 20 January 2009, bringing an end to eight years of the controversial Bush administration. Obama’s victory and his first formal interview six days after taking office with the Arab satellite station Al-Arabiya, bolstered later by his June 2009 speech in Cairo in which he promised a new chapter in US–Muslim relations, brought about a spirit of change and dynamism to the Middle East. The motto of ‘choose hope over fear’ and ‘yes we can’ at first

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494 Asseburg, “European Conflict Management in the Middle East: Toward a More Effective Approach”: 5.
loomed large in Middle Eastern–US relations. But with the challenges facing the region and an Israeli coalition government, dominated by right-wing and ultra-Orthodox parties (led since 31 March 2009 by Prime Minister Benjamin Netanyahu (Likud) and the polarising foreign affairs minister Avigdor Lieberman, chair of the far-right Yisrael Beitenu party), which is not succumbing to international pressure to change its hard-line policies towards the Palestinians, hope seems to have run out. Months of shuttle diplomacy by George Mitchell, the American special envoy to the Middle East for the Obama administration, have proved fruitless in persuading the Israeli government to change its position on a negotiation-breaker issue, i.e. ‘settlement freeze’. In parallel, time and patience are running out on the Palestinian side, where Abbas is losing his legitimacy as the PA president since his four-year elected term in office *de jure* expired in January 2009 and Hamas keeps refusing to hold new elections in the Gaza Strip, where its own four-year mandate also came to an end in January 2010.

Middle East–EU relations are further suffering from the refusal of the Arab members of the UfM to hold meetings with Lieberman, who would represent Israel as its foreign minister. Neither his hard-line positions concerning the Palestinians, nor his comments regarding President Mubarak sat well with the Palestinians and Egyptian leaders. Egypt even boycotted a joint UfM summit – scheduled to take place in Istanbul in November 2009 – postponing the EuroMed summit indefinitely and bringing the process to the brink of a stalemate. The decision, some say, was a protest to Lieberman’s expected presence; however, an Israeli official, who preferred to remain anonymous, claims otherwise: “Lieberman was not the problem. The issue from the beginning has been the refusal by Egypt and Arab countries to discuss joint cooperation projects with Israel.” Thus, like its regional predecessor – the Barcelona process – the UfM is being stalled in large part over the Arab–Israeli spat.

These gloomy developments come in sharp contrast to the positive picture drawn by French President Sarkozy during the 2008 Paris summit, when both he and President Mubarak praised the Arab nations for attending the summit, saying they had made a “gesture of peace”. More recently, voices like that of former external affairs commissioner Ferrero-Waldner are more often heard, still calling desperately for an emphasis on the concrete projects outlined in the

497 Abbas’s term in office was extended for a year to coincide with the anticipated 2010 PLC elections through a resolution passed by a special judicial panel (under the Palestinian Basic Law) and a fatwa. See International Foundation for Electoral System (IFES), “Legal Opinion Regarding the Presidential Term of President Abbas (by Fatwa and Legislation Office)”. Accordingly, Abbas’s de facto term was extended for another year and scheduled, to end in January 2010, which coincided with the end of the PLC’s term in office.
500 EurActiv, East and Med Relations, “Paris Summit Inaugurates ‘Mediterranean Union’”.

proposal, while acknowledging the obstacles that beset the process, particularly the Israeli–Palestinian dispute.\textsuperscript{501} In the same vein, Leila Shahid, PLO representative to the EU, wistfully wonders:

[H]ow do you expect us, who have been under occupation for 41 years, aspiring for an independent state for 60 years, to go ahead and ‘put the cart before the horse’, have motorways over the sea, work towards a pollution-free Mediterranean, build environmental projects even when we cannot leave the perimeters that we are forced to live in? I find it hard to believe that we could succeed today where the Barcelona Process failed [in the creation of a Palestinian state] as long as the essential element of stability, peace, coexistence, and economic integration are not there.\textsuperscript{502}

Meanwhile, after a lengthy process, and with the clearing of the Czech Republic’s last hurdle of having the court’s approval of the government’s opt-out clause to the EU Charter of Fundamental Rights, the Lisbon Treaty was finally ratified by all EU member states in November 2009. The Treaty aims at streamlining decision-making and bolstering the bloc’s role on the world stage. It introduces some important innovative ideas and modifications to solve problems of organisation and consistency in EU foreign policy. Yet, an aspect that has been overlooked is how EU actors would coordinate their efforts with international organisations that are relevant to the MEPP (e.g. the UN, the World Bank and the IMF) in order to increase their efficiency. In light of the importance of these international organisations in supporting the EU’s efforts and projects in the PT, this oversight in the Treaty can be considered one of its main shortcomings concerning its external outreach. Still, it remains to be seen whether the new Treaty will help bolster the EU’s role and coherence on the world stage in general and in the Middle East in particular.

The questions that remain are whether the UfM has been nothing more than just a photo-op and whether the EU–Mediterranean relations can overcome the current impasse? In a bid to revitalize the process, during recent months there have been mediation attempts by France to bridge the differences between the two sides, but nothing has come to fruition yet. The new UfM has completely stalled with no signs of resuming its activities following the row between its Arab and Israeli members. “This is very serious”, an EU diplomat told the Sunday Times. “We are risking the death of the Mediterranean Union just after being born. The Union is in complete shambles and no progress has been made since its launch, both on the structure of the organisation and its seat.”\textsuperscript{503}

It is also imperative to recall the European Council’s mid-June 2009 statement on the MEPP after it met in Luxembourg. “The EU’s leaders adopted Barack Obama’s line on both the two states solution and on the freezing of Israeli settlements, but it is also clear that the EU must also be ready to use its diplomatic, economic and technological leverage to influence Israel. Without this, Israel will continue to regard the EU as a lightweight and disregard its demands.”\textsuperscript{504}

In spite of these concerns, it seems too soon to pass a verdict of success or failure on the UfM only a year after its launch. Some analysts suggest two years as the minimum before assessing


\textsuperscript{502} Arab Times: World News, “US Must Show Israel to Blame for Mideast Impasse, Says Palestinian”.


the initiative, giving the projects some time to materialise. But at times such as these, when foreign ministers of Arab Mediterranean states refuse even to attend UfM summits when their Israeli counterpart is present, one wonders if there is a point in restarting the process. It is still worth remembering how, within a span of 10 years, the UfM’s predecessor (EMP) helped transform two Mediterranean members (Cyprus and Malta) into EU member states and prepare Turkey for accession negotiations. These positive achievements might have more to do with the EU playing its ‘trump card’ with these countries, the accession prospect, which is leverage that it cannot afford to use with all its Mediterranean partners at the moment. Thus, only time will tell if this new initiative can bring more progress to the fragile region, especially to the Arab partners, without having the EU membership carrot to offer.

4. Reflections, Proposals and Conclusions

Reflections

The history of EU–Palestinian relations since Oslo has been one of an unending series of setbacks and reactive policies aimed at addressing the stumbling blocks as they arise. Every initiative from the EMP to the ENP, and recently the UfM, has been developed with the expectation (or hope at least) of kick-starting a stagnating peace process and an idle internal development process. Unfortunately, none of these frameworks has proven effective for the simple reason that they have lacked the holistic approach needed to address the root cause of the Israeli–Palestinian conflict in order to achieve the desired “just, comprehensive and lasting peace in the Middle East”. Therefore, salvaging the PT will require action on all EU principles (i.e. human security, good governance, political institutions, economic development, cultural openness and societal building) internally, while working on the external factors (i.e. the Israeli–Palestinian peace process and regional cooperation) at the same time. This is important, because it would not be an exaggeration to say that the Arab–Israeli conflict has proven to be one of the main impediments hampering Euro-Mediterranean progress. The conflict, in this sense, is “part of a wider regional problem that extends from the neighbouring countries to Iraq, Iran, Afghanistan, Pakistan and, indeed, throughout the entire Muslim world and beyond”, resulting in a destabilising global impact.

Time and again we hear from Palestinians at all levels that building political institutions, developing the economy, empowering civil society and importing Western-style democracy and human rights in the PT are not sufficient conditions to build a genuine and sustainable peace.

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507 Kaldor, “A European Union Human Security Doctrine for the Middle East”.
509 This point underpinned all of the one-on-one interviews conducted by the author with Palestinian officials and civil society representatives in the West Bank and East Jerusalem in the summer of 2009. Having personal reservations about this statement and having witnessed many Arab countries over the years that have achieved the necessary economic well-being (without more importantly) being under any foreign occupation, yet have not metamorphosed into sustainable democracies with acceptable human rights records, these concerns were raised with interviewees. Their answers were threefold:
1) Palestinians are more democratic than other Arabs in the region because they had longer practice with democracy in the 1970s and 1980s through university students’ council and labour union elections.
According to many Palestinians, this is half the equation, one that will not be complete unless the US and the EU put pressure on Israel to end its occupation of the PT and help them establish a sovereign and viable Palestinian state. Although these demands might sound simple and straightforward, in international relations identifying the cure does not necessarily translate into starting the treatment.

Both the US and the EU have geostrategic, economic and cultural ties with Israel. For instance, “the EU is Israel’s largest trading partner; [while] Israel is one of the EU’s biggest trading partners in the EuroMed area, with total trade amounting to almost €23 billion in 2005.”

Simultaneously, the EU also has a vested interest in maintaining good relations with the Palestinians in view of its large Arab and Muslim immigrant communities, its geographical proximity to the conflict zone and the far-reaching ramifications of the conflict across EU–Mediterranean relations. Nonetheless, although often considered an “economic giant”, the EU remains to some a “political dwarf” in comparison with the US. It also goes without saying that the biggest Israeli lobby in the US (i.e. the American Israel Public Affairs Committee – AIPAC) has a lot of influence on US party politics, the Congress and American foreign policy towards Israel and the entire Middle East.

So, while the EU cannot exert the needed pressure on Israel to change its policies towards the Palestinians, the US does not even try. In the absence of clear actions by the EU, one is forced to agree with Natalie Tocci’s observation that, “beyond words and surreal negotiations with Israel over what constitutes a humanitarian good, it remains unclear what the EU will do to alter Israel’s policy.”

Europe nevertheless has shown “greater willingness in recent months to play a larger part in the Middle East’s most protracted conflict, that of Israel and Palestine. But willingness doesn’t necessarily indicate readiness.” Thus, the combination of a lack of leverage over Israel’s actions or a lack of the actors’ political will to either give more incentives and security assurances to Israel or to resort to “hard politics”, such as enforcing economic sanctions or downgrading commercial relations with it, contributes to Israel’s apathy towards the demands of the Palestinians and the international community alike.

Certainly, for an accurate assessment of EU politics in the PT, one must avoid the all-too-often recited generalisations made about the ‘complete failure’ of EU engagement with the

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2) Palestinians are more in touch with democratic practices as they are more exposed to foreigners – e.g. Israelis and international bodies operating within the PT.

3) They refused to be judged on what other Arab countries are doing (or on some of the actions by Hamas members in Gaza), and they insisted that if they had a state they would transfer to a “culturally-acceptable” form of democracy that would protect religious minorities.


Palestinians. Rather, Muriel Asseburg’s scheme should be taken into consideration, which breaks down EU policies in the PT into the following three (overlapping) components and then measures the effectiveness of each aspect independently over time:

1) regional security and stability,

2) state and institution building, and

3) financial aid and economic development.\(^{516}\)

In this manner, the EU’s success or failure on the ground can be better evaluated, while at the same time comparing the EU’s actions with its declaratory positions broadcasted in Brussels.

1. What has the EU done?

Europe “is already deeply involved in the MEPP, through its large financial assistance to the Palestinians, its membership of the Quartet, and its various missions on the ground”.\(^{517}\) In Denis Bauchard’s words, “from 1980 to 2001, Europe played a leading role in the Middle East, particularly in asserting the Palestinians’ right to self-determination and by convincing the PLO to abandon violence and so become a viable party to negotiations”.\(^{518}\) Likewise, Asseburg points out that since Oslo, the EU has tried to lay the foundation for socio-economic development and good governance, supported comprehensive peace between Israel and its neighbours through multilateral and bilateral frameworks, sought to create an environment conducive to peace in the region, and supported regional cooperation and integration through the EMP, ENP and UfM. In the process of achieving these ends, the EU has exercised some

1) conflict management, by introducing security-sector reform and the ESDP police and border missions;

2) crisis mediation, by playing the mediator role in facilitating dialogue among Israelis and Palestinians during the second intifada; and

3) conflict resolution, by pushing the Bush administration to adopt the roadmap and to re-engage in Middle East conflict-settlement through the Middle East Quartet.\(^{519}\)

2. Has the EU succeeded?

According to Maria Gianniou, the success of the EU in the PT can be measured by asking whether the actions of the EU in this matter have been effective in contributing positively to the efforts for resolving the conflict. In answering this, Gianniou claims that

the institutional evolution of the diplomatic system of Europe suffers from one

primordial flaw, [which is a] constant and unchangeable critique of all the analysts focusing on the European integration process: the lack of an external and coherent

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\(^{516}\) Asseburg, “The EU and the Middle East Conflict: Tackling the Main Obstacle to Euro-Mediterranean Politics”: 174.


\(^{519}\) Asseburg, “European Conflict Management in the Middle East: Toward a More Effective Approach”: 45.
action, primarily due to the absence of a foreign policy system pooling both the common and the intergovernmental elements of the external activity of Europe.520 Nonetheless, she stresses that it would be wrong to argue that Europe has limited itself through its incoherence, in view of two pertinent observations:

1) Over the past 30 years, “Europe has managed to successfully develop a European policy vis-à-vis the conflict, notably via the progressive elaboration of a set of basic principles, expressed within the framework of European Political Cooperation/CFSP, and later as applied on the ground through concrete and tangible actions”.

2) “[T]he institutionalisation of CFSP granted to Europe a more solid and well-defined international image...[that] offered to European officials a series of instruments, the application of which contributed to better interpret[ing] Europe’s engagement on the ground.”521

In Gianniou’s opinion, Europe’s objective today is clearer and more focused on “the resolution of the conflict by peaceful means and negotiation which should inevitably lead to a two-state solution”. She also adds that “by its declarations and actions [the EU] obtained some concrete results: it contributed to the legitimisation process of the Palestinian people and the PLO; it supported Israel’s normalisation and integration in the Middle Eastern region; [and] it offered an alternative yet complementary diplomatic track to that of the US”.522

3. Where has the EU gone wrong?

Where the Europeans have gone wrong is that “while their support had political objectives – to form the nucleus of a Palestinian state and to provide the environment for a comprehensive settlement of the Arab–Israeli conflict – Europeans [have] remained reluctant to get directly involved on the political level. Rather they [have seen] their role as complementary to the political negotiations facilitated by the US”, Asseburg holds. Also, for years the EU focused its attention exclusively on the Palestinian–Israeli track instead of using the multilateral track first envisaged to solve the regional conflict as a whole.523 Moreover, the EU did not use its leverage on Israel or Hamas by yielding to the former and disengaging from the latter. By setting preconditions for negotiations with Hamas and refusing to engage with them, “the EU in particular has effectively out-manoeuvred itself from having effective influence on the conflict. This is because its influence principally derives from its disbursal of financial assistance contingent upon the recipient’s compliance with specified conditions and rules.”524

Furthermore, the EU trapped itself in a position from which it found difficult to get out. On the one hand, it adopted the Quartet’s three aforementioned conditions prior to negotiations with Hamas, but at the same time it added Hamas to its list of terrorist organisations in 2003,525 making it legally arduous to break this deadlock. Veronique de Keyser, member of the European

521 Ibid.
522 Ibid.
524 Emerson and Youngs, Political Islam and European Foreign Policy: Perspective from Muslim Democrats of the Mediterranean: 157.
Parliament of the Socialists & Democrats group, stressed that this list is actually “political and not democratic” because the EU has not been transparent in its categories for making or getting off that list. She claims that shortly after Hamas won the PLC elections in 2006, they contacted the European Parliament to see what process they could follow to be removed from that list; however, she laments that there was no such process written down to consult. Voices from the EU have been calling for engaging in a dialogue with Hamas, but no one seems willing to take the first step.

More fundamental is that the EU has often applied post-conflict resolution mechanisms to the PT, while at the same time (deliberately or unintentionally) postponing or neglecting to deal with the core issue: the occupation. The EU erred when it focused primarily on the 'structural' aspect of foreign policy in the PT, influencing to a limited degree some structures (i.e. political, legal, socio-economic and security) on a few levels (i.e. state, societal and individual), while overlooking other important elements (e.g. human security, psychological and cultural matters) and levels (e.g. inter-state/societal and regional ones). In addition, the EU disregarded or procrastinated over the ‘traditional/conventional’ dimension of foreign policy, which influences national security and stability through the crisis-management and conflict-resolution mechanisms needed before post-conflict resolution instruments can be fruitful. The occupation, in this sense, is the antithesis of structural foreign policy, which revolves around human security, development and freedoms of movement, association and speech. In essence, “both conceptualizations of foreign policies are relevant” in today’s complex and global world for conflict resolution to succeed.526

Richard Youngs adds to this analysis that the EU’s support for Palestinian institutional reforms had begun to make headway in the mid-1990s, when it was “using a skilful mix of funding, incentives and political conditionality”, but in doing so Europe was “walking a very thin line. On the one hand, it sought to nudge along Palestinian reform without detracting from the fact that a fully functioning democracy depended most essentially on the end of occupation. On the other hand, by the late 1990s it had become clear that unduly neglecting underlying reform was militating against the prospects for peace.”527 While rolling back previous reforms enhanced Palestinian presidential powers and reversed earlier democratic achievements in the PT, the EU, by continuing to give aid money to the PA, helped keep a moderate interlocutor of the peace process (President Abbas) alive.528 Hence, the EU was criticised from all sides, but depending on who is asked, for different reasons: for being “too critical towards or too indulgent of the Palestinian Authority political elite”;529 for being too hard or too soft on Israel; for giving a lot of money to the PA without ending the occupation; or for not giving enough money to induce reforms.

But academics are not alone in criticising the EU. In a policy paper analysing the conclusions of the EU’s General Affairs and External Relations Council on the MEPP – prepared by a group of 15 European/international humanitarian and peace organisations with operations or partners in Israel and the PT – nine key inconsistencies in the European Council’s position on the MEPP

526 Keukeleire and MacNaughtan, *The Foreign Policy of the European Union*: 20, 25-26, 28
527 Youngs, *The European Union and Palestine: A New Engagement*.
528 Asseburg, “European Conflict Management in the Middle East: Toward a More Effective Approach”: 38.
529 Youngs, *The European Union and Palestine: A New Engagement*. 
were outlined with recommendations to rectify them. The main points of critique are that the Council has

1) failed to support an independent inquiry into the Gaza war;
2) failed to stress the illegality of the blockade of Gaza;
3) ceased criticising Israel’s construction of the wall in the PT since 2007;
4) dropped its earlier calls to reverse the settlements policy of Israel;
5) not called on Israel to enforce law upon settlers perpetrating violence;
6) been silent about intra-Palestinian human rights violations;
7) been silent about thousands of Palestinian political prisoners in Israeli prisons;
8) conditioned engagement with the Palestinians but not with the Israelis; and
9) not called for any restrictions on arms transfers to Israel.

4. Why has the EU chosen ineffective policies?

The main reasons behind choosing such an ineffective approach, in Asaf Siniver’s opinion, are largely rooted in “the EU’s (and particularly Germany’s) yielding to Israel’s pressure to separate the political from the economic spheres of interaction, and to obvious post-war historical and political sensitivities to Israel’s accusations of anti-Israel policies.” Note, for instance, that no European government has outright condemned the “excessive” 2009 Israeli offenses in Gaza without justifying the actions first and foremost as a “legitimate act of self-defence” instigated by the Hamas attacks on Israel, demonstrating a special sympathy towards Israel. In addition, the EU was “initially reluctant to become actively involved in direct political negotiations between the parties to the Middle East conflict and in hard security issues, leaving the field[s] of conflict management and conflict resolution largely to the United States.”

Gianniou, however, believes that despite the common declarations published at times, “from the outset an atypical division emerged between the member states according to their position vis-à-vis the conflict: consequently, France, Ireland, Italy or Greece were more willing to concede to Palestinian demands (such as the association of the PLO or the creation of a homeland, and later on a state) than were Holland, Denmark or Germany”. She even goes as far as saying that “some states clearly distinguished themselves from their partners in many occasions: the Greek insistence to recognise the PLO as the representative of the Palestinian people in the beginning of the eighties (whereas Europe only called for its association with the negotiations); and the proposal of Jacques Chirac in October 1996 to co-sponsor – with the US – the peace process” are such examples. Gianniou claims that undoubtedly, these actions “contribute to rais[ing]

tension between partners and harm the European efforts to promote a single image…as a coherent international actor in the peace process”. 534

Be that as it may, to Denis Bauchard it seems like the Bush administration coupled with successive Israeli governments “have constantly sought to distance Europe from any political negotiations in the region. Europe has instead had to play the passive part of ‘banker’, financing equipment and infrastructure.” 535 Still, Asseburg argues that the EU later had a change of heart – when it increased its activities in the PT – in light of the EU’s ambitions to become a global player and the urgency imposed by the deteriorating situation, coupled with the US administration’s neglect of the peace process during President Bush’s first term in office. 536 Yet other considerations might have also contributed to the EU’s deeper involvement, such as the strengthening of the CFSP and the creation of ESDP (new EU foreign policy instruments) and finally getting rid of the war on its outskirts in the Balkans.

5. What are the ramifications of the EU’s failure?

Consequently, what “over the last 15 years has proven to be the main stumbling block to improve EuroMed relations and confidence-building and regional integration – the Arab–Israeli conflict – is bound to remain a major impediment to closer cooperation, particularly in the Mashreq”. 537 Adding to that, the EU’s reactive policy in 2006-09 with regard to Hamas has led it to lose its credibility. Its support for democracy was discredited in the eyes of the local Palestinian population and the wider Islamic world after the dubious signal, to both Arab authoritarian regimes and Arabs in the streets, of its stance when Hamas’s electoral victory in 2006 was given merely pro forma recognition, while de facto legitimacy was denied to the majority faction in parliament. 538 Moreover, the reversal of the EU’s earlier reform policies in the PT since Hamas’s electoral victory to the advantage of the West Bank Abbas-led government has undeniably helped deform more than reform the fragile Palestinian institutions and put a question mark over the EU’s honesty as a democracy and reform promoter in the Middle East.

Within the context of a volatile Oslo peace process and the intifada, EU aid to the Palestinians has mainly been used “as a substitute for international political will and to compensate for the lack of genuine bilateral negotiations between the parties”. Aid alone, however, cannot buy peace. “Not only has the international community’s ‘aid for peace’ strategy failed to attain its stated political and socio-economic objectives…[but also] such international intervention has actually been harmful.” 539 Donors have ended up financing Israel’s continued occupation of the PT and its expansionist agenda at the expense of international law, the well-being of the Palestinian population, their right to self-determination and the international community’s own developmental and political goals. Indeed, Le More’s predictions in 2005 came true. Despite the optimism surrounding Israeli disengagement from Gaza, she rightly speculated that it would not work unless there is a genuine effort to build a Palestinian state and collective Israeli and Palestinian security. She posited that “not only did aid relieve Israel of its responsibilities under

534 Gianniou, “The European Union’s Involvement in the Israeli–Palestinian Conflict: An Active Paradigm of European Foreign Policy?”

535 Bauchard, “Europe’s Role in Averting a Middle East Tragedy”.


537 Ibid.: 6.

538 Ibid.: 38.

international law, but it also clearly helped sustain its occupation and expansionist policy, which would have been much more onerous to maintain had the international community not paid the bill". But the international donors continue their aid because they know it is naive to expect Israel to step up to the plate just because their assistance is discontinued, and they fear a humanitarian catastrophe in the area if they stop. More alarming, the international community “[has] not achieved their intended results of weakening or ‘moderating’ Hamas”; on the contrary, they have contributed to “the lawlessness and lack of governance in Palestine”. EU policies against Hamas have also “fuelled polarisation and confrontation” within Palestine, “leading most dramatically to a civil war in Gaza, the ensuing political split between the West Bank and Gaza, and with it the disappearance of any realistic prospect for a two-state solution”.541

**Proposals for the way ahead**

According to Richard Youngs, recommendations for reforming Europe’s Mediterranean policy commonly propose incremental increases to the EMP acquis. But the primary need is not for more activity, or for a broader range of policy initiatives. A vast array of ‘EuroMed’ branded dialogue and cooperation now takes place across the Mediterranean, but it is doubtful that much more impact could be gained through more summits, a ‘Mr Med’ special EU representative, a common definition of this, or a new charter on that, or through more institutional structures like the often proposed EuroMed Development Bank. It is unlikely even that throwing more money at the EU’s Mediterranean strategy would be effective when the large amounts of resources already provided are not working as intended.542

Still, in spite of pessimism and based on various assessments of EU involvement in the Mediterranean and the MEPP, some recommendations have been outlined by various experts on the subject. In Asseburg’s view, for instance, the EU should

1) encourage intra-Palestinian reconciliation;
2) open the Rafah border crossing and reconstruct the Gaza Strip;
3) return to building good governance and reforming Palestinian institutions;
4) restart the Palestinian–Israeli peace process; and
5) if it is to regain some credibility in the Arab world, take some drastic measures and exert real pressure on Israel to re-engage in negotiations, and accept the indigenous forces of the Territory by supporting without imposing democratic changes.543


542 Youngs, “How Europe’s Mediterranean Policy Went So Badly Wrong”.

543 Asseburg, “European Conflict Management in the Middle East: Toward a More Effective Approach”: 42-44.
In a nutshell, “the Europeans have to make peace in the Middle East a priority.” Asseburg further states that the EU’s approach should not just be about “claiming a role” but “assuming that role” and engaging in the politics of the region. The EU’s “efforts should be complemented by support for state- and nation-building processes in the Palestinian territories, rather than simply cooperation with those local forces whose agendas we share most. This is more urgent in the face of the persisting stark societal and political polarisation in the Palestinian territories.”

Asseburg is not alone in trying to define solutions to revive the EU’s peace and development process in the Middle East. From various debates during conferences and workshops on the subject, many suggestions to boost the EU’s role in managing the conflict have been put forward:

- Increase the number of effective and democratic players involved in solving the conflict; for example, use (un)diplomatic channels, (in)formal networks and big or small private business partners.
- Engage new people, like women and youth, in local development programmes, but keep the Palestinian priorities (and not just the EU’s own agenda) in mind.
- Resolve the problem of actors’ movement by creating special EuroMed visas to enable them to participate in debates to find answers together.
- Invest in a new generation of Palestinian leaders through programmes resembling the ones within Europe. These young leaders will be part of the solution and not the problem.
- Shed light on abuses in the Middle East and the PT and stop protecting perpetrators by publicising flagrant issues (also in order to regain the EU’s credibility in the Arab street).
- Challenge the notion that democracy can be exported by the West and imported by the PT. That does not mean it cannot and need not be supported, however, because indeed it should.
- Stop the slippery slope of the PA transforming into another Arab authoritarian regime by restoring conditionality and attaching benchmarks to the EU’s aid (for instance, demanding political, legal, institutional and socio-economic reforms, and increasing transparency).
- Avoid having an EU donor- and relief-driven agenda by continuing development projects. The challenges to state building, however, include Israel’s restrictions on access and movement, and the division between the West Bank and Gaza – the practical implications of which make it very hard for the EU and the PA to deliver key services.
- Combine Palestinian state building with finding lasting solutions to the Israeli–Palestinian conflict; otherwise, EU aid is “merely money supporting the objectives of the Israeli occupation”, which is not constructive for peace. Long-term objectives take time, so patience is needed.

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545 Asseburg, “European Conflict Management in the Middle East: Toward a More Effective Approach”: 2.
546 Ibid.: 3.
Engage with Hamas, because a two-state solution or further democratic elections are not possible without a Palestinian unity government, including Fatah and Hamas, working together. The EU must help the two factions reach reconciliation, as the peace process is only viable if Hamas gives its consent to it, and democratic elections cannot take place without Hamas. Sanctions did not succeed in changing Hamas, but only further radicalised other factions in the Gaza Strip (e.g. the Jundallah Gaza attacks in the summer of 2009). This last point seems very important, as it is the recurring theme in most recommendations and highlighted by most experts on the subject. Analysts often agree that “serious peace talks are impossible while Palestinians remain divided. The EU must actively support Palestinian reconciliation and consider suspending its assistance to Palestinian police forces until a unity government is formed to avoid deepening divisions between Hamas and Fatah.” This is particularly significant given that Hamas, despite its isolation by the international community, is “still strong and in control of the Gaza Strip”, while “disorder and radicalisation are spreading across the Strip, where the social fabric has been severely weakened by the humanitarian crisis caused by Israel’s border closures and military conflict between Hamas and the Israeli army”. Likewise, the International Security Information Service (ISIS) in Europe prepared a brief summary of the European Security Contact Group meeting on 23 July 2009. The meeting included experts on the Israeli–Palestinian conflict and coincided with the Brussels launch of the 2009 annual peace report issued by five leading German peace and conflict research institutes. The summary, drawn from the commentaries of two of the report’s authors, Margret Johannsen and Jochen Hippler, had the following conclusions:

1) New wars (with non-state actors) are different from old wars (between states) and are on the rise, which is why different conflict-resolution mechanisms that are not based merely on military power but on “winning the hearts and minds of the population” are needed.

2) In most cases, dependable governance structures are the key to terminating instability. Instruments of military security and sustainable development policy can only contribute to building peace if combined with these structures and supported by the indigenous population.

3) The EU and its member states seem to at least “rhetorically accept the need for a re-conceptualisation of the way to end [the] conflict”, which is a first step in the right direction, but concrete actions must follow.

4) Two approaches are present among policy experts within governments:

a) one that favours civilian elements to solve war and only includes the military to provide support and security; and

b) one in which the primacy of the military remains but where civilian tools are added to the strategy (an option that is supported in this publication as well).

While commenting on Denis Bauchard’s recent article in Europe’s World, El Sayed A. Shalaby concurs with the notion that the region’s future will depend on the outcome of two

550 Ibid.
551 Herz, Briefing Note #4: Launch of the Peace Report 2009 – Key Challenges for European Policy: The Case of Palestine.
552 Bauchard, “Europe’s Role in Averting a Middle East Tragedy”.

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basic issues: a just settlement for the Palestinians, and “progress towards a plural and democratic system of government in the Arab World that can make poverty, unemployment and corruption things of the past”. But Shalaby makes it clear that the EU cannot do it alone and that there is an important role for the Arab governments to play, too. These governments, in his view, will need to find a feasible way to assimilate the Islamic movements, especially the more moderate ones, “into the political fabric of their societies”. This opinion is shared by other analysts who believe that “decisions on the PA must also be viewed in the larger regional perspective, which includes issues concerning Iran, the cartoon controversy, and democratization”. The US and the EU should engage Arab nations, especially in the Gulf region, in a more constructive dialogue and refocus their attention on the Palestinian question along with the Iranian issue. Elizabeth Young summarised the argument by the EU’s Middle East envoy, Marc Otte, as follows: “[i]n particular, the West must face the accusation that it has a double standard for democracy. As witnessed in the Palestinian elections, there is no real alternative secular third party in the Middle East to contest the Islamists.” Nevertheless, the return to a Pax Americana as outlined by President Bush in his January 2004 State of the Union address is clearly not an option. The Greater Middle East project, which was meant to ‘eradicate tyranny’, promote democracy and make the region prosperous through free trade is no longer viable. But the US [and the EU] can regain credibility and influence if [they engage] in crisis resolution. President Obama’s approach, therefore, marks a very real turning point. He recognises that all the region’s problems are connected and that there can be no stability in the Middle East without a solution to the Palestinian question.

Obama and the EU are conscious of the need to confront hostility from opponents like Iran but also from friendly states such as the current Israeli government. Even so, the risk of outright chaos is real enough, with all that implies for the region as a whole as well as for its immediate neighbours and global security. So, the question to be posed is this: Are the EU and the US looking for short-term or long-term stability in the Middle East, while being aware that a period of unrest may precede long-term stability?

It is doubtful whether the new US administration would or could exercise pressure in the face of domestic considerations. For a US president who has to deal with the worst economic crisis since 1929, the political costs would probably be too high. Yet, this leaves some room for the EU to manoeuvre and assume that role. A Palestinian state would need to hold legitimacy in the eyes of the Palestinians, but as long as the PA is not delivering on the two-state solution it will be unable to assert its legitimacy, a situation that could be improved under the right pressure and incentives from the EU to Israel. Also, the EU can continue to help in state building in areas such as justice, the rule of law, health and governance, where it has led the way. But it should also couple such help with the human security dimension by encouraging civil society

553 A Shalaby, “Commentary: Europe’s Role Is Vital, but So Too Is Arab Leaders’ Response to Militant Islam”.
556 Bauchard, “Europe’s Role in Averting a Middle East Tragedy”.
involvement and engaging with Hamas to be part of the solution. The EU must push for the creation of a Palestinian state while taking into consideration the changes in regional dynamics. The EU needs to work effectively with the US to revive the dialogue between parties and unblock the status quo. Israel’s current insistence on negotiating borders first with discussions on settlements to follow could actually facilitate a solution, but only if the negotiations are conducted in good faith and able to reach an agreement fast. If, however, it is a delay tactic, the end result will be a prolongation of insecurities on both sides and exacerbated frustration on the Palestinian side. Recently, a Palestinian official, Sabri Saidam, astutely reminded his US counterpart of this point at a conference: “How do you want me to keep negotiating with you on a [pizza] while it is being eaten?”\footnote{Sabri Saidam, “High Hopes and Law Expectations: Which Way Forward in the Middle East?” (Israel-Palestine-European Middle East Workshop, Brussels: Friedrich Ebert Stiftung (FES), 19 November 2009).} Both parties have agreed to land swaps in principle but questions remain about how much and where? If an agreement is not reached soon, at the pace settlements are going, there will be not much land left about which to negotiate.

For Europe to gain influence in the Israeli–Palestinian conflict, it is “essential that its diplomatic puissance is recognised by all interested parties, that is, the Israelis and the Palestinians but also the Americans.”\footnote{Gianniou, “The European Union’s Involvement in the Israeli–Palestinian Conflict: An Active Paradigm of European Foreign Policy?”: 15.} Even though Europe is keen on “being perceived as a potential mediator to the conflict, this aspiration had never constituted an easy task”,\footnote{Ibid.} for two main reasons. These are “the inability of Europe to always present a coherent image and to speak with one voice; and the level of acceptance of the interested parties to attribute to Europe a stronger diplomatic role in the efforts towards the resolution on the conflict”\footnote{Asaf Siniver, “Power, Impartiality and Timing: Three Hypotheses on Third Party Mediation in the Middle East” Political Studies, Political Studies 54, no. 4 (2006).} As Sinivir puts it, a mediator in international conflict needs to demonstrate three aspects in order to be accepted in such a role: power, impartiality (even-handedness) and good timing. The EU – especially from an Israeli perspective – is behind on all fronts.\footnote{O’Donnell, The EU’s Approach to Israel and the Palestinians: A Move in the Right Direction.}

Thus, if the EU “wants to maximise the value of its generous assistance, it should try to increase its diplomatic influence. It should also move away from the narrow role of benevolent financial provider it has all too often assumed”, and has to “embrace Israel with ‘tough love’ [but also build confidence with it based on mutual interests]. Presenting itself as a true friend, it should make clear that it is keen to deepen bilateral relations and provide full assistance for peace talks, but insist on the need for Israel to fully recommit to the peace process.”\footnote{Ibid.} This is more important now as “the new Israeli government is only reluctantly endorsing a two-state solution; in a speech on June 14th, Prime Minister Benjamin Netanyahu made a significant concession (yet declaratory in nature and [still] lacking substance).”\footnote{Ibid.}

One must keep in mind that on a political level the EU is an expression of the discussions among its member states, which makes the EU appear divided and paralysed at times. At present, the member states often disagree about the conflict in the Middle East – some put more emphasis on Israel’s security, while others put it on the human security perspective. “The EU needs to adopt the concept of human security as a new narrative underpinning its foreign policy,
as well as an organising framework guiding its security capabilities and the tools and instruments of foreign policy. To that end, the EU has to use the array of tools available to it to support human security, but that of course needs the political will of all its member states to capitalise on those instruments that would make it a force for peace in the PT. One such measure is emphasis on the construction of a legitimate political authority, which could best be achieved through a “bottom-up approach [and] would mean mobilising civil society in Israel and Palestine as well as in Europe to push for a new political solution”. The polls demonstrate that both Palestinians and Israelis long for peace and security. “The principle of legitimate political authority depends on those who have the power to grant legitimacy – civil society. So, ordinary people need to be involved in the search for a political solution.”

**Conclusions**

After five years (1995-2000) of the EU focusing merely on economic development and state-building projects in the PT, its approach failed in the end because it did not take into consideration the realities of the occupation, which remained a background issue. Although there was a short moment of success at first, the EU eventually fell short of achieving its goals because it applied, right at the start, a “post-conflict peace-building [approach] – as if there were no continuing conflict, occupation or mobility restrictions hampering economic development, reconciliation and institution-building”. Still, this approach did not last long. Facing the pressing realities of the second intifada and Hamas’s electoral victory, the EU switched from support for economic and institutional development to humanitarian aid and emergency relief in order to alleviate the rapid deterioration of the Fatah-led PA and the worsened the suffering of the Palestinians under occupation.

Stephan Keukeleire argues that

> the EU wanted to apply to its relations with the Mediterranean the objective and methodology that had proved so successful with its Eastern neighbours. The EU envisaged fundamental changes in the political, legal, economic and societal structures within the individual Mediterranean countries [including the PT], in their mutual relations and in their relations with the EU. However, in this case the EU could not play its trump card – the prospect of accession.

The drawback is that the EU played a limited political role from the start and was absent from the negotiations leading to Madrid and Oslo in 1991 and 1993 respectively, brokered by the US, which in a sense hijacked it in the process. The EU eventually assumed a pivotal role in the peace process by shaping the terms of the debate (implicitly prior to Oslo) and by then explicitly developing a long-term, complex, comprehensive and ambitious structural foreign policy (i.e. the EMP) to translate the agreement into practice. Yet it failed in achieving its goals, because it did not simultaneously take into account traditional foreign policy measures and conflict-resolution means for enhancing peace and security in the PT. Hence, it was left to pay the bill for a deal that it did not broker or succeed in materialising.

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565 Kaldor, “A European Union Human Security Doctrine for the Middle East”.
566 Ibid.
567 Ibid.
569 Keukeleire and MacNaughtan, *The Foreign Policy of the European Union*: 275.
That notwithstanding, there is no denying that Europe has been much more sensible in its treatment of the area and its inhabitants than the US, not just because of its many vital development projects in the PT, but because

Europe, unlike the US, doesn't always view its relationship to Palestine as an arrogant power with a list of uncompromising demands which have to be fulfilled or else. The US’s fundamentally erroneous approach to the Middle East in general, and Palestine in particular, has created untold animosity towards Washington, and generated a lack of trust that will eventually undermine its position in the entire region – a process currently underway.570

This special relationship between the EU and the Palestinians is usually attributed to historical links (e.g. Europe’s recent colonial past in the Middle East), geographical proximity or sympathy with the devastation of war (experienced in Europe not so long ago). Hence, European policies in the PT are embedded in a broader European approach of support for the MEPP and the EMP/ENP/UMF, and not merely imposing by force ‘Western values’ onto the Territory – which tended to be the Bush administration’s approach towards the region.571

Thus, if the US holds the key to peace in the Middle East, the EU has a unique position and an opportunity to play an influential role as well. Although it is not powerful enough to force the Israeli government to do something it does not want, the EU could put enough international pressure on Israel while providing ‘carrots’ for both Israelis and Palestinians to cooperate. As Arab–Israeli relations have soured so badly, they are now only candidates for improvement. The EU should help put an end to settlement expansions and formally supervise the implementation of international agreements according to pre-determined UN resolutions. All parties must seize this historic moment and remember that today’s opportunities might not be available tomorrow.

A major challenge for this scenario is that not long ago the EU was a colonial power in the Middle East, and although it likes to project itself now as a “normative power”,572 Peter Seeberg depicts it as “a realist actor in normative clothes”573 – a notion that is detrimental to Arab trust in Europe’s intentions and to the EU’s credibility.

But with a situation going from bad to worse on a daily basis, and with the dream of something remotely close to Palestinian democratic elections being shattered without a unity government in place, it was not surprising that the Palestinian CEC had to declare that the expected January 2010 presidential and parliamentary elections would have to be postponed indefinitely, because “Hamas has banned elections in Gaza and Israel’s cooperation was not confirmed”. Amid this deadlock, whether the elections will take place in 2010 or whether Abbas will run for president574 are up in the air.575 Lately, there also seems to be a Palestinian move to gain

570 Baroud, Europe and the Middle East: Will EU Be a More Just Mediator?
571 General assessment based on fieldwork interviews with Hamas and Fatah leaders and members, in addition to independent and civil society representatives, in the West Bank and East Jerusalem during the summer of 2009.
572 Pace, “Paradox and Contradictions in EU Democracy Promotion in the Mediterranean: The Limits of EU Normative Power”.
573 Seeberg, “The EU as a Realist Actor in Normative Clothes: EU Democracy Promotion in Lebanon and the European Neighbourhood Policy”.
574 Abbas has announced that he will not seek re-election in the next presidential election polls – a move seen by some as a bargaining tactic or political manoeuvring, to pressure the US on what the PA perceives as backtracking on the American policy towards the Middle East. See BBC News, “Abbas Will Not Seek Re-Election”, 5 November 2009. Available from http://news.bbc.co.uk/2/hi/8344687.stm.
international recognition for an independent state without Israel’s approval; yet, Israeli Prime Minister Netanyahu has warned against such a move, insisting on negotiations as the only solution. Still, chief Palestinian negotiator Saeb Erekat said he would ask the EU and the UN Security Council to recognise an independent Palestinian state despite Israel’s objections given a failure to restart talks against the background of Israel’s continued settlement expansion, which is leaving the actors with fewer options. Whether the EU will support such a move is unclear. What is clear is that unless the EU can bridge the gap between its rhetoric and political will and can back its ‘declaratory’ policies with concrete and effective actions, EU–PT relations will increasingly be challenged by the growing radical forces on the ground and continue to suffer unfulfilled commitments that will render progress, trust and peace beyond the roundtables unattainable.

## Abbreviations and Acronyms

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<th>Abbreviation</th>
<th>Full Form</th>
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<tr>
<td>ACP</td>
<td>African, Caribbean and Pacific countries</td>
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<td>AHLC</td>
<td>Ad Hoc Liaison Committee</td>
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<td>AIPAC</td>
<td>American Israel Public Affairs Committee</td>
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<td>AMA</td>
<td>Agreement on Movement and Access</td>
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<td>BP: UfM</td>
<td>Barcelona process: Union for the Mediterranean</td>
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<td>CEC</td>
<td>(Palestinian) Central Elections Commission</td>
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<td>CFSP</td>
<td>Common foreign and security policy</td>
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<td>CIS</td>
<td>Commonwealth of Independent States</td>
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<td>COPPPS</td>
<td>Coordinating Office for Palestinian Police Support</td>
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<td>DG</td>
<td>Directorate-General</td>
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<td>DG-RELEX</td>
<td>Directorate-General for External Relations</td>
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<td>DOP</td>
<td>Declaration of Principles</td>
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<td>ECTAO</td>
<td>Commission Technical Assistance Office</td>
</tr>
<tr>
<td>ECU(s)</td>
<td>European Currency Unit(s)</td>
</tr>
<tr>
<td>EEC</td>
<td>European Economic Community</td>
</tr>
<tr>
<td>EIB</td>
<td>European Investment Bank</td>
</tr>
<tr>
<td>EIDHR</td>
<td>European Initiative for Democracy and Human Rights</td>
</tr>
<tr>
<td>EMP</td>
<td>Euro-Mediterranean Partnership</td>
</tr>
<tr>
<td>EMPA</td>
<td>Euro-Mediterranean Parliamentary Assembly</td>
</tr>
<tr>
<td>EMUNI</td>
<td>Euro-Mediterranean University</td>
</tr>
<tr>
<td>ENP</td>
<td>European Neighbourhood Policy</td>
</tr>
<tr>
<td>ENPI</td>
<td>European Neighbourhood and Partnership Instrument</td>
</tr>
<tr>
<td>EOM</td>
<td>Election(s) observation mission</td>
</tr>
<tr>
<td>ESDP</td>
<td>European security and defence policy</td>
</tr>
<tr>
<td>ESSP</td>
<td>Emergency Services Support Programme</td>
</tr>
<tr>
<td>EUBAM</td>
<td>EU Border Assistance Mission</td>
</tr>
<tr>
<td>EUPOL</td>
<td>EU Police Mission</td>
</tr>
<tr>
<td>EuroMed</td>
<td>Euro-Mediterranean</td>
</tr>
<tr>
<td>FEMIP</td>
<td>Facility for the Euro-Mediterranean Investment and Partnership</td>
</tr>
<tr>
<td>GDP</td>
<td>Gross domestic product</td>
</tr>
<tr>
<td>HERF</td>
<td>Humanitarian Emergency Response Fund</td>
</tr>
<tr>
<td>ICJ</td>
<td>International Court of Justice</td>
</tr>
<tr>
<td>IDF</td>
<td>Israeli Defence Forces</td>
</tr>
<tr>
<td>IMF</td>
<td>International Monetary Fund</td>
</tr>
<tr>
<td>MEDA</td>
<td>Mediterranean Assistance</td>
</tr>
<tr>
<td>Acronym</td>
<td>Full Form</td>
</tr>
<tr>
<td>---------</td>
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</tr>
<tr>
<td>MENA</td>
<td>Middle East and North Africa</td>
</tr>
<tr>
<td>MEPP</td>
<td>Middle East Peace Process</td>
</tr>
<tr>
<td>MP(s)</td>
<td>Member(s) of Parliament</td>
</tr>
<tr>
<td>NDI</td>
<td>National Democratic Institute</td>
</tr>
<tr>
<td>NGO</td>
<td>Non-governmental organisation</td>
</tr>
<tr>
<td>OCHA</td>
<td>Office for the Coordination of Humanitarian Affairs</td>
</tr>
<tr>
<td>OECD</td>
<td>Organisation for Economic Cooperation and Development</td>
</tr>
<tr>
<td>OPEC</td>
<td>Organisation of the Petroleum Exporting Countries</td>
</tr>
<tr>
<td>OSCE</td>
<td>Organisation for Security and Cooperation in Europe</td>
</tr>
<tr>
<td>PA</td>
<td>Palestinian Authority</td>
</tr>
<tr>
<td>PASSIA</td>
<td>Palestinian Academic Society for the Study of International Affairs</td>
</tr>
<tr>
<td>PCBS</td>
<td>Palestinian Central Bureau of Statistics</td>
</tr>
<tr>
<td>PEGASE</td>
<td>Palestino-Européen de Gestion et d’Aide Socio-Economique</td>
</tr>
<tr>
<td>PLC</td>
<td>Palestinian Legislative Council</td>
</tr>
<tr>
<td>PLO</td>
<td>Palestinian Liberation Organisation</td>
</tr>
<tr>
<td>P(N)A</td>
<td>Palestinian (National) Authority</td>
</tr>
<tr>
<td>PRDP</td>
<td>Palestinian Reform and Development Plan</td>
</tr>
<tr>
<td>PSC/COPS</td>
<td>Political and Security Committee/Comité Politique et de Sécurité</td>
</tr>
<tr>
<td>PT/OPT</td>
<td>Palestinian Territory/Occupied Palestinian Territory</td>
</tr>
<tr>
<td>REDWG</td>
<td>Regional Economic Development Working Group</td>
</tr>
<tr>
<td>SG/HR</td>
<td>Secretary-general of the Council of the European Union/high representative</td>
</tr>
<tr>
<td>SME</td>
<td>Small and medium enterprises</td>
</tr>
<tr>
<td>TACIS</td>
<td>Technical Assistance to CIS</td>
</tr>
<tr>
<td>TAIEX</td>
<td>Technical Assistance Information Exchange</td>
</tr>
<tr>
<td>TIM</td>
<td>Temporary International Mechanism</td>
</tr>
<tr>
<td>TIPH</td>
<td>Temporary International Presence in Hebron</td>
</tr>
<tr>
<td>UfM/BP: UfM</td>
<td>Union for the Mediterranean (or Barcelona process: UfM)</td>
</tr>
<tr>
<td>UN</td>
<td>United Nations</td>
</tr>
<tr>
<td>UNDP</td>
<td>United Nations Development Programme</td>
</tr>
<tr>
<td>UNESCO</td>
<td>United Nations Educational Scientific and Cultural Organisation</td>
</tr>
<tr>
<td>UNGA</td>
<td>United Nations General Assembly</td>
</tr>
<tr>
<td>UNRWA</td>
<td>United Nations Relief and Works Agency</td>
</tr>
<tr>
<td>UNSC</td>
<td>UN Security Council</td>
</tr>
<tr>
<td>UNESCO</td>
<td>UN Special Coordinator Office</td>
</tr>
<tr>
<td>USSR</td>
<td>Union of Soviet Socialist Republics</td>
</tr>
<tr>
<td>VAT</td>
<td>Value added tax</td>
</tr>
</tbody>
</table>
Glossary of EU Instruments in used in the PT

Political

The Euro-Mediterranean Partnership (EMP or Barcelona process) is a multilateral framework of cooperation launched in 1995, which brought together all 15 EU member states at the time and 13 Mediterranean partners for dialogue and work on political, economic and cultural issues.

The Association Agreement (AA) signed between the EU and the Interim Palestinian Authority in 1997 is an Interim Association Agreement on Trade and Cooperation under the EMP.

The European Neighbourhood Policy (ENP) is a bilateral and parallel initiative to the EMP, launched in 2004 (partly to coincide with the EU’s fifth enlargement). It brought together all 25 EU member states at the time and 16 neighbouring partners to work together on specific political, economic and cultural issues.

The Action Plan (AP) adopted by the EU and the Palestinian Authority in 2005 falls under the ENP and identifies specific bilateral means to materialise strategies.

The Union for the Mediterranean (UfM) is an update of the multilateral EMP framework, launched in July 2008, among all 27 EU member states and 16 Mediterranean partners. Unlike the EMP, the UfM focuses on a set of common projects among partners and lacks the conditionality attached to its predecessor. It has its own institutional settings, which bring together southern and northern partners.

Economic

The European Investment Bank (EIB) has provided loans to fund development projects in the Mediterranean and neighbouring partners since the launch of the Barcelona process in 1995.

The Mediterranean Assistance (MEDA) financial instrument entails coordinated European Community funds and EIB loans to the Mediterranean under the EMP initiative. It was divided into two consecutive phases, MEDA-I (1995–2000) and its more tangible version, MEDA-II (2000–07).

The European Initiative for Democracy and Human Rights (EIDHR) was created by an initiative of the European Parliament to support various democratisation micro-projects in the Mediterranean region. EIDHR-I lasted from 2000 to 2006, followed by EIDHR-II from 2007 to 2013. The latter expands the mandate of the instrument beyond the Mediterranean. The EU decided not to include this instrument under the ENPI umbrella.

The Euro-Mediterranean Investment and Partnership Facility (FEMIP) started in 2002 and brought together the entire range of services provided by the EIB to assist in the economic development of the Mediterranean partner countries.

The European Neighbourhood and Partnership Instrument (ENPI) replaced the MEDA instrument in 2007. It was designed to complement the ENP bilateral track and to bring together under one umbrella various economic instruments intended for the Mediterranean and the Eastern European partners.
The **Temporary International Mechanism (TIM)** was used from June mid-2006 to the end of 2007. After Hamas’s electoral victory in January 2006, the international community (including the EU) completely cut its funding of the PT. When the Palestinian Authority was on the verge of collapse six months later, with help of international donors the EU commenced direct financial assistance through the TIM to Palestinian families in need and to the Palestinian Authority (particularly Fatah officials) to sustain the party and its services.

**PEGASE (Palestino-Européen de Gestion et d’Aide Socio-Economique)** replaced the TIM at the beginning of 2008. Like the TIM, this instrument provides direct budgetary support to the Palestinian Authority in the West Bank and Gaza Strip. Its assistance, however, is coordinated locally with EU member states and other international partners, providing a quicker, more efficient and transparent channel of funding. The ENPI and the EIDHR complement the PEGASE on certain projects.

**Cultural**

The **People to Programme (P2P)** began with the launch of the Barcelona process in 1995 to foster dialogue among cultures, but was replaced after three years with a more concrete instrument.

The **Partnership for Peace Programme (PfP)** replaced the P2P in 1998. It is designed to work jointly with civil society organisations in partner countries and seeks to build confidence and ‘conflict transformation capacities’ to help create the necessary atmosphere for the peace process and provide a solid foundation for democracy and good governance.
References


tement_Mediterranean_Union_EN.pdf.


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- To carry out state-of-the-art policy research leading to solutions to the challenges facing Europe today.
- To achieve high standards of academic excellence and maintain unqualified independence.
- To provide a forum for discussion among all stakeholders in the European policy process.
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- Regulatory Affairs
- Trade, Development & Agricultural Policy

Research Networks/Joint Initiatives

- Changing Landscape of Security & Liberty (CHALLENGE)
- European Capital Markets Institute (ECMI)
- European Climate Platform (ECP)
- European Credit Research Institute (ECRI)
- European Network of Agricultural & Rural Policy Research Institutes (ENARPRI)
- European Network for Better Regulation (ENBR)
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- European Policy Institutes Network (EPIN)
- European Security Forum (ESF)

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