



Israel's Victory, While Costly, Legitimized the Deal of the Century

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EXECUTIVE SUMMARY: After fighting for two blood-soaked years and paying a heavy price during the Swords of Iron War (the War of Revival), Israel has succeeded in achieving major military and diplomatic gains. The most significant are the restoration of Israeli deterrence by forcing the aggressor to suffer grievous losses and the major diplomatic achievement of UN Resolution 2803. This resolution grants, for the first time, legitimate status and a path to resolving the Israeli-Palestinian conflict based on President Donald Trump's "Deal of the Century." The plan has a realistic chance of being implemented while upgrading the existing status quo. It does not negate the establishment of Jewish settlements in the West Bank and even allows Israel, under certain conditions, to annex up to thirty percent of the territory. Thus, Hamas, which presents itself as a national-Islamic liberation organization, has effectively led the Security Council to recognize the possibility of Israeli annexation of a significant portion of Judea and Samaria.

Operation Al-Aqsa Flood (*Tufan al-Aqsa*) or the Swords of Iron War (the War of Revival) is increasingly viewed as an Israeli victory, both militarily and diplomatically. The war that broke out on October 7 led to the collapse of the "ring of fire" surrounding Israel, which was composed of non-state actors: Hezbollah in Lebanon, Hamas and Islamic Jihad in Gaza, the Houthis in Yemen, Shiite militias in Iraq (the Popular Mobilization Forces, Kata'ib Hezbollah, etc.), and Bashar al-Assad's Syrian army. To these forces one must add the Islamic Republic of Iran, which supported and funded them.

The Iranian security doctrine viewed these organizations as a vital defensive and offensive belt, and in the decade following 2014, Israel was deterred as never before. In Iran's view, the combined military power of the proxies surrounding Israel had reached a strategic balance with that country due to their missile, UAV, and drone capabilities. But only a little over two years after the outbreak of the Swords of Iron War, the October 6 reality has vanished completely and a new reality obtains.

Bashar al-Assad's Syrian army has collapsed and the dictator has fled. Israel has captured the entirety of Mount Hermon and maintains fire and observation control over a significant part of southern Syria (an area of approximately 440 sq km). The Hezbollah of January 2026 is far from the formidable organization that once possessed some 150,000 warheads aimed at Israel. Many of its operatives are now dead, including some who were legends in the Arab world, such as Sayyed Hassan Nasrallah, Hezbollah's Secretary-General. Israel controls strategic points inside Lebanon and readily responds to the ceaseless violations of the ceasefire. A significant portion of the villages in southern Lebanon are in ruins. The Houthis in Yemen suffered severe blows that disabled their air- and seaports for periods of time and caused them many casualties. Iran, the sponsor of these terrorist organizations and the state that contributed more than any other to the outbreak of the war, is mired in grave internal troubles. The "12 Days' War" in June 2025 significantly weakened Iran's army and damaged its nuclear facilities. Its internal situation is extremely volatile, and it is unclear whether the regime will survive.

With all that said, the most interesting question is what has happened and is continuing to happen in Gaza.

During the war, over 70,000 people were killed in the Gaza Strip (according to the Hamas Ministry of Health). According to the IDF, over 23,000 of the dead were terrorists—a ratio of between 1:3 and 1:4 in terms of urban warfare. Most homes in Gaza are destroyed. The main objectives of the war in the Gaza Strip were the return of all hostages to Israel and the dismantling of Hamas's military capabilities. In these senses, Israel met its goals almost entirely. All hostages, alive and dead, have been returned to Israel. Hamas lost a significant part of its military power. Its rocket fire capabilities, which were its main source of pride before the war, have been almost completely wiped out. Its central military commanders, including many who were legends in Palestinian society—such as Mohammed Deif, Marwan Issa, Yahya Sinwar, Mohammed Sinwar, Raad Saad, Ahmed Ghandour,

and others—were eliminated. Ismail Haniyeh and Saleh al-Arouri, heads of Hamas's Political Bureau, were eliminated one after another in January 2024 and July 2024. Sinwar, who replaced Haniyeh as head of the Bureau, was eliminated in October 2024. (A tense campaign is underway within Hamas to appoint the next successor to lead the Political Bureau, which is now jointly managed by Khalil al-Hayya and Khaled Mashal.)

These results show that while Israeli deterrence failed miserably at preventing the war, deterrence was restored by exacting a very heavy price from the elements that started it—primarily Iran and the proxy organizations it had arrayed to threaten Israel's existence. Israeli doctrine today is deterrence by destruction.

On October 10, 2025, a ceasefire agreement between Israel and Hamas came into effect, ending the two-year war. The agreement is based on President Trump's Twenty-Point Plan, which was approved by UN Security Council Resolution 2803 on November 17, 2025. The resolution is dramatic. Clause 2 affirms that the UN Security Council welcomes the establishment of a Peace Council and a transitional government including international figures to develop and reconstruct the Gaza Strip, until such time as the Palestinian Authority satisfactorily completes its reform program *as reflected in various proposals, including the Trump Peace Plan of 2020* (author's emphasis). Clause 9 says the Peace Council, to be headed by President Trump, will be the body to approve the Palestinian Authority's compliance with its obligations in accordance with assorted proposals, *including President Trump's Peace Plan of 2020* (author's emphasis). This is the first reference by the UN Security Council to President Trump's 2020 peace plan.

The resolution grants this plan, also known as the "Deal of the Century" (*Peace to Prosperity: A Vision to Improve the Lives of the Palestinian and Israeli People*), a legitimate and binding international status. While President Trump's Deal of the Century supports a two-state solution, it is a version that Trump defines as "realistic." The Deal of the Century sets clear conditions for the Palestinian Authority, including abstention from unilateral international measures against Israel. The plan offers clear economic advantages to the Palestinians, including an investment of approximately \$50 billion over ten years to improve the Palestinian economy and standard of living. The plan also ensures that 97 percent of Palestinians will be under Palestinian sovereignty. The plan was arbitrarily rejected by the Palestinians and was not recognized at any international forum until Resolution 2803.

The Deal of the Century was fiercely rejected by almost all Arab states and the Palestinian Authority due to its realism. The proposal stipulates that responsibility for borders will remain in Israel's hands. It allows Israel to officially and legally annex settlements and the Jordan Valley (about 30 percent of the West Bank territory); recognizes the possibility of border adjustments along the "Triangle" villages, such as Tayibe, Qalansawe, Tira, and others; and determines that Palestinian Jerusalem will be established in the Palestinian area from Kafr Aqab to Abu Dis and not in united Jerusalem, which will remain the capital of Israel.

The Deal of the Century also concludes the issue of Palestinian refugees and accepts the Israeli claim of symmetry between the suffering of the approximately 800,000 Jewish refugees from Arab countries and the Palestinian refugees of 1948. Few Palestinian refugees in Arab countries and elsewhere will be allowed to return, except for a small number, but will receive compensation. Following the signing of the peace plan by the Palestinians, UNRWA will be effectively dismantled, and the Israeli-Palestinian conflict, at least regarding legal claims, will end.

Granting legal legitimacy to the Deal of the Century in a binding UN Security Council resolution erodes the legal validity of Security Council Resolution 2334 of December 23, 2016, which came into being during the administration of Barack Obama. In the 2016 proposal, the settlements are explicitly labeled "illegal and a flagrant violation under international law." Resolution 2334 considers the two-state solution to be based on Resolutions 242 and 338, which called on Israel to withdraw from territories occupied in 1967. The current resolution, 2803, grants President Trump's Deal of the Century legitimate status and explicitly refers to it as a basis for a stable and lasting peace. In so doing, it grants international legitimacy to the settlements that will remain under Israeli sovereignty within the framework of the Deal of the Century.

It is no wonder that Hamas is very displeased with the decision to end the war, to which it was forced to agree through pressure from a significant portion of the Arab states. Were it not for Hamas's state of desperate military weakness, and the failure of the Iran-led "axis of resistance" to achieve its goals during the war, the decision would not have been made. Russia and China, which abstained during the vote, would have cast a veto – as they have done several times – to prevent the resolution from passing. Hamas's website claims that the severe humanitarian disaster in Gaza left it no choice but to agree to the ceasefire and Trump's Twenty-

Point Plan. Hamas likely hoped, in agreeing to sign, that it would manage to change some of the ceasefire's terms, such as the demand for its own disarmament.

At this stage, it is unclear how the ceasefire imposed on Hamas will be implemented. The first stage, of releasing prisoners and returning all the living and deceased hostages to Israel, ended this week with the return to Israel of the body of Ran Gvili. The future of the next stages is shrouded in fog.

What we do know is that even if the Twenty-Point Plan is fully realized, Israel will withdraw to a perimeter security zone within the Gaza Strip, and the Palestinians will lose more territory than was ostensibly "liberated" following the 2005 disengagement from Gaza. Hamas, an organization created with the explicit purpose of conquering Israel and establishing a Palestinian state on its territory, not only failed to achieve its goal but caused Israel to receive a degree of important international legitimacy to implement its settlement policy in accordance with Donald Trump's peace plan.

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