

# Palestinian PM submits resignation

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The Palestinian prime minister submitted his resignation to help pave the way for an elusive power-sharing deal between moderates and militants.

Salam Fayyad was appointed prime minister by Western-backed Palestinian president Mahmoud Abbas in June 2007 in response to the violent takeover of Gaza by the Islamic militant Hamas. Abbas and the Fayyad government control the West Bank, while Hamas continues to rule Gaza, despite a recent three-week Israeli military offensive there.

Fayyad's decision was meant as a confidence-building measure, ahead of the resumption of Palestinian reconciliation talks on Tuesday in Cairo. Negotiators from Hamas and Abbas' Fatah movement are trying to form a transition government that is to prepare for presidential and legislative elections by January.

Abbas said on Saturday he hoped a transition government could be formed by the end of March, suggesting power-sharing talks have moved into high gear, following failed attempts in the past. Fayyad's resignation 'comes to enhance and support the national dialogue to reach a national unity government', Abbas said.

Fayyad, 57, said he would step down after the formation of a new government, but no later than the end of March. However, Abbas aide Nabil Abu Rdeneh suggested Abbas could reappoint Fayyad if power-sharing talks fail.

Hamas seemed dismissive on Saturday, arguing that the Fayyad government had been unconstitutional from the start.

'This government did not work for the sake of the Palestinians, it worked for its own agenda. This end was expected for a government that was illegal and unconstitutional,' said Fawzi Barhoum, a Hamas spokesman in Gaza.

Fayyad, a respected economist and a political independent, had won widespread international support as prime minister. He carried out government reforms, including making government spending more transparent and deploying Palestinian security forces in former militant strongholds in the West Bank.

The support for the US-educated Fayyad translated into massive amounts of foreign aid for the Palestinians. In 2007, donor countries pledged \$US7.7 billion (\$A12 billion) over three years for the Fayyad government. Last week, another pledging conference, convened in the wake of Israel's Gaza offensive, yielded \$US5.2 billion (\$A8.2 billion) over two years.

It was not immediately clear whether the pledges would be affected by a change in the Palestinian government. Donors had said at the pledging conference much of the aid would be funnelled through the Fayyad government.

Fayyad said on Saturday he was hoping to pave the way for a unity government. 'This step comes in the efforts to form a national conciliation government,' Fayyad said.

Hamas officials, meanwhile, suggested in the event of a power-sharing deal, elections could be put off for several months, beyond January, as the two sides try to improve their standing with voters. The officials spoke on condition of anonymity because the proposal is informal and hasn't been raised in unity talks yet.

The political split between Abbas and Hamas broke out into the open in January 2006 when Hamas won parliament elections, defeating Fatah, which had dominated Palestinian politics for decades. Arab mediators repeatedly attempted to bridge the gaps, but failed, and Hamas seized power by force in Gaza in 2007. In response, Abbas fired Prime Minister Ismail Haniyeh of Hamas and replaced him with Fayyad, while Israel and Egypt responded by closing Gaza's borders.

Last year, Abbas conducted peace talks with Israel, but the negotiations ended without progress.

The rival camps appear to have stronger reasons now to reach a power-sharing deal. A negotiated deal with Israel seems out of reach, particularly now that a right-wing government is about to be formed in Israel. Hamas, meanwhile, survived Israel's Gaza offensive, but has failed to get the border blockade lifted.

In other developments, a member of an Islamic Jihad rocket squad was killed and two others were wounded in northern Gaza in what a Palestinian medic said was an Israeli airstrike.

However, the military said it did not carry out any operations in Gaza.

The Islamic Jihad squad was targeted as it fired rockets toward Israel, according to Palestinian health official Dr Moawiya Hassanain and Islamic Jihad spokesman Abu Ahmed. The Israeli military confirmed at least five rockets were fired from Gaza toward Israel on Saturday, causing no injuries or damage.

Israel and Gaza's Hamas rulers separately declared a ceasefire on January 18, after the Israeli offensive. However, talks on a durable truce have hit a snag, and rocket fire and airstrikes continue.

Islamic Jihad, far smaller than Hamas, is most involved in rocket fire.