

Jerusalem: The Rising Cost of Peace

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Table of Contents

INTRODUCTION	1
PRINCIPLES OF NEGOTIATIONS ON JERUSALEM: FROM THE CLINTON PARAMETERS TO THE PRESENT	2
THE JERUSALEM MUNICIPALITY	12
Building and Construction, 2000 - 2012.....	12
Promotion of Building and Construction Plans since 2012	13
HISTORIC BASIN	16
Temple Mount/Haram al-Sharif.....	16
Planning and Building.....	17
GREATER JERUSALEM	23
The Separation Barrier	23
Roads.....	24
E-1	25
EROSION OF PALESTINIAN HOLD ON THE CITY	26
CONCLUSION.....	29

INTRODUCTION

Jerusalem is the symbolic heart of the conflict and as such, it must be embedded at the heart of its resolution. A fair and sustainable political agreement must affirm the city as the capital of two sovereign nations—Israeli and Palestinian. Assertion of this principle is imperative to the achievement of a two-state solution, the future of Israeli democracy and the sustainability of both the city and the nation. It is indispensable to sustaining the support of the Palestinian leadership, the Arab world and the international community in working toward the realization of a two state solution.

The necessity of a strong affirmative position on Jerusalem is incontrovertible. The goal of this paper is to analyze the factors that will contribute to shaping a resolution on Jerusalem and to evaluate the relative feasibility of achieving a political solution to the conflict at this specific juncture in time. Using the Clinton Parameters as a base point, we outline actions taken on the ground since 2000 on three interdependent levels: within the Jerusalem Municipality (within the annexation line); within the Historic Basin surrounding the Old City and the Temple Mount/Haram al-Sharif; and within Greater Jerusalem. We look at the state of affairs in 2000, actions taken between 2000 and the end of 2014 and developments occurring within the most recent two-year period.

The import of plans advanced in the past several years and the accompanying intensification of policies designed to loosen Palestinians' grasp on the city lies not only in their scope but also in their strategic integration. The settlement enterprise is not limited to housing units; it combines construction of the separation barrier, infrastructure building, the development of national parks and touristic settlement. It is augmented by policies that enable the maintenance of gross disparities in allocation of municipal resources between east and west Jerusalem, wide scale permanent residency revocations and systemic exclusion of Palestinians from the planning process. The analysis offered herein illustrates how these factors interact and what their collective impact will be on the realization of a two-state solution.

Clearly, a geopolitical assessment cannot be conducted in a vacuum. In the past year alone, US Secretary of State John Kerry led negotiations collapsed amidst mutual recriminations between the Israeli and Palestinian governments. The breakdown was followed by a traumatic series of events that began in June with the kidnapping and killing of three Israeli teenagers in Gush Etzion and the revenge murder of a Palestinian teenage resident of East Jerusalem, followed by a surge of nationalist violence by extremist Jews against Palestinian residents of the city and angry demonstrations by Palestinians in neighborhoods across East Jerusalem. The outbreaks were fed by the major loss of Palestinian life during the Israel-Gaza conflict over the summer of 2014, evidence of the national inseparability of Palestinians in East Jerusalem from those in Gaza and the West Bank. These events illustrate, once again, the centrality of Jerusalem to the conflict while the absence of Jerusalem from candidates' platforms in lead-up to Israeli elections in March once again underscores the lack of substantive public debate about its political future. In parallel, the PA has now moved its struggle for statehood into the international arena.

This report does not attempt to address the myriad political considerations required

for a resolution of the conflict but rather seeks to supply and analyze the most timely data in order to evaluate the degree of damage already done to the geographical feasibility of a two-state solution and to offer a prognosis of where it stands today. It does not mean to take on the question of will or appetite for peace—among the respective Israeli and Palestinian publics and their corresponding leaders—or the multifarious inter- and intra-political dynamics within and between the two. If anything, it is designed to answer the insistent assertion that time is running out, if it has not already been exhausted—itself a political variable insofar as it delimits the public sense of what remains possible.

PRINCIPLES OF NEGOTIATIONS ON JERUSALEM: FROM THE CLINTON PARAMETERS TO THE PRESENT

Although the Oslo Accords included no substantial formulations on the issue of Jerusalem, they did succeed in putting Jerusalem on the Israeli-Palestinian negotiating table for the first time.¹ Specifically, the Declaration of Principles signed between Israel and the PLO on September 13, 1993 stated that the issue of Jerusalem would be addressed in final status negotiations, which would commence no later than the beginning of the third year of the interim period.²

Substantive final status talks began in March 2000 through both official and parallel back channels at Camp David. Then Prime Minister Ehud Barak instructed Israeli negotiators not to hold substantial negotiations on Jerusalem and to postpone negotiations for as long as possible.³ The issue of Jerusalem was therefore addressed only in general terms, mostly in one-on-one meetings, and no documentation exists.⁴ No agreement was achieved during the talks and profound differences remained unresolved.

The Israeli opening position opposed the possibility of Palestinian sovereignty anywhere within Jerusalem's municipal boundaries. As talks progressed, Israel persisted in rejecting the possibility of applying Palestinian sovereignty to the "internal" Palestinian neighborhoods (those that were a part of Jordanian Al Quds before 1967)⁵ but agreed to functional autonomy or partial Palestinian sovereignty over the "external" neighborhoods. In the Old City, Israel advocated a "special regime" solution, demanding a 2:2 division in the case of divided sovereignty: Israel would have sovereignty over the Jewish and Armenian quarters and Palestinians over the Muslim and Christian quarters. Israel also demanded full Israeli sovereignty over

¹ Menachem Klein, *Doves in the Skies of Jerusalem: The Peace Process and the City 1977-1999* (Jerusalem: Jerusalem Institute for Israel Studies, 1999), pp. 106 [Hebrew].

² "Declaration of Principles on Interim Self-Government Arrangements", September 13, 1993, §5(1), §5(2).

³ Lior Lehrs, *Peace Talks over Jerusalem: A Review of the Israeli-Palestinian Negotiations Concerning Jerusalem, 1993-2011*, p. 17 (The Jerusalem Institute for Israel Studies, Study No. 418, 2011). [henceforth: Lehrs, *Peace Talks over Jerusalem*].

⁴ Gilad Sher, *Israeli-Palestinian Peace Negotiations, 1999-2001: Within Reach* (Tel Aviv, Yedioth Achronoth Books, 2001), pp. 85, 88, 89, 106, 109. [Hebrew]

⁵ Gilad Sher, *Israeli-Palestinian Peace Negotiations, 1999-2001: Within Reach* (London, Routledge/Taylor & Francis Group, 2006), p. 138.

the City of David and the Mount of Olives. Addressing the lack of territorial contiguity, Israel proposed a sovereign corridor between the external neighborhoods and the Palestinian section of the Old City.⁶ The issue of the Temple Mount/Haram al-Sharif provoked heated historical and theological debate on the question of whether the biblical Temple in fact stood at the site. Israel insisted it would not concede Israeli sovereignty over the Temple Mount. The Israeli demand for Jewish prayer on the Temple Mount was brought up for the first time at Camp David and met with fierce Palestinian opposition.⁷

The Palestinian opening position was presented as "East Jerusalem for Palestine, West Jerusalem for Israel" with a later concession of agreement on Israeli sovereignty over the Jewish neighborhoods in the eastern part of the city, the Jewish Quarter and the Western Wall. Jerusalem was envisioned as an open city with free access to both Israelis and Palestinians. The City of David and the cemetery on Mount of Olives would remain under Israeli administration but not Israeli sovereignty. The Palestinians rejected the Israeli distinction between "external" and "internal" neighborhoods, insisting on Palestinian sovereignty over all of the Palestinian neighborhoods and unequivocally demanding full Palestinian sovereignty over the Haram al-Sharif.

The Clinton Parameters, December 2000

The outline of what are now known as "The Clinton Parameters" was presented by then-US President Bill Clinton to Israeli and Palestinian representatives at the White House on December 23, 2000. Clinton's "Parameters of Agreement" was meant to serve as the basis for an outline agreement and establish the principles of a final settlement. The proposed outline agreement presented the conditions for establishing an independent Palestinian state in the Occupied Territories, with Jerusalem as its capital, as well as positing what rights Israel would retain in East Jerusalem and the West Bank and security arrangements between the two states.

The outline, as presented to the government of Israel on December 27, 2000, included three primary arrangements over Jerusalem:

1. An ethnic division of Jerusalem: "What is Arab for the Palestinians, what is Jewish for the Israelis".⁸ Arab neighborhoods would be part of Palestine and Jewish neighborhoods beyond the Green Line (such as Ramot, Gilo, Armon Hanatziv and the Shuafat Ridge) would be part of Israel.⁹
2. A "vertical" division of the Temple Mount/Haram al-Sharif: the top—the Al-Aqsa Mosque, the Dome of the Rock and the Plaza between them—would be placed under Palestinian sovereignty. The bottom, the subterranean space under the Muslim shrines, would receive a special status honoring its Jewish connection. Clinton suggested two alternatives for the Temple Mount: in one, Israel would hold sovereignty over the subterranean space attached to the Western Wall, which would remain under its sovereignty in any case. In the other, the connection with "Jewish holy sites" under the Temple Mount is

⁶ Shlomo Ben Ami, *A Front without a Rearguard: Travels to the Limits of the Peace Process*, (Tel-Aviv: Yedioth Achronoth Books, 2004), p. 211 [Hebrew].

⁷ Lehrs, *Peace Talks over Jerusalem*, p. 34.

⁸ "The general principle is that Arab areas are Palestinian and Jewish ones are Israeli."

⁹ Har Homa, in its initial stages of construction at the time, was not assigned to Israel.

- mentioned and an international oversight mechanism is proposed to limit Palestinian sovereignty over the subterranean spaces and prevent excavations at the site.
3. A special regime in the Old City would allow free movement without fences and border control. The Christian and Muslim Quarters would be part of Palestine. The Jewish Quarter, as well as the Western Wall, would be part of Israel. The Armenian Quarter would be divided in such a way as to allow movement through a corridor of Israeli sovereignty from Jaffa Gate to the Western Wall with the rest of the quarter under Palestinian sovereignty.
 4. Both sides expressed numerous reservations over the parameters. Some sources say Israel accepted the parameters in principle while presenting a list of reservations¹⁰ but opinions differ as to its formal response.

The Taba Talks, January 2001

On January 21, 2001 the Barak administration held its last round of talks in Taba, attended by representatives of the two sides, without American involvement. Discussions conducted during the Taba Talks indicated agreement between the sides on implementation of the principles set forth in Clinton's parameters regarding the future status of East Jerusalem neighborhoods: "Arab areas are Palestinian and Jewish ones are Israeli" (except for Har Homa and Jewish settlements in Palestinian neighborhoods founded after the Oslo Accords).

The conference addressed several issues concerning Jerusalem, including the question of an open city, the connection between the two parts of the city, coordination and cooperation arrangements between the municipalities of Jerusalem and al-Quds, and control of the "Holy Basin." After conclusion of the conference, the special European envoy for the Middle East peace process, Ambassador Miguel Moratinos, drafted an unofficial and nonbinding document (non-paper), written after consulting both sides, drawing the boundaries of agreement and dispute between the parties as had emerged from the Taba agreement. The paper, which came to be known as the "Moratinos paper" or the "Taba Paper", refers to six issues on the question of Jerusalem: sovereignty, open city, two state capital, the Old City and the Holy/Historic Basin, holy sites (Western Wall/Wailing Wall) and the Temple Mount/Haram al-Sharif.

On the question of sovereignty, the paper noted that the sides had accepted Clinton's proposal for Palestinian sovereignty over Arab neighborhoods and Israeli sovereignty over Jewish neighborhoods. The Palestinian side confirmed that it was willing to discuss the Israeli request to extend Israeli sovereignty to the "Jewish settlements in East Jerusalem"¹¹ but not to Jabal Abu Ghneim (Har Homa) and Ras al-Amud. Furthermore, the Palestinian side rejected Israeli sovereignty over the Greater Jerusalem settlements (major settlement blocs adjacent to Jerusalem) such as Ma'ale Adumim and Givat Ze'ev.

Remaining considerations with regard to sovereignty were formulated as understandings between the two sides. According to the paper, the Palestinian side understood that Israel was willing to accept Palestinian sovereignty over the Arab neighborhoods of East Jerusalem, including parts of the Old City. The Israeli side

¹⁰ Lehrs, *Peace Talks over Jerusalem*, p. 42.

¹¹ Moratinos paper, section 2.1.

understood that the Palestinians were willing to accept Israeli sovereignty over the Jewish Quarter of the Old City and parts of the Armenian Quarter.

The idea of Jerusalem as an open city was supported by both sides, although disputes over its boundaries persisted. Israeli representatives suggested establishing an open city with geographical boundaries that would include the Old City of Jerusalem plus an area defined as the Holy—or Historic—Basin. The Palestinian side supported an open city provided that contiguity and continuity of sovereignty would be maintained. It rejected the Israeli proposal regarding geographic boundaries of the open city and insisted that an open city would be acceptable only if its boundaries encompassed the full municipal boundaries of both East and West Jerusalem.

The issue of Jerusalem as capital of two states was briefly summarized in the Moratinos paper, which established that Israel agreed to Jerusalem as the capital of two states with the Palestinians reasserting the primary concern that East Jerusalem be the capital of the state of Palestine.

The paper notes that the Israeli side expressed its interest in and concern over the area defined as the Holy/Historic Basin (including the Jewish cemetery on the Mount of Olives, the City of David, and the Kidron Valley). The Palestinian side confirmed its willingness to take Israeli interests and concerns into account so long as the sites in question remained under Palestinian sovereignty. Another possibility for the Holy Basin, proposed unofficially by the Israeli side, was to create a special regime—either some sort of internationalization of the entire area or an arrangement characterized by cooperation and special coordination. The Palestinian side refused to pursue these proposals but the paper notes the possibility of continued discussion on the issue.

The Annapolis Conference, November 2007

After a long period of diplomatic stagnation, the issue of Jerusalem was revisited at the Annapolis Conference on November 27, 2007, which included representatives of Ehud Olmert's government and the new Salam Fayyad government as well as representatives of the Quartet, the US, the UN, and most of the Arab League countries. At the Annapolis Conference, the parties announced a restart of negotiations with the goal of reaching a final agreement by the end of 2008.¹²

The issue of Jerusalem was substantively addressed only through the Olmert-Abbas channel. The last meeting between Ehud Olmert and Mahmoud Abbas was held on September 16, 2008, during which Olmert presented Abbas with a document of principles for a final agreement with a map that included his proposed border between the two states. On the question of Jerusalem, the Olmert plan stated that the Jewish neighborhoods built in Jerusalem after 1967, including Har Homa, would remain under Israeli sovereignty whereas the Arab neighborhoods would be put under Palestinian sovereignty and serve as the Palestinian capital. The Holy Basin would be defined as a protectorate of five countries: Israel, the Palestinian state, Jordan, Saudi Arabia and the US. The proposal did not address the question of sovereignty over the Holy Basin; each side would retain its claims while agreeing to transfer administrative powers to an international trusteeship.

¹² “The Annapolis Agreement: full text”: <http://www.theguardian.com/world/2007/nov/27/israel.usa1>.

According to the map proposed by Olmert, Israel would annex 6.3% of the West Bank, including the area of the neighborhoods in East Jerusalem, in exchange for an alternative area of Israel equal to 5.8% of the West Bank. Since the annexation of Ma'ale Adumim would impede travel from Bethlehem to Ramallah, Olmert offered the Palestinians a special access road bypassing East Jerusalem and connecting the two cities.¹³

Mahmoud Abbas refused to sign Olmert's proposal on the spot and asked to receive the map for consultation. The remainder of the discussion consisted of an exchange of documents between the sides. A Palestinian document leaked to *Al Jazeera* indicates that the PA raised a series of questions and reservations about the Olmert proposal, conveying them to Olmert and US representatives. Concerns were raised over the vagueness of wording regarding arrangements in the Holy Basin. The Palestinians also objected to the idea of postponing agreement over the question of sovereignty and stressed that postponement conflicted with the Annapolis agreement, according to which all of the issues would be negotiated, as well as contradicting UN Security Council resolutions 242 and 383. On the question of borders, the PA argued in the document that Israeli annexation of settlements such as Ma'ale Adumim, Givat Ze'ev and Har Homa violated territorial contiguity, water reserves and the viability of the Palestinian state. The Palestinians did not receive a response to their document.¹⁴

Other points of contention between Olmert and Abbas are cited in an article written by Bernard Avishai for the *New York Times*¹⁵ based on separate interviews with the leaders. According to Avishai, Abbas agreed in principle to Olmert's proposal of the trusteeship regime but the two remained divided over the boundaries of the Holy Basin. In addition to the Old City, Olmert sought to include the Mount of Olives, the City of David and parts of Silwan in the Holy Basin but Abbas would not agree to the regime exceeding the boundaries of the Old City and objected to parts of the Palestinian neighborhoods of a-Tur and Silwan not being included in the Palestinian state. Abbas also wondered why other pieces from the Israeli side would not be included under the special regime, raising as an example the possibility of adding the Muslim cemetery in Mamilla to the Holy Basin. On the question of the Old City, the Palestinian position maintained a division of sovereignty and demanded agreement on the border before discussion of special arrangements.¹⁶

Another one of the "*Al Jazeera* papers", written in November 2008 ahead of a meeting with Quartet representatives, stated that the Palestinians opposed Olmert's proposal to annex all of the settlements in what Israel referred to as "Greater Jerusalem" without giving up alternative land in the Jerusalem area, as well as rejecting the proposed solution on the "Holy Basin." In response to the Olmert proposal, Abbas submitted an alternative proposition containing principles for agreement with a map denoting territorial exchanges of 1.9%. The Abbas proposal was never officially discussed by the sides.¹⁷

Statements Made Until Resumption of Talks in July 2013

¹³ Lehrs, *Peace Talks over Jerusalem*, p. 58.

¹⁴ Lehrs, *Peace Talks over Jerusalem*, p. 61.

¹⁵ B. Avishai, "A Plan for Peace That Still Could Be," *New York Times*, February 7, 2011.

¹⁶ Lehrs, *Peace Talks over Jerusalem*, p. 60.

¹⁷ Lehrs, *Peace Talks over Jerusalem*, p. 61.

After the culmination of talks at the Annapolis Conference, statements and measures taken by the two parties indicated their respective positions on Jerusalem. In his Bar Ilan speech, June 14, 2009,¹⁸ Prime Minister Netanyahu declared that "Israel needs defensible borders and Jerusalem, the capital of Israel, will remain united, while maintaining freedom of worship for all religions. The territorial question will be discussed in final status talks." In his address before both houses of the U.S. Congress¹⁹ on May 24, 2011, Prime Minister Netanyahu called for a territorial compromise that would allow the establishment of a Palestinian state alongside Israel. At the same time, he rejected an Israeli compromise over a return to the 1967 borders. With regard to Jerusalem, Netanyahu emphasized that "Jerusalem must never be divided again. Jerusalem must remain the united capital of Israel." He added, "I know this is a difficult issue for the Palestinians. But I believe that with creativity and goodwill we can reach a solution." In his second Bar Ilan speech on October 6, 2013, Netanyahu altogether sidestepped the issue of Jerusalem.²⁰

In November 2012, the UN General Assembly approved granting Palestine the status of observer state. The Palestinian application to the UN included the need to resolve the status of Jerusalem as the capital of two states and the Palestinian commitment according to international law to a solution of two independent, sovereign and democratic states – Israel living next to Palestine in peace and security on the basis of the pre-1967 borders. In his speech to the General Assembly, Abbas stated: "We will agree to no less than the independence of the state of Palestine with its capital East Jerusalem in all the territories occupied in 1967 alongside Israel..."

A document recently distributed by the Palestinian Authority presents the Palestinian position on Jerusalem, according to which Jerusalem is "the capital of two states. As part of a final status agreement, East Jerusalem that was occupied on June 4, 1967 will be the capital of the state of Palestine, and West Jerusalem will be the capital of the state of Israel." The document goes on to specify that "there is no need to re-divide Jerusalem. It can remain open to the followers of all religions."²¹

On July 19, US Secretary of State John Kerry announced the renewal of direct negotiations between Israel and the Palestinian Authority. No new formulations regarding Jerusalem were presented during this period.

External Negotiation Initiatives

The Arab Peace Initiative (API), a peace plan outlining principles for resolution of the Israeli-Arab conflict, was adopted on March 28, 2002 at the Arab League Summit. According to this plan, the Arab countries will establish normal relations with Israel and recognize the end of the Israeli-Arab conflict in exchange for an Israeli agreement to withdraw from all territories it occupied in 1967, a just resolution of the refugee problem, and the establishment of an independent Palestinian state in the West Bank and the Gaza Strip with East Jerusalem as its capital. The Arab League member

¹⁸ <http://www.pmo.gov.il/MediaCenter/Speeches/Pages/speechbarilan140609.aspx>.

¹⁹ <http://www.pmo.gov.il/MediaCenter/Speeches/Pages/speechcongress240511.aspx>

²⁰ <http://www.pmo.gov.il/MediaCenter/Speeches/Pages/speechbegin061013.aspx>.

²¹ The Palestinian Position on Current Affairs (a paper distributed at a meeting between Israeli students and Mahmoud Abbas in Ramallah on February 16, 2014).

countries ratified the principles of the initiative at conventions in Riyadh in 2007, Damascus in 2008, and Libya in 2010.²²

The API accepts West Jerusalem being designated as part of Israel but also calls for a withdrawal to the 1967 lines, including Israeli withdrawal from East Jerusalem. The API document states: “The acceptance of the establishment of a sovereign independent Palestinian state on the Palestinian territories occupied since June 4, 1967 in the West Bank and Gaza Strip, with East Jerusalem as its capital.”

The People’s Voice (literally translated from Hebrew, the National Census) is an Israeli and Palestinian citizen driven initiative headed by Ami Ayalon, former commander of the Israeli Navy and director of the Israel Security Agency, and Dr. Sari Nusseibeh, President of Al-Quds University. The goal of the initiative was to reach agreement on a declaration of principles on the basis of which a peace agreement could be reached between the two peoples. The document was signed on July 27, 2002, after which a signature campaign was undertaken in the Israeli and Palestinian publics that garnered 400,000 signatures from both sides.

The Declaration of Principles is a brief document that does not delve into operational details. On the question of Jerusalem, it states that the city would be open and serve as the capital of the two states. The Arab neighborhoods would be under Palestinian sovereignty and the Jewish neighborhoods under Israeli sovereignty. The declaration of principles proposed that neither side hold sovereignty over the holy sites, instead offering that the state of Palestine would be defined as the “custodian” of the Palestinian holy sites for Muslims and Israel would be the “custodian” of the Western Wall for the Jewish people. Freedom of religion and full access to the holy sites would be guaranteed for all. The status quo at the Christian holy sites would be maintained and no excavations would be undertaken at the holy sites without agreement of the two sides.²³

The Geneva Initiative is a proposal for a final Israeli-Palestinian agreement based on the Clinton Parameters of December, 2000. The agreement is the product of talks between teams of professionals, some of whom participated in various rounds of negotiations between Israel and the Palestinian Authority during January 2002, and was signed on October 13, 2003. The teams were led by Yossi Beilin on the Israeli side and Yasser Abed Rabbo on the Palestinian side.

The arrangement proposed for Jerusalem in the Geneva Initiative describes the city as the capital of two states, with each side establishing its capital in the areas under its sovereignty in Jerusalem. The initiative suggests a strict territorial division in Jerusalem, allowing the existence of two capitals, with the guiding principle of division being that Palestinian neighborhoods belong to the Palestinian capital and Jewish neighborhoods to the Israeli capital.²⁴ The agreement includes a detailed description of the planning challenges entailed by drawing a political boundary through the city and proposes different means of urban planning to guarantee that political decisions are implemented in favor of both sides of the city.

²² Lehrs, *Peace Talks over Jerusalem*, p. 47.

²³ “The Declaration of Principles” signed on July 27, 2002 by Ami Ayalon and Sari Nusseibeh: http://www.knesset.gov.il/process/asp/event_frame.asp?id=57

²⁴ The Geneva Initiative, “The Geneva Accord and Annexes”, Ramallah and Tel Aviv, 2009, Chapter 6.

Planning challenges raised by the initiative include the question of how to connect the Jewish neighborhoods built across the Green Line to the western part of the city without disconnecting Palestinian neighborhoods from the center of their residents' lives in the Palestinian part of the city; maintaining safe passage between west Jerusalem and the major settlement blocs outside Jerusalem that would remain under Israeli control as part of an agreement; special entry arrangements to the Old City; and division of the Valley of Ben Hinnom, an open urban space containing green areas and historic landscapes. According to the initiative, the Western Wall would be under Israeli sovereignty. The Temple Mount/Haram al-Sharif would be placed under the oversight of an international group established to facilitate implementation of the agreement, and the State of Palestine would be responsible for maintaining security in the Compound and ensuring that it not be used for hostile activity against Israelis or Israeli territory.

The Old City would be under joint sovereignty according to a territorial division. Dedicated police forces of the two states would be responsible for maintaining order and executing daily police functions, each in the areas under its sovereignty, alongside a special police unit of an international implementation and verification group established as part of the agreement. Movement in the Old City would be free and unimpeded, subject to the provisions of the agreement and rules and regulations concerning the various holy sites. The points of entry and exit from the Old City would be staffed by agencies of the state under whose sovereignty each point would be located, along with the presence of members of the international policing unit. Residents of either side would not leave the Old City and enter into the territory of the other side without requisite permission papers. The cemetery on the Mount of Olives and the Western Wall Tunnels would be under Israeli administration, conferring unlimited Israeli rights of access and the right to pray and perform religious rituals.

The principles/issues discussed as part of negotiations (as opposed to external initiatives) over Jerusalem can be summarized as follows:

1. **Sovereignty:** Two capitals in Jerusalem: the capital of the Palestinian state and the capital of Israel

2. Division

- Arab neighborhoods would be placed under Palestinian sovereignty. Jewish neighborhoods beyond the Green Line (such as Ramot, Gilo, Armon Hanatziv and the Shuafat Ridge) would be part of Israel.
- The neighborhood of Har Homa, which was built after the Oslo Accords and severs the connection between Jerusalem and the Bethlehem area while isolating Beit Safafa in the West Bank, remains in dispute.

3. The Old City and the Holy Basin

- Division of the Old City: the Christian Quarter and the Muslim Quarter under Palestinian sovereignty, the Jewish Quarter under Israeli sovereignty. For discussion: sovereignty over the Armenian Quarter

- Unresolved dispute over the boundaries of the “Holy Basin”, its sovereign status and administration
 - Israel’s position on the status of the Holy Basin (the Jewish cemetery on the Mount of Olives, the City of David, and the Valley of Kidron): The area will be defined as a protectorate of five countries (Israel, the Palestinian state, Jordan, Saudi Arabia and the US). Either the agreement would not address the question of sovereignty over the territory and each side would retain its claims on the matter (Annapolis, November 2007) or, as put forth under an informal Israeli proposal at the Taba talks, the Holy Basin would be put under a special regime or internationalization or the issue would remain unresolved until future discussion (Taba Talks, January, 2001).
 - The Palestinian position: the Palestinian side agreed to take into account Israel's interests and concerns over the holy sites and freedom of worship therein, but only on condition that the area would be placed under Palestinian sovereignty (the Taba Paper, January 2001).

4. Temple Mount/Haram al-Sharif and the Western Wall Plaza

- Agreement to the principle of mutual supervision of the other side's holy sites
- Israeli sovereignty over the Western Wall. Palestinian exception with the term "Western Wall" and demand that Israeli sovereignty not exceed the worship plaza ("Wailing Wall")
- Unequivocal Palestinian demand for full sovereignty over Haram al-Sharif; Palestinian objection to any division of sovereignty in the area, whether geographical or topographical; rejection of Israeli demand for Jewish prayer at the site.
- Israeli demand to maintain Jewish connection to the site through unique mechanisms
- Arrangements needed on issue of excavations at the site

5. Nature of Division

- Jerusalem as an open city

Dispute over the boundaries of the open city:

- The Old City: A special regime to allow free movement without fences and border control (Clinton Parameters, December 2000).
- Israeli position: the area of the open city is the area of the Holy Basin.
- Palestinian position: Requisite contiguity and continuity. The area of the open city would encompass the full municipal boundaries of both East and West Jerusalem (the Taba Paper, January 2001). The PA refused to allow the trusteeship regime to exceed the boundaries of the Old City. They questioned, if the regime were to exceed the boundaries of the Old City, why not annex to it additional territories from the west such as the Muslim cemetery in Mamila (Annapolis, November 2007).
- The Palestinian position: creating an envelope surrounding Jerusalem with an Israeli checkpoint for anyone entering it from the Israeli side and a

Palestinian checkpoint for those entering from the Palestinian side (Annapolis, November 2007)

- The Israeli position: Israel's security needs require "real borders" beyond the borders of the agreed open city (Annapolis, November 2007)

6. Greater Jerusalem

- The Palestinian position: refusal of the annexation of Ma'ale Adumim and Givat Ze'ev to Israel (Annapolis, November 2007).
- Land swaps
 - The Israeli position: Israeli annexation of 6.3% of the West Bank, including the area of the East Jerusalem neighborhoods, in exchange for an alternative area of Israel equal to 5.8% of the West Bank.
 - The Palestinian position: Israeli annexation of Ma'ale Adumim, Givat Ze'ev, Ariel, Har Homa and Efrat violates Palestinian territorial contiguity, water reserves and the viability of the Palestinian state. Proposed 1.9% land swap and principle of providing alternative land in the Jerusalem area for every Israeli annexation. (Annapolis, November 2007).

THE JERUSALEM MUNICIPALITY

At the end of 2000, there were 41,324 housing units in Israeli settlements in East Jerusalem. By 2012, that number had risen to 54,216. Demographically, the swell in housing units represented a 20% increase in the Jewish population in East Jerusalem, from 164,188 in 2000 to 197,365 in 2012.

The following data demonstrates that in terms of territorial impact, most Israeli neighborhoods/settlements along the annexation line in East Jerusalem have not expanded significantly since 2000 and some of the building—construction in built-up areas, for example—has had no marked geo-political relevance for a political settlement on the city. The pronounced exception is Har Homa, which has undergone remarkable expansion over the last decade.

Building and Construction, 2000 - 2012

The Southern Perimeter

- **Har Homa** has grown from a community of 274 housing units in 2,000 to 4,573 in 2013. It is now a self-contained neighborhood of 16,460 people and the wedge it creates between Bethlehem and Beit Sahur in the West Bank and Um Tuba/Sur Baher in East Jerusalem has widened exponentially. The growth of Har Homa represents the most significant and threatening fact established on the ground in the past decade.
- **Gilo:** During the same time period, there was a modest increase of 256 housing units in Gilo, which now contains a total of 9,121 housing units.

The Eastern Perimeter

- **Armon Hanatziv:** A total of 331 housing units out of the 440 marketed on a tender six years ago have now been built. Overall, there are 4,634 housing units in the neighborhood.

The Northern Perimeter

- **Pisgat Ze'ev:** Since 2000, a total of 1,151 housing units have been built, mostly in the direction of Anata and the Shuafat Refugee Camp. There are more than 11,300 housing units in the neighborhood today.
- **Neve Ya'akov:** The number of units stands at 4,769 (no expansion since 2000).
- **Ramat Shlomo:** In Ramat Shlomo, 272 housing units have been built, expanding the neighborhood northward into East Jerusalem and suffocating the narrow space still remaining between the settlement and the adjacent Palestinian neighborhoods of Beit Hanina and Shuafat. The neighborhood comprises a total of 2,246 housing units today.
- **Ramot:** In Ramot, 540 housing units in the built-up area of the neighborhood have

been added. The neighborhood holds a total of 9,180 housing units.

- **French Hill:** There were 5,367 units in the neighborhood in 2000. Since then, 3,010 units have been built for a current total of 8,377, significantly expanding the neighborhood in the direction of the Shuafat Refugee Camp.

While Har Homa has had a significant impact on the political landscape, collectively these plans do not fatally threaten the viability of a two state solution. The real danger lies in those plans that have yet to be realized—more than 10,592 units under approved plans yet to be built, 4,537 of which have already been tendered— that would dramatically rewrite the potential for a Palestinian state. It is not just the bulk but the timing of these developments that are cause for alarm. A total of 6,431 of those approvals were made in 2012 and tenders for 4,537 units issued since then.

Promotion of Building and Construction Plans since 2012

The Southern Perimeter

- In **Har Homa**, there are town planning schemes for roughly 1,500 housing units, out of which 1,082 were tendered in 2012. Most of the tendered units will be built in Har Homa C, located south of the built-up area of Har Homa. Although construction has yet to begin, work is advancing on infrastructure and building permits for 314 housing units approved in February 2014. Har Homa C will expand Har Homa southeast, further deepening the wedge between south Bethlehem/Beit Sahur and East Jerusalem.
- **Har Homa West** (TPS 13308): In October 2014, the Prime Minister's Office announced its intention to promote the plan for Har Homa West, which has been frozen for 5 years and, according to the Jerusalem Municipality website had already been withdrawn from the planning process. The plan, which would connect Har Homa to Hebron Road and Givat Hamatos, has not yet advanced to discussion in the planning committees. A road currently under construction in the area running west from the direction of Hebron Road and south of the Lieberman Road may be intended to serve the future Har Homa West neighborhood.
- If built, **Givat Hamatos**, located adjacent to Beit Safafa, would represent the first new neighborhood/settlement in Jerusalem since initial construction of Har Homa in the late 1990s. Its development would complete the isolation of Beit Safafa by Israeli neighborhoods, creating an uninterrupted Israeli presence along the southern border of Jerusalem and breaking land contiguity between East Jerusalem and Bethlehem.
- **Givat Hamatos A** (TPS 14295 for current plan approved in 2012; original TPS 5834a): Plans to advance building in Givat Hamatos would create the first new Israeli neighborhood be built in East Jerusalem since the late 1990s. Although Givat Hamatos A, a plan for 2,600 new housing units, was approved at the end of 2012, approval of the plan was not officially published until September 2014, in the days leading up to Prime Minister Netanyahu's trip to the US to address the UN and meet with President Obama. Because 10% of the land is privately owned, publishing of a tender is not required before issuance of construction permits for this piece of the plan; the remaining portion must

proceed through the traditional tender process. Construction startup is now contingent on completion of infrastructure works, with developers estimating construction could launch in as soon as a year.

- Parcel D, which calls for construction of 1,081 hotel rooms on an area of 171 dunams, reached the advanced stages of the approval process but was halted, most likely because planners may now be considering residential building.
 - Parcel C, which was rejected, called for 805 units on an area of 416 dunam. In the last year, the Municipality has initiated preparation of a new plan. Even without Givat Hamatos C and D, Givat Hamatos A can be used to enhance a contiguous Israeli presence along the southern border of Jerusalem.
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- In **Gilo**, two plans were approved in 2012 for a total of 2,037 housing units that would expand the neighborhood westward in the direction of Walajah and southwest in the direction of Beit Jala. A third plan for the neighborhood, comprising 100 housing units next to the neighborhood of Beit Safafa, was also approved. Together, these three plans represent a potential increase of 23.5% in the number of housing units for approved plans in the neighborhood.

After tenders for 708 units under the Gilo Western Slopes plan (TPS 13157) were published but failed to attract bids, the minimum bid threshold was reduced in April 2014, the announcement of which is widely thought to have been the final straw in the Kerry led peace process.

In November 2014, a new master plan for Gilo initiated by the Jerusalem Municipality was included on the agenda of the Local Planning and Building Committee but removed at the last minute. The plan would add 5,175 new housing units to Gilo: 2,380 new units that would expand the neighborhood to the south and southeast and another 2,795 housing units planned for the built-up area of the neighborhood.

Combining all of the proposed units under the new master plan and the 2,137 units approved in 2012, the number of housing units in the neighborhood could potentially rise from roughly 9,200 to approximately 16,500 housing units - an increase of some 80%.

The Northern Perimeter

- **Ramat Shlomo**

At the end of 2012, a plan to expand the neighborhood by 1,531 housing units was approved.

Tenders for 1,387 housing units were announced at the end of 2013 and beginning of 2014 but only one tender for 387 units (TPS 11085, the “Biden Plan”) was opened for bidding.

In addition, plan (TPS 11094), submitted by private Israeli developers for the construction of 500 housing units in northwest Ramat Shlomo, was unfrozen after eight years and, following direct orders by the prime minister, was brought to discussion by the District Planning Committee in November 2014. The Committee hastily approved deposit of the plan for public objections. Most of the area in

question is privately owned by Israelis. Developers plan to build a road on the small section owned by Palestinians, leaving it as an “open public area”. The Municipality, required to authorize expropriation of land, has therefore joined developers as a co-submitter.

Ramot: In 2013, tenders were released for 312 housing units and at the beginning of 2014, for an additional 294, out of which only 128 received successful bids.

In November 2014, the Local Planning Committee recommended that a new plan (TPS 192815) for construction of 200 housing units to the northeast of Ramot be deposited for public objections by the District Planning Committee. The plan would expand the neighborhood northeast towards the separation barrier around Beit Hanina Al Balad. Construction on plans previously tendered in 2014 is currently underway.

- **Pisgat Ze’ev:** Tenders for 648 housing units have been released since the beginning of 2012, with construction expected to launch soon. Most of the apartments are slated for construction on the narrow wedge of land still remaining between Pisgat Ze’ev and Beit Hanina.
- **Neve Ya’akov:** At the beginning of 2014, tenders were released for 56 additional housing units.

The Eastern Perimeter

- In 2012, a plan for 180 housing units was approved in **Armon Hanatziv** in an area adjacent to Sur Baher.

The plans and tenders advanced since 2012 hold the potential to substantially alter the ground in Jerusalem. Along the southern perimeter, implementation of approved plans—particularly Givat Hamatos—would irreversibly cut East Jerusalem off from Bethlehem. In the north of the city, planned expansion of Pisgat Ze’ev and Neve Ya’akov would swell their boundaries almost to the edges of Beit Hanina and Shuafat. These changes could take effect within the next two years, inflicting irreversible damage to the viability of a two-state solution.

HISTORIC BASIN

Though development in the Historic Basin around the Old City of Jerusalem has been much less significant in volume, it has resounding implications for the future of the city. Around the highly coveted swath of neighborhoods encompassing the Old City and Mount of Olives there are roughly 2,000 settlers in 8-10 compounds, living not in areas adjacent to Palestinian neighborhoods but directly within their centers. This bold and inflammatory declaration of an Israeli presence creates demographic and territorial chaos in these communities. Over the last decade and a half, the symbiosis between settlers and the state has become wide-scale, bold and overt.

Temple Mount/Haram al-Sharif

There is arguably no more volatile flashpoint in the city than the Temple Mount/Haram al-Sharif. Over the past decade, and increasingly over the last several years, there has been a surge in the growth of temple movements—groups and organizations that share the overriding objective of forcing a change of arrangements on the Temple Mount/Haram al-Sharif. Recent tensions are not isolated events but part of the growing rise of these well-organized and subsidized movements. Despite Israel's chief rabbis recently reinstating the ban on Jews ascending the Mount/Haram, ascents are on the rise, along with a range of activities to realize the Mount/Haram as the site of the Third Temple. Most troubling is the increasing acceptance of these movements in Israel's political center and the nature and depth of political and financial ties between Temple groups and the Israeli political establishment.

The campaign to promote the ascent of Jews to the Temple Mount/Haram al-Sharif has achieved significant momentum in recent years. Starting in mid-2013, there has been considerable growth in the scale of tours and visits to the Mount organized by Temple activists. Such tours, planned and led by Temple activists, have become a daily occurrence. During this period, the 'Yishai Foundation for the Establishment of a Jewish Temple on the Mountain of Holiness' was founded; two websites promoting tours have been established; since the beginning of 2014 two special pamphlets dedicated to the issue have been created and are now being disseminated in synagogues; the national-religious youth movement Ariel dedicated the Jewish year of 5774 (2014) as 'the year of the Temple'; and various actors across the national-religious spectrum are organizing Temple centered events, including visits to the Mount. Some of the leaders of this campaign, including public figures, see it as a mere stepping stone to realizing their ultimate goal: the establishment of the third Jewish temple; and whether they convey it implicitly or explicitly, constructing it in place of the Muslim holy sites currently situated in the compound.

Since May 2013, the current Knesset Interior Committee has held 14 discussions concerning the issue of Jewish entry and prayer on the Mount Temple Mount/Haram Al-Sharif—a noteworthy increase compared to a total of 4 discussions on the issue held in the entire preceding decade. The Interior Committee discussions serve as a central stage for backing extreme right Temple movement activists. The discussions also provide a platform for rightwing Knesset members to level criticism at authorities responsible for security on the Mount and serve as an open forum for Temple movement activists to give voice to their views.

The political and religious sensitivity of the compound is uncontested, as are the implications of any potential disruptions on a future political agreement. Furthermore, any unilateral changes to the current situation will acutely jeopardize relations between Israel and Jordan.

Planning and Building

The Old City

- There are roughly 1,000 settlers living in approximately 58 structures in the Muslim and Christian Quarters of the Old City and 5-10 open legal challenges to evict Palestinian tenants from their homes as a means of transferring housing units to settler organizations.
- Outside the **Damascus Gate**, 5 housing units have been handed over to settlers.
- In 2005, the government allocated 400 million NIS for the development of projects in the Old City and on the Mount of Olives.
- During 2013, the Ministry of Housing and Construction attempted to advance a plan for a 21 unit Jewish compound and several public structures in a 3-dunam area next to **Herod's Gate**.
- In March 2014, the Ateret Cohanim settler organization purchased roughly 1,150 square meters of space in a **Post Office building** located at the intersection of the two busiest commercial thoroughfares in East Jerusalem, Salah al-Din and Sultan Suleiman, and in close proximity to Herod's Gate. The building was put on the market by Bezeq, formerly the national telecommunications company of Israel, which was privatized several years ago. The land, designated for public services in the city master plan, has now been transferred to settlers. While Palestinians had demonstrated interest in purchasing the building, they were deterred by the multi-million shekel price. Successful bidder Ateret Cohanim now plans to establish a “mechina”—pre-army preparation program—in the space.

Silwan

Approximately seventy-five settler families live in Silwan, most in properties controlled by the radical settler group Elad.

- **Housing Takeovers in Silwan**

On September 29, the Elad settler organization took over 7 buildings (22 housing units) in the Wadi Hilweh section of Silwan, claiming to have legally purchased the buildings. Most residents evacuated the buildings prior to the takeovers but Palestinian residents were attacked in at least two incidents. Despite the settlers entering the buildings with private security guards, within hours Police forces were deployed under the rationale of riot prevention. Wadi Hilweh is inhabited by roughly 4,500 Palestinians and 500 Jews. If Elad successfully populates all 22 housing units, the number of Jewish settlers is expected to exceed 600.

In October 20, the Ateret Cohanim settler organization entered two buildings (9 housing units) in the Al Wusta section of Silwan, close to the settlement of Beit Yonatan. There are currently 10 Jewish families living in this section of Silwan, among more than 10,000 Palestinians. The current takeover has the potential to add 10 additional Jewish families to the area.

- In 2002, the Israel Nature and Parks Authority renewed an agreement with Elad to manage the **City of David**—one of the city’s major archeological sites—after its first contract in 1997 with the Jerusalem Municipality. Elad now operates the site and its information center, located at the entrance of Silwan—one example of settlement tourism that enables the imposition of a singular nationalist Jewish narrative onto the city and into the consciousness of Israelis and visitors from around the world.
- The plan for the **Kedem Compound** visitor center (TPS 13542), also promoted by Elad, calls for the erection of a multi-story structure on more than 16,600 square meters at the entrance to Silwan, only 20 meters shy of the Old City walls and the Temple Mount/Haram al-Sharif. Despite the extreme sensitivity of the location and the plan’s violation of the master plan for the surroundings of the Old City, Elad has gained the vigorous support of the Jerusalem Municipality, the Israel Nature and Parks Authority and the Prime Minister’s Office. The plan was approved, with minor modifications, in April 2014. A hearing on an appeal against the compound scheduled by the National Planning Council for September 2014 was canceled for technical reasons; a new date has yet to be set.
- **Budgetary allocations:** In 2013, budgets of 20 million NIS were approved for touristic development in Silwan at sites operated by Elad and in 2014 the Israel Lands Administration approved a budget of 6 million NIS for the development of the Samboski Cemetery area on the western edge of Silwan.

Ras al Amud

- The adjacent settlements of **Ma’ale Zeitim** and **Ma’ale David** now dominate the entrance to Ras al Amud; if connected, as anticipated, they will represent the largest settlement in the heart of a Palestinian neighborhood.
- Construction on **Ma’ale Zeitim** began in 2003. The compound holds just over 100 units.
- An additional 30 units stand to be built on the property of the **Hamdallah family**, located just beyond the periphery of Ma’ale Zeitim. Following a court decision in 2012, settlers from Ma’ale Zeitim were granted permission to take possession of the yard and one of the rooms in the Hamdallah family’s home. Settlers continue to apply pressure to evict the remaining family members.
- **Ma’ale David** sits in the abandoned headquarters of the Judea and Samaria police station. The compound has a total capacity of 104 units. Fourteen of them were constructed in 2010.
- The **Kidmat Zion** plan would add 200 housing units between Ras al-Amud and Abu Dis, in an area directly abutting the separation barrier.

A-Tur

- **Beit Orot Yeshiva/settlement:** Approximately 150 students and staff now live on the site of the yeshiva. In 2013, settlers advanced a plan to add 8 housing units next to the 24 currently existing on a plot of land directly adjacent to the yeshiva. Billboards in the city market these units in the “neighborhood of Beit Orot”.
- At the end of 2012, a plan for a **military academy** for training of high level national security officers was deposited for objections at the District Planning and Building Committee. The site is adjacent to Mount Scopus and separated from the Beit Arot settlement on Mount of Olives by an open field; its construction can be seen as a step toward creating a continuous land connection between the two.
- **The Mount Scopus Slopes National Park** (see section on national parks below), approved at the end of 2013, would consume the only remaining land for development in A-Tur.

Issawiya

Waste Dump Facility in Issawiyya (TPS 13900)

In November 2014, the District Planning Committee heard public objections against a 534-dunam construction waste facility (TPS 13900) to be built on Issawiyya land, referring the plan for additional closed discussion without announcing a date. Recently revived after a long hiatus since its original deposit for public objections at the end of 2012, the waste dump would be located on the eastern edge of East Jerusalem adjacent to the E-1 settlement block, further filling in the gap between Issawiyya and the Shuafat Refugee Camp. The proposed waste dump and the approved Mount Scopus Slopes National Park would not only block future Palestinian development but create a land bridge from Mount Scopus to E-1, separating East Jerusalem from the West Bank while effectively splitting the West Bank into northern and southern cantons.

Jabal Mukaber

The approved plan of **Nof Zion** consists of 304 housing units on the northern edge of Jabal Mukaber, 91 of which were built in 2005. Approximately 75 of those built are occupied. The Elad settler group holds 2 more buildings in the neighborhood.

Sheikh Jarrah

- Today, roughly 70 settlers live in 10 structures in the neighborhood, having gained 4 since 2000. Continued legal claims threaten the evictions of tens of Palestinian families.
- The land for the **Shepherd Hotel** was sold to settler patron Irving Moskowitz by the Custodian of Absentee Property in the 1980s. A plan for new construction on the site calls for 120 units of housing; in 2009, the Jerusalem Municipality approved a plan for 20 of the units. There is currently no construction being carried out despite demolition work conducted in 2011.

- The plot of land known as the **Mufti's Grove** is an olive grove that sits opposite the hotel. In April 2007, the Israel Lands Administration conveyed a long term lease for 30 dunams of land to the Ateret Cohanim settler organization "for agricultural purposes" at the cost of 42.7 shekels per year. Future plans include construction of 250 housing units.
- The **Glassman Campus** plan calls for a new 12-story building at the entrance of Sheikh Jarrah designed to serve as a yeshiva and dormitories. In April 2014, the Local Planning Committee recommended that the plan be deposited for public objections by the District Planning Committee, paving the way for major reinforcement of existing settler compounds in the neighborhood. The building would be sited on one of the few available lots in a neighborhood in which there is not one municipal elementary school. The plan must undergo several requisite discussions in the District Planning Committee, including hearing of objections, before final approval
- Construction is slated to resume soon on the **Bituach Leumi Building**. The site, located at the southern entrance to Sheikh Jarrah, is situated approximately 50 meters from the Glassman Campus.
- Settlers have requested building permits for **Beit Amana**, indicating the probable launch of construction. The building would house the offices of the Amana settler group, most of whose housing activities are focused in the West Bank.

The proximity of Sheikh Jarrah to West Jerusalem increases the danger that implementation of these building plans will allow Israel to demand its continued control of the neighborhood when the construction of planned office structures connects the settlement areas to West Jerusalem.

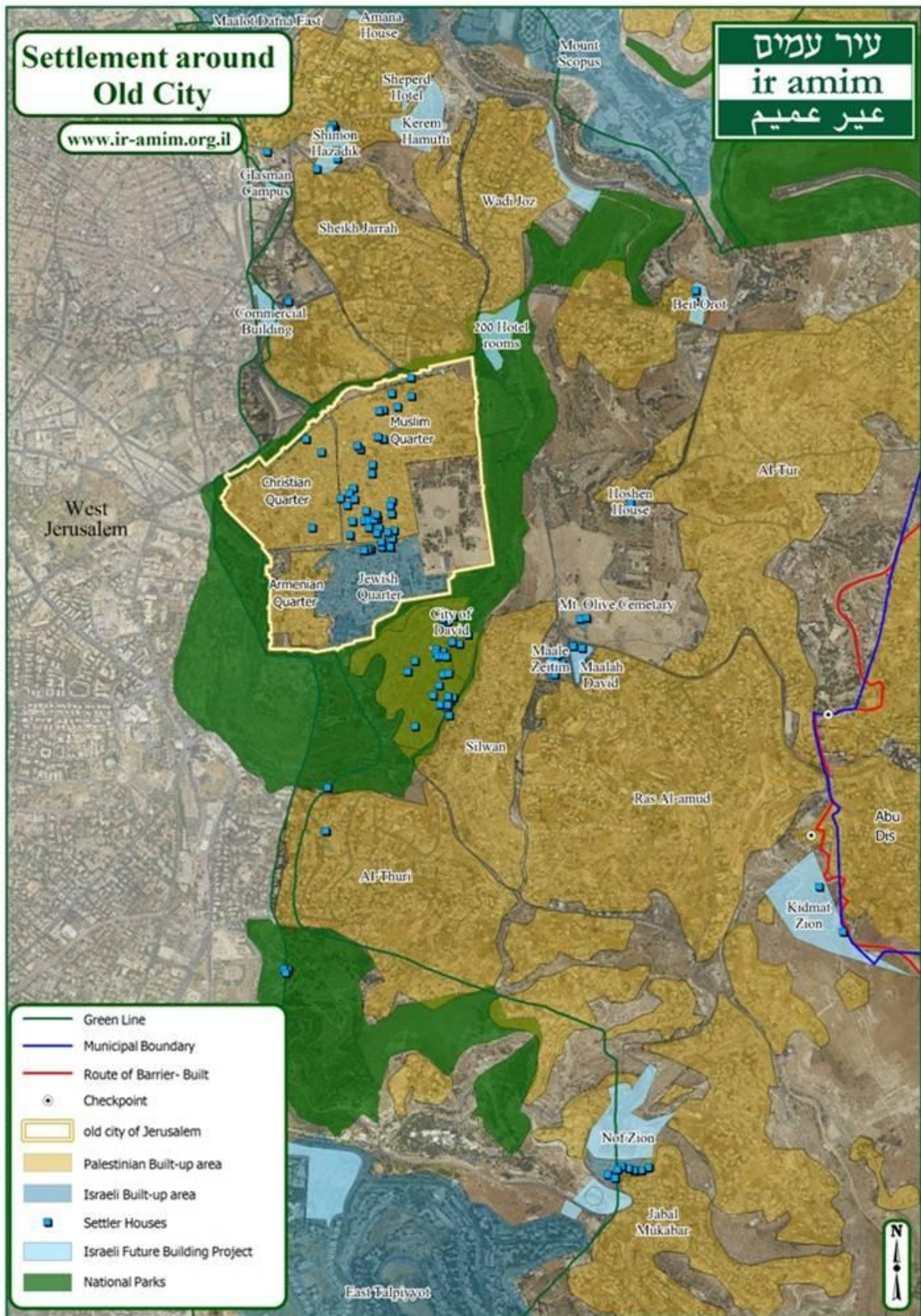
National Parks

Over the past decade, the government has increasingly appropriated land in East Jerusalem for the development of "national parks", enabling it to advance its political and demographic interests. In addition to two existing national parks (the national park around the Old City Walls, declared in 1974, and the Emek Tzurim National Park in 2000), three are currently in advanced stages of the planning process:

- **The Emek Refaim National Park** was approved by the District Planning and Building Committee approximately one month before the renewal of negotiations in 2013. While most of the park is slated to be built on land within the Green Line, the plan also includes declaration of a national park on 1,200 dunams of land in East Jerusalem adjacent to the village of Walajeh. The park would connect Jerusalem to the Gush Etzion settlement bloc, isolate Walajeh and punctuate a series of building developments on the southern perimeter of East Jerusalem, threatening to fatally break its contiguity with the West Bank.
- **The Mount Scopus Slopes National Park (TPS 11092A)**: The plan for the 732 dunam Mount Scopus Slopes Park, which would constitute a land bridge between Mount Scopus and the Ma'ale Adumim/E-1 area, was approved at the end of 2013 against the backdrop of the second Palestinian prisoner release conducted during

the Kerry led peace initiative, with the pronounced support of the prime minister and Ministry of the Interior. In September 2014, the Appeals Committee of the National Planning Council decided to void approval of the plan, writing in its decision that while it is appropriate to site a national park in the area, the size of the park must be contingent on execution of a community needs assessment for the adjacent neighborhoods of Issawiyya and A-Tur. Only after the Municipality conducts said assessments and conclusions are available for consideration can the District Planning Committee revisit discussion of the plan.

- **The King's Garden** is one in a series of development plans for the Historic Basin. Targeting an area of 50 dunams in the al-Bustan section of Silwan, construction of the park would require the demolition of up to 56 homes in the neighborhood. The plan was approved in the Local Planning Committee in 2010 and now awaits a hearing in the District Planning and Building Committee.
- An additional three national parks are currently in the early stages of the planning process (appearing in the Jerusalem 2000 master plan, in the national parks version): one on the Mount of Olives, a national park in Sheikh Jarrah and the Bab a-Zahara National Park, which would be developed north of the Old City.



GREATER JERUSALEM

The idea of a Greater Jerusalem—an expanded metropolis absorbing the three major settlement blocs of Gush Etzion in the south, Ma'ale Adumim/E-1 in the east and Givat Ze'ev in the north—is not a new paradigm. What has changed over the past 10 years is the degree to which the landscape has been redrawn to accommodate the vision of Greater Jerusalem—most emphatically, by construction of the separation barrier. The expanding municipal road system serves to deepen the barrier's impacts and though still frozen, at the end of 2012 the Israeli government made threatening moves to advance E-1.

The Separation Barrier

Consulting the attached map of Jerusalem, the hollow line demarcating the anticipated path of the separation barrier announces Israel's goal of redrawing the boundaries of the city to consume significant portions of the land still remaining on which to build a future Palestinian state. The separation barrier not only documents but actually maps the exact contours of Greater Jerusalem. It has imposed intolerable stress on the economy of East Jerusalem; placed crushing restrictions on mobility and access to education, healthcare and religious sites; and politically isolated East Jerusalem from the rest of the West Bank.

- Work on the barrier began in 2002, against a background of severe terrorist attacks. It is now clear from political choices about where to locate the barrier that considerations beyond the security of the population have played a key role in its construction.
- The barrier has been designed to both absorb the three adjacent settlement blocs in the West Bank and to excise the Palestinian population, as it does the eight neighborhoods located within the municipal boundary of Jerusalem but outside the separation barrier.
- Since 2000, near complete denial of access to building permits in East Jerusalem has driven roughly 30,000 more Palestinians to these isolated enclaves on the outskirts of the city, where they live in a no man's land all but completely deprived of municipal services. Roughly 80,000 Palestinians now live in these neighborhoods, including four in the Shuafat area and four in and around Kufr Aqab. Residents must pass through a checkpoint in their own city to access workplaces, schools and services.
- The separation barrier effectively cuts East Jerusalem off from the Palestinian population centers around it and from the West Bank as a whole—economically, culturally and politically. Decimation of East Jerusalem as the Palestinian economic center has driven the poverty rate from 60% in 2000 to a rate of more than 75% today for the general population and nearly 83% for children.

Construction status

- The barrier already surrounds the **Givat Ze'ev** settlement bloc in the north, where building of the barrier was launched. Within this area, the barrier was used to squeeze out the community of **Bir Nabala**, completely encircled by the wall. It

has effectively drained the population from 10,000 before construction of the barrier to 5,140 today.

- There is a similar intention to displace 2,000 Beduin living around **Ma'ale Adumim**.
- The village of **Nabi Samuel**, located 1 km north of East Jerusalem, is locked inside the Israeli side of the barrier in the Givat Ze'ev enclave. In 1995 the village and its lands were declared a national park on an area of 3,500 dunams. A plan for development of the national park was deposited for objections in 2013.
- Construction of the barrier in **Gush Etzion** in the south, delayed for many years, was scheduled to resume in 2013. In January 2015, the Israeli Supreme Court froze plans to construct the barrier around a UNESCO protected site near the village of **Battir** after appellants cited the defense minister's public admission that there is no security rationale for building the barrier in the area.
- The initial phase of construction is all but complete around the village of **Al Walajeh**, which challenges the Greater Jerusalem plan by posing an unwelcome interruption of land contiguity between Gush Etzion and Jerusalem along the southern perimeter.

Roads

Together, most of the new roads built since 2000 clearly evidence the government's ultimate vision for the city. The expanded highway system—what has been completed and what is currently in the process of being paved—connects the three outlying settlement blocs to the city and to one another, securing the goal of a "Greater Jerusalem" that penetrates deep into the Palestinian territories. By linking the blocs and controlling access to and from the city, infrastructure helps to redefine the city's borders; and by creating a seamless continuity of roadways, the government is able to inspire a seamless impression of one municipal space.

Since 2000, new road construction has effectively attached the outlying settlement blocs to the city in the following ways:

The Northern Perimeter

- In the early 2000s, the northern section of the Begin Highway was connected to Highway 443—one of the most controversial roads in the West Bank given its history of restricted access to Palestinians—toward the northern settlement bloc of Givat Ze'ev.
- Highway 20 cuts through Beit Hanina, connecting traffic from the settlements northeast of Jerusalem, outside the settlement blocks beyond the barrier, to the Begin Highway. The highway was opened to traffic in May 2013.
- The paving of the southern section of Highway 21 began in 2013. The road, which offers an extra access to Ramat Shlomo and runs between it and Shuafat, is now open to traffic.

The Southern Perimeter

- Currently, land for the southern extension of the Begin Highway is being excavated in **Beit Safafa** to connect the highway to the Tunnel Road leading to the southern settlement bloc of Gush Etzion. What is planned to be a 6-lane highway in a residential zone will bifurcate the Palestinian neighborhood, break its contiguity with the West Bank and impose grave communal and environmental impacts. The paving of the highway through Beit Safafa (as with Beit Hanina in the north) "weaves" the neighborhood into the Israeli parts of East Jerusalem, further complicating a political resolution on Jerusalem.

The Eastern Perimeter toward Ma'ale Adumim and E-1

- In 2003, the Mount Scopus Tunnel Road was opened, providing an additional route from Jerusalem to Ma'ale Adumim.
- The Eastern Ring Road will serve the settlements east of Jerusalem and outside the separation barrier, easing their connection to the city. Most of the sections of the Eastern Ring Road are already approved, with the last section expected to be approved in the near future.
- The northern section of the Eastern Ring Road was completed several years ago but has not yet been opened to traffic. The road connects Jerusalem to the settlements outside the major settlement blocs on the "Palestinian" side of the barrier. Known as "the Apartheid Road", it is divided by a wall to separate future Israeli and Palestinian traffic and would allow no access to the city for Palestinians in the West Bank.
- The opening of the northern section of the Eastern Ring Road and its connection to the Zeitim Interchange, which was approved in 2013, would enable the advancement of building plans in E-1 by creating two separate transportation systems for Israelis and Palestinians east of Jerusalem and closing off the E-1 area to Palestinian vehicles. Given logistical and budgetary holdups, it is unclear if the road will advance in the next few years.

E-1

Widely known as the "nail in the coffin of the two state solution", the plan for E-1 calls for development of at least 3,700 housing units on 53,000 dunams of land adjacent to Ma'ale Adumim. The project would drive a wedge between East Jerusalem and the West Bank, breaking requisite contiguity of land for establishment of a Palestinian state, while splitting the West Bank into northern and southern cantons. Construction of the Judea and Samaria Police Station, formerly located in Ras al Amud, started in 2006 and was completed in 2008. In late 2012, the High Committee of the Civil Administration announced its approval of plans in E-1 for public review, including plans for 3,650 housing units.

EROSION OF PALESTINIAN HOLD ON THE CITY

Deepening and consolidating the effects of building and construction in East Jerusalem is Israel's sustained attack on the Palestinian community, realized via a range of strategies designed to limit the demographic threat the Palestinian population poses to Israel's control of the city. These policies place severe demographic pressure on the community and erode its collective political, economic and cultural rights to the city. The consequences of Israeli policy on the fabric of Palestinian life in Jerusalem, not only on individuals but on the collective group, is a consideration traditionally ignored in negotiations between the parties despite the tremendous impact on Palestinians' ability to maintain and defend their way of life in the city that must also serve as the Palestinian capital under a two-state solution.

The Closure of Palestinian Political, Cultural and Social Centers of Activity in Jerusalem

Severe constraints on the development of Palestinian civil society further undermine Palestinians' capacity to maintain life in the city. The 2001 closure of the Orient House—the center of Palestinian social and political activity in Jerusalem—and other cultural and commercial institutions soon after the start of the Second Intifada has had a profound effect on the community's cohesiveness and sustainability. There have been drastic changes in the political life of Palestinians in Jerusalem since the Oslo Accords, following which Israel passed the Law Implementing the Interim Agreement on the West Bank and Gaza Strip (Restriction of Activity), 1994. The law is designed to prevent any activity considered to be political in nature or involving the Palestinian Authority in East Jerusalem.

The government subsequently shuttered more than 20 institutions suspected of maintaining connections with the Palestinian Authority and increased enforcement of regulations limiting connections between Jerusalem and the West Bank. Since 2004, the Minister of Internal Security has issued more than 80 orders to close down events in the Palestinian community, including social, educational and employment related events, in addition to the closure of the Orient House. A December 2012 International Crisis Group report assesses that since the start of the Second Intifada in 2000, Israel has “almost completely eliminated organized Palestinian political activity in Jerusalem.”²⁵

Poverty

According to data obtained from the Jerusalem Municipality based on the Interior Ministry's Population Registry, at the end of 2012 the non-Jewish population of Jerusalem stood at 371,844 out of a total population of 952,330 (39%).²⁶ East

²⁵ ICG, “Extreme Makeover? The Withering of Arab Jerusalem,” Middle East Report No. 135, 20 December 2012.

²⁶ Population Registry data, December 31, 2012. The figures for the non-Jewish population of Jerusalem in the Interior Ministry's Population Registry include Muslims and Christians, including the small portion of that population living in West Jerusalem, and also including residents with the legal right to live in Jerusalem who do not actually live there. Figures for 2009 indicate that 99% of the Palestinian population lives in East Jerusalem and 96% of the Palestinian population were Muslims.

Jerusalem is one of the poorest and most neglected areas under Israeli jurisdiction. In 2000 the poverty rate in East Jerusalem had reached 60%. By 2012, that figure had jumped to 75.3%, with 82.2% of Palestinian children in East Jerusalem living below the poverty line.²⁷ The income of Palestinian families in Jerusalem is 51% of the poverty threshold. Despite these intolerable statistics, only a meager percentage of welfare services from the Jerusalem Municipality reach the residents of East Jerusalem, which is allocated only half the number of standard welfare positions to which its residents are entitled. The number of standard positions per East Jerusalem welfare office is significantly lower than in West Jerusalem, and there are only three offices throughout as compared to 18 in West Jerusalem.

Planning and Housing Conditions

Since 2000, Israel has increased restrictions on Palestinian planning in East Jerusalem, adopting additional methods that stand in violation of Palestinian planning rights. The declared planning policy of the Israeli government and the Jerusalem Municipality (Jerusalem 2000 Master Plan) prioritizes maintenance of the demographic balance. As revealed in the latest version of the master plan report, the 30:70 Palestinian: Jewish population target adopted by the plan's authors and approved by the government is unattainable and the 40:60 target in 2020 can only be realized with intensive government intervention.

Consequently, the area designated for residential construction for Palestinians in Jerusalem is only 14% of the area of East Jerusalem and only 7.8% of the total area of the city. From 2005 - 2009, only 13% of housing units approved for construction in Jerusalem were located in Palestinian neighborhoods. Today there is a shortage of 10,000 housing units for the Palestinian population of East Jerusalem—a shortage expected to increase by 1,500 housing units each year. Continued encroachment of Israeli neighborhoods will further reduce the potential to expand Palestinian neighborhoods, which have long suffered from a severe shortage of both residential and public buildings, including schools and maternal and infant care centers.

Budget Disparities

There are deep disparities between East and West in the Jerusalem municipal budget. Only 12.6% of the welfare budget was designated for East Jerusalem neighborhoods in 2011; 2.4% of the budget of the Unit for Youth Promotion; 9.5% of the social and youth budget and a mere 1.5% of the sports budget. Out of a total budget of NIS 4,686 billion for all Jerusalem Municipality operations in 2011, only NIS 503 million was allocated for East Jerusalem neighborhoods, 10.7% of the entire budget and less than one third the proportional size of the Palestinian population in the city.

Revocation of Permanent Residency

Between 1967 – 2012, Israel denied the residency of 14,263 East Jerusalem Palestinians; 8,149 of those revocations were executed since 2000 alone. In 2002 the Israeli government froze all naturalization processes for Palestinian spouses, a measure that has since been anchored in the Citizenship and Entry into Israel Law (Temporary Order), 2003, and extended every year thereafter. The law is estimated to

²⁷ National Insurance Institute, "The Dimensions of Poverty and Social Gaps 2012, Annual Report."

affect thousands of citizens of Israel and residents of East Jerusalem and their spouses. Spouses of East Jerusalemites who are from the West Bank (or residents of Iran, Lebanon, Syria, Iraq and Gaza), cannot receive licenses to reside in Israel or limited permits to be present in Israel. As a consequence, some couples live in forced separation; in other cases, spouses stay in Jerusalem with temporary permits which prohibit them from working or driving and make them ineligible for national insurance benefits. Those East Jerusalem residents who opt to move to the Occupied Territories with their spouses risk losing their residency rights. As of 2012 there were 965 families from East Jerusalem engaged in the "family reunification" process.

In July 2013, the Interior Ministry launched a policy to issue new identity cards to all Israeli citizens and residents. Cards must now be renewed after ten years and state the card holder's status (citizen, permanent resident or temporary resident). The two changes were met with deep suspicion by residents of East Jerusalem, who fear they will be used to deny Palestinians' residency status in Jerusalem. In practice, the changes apply to all of Israel, under the Population Registry Law, and relates to the national transition to biometric identity cards. However, past monitoring demonstrates the need for vigilance to ensure the cards are not abused.

Education

There is a shortage of more than 2,000 classrooms and 400 kindergarten classes in East Jerusalem and additional hundreds of classrooms are located in substandard buildings. The dropout rate among Palestinian students in East Jerusalem is exceptional: as of September 2012, 13% of students, compared to a national rate of 2.6% in the Hebrew high school system and 4.6% in the Arab system, and a 1% dropout rate in West Jerusalem.²⁸ The cumulative dropout rate across grades amounts to 36% of boys and girls from East Jerusalem not completing 12 years of education.

Health

The construction of the separation barrier and restrictions on entry of patients and staff from the West Bank have led to financial deficits and mounting challenges in the management of East Jerusalem health care institutions. There is a vast gap between the number of well baby clinics in East and West Jerusalem. The situation is most dire in the eight neighborhoods beyond the separation barrier, where there are no emergency services and a near complete absence of mental health services.

Water and Infrastructure

Based on figures from Jerusalem Gihon Water and Sewage Enterprises Ltd, it is estimated that more than half the population of East Jerusalem does not receive a regular water supply. The shortage of hookups to the municipal water system denies tens of thousands of residents of East Jerusalem a regular water supply—especially residents of the neighborhoods beyond the barrier. Every summer the water supply to these neighborhoods is periodically cut off and tens of thousands of inhabitants are limited to receiving water no more than one or two days a week. Official estimates from Gihon Enterprises reveal a shortage of 50 km of sewage lines in East Jerusalem.

²⁸ Central Bureau of Statistics, Statistical Abstract of Israel 2012, Table 8.33, http://www.cbs.gov.il/reader/shnaton/templ_shnaton.html?num_tab=st08_33x&CYear=2012.

CONCLUSION

Since 2000, Israeli control over East Jerusalem has deepened significantly, primarily via the following changes on the ground:

The construction of 9,863 new Israeli housing units expands the area under Israeli control, deepens the separation between Palestinian neighborhoods and sabotages the necessary contiguity between Palestinian land in East Jerusalem and the West Bank. The most significant change on the ground with respect to housing has been the burgeoning growth of Har Homa from 274 housing units to 4,299, in a location that severs Palestinian contiguity between East Jerusalem and the greater Bethlehem area of the West Bank.

The expansion of Israeli outposts within Palestinian neighborhoods around the Historic Basin, the growth of tourist complexes and their transfer to the control of settler organizations all expand Israel's physical and symbolic presence in the Historic Basin and deepen friction within Palestinian neighborhoods.

- The escalation of the struggle to change arrangements on the Temple Mount/Haram al-Sharif and the overt political support of government officials increases tension in the Historic Basin and contributes to religious and political radicalization.
- The expansion of national parks enables physical and symbolic Israeli control over open areas in and around the Historic Basin, prevents the development of Palestinian neighborhoods located on their boundaries and deepens the separation between Palestinian neighborhoods.
- Plans for continued construction of the separation barrier make plain the vision of a Greater Jerusalem that would absorb the three major outlying settlement blocs (Gush Etzion, Ma'ale Adumim and Givat Ze'ev) to Jerusalem, cut the West Bank and sever it from East Jerusalem. This strategic vision is the most serious Israeli move to increase the area of Jerusalem since its annexation of East Jerusalem in 1967 and puts the nation on a route designed to thwart a political solution.
- The separation barrier has split familial, commercial, cultural and social ties between residents of East Jerusalem and the West Bank—connections that were at the core of life in East Jerusalem. Exacerbating these injuries are the continued imposition of severe restrictions on construction and development within Palestinian neighborhoods, deep discrimination in service delivery and infrastructure between East and West Jerusalem and a substantial increase in revocations of permanent residency status. The situation is even more dire in the eight neighborhoods beyond the barrier, where one quarter of the city's Palestinian residents now lives. Together, these trends spell the grave social, economic and political deterioration of Palestinian East Jerusalem.
- The vision of a Greater Jerusalem is also manifested through a network of highways connecting the settlement blocs with Jerusalem's main transportation artery, bolstering the contiguity of the emerging metropolitan area and Israeli control and visibility within it. These highways, along with a system of access roads, further splinters the Palestinian space both in and outside Jerusalem.

The cumulative consequences of Israeli policies pose a real threat for the viability of a

political resolution in Jerusalem. At the same time, they present varying degrees of severity and reversibility. The separation barrier can be dismantled, for instance, but it has already done severe damage to the Palestinian population and its deconstruction must be accompanied by intensive and long-term restorative efforts. Likewise, evacuations of settler outposts in Palestinian neighborhoods are still possible, but perhaps at a high cost to Israel proper.

Carefully weighing all of the changes that have taken place on the ground in Jerusalem and its surroundings since 2000, this report makes the cautious claim that the solution of two capitals in Jerusalem in the spirit of the Clinton Parameters is still implementable, despite significant modifications that may be required. These changes depend not only on physical conditions on the ground but also on political will and capacity.

Based on an analysis of deliberations that have been conducted up to the present time, and intervening changes on the ground, parameters for a solution in Jerusalem in the framework of a two-state resolution must be based on the following considerations:

- Jerusalem, as defined by its municipal boundaries, must be the capital of Israel and the capital of Palestine
- Division of sovereignty in Jerusalem: Palestinian neighborhoods in East Jerusalem will be administered under the sovereignty of Palestine. Israeli neighborhoods in East Jerusalem will remain predominantly under Israeli sovereignty in the framework of land swaps according to agreed upon criteria.
- The character of the division, even if physical, would reflect the aspiration of a soft separation and will include an agreed upon border within the city for a partially open city.
- Arrangements for the holy sites must be acceptable to both sides, with some sites expected to be placed under international supervision.
- The future of the settlements and infrastructure outside of Jerusalem (Greater Jerusalem) will be discussed in the framework of deliberations on the future of settlements in the West Bank.

In light of the numerous changes on the ground in the past several years and serious changes slated to take place in the next year or two should approvals advance to final building stages, conditions must be determined immediately to prevent the sabotage of agreed upon parameters in the future:

- A complete and immediate halt on all building plans in the planning process and projects yet to be constructed
- Prevention of any changes to the status quo on the Temple Mount/Haram al-Sharif
- The guarantee of civil and communal life for Palestinians in Jerusalem; and the realization of their right to establish and consolidate political, cultural, social and economic institutions
- A complete halt on all measures to revoke the residency status of Palestinians in East Jerusalem
- Proposals for deconstruction of the separation barrier or its reconstruction according to a route acceptable to both sides
- A solution to the geo-political problem of Har Homa acceptable to both parties
- Dismantling of the Greater Jerusalem vision, which would entail a return to the Clinton Parameters and specifically, a commitment to a division of the city within its municipal borders