POSITIONS ON OUTSTANDING NEGOTIATION ISSUES

	Palestinians	Israel
JERUSALEM	 East Jerusalem is subject to UNSC Re. 242 and forms part of the occupied territory which will become the Palestinian state. In principle, sovereignty must be divided along the 1967 lines (with mutually agreed exchanges). Thus, Al-Haram Al-Sharif compound must also fall under full Palestinian legal sovereignty. Jerusalem in its entirety (not only the East) is subject of final status negotiations. Palestinians will exercise sovereignty over the part that will serve as their capital. Jerusalem should be an open city with no physical partition that would prevent free movement. Freedom of worship and access to religious sites must be guaranteed to all faiths and their dignity protected. 	 Jerusalem is and must remain the capital of the State of Israel, undivided, under exclusive Israeli sovereignty (as stipulated under its 1980 Basic Law). There is no basis in international law for the position supporting a status of <i>corpus separatum</i> for the city of Jerusalem, which was no more than a non-binding proposal and became irrelevant with the Arab states' rejection of UN Resolution 181.
BORDERS	 The borders must be the June 4, 1967 lines, incl. Jerusalem, which is part of the whole border and cannot be delayed. The Palestinian state must be sovereign, viable, and geographically contiguous. Full control over the borders (free movement and access to international markets) and a territorial link between the West Bank and Gaza Strip. Willing to discuss minor, reciprocal, and mutually agreed changes to the 1967 boundary (1:1 land swap) and how to manage resources that are shared with neighboring countries. Land swaps should not cover more than 1-4% of the Palestinian territory. No Man's Land is integral part of the OPT (although there have been a few suggestions to consider dividing it evenly). A permanent territorial link (Gaza-West Bank corridor) under Palestinian sovereignty is necessary for a viable state. An equitable delimitation of the maritime area (Mediterranean and Dead Sea), with all maritime neighbors (Israel, Egypt, Cyprus, and Jordan). 	 Achievements of the 1948 War are established undisputable facts. Talks thus relate to territory occupied in 1967 (22%). East Jerusalem is part of Israel's municipal boundary and should be postponed, as should the 'Holy Basin' area. The border line must secure a solid Jewish majority within Israel and guarantee Israel's security, which the current Green Line cannot fulfill. Control of the borders, airspace, and territorial waters of a future Palestinian state is Israel's absolute right. A land swap compromise would encompass up to 10% of the occupied land, must not necessarily be 1:1. A Palestinian state must be demilitarized and Israel is entitled to 'hot pursuit' into Palestinian territory. No Man's Land is not occupied by anyone - thus not open to discussion (but could consider even division). Agree to principle of territorial link/ safe passage but claim control over it.

SETTLEMENTS	 All the settlements built after 1967 are illegal and pose the greatest threat to a viable two-state solution. An immediate, genuine and comprehensive settlement freeze and dismantling of outposts are necessary (in accordance with international law and the Road Map). Evacuation of (most) settlements is a must for the exercise of sovereignty and for sufficient land and access to resources to make a state viable and contiguous. No wholesale annexation of so-called settlement blocs. Ready to consider that a substantial number of Jewish settlers remain under Israeli sovereignty. 	 Settlement activity is legitimate. West Bank lands and settlement blocs need to be retained (annexed) as a buffer in case of future aggression. Isolated settlements could be relocated into the settlement blocs or within Israel. Wants to keep 80% of the West Bank settlers (Etzion, Adumim, Modi'in, Shomron/ Ariel blocs).
REFUGEES	 Israel must acknowledge responsibility for the creation and perpetuation of the refugee problem. Israel must recognize that Palestinian refugees and their descendants have the right to return in principle. The issue must be resolved in a just manner, in accordance with UNGA Resolution 194 (1948). (Palestinian refugees must be given the option to exercise their right of return, though they may favor resettlement in a Palestinian state or in third countries, or normalization of their legal status in the host country). Refugees shall be granted restitution and compensation for the material and nonmaterial damages they have suffered (including loss of properties, livelihood, and opportunities and human suffering due to protracted displacement). States that have hosted Palestinian refugees shall be entitled to remuneration. The international community must be represented in the mechanism to guarantee the efficiency and durability of the implementation process. 	 In any final accord the Palestinians must recognize Israel as the state of the Jewish people, thus the right of return to Palestinian refugees is implicitly denied. Resolution 194 is non-binding and does not mention a "right" anywhere. Argues that the "live at peace" condition has not been met and referred only to 1948 refugees, not to their descendants. Refuses to recognize its responsibility with respect to the refugee issue. Returning refugees must be absorbed in a future Palestinian state as their return to Israel proper would threaten the state's Jewish identity (and Israel has also managed to absorb millions of Jewish immigrants over the years). Other refugees should be rehabilitated by international aid and resettled in neighboring countries. Agrees to an international implementation mechanism.

WATER	 Acceptance of the fundamental principle of international water law stipulating that both Israel and Palestine are entitled to an equitable and reasonable allocation of shared freshwater resources. Water rights and the fair allocation of water according to international law must be attained and is critical for future political stability in the entire region. The Jordan River is one of the water sources to be shared and, together with the adjacent Jordan Valley, is essential for a viable state. Compensation by Israel for the past and ongoing illegal use of Palestinian water resources under international law. 	 Wants the problem, i.e., the shortage of water, as a starting point. Insists on full control of the sources of Palestinian water. Any additional water for Palestinians must not come out of the Israeli share of water extracted from the West Bank, but through brackish/wastewater treatment and developing new unconventional water sources. Initially refused to discuss the Jordan River altogether due to 'security' reasons; now accepts to discuss the lower Jordan River.
SECURITY	 It is impossible to discuss security before establishing the borders of the Palestinian state. A Palestinian state must be able to defend itself from external threats and cannot be demilitarized (but may agree to arms limitations in return for full Israeli withdrawal and third party presence). No Israeli presence or control over borders and border crossings whatsoever. International presence to protect borders, monitor crossings, resolve disputes, etc. Airspace could be controlled jointly. Security cooperation that preserves the integrity and sovereignty of each state (incl. sharing of security related information, respecting international human rights, and developing relations with all bordering states so as to promote peace, security, and stability in the region). International guarantees and involvement will play a central role. No military alliances against the other side, nor allowing one's territory to be used as a base of operation against each other or against other neighbors. No foreign troops may be stationed in either state's territory unless agreed to by the two parties. 	 Israel's security takes precedence above all else and requires defensible borders. Palestinian state must be demilitarized. Israeli military presence, especially along borders and in Jordan Valley, and early warning stations. Complete Israeli control of the airspace above the West Bank and Gaza. In principle, rejects any international presence. Regional arrangements are needed to prevent deployment of foreign troops in Jordan, Palestine, and Israel, other than those agreed upon by the parties.