

THE ISRAEL PROJECT

**EU-ISRAEL RELATIONS, THE EU STRATEGY ON THE ISRAELI-
PALESTINIAN PEACE PROCESS AND ISRAEL'S STRATEGIC
CHALLENGES**

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OPERATOR: The conference is now being recorded.

CHRISTOPH HEIL: Hi, my name is Christoph Heil. I'm the director for European affairs at The Israel Project and I want to welcome you to this conference call with Ambassador Oded Eran. Thank you for joining us today. The topic of this call is EU-Israel relations, the EU strategy on the Israeli-Palestinian peace process and Israel's strategic challenges. Today's briefing is on the record.

The Israel Project is a nonprofit educational organization that provides factual information about Israel and the Middle East to press, policymakers and the public.

Now, I'd like to introduce you to our speaker. Oded Eran assumed the position of director of the Institute for National Security Studies in July 2008, following a long career in Israel's ministry of foreign affairs and other government positions.

From 2002 until 2007, he served as Israel's ambassador to the European Union. Prior to that, he was Israel's ambassador to Jordan. From 1999 until 2000, he was the head of Israel's negotiations team with the Palestinians.

Other previous positions include deputy director-general of the ministry of foreign affairs and the deputy chief of the Israeli Embassy in Washington. Dr. Eran serves as an advisor to the Knesset subcommittee on foreign affairs. He holds a Ph.D. from the London School of Economics.

Ambassador, we are very excited to have you with us. Now, I'd like to turn it over to you for some opening comments. After that, we'll move to the questions that were sent in by the people joining us today. Thank you very much.

AMBASSADOR ODED ERAN: Good evening, everyone. I'm very thankful for the introduction and I'm very pleased to be with you.

The issue of the relations between Europe and Israel is very important because I look at Europe as the hinterland of Israel for all issues: economic issues, political issues, cultural issues. And basically I think that Israel should be more deeply and more strongly anchored in Europe.

Obviously, Europe, being a neighbor of the Middle East, has a role to play in the context of the peacemaking and in the stabilization of the region. And therefore it's a very serious matter. Relations, as you all know, have not always been smooth but in the long run, I think that both sides have an interest in promoting these relations.

I'll be very happy to answer your questions as they come. Thank you very much.

MR. HEIL: Thank you. We have 160 people on the call and we had a number of questions sent in by those who are listening so I'll jump right into it.

Barbara Plett from the BBC in New York is asking how you see Europe responding to the Palestinian diplomatic campaign for recognition of statehood and whether you see any sign of the European Union taking a position different from the United States.

And the next question is related to that. I would just go ahead – Jeremy Kadden, foreign policy advisor of U.S. Representative Shelley Berkley, is asking, what are the chances of EU countries recognizing a Palestinian state? What impact will that have on the relations between Israel and the European Union and on the European Union's role in the peace process?

AMB. ERAN: Well, let me start with the issue of the recognition. The recognition itself is not going to change the situation on the ground because Israel is not going to give up on any position on the ground and so from that point of view, it could be just a very nice gesture on the one hand. But it could create a very tense situation if there is an attempt, certainly, by the Palestinians to change the situation on the ground.

The two sides have agreed, already, in Oslo – the Oslo Agreements in '93 – that there will be no change until they sign a comprehensive agreement on the final status. Resolution 242 of the Security Council from 1967 speaks about secure and recognized boundaries and to reach a comprehensive peace through negotiation.

The Palestinians can claim that they themselves don't change the situation and this is a third party or third parties recognition. But obviously they are behind the move – the diplomatic move to recognize the state of Palestine.

There is also the question of borders because if you recognize a state, generally speaking, that in itself, as I said, is not a dramatic change. But if you recognize this state in the borders of '67 or the lines – there were no borders, but the lines of '67, you obviously obviate the need to negotiate if the decision is to have '67 lines as the final borders.

Secondly, I'm not so sure that it's in the interest of the Palestinians to have their '67 lines recognized because – let me remind you that before the war in 1967, Gaza and the West Bank were totally separated. Gaza was under the control of Egypt and the West Bank was incorporated into Jordan already in 1961. And so the question is, do the Palestinians want the '67 lines? Because then Israel could say, well, all fine and nice but do you want to have the link between the West Bank and Gaza? As one example; there could be other examples, even.

So this whole issue is very complicated and I think that some of the states which have already granted this recognition, have not really looked into the complexity of these issues. I'm pretty sure that the Security Council, if this issue is brought to the Security Council, will have to

refrain from that because the Security Council is not mandated to decide on borders between states.

On the issue of the settlements and the draft resolution or the resolution brought to the approval of the Security Council: This is a different case although, once again, I don't see what is the benefit that the Palestinians will gain from having a resolution. By now, we know that most of the countries in the world, if not all of them, do take a different position on the issue of the settlements from the position taken by the Israeli government or governments. And so from this point of view, the gain is very small.

I'm not so sure that the resolution will pass. The United States has indicated in the last few weeks that it may veto. I'm not so sure that it will; I'm pretty sure that other European members, France and Britain, will not impose a veto. So the question is whether the United States will do it or not. There could be a situation where the United States will just abstain. But in the long run, I simply don't know how this resolution can help the peace process.

MR. HEIL: Thank you very much.

The editor of the Jewish Voice in Delaware wants to know if you can estimate to what extent has and/or will the European Union get involved in the collapse of the Lebanese government and does the European Union have any interest in holding up the integrity of the Hariri tribunal?

AMB. ERAN: The EU and certainly some of the individual members in the EU are very much interested in Lebanon and they were historically involved. Certainly France has been involved for several centuries already. And therefore, the EU, generally speaking, has an interest in preserving the integrity – the political territorial integrity of the state of the Republic of Lebanon.

Now, here is a case where the Hezbollah is acting and behaving as a state within a state, taking the law into its hands mostly by force and intimidation of the other – the rest of the political system in Lebanon. And here is a case where the international community adopted the resolution of the tribunal and obviously has to continue to insist on the full process.

And now the question is whether the EU will do more than just insist and I doubt it. And I think that eventually, the Lebanese, possibly with the assistance of some of the Arab states which are already involved in the attempt to find an accepted solution to this situation, but I doubt that Europe will do something more than expressing its views on the situation.

In the long run, I think that there is an interest in – an international interest in limiting the power that Hezbollah exerts in Lebanon and if the results of the tribunal are calling for steps that may help indirectly, a new direction, I think that this is very important that the process will be upheld.

MR. HEIL: All right. Now, as nations formally submitted a resolution to the United Nations Security Council today, demanding a condemnation of Israel's settlement building in the

territories, in the meantime, this week, the city council of Jerusalem has approved the building of another 122 Israeli homes in East Jerusalem – 90 housing units in Talpiot East and another 32 in Pisgat Ze'ev – a move likely to bring new criticism from the European Union. Can you comment on that?

AMB. ERAN: Yes. First of all, let me separate between two different territorial issues here. One is East Jerusalem and the other one is the West Bank. Israel does not recognize or does not agree to the lumping together of the two into one definition. Jerusalem is one issue and the West Bank – Judea and Samaria, as it's called in Israel – is a different issue.

There were suburbs in Jerusalem which were built ever since 1967 and I can tell you from my own experience as a negotiator with the Palestinians in '99 and 2000 that although I assume that the Palestinians will not verify what I say but I hope that you believe me when I say that the Palestinians understand that suburbs in Jerusalem are not going back to the control or going to the control of any other but the Israeli government.

Now, I think that when one speaks about unity in Jerusalem or one speaks about those suburbs which are already built and you just add whatever the number is, in the West Bank, the situation is different. As you already know, in the Oslo Agreements of '93 the two sides have decided to leave certain issues to the final status negotiations. Among them is the issue of settlers. Now, there was an attempt to have a freeze on the settlements for the duration of 90 days that failed for whatever reason.

I don't think that a resolution in the Security Council, if adopted, is going to change much. I think that the best way of dealing with the issue of the settlements – and indeed, it's an issue; I don't want to underestimate it. It's a very important issue. I think the best way to deal with it is to go back as quickly as possible to the negotiation table, put it on the table, if the Palestinians insist and the international community insists, as one of the first if not the first issue.

Indeed, I think that the American administration, the U.S. administration is involved in an attempt to have the first issue discussed directly or indirectly – the issue of the borders. And indeed, if the borders are somehow agreed upon, then obviously this will delineate the difference on the areas where the Israelis could or could not build in the foreseeable future until the full final status is agreed upon. I think, therefore, that the solution is not to have another resolution but to go back to the table.

Now, as to the European position on this: I've already indicated that in my view, the best that one can expect from those permanent members on the Security Council, that is to say France and Britain, is that they will abstain and any other member of the EU will do the... – some may even vote for the language. As I said, by and large I don't see what this resolution does to promote the negotiation.

MR. HEIL: Was it wrong for Netanyahu to ask for the Palestinians to recognize Israel as a Jewish state in return for stopping settlement building? And is the European Union asking for this or is it only asking for Israel to make concessions?

AMB. ERAN: I think, first of all, that the demands to – from the Arab side, the Palestinians and the Arab League or the Arab countries to recognize Israel as the homeland of the Jewish people is a demand fully justified.

On the other hand, I would say that it would have been better if the Israeli government asserted when making this demand that it will do everything possible in a legal way to assure, ensure, ascertain the rights of the non-Jewish minority in Israel. One can do it through, for example, adopting basic laws, meaning we don't – in Israel, we don't have a constitution but we have a set of basic laws for which you need a very special majority to change them. So if we adopted, for example, in the Knesset certain laws which are called basic laws for which you need the special majority protecting the rights of the [non-Arab – non-Jewish majority, then I would – sorry,] non-Jewish minority, that would have been much better because I can understand the suspicions or the fears of Arabs generally when it comes to the recognition.

Now, I think that linking it to the moratorium on – or freeze on the settlement construction is not a good idea. This is a basic, fundamental demand of Israel and it should not be linked to short-term measures that one adopts in order to enhance the peace treaty or the negotiations between Israel and the Palestinians. It should be put on the table as a major demand standing on its own and given all the backing, the legal backing that I already mentioned. And therefore I think that linking it to, as I said, short-term measures is not the right approach to it.

MR. HEIL: Thank you very much. A Spanish Magazine, *Aqui Europa*, is asking to what extent do you think the lack of progress in the Middle East peace process is affecting EU-Israel relations? Do you foresee any major change in these relations?

AMB. ERAN: First of all, let me say that for Israel, the relations with the EU and with Europe generally, the relations are very important. As I already indicated in my opening remarks, I look at Europe as the – as I called it, the “hinterland.” This is where Israel should seek its interests: economic, political, cultural, scientific and otherwise.

I will say that there isn't much progress today, for example in the old process of the attempt to upgrade the relations, mostly because the European institutions have taken a decision to freeze the process. And I think that this is a – this is the wrong approach because both sides do stand to benefit from improved relations. I have to admit, though, that this was the European approach for many years.

Obviously one can look at it from the positive point of view: The current association agreement between Israel and the EU has been concluded in '95. Then you got negotiations – I myself started the negotiations for this agreement at the end of '92 – obviously using the Madrid Conference in 1991 and the elections of the Rabin government in '92 and the Oslo Agreements of '93 all allowed, in the eyes of the Europeans, to proceed with the negotiations for a new agreement.

I can understand this position but on the other hand, I think that, as I said, that freezing the upgrading efforts now is not going to be conducive to the relations. We have, in the context of the current agreements, we have the opportunity for a dialogue, a political dialogue, and I

think that the Europeans should use the channels existing and they do. But they also add the freeze which I think is counterproductive. And I hope that the upgrading effort will be soon resumed.

MR. HEIL: What are your expectations for the upcoming Quartet meeting in Munich in February?

AMB. ERAN: Ever since, I would say, 2003, 2004, Israel, after some hesitation, has decided to cooperate with the Quartet and indeed, the Quartet is represented on the ground by former Prime Minister of Britain Tony Blair and they are – the meetings of the various levels of the Quartet representatives both here and in Europe – I think that by and large, the Quartet, in the past at least, has shown great responsibility in finding the right approach to the issues that it deals with. I assume that this will be the atmosphere or the spirit of the debates and also the decisions that the Quartet will adopt in Munich.

Right now, my feeling is that the Quartet should make every possible effort to revive the direct negotiations between the Israelis and the Palestinians. I think that the ideas – being one of the Israelis who negotiated directly with the Palestinians, I simply cannot understand why we allow - the international community and the parties in the region – [we] allow it to deteriorate, to sort of slide into a lower level of negotiations. We spoke to each other for years. This is the way – meaning Israelis and Palestinians – and we should continue to do this in spite of the deep differences that we have.

But negotiations are made, they're conducted in order to bridge the gaps. And so indirect negotiations – I mean, we will do it if this is the only way we can negotiate, but basically, the only way of solving the differences is by going back to the table, reducing the differences and if need, be helped and assisted by the international community as it happened in the past in order to clinch the agreement and close the final gap between the Israeli and Palestinian positions.

MR. HEIL: You already mentioned the fact that the EU froze a proposed upgrade in EU-Israel relations in 2008: do Israel and the EU really use all of the potential of all the existing bilateral agreements regarding mutual trade, research, development and other fields?

AMB. ERAN: The institute which I am heading, the Institute for National Security Studies, has just conducted – finished a project which we did for the foreign minister in Israel about the issue of upgrading. And we found that, by and large, the two sides have almost fully utilized the tools that are available in the context of the association agreements and the action plans that were the result of the [European nation –] European Neighborhood Policy of 2004. And there is a need to find a new tool.

So I think that, by and large, we do use most – I admit that I cannot say that it's 100 percent full use of whatever is available. But in certain areas, one is – we propose that Israel should look for a higher or deeper set of agreements or something more adapted to the capabilities and wishes of the two sides.

[[I'd like to] Give you examples: R&D. Yes, we do participate fully but we do not, for example, participate in the decision-making about what should be, for example, the next R&D, the framework program after 2013.

There is a lot that the two sides can benefit from cooperation on immigration and absorption. As you know, Israel has a vast and deep experience in these two issues and the European Union is also grappling with this issue and one can cooperate to better understand and find better ways of dealing with this issue: border protection, not necessarily in the military sense but in the civil security aspect of it.

So there are many areas where Israel – certainly Israel will be looking for a deeper sort of connection with Europe. I think that right now, the EU institutions are involved in reviewing the European Neighborhood Policy and I think that one way of dealing with this issue is to create a model more or less on the model of the way the negotiations between the EU and candidate states are held.

As you know, there are about 35 chapters which are discussed between, for example, the EU and [the] Iceland, for example. One can do it with neighbors but on the assumption that they will not be members. That is to say, you take the same number of chapters and you say, okay, with Morocco, for example, we will discuss 20 chapters of this number of chapters. With Israel, we'll discuss 25 and with Jordan, we'll discuss 15 chapters, on the assumption that there is no membership – full membership. But in certain institutions which are covered by these chapters, there will be representation for Jordan or Morocco or Israel, for example, either through full participation in the decision-making or being an observer or being able to contribute to the decision.

Take an issue of the environment. The problems of the – the maritime problems of the environment in the Mediterranean are the same as – the same in Tel Aviv and the same in Barcelona or Marseille for that matter. So why can't the neighboring countries to the Mediterranean participate even in the council of ministers when they deal with the Mediterranean environmental problems? So I think that this is a way where – through which the EU can expand its area of influence to the benefit of Europe and certainly to the benefit of those who participate in the process.

MR. HEIL: You mentioned EU institutions. We had a couple of questions regarding the EU political system: What do you personally think of the political system of the European Union? What body determines the foreign policy of the European Union as to Israel-related issues? What impact has Catherine Ashton, as EU foreign minister, had on the peace process and on the relationship with Israel and the EU? And some say Europe should be more involved in the peace negotiations as a broker instead of the U.S. Can you comment?

AMB. ERAN: First of all, it's obvious that the political aspect or the political pillar is lagging behind the economic one for known and obvious reasons. But there is, through the various treaties, especially the Lisbon Treaty – there is a very serious attempt to close the gap and to create a system in Europe which brings together the policies of various member-states.

Although I guess it will take several years before major members, or the big members, in the EU to give up on their own foreign policies to some extent – policies in the Middle East especially – but there's obviously an effort – a genuine effort to do this. And I think that the creation of a foreign – of an external service is a good example of that, with the – once again, with the observation that one has to be patient in this respect.

I think that Europe has a major role to play in the context of the Middle East through various mechanisms that already exist, as through new ones which could be created. I am not so sure that Europe should try to compete with the U.S. in terms of being the major go-between Israel and its neighbors. And I must say, in respect of Europe, that they – the EU has not – or its individual members have not tried to do this and we're always looking to help the process.

The role where I see – the role which I see for Europe is on certain issues that pertain to the final status and the overall Middle East conflict solution. For example, they're all economic issues – a set of issues. The EU already started through the Barcelona declaration and then the Union for the Mediterranean to be deeply involved in this. This is to be very much appreciated and admired.

In the context of the Israelis and Palestinians, there's also a role which should be agreed in the context of their final status. For example, on the whole issue of refugees: Whatever the solution will be, there will be the need for a major, enormous effort to settle the refugees, whatever the solution says about it.

Secondly, I will be even going further. There are certain aspects in the solution of the issue of Jerusalem, where Europe could be helpful – Europe together with, for example, the Holy See – the Vatican – or the Arab League because there will be, no matter what – how the sovereignty issue will be decided, there will be issues of holy places, et cetera, where a third party could be involved.

And mentioning the third party, there will be – I can foresee a situation where the two sides, the Israelis and the Palestinians, will agree to a third-party presence: also in terms of security in this broader sense. Border security, aviation, et cetera. And we have already agreed, it's – the Israeli (are acknowledging), public recognition of this, but the EU is already, whether as a collective body or individual member-states, UNIFIL – the presence of UNIFIL in Lebanon.

Mostly European states think that now it's not functioning, but the unit, the EUBAM, which functions on the border between Gaza and Egypt to monitor the crossing there, and I think that this is an example where the EU could perform a job.

Some of the training of the domestic Palestinian security force is done by the EU, which is to be appreciated. And so I can see in the future and in the context of an agreement, either the EU alone or through the cooperation with NATO, I can see a role for Europe in many instances and I think that it is accepted already in Israel that this would be the case.

MR. HEIL: There are some within the European Union that are advocating boycotts, sanctions or divestments from Israel. Can you comment?

AMB. ERAN: I think it's the wrong approach and I think that that's not going to help very much and I think it's – by and large, it's really a silly approach, if I may say so.

I can – I can understand when people are saying the occupation in Israel is – of Israel and of the West Bank, for example, is unacceptable to us, therefore we don't want to buy products which are produced in the West Bank. So we reached an understanding with the EU on this issue and the products which are now coming to – into Europe. They don't benefit from the duty-free access to the European markets and this is all settled.

The boycott – other than that, the boycott really will not change much in the situation, will only exacerbate relations between Israel and the EU, and therefore, I don't see – I don't see, first of all, the justification for that because we are in a situation where two sides, the Israelis and Palestinians, are arguing about certain aspects of the final status.

This is a very serious argument with deep differences. I don't want to underscore or underestimate – sorry, underestimate them. But there is a – they are serious questions and it's not that one side is totally right and the one side is totally wrong. There's an argument – historical, religious, political, security-wise – and the way to solve it or the way for Europe to play is not through boycotts.

MR. HEIL: We had a question on Iran. Although Germany and Italy agreed last summer to support the new EU sanctions on Iran, the latest data show that both countries have increased their trade with Iran. Could you comment?

AMB. ERAN: Yes. Let me first of all say that the recent reports that I, at least, have seen – and I'm sure that these reports are more or less public domain – show that there is – the pressure on Iran is beginning to show results, although, of course, in the final test they still – we're still waiting to see a decision by the Iranians to suspend, stop their nuclear military efforts. If this is the only criterion, then we are still a long way from that.

But the sanctions and other steps that were taken show that there is a strong pressure both domestically and otherwise on the Iranians, and is beginning to make a dent in the Iranian approach. I think that in order to avoid the need to do – to take stronger measures or other measures, the best way is to really implement those three Security Council resolutions which have been adopted.

And the European Union – the European countries which participated in the dialogue with Iran did a fantastic job in really bringing every important Security Council member – mostly the Russians and the Chinese – on board, and so they should also be the ones to be fully implementing this decision. And I'm sure that this is an issue which comes up in all the diplomatic exchanges between Israel and European leaders.

We will have – we are having European foreign ministers in Israel as we speak. There will be visits in the next few weeks and this is the major issue which will come up. And I think

that this is something which, as I said, is beginning to show results and one should not let go of this.

MR HEIL: Okay. I think we have time for one last question. The editor-in-chief of the European Jewish Press is asking: The number of European Jews immigrating to Israel had significantly increased last year. How do you explain this?

AMB. ERAN: I would like to believe that this is because of the attractiveness of the state of Israel. We have real, I would say, significant progress in many respects and it became – growing steadily in recent years very attractive to – for everyone to come to live in Israel, not only European but also American Jews.

But on the same – at the same time, I must say that having served in Europe for several years, there's obviously a rise of – the number – in the number, at least, of incidents where anti-Semitism was the motive. And that may have increased the fear among many Jews. There were racial riots not because of – not between Jews, but between Muslims and non-Muslims in France, for example, a couple of years ago. And that increased the insecurity of many, many Jewish communities.

The governments in Europe are obviously investing effort which should be appreciated. A part of the dialogue between Israel and the EU is also on this issue of how to combat anti-Semitism. We have established in the context of the action plan part of the European Neighbourhood Policy – we have established a joint committee to deal with this issue, to discuss ways of combatting anti-Semitism, exchange ideas and fight not only, by the way, anti-Semitism but also Islamophobia.

And so I think that this is a very good idea to discuss these issues and I hope that the efforts of the individual governments and the EU are – will bring about positive results. But as I said, there has been a significant rise in the number of anti-Semitic incidents.

MR. HEIL: Thank you very much. I think we have to stop here. I'd like to remind everyone that there are lists with expert resources and background information on our website www.theisraelproject.org. Thank you so much to our guest, ambassador, for taking the time to join us and to all of our guests who participated in today's call.

As always, if there is anything The Israel Project can do to help you get the facts and sources you need to cover Israel and the Middle East, please do not hesitate to contact us. Ambassador, thank you so much again.

AMB. ERAN: Thank you, all. And I'm – (chuckles) – I'm at your service whenever you need me.

MR. HEIL: Great, wonderful. Thank you very much.

AMB. ERAN: Thank you.

(END)