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The Manama Workshop: Trump's Middle East Peace Plan Plummets before Lift-Off

Unit for Political Studies

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Unit for Political Studies

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Introduction

The United States held a workshop in Manama, Bahrain called “Peace to Prosperity, The Economic Plan: A New Vision for The Palestinian People” on 25 - 26 June 2019 to discuss the economic development of the occupied Palestinian territories, as well as Israel, Jordan, Lebanon and Egypt.⁽¹⁾ The US plan calls for investments of more than \$50 billion over 10 years, from Arab and foreign countries, international organizations and private sector companies. The workshop was opened by Trump’s son-in-law and advisor Jared Kushner with representatives from 39 countries, including Arab countries in attendance. The presidents of the International Monetary Fund and the World Bank, as well as businessmen and representatives of international trade and investment companies, also attended. The Palestinians however snubbed the event entirely as it was not simply an economic workshop but part of a greater vision whereby the economy replaces legitimate political rights and turns the Palestinian question into economic and investment projects. The plan made no mention of the central issues of conflict such as state, sovereignty, refugees, Jerusalem, settlements and borders.

Plan details

“Peace to Prosperity” is a 40-page plan based on three key initiatives: to unleash the potential of the Palestinian economy; empower the Palestinian people; and enhance Palestinian governance. The plan aims to raise more than \$50 billion over the next 10 years to fund a wide range of projects aimed at drastically changing the West Bank and Gaza Strip. The plan claims that if implemented, it will create more than one million jobs for the Palestinian people in the West Bank and Gaza Strip over the next decade, double the Palestinian GDP, cut unemployment from its current 30% to 10%, and reduce poverty by 50%.⁽²⁾ The plan suggests that the money raised will be placed in “a new fund administered by an established multilateral development bank “ that will be spent on projects through direct public investment, private commercial investments and soft loans. According to the plan “the fund’s leadership will work with beneficiary countries to outline annual investment guidelines, development goals, and governance reforms that will support project implementation in the areas identified within Peace to Prosperity. Grants, concessional loans, and other support will be distributed to projects that meet the defined criteria through a streamlined process that will enable both flexibility and accountability.”⁽³⁾

The plan adopts a regional approach based on cooperation and complementarity and, in some cases, economic integration between the occupied territories in the West Bank and the Gaza Strip and Israel, along with Jordan, Lebanon and Egypt. That is to say, it is an economic plan to establish an infrastructure for normalization between Arab states and Israel. Under the plan, donor countries

1 The White House, “Peace to Prosperity: The Economic Plan: A New Vision For The Palestinian People,” June 22, 2019, accessed on 1/7/2019, at: <https://bit.ly/2WWYI4w>

2 Steve Holland & Matt Spetalnick, “Factbox: U.S. plan for Palestinian economy envisions \$50 billion investment,” *Reuters*, 22/6/2019, accessed on 1/7/2019, at: <https://reut.rs/326HcVh>

3 “Peace to Prosperity,” p. 6.



and investors will contribute more than \$50 billion to the development of the region, including \$28 billion in the West Bank and Gaza Strip, \$7.5 billion for Jordan, \$9 billion for Egypt and \$6 billion for Lebanon. The plan, drafted in the language of consultation companies, covers about 50 topics and presents about 179 different projects, such as improving the level of Palestinian education, developing the Palestinian infrastructure, strengthening the electricity network in the Gaza Strip, water desalination, and strengthening the communications networks as well as the health, agricultural, industrial and tourism sectors. It talks about facilitating the crossing of Palestinians and their exports to surrounding countries, and allocating \$5 billion to link the West Bank and the Gaza Strip via a road network and possibly a railway. And all this was designed without a word of consultation with either Arabs or the Palestinians. In other words, even from an economic perspective, it is a guardianship plan that treats Arabs and Palestinians as minors.

According to Kushner and his aides, they aspire to divide the investment as such: \$15 billion in grants, \$25 billion in loans and about \$11 billion from the private sector. The 179 projects would be divided into 147 projects for the West Bank and Gaza Strip, 15 projects for Jordan, 12 for Egypt and 5 for Lebanon. Tens of millions of dollars will be earmarked for several projects aimed at strengthening ties between the Gaza Strip and Egypt's Sinai Peninsula through services, infrastructure and trade. Electricity lines from Egypt to the Gaza Strip will also be upgraded to increase their power. The plan also proposes supporting the expansion of ports and business incentives for the Egyptian commercial center near the Suez Canal, as well as the development of Sinai's tourist facilities near the Red Sea.

The plan is aimed at achieving regional integration at the infrastructure level, including energy and water, interregional trade, investment and tourism. However, economic cooperation and integration cannot be achieved without open borders. Therefore, the plan calls for the development of border crossings between the Palestinian territories, Israel and the neighboring Arab countries so that people and goods can pass through them "easily and securely" without specifying who will control border crossings.⁽⁴⁾ Israel currently controls all the crossings in the West Bank and those between it and the Gaza Strip. The plan also calls for the development of industry to exploit natural resources in the occupied Palestinian territories, including stone, marble and hydrocarbons, and reserves of major natural resources, such as the offshore natural gas field in Gaza, oil fields and quarries in the West Bank. Technical assistance will also be provided to develop an organizational framework for the exploitation of natural resources, including shared resources along border areas. Technical assistance will also be provided to develop an organizational framework for the exploitation of natural resources, including shared resources along border areas.⁽⁵⁾

In relation to "empowering the Palestinian people", the plan calls for stimulating "the vast potential of the Palestinian people" by improving education, strengthening workforce development programs, improving the health care sector and the quality of life for Palestinians by investing in cultural

4 Ibid., p. 12.

5 Ibid., p. 17.

institutions and providing financial support for Palestinian artists and musicians, and so on.⁽⁶⁾ In terms of “enhancing Palestinian governance,” the plan proposes encouraging the Palestinian public sector to provide the necessary services and management for a better future for the Palestinian people, which will lead to job growth, prosperity and economy. This requires “transforming the business environment through private property rights; safeguards against corruption; access to credit; functioning capital markets along with pro-growth policies and regulations; and certainty and predictability for investors that result in economic growth, private-sector job creation, and increased exports and foreign direct investment,” as well as providing a path for civil society organizations.⁽⁷⁾

Why Was the Plan Panned by Arabs and the International Community?

Arab countries, including the Palestinian leaders, along with the rest of the world, did not take the plan seriously for the following reasons:

- Replacing the issues behind the conflict with the economy. The Trump administration has argued that the situation in Israel does not allow the political part of the plan to be presented following Benjamin Netanyahu’s failure to form a government coalition and call for new elections scheduled for September 2019. But the reality is that this is the plan. Kushner and his team believe that the solution is for Arabs to accept the status quo and its legitimacy, and that simply changing the economic situation of Palestinians, while their political rights are being annihilated will be enough.
- The failure to refer to the two-state solution, which Trump refuses to acknowledge. Kushner went even further, asserting that his country does not accept the Arab peace initiative (2002), which calls for a two-state solution in return for comprehensive Arab normalization. According to Kushner, the Arab peace initiative “did not reach the desired peace between the Palestinians and the Israelis,” blaming the initiative and not the Israeli rejection. Kushner, commenting on the announcement by US Ambassador to Israel David Friedman, stated that Israel has the right to annex parts of the West Bank. According to Kushner, “if there ever is a deal, it’s not going to be along the lines of the Arab peace initiative. It will be somewhere between the Arab peace initiative and between the Israeli position.”⁽⁸⁾ This means that the Trump administration, despite not announcing the political plan, is continuing to implement it on the ground, by deciding the fate of the core issues that define the conflict and intervening in the “final status” issues, such as Jerusalem, refugees, sovereignty and borders while the international community and the Arabs

⁶ Ibid., p. 20.

⁷ Ibid., p. 30.

⁸ “Kushner: Arab Peace Initiative no basis for Israel-Palestine deal”, Aljazeera, 25/6/2019, accessed 1/7/2019 at: <https://bit.ly/31Nsl8l>



wait for an actual plan to be implemented. Trump believes that in this way he removes obstacles from negotiations. Regarding his recognition of Jerusalem as the capital of Israel in December 2017 and the transfer of the US Embassy in May 2018, Trump said that he had taken Jerusalem off the table.⁽⁹⁾ In August 2018, Trump decided to settle the issue of the right of return when he decided to suspend US funding entirely from the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) until it redefined refugee status. This would enable the removal of this status from the millions of Palestinians, on the basis that this removes another “obstacle” from the Palestinian-Israeli negotiating table.⁽¹⁰⁾ Its ambassador in Israel is now preparing the ground for annexation of Israel (Area C) of the West Bank, which accounts for nearly 60 percent of its territory, including the Jordan Valley.

- The plan does not mention the reasons behind the decline of the Palestinian economy. While the plan claims it is trying to unleash Palestinian potential, it does not mention Israel’s role in hindering the economy’s growth.⁽¹¹⁾ Israel is mentioned only six times in the plan, all in the context of regional economic cooperation and integration, with the Palestinian territories, Jordan, Lebanon and Egypt. In other words, the plan is devoid of any mention of Israel’s responsibility in perpetuating the difficult political, economic and humanitarian reality of the Palestinians. Israel is mentioned only in the context of benefiting from the plan. While the plan emphasizes the need to create a geographical link between the West Bank and the Gaza Strip, it does not refer to Israel’s responsibility in preventing such a link thus far or even indicate a future role for in bringing it about. The same applies to the plan’s talk about the need to open the borders and the external crossings between the Palestinians and their regional surroundings to facilitate the movement of people and goods. There is no indication of Israel’s responsibility for closing the borders, or of its future role. There is no call for Israel to change the policies that have led to the existing Palestinian reality.
- The plan is dressed up for the Palestinians with the idea that the solution is in achieving economic prosperity, without dealing with the root of their problems — the colonial occupation. According to a report issued by the UN Conference on Trade and Development in 2017, “Fifty years of occupation have driven the Palestinian economy into de-development and poverty,” While a European document examining the Palestinian economic situation in the period 2017 - 2020 concluded that its future was bleak.⁽¹²⁾
- The plan borrows from proposals that have already been put forward and failed. According to former Israeli negotiator Shaul Arieli, who is currently an analyst at the Economic Cooperation

⁹ “Trump: Israel will pay ‘higher price’ for his Jerusalem recognition,” Ynetnews, 22/8/2018, accessed on 1/7/2019, at: <https://bit.ly/2TC5mkP>

¹⁰ Clare Foran & Elise Labott, “US ends all funding to UN agency for Palestinian refugees,” CNN, 1/9/2018, accessed on 1/7/2019, at: <https://cnn.it/2PW9HyZ>

¹¹ Seth J. Frantzman, “Five takeaways from Trump’s ‘peace to prosperity’ Palestinian plan,” *Jerusalem Post*, 25/6/2019, accessed on 1/7/2019, at: <https://bit.ly/2XgFNYg>

¹² Ibid



Foundation, “most of the plans were already put forward under the Obama administration.”⁽¹³⁾ Some of the projects proposed by the plan have already been submitted by such entities as the World Bank, the United States, Russia, the United Nations and the European Union and the Rand Foundation.⁽¹⁴⁾

Most importantly, the historic predecessor of Likud, Menachem Begin’s Herut Party, has already suggested that there is no Palestinian cause, only an Arab-Israeli conflict, which can only be solved by the Arabs accepting the status quo. The other wing, represented by Shimon Peres and others, presented formulas and projects for a “new Middle East”, for normalization without resolving the question of Palestine, and the results of those ideas are clear to see.

Conclusion

The plan put forward by Kushner at the Manama workshop does not have any of the ingredients for success, especially as it comes in the form of a cheap and hypocritical bribe to the Palestinians in return for giving up their historical and just rights. Perhaps the greatest proof of this is the Palestinians’ rejection of it, as well as the refusal of the Palestinian Authority to participate in the workshop. The weak international presence of the workshop, as well as the low level of representation, even in the Arab world is also indicative. The few Arab countries, particularly Saudi Arabia and the United Arab Emirates, who attended the workshop showed up in the hope that Trump would go down the path of escalation with Iran. It is doubtful that the funds needed to make the plan work, which the US seems to be counting on. Some Arab countries also fear that some issues will be solved at their expense. A regional approach to resolving the Palestinian-Israeli conflict raised the concerns of countries such as Jordan and Lebanon. Jordan sent a low-level delegation, while Lebanon refused to attend. Consequently, it does not seem surprising that the Secretary of State himself, Mike Pompeo, sees no possibility for the success of the plan, which Kushner described as “the opportunity of the century.”⁽¹⁵⁾ In an interview with a group of American Jewish organizations in New York in June 2019, Pompeo said that the “deal of the century” was one-sided and that he gets “why people think this is going to be a deal that only the Israelis could love,” considering that it may be “unexecutable” and it might not “gain traction.”⁽¹⁶⁾

¹³ Rami Ayyub, Maayan Lubell, Nidal al-Mughrabi, “Old wine in new bottles? U.S. economic plans for Palestinians recall past efforts,” Reuters, 23/6/2019, accessed 1/7/2019 at: <https://reut.rs/2NnBOcO>

¹⁴ John Hudson & Loveday Morris, “Exclusive: Pompeo delivers unfiltered view of Trump’s Middle East peace plan in off-the-record meeting,” *The Washington Post*, 2/6/2019, accessed on, at: <https://wapo.st/2RL4aMN>

¹⁵ <https://bit.ly/2Yaz7fO>

¹⁶ Hudson & Morris