

JERUSALEM: CAPITAL OF THE STATE OF PALESTINE

Policy Paper on the Future of the
Jerusalem

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Jerusalem: Capital of the State of Palestine

A Policy Paper Submitted to ACT for Conflict Resolution

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Jerusalem

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This paper focuses on suggested scenarios for the city of Jerusalem within the two-state solution framework that is based on Israel recognizing the Palestinian State with East Jerusalem as its capital as well as its borders based on the 4th of June 1967 border, and with West Jerusalem as the capital of Israel. The scenarios specific to Jerusalem differ when analyzed within other frameworks such as the one-state solution framework; where Palestinian Jerusalemites would have the same freedom as well as equal rights and services to those living between the Jordan River and the Mediterranean Sea, where Palestine's total and entire geography and resources would be subject to one single sovereignty and control. Noting as well, that this paper includes recommendations for decisionmakers and official entities who could use it and expand on it through other policy papers which can contribute to research in topics relevant to the city of Jerusalem. This would maintain its identity from Israeli plans that strive to suppress its identity and its characteristics.

"The views, opinions, and information presented in this work are those of the researcher(s) and do not necessarily reflect the official position of [Organization/Institution Name]. The responsibility for the accuracy and completeness of the content lies solely with the researcher(s)."

Contents

POLICY BRIEF: ANALYSIS	3
CONTEXT AND BACKGROUND	5
Holy Sites and the Messianic Narrative	6
Changing Geography- Settler Colonial Project.....	8
IMPACT OF ISRAELI POLICIES AND MEASURES	11
Impact of the illegal Settlement Project in Jerusalem	12
The effect of Israeli policies on Jerusalem Politically, Socially, and Economically.....	13
INTERNATIONAL COMMUNITY	17
International Legitimacy and Law	18
International Positions	20
The EU position regarding East Jerusalem, and the illegal settlements	20
US consecutive Administration positions on Jerusalem	20
JERUSALEM THE CAPITAL OF THE SOVEREIGN STATE OF PALESTINE	22
Jerusalem within a sovereign State of Palestine	23
Scenarios for Jerusalem	23
Scenario 1: Jerusalem is an open city	24
Scenario 2: Jerusalem is a divided city.....	25
Scenario 3: Jerusalem under a special international regime	26
Policy Recommendation	28
Role of the State of Palestine	28
The Role of Regional and International Accountability and Responsibility	30
The Role of Institutions and Civil Society	31

JERUSALEM: CAPITAL OF THE STATE OF PALESTINE AFTER MORE THAN FIVE DECADES OF OCCUPATION



POLICY BRIEF: ANALYSIS

Jerusalem has been at the Centre of the Palestinian struggle since the occupation of 1948 that marked Al Nakba and immediately after occupation in 1967 of Gaza and West Bank including the Eastern part of the city. Since then, Israel begun its systematic schemes to change the status quo of the city in all aspects of life, including interference with its identity, culture, education, social political life, economy and space. This was evident when Israel began its first big scale of home demolition in the occupied East Jerusalem 'The Harat al-Magharibah' (the Moroccan Quarter¹) homed to over 100 families. Followed by the ongoing practices of ethnic cleansing and dispassion of Palestinians from the city. To solidify its grip on the city, the Israeli Knesset in July 1980 passed the Jerusalem Law as part of the country's Basic Law declaring that Jerusalem (East and West a unified capital of Israel, "formalizing its effective annexation"². A combination of de-facto and de-jure annexation of Jerusalem has accelerated new realities on the ground. Palestinians in Jerusalem who stayed after 1967, have been administrated through a regime that differs from the rest of their countrymen in the West Bank and Gaza. Effectively, Palestinian of Jerusalem were given the status of a 'permanent resident' while the rest fall under a military regime. The residency rights for Palestinians were conditioned with sets of rule and regulation which allowed the Israeli authorities to revoke over 14,000 residency rights of Jerusalem ID holders, under the pretext they lived abroad, acquired a nationality, or failed or failed to show that their "center of life" was in Jerusalem³.


Indeed, the cursive and ripple effect of the Israeli colonial practices on the Palestinians is not only impacting Jerusalem, or the rest of the occupied Palestinian territory (occupied State of Palestine) but has will have on the region and the world.

It is worth mentioning that since the genocide war against launched on Gaza and the rest of the occupied Palestinian territory, the Palestinian cause has evolved into a more inhuman, intense and violent conflict. The determination to challenge, endure, and resist has become a prominent characteristic of the Palestinian people in confronting occupation. This reflects an intensification of resistance and a heightened commitment to national and political rights. Numerous

¹The Moroccan Quarter: A History of the Present, <https://www.palestine-studies.org/en/node/78159>

² Annexing the City, https://www.alhaq.org/cached_uploads/download/2020/05/11/annexing-a-city-web-version-1589183490.pdf

³ The Occupier Demands Loyalty from the Occupied: Background and Implications of Israel's "Breach of Loyalty" Bill. <https://www.nad.ps/en/media-room/media-brief/occupier-demands-loyalty-occupied-background-and-implications-israels-breach>



international reports⁴ and resolutions have documented the Palestinians' steadfast position in defending their land against attempts at displacement and occupation.

These international affirmations and legal recognitions underscore the legitimacy of the Palestinian struggle for self-determination and the defense of their land against occupation and displacement.

This policy brief intends to deconstruct and analyze the Israeli policies, United States Administration position, international legitimacy and law. Another purpose of this policy brief is to address and analyze suggested scenarios for Jerusalem within a sovereign State of Palestine. Finally, propose set of recommendations for policy makers in Palestine.

⁴ The United Nations General Assembly has consistently affirmed the Palestinian people's right to self-determination, including the right to an independent State of Palestine. For instance, Resolution 58/292, adopted on May 6, 2004, reaffirms that the Palestinian territories occupied since 1967, including East Jerusalem, remain under military occupation, and that the Palestinian people have the right to self-determination and sovereignty over their territory.

An aerial photograph of a historic city, likely Istanbul, featuring numerous domes and minarets. The city is built on a hillside, with a prominent golden dome in the foreground. The architecture is a mix of traditional and modern styles, with many buildings having red-tiled roofs. The sky is clear and blue.

CONTEXT AND BACKGROUND

Holy Sites and the Messianic Narrative

While the significance of Jerusalem lays with its religious, historical, and cultural symbol that brings together several religions, as it houses some of the most important Islamic and Christian holy sites, including the Al-Aqsa Mosque and the Church of the Holy Sepulchre. In 1948, Israel began to introduce biblical terminologies in its narrative and more after 1967 to include the **Judaisation, Hebraicisation and biblicisation**⁵ plans were much evident in the changing the names from its original Arabic to Hebrew names of the holy sites, streets, neighborhoods, cities... etc. For instance, Al-Aqsa compound is referred to it by the Israeli as the 'Temple Mount', while Jerusalem is referred to it as 'Orshalim' or 'Yerushalyim'. Much of these labelling was part of major plans. In July 2009, Israeli minister of transportation Yisrael Katz (today Israel Minister of Army) and member of the Likud party that is led today by Benjamin Netanyahu, announced new road schemes for all roads in Israel proper and the occupied West Bank including Jerusalem. Much of these labelling meant to alter not only ignoring the Palestinian identity and heritage but also meant to impose Jewish narrative and identity to the place.

As we know that Jerusalem is the most revered for its holiness and for being a world Jewel of religious and cultural heritage, with its significance, that homes the three monotheistic religions. Its sacred character arises from the sanctity of buildings, holy sites, shrines, cemeteries as well as religious institutions. With its historic and religious sites, Jerusalem should be enjoyed by all in an inclusive manner rather than in the current form of an exclusive approach by the occupying power, which defines the city, as well as the rest of the country, as a place where only Jews can enjoy the right to self-determination.


The current realities derived from the prolonged Israeli occupation of Palestine and its policies and practices have contributed towards the erosion of religious freedom⁶ and accessibility of religious sites, especially the city of Jerusalem.

Over the past years, several members of Israel's government coalition have incited against Palestinian religious rights in the city particularly when it comes to the status of Al Aqsa Mosque compound⁷. In essence these changes designed to impose new realities if it continues it will lead

⁵ The book: "Palestine a 4000 year History", Nour Masalhah

⁶ Freedom of religion and freedom of movement are basic human rights enshrined in international law. They are protected in the Universal Declaration of Human Rights and The International Covenant on Civil and Political Rights (ICCPR). The rights of an occupied people are also protected under the fourth Geneva Convention and the Hague Regulations. file:///C:/Users/akhatib/Downloads/factsheet_easter_2014.pdf

⁷ With a right- wing extremist Israeli government focusing on turning a political question into a religious conflict, the attacks on the sanctity of Al-Aqsa Mosque Compound occur hand in hand with calls are being made for recognition



to changing the 'Status Quo'⁸; such as, the ongoing forceful-entry of extremist settlers into Al-Aqsa compound, imposing age restrictions on worshippers, and banning and expelling worshippers. In recent years, groups of settlers and nationalist Jews escorted by Israeli police have been forcing them inside the compound in greater numbers and holding prayers in defiance of the status quo.

Jerusalem Holy Esplanade⁹, passed from Ottoman to British hands at the end of World War I, the management of the holy sites remained more or less unchanged. Under British (1917-1948) and Jordanian (1948-1967) rule, the Jordanian Waqf continued to administer daily affairs on the site. As is the case now, the Islamic authorities regulate Muslim worship at the site, determine opening hours, enforce a dress code, set rules for non-Muslim visitors, and manage the maintenance and operation of the approximately 100 structures on the Esplanade. Israel's control has mostly been limited to policing the area around and within the plateau, with its security forces regulating and occasionally restricting access in what it deems necessary to maintain public order.

Since August 2003, Israel has held the keys to the Mughrabi Gate, permitting entry for Jews and other non-Muslim tourists without Waqf approval. On occasion, Israel has intervened to stop what it considers significant violations of the status quo by Palestinians and Jordan, such as uncoordinated major construction projects on the site. While this arrangement has largely remained consistent over the past 58 years, it has frequently faced tensions, especially concerning three main points of dispute: access to the Esplanade, non-Muslim prayer, and archaeological excavations and public works. Nonetheless, most Jerusalemites believe that Jordan's guardianship has not contributed at all to the preservation of these sites. These figures reflect tension or dissatisfaction with Jordan's handling of this matter. It is without doubt that the constant and systemic Israeli incursions into Islamic sites and violation of agreements, especially at the Aqsa Mosque, would require practical and genuine measures to be endorsed from Jordanian and Islamic entities in order to tackle the violations and encroachment on the sanctity of holy places in Jerusalem.

of Israel as a Jewish State. <https://www.nad.ps/en/media-room/media-brief/focus-current-israeli-escalation-al-aqsa-mosque-compound-occupied-east>

⁸ The Status Quo describes the arrangements between different religions and religious groups over shared or contested religious sites. While it enshrines many rights and obligations, one of its most fundamental rights is that any religious community that has a current right must consent to any change, either in procedure or substance.

⁹ The Status of the Status Quo at Jerusalem's Holy Esplanade* The International Crisis Group. [/https://www.palestine-studies.org/sites/default/files/jq_articles/JQ_63_The_Status_of_the_status_Quo_0.pdf](https://www.palestine-studies.org/sites/default/files/jq_articles/JQ_63_The_Status_of_the_status_Quo_0.pdf)

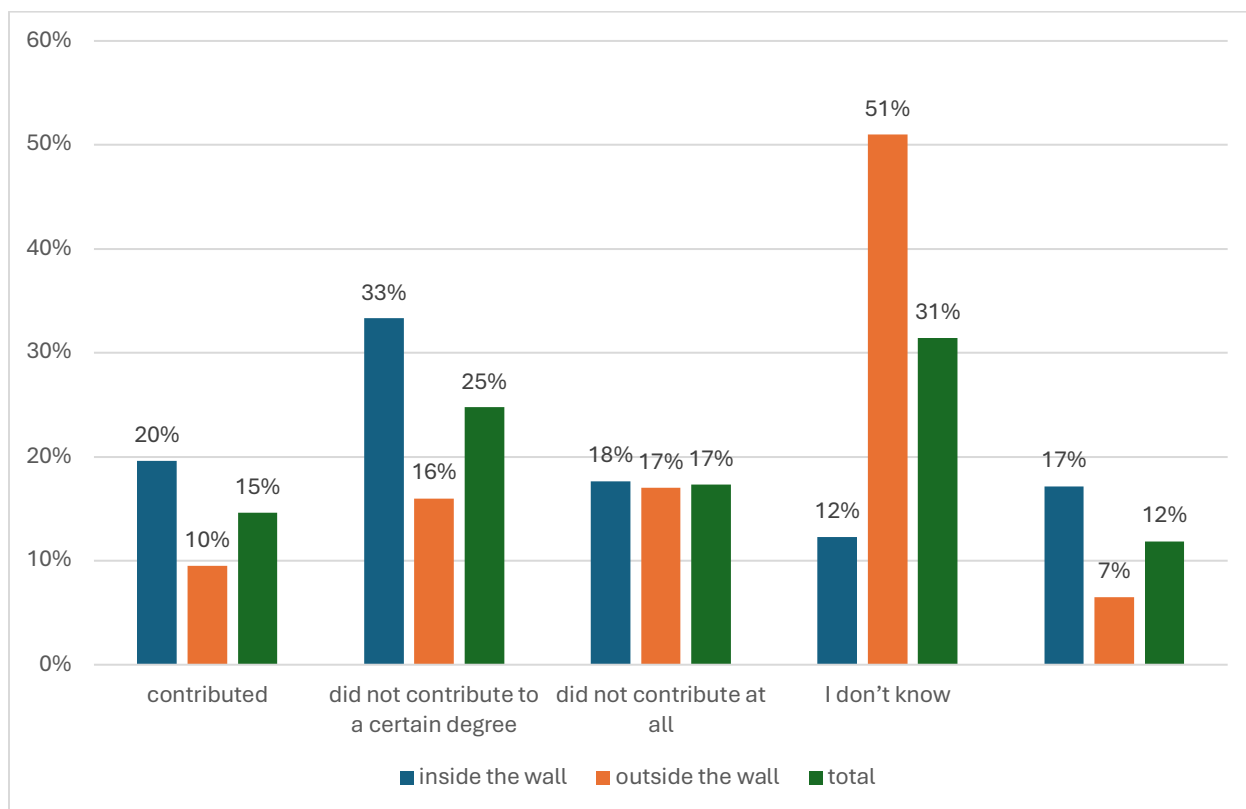


Figure 1: Perception of Jordanian Guardianship Contribution in Securing Religious Sites

Changing Geography- Settler Colonial Project

Starting June 1967, the Occupying State of Israel started transferring Israeli settlers to live illegally and against international law in the occupied Palestinian territory of the West Bank including Jerusalem¹⁰ and Gaza. During these previous six decades Israel has employed laws and military orders solely for the purpose of land appropriation and control over resources¹¹. An Israeli illegal settlement enterprise has been created with a clear goal to alter the demographic character of the occupied territory, suppress the Palestinian identity and culture and finally to ensure that the Palestinians live in fragmented Israeli controlled areas. The Settlement Enterprise was based on multiple colonial plans generated since 1967 up till this very day. In all the Israeli

¹⁰ ACT paper on illegal settlements in Jerusalem

¹¹ Looming Annexation publication. <https://www.nad.ps/en/publication-resources/publications/looming-annexation-israels-denial-palestines-right-exist>

colonial plans including the Alon Plan¹² and the Drobles Plan¹³ Jerusalem was suggested to be isolated from the rest of the occupied Palestinian territory and prepared to be annexed to the State of Israel. In June 1967, immediately upon occupying the West Bank and the Gaza Strip, Israel annexed some 70,000 dunams¹⁴ [1 dunam = 1,000 sq. meters] of West Bank land to the municipal boundaries of Jerusalem and applied Israeli law there, in breach of international law. The annexed territory greatly exceeded the size of Jerusalem under Jordanian rule (about 6,000 dunams), encompassing approximately 64,000 more dunams. The additional land belonged, in large part, to 28 Palestinian villages, and some of it lay within the municipal jurisdiction of Bethlehem and Beit Jala.

Guided by these plans, Israel created the settlement enterprise supported by its own jurisdiction, settlement infrastructure, and road network designed to fragment the WB and isolate Palestinian population centers and prevent their expansion. The plans ensure Israeli control over most of the WB with the natural resources of fertile land, underground water, as well as the resources of the Jordan Valley and the Dead Sea¹⁵. Finally in 1980, the Israeli Basic Law¹⁶ was approved to include that Jerusalem is the complete and united capital of Israel.

Based on the figures of the PCPS; the number of illegal settlers residing in the West Bank in 2021 is approximately 720,000 settler, including , within the current Jerusalem Municipal border. Which indicates that a third of the settlers are based in East Jerusalem. The following table showcases the annual number of settlers up until 2021.

¹² The Allon Plan, formulated by Yigal Allon after the 1967 War, aimed to establish a strategic barrier between Israel and Jordan by creating a series of Israeli settlements in the occupied territories (OPT). This plan sought to delineate the Jordan River as a political and security boundary, ensuring Israeli control over key areas. The proposed settlement bloc in the Jordan Valley would span approximately 20 kilometers, facilitating the annexation of these territories to Israel. This strategy significantly affected Palestinian areas, leading to the construction of settlements around East Jerusalem, the Etzion Bloc near Bethlehem, and extending into the Jordan Valley and southern Hebron. Consequently, the implementation of the Allon Plan resulted in Israel controlling around 50% of the land in the West Bank, shaping the geopolitical landscape of the region and influencing the ongoing Israeli-Palestinian conflict. <https://www.arij.org/atlas40/chapter4.2.html>

¹³ In 1977, Matityahu Drobles, leading the Settlement Division of the World Zionist Organization, developed a comprehensive plan for establishing settlements throughout the West Bank. This plan marked a significant shift from the earlier Allon Plan, as it aimed to create a more extensive network of colonies, particularly around Palestinian population centers on the central mountain ridge.

The Drobles Plan aligned closely with the objectives of Gush Emunim, a religious nationalist movement advocating for settlement in the biblical lands of Israel. This alignment reflected a broader political change in Israel, coinciding with the rise of the Likud Party to power. The Likud government embraced more aggressive settlement policies, prioritizing the establishment and expansion of Jewish settlements in the West Bank, thus reshaping the region's demographic and political landscape. This transition had lasting implications for Israeli-Palestinian relations and the ongoing conflict over land and sovereignty.

¹⁴ [East Jerusalem | B'Tselem](#)

¹⁵ <https://www.nad.ps/en/publication-resources/publications/looming-annexation-israels-denial-palestines-right-exist>

¹⁶ <https://main.knesset.gov.il/EN/activity/Documents/BasicLawsPDF/BasicLawNationState.pdf>

The number of settlers in Israeli Settlements in the West Bank, including East Jerusalem (J1) for selected years:

Year	Area		West Bank	Duration
	West Bank excluding Jerusalem (J1 area)	Jerusalem (J1 area)		
1991	100,729	137,331	238,060	Following Madrid Talks
1992	111,673	140,872	252,545	
1993	122,320	146,436	268,756	Signing the DOP
1994	133,572	152,219	285,791	Signing of Oslo Interim Agreement
2000	205,113	173,986	379,099	The last year where redeployment was implemented as per the interim Oslo Agreement
2001	215,062	175,987	391,049	
2002	226,712	178,437	405,149	
(R)2012	(R)359,571	(R)210,156	(R)569,727	The year Palestine gained the status of non-member observer state in the UN
(R)2013	(R)373,995	(R)214,442	(R)588,437	
2021	479,501	239,951	719,452	Latest updates of the Central System of the PCPS

Resources: Israeli Central Bureau of Statistics, Annual Israeli Statistics Book. Jerusalem, various years (2003-2022). Jerusalem Institute for Policy Research 2022, Annual Israeli Book on Jerusalem 2021 (no. 36). Jerusalem. R: Revised numbers from the source.

The settlement enterprise includes besides residential settlements, infrastructure networks, services for settlements, confiscated agricultural land and the annexation wall to say the least. The Annexation Wall illegally constructed in 2002 has completely closed off the city of Jerusalem from the rest the occupied West Bank, in effect entrenching the separation and isolation of the city.

IMPACT OF ISRAELI POLICIES AND MEASURES



Impact of the illegal Settlement Project in Jerusalem

The State of Israel strives to increase the number of Jewish settlers in order to have demographic dominance over the Palestinian citizens in the city and consequently Judaize the city. Illegal settler activity in East Jerusalem is one of the tools the occupying State of Israel uses to impose Israeli control over the city and means to forcibly transfer Palestinians in Jerusalem out of the city. The main impacts resulting from the construction the illegal settlements and their services are:

1. Judaization of Jerusalem and suppressing of Palestinian Identity: The occupying State of Israel is relentlessly working hard to suppress and eliminate the Palestinian identity in Jerusalem through transformation of the physical and demographic landscape of the city.
2. Discrimination and apartheid policies practiced by the occupying State of Israel: It is very much evident through the distribution of services between east and west of the city.
3. Isolation of Jerusalem for Palestinians from the West Bank and Gaza.
4. Tension in the city: With the ongoing occupation of Palestinian territory and ongoing aggression on Palestinians, the existence of illegal settlements increases the level of tension and stress amongst Palestinians and between Palestinians and Israelis.

When asked about the future of Israeli settlements, 46% of Palestinians in Jerusalem believe that the settlement issue is unsolvable versus 29% who believe it can be solved. Moreover, 37% believe that Israeli settlements should be evacuated and integrated within the State of Palestine.

Settlement expansion and the associated system of land annexation and forcible displacement constitute a violation by the State of Israel of its obligations as an occupying Power under international law.¹⁷ The occupying Power has dealt specifically with the settlements of Jerusalem as a revival to which Israeli law applies and has not been treated as other settlements of the West Bank that have been subject to military law. Today, Israeli legal amendments are being made and it is important that they be examined in depth to determine the legal effect of these amendments.

¹⁷ Paper on facts with regard to settlements enterprise in Jerusalem by Rishk and Tamimi drafters to ACT 2025

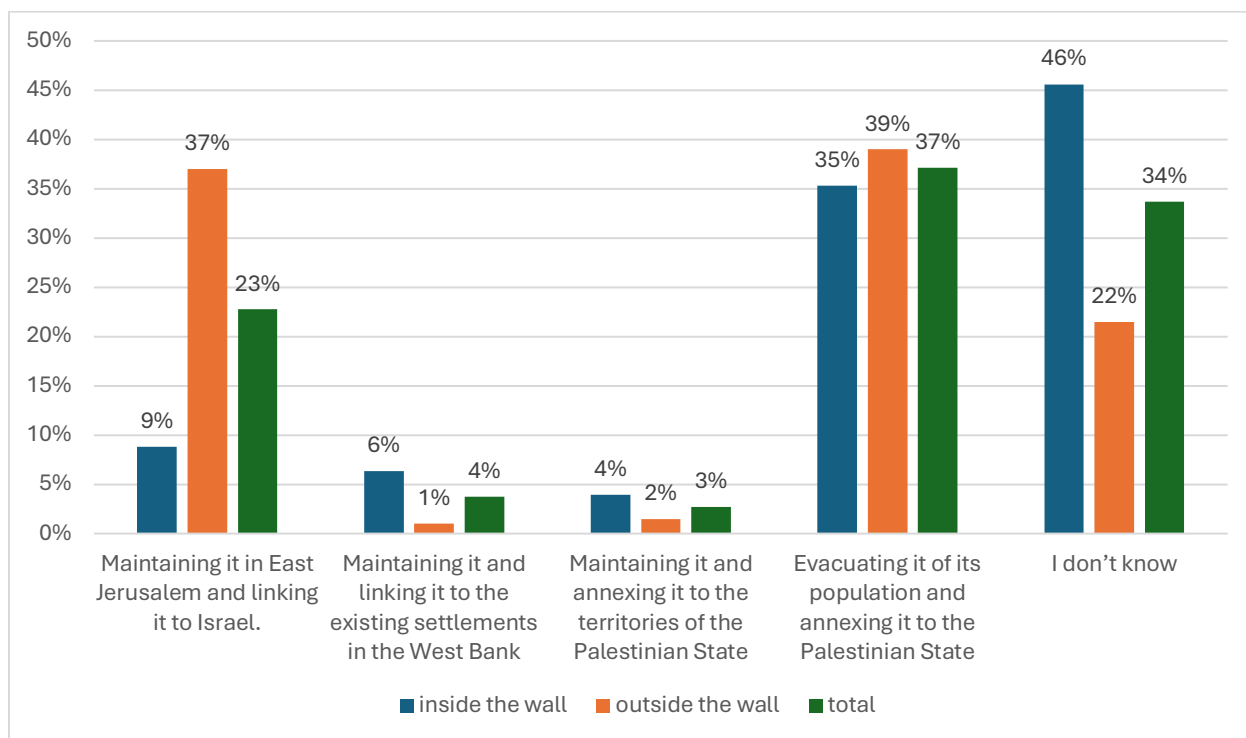


Figure 2: Perception of Feasible Solutions for the Illegal Settlements

The effect of Israeli policies on Jerusalem Politically, Socially, and Economically

Challenges to the Palestinian political, Social and Economy

Before we delve into the above-mentioned title, it is important to highlight the issue of Sovereignty. While Palestinians aspire to a sovereign and independent state, Israel is perpetually solidifying its grip over the territory, thus negating any possibility for sovereignty. A survey reveals a clear divide in perspectives between those living inside and outside the annexation and separation wall, with those inside the barrier more likely to Favor Palestinian sovereignty. In a January 2025 public opinion poll, 50% of Jerusalemites preferred Palestinian sovereignty over East Jerusalem, while 17% supported Israeli sovereignty and 18% favoured international control. This reflects the ongoing divide, with Israel insisting on maintaining Jerusalem as a unified capital, while Palestinians demand sovereignty over East Jerusalem.

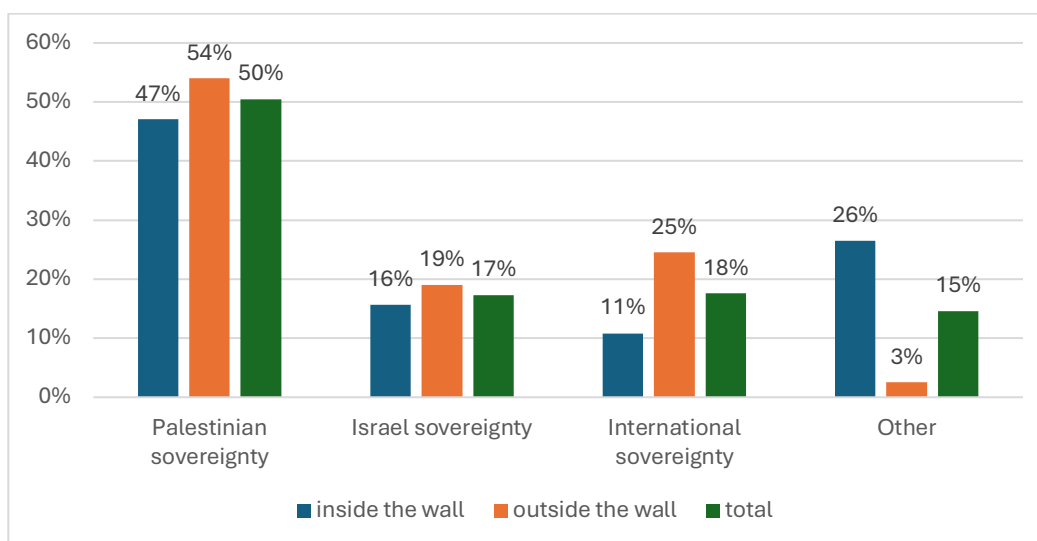


Figure 3 : Preference of the Sovereignty Over the City

Israel implements a discriminatory system in Jerusalem, where services are segregated between settlers and Palestinian residents. Settlers receive enhanced facilities, while Palestinians face stringent restrictions on construction, education, and healthcare. Additionally, high taxes are levied without corresponding services. Amnesty International's report, "Israel's Apartheid Against Palestinians," highlights how Israeli authorities enforce a system of oppression and domination against Palestinians, including in Jerusalem.¹⁸


Healthcare, education, and economic services in East Jerusalem suffer from severe shortages due to Israeli-imposed funding and infrastructure constraints, undermining the quality of education and healthcare. In contrast, substantial investments are directed towards adjacent settlement areas. B'Tselem reports that Israeli authorities maintain a regime of Jewish supremacy from the Jordan River to the Mediterranean Sea, which includes policies that disadvantage Palestinians in Jerusalem.

Data indicates that Israeli policies in Jerusalem aim to undermine Palestinian presence and reduce their role, through measures such as taxation and construction restrictions, or via an apartheid system that entrenches the gap between settlers and Palestinians. The issue of sovereignty remains a central point of contention in any future negotiations.

Basic services in Jerusalem, such as education, healthcare, and economic opportunities, are critical issues affecting Palestinian residents. This report seeks to analyze how various policies impact these sectors, based on available data and surveys on Jerusalemites' perspectives.

To sum up Palestinian infrastructure suffers from intentional neglect, leading to a decline in essential services. Israel's urban policies have led to the disconnection of Jerusalem from the

¹⁸ <https://www.amnesty.org/en/wp-content/uploads/2022/02/MDE1551412022ENGLISH.pdf>



West Bank, isolating many Palestinians from employment, housing, education, and healthcare. The construction of the Wall has further fragmented Palestinian communities, turning Palestinian neighbourhoods into fragmented and isolated enclaves surrounded by settlements.

Education Sector

Palestinian educational institutions in Jerusalem face significant challenges, including funding shortages, Israeli-imposed curriculum restrictions, and a lack of teaching staff. Survey results show that 76% of Jerusalemites believe that education in Israeli schools facilitates access to universities and the job market, while 25% feel these schools do not meet their educational and cultural needs. The high number of opinions on the benefits of studying in Israeli schools underscores the impact of educational policies on Palestinians in Jerusalem. The imposition of Israeli curricula on some Palestinian schools contributes to the erosion of Palestinian national identity, creating a gap between students and their cultural and historical heritage, negatively affecting their awareness and national affiliation.


Healthcare Sector

The Palestinian healthcare system in Jerusalem faces significant challenges, including funding and resource shortages, as well as difficulties obtaining permits to build new hospitals or develop existing facilities. Survey results indicate that 50% of Jerusalemites believe that the continuation of healthcare services should be guaranteed regardless of the political situation. Palestinian hospitals in Jerusalem are vital centers for healthcare but suffer from financial and administrative pressures due to Israeli policies. In contrast, Israeli hospitals offer advanced services but are not accessible to all Palestinians due to restrictions on their health insurance. These findings underscore the systemic disparities in services between settlers and Palestinian residents in Jerusalem, highlighting the urgent need for policies that ensure equitable access to essential services for all inhabitants.

Jerusalem Economy

The local economy in East Jerusalem, once responsible for around 30% of the Palestinian economy, has been severely weakened due to its disconnection from the rest of the West Bank. The contribution of Jerusalem to the Palestinian economy¹⁹ has experienced a significant decline over the past three decades. Its share of GDP dropped from 15% in 1990 to 7% in 2019. Additionally, its contribution to the workforce and local employment decreased from 14% and 18%, respectively, in 1990 to 3.4% and 2.7% in 2019. This decline is primarily attributed to the physical and economic separation of Jerusalem from the rest of the Palestinian economy, which accelerated after the outbreak of the Al-Aqsa Intifada in 2000. The current economy of Jerusalem can be described as weak and isolated from the Palestinian economy in the West Bank, facing

¹⁹ Source: Facts sheet about the basic services (education, health, and economy) in Jerusalem



significant marginalization and obstacles imposed by the Israeli occupation. Despite Israel's control of Jerusalem since 1967 and the imposition of its laws and regulations on all forms of economic life there, the gap between Jerusalem's economy and the Israeli economy remains vast and continues to widen.

Indeed, the Palestinian economy in Jerusalem faces significant restrictions that hinder its development. Palestinian entrepreneurs struggle to obtain building and business licenses, which obstructs the growth of economic projects. Restrictions on movement and trade reduce economic opportunities for Jerusalem's residents, contributing to higher unemployment and poverty rates in the city. In addition, high Israeli taxes place a heavy financial burden on Palestinian business owners.

INTERNATIONAL COMMUNITY



International Legitimacy and Law

The path to international recognition of the State of Palestine²⁰, along with its efforts to join various international institutions, treaties, and agreements, has undeniably played a crucial role in highlighting the Palestinian cause on the global stage. By actively seeking membership in organizations such as the United Nations, UNESCO²¹, the International Criminal Court (ICC), and other multilateral institutions, Palestine has worked to establish itself as a recognized entity in the international system. This strategy has brought the issue of Palestinian statehood and the broader Israeli-Palestinian conflict to the forefront of international diplomacy, ensuring that it remains a central topic in global discourse.

The pursuit of international recognition has not only served to strengthen Palestine's diplomatic presence but has also forced many nations and international organizations to confront the unresolved issues surrounding Palestinian sovereignty, human rights, and illegality of the Israeli occupation. Through participation in international legal frameworks and the adoption of key conventions such as the Geneva Conventions, Palestine has sought to reinforce its claims to statehood while holding Israel accountable for violations of international law.

This international momentum has shifted the focus of the Palestinian issue from a primarily regional dispute to a fundamental global matter, gaining widespread attention from both international community. It has emphasized the importance of multilateral diplomacy and the need for a lasting and just resolution to the conflict that respects the rights and aspirations of both Palestinians and Israelis. In doing so, the recognition of Palestine has contributed to reshaping the global understanding of the conflict and made it a more pressing issue for the international community to address.

Moreover, Palestine's efforts to gain international recognition have also been critical in garnering support from a growing number of countries in the Global South, many of which view the Palestinian struggle as part of a broader fight for self-determination and decolonization. As more countries and international bodies engage with the issue, the prospects for a more balanced and fair resolution to the conflict increase, potentially leading to a future where the rights of both peoples are recognized and upheld under international law.

The UNSC, along with the General Assembly, generally considers East Jerusalem to be occupied territory. This reflects the view that Israel's annexation of East Jerusalem after the 1967 war is not recognized under international law. The UNSC has passed several resolutions related to Jerusalem, emphasizing that its status is a matter to be resolved through negotiations. Beyond

²⁰ Today in 2025, 146 countries have officially recognized the State of Palestine.

²¹ <https://unesdoc.unesco.org/ark:/48223/pf0000082713>

the UNSC, the UN General Assembly has also passed resolutions reaffirming the need for a negotiated settlement regarding Jerusalem and condemning actions deemed provocative, such as recognizing Jerusalem as Israel's capital.

UNSC and UNGA resolutions on Jerusalem since 1967

UNSC Resolutions	Year	Reference to Jerusalem
UNSCR 242	1967	emphasizes "the inadmissibility of the acquisition of territory by war" and calls for the "[w]ithdrawal of Israeli armed forces from territories occupied in the recent conflict."
UNSCR 252	1968	states that the Security Council "[c]onsiders that all...actions taken by Israel...which tend to change the legal status of Jerusalem are invalid and cannot change that status."
UNSCR 338	1973	This resolution calls for a ceasefire and the implementation of Resolution 242, reaffirming calls for negotiations aimed at establishing a just and durable peace in the Middle East, including the question of Jerusalem.
UNSCR 476	1980	states that the Security Council "[r]econfirms that all...actions taken by Israel, the occupying Power, which purport to alter the character and status of...Jerusalem have no legal validity...and also constitute a serious obstruction to achieving a comprehensive, just and lasting peace in the Middle East."
UNSCR 478	1980	Following Israel's passage of a law declaring Jerusalem its "complete and united" capital, this resolution declared that the law was null and void and urged member states not to recognize any practice that would alter the status of Jerusalem.
UNSCR 2334	2016	It reaffirms that: <ol style="list-style-type: none"> 1. Settlements and Occupation: It states that Israel's settlement activities in the West Bank, <u>including East Jerusalem</u>, have "no legal validity" and constitute a "flagrant violation" of international law. 2. East Jerusalem as Occupied Territory: The resolution reiterates that East Jerusalem is considered occupied territory and affirms the need to preserve the historical status quo of the city, particularly in relation to religious sites. 3. Two-State Solution: Resolution 2334 emphasizes the importance of a two-state solution, calling for a halt to all settlement activities in the occupied territories, <u>including East Jerusalem</u>, to facilitate a return to negotiations that could lead to the establishment of an independent Palestinian state alongside Israel.
UNGA	Year	Reference to Jerusalem
UNGA 181	1947	On Jerusalem: The resolution state that "The City of Jerusalem shall be established as a corpus separatum under a special international regime and shall be administered by the United Nations." Additionally,

		Resolution 181 emphasized the protection of the holy places and religious rights of all communities in Jerusalem. It aimed to ensure free access to these sites for all faiths.
UNGA Resolution A/RES/76/18	2021	This resolution focused on the situation in the occupied Palestinian territories, reiterating the importance of the principle of diplomacy and negotiation regarding Jerusalem's status, and condemning actions perceived as altering its demographic composition.
UNGA Resolution A/RES/77/24	2022	This resolution reaffirms the need for respect for the historical status quo in Jerusalem, particularly with regard to its holy sites. It emphasizes the importance of safeguarding Jerusalem's character and maintaining access for all faiths.

International Positions

The following is a description of the EU and US positions regarding Jerusalem:

The EU position regarding East Jerusalem, and the illegal settlements

EU has repeatedly confirmed its support for the two-state solution with the State of Israel with secure and recognised borders and an independent, democratic, contiguous and viable State of Palestine living side by side in peace and security, and declared that no changes to the pre-1967 borders, other than those agreed by the parties, will be recognised, including with regard to Jerusalem as the capital of two states; whereas the right of Palestinians to self-determination and to have their own state is unquestionable, as is the right of Israel to exist within safe borders.²²

According to the EU all settlements in the occupied Palestinian territory are illegal under international law and the EU does not recognise any changes to the pre-1967 borders, including in Jerusalem, other than those agreed by both sides.


In December 2009 the EU defined its political stance on East Jerusalem. The Foreign Affairs Council Conclusions stated that the EU does not recognise the Israel's alterations to its 1967 borders and that the settlements and the separation wall are built illegally on occupied land.

US consecutive Administration positions on Jerusalem

Following the 1948 Nakba, the city of Jerusalem became divided into two parts. The dividing line was the 1949 Armistice Line²³. The eastern part (around 6.5 sq km) came to be under the Jordanian Rule while the western part which was the larger size came to be under the rule of the occupying state of Israel. After June 4th 1967, Israel occupied the rest of Jerusalem along with

²² EU policy on the West Bank and East Jerusalem. https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=oj:JOC_2013_349_E_0082_01

²³ The dividing line between East and West Jerusalem now referred to as the 4th of June 1967 is based on the Armistice Line of 1949 with all its legal amendments.



the West Bank, Gaza and the Golan Heights. Since then, the East Jerusalem became recognized as an occupied territory.

Prior to Trumps administration in 2017, previous US administrations maintained that the status of Jerusalem should be resolved through negotiations. And in the interim agreement signed between Israel and the PLO, Jerusalem was agreed to be a permanent status issue to be negotiated. The US supported UN resolutions that called for a Two-State-Solution until in Dec 2017 the US President Donald Trump recognized the city as the capital of the State of Israel undermining international law, the peace process and previous US positions. Following Trump's first term in office, President Biden did not reverse his predecessor's recognition. The Trump administration opted to side with Israel on various matters, breaking with decades of U.S. policy aimed at serving as a neutral broker in negotiations.²⁴

Today in 2025, 146 of the 193 member states of the United Nations now recognize a Palestinian state²⁵ with East Jerusalem as its Capital, and while the international law affirms that the status of Jerusalem (East and West) is to be resolved through negotiations, the US position is thus creating an obstacle to any peace negotiations also it gives a green light for the occupying State of Israel to suppress Palestinian claim to the city as the capital of the State of Palestine.

²⁴ <https://www.cfr.org/backgrounder/what-us-policy-israeli-palestinian-conflict>

²⁵ <https://www.reuters.com/world/spain-ireland-norway-set-recognise-palestinian-statehood-2024-05-28/>

An aerial photograph of Jerusalem, showing the Old City and the Temple Mount. The Dome of the Rock is prominent in the center, with its golden dome and minaret. The surrounding area is filled with dense, historic stone buildings. A wide, busy street runs through the foreground, filled with people and vehicles. The background shows the city's expansion into the hills under a blue sky with scattered clouds.

JERUSALEM THE CAPITAL OF THE SOVEREIGN STATE OF PALESTINE

Jerusalem within a sovereign State of Palestine

In this section of the paper, research has been done on scenarios for the city of Jerusalem within the two-state solution framework where East Jerusalem is the capital of Palestine while West Jerusalem is the capital of Israel. The scenarios discuss the shape of the city of Jerusalem within the two-state solution framework²⁶.

The official Palestinian Position according to the Negotiation Affairs Department²⁷ of the Palestinian Liberation Organization affirms that as the political, economic and spiritual heart of the Palestinian nation, there can be no Palestinian state without East Jerusalem, including the Old City and the surrounding area, as its capital. With regard to religious sites, the State of Palestine is committed to respecting freedom of worship at, and access to, religious sites within East Jerusalem for everyone. East Jerusalem is essential to the economic, political and cultural viability of the State of Palestine.

The official position states that all of Jerusalem (and not only East Jerusalem) is subject to permanent status negotiations and that is in conformity with international law and as stated in the Declaration of Principles (1993). East Jerusalem being part and parcel of the territory occupied since 1967, Israel according to international law has no right to any part of it.

As of 2023, it is estimated that around 350,000 to 400,000 Palestinians hold a permanent residency and reside within the so-called Israeli municipal borders of Jerusalem²⁸.

Scenarios for Jerusalem


Within a political solution that maintains the right of Palestinians to a free, independent and sovereign State of Palestine with 'East' Jerusalem as its capital, three scenarios of Jerusalem are considered.

For all three scenarios, East Jerusalem is the capital of the State of Palestine. Scenarios help envision how the issues of *sovereignty*, *administration*, *rule of law*, *services* and *access* are

²⁶ The situation in Jerusalem will be addressed differently if studies through the lens of a framework of a one-state solution where there are equal rights for all citizens

²⁷ <https://www.nad.ps/en/our-position/jerusalem>

²⁸ East Jerusalem is that part of Jerusalem that is on the eastern side of the 1967 border and within the Israeli declared municipal boundary.



addressed. Additionally, the scenarios will help identify what challenges may arise and thus what issues legal and technical need to be considered.

Palestinian sovereignty will consist of the application of Palestinian law, the operations of the Palestinian legal system and its enforcement by a Palestinian police force. Administration entails agreement on municipal administration and services, infrastructure, planning and zoning, management of tourist sites, educational facilities, taxation and the such. Rule of law will be maintained by respective Palestinian and Israeli relevant bodies and will be agreed upon. Finally access and movement within all three scenarios will be agreed upon for residents of the city as well as Palestinian and Israeli citizens who reside outside the city and other visitors were they national or international. Access and movement include those for people and goods.

An agreement on the status of the illegal settlements should be part and parcel of any agreement on scenarios for Jerusalem in a final status solution. All scenarios can either have the illegal settlements evacuated and integrated into a sovereign Palestinian state or having an agreement on the status of those settlers with an option of having them be residents of the State of Palestine while keeping their citizenship.

The issue of having sovereignty over Jerusalem is a matter of principle. 50% of Palestinians in Jerusalem according to [ACT survey] are in favor of having a Palestinian Sovereignty over East Jerusalem.

Scenario 1: Jerusalem is an open city

The assumption here is that Jerusalem is the capital of both the State of Palestine and the State of Israel with sovereignty of each state respected. The concept of an open city entails freedom of movement within its boundaries for residents and visitors including free access to all holy sites of all religions. East Jerusalem and West Jerusalem are accessible with no physical boundaries between. Administration of the city is jointly managed by the State of Palestine and the State of Israel with agreement which areas fall under either sovereignty. There are several options of where the boundaries of the open city of Jerusalem be:

- Option 1: Borders of the open city of Jerusalem will be **municipal borders of 1948**. These boundaries include both east and west Jerusalem. East Jerusalem is 6.5 sq km and includes the Old City, Silwan, Thori, Mount of Olives, Sheikh Jarrah, Wadi El-Joz, Shu'fat as it was between 1948 and 1967.
- Option 2: The open city of Jerusalem will be confined within the **Walls of the Old City** of Jerusalem. This is a mere 1 sq km.
- Option 3: The boundaries of the open city of Jerusalem will be the **current Israeli Municipal Boundaries of Jerusalem since 1967**.

- Option 4: The boundaries of **the Corpus Separatum** as suggested in the UNGA 181 resolution 'Partition Plan'. This area includes parts of Ramallah from the north and Bethlehem from the south.

When Palestinians in Jerusalem were asked through the survey (ACT paper) on their opinion of a Jerusalem being an open city, two thirds (68%) were in favor of an open city:

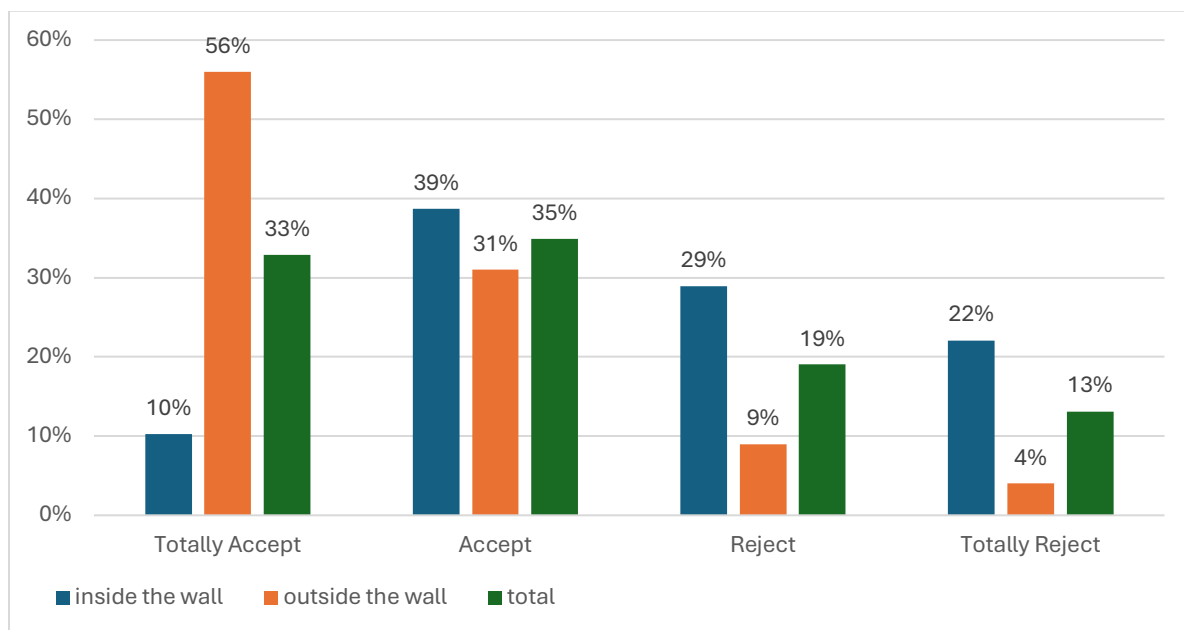



Figure 4: Perception Towards the Open City Scenarion

Scenario 2: Jerusalem is a divided city

The assumption here is that East Jerusalem is the Capital of Palestine and West Jerusalem is the Capital of Israel. Both sides of the city are separated from each other by a physical border. This border is based on the 1949 Armistice Line²⁹. Modification to this border will be agreed upon by both the State of Palestine and the State of Israel³⁰. Each side fall under the sovereignty of the relevant state and accordingly the administration of each side is managed. In this case the illegal Israeli settlements today will be either evacuated or settlers can be residents in East Jerusalem. Rule of law is the responsibility of the relevant state for either side. For this scenario, there needs

²⁹The armistice line of 1949 was signed on by the UN, Jordan and Israel and which the 4th of June 1967 line was based on. Between 1948 and 1967 the armistice line divided Jerusalem into East Jerusalem under the Jordanian rule and West Jerusalem annexed to the State of Israel in 1948.

³⁰ During President Clintons term at the White House, he suggested division of neighborhoods under what came to be known as the 'Clinton Parameters'. These parameters suggest one form of division between East and West Jerusalem.



to be an agreement on access to holy sites as there is no free movement of either people or goods between the two parts.

Scenario 3: Jerusalem under a special international regime

The idea of a special international regime of Jerusalem was introduced in the United National General Assembly Resolution 181³¹ in 1947 though what was known as the partition plan. In part III of the UNGA 181, it was stated that “The City of Jerusalem shall be established as a *corpus separatum* under a special international regime and shall be administered by the United Nations.” The administering authority according to the resolution shall protect and preserve the unique spiritual and religious interests located in the city of the three great monotheistic faiths throughout the world, Christian, Jewish and Moslem and ensure that order and peace reign in Jerusalem. Through the special regime, a governor shall represent the UN in the city and shall exercise on their behalf all powers of administration, including the conduct of external affairs. This kind of regime can be a third scenario to consider for Jerusalem in a political agreement between the sovereign state of Palestine and the sovereign state of Israel. In this scenario, inhabitant of this corpus separatum area have the freedom of movement and access to all areas of the city and rule of law falls under the governor of the city who represents the UN.

³¹ Text of UNGA resolution 181 (1947)

	Sovereignty	Services	Israeli Settlements	Movement in the city for residents	Access to the city and to holy sites for non-residents of both states
Open City Scenario (for all border options the mentioned above)	<p>Palestinian Sovereignty over Palestinian populated areas within this boundary</p> <p>Israeli Sovereignty over Israeli populated areas within this boundary</p> <p>(As per Clinton Parameters³²)</p>	<p>Option 1: Shared services</p> <p>Option 2: Palestinian neighborhoods responsibility of Palestinian state and similarly Israeli areas responsibility of Israeli State</p>	<p>Option 1: to be evacuated and integrated within the Palestinian State.</p> <p>Option 2: 'Settlers' become residents of the State of Palestine.</p> <p>Option 3: Settlements become part of Israeli state.</p>	<p>Freedom of Movement for residents of the open city of Jerusalem.</p> <p>As for the security arrangements in the Open City of Jerusalem, where there would be an agreement set in place regarding who will be in charge of the security and safety of the citizens, which will be done through joint mechanisms between Israel and Palestine to maintain public order, as well as a collaboration between the police on either side. It also includes an international observer force (such as the UN, or EU, or international alliance) which will supervise the security and halt any unilateral actions.</p> <p>Jerusalem will be disarmed where neither of the two countries will have heavy military presence within Jerusalem.</p>	<p>Signed access agreement to specify measures and monitoring mechanisms of accessing the city. Example: Palestinian citizens from the West Bank and Gaza are allowed to enter and leave through designated entry/exit points . Similarly for Israeli citizens.</p>
Divided City Scenario	<p>Palestinian Sovereignty over EJ</p> <p>Israeli Sovereignty over WJ</p>	<p>Separate services</p>	<p>Option 1: to be evacuated and integrated within the Palestinian State.</p> <p>Option 2: 'Settlers' become residents of the State of Palestine.</p>	<p>No free movement between EJ and WJ</p>	<p>Palestinians citizens from WB and GZ have access only to EJ.</p> <p>Agreement on access to holy sites in each side of the city.</p>
Jerusalem under a special international regime	<p>United Nations administration of the city</p>	<p>Services under the UN administrations responsibilities</p>	<p>Residents adhere to UN administration</p>	<p>Freedom of Movement for residents within the borders of the corpus separatum</p>	<p>Signed access agreement to specify measures and monitoring mechanisms of accessing the city. Example: Palestinian citizens from the West Bank and Gaza are allowed to enter and leave through designated entry/exit points . Similarly for Israeli citizens.</p>

³² The Clinton Parameters were guidelines for a permanent status agreement to resolve the Israeli Palestinian conflict, proposed during the final weeks of the Presidential transition from Bill Clinton to George W. Bush.

Policy Recommendation

Role of the State of Palestine

Jerusalem is part and parcel of the State of Palestine. The future of Jerusalem is thus linked with an independent and sovereign State of Palestine. Looking ahead, Palestinians are eager to understand what strategy the Palestinian leadership will have to prepare for a political process that will lead to independence and living in dignity and freedom.

- Jerusalem is an integral part of the State of Palestine. With that, the national supreme interest must overcome factional interests, and the necessary institutions and sectors must be built and supported to ensure the survival and preservation of the Palestinian Jerusalem people's identity in the land.
- Diagnose and analyze domestic issues and work on addressing internal challenges
- Create a vision for a political process that will lead to peace and stability and for Palestinians to live in dignity in a sovereign and independent state.
- Work towards understanding best power dynamics and relationships amongst Palestinians that support a national consensus towards a political process and the means to initiate that process,
- Involve an inclusive national body that represents the Palestinians stakeholders through a productive and effective local engagement,
- Develop an engagement strategy to include regional countries and global powers into the political process,
- Map where the State of Israel is today on the road to ending the occupation and initiating a political process.
- Think outside of the framework of an interim agreement and initiate a political process with end goal, clear timeframe, monitoring mechanisms, accountability measures, and a clear role of third parties.
- Work towards Jerusalem being the Capital of the State of Palestine by:
 - Having mechanisms to support the resilience of Palestinians in Jerusalem, the State of Palestine to develop tools to support the resilience through.
 - Dedicate enough financial support from the State of Palestine to sectors of education, economy, health and rule of law in Jerusalem,

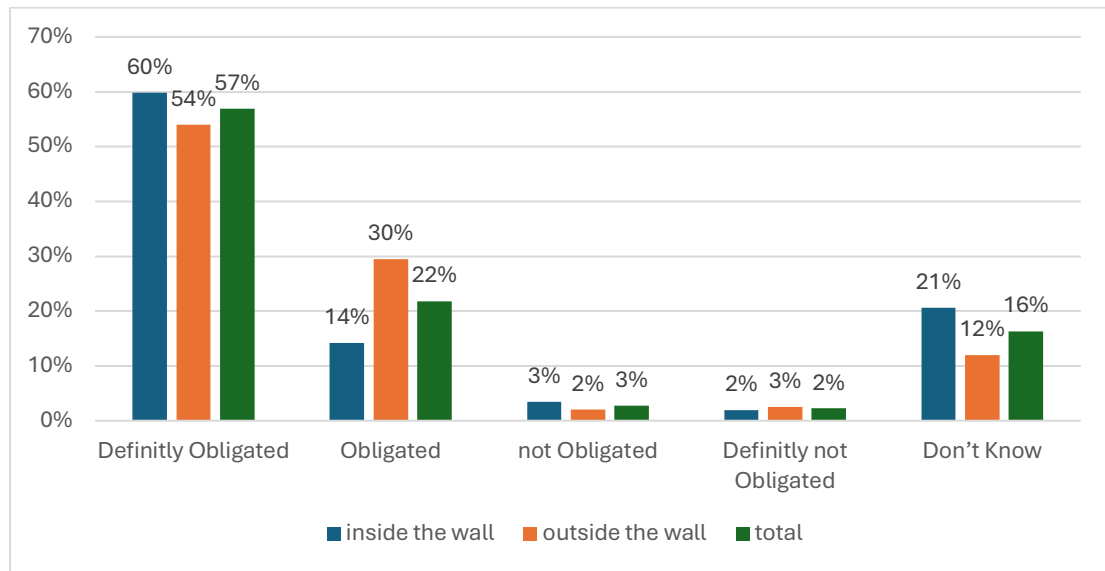


Figure 5: Perception of the PA Responsibility to Provide Services in Jerusalem

- Support Palestinians institutions in Jerusalem,
- Fight to maintain the Palestinian Identity in Jerusalem including within the curriculum,
- Support of businesses small or big,
- Support housing projects including infrastructure projects.

According to the [ACT survey] 71% of Palestinians in Jerusalem believe that resilience is the best form of resistance.

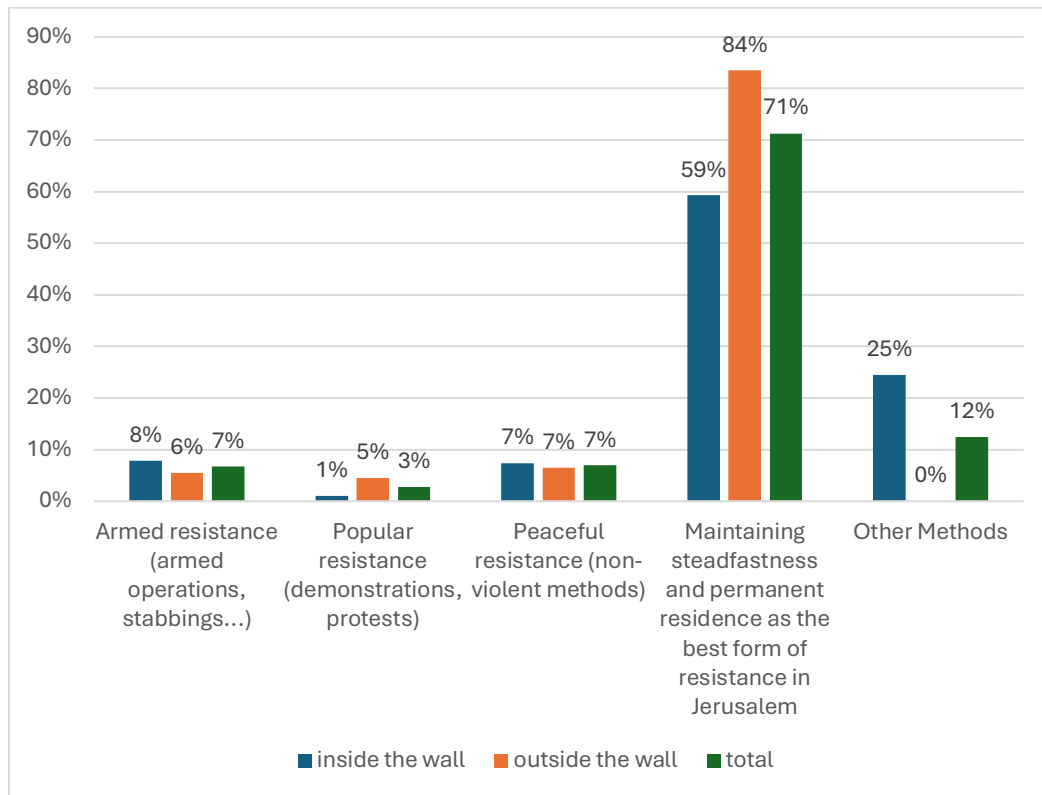



Figure 6: Perception of Possible Solutions To Tackle the Current Situation

The Role of Regional and International Accountability and Responsibility

- Act to put an end of the seven decade long occupation of Palestinian territory including East Jerusalem and pressure Israeli to abide by the international law.
- Strengthening Diplomatic Pressure: Mobilizing international and regional support to pressure Israel, hold it accountable and to halt Israeli policies of Judaization and illegal settlement construction in Jerusalem.
- Monitoring Violations: Establishing an international mechanism to monitor Israeli violations in Jerusalem, with regular reports to the United Nations and the Human Rights Council.
- Supporting Islamic and Christian Waqfs: Collaborating with Jordan and other Islamic countries to protect holy sites and maintain the status quo at the Al-Aqsa Mosque and churches. Forming a pressing Arab, Islamic, and international power on both the official and societal level in order to maintain Jerusalem and the holy sites, guiding international forums and possibly forming a supporting force for Jordan's trusteeship to include Arab, Muslim and States with influence.

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- Encouraging International Investments: Calling on donor countries to support development projects in Jerusalem, particularly in education, health, and the economy.
 - Launching International Campaign: To salvage the presence of the Palestinian presence, identity and heritage in Jerusalem.
 - Regional countries to abide by the recommendations of the Arab Peace Initiative of 2002.

The Role of Institutions and Civil Society

- Strengthening Civil Action: Supporting non-governmental institutions in Jerusalem in providing education, health, and relief services, and enhancing their capacity to continue their work.
- Activating Media and Advocacy: Launching international media campaigns to highlight the suffering of Jerusalemites and Israeli violations.
- Legal Education: Training Jerusalemites on their legal rights, especially regarding residency, permits, and construction, to counter Israeli plans.
- Empowering Youth and Women: Enhancing development and empowerment programs targeting youth and women in Jerusalem to ensure their involvement in society and strengthen their resilience.
- Boosting the Local Economy: Supporting community-based economic projects and establishing networks to support Jerusalemite entrepreneurs, while promoting Jerusalemite products and services internationally.

The recommendations suggested are mainly general and it is important to work with relevant stakeholders in order to present a program or practical and actionable steps to clarify the roles at all levels including role of the State, regional and global accountability and responsibility and finally the role of institutions and civil society. Each recommendation can be analyzed extensively and accompanied with actionable plans.

