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MIDDLE EAST PEACE PROCESS**

**BRIEFING TO THE SECURITY COUNCIL
ON THE SITUATION IN THE MIDDLE EAST
18 September 2008**

Mr. President,

1. Ten months after negotiations were re-launched at Annapolis, and with just over three months until the end of the year, the Middle East peace process stands at a crossroads. While there are some positive developments, there are also several factors that cause concern. The important period ahead must see decisive advances towards peace.
2. Bilateral negotiations between Israel and the Palestine Liberation Organization have continued. Israeli Foreign Minister Livni and Palestinian Chief Negotiator Qureia met in the presence of Secretary of State Rice on 26 August. President Abbas and Prime Minister Olmert met on 31 August and again on 16 September, in advance of Prime Minister Olmert's anticipated departure from office. It appears so far that no agreement has been reached on the core issues. However, it also appears that there have been substantive discussions, the potential of which must be built on with a continuation of intensive negotiations.
3. Yesterday, Kadima party members elected current Foreign Minister Livni as its new leader, who has announced her intention to form a new Israeli government. We look to an urgent continuation of the negotiations, and for all parties to honour their Annapolis and Road Map commitments.

Mr. President,

4. Notwithstanding the prevailing uncertainties surrounding the political process, the largely unsung success story is the gradual but systematic process of Palestinian self-empowerment that has taken place in the West Bank under the leadership of President Abbas and Prime Minister Fayyad. These Palestinian efforts are incomplete and imperfect, and face many obstacles – but they are real. They reflect a determination to build the institutions of a future Palestinian State despite the unresolved conflict.
5. The Palestinian Authority continues to make real strides in the implementation of its security plan. This includes action against militants in accordance with Phase One Road Map obligations. I visited Nablus at the end of August and saw how stability and a degree of normality have returned to the city. Several militant groups have disbanded and armed men have left the streets. Smuggling has been severely curtailed. Law and order has returned, and with it, the beginnings of a

resurgence of economic life. This pattern is apparent in many other cities and towns the PA administers in the West Bank as well.

6. During the reporting period, for example, PA police raids near Hebron led to the arrest of 55 Palestinians on charges of drug and weapons smuggling, and Prime Minister Fayyad has informed me that further improving security conditions in Hebron is a high priority for his government. Donors are demonstrating their support for the PA's efforts: this month a joint agreement was concluded between Germany and the PA to establish 55 new police stations in the West Bank.
7. Pursuing its reform and development plan, the PA has made notable gains in other areas as well, including public finance and initiation of micro-finance. Budget and planning procedures are being further integrated. These efforts will be highlighted when the Ad Hoc Liaison Committee meets on 22 September. Significant hurdles remain, however. World Bank and IMF reports describe a stagnant economic climate as a result of continued movement and access restrictions. The PA also faces a looming liquidity crisis with neither enough funds nor borrowing capacity to pay salaries unless additional budget support is secured in October. Despite recent transfers of donor funds, the previously reported fiscal gap of about \$400 million for the last quarter of 2008 persists. We urge donors who have yet to fulfill their pledges to do so urgently.

Mr. President,

8. A reflection of improved security is that the casualty rate from violent clashes this past month is one of the lowest in recent years. There were, however, several clashes, leaving two Palestinians, including one child, dead and 128 Palestinians injured, 84 of them children, in addition to eleven Israelis injured during the reporting period, including one child. Thirty percent of the Palestinians injuries occurred from tear gas and rubber-coated metal bullets fired during anti-Barrier protests in Ni'lin and Bil'in villages.
9. I am pleased to note that the Government of Israel released 198 Palestinian prisoners on 25 August as a goodwill gesture to President Abbas prior to the start of Ramadan. The IDF dismantled a manned checkpoint in the central West Bank, thereby allowing over 40,000 Palestinians living in an enclave surrounded by the Barrier to travel to and from Ramallah without delay.
10. However, over 600 obstacles to movement remain across the West Bank together with a weekly average of 65 random "flying" checkpoints. The action taken to ease closure to date is not enough to enable the PA's security and economic efforts. Quartet Representative Blair highlighted the need for checkpoints to work effectively, ahead of their eventual removal, on his recent visit to the region, and it is clear that insufficient progress had been made in this regard. In an illustration of the problems that persist at checkpoints, a baby was stillborn at a checkpoint on

4 September. Her mother, who was in premature labor, had been kept waiting for over an hour by IDF soldiers whilst trying to reach a hospital in Nablus.

Mr. President,

11. Settler violence intensified this month, with a gang of armed Israeli settlers from the settlement of Yitzhar attacking a Palestinian village on 13 September, firing at residents and destroying and vandalizing property and agricultural land. We note the Israeli government's condemnation of this lawless violence, which cannot be justified by the earlier attack in the settlement by a Palestinian man, which left an Israeli child injured. However, credible action to bring perpetrators of such crimes to justice has been lacking, and is essential.
12. Settlement activity continues to take place across the West Bank and East Jerusalem. Construction is ongoing in the majority of approximately 120 settlements on both sides of the barrier. A further tender was announced on 7 September for 32 more units in Beitar Illit in the Gush Etzion bloc adjacent to Bethlehem. Today, Israeli security forces reportedly evacuated settlers from the settlement outpost of Yad Yair in the West Bank.
13. The Secretary-General has repeatedly stated that all settlement activity in the occupied Palestinian territory, including East Jerusalem, is contrary to the Fourth Geneva Convention and Israel's commitments under the Road Map and the Annapolis process. His repeated calls, and those of the Quartet as a whole, have not brought about significant action. Rectifying this unacceptable situation should be the urgent priority of any new Israeli government.
14. Palestinian institutions in East Jerusalem remain closed by Israeli order, contrary to the Road Map. Barrier construction continued around East Jerusalem and within the West Bank in deviation from the Green Line and contrary to the advisory opinion of the International Court of Justice.
15. The Secretary-General is closely monitoring developments concerning the site of the Maghrabi Gate in the Old City of Jerusalem and encourages all parties to cooperate in the ongoing process under the auspices of UNESCO and refrain from any unilateral measures.

Mr. President,

16. I turn to the situation in Gaza, where the United Nations continues its efforts to address the complex humanitarian, human rights, political and security factors underlying the ongoing crisis.
17. The one area where there is positive news is security: the ceasefire has continued to hold during the reporting period. Hamas has made efforts to prevent the launching of rockets and mortars into Israel and during the reporting period two

rockets and one mortar were launched. No IDF incursion or airstrike was reported during this period; the IDF has responded to isolated rocket fire by closing crossings for a period. One Palestinian was injured by IDF fire in southern Gaza.

18. On all other fronts, there is little positive to report. The humanitarian situation is extremely grim, given continued closure. The Rafah crossing was open for two days at the end of August and patients and business men with permits are allowed through Erez crossing. Otherwise, movement into and out of the Strip remains largely restricted. During the reporting period, imports decreased by 21% compared with the previous four weeks. Whilst the amount of truckloads carrying cement almost doubled, it still represents a small percentage of market demands. The import of all types of fuel remains below previous levels, particularly for diesel and petrol, which disrupts the provision of basic services such as electricity and water.
19. UN priority projects in Gaza, which the Secretary-General has raised with Prime Minister Olmert, remain stalled as a result of the shortage of materials in the Strip. Other vital commodities, such as spare parts needed for the maintenance of the public health and water infrastructure sectors, raw industrial materials, furniture, electronics and school uniforms, have been allowed into Gaza in very limited quantities. The shortage of raw materials, combined with the total ban on exports, has kept more than 95% of Gaza's local industry closed. We continue to support all efforts to bring about the controlled opening of the crossings through the presence of the Palestinian Authority.
20. Hamas' actions are compounding the problems facing Gazans, increasingly divorcing Palestinian institutions from the Palestinian Authority itself, and interrupting basic service delivery. Following Hamas decisions to replace head and deputy head teachers with Hamas-affiliated staff and reallocate thousands of teachers to new schools, a teachers' strike has led to major disruptions in the education sector since the start of the new academic year on 24 August. On 30 August, health workers joined the strike after the dismissal of a number of employees, forcing hospitals to postpone elective surgery and many health centres to close or suspend services. There are reports of Hamas marching doctors to their hospitals at gunpoint to ensure continuity of critical services. Despite the active efforts of my office to resolve this crisis for the welfare of the population, so far Hamas' unwillingness to restore the status quo ante is blocking a resolution.
21. Palestinian inter-factional violence during the reporting period resulted in the death of 14 people, including two children, and the injury of another 52. Most of the casualties occurred on 15 and 16 September in Gaza City, during armed clashes between security forces and militants affiliated with the Hamas authorities and members of one armed clan, after a member of the clan was held responsible for the killing of a Hamas policeman.

22. It is clear that the only way to begin addressing the overall crisis, and indeed to lay the basis for a two State solution, is for Gaza to be peacefully reunited with the West Bank within the framework of the legitimate Palestinian Authority in a manner which allows the peace process to advance. In this context, Egypt has started a consultation process with each of the Palestinian factions to formulate a proposal that could serve as a common national platform, and Egypt's efforts were strongly supported at the Foreign Ministers' meeting the League of Arab States held in Cairo on 9 September. The United Nations strongly welcomes and supports this important initiative.
23. We also continue to support Egypt's efforts to secure the release of Israeli Corporal Gilad Shalit, now in his 25th month of captivity, and a number of Palestinian prisoners, on which no progress has been reported.

Mr. President,

24. The United Nations continues to support efforts underway to further negotiations between Israel and Syria. We note with interest the four way summit held in Damascus on 4 September among Syria, France, Turkey and Qatar in support of the political process. While no further rounds of indirect talks have been held in the reporting period, we hope that these will be resumed as soon as possible. The situation in the occupied Syrian Golan remained quiet during the reporting period although Israeli settlement activity is ongoing.
25. Let me now turn to developments in Lebanon where both efforts to establish dialogue and security incidents continue to occur.
26. President Suleiman chaired the first session of the national dialogue on 16 September to discuss a national defence strategy. The next session is scheduled for 5 November. We welcome this process and encourage all parties to approach this dialogue in a spirit of cooperation and to exert every effort towards a positive outcome.
27. In the presence of Prime Minister Siniora, representatives of the Sunni and Alawite communities in the northern city of Tripoli signed on 8 September a reconciliation agreement aimed at halting armed clashes in the city, which have claimed the lives of 23 people since May.
28. On 29 August, the Government appointed Brigadier-General Jean Qahwaji as Commander of the Lebanese Armed Forces. The United Nations looks forward to working closely with him.
29. Despite these positive developments, the security situation remained precarious. On 28 August, Army 1st Lieutenant Samer Hanna was killed when his helicopter was fired upon over Sojoud Hills in south Lebanon. Hizbullah admitted responsibility for the incident and surrendered one of its members to the judicial

authorities. The Military Prosecutor has opened an investigation into the incident. On 10 September, Saleh Aridi, a member of the Lebanese Democratic Party, was killed by an explosion that tore through his car. The Secretary-General and the Council condemned the attack.

30. Clashes in the Beka'a valley and renewed fighting in the Palestinian refugee camp of Ain el-Helweh took place on 16 September. The day before, several explosions occurred in different areas of Beirut. Fortunately, there were no casualties. On 17 September, two people were killed in Bsarma, Northern Lebanon, when rival Christian groups clashed.
31. The situation in the UNIFIL area of operations remained generally quiet. On 6 September, the Israel Defence Forces apprehended south of the Blue Line a Lebanese civilian carrying a pistol who had been involved in a drug smuggling operation. Israeli police also apprehended south of the Technical Fence three Israeli citizens involved in the same operation. Israel's air violations continued on a daily basis throughout the reporting period.
32. In the first days of September, the Lebanese Armed Forces undertook a temporary redeployment of troops from southern Lebanon in order to address security concerns in and around the northern city of Tripoli. Having informed UNIFIL in advance, the Lebanese Armed Forces redeployed one light infantry brigade to the north of the country. Meanwhile, the majority of troops that had been redeployed north previously were returned south. Coordinated activities between the Lebanese Armed Forces and UNIFIL continue in the area of operations.
33. President Abbas visited Lebanon on 28 and 29 August for the first time since 2005. President Abbas met President Sleiman, Prime Minister Siniora and with members of all Lebanese factions and religious leaders in a positive and important step forward in Palestinian-Lebanese relations.

Mr. President,

34. In the coming days, a number of important meetings hosted by the Secretary-General will take place to review the peace process and chart the way ahead: the Ad Hoc Liaison Committee meets next Monday, the Quartet meets on 26 September, and Quartet members will also attend an *iftar* with Arab partners.
35. The Secretary-General will be doing all he can to ensure that these meetings consolidate the gains made and address areas where more must be done, in terms of the Israeli-Palestinian negotiations themselves, efforts to achieve Palestinian reconciliation, the all important situation on the ground in both the West Bank and Gaza, and the broader regional picture. We must continue to strive for agreement on all core issues in accordance with the agreed timeframe of Annapolis. Based on this framework and the decisions taken at the last Quartet meeting in May, the Quartet will discuss the way ahead and next steps in international support for the process when it meets next week.

36. The Secretary-General will continue to work to secure the implementation of international law and Security Council resolutions in order to achieve the vision of two states living side by side in peace and security and a just and lasting, comprehensive regional peace in the Middle East.

Thank you, Mr. President.