Leveraging the Prospect of Israel-Saudi Normalization to Advance Israeli-Palestinian Progress

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The Biden administration reportedly seeks a normalization agreement between Israel and Saudi Arabia by the end of 2023. If successful, it would follow the 2020 normalization agreements between Israel and the UAE, Bahrain, Morocco, and Sudan, collectively dubbed the Abraham Accords. Notwithstanding the peace treaties with Jordan and Egypt and the multilateral 1991 Madrid conference and its aftermath, the Accords marked the most extensive opening between Jerusalem and the Arab world since Israel’s founding in 1948. Still, despite back channels between Riyadh and Jerusalem, the most significant prize for the Israelis—normalization with Saudi Arabia—remains unrealized.

Indeed, if delivered, a Saudi-Israeli deal would mark a major breakthrough in Middle East politics. It is unclear, however, to what extent normalization in this case is about Middle East politics, as the timing of the reports on a possible breakthrough reflects more of an attempt by Washington to reduce tensions in U.S.-Saudi relations and tilt the balance in energy markets and U.S.-China competition, rather than a narrow interest in Saudi-Israel relations per se. The announcement of Chinese-brokered Saudi-Iranian normalization in March has provided new urgency for the United States to keep Riyadh in the fold. Further, after Saudi Arabia decided to recommend a cut in oil production by OPEC+ nations, snubbing U.S. requests and perhaps unintentionally helping Russia fund its war against Ukraine, Washington wants to secure energy prices. Shoring up the kingdom’s relations with Israel could also help create a more unified front against Iran, notwithstanding new complications arising from the recent Saudi-Iranian detente and new reports concerning meaningful U.S.-Iranian nuclear negotiations. For its part, all of Saudi Arabia’s reported asks are from the United States only—American security guarantees,
developing a civilian nuclear program with no restrictions, and fewer restrictions on U.S. arms sales—lending credence to the view that Israel itself is in many ways ancillary to this process.

Yet, formidable obstacles stand in the way of such a deal on the part of the United States, Israel, and Saudi Arabia. Axios, which broke the story, cited American and Israeli officials emphasizing the benefits of reaching an agreement under a Democratic president, who might have better chances of mobilizing bipartisan support in light of Saudi Arabia’s poor reputation on Capitol Hill. Others argue that Saudi leadership, and particularly Crown Prince Mohammed bin Salman, are reluctant to reward the administration with this diplomatic achievement after Biden vowed in his presidential campaign to make Saudi Arabia a “pariah” for the war in Yemen and the murder of journalist Jamal Khashoggi. Notwithstanding a presidential push for a deal, Washington is deeply divided when it comes to Saudi Arabia, with large parts of the Democratic party seeking to downgrade ties and Republicans not necessarily wanting to hand Biden a high-profile diplomatic achievement before the 2024 presidential election. In addition, Washington’s ability and will to fulfill this list of extremely controversial Saudi demands is highly questionable.

Israeli politics could become another obstacle. Prime Minister Benjamin Netanyahu has been clear from the moment the dust settled after his victory in last November’s Knesset elections that he wants a deal with the Saudis. However, Haaretz reported that Israeli officials are concerned that granting the Saudis’ wishes on the nuclear program and weaponry could erode Israel’s qualitative military edge in the region. Even if those issues can be resolved with time, extremist Israeli coalition members are a political and public relations liability for any normalization effort. Even the Abraham Accord countries have tempered their ties with Jerusalem and have as of this writing (June 2023) refrained from inviting Prime Minister Netanyahu for official visits. A senior policy analyst close with UAE leadership said in the Herzliya conference in May that her “government and the other signatories are embarrassed” due to Israel’s current policies toward the Palestinians, and speculated that it would be very difficult for other Arab states to normalize ties with Israel in the near future. Establishing formal relations with a government that includes prominent anti-Arab ministers such as Bezalel Smotrich and Itamar Ben Gvir will create domestic complications for Saudi leadership, particularly if any agreement is seen as selling out Palestinian interests. It is also unclear whether Netanyahu’s coalition partners would agree to normalize relations with Saudi Arabia if doing so requires concessions from Israel with regard to the West Bank, the Palestinian Authority, or Jerusalem. As of early June 2023, even symbolic gestures on Riyadh’s part, such as direct flights from Israel to Saudi Arabia for the Hajj pilgrimage to Mecca, have not materialized. Further, while the Abraham Accords illustrated that the old formula of two-states-for-normalization is no longer ironclad, it remains unclear what steps will be sufficient for Saudi Crown Prince Mohammed bin Salman to move forward, let alone whether an Israeli government will be willing to accommodate them.

Nonetheless, given accelerated informal exchanges between Israel and Saudi Arabia, a de-escalation trend in the Middle East, and U.S. desire on both political sides of the aisle to bring
peace to the region, it is clear that normalizing ties between Jerusalem and Riyadh is only a matter of time. This paper does not advocate for a shift in U.S. policy toward Saudi Arabia, nor does it endorse paying the reported Saudi price tag in exchange for normalization with Israel. Rather, this paper provides a short background on Saudi-Israeli ties, explains the key constraints that affect the different parties’ calculations, and most importantly makes suggestions for how to leverage normalization—whenever it happens—to create positive momentum on the Israeli-Palestinian front. Such progress is a longstanding, although often sidelined, U.S., Israeli, Saudi, and Palestinian interest, and will not only enable Israel-Saudi normalization to bring wider dividends to the region, but make normalization itself more robust and easier to sustain.

**Israel and the Saudis: A Brief Background**

“Normalization” is now the watchword in Israel-Saudi relations, but clandestine ties between Israel and Saudi Arabia go back to the 1960s, when Jerusalem and Riyadh found themselves on the same side of a Cold War proxy conflict in Yemen. More recently, the shared threat emanating from the Islamic Republic of Iran has brought the two countries closer together.

As the host of Islam’s holiest sites and the self-styled leader of the Arab and Muslim-majority countries, the Saudis have been cautious in translating these common interests into official ties. Instead, Saudi Arabia has long supported the future establishment of relations with Israel in the context of Israeli-Palestinian peace and a two-state solution. This was the basis of the 2002 Arab Peace Initiative (API) and the 1981 Prince Fahd plan before it.
The Saudis introduced the API at a summit in Beirut attended by 10 Arab governments, reintroducing it in 2007 to unanimous support from Arab League members and a total of 57 members of the Islamic Conference. Israel's response has been more mixed. A suicide bombing at Netanya's Park Hotel, which killed 30 and injured 140, overshadowed news of the plan's announcement. Ariel Sharon, then prime minister of Israel, rejected the proposal. Other leaders, like Ehud Olmert, Shimon Peres, and Benjamin Netanyahu, praised the plan or aspects of it—mostly grudgingly or after leaving the office—without formally adopting it as Israeli policy.

The United States, for its part, was generally supportive of the API while also backing Saudi engagement with Israel outside of the context of a comprehensive resolution to the Israeli-Palestinian conflict. In 2009, according to reports, President Barack Obama floated a proposal that Israel could undertake several partial measures with the Palestinians, including a settlement freeze, in exchange for upgraded relations with the Arab states, but the Saudis rebuffed him.

**Recent Incremental Steps**

![Image of an El Al plane](https://via.placeholder.com/150)

An El Al plane by LLHZ2805, licensed under a Creative Commons Attribution 4.0

Israeli and Saudi diplomats have yet to ink a formal agreement. Yet a number of incremental steps signify tangible progress on the road to normalization. These developments include:
- **Business exchanges:** Last summer, a business mission visited Saudi Arabia. Nominally billed as a delegation of Jewish business leaders, the group was in fact led by an Israeli entrepreneur, Avi Jorsch. This was just the most highly publicized in a series of recent exchanges between Israelis and Saudi Arabia. Individual Israeli business people and firms are increasingly benefiting from a change in Saudi entry requirements that revoked a general ban on Israeli passport-holders visiting the kingdom. One official in Riyadh reported a growing number of Saudi businessmen requesting entry visas for their Israeli colleagues. Deals in recent years have included hydrotechnology, agritechnology, and, most controversially, surveillance software. With Saudi entry policies eased, such engagement can only be expected to increase. The business journal Globes also reported last summer that ex-Mossad director Yossi Cohen would be appointed to head up an Israeli branch of the Japanese holding company SoftBank. The news was also significant because the sovereign wealth funds of several Middle Eastern governments, most notably Saudi Arabia, have invested in SoftBank. The Abu Dhabi sovereign wealth fund is also invested in SoftBank’s Vision Fund. The normalization process that began with the Abraham Accords is peeling back the layers of the old Arab League boycott, which not only prevented business between Israel and Arab states, but also impeded relationships with third countries like Japan.

- **Overflight rights and pilgrimage:** In July 2022, Saudi Arabia opened its airspace to all civilian carriers, including Israeli airlines. The move was significant in shortening flight paths between Israel and the UAE, as well as destinations further afield in East Asia. Beyond overflight rights, Israel is now seeking direct flights to Mecca in order to facilitate the annual Hajj pilgrimage for Muslim Israeli citizens. As of May, the issue remains under discussion between Israel and Saudi Arabia, according to Israeli Foreign Minister Eli Cohen. Air transit can represent an important precursor to more far-reaching steps. Recall that the first officially reported flight by an Emirati carrier to Israel, an Etihad jet carrying coronavirus relief for Palestinians, landed at Ben-Gurion Airport several months before the Abraham Accords were announced in 2020.

- **Public engagement:** Back in mid-December 2022, Netanyahu, as prime minister-designate, took an interview with the Saudi state media outlet Al Arabiya, marking another development in the relationship between Jerusalem and Riyadh (though it was not Netanyahu’s first with the Saudi outlet). In the interview, Netanyahu reiterated his opposition to the JCPOA and approached Saudi talking points on the Arab Peace Initiative by avoiding specific commitments to a Palestinian state, while praising the Abraham Accords, the Trump plan (which proposed a nominally independent Palestine that remained under Israeli control in practice), and touting his own record of “quality of life” measures for the Palestinians. Netanyahu’s Saudi interviewers also asked him to answer for the extremism of his coalition partners, while not calling out figures like Itamar Ben Gvir, Bezalel Smotrich, and Avi Moaz by name. To this, Netanyahu retorted
that "other parties are joining me, I’m not joining them."

- **High-level private meetings:** During the lame-duck period following the 2020 U.S. presidential election, Secretary of State Mike Pompeo joined Prime Minister Netanyahu, Mossad Director Yossi Cohen, and Saudi Crown Prince Mohammad bin Salman in NEOM, the planned city under construction in northwest Saudi Arabia (the Saudis denied the meeting even took place). Other high-level clandestine meetings have been held between Israeli and Saudi officials in the past decade, including a visit by Benny Gantz as chief of staff of the Israel Defense Forces, Tamir Pardo (former director of the Mossad), and Meir Ben Shabbat (director of the national security council).

### Constraints

Building on this momentum, it is clear that steps toward normalization between Israel and Saudi Arabia are already underway. Taken together, these steps constitute nascent ties that make the establishment of official relations appear more likely than ever before, and following the Abraham Accords, the expansion of Arab state recognition is a matter of when, not if. A strong presidential push by the Biden administration will attempt to shorten the time horizon on the “when,” but nevertheless normalization may still be a ways off.

On the one hand, as Robert Satloff of the Washington Institute observed earlier this year, recent developments between Israel and Saudi Arabia mirror the informal exchanges between Israel
and the UAE leading up to the Abraham Accords. On the other hand, similar openings between Israel and several Arab states in the 1990s ultimately failed to produce mutual recognition and permanent ties. A prospective Israel-Saudi agreement still faces a number of constraints, including:

- **Controversial Saudi demands**: Saudi Arabia is likely to set a high price for formal engagement with Israel, both for the United States and the Israelis. Having seen the wide-ranging benefits the Emiratis received from the United States for normalizing with Israel, and well aware of the unique significance of a Saudi opening with the Jewish state, Riyadh reportedly is making even bigger asks. According to a March New York Times report, these may include NATO-esque security guarantees, support for a civilian nuclear energy program, and pulling back limits on U.S. weapons sales to the kingdom. The United States should not, and likely would not, unquestioningly fulfill these requests, as they are not in accord with U.S. interests. As for demands from Israel, in January, Foreign Minister Prince Faisal bin Farhan Al Saud affirmed that “[t]rue normalization and true stability will only come through... giving the Palestinians a state.” While this suggests that Riyadh may be willing to distinguish between “true normalization” and some form of relations short of the standard previously set by the API, it also reinforces the Saudis’ traditional support for the Palestinian cause. A two-state outcome is not in the cards in the near future but clearly Saudi Arabia will require some meaningful steps that at least create the impression the kingdom is not deserting the Palestinian cause. We suggest some of those meaningful steps below, but any Saudi asks of Israel will be controversial in both the Israeli and Palestinian arenas; the current Israeli government is likely to deem any moves toward greater Palestinian sovereignty and territorial control, let alone any steps involving Jerusalem, as too much, while the Palestinians are likely to deem any concessions short of full statehood not enough.

- **Israeli domestic politics**: The current political situation in Jerusalem does not support Israeli compliance with any prospective Saudi demands regarding the Palestinians. Prime Minister Netanyahu might personally be willing to compromise in pursuit of a significant objective like normalization with the Saudis. However, extremists in Netanyahu’s cabinet like Finance Minister Bezalel Smotrich and National Security Minister Itamar Ben Gvir are less likely to demonstrate any flexibility when it comes to improving the Palestinians’ lot. Thus, concessions in pursuit of ties with Saudi Arabia could bring down the Israeli government. The obvious rejoinder to this analysis is that Netanyahu could recruit a party from the opposition benches to keep his coalition afloat and reach an accord with Saudi Arabia. But the centrist and center-right opposition is populated by figures like Benny Gantz, Yair Lapid, and Avigdor Liberman, who have all served in government with Netanyahu before and vowed not to do it again. By assuming the risk attached to crossing the aisle, they could lose their constituency, which would be particularly anathema to them in their bloc’s current political position of leading in the polls. While normalization with Saudi Arabia is seen as a positive across the Israeli
political spectrum, the current coalition has higher priorities that normalization would threaten, and the opposition has no desire to throw Netanyahu a lifeline.

- **American domestic politics**: Saudi Arabia’s deep unpopularity on Capitol Hill combined with partisan gridlock in Washington means Riyadh and Jerusalem face a complicated political environment in reaching for American support for normalization. Senator Lindsey Graham (R-SC) has offered to lend Republican backing to the Biden administration for brokering an agreement between the Saudis and Israelis, but Riyadh would still need to overcome misgivings about its poor human rights record, the destructive Saudi and Emirati-led war in Yemen, the kingdom’s assassination of journalist Jamal Khashoggi, and 9/11 victims’ families’ claims against Saudi Arabia. The chance of raising sufficient Democratic and Republican support for this deal diminishes as we approach the 2024 presidential elections, which will only widen the partisan divide.

- **Saudi Arabia may not be ready for full normalization**: Prospects for official diplomatic relations between Israel and Saudi Arabia cannot be written off, but recent reports may represent wishful thinking on the part of Washington and Jerusalem rather than the immediate desires of the Saudi government. In May 2023, Yonatan Touval of the Israeli think tank Mitvim relayed a quote from a U.S. official describing rumors about impending normalization as “a campaign full of hot air blown by well-meaning folks.” Israeli officials also were quoted saying that talks about normalization are premature. In late May, Assistant Secretary of State for Near Eastern Affairs Barbara Leaf also downplayed reports about an imminent Israeli-Saudi breakthrough. In her testimony before the Senate Foreign Relations Committee’s Middle East subcommittee she said that “There’s a lot of misreporting and a lot of hyperventilation in the press, a lot of excitable rumint, I would say, in the press, especially in the Israeli press. They’re just electric with the idea that Saudi Arabia might take that step.” And in early June, right before his trip to Saudi Arabia, Secretary Anthony Blinken told AIPAC that the administration has “no illusions that this can be done quickly or easily.”

Saudi leadership has its own calculations vis-à-vis the Biden administration, along with questions about the benefits of advancing peace with the current Israeli government given friction between Biden and Netanyahu. If the primary purpose of normalization from Riyadh’s point of view is getting back in Washington’s good graces, the road that used to run through Jerusalem may not be as effective as it once was.

In addition, contrary to Israeli thinking about normalization, Saudi Arabia may be more hesitant about formalizing public ties with Israel absent progress on the Palestinian front because that could complicate its efforts on key priority issues, including the ongoing leadership transition between King Salman, who maintains the more traditionally pro-Palestinian line, and Crown Prince MbS. Further, to implement his ambitious
domestic political and economic programs, MbS requires strong domestic support. Alas, public opinion in Saudi Arabia is strongly against normalization with Israel, and MbS will need to placate an influential religious oligarchy in order to see his wider agenda through. In addition, Saudi does not want to be blamed by Iran, Qatar, and to a lesser extent Turkey for abandoning the Palestinians, as friction still exists between Riyadh and the region’s revisionist bloc of states despite the regional trend toward rapprochement. Competition between Saudi Arabia and the UAE is also a factor, as the UAE framed its normalization with Israel as contingent on the latter not annexing West Bank territory, which ups the ante for the Saudis to achieve something more tangibly positive on the Palestinian front and demonstrate their primacy within the Sunni bloc and among Gulf states. At the very least, a commitment by Israel to “do no harm,” or in other words, maintain the status quo, may be required. Furthermore, given its regional and religious prominence, Saudi Arabia does not want to be perceived as jumping late onto an Emirati initiative, coming into an existing framework like the Abraham Accords or the Negev Forum as member number five or eight. Rather, it would want to lead its own initiative, which it could somehow reconcile with the API. Thus, even though reports are that MbS is personally unsympathetic toward the Palestinian cause and specifically frustrated with PA leader Mahmoud Abbas, Riyadh still points to the API as a political frame of reference. The API in its original form is a distant dream under current Israeli and Palestinian circumstances, yet normalization with Israel with no real concessions on the Palestinian front seems to be an Israeli fantasy.

Leveraging Normalization for Israeli-Palestinian Progress

Ramallah, the West Bank

The Biden administration’s reported aim of reaching an agreement between Israel and Saudi Arabia by the end of 2023 is laudable but ambitious. It will require substantial effort to try to square the circle and align all parties’ interests and considerations in such a short time. Yet,
whether normalization is achieved within six months or not, it is on the horizon. And because normalized relations with Saudi Arabia represent the ultimate diplomatic achievement for Israel in unlocking integration throughout the Middle East and with Muslim-majority countries, any deal should be leveraged to achieve progress on the Israeli-Palestinian front. This is both an opportunity to extend the benefits of normalization into other spheres and a mechanism for making an Israeli-Saudi agreement more likely.

Accordingly, we recommend the following steps—some more symbolic and others more tangible—for the relevant actors:

**The United States should...**

- **Remain active in leading the normalization process:** Active American engagement in this direction is essential for success. And indeed, the announcement by Blinken that the administration is establishing a new position to expand normalization (reportedly to be filled by former Ambassador to Israel Dan Shapiro, although not confirmed), is a key step in the right direction. In the Venn diagram of what the U.S. would like to see in the region and what the Israelis and Saudis will each accept, there may be some overlap, especially for an objective as important as opening ties between Riyadh and Jerusalem, which is in Washington's interest. Israel may be willing to link some progress on the Palestinian front to this target, but are unlikely to take the initiative—something the United States can and should do. If the Saudis take the bold step of expanding ties with Israel, and propose measures on the Palestinian front, they would need U.S. backing. Further, even if Riyadh is willing to forgo Palestinian progress for sweeteners from the United States, Washington would be wise to ensure that it does not handsomely pay the Saudis only so that Israel benefits without the latter making any concessions that help the administration's political and longstanding national security interests in the Middle East, which include greater stability on the Israeli-Palestinian front in pursuit of a two-state outcome.

- **Mobilize support from Jordan and Egypt:** Jordan and Egypt have important roles to play in the West Bank/East Jerusalem and Gaza, respectively. Jordan in particular was sidelined by the Abraham Accords and experienced tensions with Saudi Arabia over a range of issues, including concerns that Riyadh would seek to usurp the Hashemite Kingdom's position in Jerusalem, potentially with the backing of the Trump administration, as well as suspicions of Saudi involvement in the abortive palace coup in Amman attempted by Jordanian Prince Hamza in 2021. However, relations between the two Arab monarchies have improved over the past two years, culminating in new deals in the energy and mining sectors alongside a visit by MbS to Jordan and the marriage of Jordan's crown prince to a Saudi royal, and also reflected by MbS's public affirmation of Jordan's custodianship over the Haram al-Sharif. This context provides the Saudis an
opportunity to work in concert with Jordanians, as well as the Egyptians, on Israeli-Palestinian issues. A multilateral approach that embeds Israel-Saudi ties in other pre-existing relationships will move the bilateral relationship ahead at a faster pace given the decades of extensive cooperation between Egypt and Jordan with Israel, along with providing Saudi Arabia the insights and perspectives of the two regional actors most concerned with and sensitive to developments with the Palestinians.

Saudi Arabia should...

- **Clarify its realistic demands of Israel:** Saudi officials have hinted that the high threshold set by the API—a resolution to the Israeli-Palestinian conflict—may no longer apply for normalization to proceed. Therefore, the Saudis should lay out clearly and publicly what they would need to see from Israel with regard to the Palestinians in order to upgrade ties. Emirati Ambassador to the United States Yousef al-Otaiba provided a model for this sort of appeal, which should be directed both to the Israeli government and the public. In 2020, Ambassador al-Otaiba released an op-ed in the Israeli newspaper Yedioth Achronoth along with a video address calling on Israel to choose between West Bank annexation and normalization. The Biden administration should call on Saudi officials to leverage a similar public diplomacy campaign to demonstrate to Israeli voters that normalization is within reach, apply pressure on holdouts in the government, and reassure opposition politicians uncomfortable with supporting a push by Prime Minister Netanyahu for normalization. Saudi Arabia's asks of Israel should go beyond preventing the most harmful potential moves in the West Bank, and should seek to establish greater sovereignty for the Palestinians as a way of reversing the slide away from two states.

- **Ask Israel for a public commitment to the spirit of the API:** While it is unrealistic to expect normalization to be contingent on the successful implementation of a permanent-status agreement creating a Palestinian state, Saudi Arabia's name and prestige remain attached to the vision of a Palestinian state expressed in the API. Riyadh should ask for an Israeli commitment to that vision, along with some number of steps that would signal that the commitment is tangible.

- **Restore aid to the Palestinians, invest in Palestine, and use economic leverage to push for Palestinian reforms:** The Gulf Arab states have slashed aid to the PA in recent years, contributing to the Palestinians' governance crisis in the West Bank. The impact of Saudi cuts is especially acutely felt, with Riyadh rolling back over 80% of its assistance to the Palestinians from 2019 to 2020. Restoring aid and bringing new investments could boost the Palestinian economy with new infrastructure, development, education, training, and more. In addition, Saudi leverage should be combined with U.S. and European pressure on the Palestinian leadership to conduct serious reforms.
Israel should...

- **Extend its commitment not to annex West Bank territory, including safeguarding against creeping annexation:** Israel promised to suspend plans to annex West Bank territory as part of its bid to normalize relations with the UAE in 2020. The administration of then-President Donald Trump stated that the U.S. would withhold support for Israeli annexation until 2024. With that timeframe closing and the United States entering another presidential election cycle, the Saudis can seek a commitment from Israel to forestall annexation beyond this timeframe. Moreover, Riyadh should seek commitments against acts that de facto facilitate annexation, such as new Israeli construction east of the security barrier, demolitions of unauthorized Palestinian homes, and authorization of illegal settlement outposts. While it is unlikely the Saudis would ever recognize permanent Israeli rule in the occupied territories, non-recognition of Israel’s sovereignty there should be incorporated into a future agreement with Saudi Arabia on the model of previous agreements between Israel and the U.S. and European Union, which do not apply to the West Bank and Gaza. These commitments should be codified as part of any formal agreement between Israel and Saudi Arabia.

- **Give the PA greater sovereignty in the West Bank, and tangibly improve conditions for Palestinians in the West Bank and Gaza through economic and territorial measures:** Israel can demonstrate its seriousness about normalization by taking steps that tangibly improve the situation for Palestinians in the West Bank and Gaza. This includes economic developments in the Gaza Strip, infrastructure projects in Area C of the West Bank, and support for Palestinian construction there through approval of permits and support for the development of master building plans. Further, Israel can expand the scope of Palestinian sovereignty by first transferring control of portions of Area B to Area A, and then phasing in transfers of Palestinian-populated parts of Area C to Areas B and A. Of course, this recommendation comes with the necessary and significant caveat that the current Israeli government includes several senior ministers who oppose any Palestinian development in Area C and even the continued existence of the PA itself, making this a particularly thorny issue in Israeli domestic politics. Nevertheless, beginning with reclassifying parts of Area B—where there is no Israeli presence—as Area A will be less controversial and is an easier political lift that will give the PA greater sovereignty. This can help lay the groundwork for the harder move of transferring parts of Area C to Palestinian control, which Israel already committed to nearly three decades ago in the second phase of the Oslo Accords.

- **Restore and maintain the status quo in Jerusalem:** The religious status quo in Jerusalem has eroded in recent years, with an increase in Jewish visits to the Temple Mount/Haram al-Sharif resulting in Jewish prayer at the site and government officials openly supportive of the Temple Mount movement. Returning to the status quo and protecting it would be in Saudi Arabia’s interest as the leading Sunni Muslim Arab state,
and would likely find support in Jordan as well. While recent appeals to preserve the status quo, such as the February 2023 Aqaba Communiqué, called for protecting the status quo in vaguer terms, the Saudis may want to seek more well-defined and irreversible commitments from Israel.

The Palestinian Authority should...

- **Conduct serious reforms in exchange for the restoration of Saudi aid:** The Palestinians should enact institutional changes, to present themselves as a more promising address for investment and aid to the Saudis and other Gulf donor states, while the U.S. can link Saudi aid to the Palestinians to other policy areas. The Palestinians are overdue for serious reforms on all fronts, especially ones that would create a more stable political environment, advance elections, and lay the groundwork for a future leadership transition. Beyond governance, the Palestinian leadership needs to pursue economic reforms related to corruption and transparency, which are desperately needed to create a conducive environment for the development of a private sector, as well as reform of the security forces and legal system. The PA has been too weak to implement these reforms, but a Saudi boost and backing could help it restore some legitimacy as it seeks to deliver better services for its people. At the very least, the restoration of Saudi aid would ensure that the PA is able to pay public sector employees, particularly security personnel, who have frequently missed paychecks due to Ramallah's dire financial situation. Any political and economic reforms in return for Saudi aid should not be nebulous, and should instead include firm benchmarks that must be met by certain dates.