During 2007, the future of Prime Minister Ehud Olmert’s government is threatened, discredited on the one hand by the interim report of the Winograd commission published in April, which finds failings in the conduct of the war in Lebanon in 2006, and on the other hand by corruption scandals involving several members of the government including Ehud Olmert. Calls for the resignation of the Prime Minister Ehud Olmert intensify, both among Israeli public opinion and within his own Kadima party, and several Kadima members resign from their posts. To the political scandal affecting the government is added the scandal involving the Israeli President Moshe Katsav, charged under several counts including sexual harassment and rape. In January he is suspended temporarily, before resigning in July. Shimon Peres then becomes officially the ninth President of Israel.

In the occupied territories Palestinian in-fighting between the supporters of Fatah, the party of the Palestinian President Mahmoud Abbas, and the supporters of Hamas, which won the legislative elections in January 2006, continues in 2007. In February President Abbas and the President of the political office of Hamas based in Damascus, Khaled Meshal, sign the Mecca agreement, which establishes a cease-fire and leads to the creation of a new government of national unity in March. The European governments and the United States declare that they will negotiate with members of the new cabinet who have no links to Hamas, while Israel refuses all dialogue with the new unity government. Norway alone announces that it will recognise the new government and will resume its financial aid. After a relative lull, violence between Palestini-
Palestinian groups who had kidnapped the Israeli soldier Gilad Shalit in June 2005, announce that the latter is in good health and that he will be set free in return for the release of Palestinian prisoners.

- On 16 January the Ministry of Justice announces that a criminal enquiry is to be launched against the Prime Minister Ehud Olmert in connection with the affair of the privatisation of the Luemi Bank in 2006, when Olmert was Minister of Finance.
- On 17 January Lieutenant-General Dan Halutz, Chief of Staff of Tsahal (the Israeli defence forces), who for months has been the target of criticisms regarding the performance of the Israeli army in the war with Lebanon in 2006, resigns. On 22 January Lieutenant-General Gaby Ashkenazi, Director of the Ministry of Defence, is appointed to replace him.
- On 25 January the Knesset votes President Moshe Katsav to be placed in “temporary incapacity” for three months, so that he may respond to accusations of rape, sexual harassment, abuse of power and corruption. The President of the Knesset Dalia Itzik becomes the interim occupant of the post.
- On 28 January Raleb Majadele, an Israeli Member of Parliament of Arab origin, belonging to the Labour Party, is appointed Minister without Portfolio. He is the first Muslim Arab to belong to an Israeli cabinet. The Minister of Defence and leader of the Labour Party Amir Peretz had declared on 10 January that he wished to see Majadele appointed Minister of Science and Technology, Culture and Sport.

**Palestine**

- On 3 January the inter-Palestinian violence between Hamas and Fatah supporters resumes in the Gaza Strip, killing 5 Palestinians. On the evening of 3 January representatives of the two factions meet at Khan Yunis and agree to withdraw their combatants from the streets and to free militants who have been seized. On the following day new violence erupts at Jabiliya in Gaza. Colonel Mohammed Ghayeb, a commander of the preventive security forces under Fatah’s control, and 6 of his bodyguards are killed by the Executive Force, a parallel security force under the command of the Minister of Home Affairs and of National Security Said Siyam, a member of Hamas. On 4 January President Mahmoud Abbas, originally from Fatah, and the Hamas Prime Minister Ismael Haniyeh meet in the presence of Egyptian mediators. They agree to withdraw the rival armed groups from the streets of Gaza. On 6 January President Abbas announces that he will declare the Executive Force illegal if it is not immediately integrated into the other Palestinian security forces under his command. President Abbas appoints Mohammed Dahlan, the former head of the Preventive Security Forces, to the post of Commander-in-Chief of the Palestinian security services. The talks of 21 and 22 January in Damascus, in Syria, between President Abbas and the President of Hamas’ political office Khaled Meshal fail to put an end to the intra-Palestinian rivalries and to form a government of unity. On 25 January the clashes resume, despite the appeals for calm from President Abbas and Prime Minister Haniyeh. At least 30 Palestinians are killed, including several civilians. On 30 January the two factions agree on a truce.

**Peace Negotiations**

- On 11 January, in an interview granted to Reuters, the President of Hamas’ political bureau Khaled Meshal declares that Israel is a “reality and that there will always be a state called Israel”, before adding that Hamas will not formally recognise Israel until a Palestinian state has been created, consisting of the Gaza Strip, the West Bank and East Jerusalem, and the right of Palestinian refugees to return to their homes has been respected.
- On 14 January the American Secretary of State Condoleezza Rice meets the Israeli Foreign Minister Tzipi Livni, who proposes the creation of an interim Palestinian state with temporary frontiers. This proposal is rejected the following day by the Palestinian President Mahmoud Abbas at his meeting with Rice, where he adds that only a comprehensive peace agreement can resolve the conflict. During her visit, Rice promises a greater engagement of the United States in the Middle-East peace process.

- On 18 January Israel announces that it will unfreeze 100 million dollars of tax receipts due to the Palestinian Authority, so as to pay them to President Abbas.

**Conflicts between the Parties**

- On 4 January the Israeli defence forces launch a raid on Ramallah, killing 4 Palestinians and kidnapping 4 others. On 29 January the Al-Aqsa Martyrs’ Brigade, affiliated to Fatah, and Islamic Jihad carry out a suicide attack in a bakery in Eilat, killing 3 Israelis. This is the first suicide attack in Israel since April 2006. The spokesman of Hamas in Gaza Fawzi Barhoum declares that this attack is the natural response to Israel’s military operations in the Gaza Strip. On 30 January the Israeli air force bombs a tunnel situated in the east of the Gaza Strip.

**February 2007**

**Israel**

- On 9 February, after Friday prayers in the Al-Aqsa mosque, worshippers demonstrate against the works taking place near the mosque. As the police try to disperse the demonstrators, clashes break out between Palestinians and Israelis. The works for the rebuilding of a bridge that fell in 2004 are considered a threat by many Palestinians, who think that Israel wants to demolish the Al-Aqsa mosque to rebuild the Jewish Temple. Fifteen policemen and 17 Palestinians are injured, while 17 Palestinians are arrested. On 12 February the Mayor of Jerusalem unexpectedly announces that the works have been suspended.

**Palestine**

- On 1 February the truce agreed on 30 January is broken when Hamas fighters attack a convoy of lorries transporting arms destined for the Presidential guard in the Gaza Strip. Five people die and thirty others are injured in the armed clashes that follow. On 2 February the fighting intensifies. Seventeen people, including 4 children, are killed when Fatah forces attack the Islamic University, affiliated to Hamas, and when Hamas...
combatants attack a Fatah security post. President Mahmoud Abbas appeals for calm. On 4 February the streets of Gaza return to a certain peace, allowing the Palestinians to get supplies. On 6 February President Mahmoud Abbas and the President of Hamas’ Damascus-based political office Khaled Meshal meet in Mecca at the invitation of the King of Saudi Arabia. On 8 February they sign an agreement on the formation of a new national unity government. According to the agreement Hamas will always refuse to explicitly recognise Israel and will only agree to “respect” the previous peace accords, signed by the Palestine Liberation Organisation (PLO). For the first time Hamas commits itself to respecting and implementing the peace proposal “territories in exchange for peace” ratified by the Arab League in March 2002 to put an end to the Israeli-Arab conflict.

Peace Negotiations

- On 18 February Secretary of State Condoleezza Rice has separate meetings with the Palestinian President Mahmoud Abbas and the Israeli Prime Minister Ehud Olmert, prior to a joint meeting between the two parties in Jerusalem on 19 February. The two parties commit themselves to meeting again soon and call on the United States to involve itself more in the Middle East peace process.

Conflicts between the Parties

- From 24 to 27 February the Israeli army launches an operation in the town of Nablus with the aim of arresting wanted militants. On 25 February a curfew is imposed as Israeli soldiers proceed to a house-to-house search. On 26 February a man is killed and his son is wounded.

March 2007

Israel

- On 1 March the State Controller Micha Lindenstrauss orders a criminal investigation to be opened against the Prime Minister Ehud Olmert in a corruption affair going back to the time when he was Minister of Trade and Industry (2003-2005).

- On 8 March the newspaper Haaretz publishes a secret report, submitted by the Prime Minister Ehud Olmert to the Winograd commission, set up in September 2006 to look into the government’s and army’s management of the war with Lebanon in July and August 2006. According to the report, the preparations for war with Hezbollah had begun 4 months before the latter kidnapped the 2 Israeli soldiers, the event which officially triggered the war.

Palestine

- On 12 March the BBC’s correspondent in the Gaza Strip Alan Johnston is abducted by armed men near the Egyptian embassy in the Gaza Strip. No responsibility is claimed for the abduction. On 16 March John Ging, director of the United Nations Relief and Works Agency for Palestinian Refugees in the Near East (UNRWA), narrowly escapes an abduction attempt in Gaza.

- On 15 March Fatah and Hamas form a government of national unity to replace the government formed in March 2006 by Prime Minister Ismail Haniyeh, originally from Hamas. On 17 March the Palestinian Legislative Council gives its confidence to the new government by 83 votes to 3. The new government is composed mainly of ministers originating from Fatah and independent ministers. Haniyeh remains in his post as Prime Minister. Israel immediately declares that it will not negotiate with this new government, which does not respect the three international conditions established in January 2006 by the Quartet, i.e. the renunciation of violence, the recognition of the State of Israel and respect for the existing Israeli-Palestinian accords. The European governments for their part declare that they will be in contact with the members of the government who are not members of Hamas. On 18 March the United States declare that they will likewise meet certain members of the government but that they will not resume their direct financing of the government. Norway announces that it will recognise the new government and will resume its financial aid.

Peace Negotiations

- On 11 March the Palestinian President Mahmoud Abbas and the Israeli Prime Minister Ehud Olmert meet at Olmert’s residence in Jerusalem, in presence of the US Secretary of State Condoleezza Rice. Abbas and Olmert promise the American Secretary of state Condoleezza Rice to hold talks once a fortnight.

Conflicts between the Parties

- On 7 March the Israeli army arrests 18 suspected Palestinian militants in a raid on the offices of the military intelligence services of the Palestinian Authority near Ramallah.

- On 19 March the military arm of Hamas, the Izz al-Din Al-Qassim Brigades, claims responsibility for the shots fired near the frontier between the Gaza Strip and Israel, which wounded an Israeli civilian. This is the first attack claimed by the group since the cease-fire which took effect in November 2006. On 28 March the Israeli army bombs the Gaza Strip, its targets being Palestinian militants suspected of preparing an attack. This is the first time since the cease-fire of November 2006 that Israel retaliates for the launching of rockets.

April 2007

Israel

- On 10 April the police interrogate the Prime Minister Ehud Olmert for 4 hours, as part of an investigation into corruption involving his personal assistant. On 22 April the Minister of Finance Abraham Hirchon suspends himself from office for three months as he awaits the results of the police investigation concerning allegations of malversation of funds.

- On 22 April the Knesset decides to prolong the temporary suspension from his functions of President Moshe Katsav until the end of his Presidential term on the coming 15 July. Moshe Katsav is the object of an investigation for rape, sexual harassment and abuse of power.

- On 30 April the Winograd commission, set up in September 2006 to analyse and draw lessons from the Israeli-Lebanese war in 2006, presents its interim report, which concludes that there were failings in the conduct of the
war in Lebanon and names the Prime Minister Ehud Olmert among others as responsible, accusing him of lack of judgment, of responsibility and of prudence. The report also points the finger at the Minister of Defence Amir Peretz and Lieutenant-General Dan Halutz, who resigned in January as Chief of Staff of the Israeli defence forces.

Palestine

▪ On 5 April the consul general of the United Kingdom in Jerusalem meets Prime Minister Ismail Haniye, a member of Hamas, to discuss the fate of Alan Johnston, the BBC correspondent abducted on 12 March in the Gaza Strip. This is the first meeting between a European official and a Hamas Minister since the formation of the new government of national unity the previous March.

▪ On 10 April the American State Department announces that the administration of the American President George W. Bush will make a contribution of nearly 60 million dollars to the security forces controlled by the President of the Palestinian Authority Mahmoud Abbas, after Congress decided against blocking these funds.

Peace Negotiations

▪ On 1 April, Israel’s Prime Minister Ehud Olmert, in a public statement, invites the Saudi King Abdullah ibn Abdul Aziz and the other Arab leaders to meet him. In March, at its 19th summit in Saudi Arabia, the Arab League had relaunched its peace proposal “territories in exchange for peace”. On 18 April the Arab Ministers of Foreign Affairs meet in Cairo and decide that Egypt and Jordan should meet Israel to discuss the possibility of a wider meeting.

▪ On 8 April Fawzi Barhoum, a spokesman of Hamas, announces that the Palestinian militant groups involved in the abduction of the Israeli soldier Gilad Shalit in June 2006 have sent, through Egyptian mediators, a list with the names of about 450 Palestinian prisoners, whose release they demand in return for the freeing of the Israeli soldier.

▪ On 15 April the Palestinian President Mahmoud Abbas and the Israeli Prime Minister Ehud Olmert meet in Jerusalem, where they discuss amongst other things the lifting of restrictions on the freedom of movement of Palestinians and of goods as well as security questions.

Conflict between the Parties

▪ On 4 April, for the first time since the cease-fire of November 2006, Israeli troops enter the Gaza Strip, 500 m east of the town of Beit Hanoun. The purpose of the operation is to prevent the launch of rockets by Palestinian militants. One Palestinian is killed in the operation.

▪ On 10 April Shin Bet, the Israeli internal security service, announces that it has arrested in the town of Qalqilya 10 Hamas militants, suspected of being in the act of preparing an attack for the Jewish festivals in Tel Aviv.

▪ On 21 and 22 April Israeli forces enter Jenin and Nablus, in the West Bank, to arrest Palestinian militants. Nine Palestinians die in the fighting. In retaliation, on 24 April the Izz al-Din Al-Qassim Brigades, the armed branch of Hamas, launch several rockets from the Gaza Strip.

May 2007

Israel

▪ On 1 May, in response to the criticisms of the Winograd commission over the Israeli government’s and army’s management of the war with Lebanon in 2006, the Minister without Portfolio Eitan Cabel, a member of the Labour Party, resigns. He declares that he no longer wishes to belong to a government under the leadership of Olmert. On 2 May the Deputy Prime Minister and Foreign Minister Tzipi Livni, a member of the Kadima party, announces that she has advised Olmert to resign. On 2 May the leader of Kadima in the Knesset, Avigdor Yotshaki, resigns, declaring that the Prime Minister no longer had the confidence of his party or of his country. On 3 May more than 100,000 demonstrators gathered in Rabin Square in Tel Aviv demand the resignation of Prime Minister Olmert.

▪ On 6 May B’Tselem and the Centre for the Defence of Individuals, two Israeli human-rights organisations, publish a joint report titled “Absolutely Forbidden,” in which they accuse members of Shin Bet of torturing Palestinian prisoners, violating a decision of the Supreme Court which forbids that practice.

▪ On 10 May, in violation of international law, the Jerusalem city council announces that 3 new colonies will be built at Atarot, Ramot Allon and Walaja, occupied by Israel in 1967. The object of those constructions is to link the Jerusalem colonies with those established in the West Bank.

▪ On 28 May, in the primary elections in the Labour Party, Amir Peretz, the Minister of Defence and current leader of the party, receives only 22% of the votes, against 35.6% for the former Prime Minister Ehud Barak and 30.1% for Ami Ayalon, a former head of Shin Bet. The second round will be held on 12 June.

Palestine

▪ On 9 May the Arab television station Al-Jazeera broadcasts a video emanating from the radical group Jasih al-Islam (the Army of Islam) and showing the press card of the BBC correspondent Alan Johnston, abducted on 12 March in the Gaza Strip. The group demands that the United Kingdom set free the cleric Omar Mahmood Abu Omar, a Jordanian detained since 2002 and in danger of being extradited to Jordan, where he was sentenced for terrorism in absentia. The group is ready to pay for his release and that of other prisoners.

▪ On 11 May, following the deployment by Fatah of 3,000 security agents in the Gaza Strip without notifying Hamas, Hamas fighters respond by attacking the national security building and by firing on Fatah road-blocks. On 13 May Baha Abu Jarad, an important figure in the Al-Aqsa Martyrs’ Brigade, affiliated to Fatah, is assassinated, provoking clashes between the two rival factions. On 14 May the Minister of Home Affairs Hani Talab Abd-al-Rahman al-Qawasimi, an independent member of the government, resigns. The same evening the two factions decree a cease-fire. On 15 and 16 May, 20 Palestinians are killed in the Gaza Strip, in spite of the cease-fire. The armed men of Hamas attack a camp of the Presidential guard near the terminal of Karni, killing 7 guards. On 16 May violence intensifies, killing at least 16 Palestinians. Hamas supporters attack the residence of General Rashid Abu Shbak, in charge of Fatah’s preventive security
unit, and kill 6 of his bodyguards. The talks between President Mahmoud Abbas of Fatah and the leader of Hamas’s Damascus-based political office, Khaled Meshal fail to put an end to the spiral of violence. On 18 May shots are exchanged between the Hamas militants quartered in the Islamic University in the town of Gaza and the forces of Fatah, entrenched in the Ministry of Foreign Affairs close by. On 19 May the Egyptians obtain a ceasefire. On the same day 22 members of Hamas and Fatah security members are killed. Six civilians are also killed.

Conflict between the Parties

- On 15 May Hamas militants fire several rockets at the Israeli town of Sderot, hitting a school and a house and injuring a dozen people. On 16 May, in retaliation, an Israeli helicopter attacks a Hamas training camp near Rafah and kills 4 Hamas fighters. On 17 and 18 May the Israeli army launches air attacks against Hamas targets in Gaza, killing 10 people and wounding a dozen more, while Israeli tanks and infantry enter the north of the Gaza Strip. On 20 May Israel launches an air attack on the house of Khalil al-Haya, a Hamas member of the Palestinian Legislative Council, in the Sajaiya district, and kills 7 members of his family. On 21 May, for the first time since November 2006, an Israeli woman is killed by a rocket fired at Sderot, where the EU High Representative/Secretary General for Foreign Policy and Common Security meets the Minister of Foreign Affairs Tzipi Livni. The Israeli response kills 5 Palestinians, including 4 members of Islamic Jihad. On 24 May the Israeli army launches several raids in the West Bank, where it arrests several Hamas politicians, including the Minister of Education Nasir al-Din al-Shair, some Hamas deputies and 4 mayors. On 27 May another Israeli civilian is killed by a rocket fired by Hamas. Israel responds with an air attack on the Gaza Strip.

June 2007

Israel

- On 12 June Ehud Barak, the former Prime Minister, wins the second round of leadership elections of the Labour Party with 51.2% of the votes against 47.7% for Ami Ayalon. On 18 June he succeeds the current Deputy Prime Minister and Defence Minister Amir Peretz.

- On 13 June Shimon Peres, a member of the Kadima party, is elected President of Israel by the Knesset (single-chamber parliament). On 28 June the serving President Moshe Katsav, against whom there are judicial prosecutions, agrees to plead guilty to minor charges in exchange for the dropping of his prosecution for rape. Moshe Katsav also agrees to submit his resignation, which takes place on 29 June. His resignation will be effective on 2 July.


- On 25 June, for the first time since the abduction of the Israeli soldier Gilad Shalit in June 2006 by the Izz al-Din Al-Qassim Brigades, the military wing of Hamas, the Army of Islam and the Committees of Popular Resistance, an audiotape of him is published. In this recording Shalit declares that his health is deteriorating.

Palestine

- On 1 June the web site al-Eklaas publishes a video of the Army of Islam showing Alan Johnston, the BBC correspondent abducted the previous March. It is the first concrete proof since his abduction that Johnston is alive. Johnston declares in the video that he is being well treated and calls on the United Kingdom to release the prisoners, in particular the cleric Omar Mahmoud Abu Omar, detained in the United Kingdom since 2002. On 25 June a new video shows him with a belt of explosives around his waist. Johnston declares that his captors will set it off if an attempt is made to free him by force.

- On 9 June new clashes break out between Hamas and Fatah supporters in the Gaza Strip. On 11 June, in spite of a new cease-fire, 9 people are killed. On 12 June members of the Fatah Presidential guard attack the house of the Prime Minister Ismail Haniyeh, a member of Hamas, in the Shati refugee camp near the town of Gaza. In retaliation Hamas attacks a certain number of security posts controlled by Fatah and declares the north of Gaza a “closed military zone.” On 13 June Hamas consolidates its seizure of a large part of the Gaza Strip, after among other things destroying the offices of Fatah at Khan Yunis. On the evening of 13 June Hamas controls the north of the Gaza Strip together with the town of Gaza, with the exception of the Presidential residence and the headquarters of the national security forces at Al Suraya. Fifteen people have been killed on this day. In the West Bank a dozen Hamas activists are arrested by the Palestinian security forces, loyal to President Mahmoud Abbas. On 14 June Abbas dismisses the national unity government formed the previous March and declares a state of emergency. The United States immediately approve Abbas’s decision. On 15 June Hamas definitively takes control of the Gaza Strip, thus splitting the Palestinian territories de facto into two blocs, the West Bank remaining under the control of Fatah. On 17 June Abbas institutes an emergency cabinet, under the Presidency of Salam Khalid Abdallah Fayyad. By decree he makes Hamas’ executive forces and militias illegal. Hamas declares the emergency government illegal. On 18 June the United States announce the ending of the economic and political embargo on the Palestinian Authority imposed in March 2006 following the victory of Hamas in the legislative elections. On 24 June Israel agrees to unfreeze 350 million dollars of tax receipts and on 25 June Prime Minister Ehud Olmert meets President Abbas, the Egyptian President Hosni Mubarak and King Abdullah II of Jordan at Sharm-el-Sheik. He announces that he will release 250 members of Fatah held in Israeli jails.

Conflicts between the Parties

- On 27 June, to put a stop to the firing of rockets into Israel from the Gaza Strip, the Israeli army launches a series of attacks on the Gaza Strip, killing at least 12 people.

Peace Negotiations
former British Prime Minister Tony Blair as the Quartet’s special emissary for the Middle East.

**July 2007**

**Israel**

- On 2 July the serving President of Israel, Moshe Katsav, under judicial prosecution for offences including rape and sexual harassment, resigns. On 15 July Shimon Peres officially becomes the 9th President of Israel. In his inauguration speech he declares that he will fight against discrimination against Israeli citizens who are not Jews.
- On 2 July the magistrates’ court in Jerusalem sentences Mordechai Vanunu to 6 months’ imprisonment for breaking the conditions of his parole. The court accuses him among other things of having been in contact with foreign journalists and having attempted to leave the country. Mordechai Vanunu had served a prison sentence of 18 years for disclosing Israeli nuclear secrets before being released in April 2004.
- On 4 July the Knesset approves a government reshuffle. Roni Bar-On, a member of the Kadima party, re-enters the cabinet as Deputy Prime Minister. Roni Bar-On, until then Minister of Home Affairs, becomes Minister of Finance, succeeding Abraham Hirchson, who was implicated in a corruption scandal and resigned in April.

**Palestine**

- On 4 July the BBC correspondent in the Gaza Strip, Alan Johnston, abducted on 12 March by the Army of Islam, is released after pressure by Hamas, which had arrested several members of the Army of Islam and encircled their offices in the town of Gaza.
- On 13 July the emergency cabinet of Salam Khalid Abdallah Fayyad, created on 14 June, resigns and is replaced by a new government, of almost identical composition to the emergency cabinet. Salam Khalid Abdallah Fayyad remains as Prime Minister.

**Peace Negotiations**

- On 1 July Israel transfers more than 100 million dollars to the moderate government of President Mahmoud Abbas in the West Bank, ending its economic blockade of the Palestinian Authority, which had lasted nearly a year and a half. On 3 July Israel and the government of President Abbas resume negotiations on security questions. On 8 July Israel agrees to release 250 Palestinian prisoners. On 20 July 255 prisoners are released, most of them members of Fatah. On 15 July Israel proclaims an amnesty for 190 militants, most of them members of the Al-Aqsa Martyrs’ Brigade, affiliated to Fatah.
- On 16 July the American President George Bush praises the organisation this autumn of a Middle-East peace conference, under the Presidency of Secretary of State Condoleezza Rice, in which representatives of the Palestinians, the Israelis and the neighbouring countries favourable to the creation of a Palestinian state are due to participate. He also promises a subsidy of 190 million dollars to the President of the Palestinian Authority.
- On 23 and 24 July the new representative of the Quartet Tony Blair makes his first visit in the region, passing through Jordan, Israel and the West Bank.
- On 25 July, according to the daily Haaretz, Ehud Olmert proposes to Mahmoud Abbas negotiations for an agreement in principle over the creation of a Palestinian state, covering 90% of the West Bank, the construction of a tunnel connecting the West Bank with Gaza and an arrangement for East Jerusalem permitting the Palestinians to present that part of the town as their capital.
- On 25 July a delegation of the Arab League, led by the Egyptian and Jordanian Foreign Ministers Ahmed Aboul Gheit and Abdelelah al Khatib, makes a historic visit to Jerusalem, to promote the Arab League’s peace proposal “territories in exchange for peace.” The two ministers meet the Prime Minister Ehud Olmert and the Foreign Minister Tzipi Livni and call for a precise calendar of negotiations with the Palestinians over the creation of their future State, requesting that Israel will not let this opportunity slip.

**Conflict between the Parties**

- During July the clashes between Hamas and Israel continue in the Gaza Strip, with almost daily Israeli raids. On 5 July Israeli tanks enter Gaza and kill at least 6 members of the Izz al-Din Al-Qassim Brigades, the military branch of Hamas.

**August 2007**

**Israel**

- On 7 August the police forcibly expel 30 Jewish colonists and about a hundred of their supporters from the town of Hebron, where they were illegally occupying a building abandoned since 2006, in violation of a decision of the Supreme Court. On 8 August The Times reports that the Israeli army has sentenced 12 soldiers to a month’s imprisonment for refusing to take part in the operation.
- On 14 August, with 73.2% of votes in the first round, Benyamin Netanyahu is re-elected leader of the opposition party Likud.
- On 16 August the American Under-Secretary of State for Political Affairs Nicholas Burns signs an agreement with Israel allocating it a military subsidy of 30 billion dollars over 10 years from 2008. This sum represents an increase of 25% in American military aid to Israel.

**Palestine**

- On 8 August President Mahmoud Abbas goes to Egypt where he meets the Egyptian President Hosni Mubarak. After the meeting he announces that he will not negotiate with Hamas until the latter gives up its occupation of the Gaza Strip. On 14 August, after criticism by the Italian Prime Minister Romano Prodi and a Foreign Affairs Committee of the British Parliament of the policy of boycotting Hamas, the Israeli Foreign Minister Tzipi Livni declares that the international community would be committing a serious error in engaging in dialogue with Hamas.
- On 19 August thousands of Palestinians living in the Gaza Strip are plunged in the dark following the decision of the EU to suspend the financing of fuel deliveries, compelling the sole local electricity company to cut off power. The EU declares that it will resume payments once it has received assurances that the money is not being used by Hamas for other purposes. On 21 August the EU resumes its subsidy.
Peace Negotiations

On 1 August the American Secretary of State Condoleezza Rice and the American Defense Secretary Robert Gates visit Saudi Arabia, where they meet Prince Saud al-Faisal ibn Abdul Aziz, Minister of Foreign Affairs. After their meeting the Prince announces that Saudi Arabia does not exclude the possibility of attending the Middle-East peace conference proposed by the American President George W. Bush the previous April. On the same day Condoleezza Rice meets the Israeli Prime Minister Ehud Olmert, who declares himself willing to negotiate an agreement in principle on the creation of a Palestinian state, in preparation of the international conference initiated by the American President and due to take place before the end of the year. On the following day, for the first time since the armed take-over by the Islamists in Gaza, Condoleezza Rice goes to Ramallah, where the Palestinian President Mahmoud Abbas declares that he is ready to negotiate an agreement in principle with Israel as an intermediate step. On 6 August, for the first time for 7 years, the Palestinian and Israeli leaders meet in the Palestinian territories. After the meeting, which lasted for 3 hours in a hotel in Jericho, an Israeli spokesman declares that the meeting has been very constructive, without the essential questions of the conflict having been addressed. On 28 August the 2 leaders meet in Olmert’s official residence in Jerusalem, where they pursue their discussions on an agreement in principle.

Conflicts between the Parties

On 20 August an Israeli missile kills 6 Hamas militants and injures another near the Bureij refugee camp in the Gaza Strip. On 21 August Israeli troops kill militants of Islamic Jihad in the south of the Gaza Strip, while 2 Palestinian children are killed in another operation of the Israeli armed forces.

September 2007

Israel

On 5 September the Supreme Court rules unanimously that the line of the separation wall is harmful to the village of Bilin and must be modified. In the past 30 months protests had taken place every Friday near the wall, which separates the villagers from their field. The Court concludes that the position of the wall as it stood was not motivated by security purposes. But to the great regret of the inhabitants, all the lands in Bilin are not returned to their owner.

On 6 September the organisation Human Rights Watch (HRW) publishes a report asserting that the indiscriminate Israeli air attacks in the war with Lebanon in 2006 were responsible for the majority of civilian casualties on the Lebanese side. HRW thus refutes the accusations that Hezbollah had been using the civilian population to protect itself. Nine hundred Lebanese civilians lost their lives during that war, which lasted 34 days. On the same day the Israeli defence forces declare that the report contains numerous inaccuracies and insists that the army had respected international rules and human rights.

On 24 September the Prosecutor General Menachem Mazuz orders the police to begin a criminal enquiry against the Prime Minister Ehud Olmert over allegations of corruption concerning real estate.

Palestine

On 7 September Hamas forces arrest 4 prominent leaders of Fatah in the Gaza Strip, following violent clashes with the supporters of Fatah, who were attempting to hold Friday prayers outside the Qatib mosque. In August Hamas had forbidden prayers in the open air, regarded as politicised.

Peace Negotiations

At the beginning of September the representative of the Quartet, Tony Blair, makes his second visit in the Middle East. On 23 September Blair and some representatives of the Quartet hold a meeting in New York, where they approve the prolongation of the EU’s urgency aid mechanism, put in place after Hamas came to power in March 2006.

On 10 December the Palestinian President Mahmoud Abbas and the Israeli Prime Minister Ehud Olmert meet in Jerusalem. On 11 September The International Herald Tribune reports that Abbas and Olmert have agreed to set up a team of negotiators to create 8 joint ministerial committees to work on common subjects such as communications, security and economic co-operation.

On 20 September the American Secretary of State Condoleezza Rice meets President Abbas and Prime Minister Ehud Olmert.

October 2007

Israel

On 8 October the Prime Minister Ehud Olmert declares before the Knesset that he intends to devote the year 2008 to the search for peace with the Palestinians. He adds that he has developed a good working relationship with the Palestinian President Mahmoud Abbas in their recent meetings.

On 9 October the Prime Minister Ehud Olmert is interrogated for 5 hours by the police in his residence in Jerusalem, as part of an enquiry over the privatisation of the Leumi Bank in 2005 while he was Minister of Finance.

On 15 October Olmert announces, following the publication of a very critical report, that the government is going to increase to 373 million dollars a year the public aid to the Holocaust survivors.

On 18 October, two days after the Russian President Vladimir Putin went to Iran, where he declared that he would not permit a military attack on Iran, the Prime Minister Ehud Olmert makes a surprise visit to Russia to discuss with
On 7 October the Committees of Popular Resistance fire a Katyusha rocket from the Gaza Strip into Israel, which lands at Netivot, 11 km east of Gaza. On 23 October the Israeli army launches a missile at the car of Mubarak al-Hasanat, a prominent member of the Committees of Popular Resistance who belongs to the Ministry of Home Affairs headed by Hamas, killing him instantly.

On 28 October, in retaliation for the firing of rockets at Israel from the Gaza Strip, Israel announces that it has begun to reduce supplies to the Gaza Strip in fuel and that it has closed one of the two frontier posts where food and medication were used to enter.

November 2007

Israel

On 3 November more than 100,000 assemble in the centre of Tel Aviv in memory of the former Prime Minister Itzhak Rabin, assassinated in 1995.

On 29 November the Israeli police announce that they have insufficient evidence to prosecute the Prime Minister Ehud Olmert in the affair of the privatization of the Leumi Bank in 2005, when he was Minister of Finance.

Palestine

On 2 November, for the first time since Hamas took power in the Gaza Strip in June, President Mahmoud Abbas meets a delegation of Hamas in Ramallah, while making clear that this is not the beginning of a formal dialogue with Hamas. On 7 November Hamas convokes the first session of the Palestinian legislative conference since June, in which 35 deputies out of 132 take part, 7 of them by video link from the West Bank. On 12 November clashes in the town of Gaza between Fatah supporters, observing the third anniversary of the death of their leader Yasser Arafat, and those of Hamas result in the deaths of at least 6 Palestinians.

Peace Negotiations

On 27 November a conference to relaunch the Middle-East peace process and lay the foundations for a negotiation for a final peace accord and the constitution of a Palestinian State takes place at Annapolis in the United States, on the initiative of the American President George W. Bush. The conference produces a declaration of principles in which the two sides commit themselves to reaching a peace agreement by the end of 2008. In addition to the Palestinian and Israeli delegations, some fifty states and organisations are represented at this conference, including the representatives of the Quartet and those of the monitoring committee of the Arab League, created in March to relaunch the peace initiative of the Saudi king Abdullah ibn Abdul Aziz “territories in exchange for peace,” which goes back to 2002. After the introduction of the question of the Golan Heights into the conference’s agenda, Syria agrees to send a low-level delegation, led by the Deputy Foreign Minister Faisal Makdad. On 28 November Secretary of State Condoleezza Rice announces the appointment of General James Jones as her special representative for security in the Middle East.

December 2007

Israel

On 2 December a court in Jerusalem sentences Hamdi Quran, a member of the Popular Front for the Liberation of Palestine (PFLP), to life imprisonment for the assassination of the Israeli Minister of Tourism Rehavam Ze’evi in October 2001.

On 4 December the Minister for Housing and Construction publishes invitations to tender for the building of 307 dwellings at Har Homa, a district in the south-east of Jerusalem, which the Palestinians regard as a colony. On 7 December the American Secretary of State Condoleezza Rice warns the Israelis that these new constructions risk damaging the peace process relaunched at Annapolis in November.

On 7 December The Guardian reports that the Ministry of Public Security Abraham Dicter has cancelled a journey to the United Kingdom planned for January 2008, because an arrest warrant for war crimes had been issued against him for his actions in an Israeli air raid in Gaza in July 2002, which killed a number of Palestinians including 9...
children, Dicter was at the time the head of Shin Bet, the internal security forces.


**Palestine**

▪ On 14 December Hamas security officers arrest Omar al-Ghoul, an adviser of the Prime Minister Salam Khalid Abdallah Fayyad, as he travelled to the Gaza Strip to attend his mother’s funeral.

▪ On 17 December 68 states and organisations assemble in Paris where they commit themselves to contributing in financial aid to the Palestinians to the value of 7.4 billion dollars, well above what the government of Mahmoud Abbas had requested to finance a programme of reform over three years. Hamas describes this subsidy as a “declaration of war.”

**Peace Negotiations**

▪ On 2 December the Israeli Prime Minister Ehud Olmert tells his cabinet that Israel is not bound by the goal of Annapolis to reach a peace accord with the Palestinians by the end of 2008, and adds that any progress in the peace process will depend on the capacity of the Palestinians to rein in its militants. On 3 December Israel accepts the release of 429 Palestinian prisoners with a view to strengthening the political dialogue with the Palestinian President Mahmoud Abbas and his government in the West Bank. The majority of the prisoners belong to Fatah and only 20 prisoners originate from the Gaza Strip. On 12 December a piloting committee composed of Palestinian and Israeli negotiators meets in Jerusalem to initiate talks on concluding a peace agreement before the end of 2008, as agreed in the Annapolis conference in November. On 27 December Mahmoud Abbas and Ehud Olmert hold a meeting in Jerusalem.

**Conflicts between the Parties**

▪ On 11 December Israeli soldiers and tanks enter the Gaza Strip and clash with Palestinian militants near the towns of Khan Yunis and Rafah. Six Palestinian militants, belonging to the Committees of Popular Resistance and Islamic Jihad, are killed. In response Palestinian militants fire 17 rockets and 4 mortar shells into Israel, injuring a woman near Sderot. On 17 and 18 December Israel conducts several air raids on the Gaza Strip, killing 17 Palestinians, nearly all of them members of Islamic Jihad. On 18 December the journalist Suleiman al-Shafi, of the Israeli television station Channel 2, announces that the Hamas Prime Minister Ismail Haniyeh had declared that he had the power to bring an end to the firing of rockets on condition that Israel ended the blockade and the murder of Palestinians. On 23 December the Prime Minister rules out any negotiation on a ceasefire with Hamas, adding that Israel is at war with the militant factions in the Gaza Strip and that the anti-terrorist operations would continue for some months. On 28 December two Israeli soldiers on leave are killed by Islamic Jihad militants in the colony of Kiryat Arba, near the town of Hebron. Two Palestinians are also killed in the exchange of fire.

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