Presentations and ensuing discussions in Working Group 2 were focused on three outstanding issues of the Middle East region, the US-Iranian relations, Iraq's political-security issues, and the Israeli-Palestinian peace process, with a focus on the implications of these issues for the region's peace and stability.

1. The United States, Iran and the Region
There was a consensus that proceeding with the U.S.-Iran negotiations would extensively affect the entire region. In this context, the nuclear issue will be at the top of the negotiating agenda. On the American side, the main objective for the U.S. is to achieve high confidence concerning the nuclear case, and on the Iranian side it was put forward that there is a genuine interest to normalize relations with the United States. There was a general agreement on the fact that in order to achieve the objectives of the negotiations for both sides, there should be a process of building trust and confidence. Participants agreed that this can be accomplished through a comprehensive understanding of Iran’s politics, and of the fact that the decision-making process in Iran's political system is complex; being the outcome of the interests of different political power centers to the extent that the final decision comes at last from a consensus.

There were some disagreements over whether or not a timeframe should be placed on the U.S.-Iran negotiations. One participant pointed out that implementing target dates might jeopardize the atmosphere of the negotiations. Another participant mentioned that because the status of the region is not static, there should be a timeframe on the negotiations; however, he concluded that after a few months of negotiations the true intentions of both sides would become apparent in any case, even if the necessary bureaucracy takes longer. Considering Israel's position, it was mentioned that Israel has no apprehensions regarding the negotiations process, and it trusts the United States in this matter. It was also pointed out that the United States and Israel should come
up with different scenarios and frameworks that might feasibly satisfy and build confidence on the nuclear case, including enrichment on Iranian soil. This is yet to be answered. Further on this issue, it was discussed that opening the gate for dialogue is the main objective and will be useful for the region. Other participants from the region had a positive outlook for the U.S.-Iran negotiations.

Regarding Iranian-Egyptian relations, it was noted that although both countries have their own particular differences, these disparities must and can, be overcome. One Egyptian participant emphasized the fact that Egypt is fully supporting the dialogue with Iran in order to achieve stability in the region. Other participants from Iraq, the Arab world, and Turkey had the same positive attitude and argued that the region needs cooperation rather than hostility to be able to overcome the current issues.

2. Iraq, Iran, and the Region
The discussion commenced with a general acknowledgment of the progress Iraq has made over the past few years, and expressions of hope for what may be to come. The most important of its developments has been the elections, which are historical in the sense that the Iraqi people had the opportunity to choose their own government. The political process is moving forward, and dramatic changes are on the way. There was a consensus among participants that a stable Iraq will greatly aid in the formation of stability and peace in the region, as long as the freedom to choose their political system is preserved for Iraqis. To safeguard Iraq’s stability is to establish good relations with Iran, as well as other regional actors and the international community in general.

One participant argued that Iran's policies in Iraq are defensive and not expansionist. Given the bitter past relations, especially the eight-year war between the two countries, Iran has legitimate security concerns that no anti-Iranian government comes to power in Baghdad. Furthermore, he advanced that a modest nationalism in Iraq, referring to Iraq's Provincial Elections in January 2009, will favour Iran's national interests and help Iran to expand its relations with the Arab world. This point was welcomed by an Iraqi participant.
Further to this, another Iraqi participant noted that Iraq’s main challenge is in keeping an Arab Muslim identity and maintaining a balance in its relations with neighbouring countries. In the past, foreign powers unsuccessfully sought to weigh Iran against Iraq. If outsiders try to use this policy against Arab countries again, they will fail. There should be a partnership in parallel rather than in crossing. Another main argument was that utilising a "balance of power" policy in this region is also unbenevolent since it has so far brought only tension and division. Instead, the regional countries should move towards a "balance of interest" and fostering an environment of security.

3. **Israel, Palestine, and the Region**

The discussion started with the affirmation that the time has come to look for solutions with a surge of good faith and not force. There was a general agreement that the conflicts in this region are both unique and complex in nature, thus, requiring very well considered and innovative strategies for their resolution. The failure and implications of the systematic application of force must be remarked upon to avoid the implementation of such strategies in the future. In general, it was accepted that resolving the Israel-Palestinian conflict and reaching an agreement on this matter is the key to all regional issues.

One major argument was the need of "inclusiveness". Accordingly, Hamas and Hezbollah should be partners in peace. There should be inclusive dialogue if there is to be progressive appreciation of divergent viewpoints and a resolution of the conflict. Furthermore, it was agreed that attempts to dictate and monopolize the attitudes of the states involved in the conflict is unhelpful. In relation to this it was mentioned that any attempt towards mediation and cooperation is welcome, being supported by Egypt, Turkey and other Arab countries.

Concurrently, it was pointed out that there is a will in the new Israeli administration to change the atmosphere surrounding the search for a resolution to this conflict, such as the acceptance of a Palestinian sovereign state evidenced by recent statements. Furthermore, the Israeli Prime Minister has stated that negotiations with the Palestinians are on the agenda.
It was also discussed that the occupation of the Palestinian territories should end so that the Palestinians can proceed with the formation of their own security arrangements and political solutions. In contrast, some participants asserted that Israel wishes to end this state of conflict; that it is not insisting on maintaining the occupied territories and that any final agreement will have public support. The result of the Israeli elections and the popularity of Hamas are both the consequences of the failures of the peace process. It was pointed out that passing over the opportunities presented by the Mecca Agreement was a mistake of Israel, as well as the U.S. and European countries. Such a failure should be avoided in future. Further on this issue, one participant stated that Egypt has a commitment to pursue the fundamental rights of Palestinians, the right to live in a sovereign state, with borders and resources and to have Jerusalem as their capital.

Concerning the issue of Hamas, the Israeli perspective on the negotiations was that Palestinians should be the ones who choose their own representatives and that they should be free in making their choice of negotiator, even if that is to be Hamas. However, some concerns were raised about the consequences and effects that the negotiations with Hamas might have for Fatah. The response to this was that Fatah now occupies only a position of failure, due to the role it has played in the peace process thus far, so it would be detrimental to incorporate it into any new dialogue. Hamas is a society-based movement and should be treated differently; it is gaining a great deal of popularity both in Gaza and the West Bank especially after the recent crisis in Gaza.

There was a disagreement on whether Hamas should make the first step toward negotiations or Israel, in light of the occupation. It was then agreed that the Americans and Israelis would appreciate the role of a mediator concerning negotiations with Hamas. Turkey has already taken some steps towards initiating mediation and also Pugwash could play a role in bringing Hamas to the negotiation table.

Finally, the discussion extended to the existing and deep concern about the growing culture of dependency on external aid in Gaza. It was of course discussed that the situation in Gaza differs greatly from that in the West Bank, specifically because of the blockade, which is a very serious concern.
New Ideas and Proposals
The last part of the discussions was allocated to new ideas and proposals for moving forward in Israeli-Palestinian peace process. At first, the One-State solution was proposed which raised serious objections from both Israeli and Palestinian participants, considering it as an almost unfeasible solution. Subsequently, it was argued that the Two-State Solution for various reasons is the only viable and pragmatic proposal, most notably the very complicated body politic of both Israel and Palestine.

Further, it was discussed that the Two-State Solution is now acceptable to both Israelis and Palestinians and therefore any further negotiations should be based along these lines; the Arab initiative can be a good first step to this end. However, there exist some concerns about whether there is a consensus in Israel on moving towards this proposal or not. It is also very important to have a vision of what is the ultimate goal. Therefore, the main issue is whether or not the Two-State Solution can serve as a basis of negotiation for both sides, from which to move forward. In this context, it was noted that Israel should put forward a coherent and definite explication of its position on the Two-State Solution.

Another major point raised was that the United States must assume a key role in persuading Israel to reach a consensus on the Two-State Solution. The U.S. also has a role in attempting to recognize Palestinian negotiators through calling for elections and accepting the results even if they prove undesirable to them. Meanwhile, the United States must maintain a proactive role throughout the negotiations with a strict timeframe for the agreements to be put in place. Finally, it is very important for the United States to understand the connectivity between the countries and the issues within the region. Working on a grand strategy, which can accommodate this connectivity, is the key element in America effectively fulfilling its role.

Finally, it was agreed that it is crucial to let domestic and local welfare constructions take place with full support from the outside world. Meanwhile, it is very important to maintain parallel support for different levels of negotiations and construction. In this context, the international community can play a very significant role in helping Palestinians in the state-building process.
It is crucial to select the best mechanisms necessary for each stage of development and more importantly to carefully monitor those mechanisms in Gaza.