

MARCH 2026



A ROADMAP TO THE 23-STATE SOLUTION

Regional Peace and a Palestinian State

Since the early months of the Gaza war, J Street has advocated for a 23-state solution, which would result in the establishment of a Palestinian state but frames the issue in both language and strategy that is more likely to succeed than a continued focus on a two-state solution. The idea, as [elaborated](#) by J Street president Jeremy Ben-Ami, is to leverage the desire for regional integration to create a “win-win-win.” Israel fulfills its founders’ dreams of global acceptance, Palestinians secure an independent state, and the Arab world gains an economic, technological, security, and intelligence partner. Despite the challenges posed by the current conflict with Iran and recent regional tensions, this pathway remains the most compelling approach towards long-term peace between Israelis, Palestinians, and the rest of the region.

The most significant challenge to this vision is an Israeli government that actively opposes and works to undermine any form of Palestinian sovereignty, both in the West Bank and in Gaza. Moderate Arab states — Saudi Arabia chief amongst them — have repeatedly [emphasized](#) that normalization requires a credible pathway toward a Palestinian state, and President Trump’s 20-point plan explicitly [recognizes](#) that “Palestinian self-determination and statehood” is “the aspiration of the Palestinian people.” Yet the Netanyahu government’s unprecedented rate of settlement expansion in the West Bank, along with its opposition to any Palestinian Authority (PA) involvement in governing Gaza, serves its [stated](#) goal of thwarting a Palestinian state.

Netanyahu’s government may lose power this year through elections required no later than October 2026, which could open a window for progress. However, its current actions in the West Bank and Gaza threaten to undermine future normalization efforts. Hence, in the immediate term, Israel must be deterred from unilaterally altering the status quo in ways that prevent a future Palestinian state from emerging.

This paper projects beyond the shelf-life of the current Israeli government, outlining a longer-term policy approach designed to create conditions for a 23-state solution. The framework focuses on four parallel lines of effort that should be pursued simultaneously: (1) fully implementing Phase II of the Gaza ceasefire; (2) containing and reversing Israel’s annexationist policies in the West Bank; (3) strengthening, empowering, and reforming the Palestinian Authority; and (4) facilitating de-escalation and increased cooperation between Israel and its Arab neighbors.

➔ Line of Effort #1: Implementing Phase II of the Gaza Ceasefire

Gaza remains a key obstacle to progress toward Palestinian statehood and regional normalization. As long as Gaza remains in a state of humanitarian catastrophe and is occupied by the Israeli military, no Arab states will normalize relations with Israel. At the same time, no Israeli government, even a more moderate future alternative, will agree to Palestinian independence in Gaza so long as an armed Hamas remains in power. Success in implementing the Phase II elements of the 20-point plan means resolving these obstacles by: (1) addressing the humanitarian crisis; (2) facilitating the reconstruction of Gaza; (3) creating an alternative security reality where Hamas is disarmed and replaced; (4) ensuring Israel withdraws its troops from Gaza; and (5) allowing the Palestinians to govern themselves. Success in achieving these elements will require sustained engagement and support by the US and key Arab and Muslim states.

- **Responding to immediate needs:** While humanitarian conditions [have improved](#) significantly since the October 2025 ceasefire went into effect, particularly with respect to the availability of food, the harsh winter months have highlighted the inadequate shelter that is available for the approximately 90 percent of the population that is displaced. Limited availability of medicines, clean water, and fuel, as well as Israeli efforts to limit the roles of the United Nations Relief and Works Agency for Palestine Refugees (UNRWA) and various international nongovernmental organizations, are also affecting the well-being of the population. Hence, even before long-term reconstruction plans can be implemented, the immediate needs of the population must be addressed.
- **Reconstruction:** With more than 90 percent of homes and almost all key infrastructure damaged or destroyed, rebuilding Gaza is a core component of the second phase of the ceasefire. Reconstruction is estimated to [cost](#) upwards of \$70 billion, requiring significant investments by the US and, most importantly, its Arab partners in the region. Key to securing this financing is addressing potential donors' legitimate fears that future rounds of conflict would, again, destroy donor-financed projects, as well as convincing Israel to ease its restrictions on "dual-use" items — especially cement, steel, and machinery — that are essential to the reconstruction efforts. Progress on the security front, as discussed below, along with US leadership, will be key to both instilling confidence in donor states and convincing the Israelis to allow construction supplies into the Strip.
- **Disarming and replacing Hamas:** Key to the long-term success of the Gaza ceasefire — a precondition to full regional normalization — is the ability of the US and its allies to alter the security reality in Gaza. Taking steps towards a monopoly on force throughout the Strip that is neither Hamas nor Israel would unlock progress toward the significant foreign investment needed for reconstruction, Palestinian self-governance, and an Israeli withdrawal.

To date, senior Hamas officials [have denied](#) their intent to disarm completely. However, the U.S. should maintain [continued pressure](#) on Qatar, Turkey, and Egypt to convince Hamas to hand over its heavy weapons and to transfer responsibility for internal security in Gaza to an alternative force. The timing and mechanics for implementing such an arrangement are subject to further negotiations, as is a potential [program](#) through which Hamas and other militants would hand over their small arms and be reintegrated as civilians into Gazan society.

Parallel to disarmament, the role of maintaining internal security within Gaza — previously carried out by Hamas-aligned police forces — must be transferred to an alternative force. The early deployment of the International Stabilization Force is essential to bolster the ceasefire and to support the training of an alternative Palestinian police force, which would operate in coordination with the National Committee for the Administration of Gaza (NCAG).

- **Ensuring an Israeli withdrawal:** Israel currently controls 53 percent of Gaza's territory. A sustained Israeli presence inside most of Gaza will hinder reconstruction and normalization efforts. As progress is made on disarming and replacing Hamas with both Palestinian and international forces, the US must pressure Israel to live up to its end of the bargain and pursue a phased withdrawal plan. An Israeli withdrawal will facilitate prospects for full Palestinian self-governance in Gaza.

Line of Effort #2: Limit and Reverse Israel's Accelerated Annexation of the West Bank

There will be no regional normalization so long as Israel continues down the path of advancing the annexation of the West Bank. As Saudi Arabia and the UAE [made clear](#) in September 2025, when Israel appeared poised to annex parts of the West Bank, annexation would not only thwart all prospects of Saudi-Israeli normalization but also jeopardize the Abraham Accords. Despite this, Finance Minister Bezalel Smotrich, who also oversees the West Bank, has been [explicit](#) about his goal of annexing the West Bank, and has proven adroit at creating facts on the ground since entering Netanyahu's government in late 2022. During this period, the Israeli government has established a record number of new settlements, enabled the construction of a record number of illegal outposts, and allowed settlers to attack and displace dozens of Palestinian communities with impunity. Smotrich has also approved construction in E1, which would bisect the West Bank and further isolate East Jerusalem. While stopping short of legal annexation, these actions signal to the Arab world Israel's intent to permanently occupy significant swaths of the West Bank and to prevent a Palestinian state from emerging, making regional normalization seemingly impossible.

The US strategic priority is preserving the possibility of a future 23-state solution. To that end, the US should work with the Abraham Accords nations and Saudi Arabia, including through direct appeals to the Israeli public, to demand Israel halt its progress towards annexation, focusing on steps that alter the status quo and are difficult to reverse. Messaging should focus on the incredible opportunity Israel currently has to be integrated into the region, and how its actions in the West Bank are undermining this possibility.

The next step — reversing elements of Smotrich's takeover of the West Bank — will likely require the formation of a more moderate Israeli government. Once feasible, the US should work with Israel to dismantle illegal outposts and dramatically reduce settlement construction. Further steps, including settlement freezes and transfers of authority over parts of the West Bank to the PA — linked to incentives provided by the US and regional actors — should be core components of the roadmap proposed in Line of Effort #4.

Line of Effort #3: Strengthening and Revitalizing the Palestinian Authority

A strong and credible PA is essential to ensuring that a transition to an independent Palestinian state is achievable. Given that progress toward Palestinian statehood is crucial to unlocking regional normalization, reforming and revitalizing the PA should be core to the US effort to advance the 23-state solution.

In recent years, poor Palestinian leadership, Israeli policies undermining the PA, and declining international support have driven the PA's state-building project in the wrong direction. President Mahmoud Abbas has been in office for over two decades since being elected to a four-year term in 2005, legislative elections were last held in 2006, and the PA's main legislative body has not convened since 2007. As a result, the PA suffers from a severe public legitimacy deficit that makes it difficult to govern effectively or negotiate credibly on behalf of the Palestinians.

President Abbas has made some progress on reforming the PA — [revoking](#) the prisoner payments program and [installing](#) a technocratic-oriented government. However, these reforms have failed to satisfy the Palestinian public and external critics. The current reality requires progress in three key areas, each of which requires the cooperation of international actors, the Israeli government, and the PA itself:

- **Overcoming a severe lack of political legitimacy by pursuing elections and good governance.** The PA's failure to hold national elections since 2006 has precluded the possibility of holding its leaders politically accountable. Abbas continues to wield vast authoritarian powers and has largely governed via executive decrees since 2007. Yet a survey released in October 2025 demonstrates that 80 percent of the public [favors](#) his resignation, and a majority of Palestinians consider the PA a burden on the Palestinian people.

Abbas has [promised](#) that presidential and legislative council elections will take place within one year of the end of the Gaza war. While many doubt that this timeline is feasible, the international

community — led by the US and Arab partners — should insist that the PA take concrete steps that will facilitate competitive and credible national elections when conditions are right. Securing Israel's cooperation in permitting these elections will also be crucial, particularly concerning the participation of Palestinians in East Jerusalem. Once elections are agreed upon, the US and its European partners should provide assistance and oversight to ensure they are free and fair, and perceived as such, and to convince Israel that permitting such elections will serve the broad interest of PA reform. The question of which parties and candidates are authorized to participate in upcoming elections will be highly contested, especially regarding the participation of Hamas. At a minimum, all parties or candidates running should be required to renounce violence. [Municipal elections](#) in the West Bank, currently scheduled for April 25, will demonstrate the administrative capabilities of the Palestinian Central Election Commission and the degree of inclusivity and competitiveness that is possible under current conditions.

- **Reasserting security in the West Bank.** Movement restrictions, rampant settler violence, and regular IDF incursions into areas under Palestinian Authority Security Forces (PASF) control have eroded the PA's legitimacy by reinforcing perceptions that it cannot protect or represent Palestinians. These actions also impair the Palestinian economy and fuel support for hard-line rejectionists, including Hamas. Reviving the Palestinian state-building project therefore requires increased PASF control over internal security. To that end, the US should work to ensure Israel accepts the PA's sole authority in Area A. Over time, as the PA implements reforms and reasserts security control, Israel should begin handing over additional control of sections of the West Bank to the PA, converting them from Area C to Area B or A, and from B to A.
- **Improving the PA's fiscal situation by applying pressure on Israel to change its policies and bringing in the international community.** The lack of control that the PA has over its revenue base further undermines its credibility and popularity. Per the 1994 Paris Protocol, Israel collects taxes and customs duties on the PA's behalf and is supposed to then transfer those funds. Amounting to [close to 70 percent](#) of the PA's annual budget, this mechanism grants Israel significant leverage. Since 2006, Israel has regularly withheld these payments to penalize the Palestinians for actions it deems hostile, escalating this practice severely after October 7 by withholding [nearly half](#) of the annual funds owed.

The damage this fiscal dependence does to the PA's legitimacy is two-fold: First, it undermines the PA's ability to govern effectively – civil servants' salaries are often delayed or withheld, its debt continues to rise, and investors fear investing in a territory with such a volatile financial record. Second, the PA's dependence on Israel, which the Palestinians broadly view as an occupier, reinforces the public's perception that the PA's leadership cannot stand up to Israel or, worse yet, is complicit in their occupation.

Restoring predictable revenue flows should be a priority. The US should immediately require Israel to divorce clearance revenue payments from political disagreements. A long-term policy priority should be forming an alternative tax collection mechanism to bolster the PA's independence and improve economic predictability.

Compounding the impact of Israel's weaponization of the Paris Protocol is the decline in recent years of international assistance to the PA. Foreign budgetary assistance has decreased significantly — present levels are [over 70 percent](#) lower than in the late 2000s. Combined with Israel's withholding of revenues, this has left the PA starved of funds and with mounting debts. Along with strengthening the PA's ability to regularly receive tax revenues, the US and regional partners should engage directly with the PA to commit the Palestinian leadership to a reform plan, with benchmarks directly linked to a substantial increase in foreign assistance.

What must not be lost in discussions of PA reform is that true revitalization requires a fundamental reorientation by Israel. Between 2009 and October 7, 2023, successive Israeli governments have pursued a strategy of systematically weakening the PA while empowering Hamas as a way to prevent the establishment of a Palestinian state. A return to a coherent, coordinated policy approach by the US and Israel that prioritizes empowering a reformed, moderate PA and weakening Hamas will be crucial to

preserving the possibility of a future Palestinian state, and by extension, broad regional normalization. The US can signal its commitment to this effort by recognizing a Palestinian state today, joining the more than 150 countries around the world that already have.

Line of Effort #4: Building Regional Bridges

Parallel to progress toward advancing conditions in Israel and Palestine, the US should develop a roadmap for linking increased Israeli-Arab cooperation to concrete milestones related to Israeli progress as outlined in Lines of Effort 1–3. The United States, supported by European and other allies, should play a proactive role in facilitating the resolution of emergent sensitive political issues and in holding the parties accountable to their respective commitments. Arab countries, and particularly Saudi Arabia, should make direct appeals to the Israeli public regarding their interest in integrating Israel into the region while restating their firm commitment to Palestinian statehood. A calibrated basket of carrots and sticks, including arms and trade deals, and financial support through grants and loans, must be readily available to support the process.

In the immediate term, the parties should move forward with ready-to-go initiatives that demonstrate a sincere commitment to long-term regional integration:

- **De-escalating regional tensions:** The United States should continue to work toward a non-aggression pact between Israel and Syria. In addition, the United States should encourage the implementation of all elements of the November 2024 ceasefire arrangements and ensure that Hezbollah's influence in Lebanon is permanently reduced. Central to these efforts is continuing to support the Syrian and Lebanese governments as they seek to project greater control over their respective territories and to reduce the influence of militias.
- **Deepening security cooperation between Israel and the Arab states:** Security cooperation between Israel and the Arab States has deepened in recent years, especially after US Central Command (CENTCOM) was assigned responsibility for Israel and has actively worked to enhance Israeli-Arab cooperation. The benefits of this cooperation were most visible in the United States' ability, with the cooperation of Arab partners, to assist Israel in defending against Iranian missile attacks in 2024 and 2025. It is unclear at the moment what impact the current war with Iran will have as it could drive the Gulf states closer to Israel or result in more tensions if the Gulf states see Israeli and American behavior as putting them in the line of Iranian fire. Meanwhile, Israel-Egypt and Israel-Jordan security cooperation remains strong despite political disagreements between their governments. The US should continue to play a facilitating role in bringing Israel together with its Arab partners to manage and respond to shared security challenges.
- **Promoting cooperation on discrete, limited, mutually beneficial projects:** Israel's gas deals with Egypt and Lebanon in recent years, along with its past cooperation with Jordan on water rights, demonstrate that Israel and its Arab neighbors can be brought closer together by identifying areas of mutual benefit short of full normalization. Similar cooperation should be pursued in artificial intelligence, agriculture, water, and clean energy. While the full benefits of cooperation in these areas will only be reached with full normalization, genuine cooperation on targeted projects can build trust, deepen economic and people-to-people ties, and build momentum toward broader integration. Perhaps most importantly, successful cooperation demonstrates the upside of normalization and fosters familiarity among political and business leaders who influence their governments' policies.

Achieving the 23-state solution will take time, require experimentation, and inevitably be messy. Yet, the formula for achieving it is clear: (1) implement Phase II of the Gaza peace plan; (2) restrain and reverse annexationist Israeli policies in the West Bank; (3) reinvest in and reinforce the Palestinian nation-building project; and (4) strengthen Israel's relationships with its Arab neighbors. Taken together, these actions will eventually set the conditions for an outcome far superior to the continued pathway of war and suffering that has long characterized Israel's relations both with the Palestinians and with its Arab neighbors.