NAVIGATING NORMALIZATION:
The U.S., Saudi Arabia, and the Israeli-Palestinian Arena

Critical Neighbors
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An Israeli Perspective
Celine Touboul

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Aziz Alghashian

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Manal Zeidan

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Brian Katulis
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Critical Neighbors
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The much-discussed Israeli-Saudi normalization process is anything but bilateral. Besides the two parties, it has implications for a range of U.S. interests and holds the promise of inching Palestinians towards self-determination by reviving hopes for an eventual two-state outcome.

Four-party negotiations, let alone over matters of both historic and strategic significance, are inherently complex. It remains uncertain whether these efforts will succeed.

Focusing primarily on the Palestinian dimension of the unfolding process, four distinguished experts—an Israeli, a Palestinian, a Saudi, and an American—offer their takes on what is at stake and what it will take to complete a U.S.-brokered Israel-Saudi deal that advances the goal of Palestinian statehood.

The opinions and proposals expressed in these pieces are only reflective of the respective authors’ opinions and do not necessarily reflect the policies or positions of Israel Policy Forum.
An Israeli Perspective

**What Should Be Asked of Israel in Return for Normalization With Saudi Arabia?**

*By Celine Touboul*

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**A Unique Opportunity for Both Israel and Its Leaders**

In Israel's current political landscape, the promise of regional acceptance and integration—which Israeli-Saudi normalization could offer—is the main, if not only, factor that could bring Israel to substantially shift policy and offer meaningful concessions towards the Palestinians. As Netanyahu’s national security advisor, Tzachi Hanegbi, recently said: “If this happens, it is a historic, dramatic turning point. It changes the entire map of the Middle East, isolates Iran, legitimizes any Arab country with ties to the West to connect with Israel.” But aside from the strategic impact, normalization would also be a major political achievement for the Israeli leader who secures a deal. It would grant that leader not only legitimacy, but a legacy.

But it will be impossible for a country like Saudi Arabia to grant Israel this entry ticket to the region and such political legitimacy while totally dismissing the ramifications of the Israeli-Palestinian conflict on regional developments and while ignoring Palestinian
aspirations for statehood. Doing so could affect the Saudi government’s own legitimacy domestically and regionally. Thus, whereas normalization could strengthen Israel’s standing vis-à-vis both its enemies and allies, it could have the exact opposite effect for Saudi Arabia if done at the expense of the Palestinians.

Defining the Israeli-Palestinian Component of a Deal:
Two Alternative Approaches

When considering what the Israel-Palestinian components of Israeli-Saudi normalization should be, there are two types of approaches: to look for a package of measures that would accommodate the views and political constraints of the current Israeli coalition; or to seize the unique opportunity of Israeli-Saudi normalization and incentivize Israel to shift the reality in the Palestinian territories substantially by stopping the slide towards annexation and a one-state reality.

The first approach, which a U.S. administration averse to confrontations may favor, would include identifying economic and infrastructure projects that could improve Palestinian lives, including ones that have been stalled for decades. There are two problems with this approach. First, it will not contain Israel’s annexation project. It will validate the current government’s policy and give it a pass to go further with both the judicial overhaul and its annexation schemes, regardless of any public commitment that the government makes. Second, most of the projects that could be considered are located in Area C and thus have been stalled for years, even by Israeli governments whose annexation ambitions were far less central to their political agenda than current government’s. Therefore, while the current coalition may agree to authorize their implementation in principle, there is not even a remote chance that it will ultimately advance anything that would compromise Betzalel Smotrich’s vision of preventing a Palestinian foothold in Area C and Palestinian statehood. Any measure that could affect these strategic goals will be rejected out of hand and seen as an existential threat to the government’s annexationist approach.

So rather than trying to cater the package of Israeli-Palestinian measures to the views of the current Israeli government, the Israeli-Palestinian pillar of Israeli-Saudi normalization should aim to bolster Israel’s 2020 commitment to the UAE not to annex the West Bank—not only by preserving a two-state horizon, but also by advancing a two-state reality.

What Is Needed to Shift the Trajectory of the Israeli-Palestinian Conflict?

To be consequential, the proposed package should address the Israeli-Palestinian conflict in two ways. First, it should reduce tensions. This is important not only because
bloodshed deepens the conflict but also because it tends to compromise the legitimacy and sustainability of normalization processes. Second, it should create the conditions for a two-state reality. This entails not only freezing progress towards annexation but changing course entirely by undoing current annexation schemes. Doing so could provide a credible political horizon that is also key to empowering the PA as a partner in stabilization efforts as well as future negotiations.

Achieving both objectives requires three main sets of measures, further detailed below: territorial measures that enhance Palestinian contiguity, measures that restore the status quo in Jerusalem, and measures combating violence by radical settlers.

1. Territorial measures: enhancing Palestinian contiguity and governance

The first and most critical set of measures to change the reality on the ground is territorial. Hence, creating the conditions necessary for a two-state reality first requires enhancing Palestinian contiguity so that separation between Israel and the West Bank will ultimately be possible. Such efforts should not only aim to enhance movement and access for Palestinians. They should also enhance the PA's governance capacity over the Palestinian population. Area C, which is under both Israel's civilian and security authority, is key for both.

Transferring authority to the PA in parts of Area C (most particularly zoning and planning) could be a significant first step to enhance the PA's ability to meet Palestinian housing and development needs. As an initial stage, Israel could redesignate 10% of the West Bank currently part of Area C to Area B or A. Doing so could put almost the entirety of the Palestinian population living in the West Bank under the PA's responsibility. It would be even more significant if it also included the gradual transfer of civil-security responsibilities in Area B from Israel to the PA. This could enable the Palestinian security forces to operate in Area B and address the law and order vacuum prevailing there. This would also contribute to Israel's security, especially if done gradually under the guidance and capacity-building assistance of the U.S. Security Coordinator.

Enhancing Palestinian contiguity also would require Israel to stop settlement expansion, outpost legalization, the systemic demolition of Palestinian structures, and the confiscation of Palestinian lands in Area C. But given that previous attempts to implement a settlement freeze were stymied by endless negotiations over its terms and ultimately ended in failure, Israel must also actively disincentivize settlement growth. To that end, Israel should be asked to stop allocating financial benefits to settlements and to facilitate the relocation of those interested in leaving by compensating them financially for doing so. Such steps would give credibility to a commitment to advance a two-state reality.
2. Restoring the status quo on the Temple Mount/Haram al-Sharif

Jerusalem—especially the Temple Mount/Haram al-Sharif—is the epicenter of the Israeli-Palestinian conflict. Tensions on the mount have triggered several recent violent escalations in Gaza and the West Bank. Not addressing this source of tensions will undermine not only the legitimacy of the normalization process but also its sustainability.

Yet, given the absence of an agreed definition of the status quo and what it entails, the demand to preserve the status quo should go beyond rhetoric and focus on three consequential measures. The first one is to explicitly reassert the principle that "Muslims pray on the Temple Mount, non-Muslims visit the Temple Mount," to use Netanyahu's own words. This principle has been increasingly violated in recent years in unprecedented ways, including recently during Rosh Hashana and Tisha B'Av.

The second principle is to respect the integrity and sanctity of al-Aqsa. This requires that there will be no police break-ins into the mosque, provided that Muslim worshippers are prevented from stockpiling stones and other materials inside it. This issue was a primary trigger of the violent escalation of May 2021, which spilled over to both Israel and the West Bank, and almost led to a similar scenario in May 2022 and 2023.

The third principle is to restore coordination between the Waqf and Israel on all matters relevant to security, access, and daily operations on the Temple Mount/Haram al-Sharif. This is the least visible but possibly most important measure, as it could contribute to restoring the legitimacy of the Waqf vis-à-vis Muslim worshippers and could therefore enhance its ability to contribute to stabilization efforts.

3. Act against violence

The third set of measures should focus on the basic but unmet requirement of condemning and acting against acts of violence and terror, a standard that should not only apply to Palestinian leaders but to Israeli ones as well. The recent unprecedented attacks by groups of radical settlers in the towns of Huwara and Turmus Ayya have demonstrated how impossible it is to ignore this phenomenon, which has further undermined the PA’s legitimacy and fueled tensions on the ground.

The Main Expected Challenges

The first main challenge is guaranteeing that rhetorical promises translate into tangible steps on the grounds. Addressing this challenge requires detailing the operational steps that Israel will be expected to undertake in order to meet its commitments, which is what this paper seeks to do to a limited extent.
Once these steps are defined, the second challenge will be sustaining the momentum created by the normalization process, enforcing the various commitments made, and incentivizing progress. If Israel fails to meet its commitments—like it did for those it made to the UAE—reversing the normalization process may prove to be challenging and impractical. The U.S. and other parties should therefore approach normalization as a process with predefined milestones, or, to use the terms of Saudi foreign minister, as a pathway, rather than as a grand bargain. This gradual process should create reciprocity between the Israeli-Palestinian steps and the regional ones, whereby the scope of normalization would be proportional to the scope and significance of measures implemented by Israel towards the Palestinians.

The third challenge, very much linked to the second one, is determining who will monitor the implementation process and ensure that it moves forward. Given the predominant role played by the U.S. in trying to broker this normalization deal, it is difficult to contemplate a successful implementation process without U.S. engagement. The current U.S. administration, which has not been inclined to engage intensively on Israeli-Palestinian issues, is likely to be reluctant to take upon itself such a role. But if the Israeli-Palestinian measures are to be defined in operational terms and synchronized with normalization steps, U.S. involvement could reduce the risk that the process ends in failure. If designed properly, managing the normalization process may ultimately require less attention and energy than the recurrent crises that the Israeli-Palestinian deadlock currently generates.
A Palestinian Perspective

New Trends in Saudi-Israel Relations: Substantive Ways to Support the Palestinians Within Changing Regional Dynamics

by Manal Zeidan

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Signs of Increasing Saudi Willingness to Engage in the Palestinian-Israeli Arena

It is yet unclear whether the ongoing, intensive U.S. effort to produce a Saudi Arabia-Israel normalization deal will succeed. Nevertheless, there are ample signs that Saudi Arabia is increasingly willing to reconsider its relationship with Israel in what appears to be a measured, gradual process of normalization pending formalization. In parallel, there are also ample signs that the Saudis are ready to become a more active player in the Palestinian arena. A breakthrough deal that delivers a public and international-relations win to an extremist, right-wing government in Israel would have terrifying implications. Instead of forcing a deal to fruition and allowing Israel to delink normalization with Arab and Muslim states from the Palestinian issue to the benefit of the right-wing, the U.S. should leverage the emerging trends with the intention of reinvigorating the two-state framework.
A Workable and Sustainable Approach to Advancing the Two-State Solution

Political discussions on the concept of a two-state solution seem to have become more or less a list of aspirational outcomes. Sorely lacking in these discussions are clear pathways or plans of action on how to achieve these outcomes. At the core of the two-state solution concept is the recognition of the right to self-determination for both Palestinians and Israelis. Israelis have been able to exercise that right fully. The Palestinian people, on the other hand, 30 years after the signing of the Oslo Accords, are still struggling to achieve the recognition and implementation of this inalienable right. While the occupation that started in 1967 remains the main impediment, all sides share part of the blame, including the Palestinian political leadership across the board. Within the context of two states, two of the core components necessary for the Palestinian people to exercise self-determination are territory—which in this case is still mostly (some argue fully) under Israeli control—and a central, representative government that is respected by its people, trusted by its neighbors, and accepted by the international community—which technically is the Palestinian Authority. A practical way to facilitate the two-state framework would be to set in motion a bottom-up process of rolling back the occupation by strengthening the PA and its institutions in parallel with an Israeli transfer of territory from Areas B and C to Area A. A coordinated U.S.-Saudi effort could move such a process forward by laying some necessary groundwork for a healthy political separation between the sides, until the appropriate moment to finalize a permanent agreement arrives.

Active Saudi Involvement in the Palestinian Arena is Key

Publicly, the Saudi leadership has been consistent in reassuring the Palestinians that it will not abandon their cause, and that it continues to adhere to the parameters of the Arab Peace Initiative of 2002 (also known as the the Saudi Initiative), which essentially conditions normalization with Israel on the establishment of a Palestinian state. It seems unlikely that the kingdom would abruptly abandon the API. That would not only be a major political blow to the Palestinians but also to the image and credibility of the kingdom itself in the Arab and Muslim world. Nonetheless, the reality is that for over 20 years the API has remained a merely theoretical framework. In light of changed circumstances, including the signing of the Abraham Accords, the relevance of the initiative in its original form seems to be in question. The spirit of the initiative, however, can and should be preserved. This can be achieved by transforming it from a theoretical framework and a rhetorical commitment into an action plan that breaks down its components and attempts to operationalize them. Foremost among the API’s components is the establishment of a Palestinian state.
Strengthening the Palestinian Authority as the Nucleus of a Future Palestinian State

While it is understood that the establishment of a Palestinian state will be achieved via an agreement with Israel, such an agreement alone will not conjure a Palestinian state into existence. The state has to be built. The Palestinian people's right to self-determination must be unequivocally recognized by all sides. However, the full realization of this right requires Palestinians to assume responsibility for the process of state-building and full agency for building the institutions of their future state. Active Saudi involvement in the Palestinian arena can help the PA leadership move beyond a seemingly reactive approach that lacks vision, strategy, and accountability. The Palestinian leadership should be encouraged to take the initiative and develop an agenda that is both politically credible and adequately responsive to the pressing need to improve living conditions in the West Bank and Gaza. Thus, in addition to a clear political vision and expectations, this agenda should include a state institution-building program in coordination with regional and international donors. This agenda can serve as a new platform to mobilize Arab support for Palestinian rights and national aspirations as well as an active pathway to advance the two-state solution. In tandem with the process of state institution-building, the PA should be encouraged to take the initiative and even lead on some aspects of regional normalization efforts. This will ensure that Palestinians are included in all such efforts and allow the kingdom to advance and balance its own interests with its image and position as a powerful regional political player and a leader in the Arab and Muslim world.

Moreover, the Kingdom of Saudi Arabia has the unique position and leverage to push for an internal Palestinian process to rectify conditions that impede the realization of the Palestinian people's right to self-determination and, by extension, a two-state solution. In order to ensure that the PA upholds its commitments and pledges, reconsolidates its authority, and meets the most basic requirement for statehood—a monopoly on the use of force within the territory it controls—the PA must regain full control not only throughout the West Bank but also in the Gaza Strip. Saudi Arabia can use its economic power to facilitate Palestinian economic revival and create opportunity and hope for Palestinian youth, and its political clout and leverage to push for the formation of a consolidated, responsible Palestinian national leadership. These efforts will constructively push back against exploitative interventions in the Palestinian arena by other regional players, such as Iran, who through massive funding and political support to Palestinian factions outside of the PLO umbrella are exacerbating the West Bank-Gaza political separation and challenging the PA's role and representational mandate. While such actors claim to support the Palestinian cause, their actions, inadvertently, serve the ambitions of extremists and two-state opponents on the Israeli side. In many ways, strengthening the PA will also help advance Saudi Arabia's regional security strategy.
The Palestinian Authority Has a Lot of Housekeeping to Do

The Palestinian Authority should rectify weaknesses that have contributed to the erosion of both its legitimacy and popular support for the two-state solution. Corruption, incompetence, and anti-democratic tendencies and practices prevalent in the PA have been weaponized by extremists’ propaganda to discredit the overall political approach of resolving the conflict via a negotiated settlement. Palestinian Authority institutions need to undergo a fundamental reset, especially in light of the major deterioration in performance within the past decade. It is the PA’s responsibility to rebuild its legitimacy and representational power. This can be achieved through the state institution-building project, to be developed as part of operationalizing the API, to ensure effective and viable institutions that can equitably manage and meet the needs of all Palestinian citizens. This institutional reset should be followed by fair and transparent public elections in order for PA representation to be grounded in the will of the Palestinian people.

The United States can help by raising expectations in terms of the PA’s performance in areas of governance and democracy and by actively supporting the effort of state institution-building. U.S. support had a great impact in advancing a previous attempt at institution-building, which was very successful in technical terms yet was not adopted by the Palestinian political leadership and therefore did not translate into political gains.

Can a Coordinated U.S.-Saudi Effort Convince the Israeli Government to Choose Peace?

There is a lot that Israel should and can do. At this stage, it is highly doubtful that the current extreme right-wing government in Israel will be interested in advancing peace. Ideally, as part of creating conditions conducive to direct negotiations between the sides, a coordinated U.S.-Saudi effort would secure Israel’s agreement on a time-framed, phased transfer of territory in Areas B and C to the Palestinian Authority. Additionally, it is of paramount importance to secure an Israeli commitment to refrain from any activities that violate Palestinian human rights, lead to an escalation on the ground, or disempower the Palestinian Authority. Israel should take active measures to reign in Israeli settler lawlessness and violence against Palestinian lives and livelihood in the West Bank, manage provocations and disruptive dynamics in Jerusalem’s Holy Basin, and stop incursions into PA-controlled areas.
A Saudi Perspective

Saudi-Israeli Normalization Would Be Phenomenal—Only If Done Right

by Aziz Alghashian

What Is the Kingdom’s View?

Normalization between Saudi Arabia and Israel has great potential to change the region for the better, but only if done right. Before looking at how it can be done constructively—including the necessary components and sequence—it is first important to address how the Saudi kingdom views itself during this normalization process. In the midst of changing regional and international dynamics, the Saudi ruling elite has become more cognizant of its agency.

The unjustifiable Russian invasion of Ukraine and its effects on energy markets served as a reminder of Saudi Arabia’s role in the global energy market. Against that backdrop, the kingdom’s unwillingness to yield to American requests to alter its energy policy dramatically boosted its sense of agency in the international sphere. That sense of agency is also fed by Saudi Arabia’s desire to emerge as the new international market and to become the next international haven for foreign direct investment.

Regionally, Saudi Arabia is beginning to deal with its main security threats differently. After an experimental phase of confrontation with Iran, Saudi is investing in engaging
with Iran and addressing the security issues in a way that will incentivise stability, rather than enforce it. Through its engagement in both the international and regional spheres, Saudi Arabia has begun to sense its political, diplomatic, and economic weight. Its rhetoric about regional stability through regional prosperity is resonating on the Arab street and rejuvenating Saudi’s position as a leader in the new emerging Arab order.

But why does all this matter in the context of a potential Saudi-U.S.-Israel-Palestinian mega-deal? It matters because the Saudi ruling elite knows that normalization with Israel will come at a price, and more particularly, it knows it can set the price. Notwithstanding the strategic utility the Saudi ruling elite sees in Israel, it is safe to say that the Saudi ruling elite do not see enough strategic utility in Israel to warrant normalization without significant security deals from the U.S., in tandem with significant concessions from Israel towards the Palestinians. The Saudi ruling elite is aware of the leverage it has, and it is therefore crucial to get a Palestinian component that serves the Palestinians, Israelis, and the region.

**What Should the Palestinian Component Entail?**

There is no doubt that Saudi Arabia requires a Palestinian component to legitimize its relationship with Israel, and it is worth expanding upon what that component could look like. I argue that the Palestinian component consists of two separate but connected pieces: preserving a two-state solution and facilitating a two-state solution. These two pieces are inextricable if the ultimate goal is avoiding apartheid.

It is no surprise that the main Palestinian component must entail on-the-ground concessions—i.e. territory. Be it a cessation of building illegal settlements, beginning the process of land swaps, or transferring parts of Area B to Area C, securing the actual physical space for a future Palestinian state is essential. It is worth remembering that such steps are crucial for a two-state settlement, but equally crucial in order to halt Israel from officially becoming an apartheid system. Such a development would have moral implications alongside regional security implications (more on this below). Saudi-Israeli normalization is a great opportunity to secure these concessions and entrench them as part of the political landscape of Palestinian-Israeli relations and reduce the asymmetry between Palestinians and Israelis. Any further promises with no tangible concessions would amount to merely kicking the can down the road towards apartheid, and that is a scenario that has to be avoided. Such a reality, which would surely fuel more conflict and instability, can never be legitimized.

In addition, this particular Palestinian component tests the current and future Israeli governments’ willingness to make the necessary concessions towards a two-state solution. It is safe to say that any concessions under this Israeli coalition, with Netanyahu at the wheel and characters like Ben Gvir and Smotrich on the brakes and the
gas respectively, are unlikely. Irrespective of their militant opposition to a two-state-solution, the U.S. commitment to obtaining territorial concessions for the sake of a two-state solution and avoiding apartheid should be as ironclad as its support for Israel’s security, as apartheid and security cannot go hand in hand.

A Palestinian component should not stop with tangible concessions. A Saudi-U.S.-Israeli-Palestinian deal ought to have a facilitatory element that enables a two-state solution as well. This facilitatory component primarily involves creating a Palestinian project that is geared towards building state infrastructure, sound governance, fair representation, and mechanisms that attract regional investment in Palestinian territories—hence why the tangible concessions are so necessary.

Currently, the region is home to an array of respective national economic projects. Any observer of Saudi Arabia will encounter the saliency of Vision 2030. The Saudi vision is designed to stimulate wealth by developing tourism and building a multifaceted economy that is not oil-centric. With that said, Saudi Arabia is not the only state with a national vision, as Qatar has a Vision 2030 vision and Oman a Vision 2040.

A Palestinian vision that resonates with these regional projects and creates a framework for Palestinian development is something Saudi-Israeli normalization ought to facilitate. If done with the right components and in the right sequence, such a mega-deal will help establish a Palestinian framework that will allow the private sector to do a fair share of the heavy lifting towards statehood. A Saudi-Israeli deal should entail joint Saudi-Israeli and regional ventures that can then channel resources into this Palestinian framework.

Moreover, this vision would allow the Palestinians to begin to benefit from the wealth generated through the Abraham Accords, which has yet to reap rewards for Palestinians due to the lack of components and mechanisms to facilitate such rewards. To be clear, this Palestinian vision is an investment, not charity. Palestinians can leverage their wealth of skills, intelligence, and ingenuity through economic regional projects. Bolstering Palestinian agency is an opportunity this mega-deal should not overlook.

This component may seem too idealistic for some more cynical critics. There should be no illusion about the challenges such an endeavor faces. However, there are precedents that indicate that this component is both practical and feasible. It was not long ago that Salam Fayyad introduced the Palestinian Reform and Development Plan in 2008. Its main aim was to develop Palestinian infrastructure and governance, and the main engine for this plan was the private sector. In only two years, the World Bank claimed that Palestine was ready for statehood. Such a Palestinian plan could be developed and sustained further by adding two elements to it: integrating it with regional projects and elevating the leadership of Palestinian youth.
A Palestinian vision should be driven by a consortium of Palestinian youth in conjunction with like-minded experienced experts who are business-minded, have democratic values, care about civil society, and seek partnership throughout the region, not least with Israeli counterparts who share the same vision and principles. A Saudi-Israeli deal can help institutionalize and sustain that vision by ensuring it remains a continuous process towards statehood and preventing apartheid. In fact, this process is not limited to the context of Saudi-Israeli normalization. Rather, this development process can be a space where the U.S., EU, Palestine, Israel, and regional players can lead and cooperate. Without a Palestinian component that facilitates statehood and prevents apartheid, Saudi-Israeli normalization runs the risk of mimicking the Abraham Accords by promising a great deal with no real mechanisms for channeling the necessary support for a two-state solution. This potential deal has to be done right. The more Israel, Saudi Arabia and the U.S invest in a Palestinian component, the more legitimate the burgeoning Israel-Saudi relationship will be.

**Why Is a Palestinian Component Necessary?**

After explaining what a Palestinian component will entail, it is worth touching upon why the main protagonists should even be interested in having a significant Palestinian component. One cannot deny the economic fruits the Abraham Accords have produced. Conversely, one cannot deny that ties at the people-to-people level remain frosty. Irrespective of how the accords were initially branded in 2020, the reality is that the accords and normalization with Israel in general are still not viewed positively throughout in the GCC and elsewhere, as the occupation is just too unpalatable. While a Saudi-Israeli-U.S. deal would bear economic fruit, relations would remain limited without a Palestinian component. The occupation and the flare-ups that come with it will act as a ceiling that prevents Saudi-Israeli cooperation from expanding beyond the economic issues. On the other hand, a convincing Palestinian component will help change the perception of Israel within the kingdom.

The other aspect is regional security. The enduring absence of a Palestinian state, or even an Israeli-Saudi deal without a Palestinian political horizon, has potential to exacerbate security tensions. As the region becomes more economically integrated, its security tensions simultaneously become more susceptible to spilling over from one country to another. With that in mind, it is not far-fetched that Palestinian-Israeli tensions could even spill over into Jordan, or that the Palestinian issue could have an impact like Syria did during the Arab Spring or Iraq did after the 2003 invasion. In addition, rising Israeli-Palestinian tensions could embolden radicals in the region and allow them to legitimize their radicalism through the instrumentalization of “Palestinian resistance.” If it continues, the Israeli government’s settlement building and the security deterioration in the West Bank will destabilize the region and prevent it from reaching its
full potential. In short, a Palestinian component is essential to Israel-Saudi normalization in order to ensure the stability of the region as a whole.
U.S. policy in the Middle East is notorious for its wide pendulum swings in recent years. Many of the biggest changes have taken place within a particular administration's term, and not just in the transition from one president to the next.

The measured Middle East re-engagement by the Biden administration in 2022-2023 after treating the region as a lower priority in its first year, may represent one of the biggest shifts seen in U.S. policy in the Middle East in recent years. Depending on how President Joe Biden's Middle East effort unfolds, it could rival the shifts seen when President Donald Trump pulled out of the Iran nuclear deal in 2018 after adhering to the pact for more than a year, and when President Barack Obama sent U.S. troops back into Iraq in response to the Islamic State threat just years after he famously pulled all troops out of Iraq. But a lot depends on how much time and effort the Biden administration decides to spend on the Middle East in the coming months compared to other priorities.
In the summer of 2023, media reports surfaced that the Biden administration was working on a big deal that could open up formal ties between Saudi Arabia and Israel. For a U.S. president who called Saudi Arabia a “pariah” on the campaign trail and spent his first year in office focused on other issues besides the Middle East, the turn towards prioritizing a possible normalization accord between these two countries in the region is a surprising one. But it is one that fits with the broader rationale of the Biden administration’s overall national strategy, focused on competing with China and Russia and trying to re-engage and reassure long-standing partners around the world.

The contours of what’s reportedly under discussion include separate U.S.-Israel and U.S.-Saudi bilateral defense and security pacts; a Saudi-U.S. civilian nuclear agreement and set of deals on economic and technological cooperation that build upon what the two countries laid out after Biden's visit to the Kingdom in the summer of 2022; and some forms of commitments involving the Palestinians, an element that is currently under discussion and to be determined.

I. Why Efforts to Advance Peace Between Palestinians and Israelis Matter for U.S. Strategic Interests and Values

A robust Palestinian component and set of understandings about a pathway ahead on that front are important to the United States for a number of reasons.

1. Broader regional stability and prosperity are unlikely without progress on the Palestinian front. Years of violence and tensions between Israelis and Palestinians have spilled over into the region and heightened the insecurity felt by many leaders in the region, and the efforts to expand regional integration and normalization are undercut by the lack of a sustainable resolution to the Israeli-Palestinian conflict. The vision of a Middle East that is more integrated with stronger links in transportation, trade, energy, and cyberspace will remain elusive and incomplete without including the Palestinian people.

2. Past deals that didn’t produce lasting progress on the Israeli-Palestinian front failed to reach their full potential. Past agreements between Egypt and Jordan tried but ultimately failed to elevate the importance of the Palestinians, and the Oslo process that started nearly 30 years ago ground to a halt for many reasons. The 2020 Abraham Accords with the United Arab Emirates, Bahrain, and Morocco functioned like a road in the West Bank that circumvents Palestinian population centers and goes directly to Israeli settlements. There are many reasons why Israeli-Palestinian tensions remain high, a primary one being the lack of a just resolution that accounts for the interests of the Palestinian people. An Israel-Saudi normalization accord that doesn’t adequately
address the Palestinian component would suffer from the same vulnerabilities as these past deals, and Saudi Arabia cannot risk a deal that isn’t as comprehensive as possible given its leadership position in the broader Muslim and Arab world. The criticisms and blowback it could receive from regional actors, including Iran, other Gulf states like Qatar, and associated media outlets, may be more considerable than what the United Arab Emirates, Bahrain, and Morocco experienced in 2020. In addition, after years of committing several unforced errors in its regional policies on Yemen, Qatar, and Lebanon, the Saudi leadership may be much more cautious in evaluating the potential risks of proceeding with Israel without some guarantees for the Palestinians.

3. As a practical matter, a broader Israel-Saudi normalization deal won’t likely happen without a strong Palestinian component. It remains unclear what precisely Saudi Arabia seeks on the Palestinian front, but the contours aren’t a mystery. The 2002 Arab Peace Initiative, put forward by the Saudis more than two decades ago, envisions a Palestinian state with East Jerusalem as its capital and a just resolution of the refugee problem in accordance with United Nations resolutions. Some of the positions outlined in that initiative have been overtaken by events, and the current Saudi leadership may have a different view on key provisions. But all indications are that Saudi Arabia would press for a more tangible outcome on the Palestinian front than previous peace and normalization accords had. Saudi Foreign Minister Prince Faisal Bin Farhan recently stated that “any peace with Israel must include the Palestinians because without addressing the issue of a Palestinian state, we will not have a true and real peace in the region.”

4. The lack of a two-state solution creates doubt about the viability of Israel as a Jewish and democratic state. Israel faces many challenges these days to its democratic system of government, including an ongoing challenge from within its own politics. But the lack of clarity about what kind of state Israel aims to be in the future is also linked to its unresolved relationship with its closest neighbor, the Palestinians. In the United States, voices from various communities prioritize democratic values in U.S. foreign policy, including key parts of the Jewish American community, and these values concerns will continue to animate America’s complicated debate about Israel.

5. Achieving strong bipartisan political support in the United States will require progress on the Palestinian front. If the U.S. Senate votes on possible bilateral security deals with Israel and Saudi Arabia, a clear pathway forward on the Palestinian front is important to achieve maximum support. As Senator Chris Van Hollen, a Democrat from Maryland who serves on the Senate Foreign Relations Committee, told New York Times columnist Thomas Friedman, “It will be hard enough for President Biden to sell any deal like this to the U.S. Congress. But I can assure you that there will be a strong core of Democratic opposition to any proposal that does not include meaningful, clearly defined, and enforceable provisions to preserve the option of a two-state solution and to meet
President Biden’s own demand that Palestinians and Israelis enjoy equal measures of freedom and dignity. These elements are essential to any sustainable peace in the Middle East.” Strong bipartisan support in the United States today is important because doing big things that last requires consensus and coalition-building of the sort seen around President Biden’s biggest legislative achievements on the domestic front.

For these five reasons, the Palestinian question is a key missing link that needs to be developed and strengthened in any effort to advance a Saudi-Israel normalization accord.

II. Policy Challenges the Biden Administration Faces in Advancing the Palestinian Component

Before turning to the political challenges that the Biden administration will face in trying to achieve a comprehensive Saudi-Israeli deal that includes a clear Palestinian component, especially in the short term, it is important to outline the policy challenges it faces.

1. Bandwidth strains on the foreign policy team. Until Biden’s visit to the Middle East in 2022, the Middle East was not as high on the priority list as China, climate change, re-engaging partners in Europe and Asia, and addressing immigration policy challenges. The Biden Middle East team spoke in ways that tried to reset and right-size expectations about U.S. engagement in the Middle East, saying it was going “back to basics” and not overpromising on what it would seek to do in the region.

The Biden administration started to make a shift towards re-engagement after Russia’s invasion of Ukraine led to a sharp rise in global oil and food prices and after the Biden team began to see that competing with China globally required a stepped-up engagement in the Middle East, rather than disengaging from the region. That—plus the fact that the Plan A on Iran, rejoining the nuclear deal to create a new equilibrium across the region, didn’t work out as planned—led the Biden administration to its current path of re-engagement in the Middle East. The size of the teams working on Middle East issues is also not as large as those working on other files like the Ukraine war and China.

There’s another bandwidth challenge related to prioritizing the Palestinian issue in the context of a possible Israel-Saudi normalization deal. Defense pacts with Israel and Saudi Arabia and a civilian nuclear program with Saudi Arabia are themselves complicated to agree to—not to mention the challenges of the Palestinian front.

2. Atrophied direct U.S. diplomatic engagement with the Palestinians. The United States has unilaterally disarmed itself in its diplomatic engagement with the Palestinian Authority and the Palestinian people, and U.S. law forbids direct U.S. engagement with
some Palestinian factions, including Hamas. Compared to a quarter-century ago, when the United States had a much bigger diplomatic and security team engaging the Palestinians, as well as development aid programs that brought Palestinians and Americans from many walks of life closer together and into regular contact, the current state of American-Palestinian relations remains quite limited.

If the United States wants to play a more active role vis-à-vis the Palestinians, it will need to take steps like reopening a U.S. consulate focused on the Palestinian Authority and seeking more diplomatic contacts with Palestinians.

But even modest U.S. diplomatic re-engagement with Palestinians will likely require substantial reforms on the part of the Palestinians due to constraints and conditions the United States has imposed on its policies of engagement. This effort is complicated by the current divisions and dysfunction among Palestinians: the split between the West Bank and Gaza, the efforts to isolate hundreds of thousands of Palestinians living in East Jerusalem from the rest of Palestinian politics, the power struggles between Fatah and Hamas, and the endemic corruption in the Palestinian leadership. Elaborate schemes to transfer West Bank territory from Areas C to B will not succeed as long as the Palestinian Authority suffers from a crisis of legitimacy in the eyes of its own people. The last elections for the Palestinian Legislative Council (PLC) were in 2006 and the most recent presidential elections were in 2005.

All of these factors present hurdles for any U.S. administration trying to integrate the concerns of Palestinians into an Israeli-Saudi normalization deal.

3. The stance of the current Israeli government. Several prominent leaders in the current Israeli government explicitly reject the two-state solution, which complicates any policy and diplomatic effort to elevate the Palestinians in a Saudi-Israel normalization deal. It is nearly impossible to envision progress on the Palestinian front under the current Israeli government.

4. The lack of a comprehensive U.S. regional diplomatic mechanism that engages and integrates Palestinians. The current U.S. diplomatic approach to the broader Middle East can perhaps best be described as “à la carte mini-lateral”—meaning that the United States has engaged a rotating list of groups to advance different policy initiatives, none of which has a particular focus or prioritizes the Palestinian question. The Middle East Quartet has been moribund for many years, and there is not yet a clear alternative that connects possible stepped-up U.S. diplomatic engagement on the Palestinian front with a wider regional or multilateral framework. Regional multilateral fora and initiatives that the U.S. is involved in, such as the GCC+3, the India-Middle East-Europe Economic...
Corridor, and the Negev Forum, could conceivably integrate the elements of the Palestinian question that are relevant to advancing stability in the region.

5. Threats posed by Iran, its regional network including Hezbollah, and other retrograde elements opposed to progress towards a two-state solution. One long-standing blind spot in U.S. policy in the Middle East is the lack of an integrated approach to monitoring efforts by countries like Iran and terrorist groups like Hezbollah and Palestinian Islamic Jihad who oppose a two-state solution. In years past, when efforts to advance peace between Palestinians and Israelis were made, these groups have taken action aimed at upsetting progress and destabilizing the region.

III. Political Challenges the Biden Administration Faces in Advancing the Palestinian Component

In addition to these real-world policy challenges, the Biden administration faces a number of domestic political challenges in advancing a possible Saudi-Israel normalization deal.

1. Foreign policy is not a priority in U.S. politics today, and there is not a strong focus on the Middle East. Heading into the 2024 elections, U.S. foreign policy doesn’t feature prominently in America’s political debate, particularly in comparison to the way it did in the immediate post-9/11 context and the aftermath of the 2003 Iraq war. Even top foreign policy concerns like China and Russia's war against Ukraine are lower priorities for U.S. voters compared to the economy, inflation, crime, immigration, climate change, and cultural warfare issues. This means that America’s political debate about Middle East policy is even more of an elite-driven dynamic than it has been in years past. It also means that potential political gains from a potential successful Saudi-Israel deal are much lower than some may assume. U.S. administrations that saw some success in Middle East diplomacy—President Jimmy Carter in the Egypt-Israel peace treaty in 1979, President George Bush with the Madrid conference following the quick 1991 Gulf War, and President Donald Trump with the 2020 Abraham Accords—didn’t reap the benefit of re-election from those diplomatic achievements, though their electoral losses were due to other factors.

2. There’s no strong, unified, bipartisan coalition committed to advancing the interests of the Palestinian people. Adding to the uphill political battle is the fact that U.S. politics today are not amenable to raising the concerns of the Palestinian people in a lasting way. Some of this is directly due to the nature and quality of Palestinian leadership in Ramallah and Gaza City these days and the fact that those leaders often voice positions and implement policies that are toxic and antithetical to U.S. interests and values. Another factor is that there is no clear voice in the U.S. debate about the Middle East
that presents consistent, pragmatic, and practical views about ways to achieve a two-state solution from a Palestinian perspective. Add to that the cacophony of pro-Israel voices from across the ideological spectrum making their voices heard, increasingly these days at odds with each other due to the crisis facing Israel's democracy. The loudest and dominant pro-Palestinian voices tend to be oppositional and anti-establishment in their mindset, and as such they often don't work in ways conducive to building and expanding coalitions and creating the relationship capital needed to advance proactive policy agendas.

3. Complicated U.S. domestic politics on relations with both Saudi Arabia and Israel.
Another complicating political factor is the potential countervailing impact of U.S. ties with Israel and Saudi Arabia. As already mentioned, a range of issues related to Israel's own democracy and views about the current Israeli government have already complicated America's domestic politics on this bilateral relationship, and could also impact the efforts to achieve a grand bargain.

U.S.-Saudi relations have been through perhaps their bumpiest and most fraught phase over the last eight years, adding to an already complicated political debate about Saudi Arabia in the United States animated by energy policy, the 9/11 attacks, human rights, the Yemen war, and views on relations with countries like Russia and China. The Biden administration has shifted its approach beyond the “big chill” and has sought to stabilize relations with Saudi Arabia, but the political foundations for this relationship are less stable in both the Democratic and Republican parties.

4. America’s hyper-partisanship makes it harder to get big things done. This political dynamic makes it particularly hard to get big things done. While not impossible, bipartisan coalition-building on foreign policy issues takes more time than many appreciate.

5. The presidential election of 2024 adds another complication. Given the red-versus blue-tribalism of U.S. politics, the fact that 2024 is a presidential year adds more complications to a complicated diplomatic effort to bring Saudi Arabia and Israel together in a way that elevates the Palestinian component. Every slip-up or misstep by the Biden administration will be used by its opponents in the Republican Party as evidence that President Biden should not be re-elected. If Donald Trump is the Republican nominee in 2024, all bets are off about what he might say or do on this front.

IV. A Recommended Pathway Forward for U.S. Policy and Politics

The analysis that precedes is aimed at outlining why it’s important for the United States to try to integrate a robust Palestinian component in a possible Saudi-Israel deal and offering a clinical assessment of the policy and political landscape that currently exists.
Policy and political landscapes can change, and often do change, quite dramatically these days.

The most important element required at this moment is likely time—it might not be feasible to address the myriad policy and political constraints in the next year, which is the timeframe that has been set. But as we have seen in recent months, surprising things can happen in the Middle East, like the China-brokered deal between Iran and Saudi Arabia.

Some components of a recommended pathway for U.S. policy and politics to elevate the Palestinian component in a possible Saudi-Israel normalization deal include:

1. **Build up the team inside the U.S. administration focused on American-Palestinian relations.** For decades, the United States has treated its diplomatic relations with Palestinians as a subsidiary to the U.S.-Israel relationship. This is due to the fact that for decades before the 1990s, the United States had no open relationship with Palestinian leaders. The performance of the PA and the PLO over the past thirty years, along with the posture of successive Israeli governments, has done little to boost the incentives for U.S. policymakers to prioritize the U.S.-Palestinian relationship. The Trump administration took active steps to further unilaterally disarm U.S. diplomacy with Palestinians by cutting off diplomatic channels and pursuing a policy of “maximum pressure and isolation” with Palestinian leaders. The Biden administration has done very little beyond shifts in public statements to alter this stance.

In order to effectively navigate what’s likely to transpire inside of Palestinian society, its inevitable leadership transitions, and the impact on Israel and the wider region, the United States needs a deeper bench of diplomats and security professionals working with elements of the Palestinian Authority and the wider society to help achieve stability and progress. Additional work is needed to plan for the upcoming Palestinian political transitions and to help the Palestinian people have more of a voice in their own affairs.

2. **Create a new regional framework for diplomatic engagement that includes the Palestinians.** There’s only so much that multiple contacts between various actors in the region—whether it be Saudi-PLO, Saudi-Hamas, or Israel-Saudi—can do to advance a comprehensive peace. The most likely forum, out of the wide menu of diplomatic mechanisms the Biden administration has created, is the Negev Forum, and it is reported that the efforts to draw some Palestinian observers or representatives into the process were close to bearing some fruit until Morocco postponed the latest attempt to hold a working group meeting.

A more comprehensive regional grouping than the Negev Forum could serve as a vehicle not only for integrating the Palestinians into regional processes, but also
bolstering their connections with more countries in the Middle East and Asia, along with Europe.

3. **Double down on U.S. security engagement in the Middle East.** As mentioned above, actors who oppose a two-state solution and threaten the security of Israelis and Palestinians alike will likely continue to serve as spoilers and impede progress. No other country has the wide range of security relationships that the United States has across the Middle East, and increasingly the focus of U.S. defense and security policy in the region is to promote greater integration and interoperability among our partners. This work should continue, and it should be done in a way that lifts up the Palestinian people and prioritizes their security as well as others.

4. **Put freedom and basic human security higher on the diplomacy agenda.** In trying to advance a comprehensive agreement that brings Israel and Saudi Arabia together, it is important that the United States continue to lift up its voice against violations of basic human rights and freedoms for ordinary people of the region. This doesn't mean adopting a hectoring or polemical approach to these issues, but rather underscoring that the United States still values these basic freedoms that are often not respected by partner governments in the region. A lasting, just peace needs to remain sensitive to the concerns that Israelis have about their own democracy and the worries Palestinians have about the lack of freedom in their lives.

5. **Construct long-term bipartisan support networks inside of America to support this work.** Given the politics of the moment, it seems next to impossible for America’s political system to absorb this last recommendation, but it remains important to try to build coalitions. This is especially true for foreign-policy questions, which lack resonance with most ordinary voters but animate caustic elite-driven debates. Those divisions inside of America have been exploited by its adversaries in recent years, producing a noisy dysfunction that undercuts America's influence on key issues around the world, but particularly in the Middle East.

Some modest efforts like the 2020 Middle East Partnership for Peace Act (MEPPA), which created funding for partnerships and initiatives aimed at supporting coexistence and economic development, are a sign that bipartisan support can be built, even though MEPPA itself is not a game-changer for Israeli-Palestinian relations. Similarly, the proposed Regional Integration and Normalization Act introduced by a diverse, bipartisan group of Senators in the summer of 2023 represents a narrow beachhead upon which greater unity and stronger coalitions for true peace in the Middle East can be built.

In all of this—the three most important elements will be leadership, political will, and time.
About the Authors

Celine Touboul
Celine Touboul is co-executive director of the Economic Cooperation Foundation, a leading Israeli think tank developing and advancing policies aimed at creating conditions for the realization of a viable two state-solution. Touboul leads ECF’s strategic planning and policy efforts related to the Israeli-Palestinian peace process, focusing most particularly on the role of regional players and security-political matters related to Gaza. She advises several Israeli organizations on these issues and regularly engages with Israeli, U.S., and European policy makers. Touboul has been involved in several track-II initiatives related to the Israeli-Palestinian peace process. In addition, she worked as a research fellow at NATO’s College of Defense, focusing on the parameters of future peacekeeping missions in the Israeli-Arab context. Touboul holds an M.A. in European and international public law from the Jean Monnet Law Faculty of Paris-Sud University and an M.A. in international relations from the Hebrew University, Jerusalem.

Manal Zeidan
Manal R. Zeidan is an intercultural communication specialist and a freelance consultant who has served in both advisory and executive roles in government, non-profit organizations, and private consultancy firms. She previously served as advisor to the prime minister and director of international relations at the Office of the Prime Minister of the Palestinian Authority in Ramallah from 2007 to 2013, after which Zeidan worked as the director of advocacy and outreach at the Future for Palestine non-profit organization, where she established and oversaw sustainable social and economic development programs to empower women and grassroots organizations in West Bank refugee camps. Zeidan holds B.A. and M.A. degrees in communication studies from California State University, Fullerton.

Aziz Alghashian
Aziz Alghashian is a researcher from Saudi Arabia who focuses on the kingdom’s foreign policy strategies. He is particularly known as a specialist for Saudi-Israeli and Arab-Israeli relations. Alghashian joined the Royal Military Academy Sandhurst where he underwent officer training before obtaining his undergraduate degree in international relations and global security at Nottingham Trent University. He received a M.A. degree in diplomacy and international relations from the University of Nottingham and obtained
his Ph.D. in Saudi foreign policy towards Israel from the University of Essex, where he was a lecturer.

**Brian Katulis**

Brian Katulis is a senior fellow and vice president of policy at the Middle East Institute and editor-at-large of the Liberal Patriot. He was formerly a senior fellow at the Center for American Progress (CAP), where he built the Center’s Middle East program and also worked on broader issues related to U.S. national security. He has produced influential studies that have shaped important discussions around regional policy, often providing expert testimony to key congressional committees on his findings. Katulis has also conducted extensive research in countries such as Egypt, Israel, Jordan, and the Palestinian territories. His past experience includes work at the National Security Council and the U.S. Departments of State and Defense. Brian has a M.A. in public affairs from Princeton University’s School of Public and International Affairs and a B.A. in history and Arab and Islamic studies from Villanova University, and was a Fulbright scholar in Jordan in 1994-1995.