

February 18, 1993

From: Yair Hirschfeld

to: Yossi Beilin

(in continuation of report of February 13, 1993)

1. Evaluation of the Sarpsborg Proposals

1. The proposals made at Sarpsborg indicate that the Palestinian leadership is today determined (and desperate) to reach a breakthrough agreement with Israel. On February 15, the Norwegians were informed that the PLO leadership had approved the document (DoF, CWP and Guidelines); reiterated that they were prepared to show further flexibility, asking for flexibility on the Israeli side, too; indicating that an understanding should be achieved before the official renewal of negotiations.

2. The proposed agreement offers Israel immediately important tactical gains:

- a. substance has been given for an American shuttle diplomacy effort, enabling the G.O.I and the American mediators not to be solely dependent upon Syrian good will;
- b. Progress on both the Syrian and Palestinian front, at the same time, may enforce Assad to accept a geographical compromise on the Golan, which otherwise would be completely unattainable;
- c. the Sarpsborg proposal permits movement towards an immediate (provisional) transfer of authority, and towards the organisation of elections in the West Bank and Gaza;
- d. a strong and forceful impetus will be given to the multilateral negotiations.

3. The proposed agreement offers Israel important long-term strategic gains:

- a. The present pattern of Israeli control by military means will be replaced by an agreed upon pattern of Israeli-Palestinian cooperation in all spheres of life (security, administration, economic affairs, social welfare, education);
- b. Israel will be granted a leading role in promoting the reconstruction of the Palestinian economy;
- c. immediate steps will be taken to promote regional cooperation;
- d. Israel's obligation to withdraw from Gaza, with no similar obligation regarding the West Bank, will strengthen Israel's position at the final status negotiations.

II. Proposed Next Steps

1. Informing the PM

- a. The PM should be asked to support an American shuttle-diplomacy effort, between Israel and Syria on one hand, between Israel and the Palestinian leadership (Faisal and Hanan) on the other hand.
- b. The principles for Israel-Palestinian negotiations will be:
 - i. agreement on immediate transfer of authority in the spheres of: taxation, tourism, education, health and social welfare.
 - ii. agreement on elections.
 - iii. full Israeli (and international) support for a PEDP (Palestinian Economic Development Programme), which will be closely interconnected with a REDP (Regional Economic Development Programme)
 - iv. agreement on an Israeli-Palestinian CWP (see Draft of CWP) and guidelines or a Marshall-Plan.
 - v. Agreement that rights and responsibilities of the PIC (Palestinian Interim Council) and other self-government institutions, will be adapted to the needs prescribed by the Israeli-Palestinian CWP.
 - vi. Israeli obligation in principle to withdraw from the Gaza Strip at the end of the second year, of the interim-period.

2. Agree on a Division of Work with the PM:

- a. The PM's Office will prepare:
 - a plan for an immediate transfer of authority in taxation, tourism, education, health and social welfare;
 - a plan for elections;
 - a plan for the establishment of a Palestinian police force;
 - a concept defining Palestinian secondary legislative powers and Israeli-Palestinian cooperation in matters related to legislation;
 - a concept for Israeli-Palestinian liaison;
 - a concept for proposed arbitral procedures.