

COUNCIL OF THE EUROPEAN UNION  
EUROPEAN COMMISSION



Brussels, 15-11-2007

SGS7/16164

Dear Colleague,

You will find enclosed the "Statebuilding for Peace in the Middle East: an EU Action Strategy". We propose to discuss it on Monday 19 November during the next GAERC.

Yours sincerely,

Benita FERRERO-WALDNER

Javier SOLANA

**To all Ministers for Foreign Affairs of the E.U.**

## STATEBUILDING FOR PEACE IN THE MIDDLE EAST: AN EU ACTION STRATEGY

### NEW MOMENTUM IN THE PEACE PROCESS

Recent developments have created a sense of cautious optimism for progress towards resolution of the Israeli/Palestinian conflict. President Abbas and Prime Minister Olmert are engaged in a substantive and wide-ranging bilateral dialogue. The United States Government is actively supporting their efforts, including by calling for an international meeting before the end of the year, in order to launch a bilateral negotiation process that would lead to the establishment of a Palestinian state. The new momentum in the peace process benefits from the full backing and active involvement of the Quartet. Arab support has been expressed through the voice of the Arab League follow-up Committee.

Comprehensive peace in the Middle East is a strategic objective for the European Union. Any lasting and just settlement to the conflict should be based on the principle of land for peace, relevant UNSC resolutions, the Arab Peace Initiative, the Roadmap and previous agreements reached between the parties.

The EU considers that the present opportunity should not be missed and is ready to take its responsibilities, in accordance with the vital European interests involved. The EU is therefore committed to supporting current efforts in a serious and substantive way, offering a comprehensive and coherent contribution to the process, including during the crucial implementation period.

The European Union calls on all other interested parties to support the current process, bearing in mind the high cost of failure for everyone involved.

The forthcoming international meeting in Annapolis should launch a bilateral negotiation between Israel and the Palestinians on final status issues, as a first step towards a comprehensive settlement of the Arab-Israeli conflict. It should establish a robust follow-up process under the auspices of the Quartet and with the involvement of the international community.

The EU calls on its Quartet, Arab League and other international partners to contribute to the success of the upcoming donors conference in Paris, which will constitute an indispensable complement to the political process launched at Annapolis.

To accompany a **credible political process** the European Union commits to:

- Support the Parties in their bilateral efforts;
- Support the US Government in its current facilitation efforts;
- Ensure the active involvement of the Quartet in the run-up to the international meeting and in its follow-up;
- Continue cooperation with Arab partners in advancing the Arab Peace Initiative.
- Sustain its high levels of support to the region and accompany the political process with a shift to post-conflict support in due time.

## SUBSTANTIVE SUPPORT TO A SUBSTANTIVE PROCESS

Only an independent, democratic and viable Palestinian state can be a reliable neighbour for Israel. The EU's commitment will therefore focus on assisting Palestinian state building efforts as well as providing support for the transition period. We will strengthen ongoing activities and adjust our priorities in light of developments in the political process, working in partnership with the Palestinian Authority government. The results of the Annapolis meeting and the kind of process it will set in motion will determine the pace and the extent of these adjustments.

Developments on the ground will also play an important part in creating the conditions for success at Annapolis and beyond. Israelis and Palestinians will have to fulfil their responsibilities in that respect, by refraining from measures and decisions which undermine the bilateral process, and by pursuing efforts to improve security and lift obstacles to access and movement. International monitoring and assistance will be crucial for progress in this area.

### *Palestinian Statebuilding*

- Supporting the establishment of **modern and democratic police forces**, in full cooperation with the US Security Coordinator. The EU will expand the work of its existing police mission to cover training, equipment and reconstruction of police, prison and training facilities. Our assistance to the civil police will be complemented by wider support to the rule of law, including helping to establish an efficient penal and judiciary system.
- Comprehensive **institution building and good governance**. For over a decade the EU has been at the forefront of efforts to empower the PA via institution building and its work in the Jerusalem based "Governance Strategy Group". The EU foresees intensifying these activities, in areas which complement PA plans, for example health, education and the judiciary.
- Support for sustained **growth of the Palestinian economy**. We will build on existing support to the Palestinian private sector including credit guarantees, vocational training and trade facilitation. These efforts will have a positive effect on the PA's revenues.
- **Customs and trade**: the EU will build on its activities in this area, inter alia by providing technological solutions for the swift control of goods passing through the borders of the future Palestinian state, and supporting the PA's efforts to develop its trade policy and institutions (such as an agency dealing with customs and border issues). The EU is ready to resume the work of its trilateral trade policy group.

### *Support for the transition period*

- **Support to sustainable PA finances**. Achieving a sustainable financial situation will require support to public recurrent and development expenditure, but also the generation of adequate revenues. The EU will continue to encourage private

sector activity as well as its institution building work in the area of customs/ tax revenues and accountability of public finances.

- Planning modalities for institution building and economic revival, as well as the implementation of projects with quick impact on the ground, will be closely coordinated with Quartet Representative Tony Blair. Active involvement of the Palestinian Authority is necessary for these efforts to have their full effect, in line with the priorities set out in its **Reform and Development Plan**. In parallel, Israeli cooperation is needed for their implementation, in particular with respect to **access and movement** as a pre-requisite for Palestinian economic revival.
- **Emergency and humanitarian support:** the EU will continue to deliver various forms of aid in the West Bank and Gaza. It will sustain its provision of fuel, which is vital for the continued provision of electricity and clean water; its allowances to low income families; and its support to Palestinian refugees. In Gaza, the EU will design its programmes and activities so as to contribute to the unity and contiguity of the future Palestinian state.

#### *Support for Conflict Resolution*

- **East Jerusalem:** part of building a Palestinian state involves resolving the status of Jerusalem. For many years the EU has supported hospitals, schools and community centres for the people of East Jerusalem. In the context of a political process, these activities could be stepped up.
- **Refugees:** Since 1971 the EU has been providing significant support to the work of agencies providing vital services to the Palestinian refugees (UNRWA). It is committed to adapting this support as appropriate, in pursuit of a just and equitable solution to the refugee issue.
- **Security arrangements:** if requested, the EU will be ready in due course to contribute to a system of security arrangements that would be agreed between the parties in the framework of a permanent settlement.

It is our view that the range of support offered by the EU will assist the parties in taking the steps necessary to achieve conflict resolution and the two-state solution. As the process develops, the European Union is ready to help meet the expectations of all regional parties and realise the dividends of peace. In that context, it will continue to work with Israel to upgrade bilateral relations. The EU will also make full use of existing instruments and frameworks to leverage the benefits of regional cooperation for post-conflict rehabilitation, sustained economic and social development and regional security.