



GAZA CEASEFIRE HANGING IN THE BALANCE

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Ceasefire Update

With Phase I of the Gaza ceasefire agreement set to end on Saturday, March 1, we are fast approaching a critical turning point in the Gaza war. While the final round of hostage for prisoner exchanges agreed to under Phase I was completed on Thursday, February 27 it is unclear whether the parties will actually proceed to Phase II.

Negotiations on the final issues of returning all hostages, completing the IDF withdrawal, and permanently ending the war that were supposed to start several weeks ago have only just begun. Prime Minister Netanyahu finally agreed to send a team to Cairo on February 27, but it is unclear whether they will engage on substantive issues. Netanyahu has already made clear that the IDF will not be withdrawing from the Philadelphi corridor, the buffer zone between Gaza and Egypt, as expressly required under agreement.

Israeli Foreign Minister Gideon Sa'ar [said](#) on February 27 that the Israelis' were primarily interested in extending Phase I and the framework for incremental hostage for prisoner exchanges. It is not clear whether Hamas would agree to that. One Hamas spokesman [suggested](#) that it is "ready for an extension" of Phase I, while reiterating its commitment to fully implementing the current agreement. Today, however, Hamas [rejected](#) a proposal for a six-week extension of Phase I and insisted on proceeding to Phase II immediately.

In any event, major challenges lie ahead in order to free the remaining hostages and end the war. Even if Phase II negotiations proceed, it will be very difficult to reconcile Netanyahu's call for "total victory" over Hamas and release of all remaining hostages with Hamas' refusal to disarm and demands for credible assurances of a permanent end to the war. The effort to provide a credible Arab plan for post-war Gaza, which the Saudis and Egyptians are leading, will be key to any hopes of avoiding the resumption of a war that would be devastating for Palestinian civilians.

Netanyahu's Position

Netanyahu's position on ceasefire negotiations has only hardened since receiving President Trump's unconditional support at the White House. Trump [said](#) this February 21 that Netanyahu wants to resume the war, which extremists in his coalition continue to insist on. In fact, Israeli Finance Minister Bezalel Smotrich has threatened to resign and trigger new elections if the war does not continue.

At the same time, Netanyahu faces major public pressure to get all the hostages out. About 60 [reportedly](#) remain, with less than half alive. While he continues to maintain that military pressure is key to getting hostages out, many Israelis believe resuming the war would only put their lives in further jeopardy.

The official Israeli bottom line, as [described](#) by US Special Envoy Steve Witkoff, is that Hamas can "no longer remain in power," and that all hostages must be released. This leaves open the possibility of a comprehensive negotiated settlement, with Hamas still largely intact but not

playing any governing role and turning security over to an international force, as former Secretary of State Antony Blinken [suggested](#).

However, Sa'ar made clear at the [2025 Munich Security Conference](#) that Israel's position in any Phase II negotiations will be maximalist: the exile of Hamas leaders, complete disarmament and demilitarization, and the de-radicalization of Gaza. Hamas has already publicly rejected those demands.

In order to continue the hostage negotiations without losing his coalition, Netanyahu may seek to offer Smotrich and other extremists annexation in the West Bank to maintain their support. In fact, [legislation](#) to annex West Bank settlements from around Jerusalem all the way to Jericho, described by its proponents as a key step towards extending Israeli sovereignty over the entire West Bank, is expected to advance through a Knesset committee on Sunday, March 2.

Trump's Position

Trump has made clear that while he wants to see all the hostages out, it is ultimately Netanyahu's decision whether to resume the war. He is very likely to support whatever the Israelis want to do.

The Trump Administration remains engaged in the ceasefire negotiations but has not shown any real inclination to pressure Netanyahu to advance to Phase II, let alone moderate his positions in hopes of fully implementing the agreement. Witkoff has continued to stress the importance of getting all the hostages released, while [recognizing](#) that it is "hard to square that circle" with Israel's position on the removal of Hamas.

Witkoff postponed a trip to the region the week of February 23, but plans to return the weekend of March 1 for negotiations focused on continuing the current process: "We have to get an extension of Phase I," he [said](#), while expressing a general desire to "begin Phase II ... [and] get more hostages released." Witkoff also somewhat walked back Trump's plan for mass relocations in Gaza, [saying](#) that the main intention was to "shake up everyone's thinking" and spur the Arabs to provide an alternative.

Trump said during the White House meeting early this month that he would reveal his position on annexation within four weeks, which would roughly coincide with the end of Phase I. There has not been much public discussion of annexation, but it is possible that the Administration is working on it privately.

Arab States' Position

All of the Arab states are united in strongly opposing Trump's Gaza proposal and very focused on coming up with an alternative that does not involve mass displacement of Palestinians. They recently met in Riyadh to discuss their proposal, and plan to meet again on March 4 in Cairo.

The details have not been shared publicly, but at the Munich Security Conference the outline emerged of a comprehensive proposal that would provide for an interim technocratic government supported by the Palestinian Authority (PA) to replace Hamas, a temporary peacekeeping force to provide security while PA Security Forces are trained, and a massive reconstruction fund.

The Arab parties are finding the security pillar especially challenging. The Egyptians have said they would provide peacekeeping troops, but only in a permissive environment wherein Hamas and other militant groups acquiesce. There has been talk of a demobilization and demilitarization effort, but thus far no realistic plan to actually implement it.

The best bet for leveraging the Arabs' proposal into an actionable plan that could help advance Phase II negotiations might be a phased implementation approach, where the governance, security, and initial reconstruction take place area by area, cleared of Hamas.

Key Issues to Watch

- If Phase I continues, is there a formal extension for an extended period, or does it just proceed on a short-term basis?
- Is there any chance for an “all for all” exchange of all the prisoners for all the hostages?
- Will substantive Phase II negotiations truly begin, and if so, are the parties showing any flexibility?
- Does Netanyahu move ahead with annexation to placate Smotrich?
- If Netanyahu intends to resume the war, what is his new plan to destroy Hamas, which the IDF was not able to achieve in 15 months of brutal warfare?
- Do they intend to resume the Generals Plan, which involved forcibly depopulating all of northern Gaza while severely restricting humanitarian assistance?
- What is new in the Arab state supported plan coming out of the Arab League Emergency Summit in Cairo on March 4th, and particularly how does it address the question of security in Gaza?
- Does the proposed bill to annex West Bank settlements advance through the Knesset?