



## A PALESTINIAN STATE IN TWO YEARS: INTERVIEW WITH SALAM FAYYAD, PALESTINIAN PRIME MINISTER

*Salam Fayyad was appointed prime minister of the Palestinian Authority (PA) on a “national emergency” basis following the Hamas takeover of the Gaza Strip in June 2007, inaugurating the de facto system of parallel governments still in place—one headed by Fayyad in the PA-dominated West Bank, the other by Ismail Haniyeh in Gaza. Born in a village near Tulkarm in the West Bank, Fayyad received his MBA and doctorate in economics in the United States. He worked for many years with the International Monetary Fund (IMF), including as the Palestine representative from 1995 until 2002, when Yasir Arafat appointed him finance minister. In that capacity, he earned the respect and trust of the international community for the leading role he played in PA financial and other reforms, gaining a reputation for straight dealing and getting things done. A political independent with an aversion to factional politics, he served as finance minister in the short-lived Hamas-dominated national unity government formed in March 2007.*

*In this frank interview conducted in two parts by the Institute for Palestine Studies’ (IPS) Ramallah Office, Fayyad focuses in particular on his government’s much-talked-about program to “build a state” without declaring one (see Docs. B1 and B4 in this issue), as well as on his efforts to enlist the involvement and support of the international community in this endeavor. Along the way, he discusses his role in PA reform, the Fatah-Hamas division, and the failure of the peace process. He also comments frankly on the Dayton mission and the virtual “non-response” to his government’s plan by the rest of the PA apparatus, hinting at certain tensions within the Authority.*

*Part I of the interview was conducted in Arabic in the prime minister’s office on 27 August and 1 September 2009 by Salim Tamari and Khalid Farraj, director and general manager, respectively, of IPS Ramallah, and by Camille Mansour, chairman of the IPS Research Committee. A longer version of Part I was published in issue 79 of our sister publication, Majallat al-Dirasat al-Filastiniyya. Part II of the interview, a follow-up exclusively for JPS, was conducted by Tamari and Farraj on 3 January 2010. Both parts were translated from Arabic by Alex Baramki.*

### **PART I, 27 AUGUST AND 1 SEPTEMBER 2009**

*Mansour: On 25 August 2009, you released your government’s program called “Palestine: Ending the Occupation, Establishing the State.”\* My question here*

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\*See Doc. B4 in this issue for excerpts from “Palestine: Ending the Occupation, Establishing the State—Program of the 13th Government.”

*is, how can you build a state under occupation, especially in “off limits” zones like area C where approval by the occupying power is required?*

*Fayyad:* This question has been asked countless times since the document was issued. Of course it is a major challenge, but we believe our plan to build an independent Palestinian state on the Palestinian territories occupied in 1967 is in keeping with the political framework of our international relations, since it is the basic objective of the peace process. Building the state is our responsibility as Palestinians—if we don’t build it, who will?

Recently, we have seen a significant shift in the international climate, a search for new solutions at a time when it is increasingly understood that the old approach is not working. The Oslo accords were not clear concerning our political rights as Palestinians, particularly with regard to statehood. This ambiguity was reflected at numerous international meetings that were either adjourned or suspended the minute any clause hinting at eventual sovereignty would appear—and here I’m speaking from what I personally witnessed attending local and international conferences as representative of the IMF before I joined the [PA]. Nevertheless, I was convinced that an international consensus would eventually emerge on ending the occupation. There were many expressions of this from numerous sources, but in mid-2002, U.S. president George Bush explicitly declared in his famous speech that the occupation should end on the basis of a two-state solution, the creation of a Palestinian state. At that point, and with this clear position stated by the president of the United States, one could say quite objectively that Israel would eventually have to consent to such an arrangement in one form or another.

*Farraj:* Still, your plan is hugely ambitious. What has the Palestinian reaction been? And from what quarters do you anticipate the fiercest opposition?

*Fayyad:* Our intention was to make the plan as comprehensive and inclusive as possible so as to allow the widest possible base to take ownership of it. What I fear most are the forces of self-sabotage and the refusal to give the project a chance, for whatever reason. Generally, the idea has acceptance, but there are critical voices of some importance, though by and large they focus on the form rather than the essence, which reassures me. . . . The main criticism is that the document was prepared and issued without coordination with the PLO, the body authorized to establish and declare the state. But it is the government that is charged with preparing for the state, and the work we do gives leverage to the political efforts led by the PLO. In any case, I did put the idea before the PLO Executive Committee when my present government was formed last May, precisely in the interests of complementarity between the Authority’s role in laying the ground for a state and the PLO’s role as the supreme authority.

*Mansour:* Some people see a connection between your government’s document and Javier Solana’s statement on 11 July calling on the United Nations Security Council to recognize the creation of a Palestinian state after a fixed

*time period, regardless of the status of the negotiations.\* Even if the link with Solana's words was only implicit, clearly the document is not simply technical but also has political and diplomatic functions.*

*Fayyad:* Obviously, I would not disagree. I see the political and diplomatic functions as resulting from the document's underlying concept of state building through institutions and development within the larger framework of ending the occupation. This idea has guided us since mid-2007 and especially since the end of that year, when we began to focus on the Jordan Valley and regions suffering from the [separation] wall and encroaching settlements. The main idea driving this thinking is that in order to end this "occupation via settlements," the first step is to maintain our people firmly on the land, which means providing services.

*Tamari:* Another criticism of the "Ending the Occupation" document concerns the mechanisms of implementation. If Solana and the European Union (EU) push for the adoption of the document by the United Nations, and even if popular assurances and support are forthcoming, what will actually happen on the ground two years from now if there is no external intervention?

*Fayyad:* Solana was actually here with us yesterday, and we discussed the document directly along with settlement activity, the efforts being made to halt it, and other matters. He asked me, "If things do not move as they should, what's to be done?" I answered that there *had* to be movement, because if there was not, the process could only keep getting worse, and that this erosion couldn't be allowed to continue. I have often talked about the eroding terms of reference of the peace process, about the fact that each time we enter negotiations our position is weaker than it was in the previous round. This is why there is an urgent need to go back to international law, and why I told Solana that the real issue is not whether there is movement but rather Israel's continuing violation of international law. What we are asking is for the international community to bring the issue before the Security Council in order to firmly establish the right of the Palestinian people to what the Oslo accords failed to spell out: the right to create a Palestinian state on all Palestinian territories occupied since 1967. This should be affirmed in a binding resolution, thereby making the task of ending the occupation the responsibility of the international community, and not subject to Israeli approval or disapproval. I should emphasize that our idea is not that the state should be created and that afterward the occupation will end. Rather, we say that the effort to achieve the goal of building a state is what leverages the political efforts being made toward ending the occupation. . . .

I believe this should be the basic starting point. It is extremely important that there be a deadline for the plan. If a plan is not tied to a timetable, it will simply be wishful thinking. The two-year period is part of a process related to

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\*See Doc. A2 in this issue for excerpts of Solana's statement.

an objective assessment, which I say in all modesty is based on our detailed knowledge of the Authority and its various components and on our experience in the process of institution building.

This is our agenda, the proposal we are putting on the table. It is part of our political initiative aimed at eventually taking the matter to the United Nations. It includes a clear recognition of the PLO, its representative role, its leadership of the entire national project, and its status as the highest authority concerning all that relates to our effort. All these things are absolutely beyond discussion.

*Farraj: You mention your detailed knowledge of institution building—can you elaborate on that?*

*Fayyad:* This is a question that has been asked or thought. The Israelis have always accompanied any hint of a possible two-state solution—and incidentally, [former prime minister] Ariel Sharon's 2003 speech in Aqaba about two states was more forthright than [Prime Minister Benjamin] Netanyahu's speech at Bar-Ilan this past June\*—by a campaign to depict Palestinians in such a way as to make realization of this right impossible in practice, casting doubt on our trustworthiness, responsibility, and worse. As a result, the international community put us virtually on trial, putting our capability and competence to the test—an unfair trial, because the right to live freely in one's state is an absolute right of all the peoples of the earth. But it's worth looking at the test to see what it showed.

Let's take as an example the portfolio of the Ministry of Finance, with which I was entrusted when I joined the Authority in June 2002. It is widely believed that it was pressure from the international community that led to Palestinian financial reform. Allow me to state most categorically that this was not the case: the demand for reform was an internal one, under pressure from the Palestinian people and their institutions, with the Palestinian Legislative Council passing duly recorded resolutions calling for reform years before it became an international demand. I state this as an actual witness to that period, as IMF representative as of late 1995. . . .

When I was with the IMF, I was in constant touch with the Authority on matters of finance. I had good relations with President Arafat. Most of our meetings were one on one and very candid. The message was that proper administration would strengthen our political position and that the more immune from criticism our people were, the more we would be able to protect our political rights. I keep a photograph of myself with President Arafat in my office that was taken in October 1999 when I asked him to come to the donors' meeting in Japan in person to declare his willingness to work with us in setting up a conceptual framework for putting Palestinian finances in order—I told him that this would spur our efforts. And indeed, he did attend the meeting and made his declaration. This was well received, after which we carried on with the work. It was

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\*For Sharon's statement, see Doc. A2 in *JPS* 129; for Netanyahu's speech, see Doc. C1 in this issue.

from that point on that the international community began to look positively on our financial reforms, whereas previously it had not seen reform as a priority.

There's another point I should make for the record. Some people have credited me personally with Palestinian financial reform, but what has not penetrated the consciousness of the international community—nor, unfortunately, Palestinian consciousness—is that I introduced the most essential financial reforms under the presidency of Arafat. In particular, the regulatory code known as the Unified System of the Central Treasury, whereby all PA revenues must be transferred to a single consolidated account, is the core of the Palestinian financial reform—everything that has been done since then has been supplementary or complementary. In June 2002, as finance minister, I personally sent the directive to this effect to the governor of the Monetary Authority to be issued to all banks, and I did so from the president's office. Throughout the entire drafting process, I explained each step to Arafat. From day one, we made sure that matters would run in a proper institutional manner.

*Mansour: Your government's program for ending the occupation and establishing a state is for two years. What do you expect to accomplish in that time?*

*Fayyad: The essence of the plan is to build with the purpose of hastening the end of the occupation, to build *despite* the occupation in order to *end* the occupation. . . . The occupation has been our greatest obstacle and is responsible for many of our problems, but this does not justify inaction or mismanagement. In my view, failure to perform well is a form of self-sabotage. . . .*

When Israel released the impounded tax revenues,\* people said it was because of my contacts, but this is utterly false. In fact, before joining the Authority I had no contacts whatsoever with high-ranking U.S. or European officials. When I joined the Authority in June 2002, I received an invitation from the U.S. consular chargé d'affaires to visit Washington. My response was that I was still in the process of taking over my duties and did not yet have enough knowledge of the situation. My thinking was that the trip would be more productive once we had formulated a financial and administrative plan and begun implementing it. And in fact, by October of that year we did go to Congress, where we had no connections at the time, but in several important meetings we succeeded in convincing members of Congress that we were making progress in institutional reform. Our presentation was well received, but then the questions began: what did we intend to do after that? We said we wanted to finish what we had started, but had no budget for it. They told me that as a professional and a technocrat I should be capable of setting a budget. At this point, we raised the problem of the tax revenues impounded by Israel, suggesting that their release would enable us to set a budget. This message was relayed to the U.S. administration, leading to the transfer of the revenues to the

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\*The Israeli government had held VAT revenues since Hamas's election victory in 2006; in 2007, Israel began gradually releasing revenues as a means of bolstering PA president Mahmud Abbas's emergency government.

Authority's treasury. As a *modus operandi*, I believe that when issues are presented logically, they generate interest, and when the United States transfers \$200 million directly to the Palestinian treasury, as happened recently,\* that is something in which I take pride.

The reason I have answered your question at such length is to show that my government's plan is not theoretical. We have gained practical experience in building, at least in the areas mentioned, and now have experience in how to function despite the occupation.

*Farraj: Picking up on our earlier question about the problems of building under occupation, some could say that the government's decision to put an airport in the Jordan Valley, which Israel has said it intends to keep, constitutes a kind of provocation.*<sup>†</sup>

*Fayyad:* The fact that the plan called for the airport to be located in the Jordan Valley within area C was no accident, and it's a good thing. The Israelis have succeeded in getting the international community—and even the Palestinians themselves—to accept the idea that these areas are *contested* rather than *occupied*. This notion can be resisted only by acting in such a way as to affirm our rights and enable our people to stay put, especially in the threatened areas. When the Palestinians who live in these areas see that their needs are being looked after, they begin to feel that they have a stake in what happens. This is an absolutely vital issue—people's awareness has got to change. That is what motivated us to declare our desire that the airport be in the Jordan Valley.

If we enter into negotiations thinking that certain outcomes are impossible, then we are already defeated. When the cabinet was meeting in Jericho to draft the document, reviewing such matters as finances, the judiciary, and institutions, I suggested that we should also think about ways to assert sovereignty that would indicate that this was indeed a plan to build a state. I said let's think about sovereign public utilities. That's where the idea of locating the airport in the Jordan Valley came in. Before the plan was made public, when U.S. special envoy George Mitchell's aide came and asked me where we had reached with the plan, I told him that we were going to say that the Palestinians wanted an airport in the West Bank, specifically in the Jordan Valley. I asked him candidly and plainly to inform the U.S. administration of this and to say that we looked forward to welcoming President Obama there aboard Air Force One, not Marine One. In other words, on his Jumbo jet rather than his helicopter.

If we continue with the peace process as we have in the past, there will never be a peace agreement.

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\*U.S. secretary of state Hillary Clinton announced the transfer on 24 July 2009; see [www.state.gov/secretary/rm/2009a/july/126444.htm](http://www.state.gov/secretary/rm/2009a/july/126444.htm) for details.

<sup>†</sup>Specific objectives and activities assigned to Palestinian ministries have been omitted for space considerations from the excerpts of Fayyad's program published as Doc. B4 in this issue. The Jordan Valley airport project is listed among the "key objectives" of the Palestinian Ministry of Transport, as part of "the development of legislation and plans for building modern seaports, crossing points, and airports, including construction of the Palestine International Airport in the Jordan Valley and resumption of control over the Qalandia Airport."

*Mansour: Does this mean that our authoritative reference is the 1988 Declaration of Independence rather than the Oslo accords?*

*Fayyad:* Yes. It is true that as Palestinians we agreed to the Oslo accords and their transitional arrangements, ambiguities, maps, delineations, and details; but the heart of the matter is the two-state solution, which the 1988 declaration evokes directly. So when I speak of the national agenda, the PLO's program, I am referring to the Palestinian peace initiative of 1988, not what came before or after. We should regard the 1988 Palestinian peace initiative as a historic and painful concession. For obvious political reasons, this aspect was not highlighted at the time, and the initiative was hailed as an achievement. But we cannot allow ourselves to forget the magnitude of the concession. This must be taken into account. If we want a solution, its foundation must be what we need to do to maintain our people's presence on their own land.

*Tamari: You ran in the 2006 elections on the "Third Way" list of candidates. How do you see yourself relating to the popular movement?*

*Fayyad:* Anyone who followed my campaign from the very first day would have noted that a significant part of my activities involved visiting citizens in their villages or locales and listening to what they have to say. Previously, such action was rare, particularly in areas subject to harsh Israeli measures. Instead of the traditional occasions for mingling with the citizenry, which generally take the form of a governor's banquet followed by much speechifying, the gatherings I convene rarely involve prepared speeches but rather open discussions and exchanges of views, after which a file is prepared listing the needs of the area in terms of public projects beneficial to the citizens. This represents a big difference from what used to be offered in the past in response to petitions, requests for material aid or employment, and so on. . . . But if you were to ask me today whether I have any thought of running in the next elections at whatever level, the answer would be a definite no.

*Mansour: On the subject of human rights, citizens see and hear about people being imprisoned for purely political reasons, about people dying in prison. Why are such practices permitted? Does the security apparatus not report to the government?*

*Fayyad:* To begin with, we have no policy of political arrests on the basis of membership in Hamas, say, or any other organization. This is not policy, and it is foreign to the moral precepts of our vision of the future we desire for our people.

Nonetheless, your question is justified because these practices do exist, although it must be said that they didn't just appear today or yesterday but are unfortunately part of a culture that is not easy to change. I hope my words will never, ever, be taken to imply justification for any encroachment on human rights in Palestine, whatever the reason or pretext. This applies to all kinds of abuse, including verbal abuse.

The best evidence I can offer that this is not our policy relates to the unfortunate events in Gaza during June 2007. If you ask any of those who were in

charge of the security apparatus at the time, they would admit that the behavior of their forces on the ground was improper. After what happened, the state of disorder was such that security was the primary issue, irrespective of the political reasons that led to the current situation. Acting on impulse since I had no clear idea about what should be done, I asked Brother Abu Mazin, "With your permission, I would like to meet with the leadership of the security forces, since this relates to those who were in charge, and to the nature of their mandate." "They are here," he replied. "Why do you want them?" I said, "Let's see what they have to say."

When I met with them—and incidentally, I did not know them all—they spoke of two matters. Obviously, the first concerned capabilities. The second related to a crucial matter that I myself had long seen as problematic. Briefly stated, the leaders of the security forces never quite understood what their mission actually was. This has been a problem ever since the Authority was created. What is our mission? What was it from the outset? Was it to provide security for the occupation? That is often how it was characterized, especially by critics, and that is how it appeared to be projected in the road map. This, in my view, is what made the Palestinian security doctrine difficult to fully adopt, or to adopt with pride. In my opinion, this is why a number of security officers became involved in politics and why so many in the security forces engaged in matters that only occasionally had something to do with security per se. No concept of security can succeed when those implementing it cannot have confidence in it. Since this flaw was there from the outset, I do not hold the security establishment to blame for it; rather, the issue should have been clarified and argued at the political level. The most important duty of political leadership concerning security is to stand in front of the security establishment, not behind it.

Getting back to my meeting with the security chiefs, after we discussed the basics of security, I said it was the government's duty to provide security and safety for the citizens and to protect the national project. I explained what I meant by the national project. I said that Brother Abu Mazin was in charge of it, that any political decision would be made by the president and the PLO, and that ever since the Oslo accords—to which we are committed—violence could no longer be part of the Palestinian struggle. It was the political leadership, I said, not you the security forces, that made this decision. Since the protection of the Palestinian national project depends on the state's monopoly on the use of force and its legitimate use of force in service of the project, anyone who bears arms outside the official framework—through which you execute the political leadership's orders—would be violating law and order, whether the person belongs to Fatah or Hamas or any other organization. I said let's start with Fatah first. Clearly, this represents a big change in the Authority's role, but I insist that this is absolutely essential for the struggle of the Palestinian people.

*Mansour: But what people are saying is that on the pretext of protecting the Palestinian national project, the Authority arrests people who resist, and*



*the occupation is protected. There is a lot of talk about the Dayton mission, for example ...\**

*Fayyad:* I am aware of this, and here is my response: Dayton's task is only to supervise the training and rehabilitation of the security forces, meaning the training of new recruits. In this, he has to coordinate with Jordan, since that's where the training is taking place. So far, only two thousand individuals, who were selected by us, have completed the training. I can assure you that Dayton has absolutely nothing to do with the operational aspect of security in Palestine, and he cannot claim otherwise. In other words, Dayton would have been the last to know that we decided to begin operations in Nablus. It was not his decision, nor was he even consulted about it. Furthermore, he had nothing to do with the security plans we formulated for the West Bank cities. When we needed political help in deploying our forces, we did not turn to Dayton but rather to Tony Blair and [U.S. road map monitor] General Fraser.<sup>†</sup> Dayton has no presence in any sphere outside supervising the training program. I became quite emotional about these matters last spring, when he visited one of our cities in a high-profile way with a lot of media presence. I called to remind him of the limits of his mandate, stating that such activities could foster the false impression that our security plan is not Palestinian in origin or identity. He responded apologetically, saying that this had not at all been his intention.

To return to human rights. This is not a partisan or factional issue, and I don't mean to target Hamas. If you review Hamas's declarations up until late 2007 and the start of the implementation of the security plan in Nablus, you'll see that they were not about security-related arrests and detentions, but about our actions against the *zakat* committees.<sup>‡</sup> And here I make no apologies whatsoever. When we dissolved the *zakat* committees, I myself said that I wanted everyone to know why we were doing this. I said that we were dissolving and re-forming these committees because the needs of the poor must never be used for political gains by any party.

When the Authority comes to have a law regulating political parties, we should prohibit two things: First, party involvement in providing material support for people, because it is a way to buy people's consciences and therefore contrary to basic human rights as I know them. Second, there should be clear language prohibiting party cadres from bearing arms. As long as there is an ongoing coup d'état in Gaza, we have no choice but to designate Hamas as an organization insubordinate to the Authority. This is one of the guiding foundational principles of government in Palestine. At the same time, I believe that the Authority alone has the right to deal with Hamas as a threat. This is a political

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\*Lt. Gen. Keith Dayton has served as U.S. security coordinator in the Middle East since 2005, overseeing Jordan-based training of PA security forces (PASF) and coordinating between PASF activities and those of the Israel Defense Forces.

†Lt. Gen. William Fraser, at the time assistant to the chairman of the Joint Chiefs of Staff, was appointed to oversee road map compliance by President Bush in January 2008.

‡More than ninety *zakat* committees in the West Bank were dissolved following the Hamas takeover of Gaza.

decision. It is not permissible that the threat of Hamas be confronted by a counterthreat from Fatah. For this reason, I made both Fatah and the security forces understand that this problem is the sole responsibility of the Authority. This is why we have detained and continue to detain members of other organizations besides Hamas on grounds of security—either because they were armed or because they were engaged in activities directly related to security.

I discussed the matter of the chaotic use of arms with a Hamas delegation when they were trying to form the first government after winning the 2006 elections. I had serious questions, and this was the main point I raised—I was not, as some people think, uninterested in joining the cabinet at that time and indeed actually did join the national unity government after the Mecca Agreement despite the fact that the Americans officially informed me that they opposed my joining. My point about Hamas is: What happened to their so-called “honorable” weapons in June 2007? Where were these honorable weapons during the period of chaos and disorder in Nablus, or when the headquarters of the Authority came under attack? People have forgotten that what the occupation failed to accomplish—uprooting citizens from their land and replacing them with settlers—was very nearly achieved by chaos and a total lack of security. Why should we shy away from discussing these matters? We should have the courage of our convictions.

*Farraj: The document issued by your government emphasizes Palestinian national unity. Do you have any role in the dialogue—which actually is a Fatah-Hamas dialogue since it is not all-inclusive—or are the talks a Fatah-Hamas monopoly, with only a marginal role for the government?*

*Fayyad:* The government is not a party in the talks, nor should it be. The Authority, and the presidency, ought to be a domain for everyone, and not represent one side or the other. Still, the government can have an important role through its actions. As you know, some people find it strange that the government continues to bear responsibility for our people in Gaza when they are under the control of Hamas. Yet, we never hesitated to assume this responsibility. The [PA] is responsible for the population in all Palestinian territories, even if this backfires against us in favor of Hamas.

For myself, I have always maintained that the internal situation in Palestine is a political problem that can only be solved politically. We need an approach that rejects the kind of thinking that preserves a status quo imposed by party and factional interests. I believe that the government document, which is an action plan, works in this direction. Creating a state, after all, is a goal that should unify, not divide, and once we succeed in rallying around this goal, the climate will be such as to raise the level of internal public discourse and lead to the resolution of our differences. Let us hope, since it is clear that a Palestinian state will not come into being until unity is restored to the nation and its institutions.

The occupation has affected our way of thinking, and we must overcome the feeling of failure and incapacitation it has fostered, and the resulting loss of confidence in our ability to achieve results. This feeling often takes the form of passive nihilism or destructive acts of bravado—two sides of the same coin. The

defeatism engendered by over four decades of occupation and six decades of Nakba and dispersal must be overcome if we are to realize our national project.

One important way to achieve this is to have the courage to broach certain topics and to give free rein to personal liberties, which should be protected. In this regard, differences among Palestinians also concern the sociocultural sphere, relating to who we are as Palestinians, and ongoing infringements on personal freedoms. Nevertheless, we have a vision of building a state. Let us rally around that, for it is an issue that transforms us from those who are acted upon to those who initiate action. To this end, let the Palestinian dialogue continue under Egyptian sponsorship. It's also imperative that the elections take place as scheduled. There's no longer any talk of early elections, the legality of which came under dispute, but of elections held at the time designated by the Basic Law. We need to agree on the mechanisms and arrangements required to hold them simultaneously in the West Bank and Gaza, even if the regrettable split continues. This is a constitutional matter, not the province of Fatah and Hamas. The constitutionally mandated date for the elections cannot be open to debate.

## **PART II, 3 JANUARY 2010**

*Farraj: Much has happened in the four months since we last met, when your plan for ending the occupation and building the state had just been issued. For starters, critiques of the plan, both Palestinian and Israeli, have had time to take more definite shape.*

*Fayyad: Let's start with the Israeli critique. I was surprised that serious persons associated with research institutions such as Pinhas Inbari have characterized our plan as unilateral action, presenting it as a flagrant violation of the Oslo accords' prohibition of unilateral actions by either side.*

The Israelis have understood that creating facts on the ground in preparation for the establishment of the state is a political goal. But with regard to unilateralism and respect for agreements, I should point out that unilateral measures on Israel's part violate international law, whereas unilateral measures on our part relating to preparation for a state are in harmony with international law, since establishing a state is at the core of a solution and is now formally recognized by the current Israeli government. The Israelis have also expressed concerns that our program is not really about state building but a plan for "declaring a state," which is most emphatically not the case. We already declared our state in 1988 within its own set of objective conditions, and we have no need of another declaratory statement.

What is certainly true is that if the Palestinians are seen by the international community as having built a de facto state, even if the occupation is still in place, there will be great pressure on the Israelis to end the occupation.

*Tamari: Yet, in reality, the plan is unilateral, and once you start implementing programs, like the airport project, for example, the Israelis are sure to claim that it is in violation of the Oslo accords, and they are not going to allow it. Do you envision that there will be a confrontation?*

*Fayyad:* Let the dispute between us and the Israelis appear to international consciousness as a deprivation of our right to life—that's the idea—along with all the other rights that derive from it. It's part of our strategy of forcing the issue. When we last met, four different sites, all in area C, were under consideration for the airport, and after a thorough study we have settled on the Nabi Musa area between Jericho and Jerusalem. Without doubt, when we begin work there Israel will react more strongly, and it is true that part of our reasoning in selecting the site was to impress upon the international community our seriousness of purpose in building a state.

This explains the reaction of the Israelis. When I asked an Israeli journalist why the Israelis were so upset about this, he said it was psychological, and some had begun to fear that the Palestinians might actually be able to pull it off and build a state out of nothing, which they see as dangerous. The alarm was specifically over area C and the need to keep it under Israeli control. All this fuss and insistence on keeping area C prompted me to suggest that Netanyahu should perhaps be questioned about how serious he was when he stated readiness to accept a Palestinian state. My point was to emphasize the reality that the West Bank, including East Jerusalem, and the Gaza Strip are *occupied* territories. These are our territories, and we are determined to build everywhere there, to build up the institutions and infrastructure of the Palestinian state-to-be, including in area C. This was our political purpose and it sparked some debate over diplomatic initiatives, which upset certain people.

It is true that we have become more aggressive in building up area C, including between the wall and the Green Line. We have adapted the regulations governing the Authority's work projects—contracting, bidding, et cetera—and we chose the Qalqilya area, which is besieged to a degree that has not been sufficiently written about. It contains 45,000 people confined by the separation wall to an area of 4.5 square kilometers. This area presents a great challenge, and our view was that we shouldn't wait for permission from the Israelis in order to proceed. Thus, our plan from start to finish is a political project. We have to effectively demonstrate that there is a Palestinian presence in our own territory.

*Farraj:* *The issue of building behind the wall in area C has gone beyond bids and tenders and has begun to affect people directly.*

*Fayyad:* Yes. International NGOs such as the Red Cross and Save the Children, among others, have begun running development programs in area C, which they previously avoided. After Oslo, we were not allowed to have anything to do with these regions, even as Israel forged full speed ahead with its policy of creating facts on the ground, which has been going on for more than forty years of occupation. The point we are stressing now is that by preventing us from building in these areas, the Israelis are preventing us from exercising our right to life, because building there is an absolute necessity for us. I believe that working in the areas classified as C is our duty, and I think we have succeeded up until now because these areas are now widely talked about, and people have begun to see working there as a normal thing.

*Tamari: Can you tell us more about what led you to adopt this policy?*

*Fayyad:* Basically, the “peace process” was going nowhere politically, as you know, making it necessary to reconsider Oslo’s basic premise, which essentially relies on Israel to end the occupation. After sixteen years of failed efforts on the part of the international community to get Israel to stop its persistent violation of international law, and after the failure of nine months of efforts on the part of the new U.S. administration to obtain Israel’s commitment even to end settlement expansion (in the guise of “natural growth”), we believe that the time has come to raise the question of whether the necessary conditions for negotiations capable of leading to a viable peace have been met. The international community’s powerlessness to get Israel to adhere to international law has been amply demonstrated, and in these circumstances it is no longer tolerable to go forward with what has become an entrenched pattern of pressuring the Palestinians to return to the negotiating table when the international community itself cannot secure what is surely a prerequisite for meaningful talks—ending, even partially, Israeli violations. Up until now, the inevitable international response to this impasse has been to demand that the Palestinians resume negotiations because, we are assured, “half a loaf is better than none.” And if the international community itself cannot get Israel to comply, what chance is there for a serious stand regarding the attainment of Palestinian rights through negotiations—what is there to prevent the Americans from saying after several months of talks that “it’s not possible to improve the situation”? And here we come to the perennial issue of the Palestinians losing ground with every failed round of negotiations, the perpetual erosion of the terms of reference that I spoke about in our earlier interview.

For all these reasons, there has been a profound loss of confidence in the current process, whose structural flaw is that it essentially leaves the matter of ending the occupation up to the occupier, Israel. This is a contradiction—it cannot work. Very frankly, in these conditions the situation cannot improve. This realization made us seek other ways to approach the situation, to analyze and think the matter through in an objective fashion. It was against this background (and even before the failure of the Obama effort, which we could not anticipate) that we had begun talking to Europeans using the same reasoning. We were asking that a meeting be held to review the situation quietly and in depth as a preliminary step before going to the UN.

*Farraj: Speaking of the UN, there was a confusing statement in mid-November from the head of the Negotiations Affairs Department about appealing to the Security Council to demarcate the borders of the state ...\**

*Fayyad:* Yes, and the statement gave the unfortunate impression that we were going to the Security Council within the week. In truth, this hurt us a lot.

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\*On 14 November 2009, PLO Negotiations Affairs Department head Saeb Erakat was quoted in the Arab press as saying the PA was actively lobbying for formal recognition by the UN Security Council of a Palestinian state based on pre-1967 borders.

Needless to say, there had never been any question of going to the UN before we secured the support of the international community—how could we? When we spoke earlier of going to the UN, we surely did not mean going alone! This must be the *world's* project, not ours alone. Statements by several Palestinian officials on the issue greatly complicated matters. The Swedish foreign minister [in his capacity as rotating president of the EU] contacted me about the situation, and I was very upset since the last thing we need is misunderstandings with friends around the world. Fortunately, President Abu Mazin later clarified the matter, stating that we would go to the UN at the appropriate time.

*Farraj: With regard to the PA as a whole, from what I can see, your plan is not actually under attack but is simply treated like another Palestinian non-starter—even Saeb Erakat's statement about going to the Security Council appears to be a political challenge to the plan. How do you see this?*

*Fayyad:* In all honesty, I am disappointed that the plan has not been openly adopted by the Palestinian political elite in all its various institutional components. On the contrary, even before the document was issued, particularly after the speech I gave at al-Quds University,\* activities critical of the concept were taking place more often than not. After a while, the idea seemed to be gaining greater acceptance from the people, and the dissenting voices subsided, yet the plan was never taken up despite the many opportunities for that to happen. The PLO Central Council held a two-day session and the PLO Executive Committee was constantly meeting, but it was never really discussed. As I mentioned in our last interview, when we started to think about this plan we did inform the PLO Executive Committee, despite assertions to the contrary. Yet to my knowledge, the only time the plan has ever been publicly mentioned in the highest levels of the Authority was in response to a journalist's question. Yet the world is not only now aware of the plan, but the EU has openly endorsed it,<sup>†</sup> as has the Quartet,<sup>‡</sup> and the United States certainly is supporting it even if it has not declared that openly. There is great and evident sympathy for the plan internationally.

Frankly, we have lost an opportunity, but the situation can be redressed, as I feel the issue is not really about the substance of the government's program as much as it is about the extent to which the government itself has been adopted or not by the political system.

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\*See Doc. B1 in this issue.

<sup>†</sup>Following its meeting in Brussels on 8 December 2009, the Council of the EU, the Union's highest foreign policy decision-making body, stated, "The EU fully supports the implementation of the Palestinian Authority's Government Plan "Palestine, Ending the Occupation, Establishing the State" as an important contribution to this end and will work for enhanced international support for this plan."

<sup>‡</sup>On 24 September 2009, the Quartet issued a joint statement that it "welcomes the Palestinian Authority's plan for constructing the institutions of the Palestinian state within 24 months as a demonstration of the PA's serious commitment to an independent state."

*Tamari: Could this mean a change of the government?*

*Fayyad:* It could certainly mean that. But the important thing is the plan. Those who have reservations should come forward with an integrated alternative formulation. It's not enough to say the plan is not a program of resistance. The agenda I have proposed is based on nonviolence—this is not a weakness and it does not mean that the plan does not involve resistance or struggle. On the contrary, all its substantial elements relate to struggle, all are means of resistance and defense. At the same time, we believe that unless our plan is formulated in a way that is in keeping with our commitments, we will expose ourselves to the winds.

Every time there is a problem or the political situation is blocked, there are calls to dissolve the Authority. Such talk is meaningless. What is the Authority? It is a transitional body created for a transitional stage under occupation. The PA is merely one of the institutions of the Palestinian people, a simple executive instrument through which the PLO, the sole representative of our people, carries out its responsibility for the welfare of the Palestinians in the occupied territories. The PLO is not only our political representative responsible for political leadership, it also has this second function that it exercises through the executive apparatus of the National Authority. Suppose we dissolve it. Then what? Does one really think that the occupation authorities will look after the Palestinians? To go back to square one solves nothing. If the goal is to create problems for the occupation, this is not the way to do it.

*Tamari: The advocates of dissolving the Authority want Israel to assume the burden of administering the territories.*

*Fayyad:* I understand the point. It's just that it does not take any account of the current political makeup and realities. . . . It's simply an outburst, a thoughtless gut reaction of frustration.

To come back to the plan, substantive criticism has been exhausted, and I think we have successfully overcome the suspicion or accusation that it is in line with Netanyahu's so-called "economic peace" proposal, or phase 2 of the road map. What we have actually done is to redirect attention back to the PLO's original plan of 1988.

*Farraj: Another tense moment in the Palestinian camp emerged over the EU's statement issued on 8 December.\* What can you say about this?*

*Fayyad:* The EU's statement was astonishing. The Swedish draft had been leaked and published in the Israeli press about a week before the EU Council vote on

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\*The member states of the EU debated a joint position on what could be done to end the stalemate in the peace process for some weeks in anticipation of the December 2009 meeting of the Council of the EU. Among several drafts, the Swedish draft, the closest to the Palestine position, was leaked to the Israeli press and published in *Ha'Aretz* on 2 December 2009. The Swedish text was rejected by a number of member states, including the Czech Republic, Romania, and Hungary, but a compromise version put forward by France was finally adopted on 8 December 2009.

it—the Israelis were mobilized for a fight once they saw, belatedly, what was in it. The battle over the European statement, which was heated in the extreme, was not an Israeli-Palestinian battle but an intra-European fight. At one point, the number of supporters backing Sweden was reduced to just a few countries.

We had been following matters very closely all the while until the evening of the Council's meeting. Various versions had reached us and it was clear that there was a struggle over the content, but when I saw the final statement, I saw that it was basically the Swedish version with some slight adjustments. Only three countries remained opposed to it. The initial Palestinian negative reaction was shocking, and although President Abu Mazin later moderated the position in his speech to the PLO Central Council,\* it was perhaps a bit too late.

*Tamari: How do you explain the Palestinian misreading of the European statement?*

*Fayyad:* I am sorry to say that the problem here was the same as with my government's plan, which is that it wasn't really read. In the case of the government plan, it was *ignored* without having been read, while in the case of the EU statement it was *criticized* without having been carefully read.

In fact, the EU's final statement was extremely close to the original Swedish version, the main difference being in the form. The final version adopted the French formulation of Jerusalem as "the future capital of two states." It is true that the Swedish draft was more specific, referring to a Palestinian state "with East Jerusalem as its capital," but still, the final version is clear enough. Obviously, one of the two states in the French wording is Palestine, but some of the Palestinians suggested that the statement might be referring to Abu Dis or Issawiyya for Jerusalem. This was totally unfounded. I had raised the issue concerning the draft they had been negotiating a year ago and there was no question about it, besides the fact that East Jerusalem is repeatedly mentioned in the final statement.

In fact, I think the EU statement is superior to some Palestinian positions, because it refers to UN Security Council Resolution 242, explicitly reaffirms the EU's resolution rejecting Israel's annexation of East Jerusalem, and states that the EU will not accept changes to the 1967 borders, "including with regard to Jerusalem," except for those agreed to by the two sides. In other words, the concept of 1967 territories applies to Jerusalem. Indeed, the EU's statement explicitly says that. All this comes together to make clear that the reference in the statement is to East Jerusalem as the capital of the Palestinian state.

*Tamari: The year 2009 was a difficult one for the Palestinian people. Are you still optimistic about the prospects?*

*Fayyad:* The European statement is one of the factors that inspire optimism. I feel that in this phase we are closer than ever before to what I see as the

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\*The PLO Central Council met 15-16 December 2009, a week after the release of the EU statement.



inevitable outcome. I can see what justifies such optimism. I have this feeling, a sense of Palestinian power. There is now an operational meaning to the “justness” of our cause. Justice alone will not bear fruit.

What worries me is Gaza. I have no idea how things will develop there within this context, or whether things will occur in the necessary timeframe. This is what worries me, and this is why I think we need to decide what we want on the issue of governance. Lately, I have begun to think that we should grant them whatever they want before they change their minds—I am referring to Hamas—so there will be a way for Gaza to reconnect with the West Bank so that unity can be restored to the two parts of our country.

I have long believed that our main problem, internally, is not so much a political one as one related to security. Reaching agreement on security, that’s the main thing. If security is the main problem, and also if we want to behave rationally, with no interference from outside parties, then we are closer to unity than ever before. Because what we are implementing as our declared policy in the West Bank is what Hamas, too, is implementing in practice in Gaza. Look at what Hamas is doing in Gaza: it is striving to prevent attacks against Israel. Hamas does not say so, but that is what it is doing. This attitude toward security constitutes a de facto point of agreement between Fatah and Hamas. Let’s build on this, so that we reach unity based on the principle that pluralism in security is not permitted, that resorting to violence is banned, but that political pluralism is accepted.

*Farraj: Since you are not an involved party, your view is neither that of Hamas, nor Fatah’s.*

*Fayyad:* This does not mean that one should not speak one’s mind. I am absolutely opposed to taking a hostile stance against Gaza, and I cannot see how such a stance can lead anywhere or that any good can come of it. I am constantly striving for unity because I am convinced that if we manage to solve the issue of Gaza, we will arrive at our goal.

*Tamari: Does your optimism relate to the European position?*

*Fayyad:* There is no doubt in my mind that the timing of the EU declaration was no coincidence. A main motivator for the Europeans was their sense that the Palestinians are on to something. This is not conjecture on my part—this is what I was told. And this is what has given me faith that this process can be a means to move the political situation. This is different from reiterating slogans and rejecting everything, or speaking idealistically of peaceful coexistence without having the faintest idea of how to arrive at such coexistence.