

THE ROUTLEDGE HANDBOOK  
ON THE EUROPEAN  
NEIGHBOURHOOD POLICY

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# ISRAEL AND PALESTINE AND THE EUROPEAN NEIGHBOURHOOD POLICY

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## Introduction

The European Union's (EU) policy towards Israel and Palestine pre-dates the launching of the European Neighbourhood Policy (ENP). The Arab–Israeli conflict, and especially its Palestinian dimension, has been among the first issues discussed in the framework of the European Political Cooperation (EPC) that was established, in the early 1970s, as the predecessor of the Union's Common Foreign and Security Policy (CFSP). Since then, the EU has progressively developed common positions on key issues pertaining to the Israeli–Palestinian conflict through its declaratory diplomacy, including on the so-called 'final status issues': borders, Israeli settlements, Jerusalem and Palestinian refugees (Ifestos 1987; Allen and Pijpers 1984; Nuttall 1992; Pardo and Peters 2010; 2012; Musu 2010; Müller 2012; Bouris 2014). Making close reference to relevant United Nations (UN) resolutions and public international law, the EU supports an Israeli withdrawal to the 1967 borders (with minor, mutually agreed modifications), emphasizes the illegality of settlement building in the Palestinian Occupied Territories (OT), including in East Jerusalem, and calls for a just, viable and agreed solution for Palestinian refugees. At the same time, the EU has repeatedly stated its support for the right of Israel to exist within secure and recognized borders.

While the EU has initially addressed the Israeli–Palestinian conflict primarily through diplomatic instruments, it has progressively developed a comprehensive approach to conflict resolution that involves (economic) instruments belonging to the 'Community pillar'. In this respect, the ENP provides a 'cross pillar' framework, through which the EU integrates its political objectives in the Middle East Peace Process (MEPP) into its bilateral relations with the parties to this conflict. The ENP, thus, must be considered as a diplomatic framework to develop the Union's bilateral, economic, political and social relations with Israel and the Palestinian Authority (PA), as well as an important political instrument in the EU's conflict resolution toolkit (Crombois 2008). The link between the ENP and the Union's conflict resolution instruments has progressively been strengthened in the strategic documents underpinning the ENP. In 2006, the European Commission declared that addressing conflicts in the neighbourhood is one of the ENP's key purposes and is central for the success of the policy (Commission of the European Communities 2006). Following the Arab uprisings, conflict resolution moved even further up the agenda of the revised ENP (High Representative of the European Union for Foreign Affairs and Security Policy and European Commission 2011). Through the 'more-for-more' principle, the revised ENP

offered additional rewards (that is, deeper economic and political integration) to ENP countries committed to conflict resolution, democratic reform, and EU values and norms. Moreover, the 2011 revised ENP placed greater emphasis on security aspects and the role of civil society in bringing about 'deep democracy'. Against the backdrop of severe instability and conflict in the European neighbourhood, the EU became even more concerned about the ENP's appropriate role in conflict resolution, which appeared increasingly out of sync with the profound changes in its neighbourhood. For example, in the Union's consultation paper entitled 'Towards a New European Neighborhood Policy', which critically engages with the EU's traditional approach to the ENP process, the European Commission and the High Representative of the EU for Foreign Affairs and Security Policy raises questions, such as how the ENP should address conflicts and crises in the neighbourhood, whether CFSP and CSDP activities should be better integrated in the ENP framework, and whether the ENP should have a greater role in developing confidence-building measures and post-conflict actions as well as related state- and institution-building activities (High Representative of the European Union for Foreign Affairs and Security Policy and European Commission 2015).

This chapter provides an overview of the EU's relations with Israel and Palestine and of the Union's role in conflict resolution, emphasizing the ENP framework. The chapter shows that the EU has developed close political and economic relations with both Israel and Palestine, while simultaneously developing its role as a political mediator in the conflict. Through the ENP framework, the EU has sought to link its political objectives in the MEPP more closely to its bilateral (economic) relations with Israel and Palestine, an effort that has not been without tensions and contradictions. The conclusions summarize the key arguments.

### **The EU and the Israeli–Palestinian conflict**

Even though the international, European and regional conditions of the EU's conflict resolution policy have changed significantly over the past 46 years, the EU has traditionally considered the Israeli–Palestinian conflict to be closely linked to key European interests. The Union's view of the conflict is shaped by the complex history of individual EU Member States within the region – including diverse experiences, such as the British mandate over Palestine and the Holocaust – as well as by geographic proximity. The EU understands the Israeli–Palestinian conflict to be closely linked to the stability of the wider Middle East and North African (MENA) region, which matters for the containment of political violence and radicalism, the management of migration pressures and European energy security. While the events following the Arab uprisings in 2011 have resulted in profound new challenges to regional stability, the Israeli–Palestinian conflict remained a fundamental policy priority of the EU.<sup>1</sup>

Common European interests notwithstanding, it is also important to emphasize that the EU is not a 'unitary actor' in relation to the Middle East conflict.<sup>2</sup> Despite progressive institutional reforms, the CFSP has remained a heavily intergovernmental process, dominated by Member States with their own national foreign policy interests, models, diplomatic traditions and historic legacies. The EU must reach a compromise between Member States with strong ties to Israel – such as Germany, the Netherlands, Poland and the Czech Republic – and members that have traditionally held positions closer to Arab-views, including France, the UK, Spain, Ireland, Sweden and Malta. The Member States' outlook on the conflict, and their specific ties to the parties to the conflict, have complex reasons, such as Germany's moral debt for its crimes against the Jewish people and the historic involvement of the UK and France in the Arab world and their role as permanent members of the UN Security Council. This has traditionally made the establishment of a common EU policy, from diverse national approaches, a challenging, laborious and

time intensive process – with Member States' representatives often arguing substantively before they reach agreement. Often, national diplomats based in Brussels meet informally in groups of like-minded Member States to pre-coordinate their views and gain an advantage in subsequent negotiations. Simultaneously, Member States are subject to significant lobbying activities by the parties to the conflict, with Israel being particularly active in communicating its views to EU countries it considers close friends, as well as lobbying activities by non-state actors (Gordon and Pardo 2015; Voltolini 2015).

The EU's success in progressively narrowing national differences and forging consensus on key issues pertaining to the Israeli–Palestinian conflict is owed to the consensus-based culture prevailing in the increasingly thick institutional web underpinning the CFSP, and the role of previously agreed EU positions as powerful precedents that guide subsequent EU policy (Müller 2013). Yet, this path-dependent logic of EU foreign policy-making does not prevent intra-EU divergences over new policy developments and heated debates over the right way to take EU policy forward (that is, beyond the *acquis* of previously agreed positions) that also impact on the ENP.

### **EU–Israeli relations and the ENP**

Full diplomatic relations between the European Economic Community (EEC) and Israel were established in 1959 (Pardo and Peters 2010; 2012; Pardo 2013; 2015; Rom 1998; Heimann 2015; Harpaz and Heimann 2016). In 1964 the parties signed their first non-preferential agreement (European Economic Community–Israel 1964). Six years later, in 1970, they signed a preferential trade agreement (Kapeliuk-Klinger 1993), and in 1975 Israel and the EC signed their first Free Trade Area (FTA) agreement, which abolished all trade barriers on Israeli-manufactured goods by the end of 1979 (European Economic Community–Israel 1975). For many years, Israel hoped to upgrade the 1975 FTA agreement, but differences over the MEPP rendered this impossible.

EC–Israeli relations were exacerbated by the 1980 Venice Declaration (Pardo and Peters 2012: Document 3/2), which marked a turning point in EC/EU–Israeli relations, adding a charged political undertone to what had previously been a primarily economic relationship.<sup>3</sup> Thirty-seven years on, the Venice Declaration remains a defining moment in Israeli discourse and in the public distrust of the EU as an actor in the MEPP (Peters 2000: 156).

The launch of the Oslo Peace Process in 1993, between Israel and the Palestine Liberation Organization (PLO), led not only to a marked improvement in the tone of EU–Israeli relations but also to a qualitative change in relations between these two partners. In December 1994, EU leaders declared that Israel 'should enjoy a special status in its relations' with the EU (Pardo and Peters 2012: Document 4/6), and in 1995 the EU and Israel signed an Association Agreement (AA; Pardo and Peters 2012: Document 4/23) in the context of the newly established Euro-Mediterranean Partnership (EMP; a.k.a. Barcelona Process). The AA came into force in June 2000, after it was ratified by the national parliaments of the 15 Member States, the European Parliament and the Israeli Knesset, and since then forms the legal basis for EU–Israeli relations.

The implementation of the terms of the AA was not conditioned by the EU on the assurance of continued progress in the MEPP and the end of Israeli occupation of Palestinian territories. What was more, the EU and Israel refrained from identifying the 'territory of Israel' in the AA. Accordingly, both parties interpreted the territorial scope of the AA in line with their respective domestic political understanding and legislation, resulting in follow-up disputes over the correct implementation of the AA (Müller and Slominski 2017). The issue of goods produced in Israeli settlements in the OT led to a protracted dispute between the EU and Israel over the Rules of Origin (ROO) within the terms of the AA. In December 2004, Israel succumbed to EU pressure and the parties reached a 'technical arrangement', under which Israeli customs authorities

are required to identify the place of production for all products exported to the Union (Pardo and Peters 2012: Document 5/12; Zemer and Pardo 2003). Eventually the ROO saga found its way to the European Court of Justice (ECJ), and in its 2010 *Brita* Case (Case C-386/08 2009/2010), the ECJ ruled that the AA must be interpreted as meaning that products originating in the West Bank do not fall within the territorial scope of that agreement and do not therefore qualify for preferential treatment under that agreement (Case C-386/08 2009/2010: Paragraph 53; Pardo and Zemer 2011).

In its November 2015 'Interpretative Notice on Indication of Origin of Goods from the OT' the EU further clarified that 'made in Israel' labels used for products originating from Israeli settlements in the OT would mislead European consumers and therefore are inconsistent with existing EU legislation (European Commission 2015a).

Despite the ROO dispute, since its conclusion, the AA consolidated EU-Israeli relations. Currently, the Union is Israel's largest trade partner. In 2015, 36 per cent of Israel's imports (excluding diamonds) came from the EU and 25 per cent of its exports (excluding diamonds) were directed to the European market (Central Bureau of Statistics 2016). Israel is a much smaller trading partner from the viewpoint of the EU. In 2015, Israel was ranked the EU's 25th major trade partner (European Commission 2016).

Some of the most significant aspects of the AA are the provisions aimed at intensifying scientific and technological cooperation. In October 1995, Israel and the EU concluded a 'Research and Development Agreement', through which Israel became the first non-European country to be fully associated with the Union's research programmes (Pardo and Peters 2012: Document 4/11). Thanks to this agreement the EU is now Israel's second largest source of research funding, second only to the Israel Science Foundation (ISF). In July 2013, the European Commission published the Union's 'Guidelines on the eligibility of Israeli entities in the OT' (European Commission 2013b), according to which, from January 2014, the EU no longer funds or dispenses awards and research grants to Israeli entities operating within the OT (Gordon and Pardo 2015).

As this brief historic overview shows, the EU had traditionally been wary to explicitly link its economic relations with Israel to its policy towards the MEPP, which was to change somehow with the introduction of the conditionality-based ENP. Israel, who was never a big supporter of the EMP, and not yet aware of the conditionality-based ENP, was one of the first Mediterranean countries to welcome the announcement of the ENP. With the new emphasis of the ENP on bilateral relationships, Israel was encouraged by the Union's departure from the regional straitjacket of the EMP that Israel so distrusted. From the late 1990s Israel was completely isolated in the EMP and never enjoyed the EMP's regional advantages. Thus, Israel responded enthusiastically to the possibility of developing a closer relationship with the EU and the opportunities it presented and, already in early 2004, opened discussions over drawing up a joint ENP Action Plan (AP). The EU-Israel AP was adopted in December 2004 and was the first ENP AP to be approved by the European Commission (Pardo and Peters 2012: Document 5/9). Its signing was heralded by both the EU and Israel as a significant achievement and an important step in bringing the Union and Israel together (Pardo and Peters 2010).

The preamble to the AP speaks of the opportunity afforded by enlargement for the two parties to develop an increasingly close relationship. While the AP is based on the 1995 AA, it lays out a much wider and more comprehensive set of jointly developed EU-Israeli ENP priorities, and opens up the possibility of Israel participating progressively in key aspects of EU policies and programmes.

The AP identifies six key areas of cooperation and joint action between Israel and the EU. It places a special emphasis on the 'upgrade in the scope of political cooperation' by calling for a renewed political dialogue based on shared values, including issues such as: the promotion and

the protection of human rights and fundamental freedoms; improving the dialogue between cultures and religions; promoting effective multilateralism in the framework of the UN; combating anti-Semitism, racism, xenophobia and Islamophobia (Pardo and Peters 2012 Document 5/9).

A challenging issue during the negotiation process of the EU–Israel AP was the nature of the relationship between the ENP and the Israeli–Palestinian conflict. For Israel, the ENP was mainly an opportunity to associate the country with EU programmes and agencies, and to upgrade its bilateral relations with the EU into a real privileged partnership. During the negotiation process, Israel insisted on de-linking its bilateral relations with the EU to progress in the MEPP. The EU, in turn, was divided over the issue, with pro-Israel Member States, like Germany and the Netherlands, supporting Israel's viewpoint, and members such as Belgium, Greece and Ireland, who considered the ENP to be an instrument to enforce Israel's compliance with its obligations taken in the framework of the MEPP, insisting on linking the bilateral relations to progress in the peace process (O'Donnell 2009).

While the AP refers to various issues related to the peace process, these issues were made subject to non-binding political dialogue, rather than being stated in terms of strict conditionality, specific objectives and obligations (Müller 2012). Accordingly, the link between the ENP and the MEPP was based predominantly on the socializing effects of sustained cooperation and political dialogue, rather than economic leverage and hard conditionality.

The AP calls for containing the spread of weapons of mass destruction and their means of delivery, including ballistic missiles, the question of the illicit trafficking of military equipment and strengthening the fight against terrorism. In the economic sphere, the AP speaks of increasing economic integration by developing trade and investment flows, by liberalizing trade and services, in particular, financial services, with a view to preparing Israel for participation in the EU market – as well as deepening and enhancing the existing economic dialogue and identifying areas relevant for regulatory approximation with EU legislation. The AP also details a range of programmes and common initiatives which cover the following four issues: i) strengthening cooperation on migration-related issues, fighting against organized crime, including trafficking in human beings, and police and judicial cooperation; ii) promoting cooperation in science and technology, research and development, the information society, transport, energy and telecom networks; iii) strengthening the environmental dimension of public policy; and iv) strengthening links and cooperation in people-to-people contacts in education, culture, civil society and public health.

Over the years, the ENP has enabled the EU and Israel to intensify the level of their dialogue in the field of political and security cooperation, to raise significantly the degree of economic integration (through Israeli participation in EU programmes and agencies and the Union's Technical Assistance and Information Exchange programme) and has helped boost socio-cultural and scientific cooperation (through programmes such as the European Peacebuilding Initiative, the European Instrument for Democracy and Human Rights, the Euro-Med Audio-Visual Programme, Erasmus+ and Horizon 2020). While the institutional cooperation through the Association Council, the Association Committee and 10 joint sub-committees have brought together EU and Israeli experts to oversee the implementation of the AP, Israel always rejected the European socialization process and did its utmost to block the diffusion of European norms, mainly in the political dialogue (Pardo 2015).

Be that as it may, without question, the adoption of the AP marks an important turning point in EU–Israeli relations and, all in all, the ENP has bolstered this uneasy relationship. At the same time, the EU – against the backdrop of a severe deadlock in the peace process – carefully moved towards stronger conditionality in its relations with Israel, at least at the level of political rhetoric. In its 2007 progress report, the EU stated that '[a]ny consideration of EU–Israeli relations in the context of the ENP must take into account the persisting Arab–Israeli conflict'

(European Commission 2008: 2). In practice, however, the Union's political management of the ENP with Israel remained subject to careful political manoeuvring and competing interests among EU Member States.

In December 2008, the EU and Israel decided to upgrade their relations within the framework of the ENP (Pardo and Peters 2012: Documents 5/41, 5/55). Yet, in response to Israel's military operation in Gaza that same month, discussions over upgrading relations were put on hold by the Union (Pardo and Peters 2012: Document 5/46). Still, in July 2012, under major Israeli pressure, European foreign ministers 'updated' EU-Israeli relations in 60 concrete activities, in over 15 specific fields within the current AP (Council of the European Union 2012). Finally, in December 2013, the EU Foreign Affairs Council outlined the prospect of a higher status by offering Israel a Special Privileged Partnership (SPP). According to the Foreign Ministers, the Union will provide an unprecedented package of European political, economic and security support to both Israelis and Palestinians in the context of a final status agreement (Council of the European Union 2013). For its part, Israel never reacted to this offer and even refuses to discuss the possible content of the SPP with EU officials, due to its fear that such an 'Israeli wish-list' may be used to put pressure on Israel (Pardo 2015).

### The EU's relations with Palestine and the ENP

The EU's political and economic relations with Palestine evolved in close interaction with its declaratory policy on the MEPP. As early as 1973, the EU expressed its support for the 'legitimate rights of the Palestinians' (Pardo and Peters 2012: Document 2/20), calling in subsequent declarations for a 'homeland' for the Palestinians (Pardo and Peters 2012: Document 2/38) and underlining the Palestinian right to self-determination and the necessity to associate the PLO with a peace settlement (Pardo and Peters 2012: Document 3/2). The EU further expressed its full support for a viable and peaceful sovereign Palestinian State (Pardo and Peters 2012: Document 4/21).

While, before the Venice Declaration, the EU had channelled its aid through intermediaries, the Union began to work directly through Palestinian organizations only in the 1980s. In 1986, the EU established direct trade links with the OT (Müller 2013). The EU's decision to involve the OT in the Euro-Mediterranean preferential trading system was not only of economic significance, but it also marked the implicit recognition of an autonomous Palestinian entity (Hollis 1994). Following the launch of the Oslo process, Israel's transfer of administrative powers to the newly established PA provided the EU with a new Palestinian interlocutor. The EU became the biggest international donor to the newly established PA and in 1997 it concluded an interim AA with the PLO in the framework of the EMP.

Besides governing trade-related issues, the EMP involved a commitment to the development of the rule of law and democracy and to the respect of human rights. Yet, initially the EU was reluctant to link its trade relations and generous financial support to the PA to the latter's respect of key principles and values underpinning the EMP. Considering the PA leadership an essential partner in the MEPP, the EU supported the PA, largely irrespective of its severe governance failures, corruption and human rights records, prioritizing swift progress in the peace process over governance reforms (Müller 2012; Tocci 2005). During the Oslo process, the EU had established itself as the main donor to the Palestinian people, providing about half of the total international assistance to the Palestinians through different budgetary lines, including the MEDA mechanism,<sup>4</sup> the UN Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) and the EC Humanitarian Aid Department (ECHO).

It was only against the backdrop of severe setbacks in the Oslo process (which finally collapsed in late 2000), in conjunction with growing external and internal pressure for reforms



within the PA, that the EU reconsidered its approach towards the PA and opted for applying more stringent political conditionality (Tocci 2005; Le More 2008). This shift in the Union's political approach towards the PA coincided with the establishment of the so-called Middle East Quartet (the UN, the United States [US], the EU and Russia), which launched the 'roadmap for peace initiative' that placed great emphasis on Palestinian (institutional) reforms.

For the EU, the subsequent establishment of the ENP provided a useful framework to integrate political objectives into its bilateral economic relations with the PA. Accordingly, the EU formulated political conditionality in its 2005 ENP AP with the Palestinians, in a straightforward fashion, making the level of cooperation with the PA dependent on its capacity to implement reforms demanded by the roadmap and the PA's compliance with its obligations under the MEPP (Commission of the European Communities 2005). The 2005 AP also specified clear reform objectives in areas such as human rights, democracy and the rule of law, judiciary reforms and the accountability of public finances, which were made subject to a strict monitoring and review process. The EU, furthermore, became actively involved at the operational level to support Palestinian governance reforms, most notably through its police mission – EUPOL COPPS – that was launched in January 2006, with a staff of more than 30 European police experts and advisors. This Common Foreign and Security Policy (CSDP) mission has a police and rule of law component and has made a valuable contribution to training and professionalization of the Palestinian police and judiciary and to maintaining public order in the West Bank. Through a mix of political incentives and development assistance, the EU assisted in promoting PA reforms in areas such as public finance, transparency and security sector reform (European Commission 2012).

Yet, Palestinian politics soon complicated the reform process. Hamas' 2006 election victory led to a temporary interruption of EU–Palestinian relations, when the new government led by Hamas refused to abide by principles for cooperation established by the Middle East Quartet (Müller 2014). After the violent split of the Palestinian territories into two *de facto* governments in summer 2007 – with Hamas in control of the Gaza Strip and the West Bank being run by the rival Fatah party – the implementation of the AP was resumed with the new Fatah-led government in the West Bank, while the EU opted, together with its Quartet partners, for the isolation of Hamas in the Gaza Strip. From the outset, however, the EU's policy of boycotting Hamas was subject to controversy among the Member States, with France and Scandinavian EU countries reportedly maintaining unofficial contacts with the Islamist movement (Müller 2012).

Due to the intra-Palestinian division, the internationally sponsored reform and development agenda of the PA government was now limited to the West Bank. This also affected the EU's reform efforts, including in the framework of the EUPOL COPPS mission, which not only operated in the context of ongoing Israeli occupation but also now faced the political and institutional division of the Palestinians, with Gaza and the West Bank having different legal, legislative and security systems. In the West Bank, Palestinian Prime Minister Salam Fayyad (2007–2013), an internationally respected economist, placed strong emphasis on good governance and economic development. In December 2007, Fayyad introduced his 'Palestinian Reform and Development Plan', which set out the political and economic reforms central to the Palestinian state-building agenda. The reform initiative enjoyed strong political backing in Brussels, with the EU and other European countries providing more than half of the USD7.7 billion pledged at the 2007 Paris international donors conference (Müller 2012: 66).

The progress achieved in the Palestinian reform process under Fayyad's premiership was acknowledged by the international community, with the EU and other donors like the World Bank expressing the view that the PA has become well-positioned for the establishment of a state in the near future (European Commission 2013a). Negotiations for a new AP were

concluded in 2012 (European Commission 2013a), and this new AP now included an offer for a privileged EU–PA partnership, rewarding the PA for the good reform progress it had made in previous years. Yet, the continued deadlock in the MEPP, and the persisting political and territorial division of the Palestinians, increasingly put at risk the process of PA institution building, democratization and governance reforms, which had been set in train in the context of the roadmap. Palestinian disunity clearly undermines democratic and accountable governance, with President Mahmoud Abbas ruling by decree, the Palestinian Legislative Council (PLC) being unable to convene, and the prospects for much overdue Palestinian legislative and presidential elections remaining elusive. At the same time, a ‘shadow bureaucracy’ of PA officials has been maintained in Gaza – that is on the payroll of the international community – and cannot return to work as long as Hamas maintains its control. After more than ten years of political isolation, two major military conflicts with Israel and a deteriorating humanitarian situation, Hamas remains in control of the Gaza Strip and a relevant force in Palestinian politics.

At the level of its political rhetoric, the EU has remained firmly committed to its democratization and good governance agenda, emphasizing the ‘more for more’ principle and its commitment to ‘deep democracy’ of its revised ENP (European Commission 2015b). Behind closed doors, however, EU officials and other international donor representatives voice concerns about pushing for elections that could bring Hamas (back) to power and lead to further political destabilization in an already inflamed region.<sup>5</sup> The EU’s focus on President Abbas and the Fatah-dominated PA – in which it has heavily invested for more than two decades as the nucleus of a Palestinian State – has made it even more challenging to facilitate Palestinian reforms and good governance, not least as the EU is anxious to take any step that could undermine the ‘moderate camp’ (see also Youngs 2014).

At the same time, the EU and other international donors are facing growing criticism by PA officials for not doing enough against Israeli policies that undermine the prospects of a two-state solution and hamper the socio-economic development of Palestine, including the construction of Israeli settlements in the OT and restrictions of Palestinian movement that stifle economic activity.<sup>6</sup> Though the EU has invested heavily in PA institution building and economic development, with Palestine receiving more than EUR6 billion of EU aid since 1994, the PA has become even more dependent on international aid to sustain itself while being unable to develop a viable economy (Abdel-Shafi 2015). In the absence of a credible political strategy, the ENP’s focus on Palestinian governance reform and state building thus increasingly appears as a technocratic exercise that almost takes place by default, while the prospects for re-starting peace talks remain dim and the viability of a two-state solution is fading away.

Against this backdrop, the intra-EU debate on the recognition of a Palestinian state has intensified. Sweden officially recognized a Palestinian state in October 2014, countries like Belgium publically stated they are in favour of doing so, while national Parliaments in Spain, Italy, Portugal, France, Ireland and the UK adopted resolutions in which they urge their governments to recognize Palestinian statehood. Conversely, countries like Germany and the Netherlands have declared their position against a unilateral recognition of Palestine (for example, Reuters 2014), with the EU as a bloc lacking consensus to move beyond its 1999 Berlin declaration, that is, support of future recognition of a Palestinian state when appropriate (European Council 1999).

## Conclusions

The EU holds that a political resolution of the Israeli–Palestinian conflict is imperative (Müller 2012; Pardo and Peters 2012). The continuation of the conflict is a major source of instability, and the resolution of the Palestinian question is looked on as a critical component in addressing

the Arab uprisings in the wider region, and as an important element in tackling the growth of Islamic fundamentalism and international terrorism. The continuation of the Israeli–Palestinian conflict, therefore, is also impacting negatively on the Union’s domestic stability.

Yet, as our analysis shows, the EU has traditionally found it difficult to develop a comprehensive and coherent policy towards the Israeli–Palestinian conflict. Historically, the EU has sought to avoid linking its bilateral economic relations with Israel to the MEPP. With the launch of the ENP, the EU’s approach has gradually changed, at least at the level of rhetoric and political strategy. Progressively, the EU has integrated the language of conditionality into its ENP relations with Israel, stating its intention to assess the development of bilateral relations due to progress in the MEPP. In practice, however, the EU has been reluctant to implement conditionality in strict terms, not least as such an approach lacked support among key Member States. And while the conflict between Israelis and the Palestinians, and the sustained deadlock in the peace process, have repeatedly complicated EU–Israeli relations, the overall trend has been the progressive deepening of the EU–Israeli relationship. Whether the strong bilateral relationship between these two partners could be sustained once the MEPP – in which the EU has heavily invested politically and financially – is no longer viewed as a credible policy option, remains uncertain. Statements and actions during the past two years by EU institutions and officials suggest that the latest position of the EU is that the MEPP explicitly demands more than merely the resumption of negotiations, but indeed an urgent and comprehensive settlement (European Union External Action Service 2016).

With respect to the EU’s policy towards the Palestinians, the ENP was introduced at a time when Palestinian governance reforms had shifted in the focus of the EU and its Quartet partners. Against this backdrop, the conditionality-based ENP was considered a useful tool to incentivize PA reforms, which became a central element of the EU–PA AP and subsequent ENP documents. Yet, continued deadlock in the MEPP and the political and territorial division of the Palestinians – since Hamas took control of the Gaza Strip in 2007 – clearly undermined the EU-promoted reform process, which aimed at building the PA’s capacity to run a Palestinian state. Considering the Abbas-led PA government central for political stability – both within the West Bank, as well as in terms of security cooperation with Israel – and valuing its commitment to the moribund peace process, the EU has increasingly turned a blind eye to the growing autocratic tendencies of the Palestinian leadership.

At a more general level, the case of the Israeli–Palestinian conflict reminds us that implementing the ENP is often driven more by context factors – such as the special relations of individual EU Member States with the parties to the conflict, considerations about safeguarding stability or the need to respond to specific conflict-related dynamics – than by the various strategic reforms of the ENP framework.

### Notes

- 1 [www.eec.europa.eu/mepp/index\\_en.htm](http://www.eec.europa.eu/mepp/index_en.htm), July 2016.
- 2 It is beyond the scope of this chapter to provide a detailed analysis of the process of Member States’ coordination. For this discussion, see Musu (2010) and Müller (2012; 2013).
- 3 The central parts of the Venice Declaration discuss: (i) the ‘Palestinian problem’, (ii) the ‘question of Jerusalem’ and (iii) the Israeli settlements.
- 4 The MEDA mechanism supported cooperation activities leading to economic transition and strengthening the socio-economic balance in the Mediterranean countries.
- 5 Interview with a representative of the Local Aid Coordination Secretariat (LAC), Ramallah, 12 August 2015.
- 6 Ibid., footnote 5.

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