



**A New Package
Deal in The
Middle East -
Policy Proposal**

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The changes in the region have given rise to shared interests between Israel and the Arab Quartet states (Egypt, KSA, Jordan and the UAE). Consequently, there is an opportunity for a new regional deal, in order to limit Iran's influence, fight radical Islam, rehabilitate the region's economy and develop solutions for the Israeli Palestinian conflict

Rationale and Objectives

1. **There is a need for a radically new approach to the Middle East** based on the following objectives:
 - a) Preventing Iran from achieving nuclear capabilities, and curbing and deterring Iran's ambitions.
 - b) Eliminating ISIS, blocking radical Islamic terrorism and the rise of the Muslim Brotherhood.
 - c) Reaching a stable political solution in Syria that limits Iranian and extremists' expansion.
 - d) Securing Israel's position as a regional superpower – a secure, Jewish and democratic state.
 - e) Enabling the negotiation of an Israeli-Palestinian deal, between Israel, the PA and the Arab Quartet
 - f) Stabilizing the regional economies, in order to reduce migration and fundamentalism.
2. **There is a unique opportunity for cooperation between Israel and Arab pragmatic states**, due to an unprecedented alignment of interests between the parties. Such cooperation is imperative to achieving the abovementioned goals.
3. **The Palestinian leadership needs the active involvement of the Arab Quartet** in order to reach and sustain a final status agreement with Israel. The PA is struggling with attaining the public legitimacy required to make historic concessions, has no effective control in Gaza, and needs the involvement of the Arab Quartet in order to solve the core issues of Jerusalem, refugees and borders security. This is a key reason for the failure of the bilateral approach.
4. **Israel needs strategic regional benefits in return for any concessions to the Palestinians**, and only the Arab states can provide the necessary security guarantees for Israel, and offer adequate incentives, legitimacy and normalization. In particular, Israel and its key Arab neighbors need to build a new regional security cooperation – from the Golan Heights, through the Jordan Valley, Sinai and the Arab peninsula – to deter and prevent threats from air, land and sea.

The New Regional Package Deal – comprised of 4 pillars

A gradual and comprehensive regional approach should replace the narrow “all or none” bilateral approach:

1. **A political horizon for the two states**, to be agreed between Israel, the PA and the Arab Quartet – based on borders and land-swap that preserve settlement blocs, tight security arrangements, and agreed solutions to Jerusalem and Refugees core issues. Progress shall be based on phased and transitional agreements, to allow and test Palestinian economic development, governance and viability.
2. **A Regional Security Mechanism** that will tackle the threats posed by Iran, Hezbollah, ISIS, Hamas and Al-Qaeda, as well as immediate steps to prevent deterioration in Gaza, the Golan and Lebanon.
3. **A Regional Economic Cooperation Mechanism** for economic development and trade between Israel and the Arab states that will boost economic growth and stability in the region.
4. **A Regional Agreement on Normalization**, cessation of incitement and changes in education systems.

The New Negotiation Process

Parallel Israeli-Palestinian-Arab negotiations should replace the futile sequential and bilateral model:

1. **The new negotiation mechanism should be based on three coinciding tracks:**
 - a) **The Israeli-Palestinian Track** will focus on the core issues of the Israeli-Palestinian conflict.
 - b) **The Israeli-Regional Track** will establish a regional security mechanism, economic cooperation and agreements on establishing normal relations between Israel and the region.
 - c) **The implementation Track** will facilitate the gradual implementation of agreements in parallel to ongoing discussions in order to build trust between the parties throughout the process.
2. **The new parallel, phased and transitional model for negotiations should include:**
 - a) **Pre-negotiations phase** with unilateral constructive steps, back-channel agreements on the Terms of Reference and an Israeli “nuanced embracement” of the Arab Peace Initiative.
 - b) **Phased implementation of “mini-deals”** on Gaza, West Bank, and regional security coordination
 - c) **Phased incubation of a Palestinian entity** through gradual state building, to ensure governance and viability, coupled with Israeli-regional normalization and economic development milestones.
 - d) **Unilateral steps as a legitimate fallback** to avert adverse consequences in the event of failure.

The IRI Group has developed ideas for a "Regional Package Deal", and it is "Ready to Go"

The Israeli Regional Initiative (IRI) is an unaffiliated bipartisan impact group composed of members from various backgrounds: ex-military and ex-security figures, business people, diplomats, academics and social entrepreneurs. It engages with leading figures and decision makers in Israel, in the region and the international community to promote a regional package deal. The regional concept offered above has been generally endorsed by the PA leadership and leading Israeli politicians, including PM Netanyahu, have publicly endorsed this approach. Our extensive efforts in Track-2 talks have produced substantial and detailed proposals which provide a practical implementation framework.