

# CRS Report for Congress

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## Israel's Disengagement from Gaza

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### Summary

In December 2003, Prime Minister Sharon announced that Israel would unilaterally withdraw from the Gaza Strip; the evacuation of settlers began on August 17, 2005, and was completed on August 23. Disengagement was carried out efficiently, rapidly, and without major violence. Related issues coordinated with the Palestinians included disposition of settler assets and security. The implications of disengagement for the West Bank, the "Road Map," and a future Palestinian state are uncertain. The total cost of disengagement exceeds \$2 billion, and Congress may deal with a special Israeli aid request in the future. See also CRS Issue Brief IB91137, *The Middle East Peace Talks*, and CRS Issue Brief IB82008, *Israel: Background and Relations with the United States*.

### Background

The Gaza Strip is 140 square miles, about twice the size of Washington, D.C., and had a population of approximately 8,500 Israeli settlers and 1,325,000 Palestinians. Egyptian forces occupied the Strip at the end of the 1948-1949 war, and Egypt administered but did not claim the territory from 1949 to 1967. After the 1967 war, Israeli civilians began establishing settlements in the West Bank, the Sinai Peninsula, the Golan Heights, and the Gaza Strip. The Israeli military used force to remove some settlers from the Sinai in 1982, when Israel withdrew in compliance with the 1978 Camp David Agreement and the 1979 peace treaty with Egypt. According to the September 1993 Israeli-Palestinian Declaration of Principles, the future of West Bank and Gaza Strip settlements was to be a subject for permanent status negotiations. In 1994, Israel transferred civilian authority over 70% of the Gaza Strip to the Palestinians.

### The Disengagement Plan

In a speech on December 18, 2003, Prime Minister Ariel Sharon stated that Israel would unilaterally disengage from the Palestinians, by redeploying forces and relocating settlements, if the Palestinians did not act against terrorists and fulfill their commitments under the Road Map — the framework for achieving a two-state solution to the Israeli-

Palestinian conflict.<sup>1</sup> He subsequently asserted that disengagement was necessary for demographic reasons: to retain the Jewish, democratic identity of Israel. After some revision, the government approved a plan to withdraw from all 21 settlements in Gaza and 4 small settlements in the northern West Bank and from military installations protecting them.<sup>2</sup> Following withdrawal, the plan calls for Israel to continue to guard the land perimeter of Gaza, to have exclusive authority over its air space, and to engage in security activity in the sea off the coast of the Gaza Strip. Israel reserves its right of self-defense — that is, the right to re-enter both the Gaza Strip and the northern West Bank for preventive and reactive operations. The plan originally called for Israel to maintain a military presence along the border between Gaza and Egypt (the Philadelphi Route), but Israeli forces left that area after the disengagement was completed and were replaced by Egyptian border police.

## Timeline

On July 13, Israeli Chief of Staff Dan Halutz closed the Gaza Strip to non-residents. On August 9, he imposed a similar closure on the northern West Bank. Implementation of disengagement began on August 15, 2005, when remaining settlers were given a final 48 hours' notice to depart. Israeli police and soldiers began removing those who did not leave voluntarily on August 17. Authorities were able to accelerate their timetable and the evacuation of settlers from Gaza was completed on August 22 and from the northern West Bank on August 23. After demolishing homes in the settlements, the Israeli Defense Forces (IDF) completed evacuating bases and personnel from the Strip on September 12, and the Israeli cabinet formally cancelled the military government in Gaza.

## Implementation

About 55,000 Israeli soldiers and police were mobilized to implement the disengagement plan. Forces were deployed in a series of “rings” from immediately within



Source: Information provided by Palestinian Academic Society for the Study of International Affairs. Map Resources. Adapted by CRS. (K. Yancey 1/13/05).

<sup>1</sup> For text of speech, see [<http://www.israelpr.com/sharonspeech1006.html>]; for text of Road Map, see [<http://www.state.gov/r/pa/prs/ps/2003/20062.htm>].

<sup>2</sup> For text of plan, see [<http://www.pmo.gov.il/PMOEng>].

settlements to beyond the Gaza border. Beginning on August 17, small groups of unarmed soldiers and police from a contingent of 14,000 evacuated individual settler homes. Other soldiers secured roads to the settlements and a periphery around them to serve as a buffer between settlements and Palestinian areas and to prevent infiltration by Israeli opponents of disengagement. More troops were stationed on the Israel-Gaza border to respond to any Palestinian attacks. Armor and aircraft were held in reserve for the possibility of heavier fighting.

Disengagement proceeded efficiently. Many settlers departed voluntarily, and those who did not resisted non-violently. Despite Israeli officials' concerns about the possibility of settler violence, there were few violent incidents and no Israeli fired a weapon against another Israeli. Those with religious reasons for settling in the territory were among the fiercest opponents of disengagement, and many of them did not leave voluntarily.

Before the disengagement, the IDF had signaled its determination to succeed and to prevent violence. On June 30, security forces forcibly removed extremists, mainly from the radical Kach/Kahanist movement, from a hotel in a southern Gaza settlement. Israeli authorities placed several Kach members in administrative detention and imposed restrictions on suspected settler provocateurs in the West Bank. One, with dual U.S.-Israeli citizenship, was sent home to America. Nonetheless, suspected opponents of disengagement perpetrated two incidents of what Prime Minister Sharon labeled "Jewish terrorism" elsewhere. On August 4, an Israeli army deserter killed 4 Israeli Arabs and injured 13 on a bus in northern Israel and, on August 17, a West Bank settler shot 4 Palestinians at the settlement of Shiloh.

The Council of Judea, Samaria, and Gaza (Yesha Council), the main settler organization, vowed to resist disengagement peacefully and negotiated some parameters of its civil disobedience campaign with the IDF. The IDF prevented the Council and its followers from engaging in more obstructionist conduct, such as marches into southern Gaza. Nonetheless, Council leaders and nationalist religious figures successfully summoned an estimated 2,000 to 4,000 religious youth from Israel, the West Bank, and Jerusalem to infiltrate settlements and resist evacuation. They caused the most problems for the security forces during disengagement.

In addition to concerns about possible Israeli violence, the IDF had developed contingency plans to deal with the possibility of Palestinian violence. Israel had insisted that it was not withdrawing under fire, but some Palestinian militants took credit for the disengagement and there were fears that they would try to make certain that it took place under fire. As it transpired, Hamas, the largest group, may have had a vested interest in keeping Gaza calm to advance its political ambitions, and most Palestinian militant groups generally were quiet. The IDF Chief of Staff reported a below average number of shooting incidents and mortar shellings, with no casualties.

## **Coordination Issues**

Although Israeli officials insist that disengagement was a unilateral act, they nonetheless coordinated related issues with the Palestinian Authority (PA).

**Disposition of Assets.** On April 15, 2005, the United States, United Nations, European Union, and Russia (the "Quartet") appointed former World Bank President

James Wolfensohn to be their Special Envoy for Disengagement. Among other tasks, he promoted cooperation between Israel and the PA. A first fruit of Wolfensohn's labors, announced on June 19, was an agreement for the demolition of settlements in Gaza, with the Palestinians removing debris. Some sites will be replaced by high-density housing for Palestinians. Palestinians will gain freer movement in the northern West Bank after Israel's withdrawal, but they will not be able to build in that area because it will remain under Israeli control. Palestinian officials have said they will try to change the situation in the northern West Bank, and their Israeli counterparts may be amenable.

Wolfensohn also worked for the transfer of the settlers' commercial assets, primarily greenhouses, to assist the Palestinians' with job creation. Settlers reportedly dismantled about one-third of the greenhouses and relocated them in Israel. Wolfensohn raised \$14 million from private U.S. donors to the Aspen Institute to buy the remaining estimated 750 acres of greenhouses to transfer to Palestinians. The Institute worked with the Israel-based Economic Cooperation Foundation, the official purchaser.

**Security.** U.S. officials had urged Israel and the Palestinians to increase security cooperation to ensure that disengagement was conducted peacefully in order to establish a basis for resuming the peace process. Israeli Defense Minister Shaul Mofaz and Palestinian Interior Minister Nasser Youssef agreed to coordinate on the ministerial level, in joint coordination committees, and between commanders in the field. As disengagement neared, coordination intensified. The two sides set up joint operations centers at the Erez and Rafah crossings to help them respond to any violence, and on August 14, Palestinian Security Forces deployed to prevent attacks on settlements by Palestinian militants. The IDF Commander in Gaza said that PA forces had prevented attacks during disengagement and against the IDF afterwards.

Under the terms of a bilateral Israeli-Egyptian agreement, Egypt is deploying 750 border police to secure the Gaza-Egyptian border (Philadephi Route) and prevent arms and drug smuggling and terrorist infiltration. The Palestinians are not party to these arrangements.

**Movement.** Israel and the Palestinians have not yet agreed on outlets from the Gaza Strip to the wider world that are essential for the territory's economic development. Israel fear that freer Palestinian movement will lead to increased terrorism within Israel. James Wolfensohn, U.S. Lt. Gen. William Ward, whom the U.S. Administration assigned to work with the Palestinians on security reform, and the parties are developing a plan to upgrade security controls at border crossings to ease the flow of Palestinian goods, but a new system is not yet in place. Israel accepted an Egyptian compromise whereby the Rafah crossing would be closed for six to nine months for "renovations." Transit from Egypt into Gaza would then be via a terminal controlled by Israel at Kerem Shalom, where the borders of Israel, Egypt, and Gaza meet. After that period, people would resume using Rafah under European (British) monitoring with surveillance cameras transmitting images to Israel. Goods would continue to pass through Kerem Shalom. The PA rejected the compromise, arguing that Israel remains an occupying power as long as it controls access points. After Israeli forces withdrew from Gaza, the border was chaotically open to people and goods, as well as arms and drug smugglers, for several days.

The World Bank will conduct feasibility studies on a rail link or a sunken road between Gaza and the West Bank, which would take several years to construct and require

Israeli authorization. Israel has authorized construction of a Palestinian seaport, which will take several years. Prime Minister Sharon told Palestinian President Mahmud Abbas that he could prepare the Gaza airport, which could be operational in months, for reopening, but Israel has not approved the reopening.

## Implications for the Future

After disengagement, the Palestinian Authority will attempt to establish a record of successful governance in Gaza in order to lay the basis for a future Palestinian state. Its priorities include developing a devastated economy to create jobs and housing and ensuring the security of the residents. International aid will help, but the PA's use of funds will be scrutinized due to past problems with corruption, nepotism, and waste. Moreover, the PA has not yet established the rule of law in Gaza or the West Bank. Problems include vigilantism, abductions of aid workers and journalists, and clashes between PA security forces and militants. Moreover, Hamas intend to transfer its "successful" armed resistance from Gaza to the West Bank, creating a dilemma for President Abbas who wants to include the group in the political system and move rapidly to final status negotiations with Israel.

Although the Israeli government officially recognizes that the future will see the emergence of a Palestinian state, Palestinians fear that disengagement reflects an Israeli "Gaza first, Gaza only" policy, citing statements of Israeli officials. On October 6, 2004, Prime Minister Sharon's aide Dov Weisglass asserted, "The significance of the disengagement plan is the freezing of the peace process. And when you freeze that process, you prevent the establishment of a Palestinian state, and you prevent a discussion of the refugees, the borders, and Jerusalem."<sup>3</sup> Moreover, to assuage settlers' fears that disengagement from Gaza will set a precedent for withdrawals from the West Bank and to win a leadership contest in his right-wing Likud party, Sharon has asserted that there will be no more "unilateral" disengagements and repeatedly promised to retain and expand five large West Bank settlement blocs and to connect them territorially to Jerusalem and Israel. However, Sharon also has suggested that, in final negotiations, Israel might have to give up more West Bank settlements. He has further declared that he would not hold negotiations on Jerusalem under any circumstances.

After Israel's disengagement from Gaza, it has been assumed that the Quartet would urge the parties to return to the Road Map framework. Phase I of the Road Map requires Israel to dismantle settlement outposts and end all settlement activity, and the Palestinians to end terrorism. U.S. and Israeli officials disagree as to whether the requirements of Phase I are sequential or simultaneous, with Sharon repeatedly insisting that forceful PA action against terrorists, i.e., Hamas and other groups, is a precondition for the Road Map. Since President Abbas has vowed not to use force against "factions" and intends to include them in the Palestinian political process, Sharon's precondition is unlikely to be met. And, as noted above, Israel is continuing construction in the settlements. U.S. officials have not indicated how they intend to assist or accomplish the transition from disengagement to Road Map. The *New York Times* reported that the Bush Administration, seeking not to undermine Sharon in the midst of domestic political challenges, has urged

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<sup>3</sup> trShavit, Ari, "Top PM Aide: Gaza Plan Aims to Freeze the Peace Process," *Haaretz*, October 6, 2004.

its partners in the Quartet to defer pressuring Israel to make concession required by the Road Map process.<sup>4</sup>

Disengagement has made some Arab and Muslim countries willing to develop relations with Israel short of recognition. On September 1, Foreign Minister Silvan Shalom met his Pakistani counterpart for the first time in Istanbul, and on September 14, Shalom met the Indonesian and Algerian foreign ministers in New York. Shalom will travel to Tunisia in November to revive ties that were suspended in 2000.

## Cost and Aid

The total cost of the disengagement is about \$2.2 billion, including compensation of settlers, costs incurred by the Ministries of Defense and Security, and ancillary plans to develop the Nitzanim area north of the Gaza Strip, the Negev, and the Galilee.<sup>5</sup>

Israel is the largest recipient of U.S. aid. For FY2005, it will receive \$357 million in Economic Support Funds (ESF), \$2.202 billion in Foreign Military Financing (FMF), and \$50 million in migration settlement assistance. For FY2006, the Administration requested and H.R. 3057 approves \$240 million in ESF and \$2.28 billion in FMF (\$40 million is recommended for migration aid). In July 2005, the Israeli press began reporting about an Israeli request for about \$2.25 billion in special U.S. aid in grants and loan guarantees to be disbursed over four years, with one-third to be used to relocate military bases from the Gaza Strip to Israel and the rest to develop the Negev and Galilee regions of Israel and for other purposes.<sup>6</sup> Preliminary talks were held. In light of the costs inflicted on the United States by Hurricane Katrina, an Israeli delegation intending to discuss the aid cancelled a trip to Washington, and Deputy Premier and Finance Minister Ehud Olmert said, "The request is being postponed until a more fitting date."

Meanwhile, the Administration is significantly increasing aid to the Palestinians.<sup>7</sup> P.L. 109-13, the FY2005 Supplemental Appropriations Act, provides \$200 million in ESF, on top of regular FY2005 ESF of \$75 million.<sup>8</sup> Congress specified that \$50 million from the supplemental funds should facilitate the movement of Palestinian people and goods in and out of Israel and up to \$5 million should be used for an independent audit of PA expenditures. On September 15, 2005, the U.S. Consul General in Jerusalem signed an agreement to grant \$2.3 million to Palestinian Interior Ministry for the purchase of non combat equipment and \$700,000 to support the Ministry and its initiative to establish community police force. For FY2006, the President has requested \$150 million in ESF for the West Bank and Gaza Strip.

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<sup>4</sup> Steven Weisman, "U.S. Asks Allies' Restraint on Israeli Concessions," *New York Times*, September 4, 2005.

<sup>5</sup> Gadi Golan, Ze'ev Klein, and Zvi Lavi, "Disengagement Cost Soars," *Globes*, August 23, 2005, Foreign Broadcast Information Service (FBIS) Document GMP20050823618004.

<sup>6</sup> Aluf Benn, "Israel to Ask U.S. for \$2.2 Billion in Aid for Pullout," *Haaretz*, July 11, 2004.

<sup>7</sup> For background, see CRS Report RL32260, *U.S. Foreign Assistance to the Middle East: Historical Background, Recent Trends, and the FY2006 Request*, by Jeremy Sharp.

<sup>8</sup> In December 2004 and in May 2005, President Bush transferred portions (\$20 million and \$50 million respectively) of the regular FY2005 West Bank and Gaza ESF directly to the PA.