

The grand bargain that is the Mideast's best hope

By Shai Feldman and Gilead Sher

[Saudi Arabia recently rejected](#) America's request that it reciprocate an Israeli freeze on settlement construction by beginning to normalise relations with the Jewish state. "Incrementalism and a step-by-step approach, has not and, we believe, will not lead to peace. Temporary security and confidence-building measures will also not bring peace," Prince Saud al-Faisal, the Saudi foreign minister, said in Washington on July 31.

Yet more than seven years ago it was Saudi Arabia that first proposed rewarding Israel if it would meet the requirements of resolving the Arab-Israeli conflict. In mid-2002, Saudi Arabia's crown prince, now King Abdullah, offered a simple grand bargain: in exchange for Israel's withdrawal to the 1967 lines the Arab states would be prepared to integrate it into the region. By the time the so-called Arab Peace Initiative was adopted by the Arab League summit in Beirut six weeks later, the simple Saudi formula had become a longer multi-item text.

The API was a breakthrough. The same League that in August 1967 concluded a summit in Khartoum with "the three Nos" – no peace, no negotiations and no recognition of Israel – now suggested normalising the Arab-Israeli relationship. Yet this turnaround was disregarded, interpreted as a post-9/11 Saudi public relations move. Since then, it has continued to be ignored by consecutive Israeli governments, which has insulted the Arab leaders who proposed it. In turn, Arab leaders have adopted a "take it or leave it" approach – an attitude that could hardly assure Israel.

The Obama administration should persuade the Arab states formally to reaffirm and revive the API.

Given their domestic fragmentation, the Palestinians are limited in what they can provide Israel in exchange for the concessions it is being asked to make. By contrast, the promise of peace with the Arab world is a more enticing context, justifying Israeli downpayments such as in settlement construction.

But for this potential to be realised all parties need to correct the mistakes made since 2002. Israel should acknowledge the API's significance and state that it could be a framework for further talks. It should assure the Arab states

it does not expect the API to be amended; negotiations should focus on its phased implementation.

In turn the Arab states should be prepared to talk to Israel in detail about implementation, provide examples of the kind of peace they intend to conclude and offer assurances that the initiative would not be a platform for changing the nature of the Jewish state. The only way to do this is for Arab leaders to tell their publics that no agreement would allow a significant return of refugees to Israel.

Under US management of the negotiations, Israel and the Arab states would need to agree on benchmarks for phased compliance with the API and for concrete rewards. At the same time, the US should solicit Arab and Muslim states to participate in overseeing bilateral Israeli-Palestinian negotiations. A territorial agreement on borders and settlements, accompanied with solid security assurances for both Israel and the demilitarised Palestinian nascent state, with strong international presence, would be a very important benchmark.

Finally, the Arab states should be urged to exercise their leverage to induce internal Palestinian reconciliation. Without the Palestinians providing Israel and the international community with a single address, no effort at Israeli-Palestinian accommodation can succeed.

The reluctance of Saudi Arabia's Prince al-Faisal to reward a partial Israeli move such as a [settlement construction freeze](#) is understandable given the distrust between Israel and its neighbours. The failure to end the conflict through interim stages has made all parties sceptical about such steps being more than temporary.

Instead what is proposed here is that the Arab states engage Israel in an exercise in reverse engineering: announcing that once Israel reaches an agreement with the Palestinians on a permanent resolution of the dispute, the Arab states would reward Israel for every step it took towards implementing this vision.

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