

**The Re'ut Institute – from Vision to Policy**  
**2004 Annual Report and 2005 Business Plan**

**February 2005**



February 20, 2005

Dear supporters and friends,

We are very pleased to present to you the Annual Report of "The Re'ut Institute – From Vision to Policy" for the year 2004, as well as our "business plan" for 2005.

This year has been a formative one. In its beginning we dealt with the basics of incorporating the Re'ut Institute as an independent, non-profit organization (January 13<sup>th</sup>), finding a space and buying furniture. Then, we purchased and implemented one of the most cutting-edge methodologies for policy-design for the purposes of creating an efficient policy team. By the last quarter of the year we were immersed in generating insights on the hottest issues on the agenda of the Government of Israel and offering them to the highest levels of decision-makers free of charge.

Our story of 2004 is one of constant growth within the framework of our vision and mission. We are here to serve the State of Israel by offering real-time insights on long-term implications of its decisions and actions. Our methodological and technological infrastructure has been organized and our team has become one of the best-trained in Israel. As a result, the quality of our products rises, our turn-around time decreases and our capacity to impact grows.

The end of 2004 and beginning of 2005 are marked by profound transformations in Israel's geopolitical arena; a time of both great challenge and opportunity.

This new reality is a call to action for the Re'ut Institute. We are here - ready, trained, equipped and motivated - to support the Government of Israel as it navigates to shape the future of our nation.

Working for the Government of Israel pro-bono, we are dependent on the generosity of our supporters. Without your help, we will be unable to serve our mission.

We hope that this document will provide you with all the information you would need in order to evaluate the effectiveness of your gift to us. Please let us know if there is any other information that you would be interested in receiving.

We hope that this report will make you proud of your partnership with us, and will inspire you to intensify your involvement with the Re'ut Institute during 2005.

We are deeply grateful for your help,

Sincerely yours,

Gidi Grinstein – Founder and President

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## Our Vision, Mission and Strategy

### Vision

The core ideology of the Re'ut Institute is Zionism. We are driven by our commitment to serve the vision of a secure State of Israel, in *Eretz Yisrael*, whose Jewishness synergizes with its democratic values, prosperity and with its role as a leading member of the family of nations.

### Mission

In seeking to realize this vision, the Government of Israel (GOI) faces some of the most complex challenges of governance among the developed nations of the world. Yet, our structure of government is one of the weakest, unstable and fragmented ones.

Hence, Israel suffers from a mismatch between the complexity of the challenges it faces, on the one hand, and the weakness of its tools of governance, on the other. This gap is particularly acute with regard to integrating long-term considerations into on-going decisions and actions across the GOI.

Addressing this mismatch is at the core of the mission of the Re'ut Institute. We believe that our contribution to the realization of the Zionist Vision will be significant if we offer the GOI real-time strategic support highlighting the strategic impact of its on-going decisions and actions.

Hence, our mission is to help the GOI be smarter and more effective as it strives to shape the future of the State of Israel and realize the Zionist Vision.

### Strategy

Our objective is to turn the Re'ut Institute into the primary source for real-time strategic support for all members of the GOI engaged with issues that have long-term impact.

Our pledge is to enhance the robustness of the understanding of decision-makers regarding their **objectives, tools available to them, the geopolitical playing field** and their **institutional or procedural alignment**. We have designed the Re'ut Institute to meet this challenge.

Our Strategy is to create **non-partisan** and **non-advocacy policy-swat-teams** comprised of best-and-the-brightest-type individuals, who are well trained and coached, as well as well organized and managed. The Re'ut Institute will unleash its policy-teams on the most acute issues on the national agenda, developing intimate relationships with decision-makers in order to bring them **strategic value in the form of insights** with regard to the issues on their agenda.

This is our vision. This is our mission. This is our objective and our strategy to realize it. This is what we have been trying to establish in 2004.

## 2004 Annual Report

### The Story of the Re'ut Institute in 2004

The Re'ut Institute is an innovator in its field. Our innovation is in the way we are structured and operate, in the kind of products that we produce and in the way our work is assembled, organized and delivered.

Most policy institutes employ prominent experts who write papers within their areas of expertise, thus furthering knowledge. Their work is often very disciplinary or multi-disciplinary, but rarely do such institutes possess a robust capacity for bringing together different disciplines.

The Re'ut Institute is based on a radically new concept. Its staff consists of young professionals who are trained individually and collectively to operate as effective policy-teams. Our staff **utilizes some of** the most prominent experts who are invited to join our work on an ad-hoc basis to address particular needs of our clients. The essence of our work and the area of our comfort is the inter-disciplinary sphere.

The work of the Re'ut Institute starts with the needs and concerns of our clients: the agencies of the GOI. Once we have comprehended this need, we then deploy our policy-teams to bring strategic value – insights on long-term implications – to our clients within the prescribed timeframe. Our fastest project in 2004 was 9-days (8/04).

As this concept is innovative, its effectiveness had to be proven. Our challenge was to recruit the right people, train, coach and place them in the most suitable roles. We needed to crystallize our organizing concept and diligently and methodically implement it; to constantly debrief, extract lessons, document and embed them.

By the end of 2004, we feel that we have passed the feasibility test as our approach is emerging as a big success. We have not met a single challenge to our methods or to the validity of our approach. Skepticism about our capacity to implement our strategy has been reduced as we engaged the most senior levels of decision-makers in most relevant agencies of the GOI, receiving excellent feed-back on the quality and relevance of our products.

In retrospect, 2004 can be divided into 5 phases:

	<b>Phase</b>	<b>Milestones</b>
Jan-Mar	Building the Foundations	1/13 – Incorporation; 2/11 – Purchasing the Praxis Package; 2/15 – Recruiting first staff members
Apr-Jun	Proof of concept	4-5 - Analysis-base "State-to-State relations" + initial meetings with decision-makers 5/27 – Launching our website
Jun-Jul	"Road show" to clients	7/9 - "What Follows the Disengagement Plan" 7/11 - 1 <sup>st</sup> presentation to National Security Council
Aug-Oct	First directives for policy-efforts	8/11 – First Directive received from a GOI Agency; 8/15 – Launching Steering Committee 8/19 – First project delivered in 9 days.
Nov-Dec	Initial public exposure -	11/8 – First citation in press (Haaretz) 11/23 – Re'ut publication presented in the Knesset

## Content, Clients and Products

### Content

Our focus-area throughout 2004 has been Israeli-Palestinian relations. In this context, we dealt with different aspects hereof ranging from analyzing substantive, institutional or procedural aspects of designing Israel's policy vis-à-vis the Palestinians. The following is a summary of our substantive work:

Title	Date	Client	Present ation	Doc	on Web
Israel-Palestinian State-to-State Relations in Permanent Status	5/04	Re`ut	-	√	√
Conundrums of Negotiations	6/04	Re`ut	√	-	-
Negotiations with the World Bank <sup>1</sup>	8/04	GOI	√	√	-
Political and Diplomatic Aspects of Disengagement Plan	9/04	GOI	√	√	√
Impact of the Disengagement Plan on the One-State Threat	10/04	GOI / Re`ut	√	√	√
Who Should Be the Interlocutor: PLO or PA?	12/04	Re`ut	√	√	-

### Clients

**The Re`ut Institute is a "client-oriented" policy institute.** Our "clients" are agencies of the GOI. Hence, we seek to tailor ourselves to their needs by generating products that are easily digestible, versatile, accessible and responsive to their time constraints.

At present, the agencies of the GOI that are relevant to our focus-area of Israeli-Palestinian relations are the Bureau of the PM, Ministers in the Office of the PM, the National Security Council, the Ministry of Foreign Affairs, Ministry of Defence, Ministry of Justice and certain branches of the IDF. In addition, this constituency includes politicians in Government and in the Knesset who are key players such as members of the Security Cabinet or the Knesset Committee on Security and Foreign Affairs.

We have engaged this constituency in its entirety during 2004, although to varying degrees. Our most intensive institutional relationships are with the National Security Council and Ministry of Foreign Affairs. We have also engaged prominent members of the Bureau of the PM, the Ministry of Defence and the IDF. At the same time, our products are increasingly delivered to all relevant actors.

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<sup>1</sup> This policy effort was not published on the web per the request of the client.

## Products

The Re'ut Institute produces 4 categories of products:

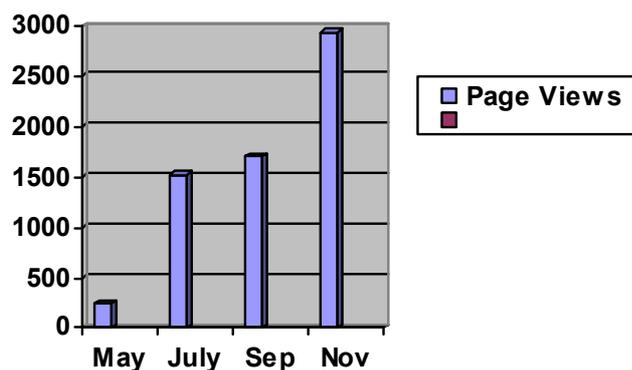
- **"Analysis-Base"** – This product deconstructs an issue while mapping the interconnectedness among actors, trends, interests or institutional constraints. Developing robust analysis-bases is key to delivering timely input to the GOI.
- **"Policy-Product"** – This product offers an analysis of options available to the GOI and evaluates their relevance in different ideological and factual contexts;
- **"Concepts"** – This product frames or defines a single insight or idea whose application may change depending on the context. Some of these ideas, such as the concept of "Permanent Status", have never been properly defined. Others, such as "Fragmentation and Dilution Approach to Permanent Status Agreement", were framed and defined by the Re'ut Institute.
- **"Terms"** – This product provides an abridged definition, background and access to concepts whose definition is fixed and not dependent on context such as "United Nations Security Council Resolution 242". A term is the most basic building block of our work.

For a detailed list of all of our policy-efforts and products, please see Annex 2 of this document.

## Website

Our website is an essential component of our capacity to impact. Our plan is for our website to become a primary source of support for decision-making by anyone who works in the GOI. We have designed our website to be accessible, user-friendly and highly informative.

Our website was launched on May 27<sup>th</sup>, 2004. Its usage has grown steadily since its introduction, as demonstrated by the following graph.



## Institutional Structure

The Re'ut Institute is an incorporated, not-for-profit organization.

## Staff

During 2004, on average, our staff consisted of 6 full-time members as follows:

- Gidi Grinstein holds the responsibilities for the development of the organization, as well as for the management of the substantive work.

- Noa Eliasaf, with extensive experience and background in non-governmental organizations, serves as our VP for operations and finances.
- Mr. Noam Bardin, with extensive background in the business world, serves as our VP leading the substantive work.
- Mr. Omri Dagan and Mr. Eran Shayshon, both with MA Degrees from Hebrew University, serve as our in-house analysts.
- Ms. Alisa Menshikov served as our Administrative Assistant.

In addition, the Re'ut Institute holds a rotating position for a research-fellow. During 2004, 2 persons held this seat: Ms. Stephanie Cohn from the Harvard Kennedy School of Government and Mr. Adam Cole from the Heller Ehrman Attorneys San Francisco Office.

### **Managing Board**

Our Managing Board is comprised of three persons and is responsible for adherence to the requirements of Israeli law. The Managing Board meets regularly to review budgetary projections and ensure the implementation of our legal obligations.

### **Steering Committee**

Our Steering Committee is comprised of seven persons who represent all different sides of the political spectrum, including Labor, *Shinui* and *Likud*. Our Steering Committee is non-partisan, professional and highly respected. The main task of the Steering Committee is "Need Assessment", i.e. to identify areas that should be the focus of the analysis work of the Re'ut Institute. Its members are:

- Mr. Pini Meidan-Shani – Foreign Policy Advisor to PM Barak (2000-01).
- Mr. Arnon Pearlman – Chief Spokesperson for PM Sharon (2001-03).
- Ms. Dalia Rabin – Deputy Minister of Defense (2001-02).
- Prof. Uriel Reichman – President of the Interdisciplinary Center in Herzliya;
- Mr. Uri Shani – Chief of Staff of PM Sharon (2001-02).
- Adv. Gilead Sher – Chief of Staff and Chief Negotiator of PM Barak (1999-01).
- Mr. Baruch Spiegel – Special Advisor to Minister of Defense Mofaz, and Deputy Coordinator of Activities of the GOI in the West Bank and Gaza (1995-98).

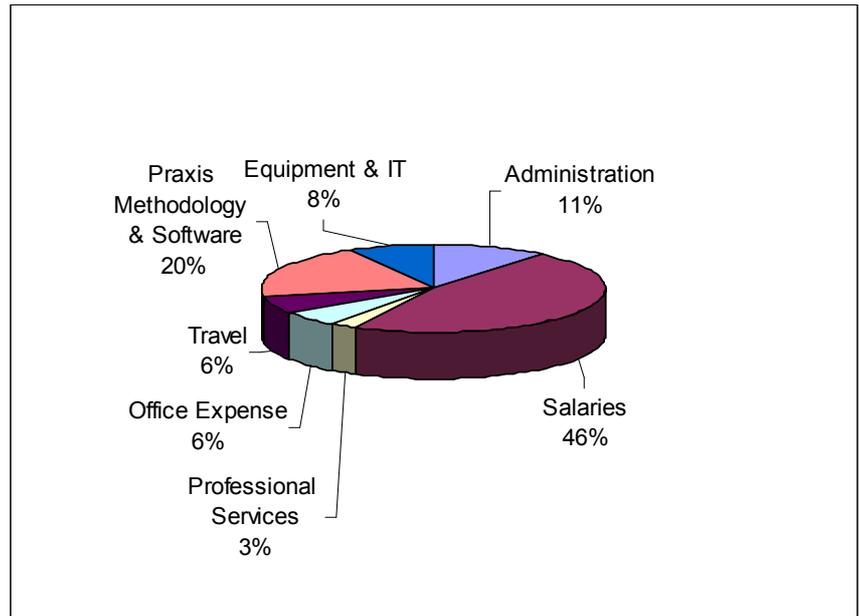
### **2004 Financial Summary**

The following is a financial summary of the Re'ut Institute as of 12/31/2004. We will be providing audited year-end financials by mid-2005.

The highlights of our financial summary are:

- Our original budget for 2004 was \$480,000 reflecting an expected monthly burn-rate of \$40k.
- Our actual expense level was \$368,000 - ~77% of our original budget - reflecting a monthly burn rate of \$33k. The gap was caused by failure to meet our fund-raising objectives for 2004, as well as by a default on a debt in the sum of \$15k that will be paid in 2005. The following graph provides the makeup of our expenses for 2004.

- **Salaries** comprised 46% of our expenses. Average total cost to the Re'ut Institute of an employee – including all taxes and benefits - ranges around \$3,000 per month.



- **Praxis Package** - Our payments to the Praxis Institute for their methodology and software comprised 20% of our expenses in 2004. This level of expenditure is projected to continue until March 2005 when we will transition from the purchase to the maintenance phase. Thereafter, our monthly expenditure on methodology is expected to decrease by 50-70% depending on the terms of our new contract with Praxis, which we expect to conclude in the near future.

The following is our un-audited cash-based financial summary of our income and expenses:

**Cash Based Financial Summary**  
Income and Expenses (as of 12/31/2004)

	<b><u>NIS</u></b>	<b><u>US\$</u></b>
<b>Income</b>	₪ 1,658,003	\$ 368,445
<b>Expenses</b>		
Administration	₪ -174,615	\$ -38,803
Salaries	₪ -745,451	\$ -165,656
Professional Services	₪ -40,440	\$ -8,987
Office Expense	₪ -90,925	\$ -20,205
Travel	₪ -101,621	\$ -22,582
Praxis Methodology & Software	₪ -315,097	\$ -70,022
Equipment & IT	₪ -130,036	\$ -28,897
<b>Total Expenses</b>	₪ -1,598,184	\$ -355,152
<b>Prepaid (Payable) Expenses</b>	₪ -107,618	\$ -23,915
<b>Cash Balance - deposits in bank</b>	₪ 167,437	\$ 37,208

Exchange rate used 1\$=4.5NIS

In addition, we would like to share the following information regarding our 2004 financials:

- **Number of donors and makeup of gifts** - In 2004, we have received donations from 65 individuals and foundations. The spread of the gifts was between the sum of \$50 (fifty) and \$55,000 for the largest gift;
- **Israeli sources** – Our pledge was to raise 25-30% of our budget from Israelis i.e. an equivalent of ~\$100k. In 2004, the total sum of gifts received from Israelis amounted to \$32k which constituted 9% of the total funds raised thus falling 67% short of our objective.
- **Resources for Fundraising** – During 2004 we traveled 7 times to the USA and once to Europe (London), spending nearly 18 weeks on the road and \$22.6k on the development of our organization. These figures do not include the time spent in Israel preparing or following up on these trips or the cost of salary while on the road.
- **Geographic spread** – The Re'ut Institute raised 89% of its resources in the USA (7 trips; 17 weeks), 9% in Israel and 2% in Europe (1 trip; 1 week)

## Our Business Plan for 2005

### Israel's Geopolitics in 2004 and 2005

2004 has been a year of profound transformations. Chief among which are the developments in the Israeli-Palestinian conflict that are the present focus of attention of the Re'ut Institute.

While the conflict with the Palestinians persisted throughout most of 2004, it has also been evident that Israel has been able to achieve a military victory. On the Palestinian side there is widespread disappointment with the uprising, which is perceived as a significant setback for the Palestinian cause.

Along with the military success, perceptions on the Israeli side kept shifting. The acceptance of the inevitability of territorial compromise that will lead to the coming into being of a Palestinian state have become organizing ideas for the vast majority of the Israeli public. The most significant moment in this respect was Prime Minister Sharon's statement in December 2004 that a Palestinian state should be viewed as an opportunity for Israel rather than as a threat.

In November 2004, Yassir Arafat passed away, creating what may seem, at this point, like a historic opportunity under the leadership of Abu-Mazen. However, Abu-Mazen not only fundamentally objects to the idea of a Palestinian State with Provisional Borders, which is at the core of the Roadmap, but also maintains positions on Permanent Status that are not acceptable by the present GOI. Hence, a deadlock may still lay ahead.

Implementing the Disengagement Plan and following the Roadmap create new opportunities for shaping Israel's prospects for security, stability and prosperity. 2005 may be a year when Israel decimates the "One-State Solution", one of its most imminent existential threats.

Faced by a volatile, highly unstable and turbulent environment, the GOI will need to take multiple decisions and actions in 2005. Many of them will be taken under severe pressures of time and resources but will have far-reaching long-term implications on the future of our nation.

2005 will be a year of multiple challenges that may be seized and threats that must be avoided. For Israel, the challenge in 2005 is to keep shaping its future in the midst of volatility and turbulence and in the face of a permanent adversity.

### Substantive Challenges

The contemporary focus of the Re'ut Institute is Israel's relations with the Palestinians. In this context, our objective is to create a **national analysis-bank regarding Palestinian statehood** that will allow us to provide real-time strategic support to all agencies of the GOI that will be engaged with this challenge.

Our assessment is that, at some point in 2005-07, the process of establishing a Palestinian state will commence. Thereafter, numerous decisions and actions will have to be taken in very short time-spans.

The Re'ut Institute sees it as its mission to become the primary source of strategic support for the GOI, providing essential and critical interventions that are in sync with the needs of decision-makers.

### **Development Challenges**

Hence, our organizational challenges for 2005 are by order of priority:

1. A full-fledged policy team on the Palestinian issue – At present the Re'ut Institute has a 6-person full-time staff. A full-fledged policy-team comprises of 6 persons, in addition to a 3-4-person management team. Hence, deploying a full-fledged policy-team requires recruiting and training 4 additional persons to stabilize a 6-person team and 4-person management body.
2. A 2<sup>nd</sup> full-fledged policy-team to prepare for Palestinian Statehood – Our evaluation is that in order to meet our objective of preparing a national analysis-bank on the challenge of Palestinian Statehood, we will need two full-fledged policy-teams. A 2<sup>nd</sup> 6-person policy-team will be dedicated to preparing Analysis-Base Products related hereto. Our objective is to deploy this team by December 2005.
3. Preparing for launching a new policy-team in 2006 focusing on a new focus area such as Israel-US relations, Israel-Diaspora relations or Israeli governance.

### **Operational Challenges**

1. Shift focus from content to impact –

2004 was characterized by our focus on generating the highest-quality content products. We have purchased a cutting-edge methodology and spent a large portion of our resources on embedding it and creating a highly efficient policy-team with one of the fastest turn-around times in Israel.

Our objective for 2005 is to develop a robust understanding of the concept of impact and a tool-kit to enhance our capacity to transfer our insights to decision-makers just-in-time and in the most efficient format.

For example, this challenge would include the following:

- a. Steer discourse – to have tools and capacities to engage multiple decision-makers simultaneously and repeatedly in order to be able to generate and sustain the kind of discourse that is essential for impact;
  - b. Raise awareness - to educate our target group of our existence and inform them of the ways in which we can be helpful.
2. Simpler, more accessible products – Simplicity and accessibility are key for realizing our objective of impact in real-time. In 2005, our challenge is to develop lines of products that are simpler, more accessible and quicker to produce.
  3. Establish the infrastructure for sustainable institutional growth – Methodology for a policy-team is the equivalent of technology for an industrial enterprise.

Serving our mission of impacting the future of Israel requires that we grow and do so fast. Hence, creating the foundations for scalability is a critical path for growing the Re'ut Institute to serve its mission.

In 2005, our challenge is mastering the Praxis Package and documenting our Principles of Operation.

## **2005 Financials**

### **Working Assumptions**

Our budget for 2005 is based on the following key working assumptions:

1. A full fledged 3-4 person management team providing an envelop of support to our policy-teams which includes PR, methodology, professional services, organizational development, administration, equipment, IT and office expenses;
2. A full-fledged policy-team by May 2005 (requires recruiting 3 additional persons);
3. A second full-fledged policy-team by December 2005 to be recruited as of July;
4. Average 10% increase in salaries.

### **2005 Budget**

Hence, our current budget for 2005 projects the following financial requirements:

- Management Infrastructure	\$483.4.9k	
- 1 <sup>st</sup> full-fledged policy-team	\$268.6.3k	Total = \$752.0k
- 2 <sup>nd</sup> full-fledged policy-team	\$126.1k	Total = \$878.1k

For a detailed budget please refer to Annex 1 of this report.

Reaching these budgetary and subsequent fund-raising goals will allow us to accelerate our policy-efforts to two and later three concurrent efforts. This expansion will enable the Re'ut Institute to respond to the current demand for our services.

### **Fundraising – Status and Challenges**

At the beginning of 2005, we already have \$270k pledged for 2005, as well as \$83k for 2006, \$83k for 2007 and \$68k for 2008.

Our fundraising challenges for 2005 are:

1. **100-135% increase in funds raised compared to 2004** (from \$368k in 2004 to \$752-878k in 2005) in order to deploy 1-2 full-fledged teams respectively;
2. **Increase gifts from Israeli sources 4-fold** coming closer to our objective of raising 25% of our resources from Israeli sources (equivalent of ~260k). We plan to dedicate disciplined attention and resources to fundraising in Israel and from Israelis;
3. **Fewer trips and shorter time on the road = more funds raised per trip** – Our objective is to decrease the number of fundraising trips from 8 to 6 and the number of weeks spent on the road from 18 to 14, notwithstanding our objective of more than doubling the funds raised. Hence, we will need to raise more money with fewer resources.
4. **Raise more money in Europe (primarily London and Paris)** – Europe is more accessible and demands shorter and cheaper travel compared to the USA. In addition, our contacts in Europe tend to travel to Israel more often, rendering our

engagements with them more frequent. Our objective is to raise 10% of our budget for 2005 in Europe, focusing primarily on London and Paris.

5. **Secure 50% of 2006 Budget and 25% of 2007 Budget by December 2005** – In order to sustain the growth of Re'ut, it is our objective to engage our supporters on a long-term basis. We hope that our donors will pledge to support us on a multi-annual basis, thus allowing us to continue to grow the Re'ut Institute and increase its impact.

### **Financial Code of Conduct**

Realizing how important our transparency and accountability are to our donors, the Re'ut Institute makes the following commitments vis-à-vis our donors:

1. The Re'ut Institute will accept donations from sources that are explicitly pro-Israeli. Any funds from other sources, such as foreign governments, will be approved by our Steering Committee.
2. The Re'ut Institute will comply with all legal requirements of a non-profit organization registered in Israel. We have retained the offices of KPMG Israel which provides us with pro-bono accounting oversight and audits our year-end financials
3. The Re'ut Institute will provide its donors with:
  - a. Quarterly e-mail updates about our activities;
  - b. Six month financial updates including operational milestones and changes, as well as a detailed summary of budget, pledges, donations and expenditures;
  - c. An annual report audited by an internationally recognized accounting firm to be sent by June of every year for the previous year;
  - d. Full immediate disclosure on all financial and legal matters upon request.

### **Conclusion**

We hope that this document provided you with all the information you would need in order to evaluate the effectiveness of your gift to us. Please let us know if there is any other piece of information that you would be interested in receiving.

We further hope that this Annual Report will make you proud of your partnership with us, and will inspire you to increase your involvement with the Re'ut Institute during 2005.

Sincerely yours,  
The Re'ut Institute.

Annex 1

The Re'ut Institute - 2005 Budget

	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	Total
<b>Management &amp; Infrastructure</b>													
Employees	3	3	3	3	3	4	4	4	4	4	4	4	
Salaries	13.5	13.5	13.5	13.5	13.5	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0
Public Relations	4.0	4.0	4.0	4.0	6.0	6.0	6.0	8.0	8.0	8.0	8.0	8.0	8.0
Methodology & Praxis	10.0	10.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Professional Services	2.3	2.3	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4
Development	2.9	2.9	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Administration	3.6	3.6	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3.8
Equipment & IT	1.6	1.6	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7
Office Expenses	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
<b>Total</b>	<b>41.0</b>	<b>41.0</b>	<b>34.4</b>	<b>34.4</b>	<b>36.4</b>	<b>40.9</b>	<b>40.9</b>	<b>42.9</b>	<b>42.9</b>	<b>42.9</b>	<b>42.9</b>	<b>42.9</b>	<b>483.4</b>
<b>Content Team 1</b>													
Employees	3	4	5	5	6	6	6	6	6	6	6	6	
Infrastructure	4.0	4.0	0.0	4.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Salaries	9.9	13.2	16.5	16.5	19.8	19.8	19.8	19.8	19.8	19.8	19.8	19.8	19.8
Overhead	1.5	2.0	2.5	2.5	3.0	3.0	3.0	5.0	5.0	5.0	5.0	5.0	5.0
<b>Total</b>	<b>15.4</b>	<b>19.2</b>	<b>19.0</b>	<b>23.0</b>	<b>22.8</b>	<b>22.8</b>	<b>22.8</b>	<b>24.8</b>	<b>24.8</b>	<b>24.8</b>	<b>24.8</b>	<b>24.8</b>	<b>268.6</b>
<b>Content Team 2</b>													
Employees	0	0	0	0	0	0	3	3	3	5	5	6	
Infrastructure	0.0	0.0	0.0	0.0	0.0	12.0	0.0	0.0	8.0	0.0	4.0	0.0	0.0
Salaries	0.0	0.0	0.0	0.0	0.0	0.0	9.9	9.9	9.9	16.5	16.5	19.8	19.8
Overhead	0.0	0.0	0.0	0.0	0.0	0.0	1.5	2.5	2.5	4.1	4.1	5.0	5.0
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>12.0</b>	<b>11.4</b>	<b>12.4</b>	<b>20.4</b>	<b>20.6</b>	<b>24.6</b>	<b>24.8</b>	<b>126.1</b>
<b>Total Budget</b>													
Employees	6	7	8	8	9	10	13	13	13	15	15	16	
Salaries	23.4	26.7	30.0	30.0	33.3	37.8	47.7	47.7	47.7	54.3	54.3	57.6	
Infrastructure Expenses	31.5	31.5	20.9	24.9	22.9	34.9	22.9	24.9	32.9	24.9	28.9	24.9	
Content Overhead	1.5	2.0	2.5	2.5	3.0	3.0	4.5	7.4	7.4	9.1	9.1	9.9	
<b>Total</b>	<b>56.4</b>	<b>60.2</b>	<b>53.4</b>	<b>57.4</b>	<b>59.2</b>	<b>75.7</b>	<b>75.0</b>	<b>80.0</b>	<b>88.0</b>	<b>88.3</b>	<b>92.3</b>	<b>92.4</b>	<b>878.1</b>

**Products of the Re'ut Institute – 2004****Policy Products**

<b>Title</b>	<b>Summary</b>	<b>Date</b>
Israeli-Palestinian State-to-State Relations in Permanent Status	Analysis-Base product that identifies the clusters of issues that will shape Israeli-Palestinian relations in Permanent Status following the establishment of a Palestinian State	5/04
Agenda of Israeli-Palestinian Negotiations on Permanent Status	Policy-Product that offers an alternative agenda for Israeli-Palestinian negotiations on Permanent Status and is designed to enhance prospects of a stable Two-State Solution.	5/04
Conundrum of Negotiations	Policy-product that analyzes the structural challenges of promoting Israel's interests vis-à-vis the Palestinians via negotiations or off-the-table (unilateral) options, and their subsequent implications.	7/04
What Follows the Disengagement Plan?	Policy-Product that offers a series of policy-options for Israel following the Disengagement Plan.	9/04
Political and Diplomatic Aspects of the Disengagement Plan	Policy-Product that analyzes the political and diplomatic aspects of the Disengagement Plan focused on the objective of ending Israel's responsibility for and "Occupation" of Gaza.	9/04
Impact of Disengagement Plan on the One-State Threat	Policy-Product that analyzes the impact of the Disengagement Plan on preserving Israel as a Jewish and democratic state by countering the One-State Threat.	10/04
Who Should Be the Interlocutor: the PLO or the Palestinian Authority?	Analysis-Base product that introduces the structural mismatch between the status of the PLO as formal Palestinian interlocutor, on the one hand, and the Roadmap, on the other.	12/04
Policy-Options for Switching the PLO with the PA	Offers policy-options for switching the PLO with the PA as the Palestinian interlocutor.	12/04

## Concepts and Terms\*

Title	Terms & Concepts
<p><b>Basic Concepts</b></p>	<ul style="list-style-type: none"> <li>- Analysis Base Product – A category of products that offer systematic and extensive mapping of issues and their interconnectedness.</li> <li>- Policy Product – A category of products that focus on evaluating alternative approaches for the GOI in specific arenas.</li> <li>- Fundamental Surprise – Refers to a “mindset” that is revealed as inefficient or irrelevant in interpreting the complexity of the ever-changing environment.</li> <li>- Arena – Refers to a specific theater where an organizing logic and subsequent policy are needed.</li> <li>- Focus Area on Permanent Status Agreement – Refers to a sphere of knowledge in which the Re’ut Institute is working to develop a systematic and extensive mapping of issues, trends and actors and their interconnectedness.</li> <li>- Focus Area of Top Executive – Refers to the Re’ut Institute’s Analysis Base regarding the dynamics that "shape" and "drive" the decision-making environment of Israel's “Top Executive”.</li> </ul>
<p><b>Israel-Palestinian State-to-State Relations in Permanent Status</b></p>	<ul style="list-style-type: none"> <li>- 1978 Camp David Accords</li> <li>- UN Security Council Resolutions 242 and 338</li> <li>- Declaration of Principles</li> <li>- The Gaza-Jericho Agreement</li> <li>- Palestinian Self-Governing Authority</li> <li>- Phased Plan (of the PLO)</li> <li>- 2000 Camp David Summit</li> <li>- Geneva Initiative</li> <li>- Interim Agreement</li> <li>- Oslo Process</li> <li>- Permanent Status</li> <li>- Permanent Status Agreement</li> <li>- Sequence of the Israeli-Palestinian Political Process – the formal order of milestones according to existing agreements</li> <li>- <u>Typology of Issues for Negotiations</u> – the agenda of the negotiations on the <u>Permanent Status Agreement</u> between the State of Israel and the Palestinians</li> <li>- <u>Historical Issues</u> – cluster of outstanding issues that are an outcome of the historic conflict between the two peoples and should be addressed in the <u>Permanent Status Agreement</u>.</li> <li>- <u>Intrusive Issues</u> – cluster of issues that will require one parties'</li> </ul>

Title	Terms & Concepts
	<p>intrusion into the others' legal, sovereign or functional space.</p> <ul style="list-style-type: none"> <li>- <u>Movement and Personal Security Issues</u> – cluster of issues that require cooperation in regulating freedom of movement of goods, services and persons while combating terrorism and crime.</li> <li>- <u>Conventional Issues</u> – cluster of issues in <u>Permanent Status</u>, which are not fundamentally different than those between Israel and any other state.</li> <li>- <u>Convergence Phenomenon</u> – convergence of seemingly unrelated movements and associations into a coalition that fundamentally de-legitimizes the Jewish character of the State of Israel. This convergence shifts from one issue to another.</li> </ul>
<b>Structure of Negotiation</b>	<ul style="list-style-type: none"> <li>- <u>Conundrum of Israeli–Palestinian Negotiations</u> – refers to dynamics characterizing the negotiations on “Outstanding Issues” between Israel and the Palestinians.</li> <li>- <u>Mismatch in Tenures in Negotiations</u> – Refers to the impact of the discrepancy between the duration and stability of tenures of Israeli and Palestinian top executives engaged in negotiations.</li> <li>- <u>Leverage of time in Negotiations</u> – when both parties perceive that the passage of time is an instrument working in one’s favor and against one’s opponent (or vice versa).</li> </ul>
<b>Political and Diplomatic Aspects of the Disengagement Plan</b>	<ul style="list-style-type: none"> <li>- Roadmap;</li> <li>- Disengagement Plan</li> <li>- Exchange of Letters about the Disengagement Plan</li> <li>- <u>Accession to Statehood</u> – Moment when an entity acquires the status of a sovereign state</li> <li>- <u>Package Approach to Permanent Status Agreement</u> – conclusion of a comprehensive agreement between Israel and the Palestinian side in order to resolve all <u>Historic Issues</u> and provide for state-to-state relations in <u>Permanent Status</u>.</li> <li>- <u>Fragmentation and Dilution Approach to Permanent Status Agreement</u> – multiple separate agreements between Israel and the Palestinian State on Permanent Status while diluting to the extent possible the Historic Issues.</li> <li>- <u>Israeli Unilateral Recognition of Palestinian Statehood</u> – Israeli unilateral moves and coordinated steps with 3<sup>rd</sup> parties, designed to upgrade the political status of the Palestinian Authority into one of full-fledged statehood.</li> <li>- <u>Status of Palestinian Statehood</u> – current political status of the Palestinian Authority on the road to becoming a sovereign state.</li> <li>- <u>Concept of ‘Viable Palestinian State’.</u></li> </ul>

Title	Terms & Concepts
<p><b>Impact of Disengagement Plan on the One-State Threat</b></p>	<ul style="list-style-type: none"> <li>- Occupation</li> <li>- <u>One-State Threat</u> – Interplay of forces pushing toward a “One-State Solution” and undermining a “Two-State Solution”.</li> <li>- <u>Contemporary One-State Argument</u> – represents a form of “<u>Anti-Zionism</u>” that relies on political theory, coupled with current demographic trends, to deny the right of Jews to self-determination in their own state.</li> <li>- <u>Anti-Zionism</u> – Rejection of the right of the Jewish people to self-determination in a sovereign Jewish state.</li> <li>- <u>Moment of Inversion Toward Palestinian Statehood</u> – A moment when the official Palestinian position, currently represented by the <u>PLO</u>, will shift <i>from</i> demanding a “Two-State Solution” <i>to</i> demanding a “One-State Solution”.</li> <li>- Responsibility</li> <li>- End of Responsibility</li> <li>- End of occupation</li> </ul>
<p><b>Who Should Be the Interlocutor: PLO or PA?</b></p>	<ul style="list-style-type: none"> <li>- Chairman of the Palestinian Authority</li> <li>- <u>Map of Palestinian People</u> – Geographic and demographic makeup of the "Palestinian People".</li> <li>- Palestinian Authority</li> <li>- PLO</li> <li>- <u>Issue of Palestinian Representation</u> – Authority and responsibilities of the representative bodies of the Palestinian People.</li> <li>- <u>Issue of Palestinian Right of Self-Determination</u></li> <li>- <u>Palestinian Constitutional Structure</u> – The institutions, founding documents and division of powers between the executive and legislative branches of the PLO, the Palestinian Authority, and the future Palestinian State.</li> </ul>

The underlined concepts were identified and defined exclusively by the Reut-Institute.