

**MR. B. LYNN PASCOE, UNDER-SECRETARY-GENERAL
FOR POLITICAL AFFAIRS**

**BRIEFING TO THE SECURITY COUNCIL
ON THE SITUATION IN THE MIDDLE EAST
22 JULY 2008**

Mr. President,

During a month that saw a number of encouraging developments across the Middle East, we are particularly heartened by the progress in Lebanon, where a major step forward was taken with the announcement of a national unity Government. It is also positive that the indirect talks between Israel and Syria continue. In Gaza, the ceasefire has held and there was a marked decline in violence. We are concerned, however, about the lack of improvement in the situation on the ground in the West Bank.

The political process begun at Annapolis continues, with regular meetings and discussions of the core issues taking place at various levels both in the region and elsewhere. Prime Minister Olmert and President Abbas held a meeting on the margins of the Paris Summit for the Mediterranean on 13 July. They underscored their determination to make progress and reach an agreement. However, some gaps reportedly remain significant, and in discussions with Prime Minister Olmert and President Abbas in Paris, the Secretary-General emphasized the need to press ahead with bilateral talks with the goal of overcoming all outstanding differences. It is nevertheless encouraging that today, for the first time, Israeli President Peres hosted President Abbas in his Residence in Jerusalem.

In Gaza and Israel, the security situation has improved as the Egyptian-mediated cease-fire that entered into effect last month has generally been upheld. During the reporting period, one Palestinian civilian was killed by the Israel Defence Forces near the Gaza-Israel border and two others were injured. Palestinian militants fired seven rockets and ten mortars at Israel, which resulted in no casualties. No IDF air strikes or incursions were reported. Hamas is communicating to the public in Gaza its support for the calm and has detained individuals involved in firing mortars. However, nine Palestinians were killed and 29 injured by internal violence, reckless handling of weaponry and of tunnel collapses along the Gaza-Egypt border.

Building on the ceasefire, Egypt continues to work on an agreement to exchange the captured Israeli soldier, Gilad Shalit, for a number of Palestinian prisoners currently held by Israel. The ICRC has still not been provided with access to Corporal Shalit after more than two years in captivity.

Mr. President,

I am pleased to report that the number of truckloads entering the Gaza Strip through Sufa and Karni crossings increased by 54% during the four weeks following the ceasefire, compared to the month before. Imports of cement increased substantially and met Gazan requirements for the reporting period. There has also been a slight increase in the import of non-food commodities. We welcome this improvement, but

note that current import levels stand at approximately 30% of the level before June 2007. The continued lack of many raw materials, and prohibition against exports, precludes any significant economic recovery. Approximately 95% of local industrial establishments remain closed.

On 17 July, Israeli officials informed their counterparts in the Palestinian Authority that they would increase the amount of fuel being allowed into Gaza. This is encouraging and necessary, as the amount of fuel has remained substantially lower than the actual needs. Between 27 June and 20 July, only 17% of daily needs of petrol; 57% of diesel, 40% of cooking gas and 81% of industrial gas requirements were met. The Gaza Electricity Company continues to operate at less than 70% of its full capacity. The hardships caused by this policy have been reported in past briefings.

Special Coordinator Serry visited the Gaza Strip on 10 July to explore suitable ways to resume stalled projects, including United Nations' projects, as requested by the Quartet. The UN has asked the Government of Israel to facilitate the resumption of priority projects as a matter of urgency and Prime Minister Olmert, in his discussions with the Secretary-General, has undertaken to consider this matter carefully.

President Abbas continued wide-ranging consultations on the basis of his 5 June speech which called for national dialogue to implement the Yemeni initiative. Both the Secretary-General and Special Coordinator Serry have underlined their support for President Abbas's initiative for progress towards the goal of reunification of the Gaza Strip and the West Bank within the framework of the legitimate Palestinian Authority. The members of the League of Arab States will have a leading role to play in facilitating such efforts.

Mr. President,

As efforts continue to solidify the ceasefire in Gaza, it is critical to accelerate progress on the ground in the West Bank. In this connection we note with concern that Israeli forces have stepped up their military operations throughout the West Bank since 19 June. The IDF closed down and seized equipment of alleged Hamas-affiliated institutions in Nablus, including schools, medical centers, media outlets and civic associations. Israel also outlawed 36 international non-governmental organizations, charging them with fundraising for Hamas. Israeli troops raided the Nablus municipality and arrested elected Palestinian Authority officials, and ordered the closure of Nablus' main shopping mall.

Palestinian Authority officials, including Prime Minister Fayyad, have criticized these operations as undermining the economy and the Authority's effort to improve security in the West Bank. Palestinian security forces have continued their efforts to impose law and order and to disarm and arrest militants, in compliance with Palestinian obligations under Phase I of the Road Map. We are concerned about the effects of Israeli raids on the efforts of Palestinian security forces to operate effectively in areas under their control.

Mr. President,

On the second of July, three Israeli civilians, including two women, were killed and 30 others injured, when a Palestinian from East Jerusalem used a bulldozer to attack vehicles in West Jerusalem. The Secretary-General condemned this attack. This morning, as I am sure you are all aware, a similar attack took place again, resulting in the injury of 2 Israelis.

Meanwhile, in the West Bank, three Palestinians, one a civilian, were killed by the IDF, and 136 others were injured, including at least 22 children. Most of the injuries occurred during anti-barrier demonstrations, and were caused by rubber bullets and tear gas. On three occasions since mid-June, Israeli settlers are reported to have fired a total of six rockets towards the Palestinian villages of Burin, southwest of Nablus. On 12 July, Israeli police arrested a settler suspected of manufacturing and launching these projectiles and seized explosives and weapons in the settlement of Yizhar. Subsequently, on 21 July, another rocket was fired from the settlement.

Construction activity in Israeli settlements across the West Bank, including in East Jerusalem, has continued in the reporting period, and on 3 July, it was reported that Defense Minister Ehud Barak approved construction for a new building in the Beit Romano settlement in Hebron's old city. As the Secretary-General has stressed many times before, Israeli construction in settlements in the occupied Palestinian territory is contrary to international law and contrary to Israel's commitments under the Road Map and the Annapolis process. He urges Israel to heed the clear call of the Quartet to freeze all settlement activity, including natural growth, and to dismantle outposts erected since March 2001.

Across the West Bank, a slight deterioration in movement and access has been observed, at a time when we had hoped for improvement. Four significant obstacles which were removed during June were re-installed by the IDF in July, bringing the total number of closure obstacles to 609. In addition, Israel is renovating the Wadi Nar/Container checkpoint controlling movement from the north to the southern part of the West Bank rather than honoring its prior commitment to remove it.

A recent report by the Office of the Coordinator of Humanitarian Affairs confirmed that 56% percent of the planned route of the Barrier has now been constructed. The majority of the construction deviates from the Green Line and is therefore contrary to the Advisory Opinion of the International Court of Justice. The report found that only 20% of farmers in the northern West Bank, who used to farm their land west of the Barrier, are being issued permits by the Israeli authorities to access their land. This is increasing dependency on food and humanitarian assistance, and undermining livelihoods.

Let me turn now to the Palestinian economic situation. Due to budget shortfalls this month, the Palestinian Authority barely managed to make salary payments for June. It plans to pay July salaries through loans and donor aid, but will need an additional \$600 million in order to stay solvent from August through December – excluding aid for development projects. We urge all donors who have not yet fulfilled their pledges at the December 2007 donors' conference to provide budget support, in order to avert a fiscal crisis.

The Paris conference chair, France, and the three co-chairs, Norway, the European Commission and the Quartet Representative, met on 7 July to discuss developments since the donor conference in December 2007. A meeting of the Ad Hoc Liaison Committee is scheduled to be held in September in the margins of the General Assembly.

Mr. President,

Another round of indirect talks between Syria and Israel mediated by Turkey is expected later this month, to be followed by further talks in August. The Secretary-General expressed his appreciation for Turkey's efforts and his support for these talks in his meetings with Prime Minister Erdogan, President Assad and Prime Minister Olmert in Paris. Special Coordinator Serry visited Damascus and underlined UN support for the important efforts on this track. The Government of Syria raised the issue of prisoners from the occupied Syrian Golan with Mr. Serry, and I note here the release from Israeli custody of Sitan al Wali on 8 July. The situation in the occupied Syrian Golan has remained quiet through the reporting period, although settlement activity continues.

Yesterday Syrian Foreign Minister Mouallem arrived in Beirut, where he handed over to Lebanese President Michel Suleiman an official invitation to visit Syria. We urge both countries to establish full diplomatic relations and representation, consistent with Security Council resolution 1680 (2006).

Mr. President,

Allow me to turn to Lebanon. We applaud the major step forward taken on 11 July, when President Suleiman announced that agreement had been reached on the composition of the national unity cabinet, subject to a vote of confidence in Parliament in the coming weeks. The Secretary-General welcomed this development and reiterated his call upon all parties to continue to work towards the full implementation of the Doha Accords. The United Nations looks forward to working closely with the new Government.

Mr. President,

An important achievement of the reporting period was the implementation of the major humanitarian aspects of resolution 1701. On July 16, the bodies of the two abducted soldiers were returned to Israel, in exchange for Lebanese detainees and remains. The Facilitator has worked with great perseverance for almost two years, and will be submitting a full report to the Secretary-General in the coming period. As you are aware, the Secretary-General has received letters from the Government of Israel and from Hezbollah, committing themselves to further humanitarian action. The Secretary-General will continue to keep the Council informed of these and other developments.

A number of security incidents occurred in and around the northern city of Tripoli and other parts of the country during the reporting period. We are concerned about these clashes and the implication they have for the stability and security of Lebanon. We welcome steps taken by the Lebanese authorities to improve security around Tripoli.

Since the last Security Council briefing, UNIFIL's area of operations has remained generally quiet. The Lebanese Armed Forces Command has not yet returned the army units that it redeployed out of the area of operations in May, due to the security situation in other parts of the country. The UNIFIL Force Commander has called on the LAF Command to return those units as quickly as possible. In the meantime, UNIFIL and the LAF are working to ensure that the shortage of units does not adversely affect their ability to carry out their obligations under resolution 1701 (2006).

Over the reporting period, UNIFIL has continued to record significant numbers of Israeli air violations, which have occurred on an almost daily basis. We again urge Israel to cease these violations.

Mr. President,

The reduction of violence in Gaza is a significant, but fragile, achievement. We hope that this calm can be sustained and, together with internal Palestinian dialogue, lead to other positive steps: the return of the legitimate Palestinian Authority to the Gaza Strip, the re-opening of the crossings, the release of Gilad Shalit and a number of Palestinian prisoners and reunification of Gaza and the West Bank under the legitimate Palestinian Authority on a basis which allows the peace process to move forward.

We are encouraged by the determination of the parties to continue negotiations within the Annapolis framework, and by the active role of the United States and other members of the international community. The Quartet will meet in September here in New York, and in the period between now and then it is important that progress continues. It is vital that there are visible improvements in the situation on the ground, in the consolidation of the ceasefire in Gaza and in improved conditions in the West Bank.

In conclusion, let me reiterate that the Secretary General remains committed to a just, lasting and comprehensive peace in the Middle East based on Security Council resolutions 242, 338, 1397 and 1515.

Thank you, Mr. President