After 52 years of occupation, it is time for a two-state solution. According to the Geneva Initiative model for an agreement:

- 75% of the settlers will remain in their homes as part of land swaps.
- The potential border would be 0:200,200.
- 2.9 Million Palestinians would live in approx. 150 un-contiguous enclaves.
- The annexation of Area C to Israel would prevent the establishment of a viable, contiguous Palestinian state.

How do settlements hinder peace?

**Ariel**
Located 20 kilometers inside the West Bank, halfway between the Green Line and the Jordan River. Israeli annexation of Ariel would obstruct the establishment of a viable, contiguous Palestinian state.

**E1 plan**
Planned for a site east of Jerusalem, adjacent to the settlement of Maale Adummim. If the proposed 3,682 housing units are built, they would effectively bisect the West Bank, preventing the establishment of a contiguous, viable Palestinian State. If built, E1 would isolate East Jerusalem from the West Bank, preventing the development of a Palestinian political and economic capital in East Jerusalem.

**Efrat and E2 plan**
Efrat is located south of Bethlehem and east of the only major north-south highway in the southern West Bank (Rt.60). Both Efrat’s location and the location of the separation barrier north and east of Bethlehem, prevent growth for the town of Bethlehem. Moreover, E2, a plan for 2,500 housing units to further expand the containment of Bethlehem, is being promoted. In addition, annexation of Efrat will also include the annexation of the road that links the South of the West Bank with Bethlehem (Rt.60), thus further fragmenting the West Bank.
The two state solution is possible based on two capitals in Jerusalem: the Israeli neighborhoods being the Israeli capital, the Palestinian neighborhoods being the Palestinian capital, and a special arrangement for the Old City and the holy sites.

**Jerusalem Population**

<table>
<thead>
<tr>
<th>Jewish Population</th>
<th>Palestinian Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>559,571 (West)</td>
<td>341,729 (East)</td>
</tr>
</tbody>
</table>

**Jerusalem Municipality Budget**

<table>
<thead>
<tr>
<th>Jewish neighborhoods</th>
<th>Palestinian neighborhoods</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.9 Billion NIS</td>
<td>591 Million NIS</td>
</tr>
</tbody>
</table>

**Government initiated construction in East Jerusalem since 1967**

<table>
<thead>
<tr>
<th>Jewish neighborhoods</th>
<th>Palestinian neighborhoods</th>
</tr>
</thead>
<tbody>
<tr>
<td>59,335 Housing units</td>
<td>600 Housing units</td>
</tr>
</tbody>
</table>

**Investment**

<table>
<thead>
<tr>
<th>Jewish neighborhoods</th>
<th>Palestinian neighborhoods</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.9 Billion NIS</td>
<td>591 Million NIS</td>
</tr>
</tbody>
</table>

**Government construction (as opposed to private construction)**

- 99% Israelis
- 1% Palestinians

**Ir Amim analysis for Jerusalem Municipality Budget, 2013**

- Investment in Palestinian neighborhoods: 591 Million NIS
- Investment in Jewish neighborhoods: 3.9 Billion NIS

- 99% Palestinians
- 1% Israelis

**Jerusalem before 1967**

- Jerusalem under Jordan: Approx. 5,000 Palestinians
- Jerusalem under Israel: Approx. 38,000 Acres | Approx. 150,000 Jews

**Jerusalem after 1967**

- After the war, a new municipal border was drawn for Jerusalem which annexed to the city 70 sq. kilometers from West Bank that included East Jerusalem and 28 Palestinian villages. The annexed lands included 70 thousand Palestinians whom received a resident status (and not citizenship).

**A third of the lands that were annexed to Jerusalem (approx. 31 sq. km) were expropriated by the Israeli government for the establishment of 12 Israeli neighborhoods. These neighborhoods were meant to isolate East Jerusalem from the West Bank and prevent it from becoming a future Palestinian capital. Today approx. 215,067 Israelis live in these neighborhoods. In the Palestinian neighborhoods in East Jerusalem live approx. 340,000 Palestinians. In 2017, Jerusalem remains a divided city, where Jews and Palestinians live separately from each other.**

**The two state solution is possible based on two capitals in Jerusalem: the Israeli neighborhoods being the Israeli capital, the Palestinian neighborhoods being the Palestinian capital, and a special arrangement for the Old City and the holy sites.**

**The solution for Jerusalem**

- In the map: the potential border between the two capitals as suggested by the Geneva Initiative.

- Despite the complicated reality in Jerusalem, the two-state solution is possible. The solution suggests two capitals in Jerusalem: the Jewish neighborhoods will remain part of the capital of Israel, and the Palestinian neighborhoods will become the Palestinian capital.