Since the last briefing to the Security Council by Mr. Turk on 22 August, the humanitarian situation in the occupied Palestinian territory has continued to deteriorate. In response to the dramatic decline in living conditions, the Secretary-General dispatched Ms. Catherine Bertini as his personal humanitarian envoy to review the situation.

Until two days ago, there had been six weeks of relative calm in Israel itself, although Israeli military operations resulted in a number of Palestinian civilian deaths during this time, strongly deplored by the Secretary-General in a statement of 4 September. This week, we have seen two suicide attacks inside Israel and a bomb blast in a Palestinian school; there have also been meetings of the Quartet. I will begin this briefing with the Quartet's activities.

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On Tuesday 17 September, the Quartet principals held three meetings: Quartet only; Quartet plus five Arab ministers; and Quartet plus representatives of the two parties (Shimon Peres and Nabil Shaath). This was followed by a communique, which members of the Council will have seen.

The meetings focused on the humanitarian situation, security issues, institutional reform, and political process. There was a common understanding that these issues are all closely linked and that, for example, neither the security problem nor the humanitarian crisis can be fully solved without a political solution.

Members of the Quartet expressed great concern about the humanitarian situation, and the finding in Ms. Bertini's report that the crisis might spiral out of control within months. Fifty per cent of the population are now dependent on food hand-outs from UNRWA or WFP, while malnutrition and water-borne diseases are spreading.

The latest UNSCO socio-economic report, which will be released later today, shows that unemployment is now around 50%; poverty levels have reached 70% in Gaza and 55% in the West Bank; while income losses are estimated at $7.6 million a day, meaning a total loss of $3.3 billion since October 2000. On top of this, the Palestinian Authority is facing a fiscal crisis; this month, for instance, the cost of PA operations and supplies stands at $90 million, while the total resources available are less than $55 million.

Members of the Quartet underlined to the Israeli delegation the problems of access and movement within the occupied territory - further, how closures adversely affected Palestinian security training, humanitarian delivery and the ability of the Palestinian Authority and civil society to discuss and implement reform, including the holding of elections, which the Palestinian Authority has called for 20 January 2003.

It was also pointed out that the past six weeks had seen noticeable quiet from the Palestinian side (this was, of course, before the two suicide bombs of yesterday and the day before), despite many actions undertaken against Palestinians during the same period.

On reform, members of the Quartet agreed that progress had been uneven at best, though there were promising signs, especially in the area of financial transparency. Ultimately, the credibility of reform depends on Palestinians seeing improvement in both living conditions and political prospects.

The Secretary-General told the parties that, in spite of high-level assurances of increased Israeli cooperation with humanitarian agencies, officials of these agencies are reporting only marginal improvements on the ground. The bottom line is that there can be no real progress on the humanitarian front if Israel does not alter its system of security, which, while based on entirely legitimate and understandable concerns, is hurting an increasingly significant portion of the Palestinian population.

To move forward on the humanitarian and development challenges, a UN mission, involving key agencies working closely with UNSCO and UNRWA, will be dispatched to the region to develop a detailed plan. This plan will be assessed at a UN-facilitated meeting involving UN agencies, donors and multilateral institutions, prior to a ministerial-level donors meeting in December.

The Secretary-General stressed to the Quartet, the regional actors, and the parties themselves that it was important to move forward - now more than ever. The increased tension in the region produced by the Iraqi issue increase still further the importance of rapid positive movement on the Israeli-Palestinian track.
As expressed in the communiqué, members of the Quartet were in agreement over a three-phase plan of action or roadmap for achieving a two-state solution within three years. This plan must be performance-driven, but also hope-driven. The Palestinians need to feel hope to enable further progress, just as the Israelis need to feel secure.

Since there is such a lack of confidence between the parties, forward movement will be monitored and assessed by a third-party mechanism to be established by the Quartet. The Quartet principals instructed their envoys to work on operationalizing this mechanism, and other aspects of the roadmap, in the coming weeks.

The Quartet believes that an important step could be a declaration of statehood with provisional borders, should the Palestinians opt for this, as early as possible in 2003. This would be endorsed by Quartet conditional on its assessment of the reform process.

The Quartet also intends to make it clear to the Israelis that they must take immediate steps to allow far greater freedom of movement for Palestinians and goods, withdraw from self-rule areas reoccupied since October 2000, end targeted killings and freeze settlement activity.

All this would be followed by permanent status negotiations in the third phase of the plan (2004-mid 2005), and an international conference that would address all tracks of the peace process for a truly comprehensive peace. The Quartet emphasized, both to the regional actors and to the parties, that it could not move forward alone. As the Secretary-General told the parties, action by both on all subjects - humanitarian, security, reform and political process - was essential. The world was counting on them to take mutual and parallel actions.

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Tuning to the situation on the ground, members of the Council will be aware of a deeply unfortunate upsurge of violence in Israel, the West Bank and Gaza in recent days.

On 17 September there was a bomb blast in a Palestinian school near Hebron. Five pupils were wounded and Israeli police suspect the involvement of Jewish extremists. This is the third incident of this nature this year. On 18 September, two Palestinians were killed and 21 wounded in a series of IDF operations across the West Bank and Gaza.

In addition, a suicide bomber the previous day blew himself up in Umm el Fahm killing an Israeli policeman. On 19 September, a Palestinian suicide bomber in Tel Aviv killed five Israelis and wounded 40. These are repugnant and tragic events which the Secretary-General has condemned unreservedly.

The past weeks also witnessed a number of IDF operations including widespread arrests and ongoing assassinations, as well as a tightened closure regime and curfews. According to OCHA, these curfews confine, on average, almost half a million Palestinians in more than 20 cities and towns to their homes, sometimes for days at a time. Yesterday, troops fired into a crowd of schoolchildren protesting a curfew in El Amari refugee camp in Ramallah, killing a 9 year-old boy.

In the month leading up to 17 September, 56 Palestinians were killed by Israelis, and five Israelis killed by Palestinians. Nevertheless, the period of 4 August-18 September was the longest without a suicide bomber since November 2000. In this time we also saw sustained introspection on the Palestinian side concerning the utility of violence. Yesterday, the IDF once again encircled President Arafat's offices in Ramallah, once more carrying out major demolitions. The siege of his office continues today.

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The issue of reform continues to be an important one, with progress to date especially in the financial area. Palestinian legislators are awaiting the appointment by President Arafat of a new Cabinet, following the resignation last week of the current government under threat of a no-confidence vote. Many are also calling for the appointment of a Prime Minister. The security situation continues to undermine reform efforts; yesterday's incursion and the renewed isolation of President Arafat's compound undoubtedly weaken the position of those working for major reform.

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Tuning now to the issue of southern Lebanon. A four-month period of, what could be termed, 'tense stability' was shattered on 29 August when Hizbollah launched an attack against IDF positions in the Sheba farms, killing a soldier and wounding two others.
More recently, tensions have been raised considerably over a looming water crisis. Lebanon is currently undertaking a water project to draw water from the Wazzani Springs. The government has stated repeatedly that it is fully entitled to draw increased amounts of water from its own sources.

Israeli concerns have centred on what it calls the unilateral manner in which Lebanon is undertaking the project and on the perceived potential impact on water flow into Israel. The absence of accurate technical data on the nature and scope of the project has served to heighten tension. The need to obtain independent, technical information has been the focus of all concerned in trying to defuse tensions surrounding this issue.

Two US water experts have been dispatched on a technical, fact-finding mission to the area, in consultation with the Israeli and Lebanese sides. The United Nations has been urging both parties to show restraint. The Israeli Government should refrain from the threat of force. The Government of Lebanon has also been urged on several occasions by all concerned, including the United Nations, to provide promptly a detailed report on current water projects in south Lebanon. Thus far, no documentation has been received.

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To conclude, Mr. President, and returning to the subject of the Quartet meetings, there need to be a number of steps taken by both the Israelis and the Palestinians in several areas. Improved security performance and humanitarian delivery are essential, but it will not be possible to sustain progress in either field without parallel movement in the political area. "Security first", as the Secretary-General has said so often, is never going to work in the Middle East. Steps need to be taken not on a sequential basis, but in parallel and with reciprocity.

The roadmap on which the Quartet principals instructed their envoys to flesh out in the coming days needs to be based on performance, but it must also be founded on hope. One without the other will bring nothing but a continuation of the impasse.

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