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**BRIEFING TO THE SECURITY COUNCIL  
ON THE SITUATION IN THE MIDDLE EAST**

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Mr. President,

Since my last briefing to the Council, there have been a number of important political developments giving cause for hope. Most notable is the re-engagement of the international community and Israel with the government of Prime Minister Fayyad. On 25 June, President Mubarak of Egypt hosted a summit of Prime Minister Olmert, King Abdullah II of Jordan and President Abbas at Sharm al Sheikh. On 16 July President Bush made an important speech announcing a series of measures and support to the Palestinian government leading to an international meeting in the autumn to be chaired by Secretary of State Rice. Most encouraging, is that on 16 July, President Abbas and Prime Minister Olmert had a very positive bilateral meeting which touched on final status issues, their first meeting in three months. Last week, on 19 July, the Quartet met in Lisbon together with its new Special Envoy, Mr. Tony Blair. Today, the Foreign Ministers of Jordan and Egypt have arrived in Israel to discuss the Arab Peace Initiative.

**Security and violence**

Mr. President,

This is an impressive diplomatic momentum, but the positive developments are offset by a problematic and increasingly complex reality on the ground, where violence continues. The situation in the Gaza Strip has stabilised somewhat since my last report. Hamas is in control of Gaza and has detained political opponents and those it accuses of collaboration with Israel. At least two men have been killed whilst in Hamas captivity, and local Palestinian human rights groups have made allegations of torture.

On 4 July BBC journalist Alan Johnston who had been kidnapped by the Army of Islam was released. The Secretary-General expressed his profound relief at the release of Mr. Johnston who had been held for nearly four months. Hamas subsequently detained 12 members of the Army of Islam and affiliated Islamic groups said to be behind the kidnapping of Johnston and recent attacks on such targets as the American School and a Christian bookshop.

In this reporting period, there were more than 20 incidents of Palestinian attacks, involving 192 rocket and mortar shells, against the Gaza crossings and into Israel. The

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Hamas military wing has been responsible for most of the rockets and mortars fired at the crossings, and claimed responsibility for 10 attacks towards Kerem Shalom and 5 towards Erez. However, the Islamic Jihad and al-Aqsa Martyrs Brigade also carried out attacks against the crossings. The Islamic Jihad was also responsible for most of the rockets and mortars launched against Israel, with Hamas claiming responsibility for only one such attack during the reporting period. The Secretary-General has repeatedly condemned Palestinian rocket fire, which targets civilians causing injuries and damage, and also impedes the flow of assistance to the people of Gaza.

According to OCHA, Israeli military actions continued throughout the reporting period, leading to 52 Palestinian fatalities, including 4 children, and 109 injured, three of whom were children. Thirty-three of the fatalities were in Gaza. One Israeli was killed and 18 injured, including one child. The IDF continued targeted killings in Gaza. In the West Bank, the IDF carried out almost daily arrest raids into towns and villages, killing some 20 Palestinians and arresting at least 244 suspected activists from different Palestinian factions. I encourage Israel to cease these operations, and to hand over security control of the West Bank to the Palestinian Authority.

### **Humanitarian situation**

Mr. President,

The Hamas take-over of Gaza, and the absence of PA security forces, has left the crossings connecting Gaza with the outside world mostly inoperable. The Secretary-General has stated his concern about this situation and its impact on economic life, most notably in a statement on 13 July. He believes that it is essential for the Palestinian Authority to do all possible to ensure the well-being of the Palestinians of Gaza. The United Nations encourages the Palestinian Authority to work with Israel, Egypt and the international community to explore all possible options to operate the crossings.

UN agencies have redoubled their efforts over the past month with Israel and the Palestinian Authority, to facilitate and ensure the continuous flow of basic humanitarian goods through the Kerem Shalom crossing. Overall, 65,000 metric tons of basic food and medical supplies have entered the Strip commercially or through the UN, meeting 88% of the population's basic minimum food needs.

However, it is clear that humanitarian assistance alone will not be sufficient to stop the decline in the economy that is currently unfolding due to the interruption of regular commercial flows to and from the Gaza Strip. The closure of the Karni crossing since early June has meant that agricultural and industrial products destined for markets in Israel, the West Bank or further afield have not been exported. It has also meant that essential materials for the production of industrial goods and for the construction sector are not entering Gaza. For the UN alone, this has resulted in projects worth \$213 million

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coming to a halt. The World Bank now estimates that over 75% of Gaza's factories have had to close operations, and over 68,000 workers have been temporarily laid off. Unless the crossings are open for imports and exports, the downward economic spiral will lead to extensive hardship for an already impoverished Gaza Strip.

It is particularly worrying that very little progress has been made to resolve the question of approximately 6,000 Palestinians who are unable to move from Egypt back into the Gaza Strip. I would urge all parties to act quickly to hasten the return of this displaced population.

### **Political Developments**

Mr. President,

I will now turn to developments on the political front. On 13 July PM Fayyad's emergency government was re-appointed as a caretaker government which will continue to function until there is a vote in the Palestinian legislature terminating its tenure, or until elections are held. The Palestinian Legislative Council has tried to convene on a number of occasions but, due to alternate boycotts by both Hamas and Fateh, no sessions have been held. The continued Israeli detention of 45 Palestinian legislators is an aggravating factor, and we join the EU in calling for their release. As a result of these obstacles, the PLC failed to meet the Basic Law deadline for a vote of confidence on the emergency government, as had been requested by PM Fayyad.

On 16 July, President Abbas called for early Presidential and PLC elections. However, there is no indication yet as to when such elections might be held, and it is not clear how or when the current impasse will be resolved. I must note that my own meetings in the region suggest that there are no immediate prospects for reconciliation between Hamas and President Abbas' Fateh movement.

The creation of the independent emergency government of Prime Minister Fayyad on 15 June, which was welcomed warmly by Quartet members, has led to the renewal of direct financial assistance from the donor community. Prime Minister Olmert has made commitments to support the new government of Prime Minister Fayyad through: transferring tax revenues; significantly freeing movement in the West Bank; renewing economic and security cooperation; and releasing some Palestinian prisoners. In this regard, on 1 July, Israel transferred \$117 million in Palestinian tax revenues and then released 255 Palestinian prisoners on 20 July. I am pleased to note the positive and business-like way that Israel and the PA are working together.

In a step that will help Prime Minister Fayyad on the ground, the PA and Israel also reached an agreement which led to 178 wanted militants giving up their arms and signing peace pledges in return for being removed from Israel's wanted list.

I would like to commend Prime Minister Fayyad's successful effort to pay full salaries to 160,000 PA employees in the West Bank and, in particular, in the Gaza Strip

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as well. This is the first time in 15 months that a full salary payment has been made. It has injected over \$100 million into the Palestinian economy and its effects on the daily welfare of Palestinian households were immediately felt. I should note that salaries were not paid to the 20,000 members of the Hamas-affiliated security forces or the 11,000 civil servants hired by Hamas in the past year.

As part of this positive atmosphere of trust, and in a step welcomed by the Quartet, President Abbas and Prime Minister Olmert met on 16 July and renewed their bilateral dialogue in a very positive meeting. I am informed that “all issues were put on the table”, from prisoners to serious discussion on final status issues.

In a significant speech on 16 July, President Bush supported Palestinian institution-building ahead of “serious negotiations toward the creation of a Palestinian state” and announced the intention of the United States to call an international meeting this autumn chaired by Secretary Rice, with the participation of Israel, the Palestinians and regional states. The Secretary-General welcomed this proposal. As for the Quartet, it indicated in Lisbon that it was looking forward to consultations as the meeting is prepared, and agreed that such a meeting should provide diplomatic support for the parties in their bilateral discussions and negotiations in order to move forward on a successful path to a Palestinian state.

The process of institution-building will be led by former British Prime Minister Tony Blair who was appointed as Quartet Representative on 27 June. On 19 July, the Quartet welcomed his agreement to be the Quartet Representative and discussed with him the urgent work that lies ahead. The Quartet urged the parties and all states in the region to work closely with Mr. Blair, and encouraged robust international support for his efforts. Mr. Blair is returning from the region today after consultations with Palestinian and Israeli leaders and stakeholders. Mr. Blair’s initial visit was to form an assessment of the current situation before returning to the region in September to start implementing his strategic plan ahead of the international meeting. The Secretary-General and our Quartet partners are all committed to giving Mr. Blair all of the support necessary to ensure the success of his mission.

In this context, we welcome Norway’s proposal to reactivate the Ad Hoc Liaison Committee, with the stated support of President Bush and others in the international community, to discuss assistance management, financial support to the PA, and Palestinian institutional reform. The meeting will take place in New York in September in the margins of the General Assembly.

### **Lebanon**

Lebanon continues to face a precarious political and security situation. The Council has already been briefed on the two terrorist attacks that targeted UNIFIL in less than a month, as well as the status of the investigation.

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In Beirut, the political impasse remains with no tangible shift in the position of the parties. On 14 and 15 July, France hosted a meeting of Lebanese political figures representing participants of the Lebanese National Dialogue. This important initiative created a forum in which basic political principles and commitments were re-affirmed and in which participants pledged to avoid violence in resolving their political differences. We support the commendable and continuing diplomatic efforts of France and those of the Arab League to assist the Lebanese in achieving consensus. The Secretary-General's Special Coordinator for Lebanon has remained in close contact with the parties and has continued to advocate for a return to dialogue and for compromises in order to narrow the gaps between the parties. The Secretary-General calls on Member States in the region to support the Lebanese parties in their efforts to reach a consensus.

The Lebanese Army continues its intense battle against the militant organization Fateh el-Islam in the Palestinian refugee camp of Nahr el-Bared in northern Lebanon. The fighting, which erupted on 20 May, has now claimed the lives of 114 Lebanese soldiers, at least 47 fighters from Fateh el-Islam and an unidentified number of civilians. On 6 July, two Palestinian demonstrators died in a confrontation with the Army. The Army and certain Palestinian factions have taken steps to prevent the recurrence of such incidents and to minimize the risk of violence spreading to other Palestinian camps in Lebanon. A major assault was launched on 13 July by the Army against an estimated 100 fighters still remaining in Nahr el Bared. In connection with this attack, Fateh el-Islam fired Katyusha rockets from the embattled camp on surrounding towns and villages leading to the death, on 17 July, of one civilian.

Israeli air violations of the Blue Line have continued to occur and, during this period, have significantly increased. UNIFIL has recorded a total of 271 Israeli over-flights during the past month. These over-flights are a violation of Lebanese sovereignty. The Secretary-General calls upon the Israeli authorities to make full use of the appropriate tripartite mechanism that exists with UNIFIL in which to address issues of concern.

### **Conclusion**

Following the collapse of the National Unity Government, the Palestinian Authority under President Abbas remains the only legitimate authority and I have been pleased to see the quick response of the international community to deliver financial assistance and political support to Prime Minister Fayyad's caretaker government.

However, it is important that the people of Gaza are not punished for the Hamas takeover. Re-opening the crossings to prevent the complete collapse of the Gazan economy remains a priority. The humanitarian and emergency response has been an effective short term measure but a solution led by President Abbas is an urgent necessity. In the longer-term, Gaza and the West Bank cannot remain separated. There is only one future Palestinian state, and it encompasses both the West Bank and the Gaza Strip.

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There has been a promising start to the new relationship of Prime Minister Olmert, President Abbas and Prime Minister Fayyad. We must encourage the parties to continue to build confidence through the fulfillment of their Roadmap commitments. Israel must remove checkpoints in the West Bank as well as dismantle outposts and freeze settlement expansion. President Abbas should continue to work to end violence, disarm Palestinian militias and reform Palestinian institutions. Fulfillment of these commitments would constitute solid foundations for the international meeting this autumn, which will hopefully be an important step to begin bilateral negotiations for a just and lasting peace.