
The Parliament of the Commonwealth of Australia

Report of the Australian Parliamentary Delegation to Syria, Lebanon and Israel

9-21 November 2003

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Front cover photo: Palestinian school children at the Baqa/Yaabod Schools, near Sabra Camp, Beirut, sitting at desks donated by the Australian Government (photo courtesy of Mr Brendon Withers)



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Foreword

The very mention of Syria, Lebanon and Israel conjures in many minds images of ancient lands and civilizations, beset by war and, increasingly, by terrorism. There is some mention of the Middle East region daily in the media, whether it is the on-going uncertainties in post-Saddam Hussein Iraq, the Palestinian-Israeli conflict and attempts to find peace, or concerns over Iran's nuclear program. The public perception of the region and its people is largely of intractable problems, ongoing bloodshed and instability. In reality, the delegation found three very different societies, each coping with specific problems and challenges, but with great good will towards Australia and its people.

I was honoured to lead the Australian parliamentary delegation to Syria, Lebanon and Israel in November 2003. Through discussions with leaders of each of the countries, fellow parliamentarians, business and community leaders and academics we had the opportunity to explore issues of mutual interest. The willingness of all those we met to engage in a dialogue, even though it may have been difficult and painful at times, was a marked feature of our visit.

It would be presumptuous of the delegation to claim expertise on the countries visited after such a comparatively brief visit. The issues facing Syria, Lebanon and Israel are complex and multi-dimensional. This report, therefore, does not claim to be a comprehensive examination of all aspects of Australia's bilateral relations with these three states, nor an in-depth examination of issues such as the Middle East peace process. However, in this report we have tried to reflect the observations of the delegation, the differing perspectives of those we met and, where appropriate, we have included some comments and conclusions based on our experience.

The program in each of the countries was extremely full and interesting, providing a balance between formal meetings, informal discussions and inspections, and opportunities to see something of each country outside of meeting rooms in the capital cities. On behalf of the delegation, I would like to thank the host parliaments and governments for the generous hospitality extended to the delegation. Our visit coincided with Ramadan, and this was a great opportunity for the delegation to experience this facet of life in Islamic countries. We attended

many Iftar (the formal breaking of the fast after sundown each day) with our hosts and community groups, and these provided further evidence of the hospitality of all our hosts. The restrictions arising from Ramadan were a complication for those arranging our program, but did not effect the visit in any substantial way.

The Parliamentary Relations Office of the Australian Parliament coordinated arrangements in their usual professional and efficient way. Staff of the Australian embassies in Egypt (accredited to Syria), Lebanon and Israel and the Australian Representative Office in Ramallah were invaluable in developing the programs of calls and meetings, and the delegation appreciated their continued assistance to us during the course of the visit. Australia can be justly proud of the level of professionalism displayed by its representatives overseas.

Security was always going to be an issue in such a visit, and the delegation received several briefings from Australian government officials and the Australian Federal Police prior to departure. During our visits to Lebanon and Israel we were accompanied in each country by an AFP officer who liaised with local authorities on the security situation in-country and advised on measures in place for our security. Both Federal Agent Brendon Withers (Lebanon) and Federal Agent Michael Arena (Israel) discharged their duties in a very professional yet unobtrusive manner, and the delegation appreciated the contribution they made to the visit.

Finally, I would like to thank the other members of the delegation for their active and constructive contribution to the delegation. The program was physically demanding, and all members engaged in discussions, visits and inspections with great enthusiasm and in a spirit of bipartisanship. My particular thanks go to the Deputy Leader, Senator Kim Carr, who had been on a previous visit to the region and was able to lead in discussions on a number of occasions.

During our visit, the delegation was pleased, on behalf of the Presiding Officers of the Australian Parliament, to issue invitations to the Speakers of the parliaments of each country for a reciprocal parliamentary visit to Australia. We hope that those parliaments will be able to accept those invitations, and continue the dialogue on issues of mutual interest.

Senator Sandy Macdonald

**Senator for New South Wales
Delegation Leader**

March 2004



Membership of the Delegation

Leader Senator Sandy Macdonald

**Deputy
Leader** Senator Kim Carr

Members Mr Phillip Barresi MP
 Ms Joanna Gash MP
 Ms Nicola Roxon MP

Secretary Ms Joanne Towner



Visit Objectives

The objectives of the delegation were to:

- Renew and strengthen relations with the National Assemblies of Lebanon and Syria and the Israeli Knesset
- Gain an appreciation of the dynamics of key domestic social, economic and political issues and their relationship to regional issues
- Obtain the views of parliamentary and other leaders on regional issues, and their future expectations
- Examine opportunities for expanding trade and commercial relations, investments as well as in education and tourism
- Discuss ways and means to enhance understanding between Australia and the individual countries through cultural and other exchanges and people-to-people programs.



List of abbreviations

ACAS	Australian Community Assistance Support
ICARDA	International Centre for Agricultural Research in the Dry Areas
NGO	Non-government organisation
OGG	Observer Group Golan
OGL	Observer Group Lebanon
PA	Palestinian Authority
PLC	Palestinian Legislative Council
UNDOF	United Nations Disengagement Observer Force
UNIFIL	United Nations Interim Force in Lebanon
UNRWA	United Nations Relief and Works Agency for Palestinian Refugees in the Near East
UNTSO	United Nations Truce Supervision Organisation
WMD	Weapons of mass destruction
WTO	World Trade Organisation



List of recommendations

Recommendation 1

That the Australian government reconsider the decision to close the Australian Embassy in Damascus, with a view to re-opening the embassy should financial constraints permit.

Recommendation 2

That Austrade include Syria as a destination in a future trade delegation to the Middle East.

Recommendation 3

That the Department of Defence and the ADF review the conditions applying to the posting of ADF personnel to UN bodies in Syria, Lebanon and Israel with a view to permitting visits by the family, or in the event of an improved security situation, the posting being accompanied.

Recommendation 4

That the Australian Government increase its direct support to NGOs operating in the Gaza Strip and West Bank in support of development projects for the Palestinian people, and in particular for women.

Overview of Bilateral Relations

- 1.1 Although the Middle East region is remote geographically from Australia, it is in Australia's interests to see stability in the region. Our involvement in the war on terror, our on-going contribution to United Nations peacekeeping and monitoring efforts in the region, our trade and person to person contacts with these countries, all mean that it is important that Australia continue to build on the existing links with each country.
- 1.2 Prior to this delegation, the last Australian parliamentary delegation to Syria, Lebanon and Israel was in 1998 (that delegation also included a visit to Jordan). Since that time, much has occurred in the region and it was therefore opportune for an Australian parliamentary delegation to return to the region, and re-establish contacts with the leaders of each country and fellow parliamentarians.
- 1.3 The itinerary for the visit is at Appendix A of this report.

Syria

- 1.4 The Syrian Arab Republic, with a population of some 17 million people (2002), was led for almost 30 years by President Hafiz al-Asad. Following his death in 2000 his son, Bashar al-Asad became President, raising hopes for political and economic reform. London-educated and young, President Bashar al-Asad made tentative moves towards greater political freedom in 2000, with the release of a number of political prisoners and encouragement of wider discussion of political issues. The encouraging early signs, however, have not persisted. Many of the 'old guard' are still in place, and many believe there will

have to be a generational change among the leadership before significant political reform is possible.

- 1.5 The President appears to be secure in his position, although it appeared to the delegation that he owed his standing largely to being the heir to his father's legacy rather than for any particular personal following. The delegation noted the ubiquitous pictures of the former President and the current President throughout the country. Continuing support for the President and consolidation of his position will rely heavily on the government's ability to deliver economic benefits to the country and continued social harmony in the face of changing domestic and international circumstances.
- 1.6 Syria's secular government places a great deal of emphasis on religious tolerance and social harmony. Although the 1973 Constitution requires that the President be a Moslem, it does not make Islam the state religion and religious freedom is provided for. In discussions there was continual reference to the need to avoid extremism of any sort, and it was clear that the government is still very mindful of the difficulties of the mid-1970s and early 1980s when Islamic extremists led an armed insurgency against the regime and were crushed by the government. The government has emphasised socialism and secular Arabism, and has sought to build national rather than religious or ethnic allegiances.
- 1.7 The Syrian People's Assembly, comprised of 250 members, is dominated by the governing Ba'ath Party which currently holds two-thirds of the seats (under the Constitution it is guaranteed one half of the seats). While there is not a formal opposition as such, there is public debate on a range of issues. During the last election, there was significant turnover of members, with the delegation advised that 70% of those elected were new members. The Prime Minister commented to the delegation that the influx of new members into the People's Assembly had revitalised it. When the delegation visited the Assembly, a bill on organ transplants was under discussion. There the divisions were between Islamists and the more secular members of the parliament, with the secularist viewpoint dominating in the end.
- 1.8 The delegation was unable to meet with President Bashar al-Asad during its visit. However, we were able to meet with a number of senior government members including the Prime Minister, HE Eng. Mohamed Nagi El-Etri, the Speaker of the People's Assembly, HE Dr Mahmoud Al-Ibrache, and HE Mr Farouq Al-Shara'a, Foreign

Minister. All spoke candidly about the challenges facing Syria as it attempts to reform and open its economy.

- 1.9 Oil accounts for between 55 and 60% of Syria's total export earnings; textiles, manufactured goods and fruits and vegetables account for a further 27%. The agricultural sector, employing some 40% of the work force, remains underdeveloped, and water security remains a central issue to its development. Per capital income in 2002 was US\$3,500, with unemployment rates estimated at 20%. The delegation was informed that some 8 million of Syria's almost 18 million population are under the age of 16. This has significant implications for provision of education and other services, in addition to employment prospects. Each year there are approximately 200,000 new job seekers. The Army and the Government are already overstuffed, employing some 1.5 million people, and the government has commenced a job creation program to address the lack of employment opportunities for the young.
- 1.10 Syria has recognised the need to modernize, and move its economy away from the centrally planned socialist model it has followed, and attract western companies and investment. Progress has been very slow and while the new government has a package of reforms, they are currently engaged in reviewing and revising all administrative structures. A white paper, dealing with reform, was due for release in the week following the delegation's visit.
- 1.11 Despite the challenges facing Syria, the delegation saw no overt signs of poverty during its visit, and on the contrary noted the availability of a range of food and manufactured goods and a thriving commercial sector. Syria is historically a nation of traders and the challenge for the government is to develop that ability into a more globally competitive trading nation.

Relations with Australia

- 1.12 While relations with Australia are cordial, it is also true to say that they are insubstantial compared to the other countries visited by the delegation.
- 1.13 Australia closed its embassy in Damascus in 1999 due to financial pressures, and Australia's diplomatic relations are managed through the Australian Embassy in Egypt, with the Ambassador having non-resident accreditation to Syria. The lack of a resident diplomatic presence in Syria was raised with the delegation on a number of occasions, including at the most senior level. In terms of creating

closer business ties, educational links, and in general providing information about Australia, the Syrians felt that the absence of an Embassy in Damascus was a serious disadvantage to Australia's interests.

- 1.14 The Syrian government has indicated a preparedness to engage in a dialogue with the west that was not as evident in 1999. For example, Syria is pursuing closer relations with the European Union, and is in the process of negotiating an Association Agreement. Such an agreement may assist in the liberalisation process of the Syrian economy in the longer term. Syria has also commenced the WTO accession process. On a number of occasions during our visit, Syrian authorities referred to the close relationship that Australia has with the United States. Because of our close ties, they saw Australia as being able to play a role as a conduit between Syria and western powers, and a possible voice of influence on their behalf.
- 1.15 At the time of the visit, Syria did not have an embassy in Australia, although it had two Honorary Consuls (in New South Wales and Victoria). The delegation was advised during discussions with the Syrian Foreign Minister that they were expecting to establish an embassy in Australia in the near future, and this has subsequently occurred.

Recommendation 1

That the Australian government reconsider the decision to close the Australian Embassy in Damascus, with a view to re-opening the embassy should financial constraints permit.

The trade relationship

- 1.16 The bilateral trade relationship between Australia and Syria is extremely modest. In 2002-03 Australian exports to Syria totalled only A\$23.1 million, and imports from Syria were valued at only A\$1.1 million. Principal imports from Syria are spices, preserved vegetables, and vegetable fats and oils. Australia's main exports are dairy products, wheat, telecommunications equipment and passenger motor vehicles. The delegation was advised that there was a potential market for live sheep exports from Australia to Syria. However we were also advised that there were significant impediments to Australia breaking into a market where there were existing strong commercial and personal relationships.

- 1.17 It is interesting to note that the volume of Australian exports to both Syria and Lebanon is roughly of the same magnitude (A\$23 million). The delegation found this quite surprising, given the ostensibly more open nature of the Lebanese economy and the strong people-to-people contacts between Australia and Lebanon (see paras 1.39-1.45). We were interested to learn about the extensive economic reforms being contemplated within Syria, and what impact this might have on bilateral trade.
- 1.18 The Syrian government has foreshadowed a number of economic reforms that may assist in the development of the trade relationship and making Syria a more attractive and accessible market. These include changes to the banking system, removing restrictions on foreign banks, new commercial laws, the creation of a stock market and an overhaul of the tax system. Opportunities exist for Australian education exports, information technology companies and financial management consultancies (particularly as efforts are made to open the financial sector). There may also be opportunities for Australian companies in agricultural technology, particularly in water management.
- 1.19 The delegation met with members of the Chamber of Commerce in Damascus, and discussion initially focussed on the poor trade relationship between Syria and Australia, and ways in which this might be addressed. The Federation of Chambers of Commerce, covering all regional chambers in Syria, has been working closely with the government on proposed changes to foreign trade regulations and other initiatives. The priorities of the Chamber were tourism, banking, information technology, education, agriculture, judicial reform and management of the civil service.
- 1.20 The 1998 Australian Parliamentary Delegation had recommended that 'increased attention be given to promoting Australian commercial activity in Syria'¹. From our observations, however, little seems to have occurred in the period since the release of that report. The delegation found that none of those present at the meeting from the Chamber of Commerce, significant business figures in the Syrian economy, had ever been to Australia, and that there had been little formal contact or exchanges on the trade front between the two countries.

1 Australian Parliamentary Delegation, *Report of a Visit to Syria, Lebanon, Jordan and Israel, 5-21 June 1998*, p. 13.

- 1.21 The delegation believes that there would be merit in the Australia Arab Chamber of Commerce and Industry liaising with the Syrian chambers to promote opportunities for two way trade. Further, the delegation would like to see Austrade examine ways in which that trade relationship might grow, including a trade delegation to Syria, perhaps as part of a regional visit.

Recommendation 2

That Austrade include Syria as a destination in a future trade delegation to the Middle East.

- 1.22 The delegation met with the President and a number of staff from Damascus University. The university has 100,000 students (although half of these are off-campus or part time), and some 2,000 staff, spread over 16 faculties including engineering, medicine and business administration.
- 1.23 The issue of educational exchanges was raised during those discussions. The University has a number of MOUs with international institutions, but most are located in Europe. They are interested in expanding their contacts with other areas, but the President of the University noted that the lack of an Australian Embassy in Damascus was a hindrance in obtaining information and assistance with visas etc. There have been individual cases of Syrians travelling to Australia to study, but they have been quite limited.
- 1.24 The Governor of Aleppo, Syria's second largest city, and home of a university with 70,000 students, told of a similar situation - many agreements with overseas universities for student, research and teaching exchanges, but little Australian involvement. The Governor indicated that they would welcome Australian involvement, and that this was being explored with the Australian Ambassador.
- 1.25 The delegation discussed in general terms the opportunities for exchanges between Syrian universities and Australian institutions. The Australian Ambassador indicated that he had had discussions with the Syrian Minister for Higher Education and would be exploring options in the future. One practical way might be for Syrian representatives to attend the IDP Education Australia 'roadshow' to be held in the Gulf States in April/May 2004.
- 1.26 Syria also has much to offer in the way of tourism. The delegation visited the Omayyad Mosque and the El-Hamadiyya Souq in Damascus, and also the citadel in Aleppo. Time did not permit visits

to other world famous sites such as the ancient ruins at Palmyra or the crusader castle of Krak des Chevaliers. There is much potential for the development of tourism in Syria, and there may be opportunities for combined visits to Syria and Turkey by Australian travellers should the general security situation improve.

Lebanon

- 1.27 Lebanese politics is a delicate balancing of power between the main religious groups within the country. By custom, the President of the Republic of Lebanon is a Maronite Christian; the President of the Council of Ministers (Prime Minister) is a Sunni Muslim; the President of the National Assembly (Speaker) is a Shi'a Muslim; and the Chief of Staff of the Armed Forces is a Druze. The delegation was honoured to meet President Lahoud, Prime Minister Hariri and Speaker Berri during our visit.
- 1.28 Lebanon's unicameral National Assembly is elected by popular vote on the basis of sectarian proportional representation for four year terms. Political parties are based largely along religious allegiances. Of the current Assembly, half of the seats are held by Muslim parties (with Sunni and Shiite parties each holding 27 seats) and the other half by Christian parties (the Maronites have the largest allocation of seats, with 34 currently). Hizbollah have had political representation in the National Assembly since 1992, and currently hold 8 seats.
- 1.29 On the surface, Lebanon appears to be recovering from the civil war that raged from 1975-1990. The militias are still in existence, although much weakened, and people appear to have drawn a line under the events of the civil war. The delegation found it difficult to assess how successfully the divisions of the past have been overcome and whether the issues that led to the civil war have the potential to resurface. Security is still an issue, however, and the delegation was briefed during its visit about security arrangements pertaining to our embassy and staff in Beirut.

Figure 1.1 Members of the delegation, accompanied by Mr Abdul Rahman MP and HE Ms Stephanie Shwabsky, Australian Ambassador, meet with HE President Lahoud (fourth from left).



Source: Photo courtesy of Ms Julia Dixon, First Secretary, Australian Embassy, Beirut.

- 1.30 The rebuilding of Beirut's CBD is remarkable, and is on-going. The delegation was able to visit the downtown area and visit the planning centre, where the scale of the task was apparent. Solidere (the Lebanese company for the Development and Reconstruction of the Beirut Central District) is both the lead developer and supervisory body of the master plan, covering an area of 184.5 hectares. The redevelopment of the central business district is impressive, with a coherent plan and style making this a very welcoming and attractive area.
- 1.31 Much of the investment has been from the private sector, and while significant progress has been made in the Beirut area, a great deal still remains to be done, not only in the wider Beirut area, but more particularly in areas beyond Beirut. The delegation visited the Akkar region and the Qadisha Valley and, while infrastructure in those areas is improving, neither area is progressing at the same pace as the more urban areas.
- 1.32 Lebanon and Syria share much in common, including geography, history, language and aspirations. Syrian influence on Lebanon remains strong, and Syria continues to maintain a considerable security and intelligence presence in the country. While troop numbers have declined, and are believed to be up to 20,000, the

delegation detected differences of opinion among Lebanese about the continued presence of those troops. The Lebanese Government, however, supports their continued presence.

- 1.33 The delegation was reminded during its discussions that Lebanon is in fact a post-war economy, and the need to rebuild infrastructure and services has placed a considerable strain on the Budget. There is extremely high public debt (estimated at some US\$32 billion), and the government is struggling to pay it off (servicing of the debt is the largest single item of government expenditure). The delegation was advised that despite government revenue increasing four fold over the last decade, it has not been sufficient to make an impact on Lebanon's debt burden.
- 1.34 A number of Lebanese we met referred to the need in the next 3-4 years for the government to balance the budget, and that the current level of debt is not sustainable. Serious unemployment (particularly among the 15-25 age group), low exports levels and a struggling agricultural sector all add to the difficulties facing the government.
- 1.35 Despite these challenges, the Lebanese economy is open and outward looking, with a thriving financial services sector. Family remittances continue to play a role as a source of foreign exchange. The Prime Minister indicated to the delegation that approximately US\$4-5 billion comes in annually in the form of such remittances.
- 1.36 As part of the economic reform agenda the government is seeking to integrate the economy more into the global economy. While there appeared to be a broad consensus on the need for modernization, concern was expressed to the delegation of the need to ensure that sectors such as agriculture were not destroyed in the process.
- 1.37 The Lebanese government is examining privatisation of telecommunications, electricity, and possibly airports and water distribution. There is an ongoing debate within Lebanon on the benefits and costs of privatisation, although the delegation was advised that the general consensus was that it should move ahead. Strict regulatory regimes are envisaged to reduce the possibility of monopolies.
- 1.38 Lebanon is in the process of seeking access to the World Trade Organisation (WTO) , and is also a member of a nascent Arab free trade area. Implementation of the Arab Free Trade Agreement (AFTA) began in 1998, but progress has been slow.

Relations with Australia

- 1.39 Lebanon has a population of approximately 4 million, but there are a further 14 million people around the world who claim Lebanese heritage. Australia has been a significant destination for Lebanese migrants, as have North and South America, Africa and the Gulf States. In Australia there are approximately 300,000 Australians of Lebanese origin. In addition, approximately 20,000 Australian passport holders are resident in Lebanon.
- 1.40 The Lebanese community has made a major contribution to all aspects of Australian life, in fields as diverse as business, politics, and sport. Many of those we met in Lebanon have family members in Australia, and view Australia very favourably. The delegation had the opportunity to meet community leaders in a number of areas of Lebanon, and discuss not only domestic political issues, but also the situation in the Middle East region more generally. The delegation was conscious on some of those occasions that the discussions and positions put by local leaders were more for domestic consumption and tailored accordingly. This did raise concerns among the delegation that the degree of unanimity expressed officially was not necessarily an accurate reflection of wider community feelings.
- 1.41 The Australian immigration office in Lebanon is extremely busy. In 2002-03 the Beirut office granted 11,342 visas, of which 7,737 were temporary entry visas. Globally, Beirut is the second largest contributor to partner (spouse) migration to Australia (after London). Australian officials have made significant progress in reducing the non-return rate (ie those who do not comply with their visa conditions and overstay in Australia) from 24% in 1998-99 to just over 7% in the last financial year. This has been achieved through a combination of improved information to applicants (ensuring they understand the conditions of their visas), and improved fraud monitoring and control measures.

The trade relationship

- 1.42 The strong community ties that exist between Australia and Lebanon, and the large expatriate community, however, have not translated into extensive trade and investment for either country. The Australian Ambassador to Lebanon and the leader of the delegation jointly hosted a dinner attended by senior members of the government, members of Parliament, business and community leaders. The extensive person-to-person links between our two

countries was stressed time and again to the delegation, and we had an opportunity to discuss in general terms the nature of the trade relationship and what might be done to reinvigorate those links.

- 1.43 Two way trade in 2002-2003 totalled A\$31.4 million, of which A\$23 million consisted of Australian exports to Lebanon. This is a significant decline in exports, from A\$56.9 million in 1999-00. Imports from Lebanon have increased slightly over the last couple of financial years, and totalled A\$8 million in 2002-03. Major imports from Lebanon included preserved food products, paper products and jewellery. Australian exports included livestock, wheat, dairy and meat products, and passenger motor vehicles and vehicle parts.
- 1.44 Lebanon sources much of its high-technology imports from Europe, with Italy, France and Germany accounting for nearly a third of all Lebanese imports in 2002. Australia is at a disadvantage given transport costs and lead-times in providing goods from Australia.
- 1.45 The delegation believes it may be possible to see modest increases in the bilateral trade relationship, but that the differences in the size of the respective populations and economies means that any increase would not be major.

Israel

- 1.46 Israel is a democratic republic, with a unicameral parliament, the Knesset, consisting of 120 members. The current Government, led by Prime Minister Ariel Sharon, is a coalition of the Likud Party (40 seats), the centrist-secular Shinui Party (15 seats) and two right wing parties (totalling 13 seats). The Opposition Labor Party has 19 seats. Israeli society is very open with a range of views freely expressed and vigorously argued. The strong nature of its democracy was evident during the various meetings the delegation attended, with points of view put with great passion and conviction. That same conviction was expressed regardless of the individual's place on the political spectrum, and the delegation found differences of approach among people even of the same political party.
- 1.47 It was unfortunate that when the delegation visited Israel, the Prime Minister was on an official overseas visit and therefore unable to meet with the delegation, and the Foreign Minister was also overseas. A planned meeting with the Speaker of the Knesset did not eventuate as he was in Turkey attending the funerals of those killed in terrorist bombings in Istanbul. The delegation did, however, meet with

Deputy Speaker Mikhail Nudelman MK and a number of government ministers and members of the Knesset.

- 1.48 Israel has a population of approximately 6.25 million, of which approximately 80% are Jewish, and 18% Arab (of these, 75% are Moslem, 17% Christian and others). Around 25% of the Jewish population were born in Israel, while the remainder have immigrated from around the world. Jewish migration has been a vital part of the development of the country, with approximately one million immigrants arriving in Israel since 1989, many of these from the former Soviet Union.
- 1.49 The Israeli economy has suffered because of the security situation, and economic management is the second most pressing issue facing the Israeli government after security. While Israeli technological research and development, particularly in electronics, biotechnology and software are highly regarded, they were affected by the world-wide downturn in demand in 2000. Other sectors of the economy have also suffered. Tourism and leisure have been badly effected (the delegation was advised that tourism had dropped by 90% as a result of the Intifada), as have the building and construction sectors. In addition the deteriorating security situation has led to increased spending in the area of defence and security. In 2002, Israel spent 16% of its GDP on defence (and in addition received support from the US in the form of a military aid package).

Relations with Australia

- 1.50 Australia has been a strong supporter of the state of Israel, being among the first countries to recognise the new state of Israel in 1949. Successive Australian governments have supported Israel's right to exist within secure and internationally recognised borders. Most recently Australia has been a strong supporter of the Roadmap to Middle East peace (see chapter 2). The relationship is generally close. During a number of meetings, appreciation was expressed for Australia's contribution to the coalition in Iraq.
- 1.51 The Australian Jewish community is very active in supporting the bilateral relationship, and the two chambers of commerce are also very influential. The Australia-Israel Cultural Exchange (AICE) has obtained support from the Jewish community in Australia.

The trade relationship

- 1.52 Australia-Israel bilateral trade is worth over A\$700 million per year. Australia's major export to Israel is coal, and the second largest export is live animals. Israeli exports to Australia include telecommunications equipment and pearls and gems.
- 1.53 Australia encourages Israeli companies to view Australia as a regional base and as a supplier of sophisticated goods and services. The delegation met the Minister for Science and Technology, Mr Eliezer Sandberg MK, and discussed the potential for cooperation in the field of science and technology. The Minister spoke in general terms about Israel's interest in applied science, an area where he felt they had a technical advantage. The potential for future co-operation in science was explored at a government to government level in 2002 during a visit by the Australian Minister for Science, the Hon Peter McGauran.
- 1.54 Two sectors of particular note in the trade relationship are biotechnology and education. The delegation attended a briefing at Tel Aviv University, attended not only by staff of the University but also by members of the Israel-Australia Chamber of Commerce (at the time of the delegation's visit, a trade delegation from the Chamber was visiting Australia). The delegation was briefed on Israeli research in the areas of nanotechnology, and environmental studies. Following a world-wide competition, an Australian design has been selected for the University's new Ecotech Building.
- 1.55 Three Israeli companies with existing or potential connections with Australia also briefed the delegation. ExLibris, a company specialising in library software, spoke about the company's expansion into the US market, and its already strong presence as a software supplier to Australian universities. Representatives of the National Institute for Testing and Evaluation spoke about university entry testing and other diagnostic tests they have developed. The third company to make a presentation was Commonsensor, a product that uses soil tension to regulate irrigation flows, and which has obvious applications for Australian agriculture.
- 1.56 There is already a great deal of cooperative activity between Tel Aviv University and Australian institutions, and it was evident from the presentations that this is only the beginning.
- 1.57 Marketing of Australia as an education supplier is growing from a low base, and is being promoted on the basis of a high quality

education in a safe environment at a favourable cost, compared to the more traditional markets such as the United States and Europe. Again, the delegation noted that there is potential for growth in this sector and would encourage Australian officials to pursue this with their Israeli counterparts.

The Palestinian Authority

- 1.58 The Palestinian Authority (PA) was established as part of the Oslo Accords in the mid 1990s. Australia has had a representative office in Ramallah since November 2000. The office has responsibility for Australia's development assistance program and facilitates Australia's dealings with the PA.
- 1.59 Elections were held in 1996 for the position of President and for the 88 member Palestinian Legislative Council (PLC). Yasser Arafat was elected as President of the PA. There should have been PLC elections in 1999, and there have been no municipal elections since 1996. It is hoped that elections for the PLC will be held by June 2004. The delegation also met with Dr Mustafa Barghouthi, Secretary of the Palestinian National Initiative, a new democratic Palestinian opposition movement. Dr Barghouthi has been advocating changes to the electoral arrangements for the PLC - increasing the number of seats in the PLC to 120, with half based on regional constituencies and the remainder on the basis of proportional representation. Given the anticipated timing of elections and ongoing security problems there is doubt however, that any electoral changes will be made before the next election.
- 1.60 The PLC is operating under significant practical handicaps, for example the delegation was advised that the PLC is unable to meet together on a regular basis, because of the roadblocks and travel restrictions imposed by the Israelis on the Gaza and the West Bank. The delegation was advised that the PLC does meet by video conference.
- 1.61 In March 2003 the position of Palestinian Prime Minister was created. It was initially filled by Mahmoud Abas (Abu Mazen), but he resigned on 6 September 2003 and President Arafat appointed Ahmed Qurei (Abu Ala) as his replacement. The delegation had hoped to meet with Prime Minister Qurei, but on the day we visited Ramallah, he had been called to urgent meetings in Gaza. The appointment of the new Prime Minister and cabinet was seen as very positive step. There was considerable hope during the delegation's visit that

dialogue between the Prime Ministers of Israel and the Palestinian Authority might resume.

- 1.62 The Palestinian economy, like that of Israel, has been damaged by the deteriorating security situation. The World Bank has estimated that by December 2002, about 60 per cent of the Palestinian population was living in poverty, and unemployment rates were around 50 per cent. Physical damage suffered by the Palestinian economy from September 2002 until April 2003 is estimated at US\$370 million, with a cumulative total of US\$1.1 billion since October 2000. This is largely comprised of damage to private and public infrastructure, equipment and utilities.²
- 1.63 The economy is dominated by services, while industry remains underdeveloped. Agriculture contributes around 7% of the Palestinian GDP, with the sector dominated by small, family based farms. Actions such as the destruction of thousands of olive trees in the Occupied Territories therefore have had a devastating effect on those reliant on agriculture for their income.
- 1.64 Palestinian population growth rates are high, with the population doubling approximately every 20 years. There are now 2.2 million Palestinians in the West Bank and 1.2 million in the Gaza Strip. Over 5 million people in other countries identify themselves as Palestinians.
- 1.65 The Palestinian Authority's financial situation is difficult, with an anticipated budget shortfall of US\$650 million in 2004.

Relations with Australia

- 1.66 Australia supports the establishment of a Palestinian state in the context of a peace agreement between Israel and the Palestinians. In support of this, Australia has provided humanitarian and development assistance to the Palestinian people through a number of mechanisms, including support of UNRWA (see chapter 3 for more details), NGOs and through the Australian Community Assistance Support (ACAS) program.
- 1.67 The Palestinian interlocutors welcomed the opportunity to discuss their situation with the Australian delegation and to put their perspective. The delegation heard on a number of occasions that they were pleased to see people from overseas who were prepared to come and see for themselves what was happening on the ground. They

2 United Nations, *Report on UNCTAD's Assistance to the Palestinian People*, TD/B/5014, 28 July 2003.

displayed a positive attitude towards Australia. While acknowledging our close ties with the United States, we were left with the impression that Australia was regarded as a country they felt could work towards finding a solution.

Searching for Peace

- 2.1 A dominant theme during the delegation's discussions in all three countries was the search for peace in the region. Since its creation in 1948, Israel has defended itself against many acts of aggression from its Arab neighbours. The resultant flow of Palestinian refugees and the territorial changes have complicated the numerous attempts by the international community to find a peaceful resolution. To this complicated mix has now been added changing dynamics in the region with the removal of Saddam Hussein in Iraq, the ongoing uncertainties in that country, and the continuing war on terrorism.
- 2.2 The delegation discussed security issues in each of the countries visited. While they each shared concerns about their immediate situations, and the regional outlook more generally, it was not surprising that there were marked differences about the way in which they perceived any resolution of security issues.
- 2.3 The visit provided the delegation with an opportunity to appreciate more fully the proximity within which these security concerns are being played out. From southern Lebanon, for example, much of the populous northern part of Israel lies exposed to attack from Katyusha rockets. The delegation was strongly reminded of the dominance of the Golan Heights over the Jordan River valley and Israeli settlements in the Galilee region during its visit to the area.
- 2.4 In discussions in all three countries, the question of who is a terrorist was raised. Syrian and Lebanese interlocutors pointed out that, in the absence of hope, desperate people take desperate action and that

while someone might be called a terrorist, they could be seen by their own people as freedom fighters. While that argument may be advanced in all sincerity, the delegation believes that random attacks against civilian populations can never be countenanced. The delegation condemned in the strongest terms such attacks, in whatever form they occur.

Syria

- 2.5 Syria shares borders with Lebanon, Jordan, Iraq and Turkey. In terms of its foreign relations, there have been border conflicts and disputes over water resources with a number of its neighbours in the past. The delegation was reminded on a number of occasions of the difficulties in its relationship with the government of Saddam Hussein. Syria supported Iran in the Iran-Iraq war; and has accused Saddam Hussein of playing a covert destabilising role among neighbouring countries, including Syria. However, Syria is believed to have benefited economically through facilitation of sales of Iraqi oil despite the internationally imposed embargo.
- 2.6 Syria contributed forces to the liberation of Kuwait in the first Gulf War, and in regard to the current situation in Iraq, indicated it would support UN action, but not the action taken by the United States without the approval of the international community.
- 2.7 Syria's intervention in the civil war in Lebanon was instrumental in bringing that conflict to an end in 1991. Syria maintains a military presence in Lebanon, although the number of troops has declined in recent times and is now estimated to be between 15,000 and 20,000. From Syria's perspective, the delegation was advised that Syria's continued presence in Lebanon was a sign of the special relationship that exists between the two countries. Despite the high cost of maintaining a presence there, the Syrian Foreign Minister indicated that they felt obligated to stay because Lebanese authorities wanted them there.
- 2.8 The United States and other members of the international community have expressed concerns about Syria's role in providing a safe haven to terrorist groups in Damascus. Syria has been on the US list of state sponsors of terrorism since 1979. In the month prior to the delegation's visit, Israel attacked what it described as a terrorist training camp in Syria. The nature of that target was strongly denied by Syrian interlocutors, who variously described it to the delegation as 'a deserted house', or 'empty'.

- 2.9 In November the US Congress passed the *Syria Accountability and Lebanese Sovereignty Restoration Act*, an act designed:
- to halt Syrian support for terrorism, end its occupation of Lebanon, stop its development of weapons of mass destruction, cease its illegal importation of Iraqi oil and illegal shipments of weapons and other military items to Iraq, and by so doing hold Syria accountable for the serious international security problems it has caused in the Middle East, and for other purposes.¹
- 2.10 Under the Act, signed into law on 12 December 2003, the President has the power to impose sanctions against Syria, ranging from the prohibition of exports of US products to Syria, restrictions on US investment in Syria, and possible travel restrictions on Syrian diplomats in the United States. It would also allow the US government to freeze Syrian assets in the United States. The US has also raised the possibility of action against Syria under the Patriot Act.
- 2.11 Syria has stated that it has shut down the offices of Palestinian militant groups such as Hamas and Islamic Jihad in its capital (although there are claims that those groups continue to operate informally), and said it is doing as much as it can to prevent fighters and military equipment from crossing its border with Iraq. Syria has also denied that it has or wishes to develop weapons of mass destruction, and has tabled a draft UN resolution to remove all WMD from the Middle East. The Syrian Prime Minister indicated to the delegation that he believed that resolution had been blocked because Israel is the only country in the region with WMD capabilities.
- 2.12 The Syria Accountability Act was raised with the delegation during a number of meetings. The view was strongly put by the Syrian authorities that the proposed sanctions would affect US companies more than Syria, and that in terms of the demanded withdrawal of Syrian troops from Lebanon, this was an unnecessary interference in the affairs of two sovereign states. Syria defended its presence in Lebanon on the basis of it having responded to a neighbour in distress, and that they were in Lebanon by invitation, a view reinforced to the delegation in discussions with senior Lebanese leaders.
- 2.13 In responding to US criticisms about their border control measures, senior Syrian government members pointed to the difficulties of

1 United States Congress, Public Law No. 108-175.

policing a 600km border, where nomadic populations move back and forth between a number of countries. They did point to the difficulties that the US itself has in maintaining a controlled border with Mexico.

Golan Heights

- 2.14 Syria's relations with Israel are hostile, due to Israel's continued occupation of the Golan Heights, and the growth of Israeli settlements in the occupied area. The ceasefire between Israel and Syria has been supervised since 1974 by the UN Disengagement Observer Force (UNDOF). The Israeli Knesset passed a law annexing the Golan in 1981, although Israel's sovereignty is not recognised internationally. Negotiations between Israel and Syria over the Golan broke off in 2000. President al-Asad has indicated that Syria is prepared to resume negotiations at the point where they broke off, but Prime Minister Sharon has indicated that he does not feel obligated to accept any concessions made by his predecessor, and that new talks should start from the beginning.²
- 2.15 Syrian authorities put the number of people displaced from the Golan area at approximately 400,000. Some 25,000 Syrians continue to live under Israeli occupation. The humanitarian problems resulting in the separation of families and villages, travel restrictions and social and economic dislocation are ongoing and a source of great bitterness. The delegation was briefed on the practical impact on the largely Druze villages of the Golan, where strong family and social ties still exist despite the occupation. In the December 2003 report by the Secretary General of the UN on UNDOF's operations, he noted that:
- In the last 6 months, UNDOF has assisted in the crossing of 462 students and 209 pilgrims and four persons in need of medical care. In addition, UNDOF provided protection at seven weddings....³
- 2.16 There are approximately 15,000 Israeli settlers in occupied Golan, based in 6 major kibbutzim, with one under construction. After the delegation's visit, there were media reports that Israel was looking to expand its settlements in the Golan. Should these reports prove to be reliable, it will be a further aggravation of the situation in the area and make any future resolution difficult.

2 AP-Nahanet, 12 January 2004.

3 United Nations Security Council, document S/2003/1148, 9 December 2003.

- 2.17 In a meeting with the delegation, the Syrian Prime Minister reiterated his government's support for the 'land for peace' concept, based on the 1991 Madrid Conference. Regrettably, he observed, he did not feel that Israel truly wanted peace, and that the recent Israeli aggression showed their true intentions (referring to the Israeli Air Force bombing of a suspected terrorist camp).
- 2.18 The delegation also met with the Governor of Qenitra, in the Golan, and received a briefing from UNTSO (Observer Group Golan - OGG) personnel engaged in supporting UNDOF by monitoring the 'area of separation' between the Israeli and Syrian forces. The 'area of separation' is some 80 km long, and varies in width from 10km to just under 1km. There are some 80 military observers of OGG supporting UNDOF in its role. UNDOF has two base camps, 44 permanently manned positions and 11 observations posts, one of which (OP 71) the delegation was able to visit. Unfortunately the foggy weather during the visit limited visibility, but we were given a very comprehensive briefing on the UN's work in the area.

Figure 2.1: Members of the delegation at Observation Post 71 (OP 71), Golan Heights, with Australian Defence Force personnel serving with the United Nations, and Australian Ambassador HE Mr Robert Newton.



Source: *Photo courtesy of Ms Suzanne Stein, First Secretary/Consul, Australian Embassy, Cairo.*

2.19 While the 'area of separation' is demilitarized, on each side there is an 'area of limitation', with three different zones with various restrictions applying to the personnel and armaments able to be deployed therein. The area of separation is also monitored by the UN to ensure that the troop and armaments restrictions are observed.

2.20 In December 2003 the UN extended UNDOF's mandate for a further six months in recognition that:

...despite the present quiet in the Israeli-Syrian sector, the situation in the Middle East was very tense and likely to remain so unless and until a comprehensive settlement covering all aspects of the Middle East problem was reached.⁴

Lebanon

2.21 The major security issues facing Lebanon are its relations with Israel; the activities of Hizbollah in southern Lebanon; and the continued presence of Syrian forces in the country. The southern area of Lebanon, on the border with Israel, continues to be a source of tension, with Israel and Lebanon still in a state of war. Israel withdrew from southern Lebanon in May 2000, but with continued Hizbollah activity in the area, including anti-aircraft fire across the 'Blue Line', border skirmishes and violations of the UN patrolled area continue. Israeli overflights into Lebanese airspace also continue to cause tensions between the two countries.

2.22 The Shab'a farms area is also a point of conflict. A largely unpopulated part of the Golan, the 25 sq km area was captured by Israel from Syria in 1967. The United Nations has determined that it forms part of the Israel-annexed Golan Heights, and is therefore an Israel-Syria issue. However Lebanon claims it as Lebanese territory and Syria also acknowledges the area as Lebanese territory. Hizbollah uses Lebanese claims of sovereignty over the Shab'a farms area to justify their continued existence as a resistance force in southern Lebanon, following the Israeli withdrawal.

2.23 There are almost 2000 personnel serving with the United Nations Interim Forces in Lebanon (UNIFIL), and UNIFIL is supported by a further 50 UNTSO troops (Observer Group Lebanon - OGL). Established in 1978, UNIFIL's mandate is to confirm the withdrawal

4 www.un.org/depts/dpko/missions/undof/index.html

of Israeli forces from southern Lebanon; restore international peace and security; and assist the government of Lebanon in ensuring the return of its effective control in the area. Following the 1982 Israeli reinvasion of southern Lebanon, UNIFIL remained but its role was limited to providing protection and humanitarian assistance to the local population to the extent possible. When Israel withdrew unilaterally from southern Lebanon in 2000, UNIFIL once again undertook its monitoring role, and the Israeli withdrawal was subsequently deemed by the UN to have been a full withdrawal.

- 2.24 During the delegation's visit, there were reports of negotiations (mediated by Germany) on a possible prisoner swap between Israel and Lebanon. The very possibility of such a swap was sufficient to raise the general level of tension in southern Lebanon.
- 2.25 The delegation met with Major General Lalit Mohan Tewari, Force Commander, UNIFIL, and also Mr Terje Roed-Larsen, UN Special Coordinator for the Middle East Peace Process who was also visiting the UN at Naqoura. In this meeting and in subsequent briefings by UNIFIL and OGL staff, the delegation was briefed about recent developments along the Blue Line, the nature of the violations that occur and the challenges facing the UN staff in discharging their mandate. While UN staff noted the previous three months had been comparatively calm, the volatility of the area was acknowledged and there was an expectation that re-engagement would occur in the next few months. In January 2004, Hizbollah fired on an Israeli bulldozer that had crossed the Blue Line, and Israel responded by bombing what it called Hizbollah sites on Lebanese territory.
- 2.26 The Blue Line, determined by the United Nations as the best possible assessment of the international border, and agreed by the governments of Israel and Lebanon as such, stretches for some 140km. The Government of Lebanon for many years maintained that, in the absence of a comprehensive peace with Israel, Lebanese armed forces would not be deployed along the Blue Line. In their absence, Hizbollah has maintained a visible presence in the area. Hizbollah have not always recognised the right of UNIFIL to go about its business unimpeded, and there have been occurrences of interference with UNIFIL's freedom of movement. In the last year or so the Lebanese Government has been extending its authority in the area through the operations of the Joint Security Forces (combined Lebanese Army and gendarmerie) and the Lebanese Army. However, Hizbollah is still the dominant force in southern Lebanon.

Figure 2.2 Members of the delegation with Australian personnel serving with the UN in southern Lebanon.



- 2.27 In recognition of the comparatively stable situation on the Blue Line, the UN has reduced its UNIFIL personnel, from 5,700 in 2001, to just on 2,000 at the time of the visit. Demining is continuing in southern Lebanon, with international support, including support from Australia.
- 2.28 The general view expressed to the delegation by Lebanese authorities was a scepticism that Israel was truly interested in peace, and to this end they pointed to the failure of past discussions to reach a compromise over very small issues.

Syrian Military Presence

- 2.29 The delegation found there were differences of opinion among the Lebanese on the continued presence of Syrian forces on Lebanese soil. While the numbers of troops has decreased, their presence is supported by some as a safeguard against the communal violence and civil war that destroyed much of Lebanon in the 1970s and 1980s. President of the National Assembly (Speaker) HE Mr Nabih Berri characterised the relationship between Syria and Lebanon as 'one people, two states'. While the two countries have different outlooks on many things, he saw Syrian intervention in 1975 as crucial.
- 2.30 The President of the Foreign and Emigrant Affairs Committee of the Lebanese Assembly, Dr Ali El Khalil agreed, indicating that he considered the Syrian presence in Lebanon legal, temporary and a

matter between the two countries. Attempts by the US to have the forces withdrawn were, he believed, interference in the internal affairs of the two countries involved.

- 2.31 The delegation did note that in discussions with Lebanese outside the formal political meetings, there was a high level of concern about the ongoing presence of Syrian forces in the country. The view was strongly put that the Syrian presence, perhaps necessary to end the disastrous civil war, was no longer needed for the maintenance of peace among the various Lebanese groupings. The delegation was unable to gauge the extent of such feeling among the Lebanese population given the time available to us.

Israel

- 2.32 The most significant political issue in Israel is that of security. Making a lasting peace with its neighbours, and a resolution of the Palestinian refugee issue have dominated Israeli foreign policy since the creation of the state of Israel. The history of attempts to find a peaceful solution, acceptable to all parties, is a tribute to the commitment and perseverance of the international community and the various players who have maintained their faith that a solution is possible. The Madrid Conference of 1991, the Oslo Accords, the Beirut Arab League Summit, and most recently the Roadmap to Peace have seen some progress, but frustratingly, no final resolution on the ground.
- 2.33 With over 900 people killed in terrorist attacks in Israel since September 2000, the campaign of suicide bombings has hardened the resolve of the Israeli government not to give in to terrorism. The delegation was conscious of the huge cost that Israeli society was paying as a result of the continuing violence. This was not only in terms of the economic impact, arising from the decline in tourism and the budgetary strains caused by funding high levels of security, but also in terms of the constant concerns for personal security by citizens. Simple everyday activities such as taking public transport, eating at a restaurant, or driving in a car carry with them a risk of death or serious injury. It was not surprising, therefore, that we found many Israelis unwilling to countenance what they saw as further concessions to achieve peace, when such a high cost had already been paid.
- 2.34 The violence, however, has not just been one-sided. Israeli incursions into the West Bank and the Gaza Strip have had serious consequences for the Palestinians. The delegation was shown some of the

destruction caused by Israeli forces in the West Bank, not just aimed at possible military targets, but rather against civilian infrastructure. It is hard to see any justification for the destruction of buildings, equipment and infrastructure, other than to punish and demoralise. The continued intrusion into daily Palestinian life by the operation of numerous checkpoints was also of concern to the delegation. The checkpoints impact on each and every Palestinian as they go about their day to day tasks, whether that is taking children to school, going to their farms to work, seeking medical advice, visiting friends and relations in nearby towns, or indeed, accessing work in Israel.

- 2.35 Israeli reprisals and extra-judicial killings of senior Palestinian figures have not only had a devastating effect on Palestinians in the West Bank and Gaza, but they have also been costly in terms of the erosion of trust built up following Oslo. The loss of hope among people on all sides of the conflict has been ongoing, with each new initiative holding some promise, only to stall. Both sides assured the delegation that they were prepared to negotiate, but many felt that there was no-one on the other side with which to negotiate.
- 2.36 The delegation was mindful that it would be too easy to be critical of the views of those advocating a more hardline approach on both sides, from our position of relative security in a country far removed from the day to day threats to personal safety. It was clear to us, however, that the cycle of violence and escalating reprisals needs a circuit breaker of some kind if a resolution is to be reached. A military solution to the conflict is not possible.
- 2.37 Israel has a 'cold peace' with Egypt and Jordan, but tensions continue with claims of arms smuggling through tunnels from the Gaza Strip to Egypt. On Israel's northern border with Lebanon, although Israel has withdrawn, the Hizbollah presence continues to pose a threat to the civilian population in and around the northern Galilee area, vulnerable to rocket attack from southern Lebanon. Similarly, Israel remains in the Golan, following the 1967 war, and there has been little progress with the negotiations over that territory.
- 2.38 There was considerable suspicion and animosity expressed by some Israeli interlocutors towards President Arafat during a number of discussions, suspicion about his true motives and hidden agenda. There was also criticism that he was unable to deliver what he promised, in that he does not represent all of the Palestinians. The delegation noted, however, that past Israeli actions targeted at President Arafat, including restrictions on his movements and

destruction of much of his compound in Ramallah, have only served to increase his standing among the Palestinian population.

- 2.39 There was great doubt expressed by opponents of Israel's policy about the intentions of Prime Minister Sharon. Some went so far as to say that the sole aim of the current government was to prevent the creation of a viable Palestinian state. The view was put to the delegation on a number of occasions that it was difficult to see any chance of progress towards peace while the current leadership on both sides remains in power.
- 2.40 There are voices of dissent in Israel about the policy that it has been following in the Occupied Territories. In the month prior to the delegation's visit, the Army chief of staff, Lt Gen Moshe Yaalon, was quoted in the press as saying that the network of restrictions placed on the Palestinian population had proved counterproductive and was breeding greater militancy. Just prior to our arrival in Israel, four former heads of the Shin Bet security service also spoke out, saying that a political solution was needed urgently to the conflict, rather than focusing on a military solution.⁵
- 2.41 During the delegation's meetings in Israel and the Palestinian Authority, the most recent proposals, the Roadmap to Peace and the Geneva Initiative, were discussed in some detail.

The Roadmap to Peace

- 2.42 The Roadmap to Middle East Peace, an initiative of the United Nations, the United States of America, the European Union and Russia (collectively known as the Quartet), was presented to the Government of Israel and the Palestinian Authority in April 2003. It proposed a three phase plan for final and comprehensive settlement of the Israel-Palestinian conflict by 2005.
- 2.43 Under the first phase, originally due for completion by May 2003, there was to be an end to violence, an Israeli freeze on settlement construction and the dismantling of Israeli settlement outposts. The Palestinians were to immediately undertake a cessation of violence and undertake comprehensive political reform in preparation for statehood.
- 2.44 In a statement from the Quartet issued at the end of September 2003, the implementation of the Roadmap was described as 'stalled'. The

5 'Ex-security Chiefs blast Sharon', article by Greg Myre, Jerusalem, in *Sunday Age*, 16 November 2003.

statement condemned terrorist attacks by various Palestinian groups during August and September, and called on the Palestinian authorities 'to take immediate, decisive steps against individuals and groups conducting and planning violent attacks'. While recognizing Israel's right to self defence, the Quartet also called on the Government of Israel to 'take no action undermining trust, including deportations, confiscation and/or demolition of Palestinian homes and property, destruction of Palestinian institutions and infrastructure'. It also called for all settlement activity to stop and noted with concern the actual proposed route of the fence Israel was constructing around the West Bank (see below).⁶

- 2.45 Israeli observers were extremely critical of the lack of action by the Palestinians in dismantling the terrorist infrastructure, as a precursor to the creation of a Palestinian state. The view was expressed to the delegation that the Palestinians were offering ceasefires rather than an end to their terrorist infrastructure in an attempt to get an independent state within the current provisional boundaries, but without meeting all of the conditions imposed on them by the Roadmap. The worst outcome for Israel, the delegation was told, would be a Palestinian state with its terrorist infrastructure in place.
- 2.46 From other perspectives, the failure of the two-state solution was also seen as detrimental to Israel's long-term prospects. Should the two state solution fail, then a one-state solution remains the only alternative. Given the natural increase in the population among the Palestinians, inevitably they would become the majority in Israel, and there would be agitation for the vote. A minority controlling a majority has historically not proved to be sustainable in the long term. As one Israeli interlocutor commented to the delegation, this would be a prescription for disaster.
- 2.47 Israeli leaders were also critical of the lack of political and administrative reform within the Palestinian Authority, as also required by the Roadmap. That this has not occurred was seen as further evidence of a lack of commitment by the Palestinians to the Roadmap.
- 2.48 Lebanese Foreign Minister, HE Mr Jean Obeid, was critical of the Roadmap in discussions with the delegation, on the basis that it only dealt with part of the problem. He felt that the Roadmap ignored Syria, Lebanon and the right of return of the Palestinian refugees. The

6 US Department of State, Final Quartet Statement, September 26 2003.

Lebanese government indicated it had a number of other reservations about the Roadmap and gave it little chance of success because of the continuing Israeli occupation and action against the Palestinians in the West Bank and Gaza.

- 2.49 In a round table discussion with members of the Palestinian Legislative Council, the delegation was advised that in their view the Israelis were turning the Roadmap into a provisional plan, picking and choosing what parts they would agree to, and ignoring the rest. From the Palestinian viewpoint, they felt they had seen little evidence of the international community holding the Israelis to account for their actions.

Figure 2.3 Delegation Members with the Speaker of the Palestinian Legislative Council and other PLC members, Ramallah



- 2.50 Prime Minister Sharon, in a speech on 18 December 2003, foreshadowed that 'if in a few months the Palestinians still continue to disregard their part in implementing the Roadmap then Israel will initiate the unilateral security step of disengagement from the Palestinians'. He went on:

The Disengagement Plan will include the redeployment of IDF forces along new security lines and a change in the deployment of settlements, which will reduce as much as possible the number of Israelis located in the heart of the Palestinian population. ... Security will be provided by IDF deployment, the security fence and other physical obstacles.

The Disengagement Plan will reduce friction between us and the Palestinians.⁷

- 2.51 There has also been speculation that, should this occur, the Palestinian Authority might make a unilateral declaration of independence.⁸ The Israeli Government was quick to respond, indicating that if such action was taken, they would move to formally annex parts of the West Bank.

The Geneva Initiative

- 2.52 The delegation was fortunate during its visit to Israel to meet a number of people actively involved in the preparation of an alternative Middle East peace proposal, known as the Geneva Initiative. These included former Labor politician Yossi Beilin, one of the chief architects of the plan; Professor Yuli Tamir MK, a founding member of the Peace Now Movement and a former Minister of Immigrant Absorption; Mr Qadoura Fares, Minister for State and Member of the PLC; and Mr Mohammad Hourani, also a Member of the PLC. Although not formally launched until 1 December 2003 in Geneva, the Initiative was publicly available in Israel and the Occupied Territories during our visit, and we were pleased to have the opportunity to discuss its aims and objectives with representatives from both the Israeli and Palestinian perspectives.
- 2.53 Negotiated in secret over two years by leading Palestinian and Israel politicians and intellectuals, the Initiative addresses several of the most vexed issues, including the status of Jerusalem and the fate of the Palestinian refugees. As Professor Tamir explained, previous negotiations to find a solution have generally collapsed over matters of detail. The Geneva Initiative is an attempt to show how a final, comprehensive peace agreement might look. Under the plan:
- There will be mutual recognition of Israel and Palestine and the right to secure and defensible borders, based on the 1967 borders, with some modifications. Israel's withdrawal from Palestinian areas would be in stages, but would be complete within 30 months of the agreement being reached.

7 Address by Prime Minister Ariel Sharon at the Fourth Herzliya Conference, 18 December 2003. For full text, see: www.mfa.gov.il.

8 AFP, *Palestinians mull unilateral state declaration*, 10 January 2004.

- A corridor will link the West Bank and Gaza Strip, allowing travel between the two areas. It would be under Israeli sovereignty but administered by the Palestinians.
- Palestine will be a non-militarised state.
- A number of options are proposed for the final settlement of all claims of the 3.8 million refugees displaced since 1948. These include return to the state of Palestine; third country settlement (at the discretion of the third country); and resettlement in Israel, at the sovereign discretion of Israel. In addition, refugees will be entitled to compensation for their refugee status and for loss of property. Those states that have hosted Palestinian refugees will also have the right to remuneration.
- In recognition of its historic, religious and cultural significance for Judaism, Christianity and Islam, sovereignty of Jerusalem will be shared, with both Palestine and Israel having their capitals in Jerusalem under their respective sovereignty. Palestinians would control the Old City in Jerusalem except for the Jewish Quarter and the Western Wall.

2.54 The initiative leaves a number of key matters for negotiation, including water, economic relations and legal cooperation.

2.55 Critics of the Initiative point to a number of deficiencies compared to that of the Roadmap:

- It does not require an end to terror in advance of its implementation.
- It does not require reform of the Palestinian Authority.
- Although Palestine is to be 'non-militarised', this may be difficult to enforce in the longer term.

2.56 Given the timing of the delegation's visit it was too early to measure public opinion in Israel on the Initiative. Yossi Beilin indicated that the initial public opinion was 30-40% in favour among Israelis, and about 40% among Palestinians, and that many on both sides were still undecided. A public information campaign is being run, to try and improve the understanding of the general public of what is being proposed. With financial assistance from the Swiss government, two million copies of the Initiative, together with a map, were distributed to every Israeli household. In the Palestinian areas, the text in Arabic was published in a number of newspapers, and in addition, texts were

also distributed door-to-door in villages.⁹ There is also an ongoing publicity campaign, with advocates of the Initiative engaging in public debate on the main features of the plan.

- 2.57 In discussions with the delegation, members of the Palestinian Legislative Council indicated that they welcomed the Geneva Initiative, but had not officially adopted it. They were prepared to accept it if Israel also agreed to its provisions. They did sound a note of caution given that all aspects of the Geneva Initiative were not finalised and that the total package would need to be considered.
- 2.58 From the Palestinian perspective, the most difficult issue was that of the Palestinian refugees. In discussions with the PLC members, Dr Hanan Ashrawi in particular argued that the primary issue was that of choice, and there was a need to recognize the plight of the Palestinians and the legality of their claims. A word of caution about the Initiative was also expressed, as the Palestinian refugees were likely to mobilise against the proposal if they felt excluded by its provisions. Mr Hourani added that it would be a difficult matter for the Palestinian refugees to give up long held dreams of returning to their homes, and to accept a new reality.
- 2.59 According to press reports, Palestinian President Yasser Arafat stopped short of endorsing the Initiative, but has been quoted as saying the Palestinians 'appreciate' it.¹⁰ The initiative has been rejected by the main Palestinian factions, largely on the basis of its stance regarding the long held right of return for Palestinians.
- 2.60 The Israeli government has indicated it does not support the Geneva Initiative. Prime Minister Sharon has rejected the Initiative, arguing that Israel and the Palestinian Authority already have an agreed plan, namely the Roadmap. Other government ministers have condemned the plan as having given concessions on all items, and that it encourages the Palestinians to continue to try and achieve even further concessions rather than to conclude an agreement.¹¹
- 2.61 In discussions with Knesset members, a range of opinions was expressed to the delegation, ranging from support through to outright

9 'Geneva Initiative Faces Critics', by Joshua Brilliant, in *The Washington Times*, 19 November 2003.

10 AFP, *Time running out for two-state Middle East solution: Arafat*, 24 January 2004.

11 'Geneva Initiative Faces Critics', by Joshua Brilliant, in *The Washington Times*, 19 November 2003.

rejection and antagonism towards the Initiative and its architects. There was an argument put that those who had participated in the discussions had no legitimacy in doing so.

- 2.62 The delegation was not surprised that the political establishment would oppose such a plan. Unfortunately, people on both sides appear to be locked into positions, unwilling to move beyond long-held demands and prejudices about the way to achieve peace. Those who have advocated the Geneva Initiative have taken a very courageous stand, not only in engaging in the negotiations initially, but in defending the agreement subsequently. It has not been without personal cost, with them subject to vilification and claims of treason. The delegation believes that it is essential that the cycle of violence is broken and that negotiations can commence again. While the view was expressed by some that the Initiative was naïve and ultimately unlikely to be adopted, the delegation found it significant as a tangible sign that people on both sides were still prepared to try and find a way out of the violence. At the very least, the Initiative gives lie to the belief that there is no-one on the other side with whom dialogue can be held.

The security fence

- 2.63 One of the most contentious issues under discussion in Israel during the delegation's visit was that of the 'security fence' being erected by the Israeli government around the West Bank. Various descriptions as a fence and a wall, the Israeli government justifies its construction as a defensive measure, designed to prevent terrorists from carrying out attacks in Israel. The government points to the existing security fence between Israel and the Gaza Strip, in existence since 1996, and that terrorist attacks from that area have been largely discovered and thwarted.
- 2.64 Some 97% of the 720 km proposed security fence will be a chain-link fence system supporting an intrusion detection system. The Israeli Government has indicated that less than 3% of the fence will be constructed of concrete, and only then to block terrorists from shooting at vehicles travelling on main highways.¹²
- 2.65 The Israeli Government has stressed that the security fence would not be needed if there were no terrorist attacks. They emphasise that the fence is not a border, and that the nature of the final border between

12 Government of Israel, Ministry of Foreign Affairs website: www.securityfence.mfa.gov.il.

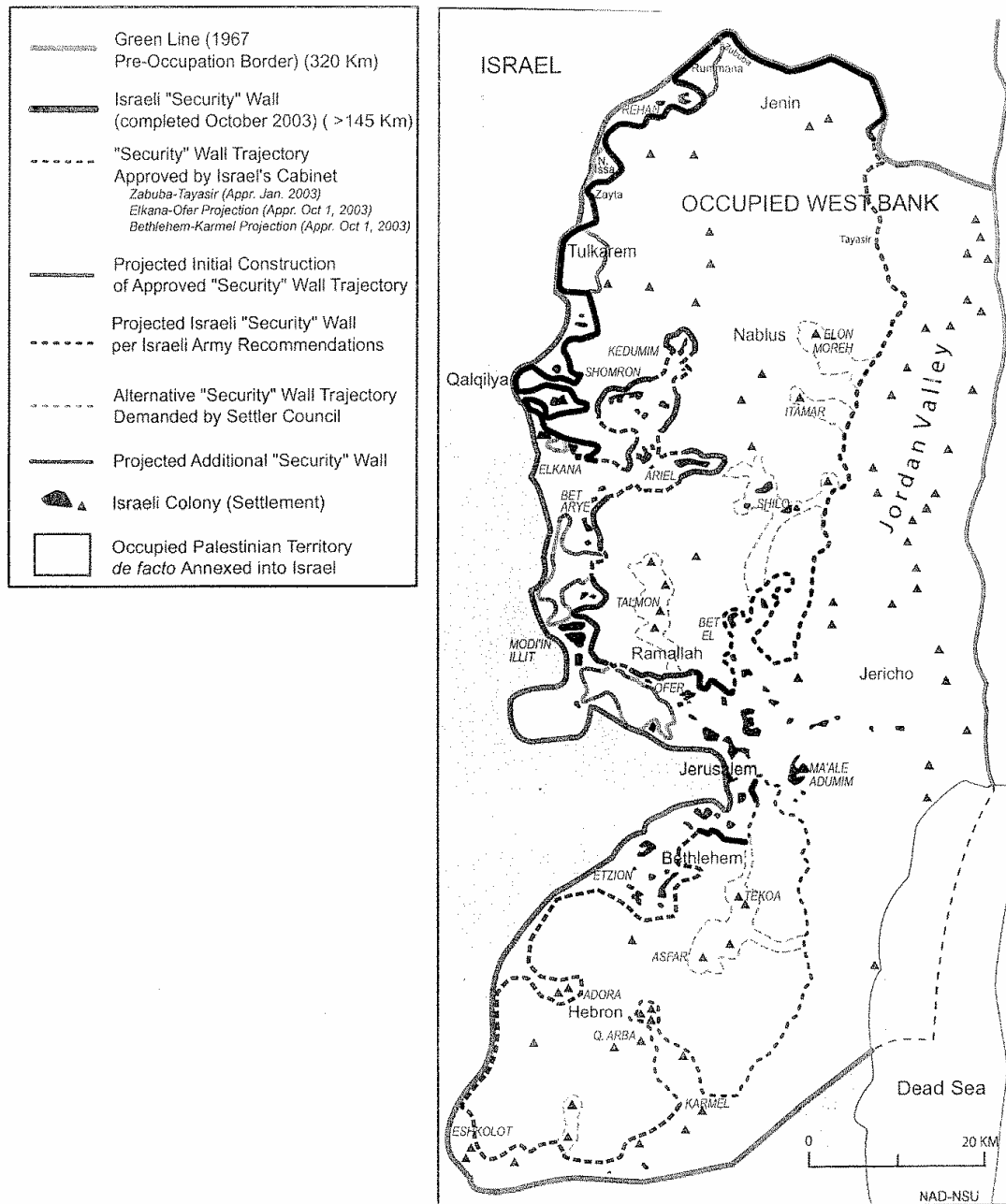
Israel and the Palestinian state will be determined by negotiation. According to the government, Palestinians will not be cut off from their fields, places of commerce or urban centres.¹³

- 2.66 The first stage of the West Bank fence, operational since July 2003, is claimed to have already proved itself as an effective deterrent¹⁴, with a decrease in the number of successful suicide bombings. A different explanation – that a more offensive approach by Israeli intelligence following the terrorist attack in Netanya in early 2002 – was also given by one Israeli interlocutor as a reason for the decrease in bombings.
- 2.67 The security fence has been criticised on a number of grounds, including:
- Its location: if the wall were about security, it would have been built on Israel's 1967 pre-occupation border (the Green Line), rather than well within the Occupied Territories.
 - The fence is more about facilitating the expansion of Israeli colonies in the area and redrawing the borders.
 - It is designed to deny Palestinians access to their own land and ability to earn a living.
- 2.68 Those supporting the fence saw it not just as a barrier against terrorist, but also leverage to encourage the Palestinians to come to the negotiating table. The general feeling of commentators was that average Israelis want the fence because they need to feel more secure and they believe this physical barrier will do this. However, construction of the fence is also placing further strains on the Israeli economy because of its high cost (estimated to be approximately US\$2 billion in total).

13 Government of Israel, Ministry of Foreign Affairs, www.securityfence.mfa.gov.il

14 Government of Israel, Ministry of Foreign Affairs, www.securityfence.mfa.gov.il

Figure 2.4 The security fence: proposed route (as of November 2003).



Source: *Negotiation Support Unit, Palestinian Authority*

2.69 In discussions with members of the Palestinian Legislative Council, the delegation was advised that they felt that the security fence was a land-grab aimed at further separating Palestinian areas into smaller, disconnected parcels of land, and ultimately endangering the viability of a future Palestinian state. Dr Hanan Ashrawi, a member of the PLC in attendance, was particularly eloquent in putting the case against the security fence and the impact that it was having on the Palestinian population. The PLC representatives expressed the view

very strongly that if the wall remained, the two state solution would not be possible. In some cases, Palestinian interlocutors compared the impact of the fence to that of the wall around the Warsaw Ghetto.

- 2.70 Although the wall is being constructed on the west side of the West Bank there is some concern that in future a fence may be constructed on the eastern side as well, although this has not been confirmed. Should this proceed, the feeling among Palestinians was that it would create an enclave and practically destroy any future Palestinian state.
- 2.71 The delegation was told about the situation of the town of Qalqilya which is all but surrounded by the fence, with only one entry point, which is closed by Israeli soldiers at night. The delegation was advised that in the past it had also been closed during the day for 22 days in a row. While the Israeli position on this was this was necessary because Qalqilya was a main source of terrorist activity, the dislocation and economic impact on the residents of the town, unable to get to their farms and animals, or to health facilities, was enormous. The Palestinians argued that this type of action was designed to put so much pressure on residents that they would leave, and that it was a form of ethnically cleansing the area.
- 2.72 Former Leader of the Israeli Labor Party, Mr Amram Mitzna was quoted as having said of the fence that:
- The fence will evoke lots of unrest, more opposition from the free world and put Palestinians in ghettos. Nothing good can come of it.¹⁵
- 2.73 Senior Labor politician, Dr Ephraim Sneh MK was also critical of the location of the fence in discussions with the delegation. He described it as 'de facto annexation' and indicated that the cost was also a problem. He indicated support of the fence, but only if it was constructed along the Green Line. Views of other Israelis the delegation met varied. While many supported the government's actions, others were supportive of the concept of a fence, but did not support the route it was being built on – preferring that the 'Green Line' be used.
- 2.74 The Quartet have commented on the fence indicating that it 'results in the confiscation of Palestinian land, cuts off the movement of people and goods, and undermines Palestinians' trust in the Roadmap process as it appears to prejudge final borders of a future Palestinian
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15 Mr Amram Mitzna, quoted in Goldstein, Aaron, *The Geneva Initiative: Mitzna's Mitzvah or Mistake?*, www.intellectualconservative.com/article2825.html, dated 6 November 2003.

state'.¹⁶ The continued construction of the fence was also condemned by the United Nations, who have referred the matter to the International Court of Justice. The construction of the fence has also been referred to Israel's High Court which has agreed to hold a hearing on its legality.¹⁷

- 2.75 The delegation had the opportunity to see first hand sections of the fence, and discuss with both Israeli and Palestinians the impact of such of fence. While the delegation fully sympathises with Israel's desire to protect its population from terrorist attacks, the fence is not addressing, in our opinion, the root causes of the terrorism but in fact increasing the sense of persecution felt by the Palestinian people. A fence on the Green Line would have been more defensible, but the current and projected route of the wall clearly places a barrier between Palestinians and their territory. For the Israeli government to say that border crossing is facilitated at a number of points on the fence, is to ignore the reality of what occurs each day at the border crossings. The delegation saw for itself the long delays that Palestinians experience wishing to cross the border (including emergency vehicles such as ambulances)¹⁸. The delegation was left with the strong conviction that the construction of the fence in its current position is inimical to the peace process and construction should be halted.

Settlements

- 2.76 Palestinian authorities spoke to the delegation about a number of actions that the Israeli government has taken or allowed to occur, which they saw as counter to moves towards peace. In addition to the problems with the security fence, and the number of roadblocks and checkpoints throughout the West Bank, they also referred to the growth of Israeli settlements in the West Bank.
- 2.77 Figures provided by the Palestinian National Initiative indicate that there have been over 100 new settlements created since the Oslo Accords¹⁹ and an expansion of territory by 150%. Israeli government

16 US Department of State, Final Quartet Statement, September 26, 2003.

17 Reuters, *Arab States to take part in West Bank Barrier Case*, 15 January 2004.

18 An Israeli human rights group, B'tselem has reported that in the last three years, 7 Palestinian infants and 31 other people had died at roadblocks and checkpoints, stopped on their way to hospital (Reuters, *Delays at Israel roadblocks cause death*, 23 December 2003). The delegation was also told by Palestinian interlocutors of over 50 women having given birth at such checkpoints.

19 Barghouthi, Dr M: *A Place for Our Dream?*

figures place the number of settlers in the West Bank and Gaza Strip at 236,000. Given that the size of the West Bank and Gaza is already small, these settlements pose significant problems for any future Palestinian state.

- 2.78 Dr Ephraim Sneh MK spoke to the delegation about a proposal he hopes to have adopted by the Labor Party, which would see the settlement of 100,000 settlers from the West Bank to Israel. The cost would be approximately US\$4 billion, spread over a four year period. He believes that such action would change the political atmosphere, and at the same time address one of the ongoing difficulties of the West Bank, that of the future security of Israeli settlements.
- 2.79 The Geneva Initiative has a similar approach to the problem of settlements. A small amount of territory (2 ½ % of the West Bank, containing 100,000 settlers) would be annexed by Israel under the proposal, and the remaining 100,000 settlers would be relocated to Israel proper.
- 2.80 The political sensitivity of the settler issue is significant for Israeli governments of all persuasions. Prime Minister Sharon has long been seen as a supporter of settlements. The suggestion he would dismantle some settlements led to mass demonstrations in Tel Aviv in January 2004.

The United Nations

- 2.81 The UN has made a significant contribution to security throughout the region through peace keeping and truce monitoring activities. Australia has been involved in the United Nations Truce Supervision Organisation (UNTSO), UNDOF and UNIFIL. As noted earlier in the report, the delegation was pleased to have the opportunity to meet with Australian defence force personnel serving with the United Nations in the Golan Heights and also in southern Lebanon.
- 2.82 The delegation received briefings at both locations, regarding the role of the UN as observers and the challenges faced. The contribution made by Australian personnel was commended by senior UN officers. We were impressed with the work being undertaken by the UN in peacekeeping and monitoring, and the contribution being made by Australian Defence Force personnel. The delegation fully supports Australia's commitment to such deployments as a tangible way in which Australia might contribute to the stability of the region.

- 2.83 While ADF personnel who undertake these missions do so willingly, and gain much from them in terms of professional development and personal satisfaction, it does require a significant sacrifice in being away from their families. The delegation was advised of restrictions on ADF personnel not only having their family with them on posting, but in the case of Israel, spousal visits are not permitted. While the delegation is aware of the security concerns that may have prompted such a view, there appears to be a difference of application in regard to the families of foreign affairs and immigration personnel, and those of the ADF. The delegation believes that this should be reviewed by the ADF.

Recommendation 3

That the Department of Defence and the ADF review the conditions applying to the posting of ADF personnel to UN bodies in Syria, Lebanon and Israel with a view to permitting visits by the family, or in the event of an improved security situation, the posting being accompanied.

Iraq

- 2.84 In each country, in addition to the specific security challenges facing them, the issue of Iraq was also a major point of concern. The Syrian Prime Minister characterised events in the region over the last 12 months as having set back peace and 'putting the region on the mouth of the volcano'. Concern was also expressed by a number of interlocutors about possible US reactions if elections in Iraq saw the Ba'ath Party, or others not well-disposed to US policy or interests, do well.
- 2.85 All agreed that elections should be held in Iraq as soon as possible with a return to an Iraqi led country and the removal of US and coalition troops at the earliest possible opportunity.

Conclusions

- 2.86 The delegation came away from the region with mixed feelings. On the one hand, many of those we spoke to in all three countries appeared implacable in their opposition to their traditional enemies. While parties continue to turn to violence, whether it is through civil disobedience or the deployment of armed forces, rather than dialogue, the situation in the Middle East appears doomed to continue. As noted earlier in this report, there needs to be some way of breaking through the seemingly endless cycle of violence, and kick-starting peace talks.

- 2.87 On a more positive note, however, the delegation was heartened to have met people, particularly in Israel and the Palestinian Authority who still believe that a peaceful resolution is possible and that a two state solution can be achieved. The courage of those advocating alternative solutions, such as the Geneva Initiative, is to be commended.
- 2.88 The Roadmap, either by itself or drawing on some of the work done by the Geneva Initiative, has the potential to improve the situation, but it is impossible to see progress being made while both sides continue to impose pre-conditions before they themselves will act. Confidence building measures are essential, and the delegation unfortunately saw little example that such steps were underway. Without significant progress towards peace, the economies of all three countries visited will continue to struggle to attract foreign investment or develop industries such as tourism.

Building a future

The Palestinian Refugees

- 3.1 The Palestinian diaspora has its roots in the conflict following the end of the British Mandate in Palestine, the ensuing establishment of the state of Israel in 1948 and the conflict that ensued between Israel and the surrounding Arab states. A further exodus of Palestinians occurred as a result of the 1967 war, when Israel occupied the entire territory of historical Palestine and in addition some areas in neighbouring Arab states. It is estimated that by 1970, about 400,000 Palestinians were Israeli citizens, and a million were in the occupied territories of the West Bank and Gaza. Of the remainder, 800,000 Palestinians were in Jordan; 600,000 in Syria and Lebanon, and the remaining 200,000 scattered in other countries.
- 3.2 It was put to the delegation that the ongoing issue of the refugees has been an important bargaining tool for the Palestinian cause, to maintain pressure on Israel. Certainly the Palestinians' 'right of return' has been a factor in the many attempts to find a resolution to the conflict. As early as December 1948, UN Resolution 194, clause 11, resolved:
- ... that the refugees wishing to return to their homes and live in peace with their neighbours should be permitted to do so at the earliest practicable date and that compensation should be paid for the property of those choosing not to return and for loss of or damage to property which, under principles of international law

or in equity, should be made good by the Governments or authorities responsible;...¹

- 3.3 Article 13 of the Universal Declaration of Human Rights, states that 'everyone has the right to leave any country, including his own and to return to his country'. This right has been repeated in the International Covenant on Civil and Political Rights, which in Article 12 states that '...no one shall be arbitrarily deprived of the right to enter his own country'.
- 3.4 The UN Relief and Works Agency for Palestinian Refugees in the Near East (UNRWA) was established in 1949, initially as a development agency and also to provide direct humanitarian assistance. Over time, the humanitarian role came to dominate its work. The Palestinians are the longest on-going refugee problem being dealt with by the United Nations, and in recognition of the absence of a solution, UNRWA's mandate has been renewed regularly, most recently until 30 June 2005.
- 3.5 Because the problem has been in existence for over half a century, and because a solution still appears to be out of reach, it is important to remember that there is a human face to this ongoing tragedy. The delegation was very fortunate to have the opportunity to visit refugee camps in both Syria and Lebanon and see first hand the plight of those living in those camps. It is important to note, however, that the Palestinian refugees have received quite different treatment in two of the countries visited.

Table 3.1 Palestinian Refugees Registered with UNRWA (31 March 2003) in Syria, Lebanon and the Occupied Territories

	In camps	Not in camps	Total	Official camps
Lebanon	220,052	170,446	390,498	12
Syria	119,239	288,503	407,742	10
West Bank	174,842	473,077	647,919	19
Gaza Strip	476,303	424,789	901,092	8

Source UNRWA Public Information Office

- 3.6 In Syria, there are now approximately 400,000 registered Palestinian refugees (from an original 100,000). They enjoy most of the rights and

1 UN Resolution 194, December 1948. the full text of this and other resolutions regarding the Palestinians are available on the UN website: www.un.org

privileges of Syrians, including freedom of movement within Syria. The only exceptions are that they are ineligible for Syrian citizenship and cannot join the Army. Although the Palestinians have integrated well into Syrian society, Syria sees the return of the refugees as the ultimate solution. Most refugees in Syria are self-supporting, and less than 10% require on-going support and only approximately a third live in camps.

3.7 The delegation was advised that the Palestinian refugees were never more than 2 to 2.5% of the total population in Syria, and their impact was limited. In fact, the influx of refugees provided much needed labour for the country. The social dynamics, however, were quite different in Lebanon, and this has resulted in a difference of approach toward the refugee population there.

3.8 In Lebanon, the situation is much more restrictive for refugees. As UNRWA has observed:

Palestinian refugees in Lebanon face specific difficulties. They do not have social and civil rights, and have very limited or no access to public health, educational facilities and social services.²

3.9 Their marginalisation results from a combination of suspicion of the refugees because their political aspirations and activities are perceived by many Lebanese as one of the causes of the civil war; and secondly concern that their presence (equivalent to almost 10% of the population) could upset the delicate sectarian balance, should the predominantly Sunni Muslim refugees settle permanently in Lebanon.

3.10 There are significant restrictions on the type of employment that is open to Palestinian refugees, with a 1995 ministerial decree listing more than 70 trades and professions where national preference has to be applied. For all other jobs work permits are required, and these are expensive and difficult to obtain. Those who do find work illegally are underpaid. Since 2001 Palestinians in Lebanon have also been prevented from buying property or registering property they already owned. Those who have registered property will not be able to pass it on to their heirs.³

3.11 Most Palestinian refugee children attend UNRWA schools as access to Lebanese government schools is very limited, and often beyond the financial means of most refugees. Because of the restrictions, UNRWA also runs 5 secondary schools in Lebanon. As refugees have no access to government health care, UNRWA runs primary and secondary health care programs. Lebanon has the largest percentage of Palestinian refugees

2 UNRWA: Lebanon Field brief, November 2003, p. 3.

3 UNRWA: Lebanon Field brief, November 2003.

registered as Special Hardship Cases (eligible therefore for food and cash assistance).

- 3.12 The Lebanese Government is very reluctant to allow any measure that could imply acceptance of the eventual permanent settlement of the refugees in Lebanon. The return of the refugees is therefore seen as non-negotiable, and actions such as acquiring land, making improvements to their dwellings in the camps etc are resisted as legitimising their presence.
- 3.13 The delegation was fortunate to visit two UNRWA facilities, one in Syria and one in Lebanon, and discuss the situation in the camps with community representatives and UNRWA staff. The delegation was briefed about the community development work occurring in the camps, and was impressed by the high level of involvement and partnership displayed by the refugee population in working with UNRWA to try and improve conditions.
- 3.14 The delegation visit Khan Dannoun camp, outside of Damascus, and the Baqa/Yaabod Schools near the Sabra camp in Beirut. At Khan Dannoun we spoke to a number of staff, inspected the school, new community medical centre, women's centre and kindergarten and walked through the camp. The facility is crowded, and there is significant pressure on the school buildings, which host two sessions of school each day. The primary health centre, built with assistance from the Canadian Government, provides a range of child and maternal health, dentistry, family planning and general medical testing services. The camp itself is overcrowded, with ongoing problems with sewerage and water supply.
- 3.15 In Beirut the delegation visited the facility used by two schools at the Sabra refugee camp. The delegation was fortunate to be present for the handover ceremony of desks by the Australian Ambassador to the school to replace the dilapidated stock being used. The delegation used the opportunity to spend some time with the children and teachers, and also be briefed by UNRWA staff on the difficulties faced by the refugees in their daily lives.

Work of UNRWA

- 3.16 While it does not 'run' refugee camps, UNRWA provides education, health, social service and relief services to over 3.9 million Palestinian refugees living in camps in Jordan, Lebanon, Syria and the West Bank and Gaza.
- 3.17 UNRWA's operations are financed almost entirely by voluntary contributions from donor countries and the European Union. There is no system of assessed contributions. Although the General Assembly

approves a budget each year, it is generally under-funded. In 2002 for example, the budget was US\$326.2 million, but it only received US\$305.2 million in actual income⁴. Host countries contribute through the provision of services such as education, municipal services such as water and sewerage etc. In addition, Arab states have contributed to the development type budget of UNRWA since the 1990s.

- 3.18 Education programs account for almost 60% of total expenditure, followed next by health (17.8%), operational and common services (13%) and relief and social services. UNRWA has some 25,000 staff in the region and most staff are Palestinian refugees or locals, as opposed to internationally engaged staff (only 120 are international).
- 3.19 As of 1 June 2003, UNRWA is operating a Microfinance and Micro-enterprise Programme in Gaza, the West Bank, Jordan and most recently Syria. Since its inception 10 years ago, the programme has invested US\$67 million in 55,000 small businesses and micro-enterprise loans.
- 3.20 UNRWA has also launched a number of Emergency Appeals to meet the needs of refugees because of deteriorating security in the West Bank and Gaza.

Australian Assistance

- 3.21 Australia has provided assistance to Palestinians in the Middle East for many years, largely through our contributions to UNRWA. In 2003-04 Australia will provide A\$4.2 million in core funding to UNRWA (an increase of \$200,000 on the previous financial year). Australia has also contributed to UNRWA emergency appeals.
- 3.22 Overall, Australian assistance to Palestinians in the Middle East is expected to total A\$11 million for this financial year. In addition to UNRWA, Australia has also provided humanitarian assistance through the World Food Program, the International Committee of the Red Cross and Australian NGOs.

Education and peace

- 3.23 In Israel, the delegation received a very disturbing briefing from Mr Itamar Marcus of Palestinian Media Watch, focusing on the attitudes being portrayed in the Palestinian media. From the examples given, it appears that in at least some of that media, there is significant anti-Jewish rhetoric, a glorification of Shahada (martyrdom) among children and a

4 UNRWA, 'How is UNRWA funded?', www.un.org/unrwa/finances/index.html

denial of Israel's legitimacy. The claims that children were being indoctrinated through biased text books etc was particularly disturbing, and the delegation raised this with Palestinian Legislative Council members.

3.24 The PLC members were concerned about the long-term effect of violence and dislocation on children and youth, and stressed that what was needed was hope for a better future. PLC members indicated that Hamas has been told that recruitment of children was not acceptable. However, they made the point that rather than the promise of heaven being the reason people took drastic action, it was rather the result of them being in an intolerable situation.

3.25 Concern was also raised that a lack of progress in peace talks was undermining the secularists within the Palestinian Authority. Mr Qadoura Fares summed it up by indicating that the secularists had promised the Palestinians a state, democracy and human rights. The more radical Islamic elements in contrast were promising paradise. He indicated that the PLC want the Palestinian youth to think about the future, and not about suicide bombings, but that they need some hope that there will be an improvement.

3.26 The delegation has subsequently ascertained that since 1994 the Palestinian Authority has been replacing the old text books (based on the Jordanian and Egyptian curricula) with new material. At the request of the US Congress, a review of the Palestinian curriculum was undertaken by an NGO, the Israel/Palestine Center for Research and Information (IPCRI). That report, completed in March 2003, found that:

The overall orientation of the curriculum is peaceful despite the harsh and violent realities on the ground. It does not openly incite against Israel and the Jews. It does not openly incite hatred and violence. Religious and political tolerance is emphasized in a good number of textbooks and in multiple contexts.⁵

3.27 The delegation remains deeply concerned, however, about the tenor of the material in the Palestinian media, with its strongly anti-Semitic themes. The delegation urges the Palestinian Authority to take what action in can to counter such material and ensure that such bias does not perpetuate stereotypes that are counter to a peaceful resolution of the differences between Israel and the Palestinians.

5 UNRWA, 'Setting the Record Straight', www.un.org/unrwa/allegations/index.html

ICARDA

- 3.28 While in Syria, the delegation was fortunate to visit the International Centre for Agricultural Research in the Dry Areas (ICARDA), one of 16 centres worldwide supported by the Consultative Group on International Agricultural Research. With its main research station and offices based just outside of Aleppo in northern Syria, its mission is to 'improve the welfare of people through research and training in dry areas of the developing world, by increasing the production, productivity and nutritional quality of food, while preserving and enhancing the natural resource base'.⁶
- 3.29 Australia was a founding member of ICARDA and continues to support the organisation. The delegation was briefed on the various facets of ICARDA's work, including the storage of seeds from a number of areas of the world, the development of new cultivars, and research into farming techniques. ICARDA has been working in post-war Afghanistan, and has been involved in Iraq, training over 300 Iraqis prior to the second Gulf War. ICARDA has seed material from Iraq and is ready to return to that country when security permits.
- 3.30 The ICARDA officials noted the benefits accruing to Australia from its support of the organisation were many times that of our annual investment. They indicated that in return for Australia's \$0.5 million contribution, the spin off value for Australia of ICARDA activities was around \$10 million. The Australian lentil industry, for example, is based on genetic materials obtained from ICARDA. The delegation acknowledges the benefits that have come to Australia from our involvement in ICARDA, and supports our continued participation in as full a range of activities as possible.
- 3.31 Some concern was expressed that Australian researchers were being hampered from greater participation in cooperative research activities with ICARDA because of bureaucratic difficulties in Australia. While the delegation was not able to ascertain the extent of this problem, it felt that it was of benefit to both Australia and ICARDA that there be free and unrestricted cooperation and exchanges of both ideas and personnel.

Women

- 3.32 The delegation was interested to meet a number of women involved in politics in each of the countries visited, and in examining the role played by women in the political process. In Israel, there are 18 women members

6 ICARDA: *This is ICARDA: 25th Anniversary publication.*

in the Knesset, out of the total of 120 members. Women are active in all aspects of public life in Israel, including compulsory military service. Women have excellent educational opportunities and are involved right across the political spectrum.

- 3.33 In Lebanon, there are only 3 women in the National Assembly out of a total of 112 members (ie approximately 2%). The Speaker of the National Assembly indicated that although Lebanon was one of the first countries in the region to give women political rights, they were under-represented in politics (although he did note that many senior government advisers were women). This was reinforced when the delegation visited the more rural areas of Lebanon and held discussions with local community leaders. There was a distinct absence of women at many of the formal dinners or in leadership roles within the local area.
- 3.34 In Syria, education is available to males and females equally, and women are active within the business community. An example of this is that women have their own committee within the Damascus Chamber of Commerce, and membership stands at 700. The position in Syria for women involved in politics was better than in Lebanon, with some 30 (12%) of members of the Syrian People's Assembly being women, with a number of women in senior positions in the government. The delegation had the pleasure of meeting with Dr Buthayna Shaaban, Minister for Expatriates, who spoke eloquently about the role of the more moderate, westernised Moslems in the region at present.
- 3.35 The delegation believes that the involvement of women in the political process should be encouraged, and that Australia could play a very positive role in fostering contact, either through official government channels or through NGOs, between women parliamentarians and others in the various countries.

YWCA

- 3.36 The YWCA of Palestine was established in 1918. Its mission statement states that it aims:

...at empowering and improving the status and skills of women by expanding their options, supporting their economic independence, and liberating them from all kinds of oppression and social constraints and injustices that limit their development. It also aims to enhance women's participation in the building of a

free civil society which involves women in decision making on equal footing with men.⁷

- 3.37 During its visit to Ramallah, the delegation was pleased to have the opportunity to visit YWCA training facilities in Ramallah, being upgraded to provide training for women in the West Bank, unable to travel to East Jerusalem for training because of travel restrictions. Australian funding was provided to assist in some of the refurbishment and for the purchase of computers and printers.

Figure 3.1 Delegation Members with YWCA representatives in Ramallah



- 3.38 The delegation was impressed with the commitment of YWCA officials and staff to continue to deliver programs for women despite a deteriorating security situation. Australia can make a significant contribution to the development of the Palestinian people through support of such NGOs as the YWCA.

Recommendation 4

That the Australian Government increase its direct support to NGOs operating in the Gaza Strip and West Bank in support of development projects for the Palestinian people, and in particular for women.

7 YWCA of Palestine, *Strategic Plan and Program Profile for the years 2001-2003*, p. 5.



Appendix A: Itinerary

Saturday 8 November 2003

20:50 Depart Australia

Sunday 9 November 2003

08:45 Arrive Damascus International Airport

10:30 Attend Remembrance Day Service at the Commonwealth War Graves Cemetery, Damascus. Wreath laying by Delegation Leader

11:45 Attend reception hosted by British Ambassador

13:45 Delegation briefing by Australian Ambassador

14:30 Meeting with HE Dr Mahmoud Al-Ibrache, Speaker of the People's Assembly

17:00 Attend Iftar hosted by HE Dr Mahmoud Al-Ibrache

19:00 Meeting with HE Eng. Mohamed Nagi El-Etri, Prime Minister

Monday 10 November 2003

07:00 Depart Damascus for Golan Heights

- 08:00 Call on HE Mr Nawaf Al-Fares, Governor of Quenitra
- 08:30-09:45 Travel to OP 71 Golan Heights. Discussions with UN staff and inspection of OP 71.
- 10:00 Return to Damascus
- 11:00 Meeting with HE Dr Buthayna Shaaban, Minister for Expatriates
- 12:00 Meeting with HE Mr Farouq Al-Shara'a, Foreign Minister
- 13:00 Round table discussions with staff of Damascus University, chaired by Dr Issam Al Awwa, President of the University
- 14:30 Visit Souq el-Hamadiyya and Omayad Mosque
- 16:45 Attend Iftar hosted by President of the Chamber of Commerce, Dr Rateb Shallah
- 18:00 Discussions with Dr Shallah and members of the Chamber of Commerce

Tuesday 11 November 2003

- 08:00 Visit to UNRWA Headquarters and discussions with Mr Lex Takkenberg, Acting Director, followed by a tour of Khan Dannoun Refugee camp
- 11:00 Depart Damascus for ICARDA (en route to Aleppo)
- 15:00 Visit the International Centre for Agricultural Research in the Dry Areas (ICARDA), including briefing and tour of facilities
- 16:30 Depart ICARDA for Aleppo
- 17:00 Iftar, hosted by the delegation for senior ICARDA staff and representatives of the Syrian Agricultural sector
- 19:45 Visit to Aleppo Souq

Wednesday 12 November 2003

- 09:00 Meeting with HE Mr Osama Hamed Adai, Governor of Aleppo
- 10:00 Tour of the citadel
- 12.00 Depart Aleppo by road for Lebanon

- 16:00 Arrive at Lebanese-Syrian border, and after immigration formalities, proceed to Beirut
- 19:45 Attend informal dinner and briefing at Ambassador's residence with embassy staff

Thursday 13 November 2003

- 09:00 Meeting with HE Mr Jean Obeid, Minister of Foreign and Emigrant Affairs
- 10:00 Tour of downtown area
- 11:00 Call on HE Mr Nabih Berri, President of the National Assembly
- 11:30 Press conference
- 12:30 Meeting with Dr Ali El Khalil, MP, President of the Foreign and Emigrant Affairs Committee
- 13:00 Meeting with Mr Bassel Fuleihan MP and members of the National Economy, Commerce, Industry and Planning Committee
- 15:45 Meeting with HE Mr Marwan Hamadeh, Minister of Economy and Trade
- 16:30 Host Iftar for Ministers, Members of Parliament, journalists, academics, Australian-Lebanese and embassy staff

Friday 14 November 2003

- 09:00 Meeting with HE Mr Rafik Hariri, Prime Minister
- 10:00 Meeting with HE General Emile Lahoud, President of the Republic of Lebanon
- 10:20 Depart Beirut for Naqoura
- 12:30 Arrive at UN Base. Meeting with Maj-Gen Lalit Mohan Tewari, Commanding Officer.
- 12:50 Lunch at Northern Mess with UN personnel
- 13:30 Operational briefing and meeting with Australian officers
- 14:30 Depart for Tyre

- 15:00 Tour of archaeological site in Tyre
- 15:30 Depart Tyre for Nabatiye
- 15:15 Tour of Kamel Jaber Cultural Centre
- 16:50 Iftar, hosted by Mr Yassine Jaber MP, attended by local dignitaries and community leaders
- 18:45 Depart for Beirut

Saturday 15 November 2003

- 08:30 Visit to Baqa/Yaabod Schools near Sabra refugee camp. Briefing by UNRWA officials. Attend ceremony presenting school desks donated by the Australia Government
- 10:40 Visit to Nahr El Kalb (Dog River)
- 11:15 Visit to Jbeil (Byblos) archaeological site and old town
- 12:30 Depart Jbeil for Dhoum. Visit to Australian army built bridge, en route
- 13:00 Attend lunch hosted by Mr Tannous Aoun, former Lebanese Consul-General in Melbourne
- 14:30 Depart for Trablus (Tripoli) and on arrival, tour of fortress
- 16:00 Depart for Akkar, and attend Iftar hosted by Mr Wajih Baarini MP, and attended by local dignitaries, community leaders and members of the Australian-Lebanese community in the Berkayel Village
- 18:20 Depart for Sheikh Taba and light refreshments hosted by Mr Karim El Rassi MP
- 20:00 Return to Tripoli. Meeting with HE General Samir Chaarani, Mayor of Tripoli, followed by a tour of the Tripoli Souq

Sunday 16 November 2003

- 09:00 Wreath laying ceremony at Commonwealth War Graves Cemetery, Beirut
- 09:30 Depart for Qadisha Valley
- 12:00 Visit to Cedars at Beshare, accompanied by members of the local Lebanese-Australia community

- Refreshments provided by Mr Jebran Taouk MP
- 13:00 Attend lunch hosted by Mr Roy Issa El Khoury and attended by members of the Lebanese-Australia community
- 14:30 Depart Qadisha for Beirut International Airport
- 18:40 Depart Beirut for Cyprus
Depart Cyprus for Israel
- 23:30 Arrive Ben Gurion Airport, Tel Aviv. Proceed to Jerusalem

Monday 17 November 2003

- 07:30 Breakfast briefing with Ambassador and Australian embassy staff
- 08:30 Meeting with Mr Ehud Yaari, Middle East analyst
- 10:00 Briefing by Mr Shalom Harari, former Ministry of Defence adviser on Palestinian Affairs, followed by a tour of Jerusalem, including views of the security barrier
- 12:30 Lunch hosted by MK Eliezer Sandberg, Minister of Science and Technology
- 14:30 Wreath laying ceremony at Commonwealth War Cemetery, Jerusalem
- 15:30 Tour of the Old City of Jerusalem
- 19:30 Meeting with Dr Ephraim Sneh MK

Tuesday 18 November 2003

- 08:00 Meeting with Professor Yuli Tamir MK
- 09:00 Meeting with Mr Itamar Marcus, Director, Palestinian Media Watch
- 10:30 Visit to Yad Vashem Martyrs and Heroes Memorial of the Holocaust. Wreath laying ceremony.
- 12:30 Depart for the Knesset
- 13:00 Lunch hosted by Mr Isaac Herzog MK, Chair of the Knesset's Israel-Australia Friendship League

- 14:30 Meeting with the Mr Mikhail Nudelman MK, Deputy Speaker of the Knesset and Mr Ronnie Bar-On, Chairman of the House Committee, followed by a tour of the Knesset
- 16:00 Attend Knesset in session. Welcome from the floor of the Knesset
- 16:30 Meeting with Mr Gideon Ezra, Minister in the Prime Minister's Office, and Mr Ze'ev Boim, Deputy Minister of Defence
- 19:00 Dinner hosted by Colonel Eldad Shavit, Deputy for Analysis to the Head of Production Division, Israeli Intelligence

Wednesday 19 November 2003

- 07:45 Meeting with Mr Yuval Steinitz MK, Chair of the Knesset Foreign Affairs and Defence Committee
- 08:30 Depart hotel for Ramallah
- 09:10 Meeting with Dr Abdullah Abdullah, Deputy Minister for Foreign Affairs, Palestinian National Authority
- 10:00 Meeting with Mr Qadoura Fares, Minister for State
- 11:00 Round table with members of the PLC, chaired by Mr Rafiq Al-Natsheh, Speaker. Attended by PLC members:
- Dr Ghazi Hanania (Deputy Speaker)
- Dr Hanan Ashrawi
- Mr Mohammad Hourani
- Mr Marwan Kanafani (Chairman - Political Committee)
- 12:30 Meeting with Dr Mustafa Barghouthi, Secretary, Palestinian National Initiative
- 13:30 YWCA. Tour of AusAID funded project, followed by lunch hosted by Ms Mira Riziq, President of the YWCA National Council and other YWCA officials
- 15:00 Depart Ramallah for Tel Aviv
- 17:15 Meeting with Mr Yossi Beilin
- 20:00 Dinner jointly hosted by delegation leader and Australian Ambassador

Thursday 20 November 2003

08:00 Visit to Tel Aviv University, and presentations by various members of staff and members of the Israel-Australia Chamber of Commerce:

Professor Gideon Langholz, Director-General, Tel Aviv University

Ms Ruth Hazanovitz, Israel Australia Chamber of Commerce

Professor Zev Levin, Head, and Dr Arie Nesher, Professional Director, Porter School of Environmental Studies, Tel Aviv University

Dr Ron Maron, Managing Director, Research School for Nano-Science and Nano-Technology, Tel Aviv University

Mr Azriel Morag, Chairman, Ex-Libris

Dr Yoav Cohen, Chief Executive, National Institute for Testing and Evaluation, and Dr Ra'anah Har-Zahav.

Dr Yizhak Klein (Volcani Institute), on his assessment of Commonsensor

10:00 Depart Tel Aviv University by road for the north, accompanied by Major David Fishbein, IDF spokesman

15:45 Visit to IDF border post on Israel-Lebanon Border

Overnight: Tiberias

Friday 21 November 2003

08:00 Tour of the holy sites around the Sea of Galilee, including Capernaum and the Jordan River

11:00 Depart by road for Tel Aviv

16:50 Depart Tel Aviv