Sixty-four years ago on this day, the General Assembly adopted resolution 181, proposing the partition of the mandate territory into two States. The establishment of a Palestinian State, living in peace next to a secure Israel, is long overdue.

The need to resolve this conflict has taken on greater urgency with the historic transformations taking place across the region. I call on the Israeli and Palestinian leadership to show courage and determination to seek an agreement for a two-State solution that can open up a brighter future for Palestinian and Israeli children. Such a solution must end the occupation that began in 1967, and meet legitimate security concerns. Jerusalem must emerge from negotiations as the capital of two States, with arrangements for the holy sites acceptable to all. And a just and agreed solution must be found for millions of Palestinian refugees scattered around the region.

While there are many challenges to this goal, let me stress an important, indeed historic, achievement of the Palestinian Authority during the past year. The Palestinian Authority is now institutionally ready to assume the responsibilities of statehood, if a Palestinian state were created. This was affirmed by a wide range of members of the international community at the meeting of the Ad-Hoc Liaison Committee in September. I commend President Mahmoud Abbas and Prime Minister Salam Fayyad on this remarkable success. These efforts should continue and be supported.

In this regard, the current suspension by Israel of customs and tax transfers owed to the Palestinian Authority risks undermining these gains. These revenues must be transferred without delay.

Above all else, a political horizon is vital. I am deeply concerned that Israeli-Palestinian negotiations are not taking place, while trust between the parties continues to fade. A glimpse of hope comes from their engagement with the Middle East Quartet. I call on both sides to develop serious proposals on borders and security, and to discuss them directly with each other, with active Quartet support, in the context of a shared commitment to reach an agreement by the end of 2012.

The parties have a particular responsibility to cease provocations and create a conducive environment for meaningful negotiations. Israel’s recently intensified settlement activity in East Jerusalem and the West Bank is a major obstacle. Settlement activity is contrary to international law and the Roadmap, and must cease. Unilateral
actions on the ground will not be accepted by the international community. For its part, the Palestinian Authority should also find ways to help de-escalate the situation and improve the prevailing divisive climate, and to be ready to engage directly in the search for a negotiated solution.

I also urge the Palestinians to overcome their divisions, based on the commitments of the Palestine Liberation Organization, the positions of the Quartet and the Arab Peace Initiative. I take note of President Abbas’s continuous efforts towards a transitional government that will prepare for presidential and legislative elections in May. Palestinian unity that supports a negotiated two-State solution is essential for the creation of a Palestinian State in Gaza and the West Bank.

The United Nations continues to be strongly committed to the population in Gaza, and to implementing all aspects of Security Council resolution 1860. I appreciate efforts undertaken by Israel to ease the closure, and continue to call for removing the numerous remaining measures that severely restrict the movement of people and goods and limit the ability of the United Nations to support Gaza’s economic recovery and reconstruction.

I also take this opportunity to remind those in Gaza who fire rockets at Israel or continue to smuggle weapons that these actions are both unacceptable and completely contrary to Palestinian interests. I call for an end to rocket fire from Gaza into Israel, and for Israel to exercise maximum restraint. Both parties should fully observe calm and respect international humanitarian law.

I welcome the recent prisoner exchange that saw the release of hundreds of Palestinian prisoners and an Israeli soldier. This significant humanitarian breakthrough should be followed by further steps to consolidate calm and end the closure of Gaza.

Amid these many challenges to the realization of their legitimate aspirations for statehood, the Palestinian leadership submitted an application for membership in the United Nations. This is a matter for the Member States to decide. Whatever view of this matter is taken, we should not lose sight of the ultimate goal of reaching a negotiated peace agreement on all final status issues, including borders, security, Jerusalem and refugees.

Let us, on this International Day, reaffirm our commitment to translating solidarity into positive action. The international community must help steer the situation towards a historic peace agreement. Failing to overcome mistrust will only condemn further generations of Palestinians and Israelis to conflict and suffering. A just and lasting peace in the Middle East based on Security Council resolutions 242, 338, 1397, 1515 and 1850, previous agreements, the Madrid framework, the Road Map and the Arab Peace Initiative is critical to avoid this fate. For my part, I pledge to continue pursuing my efforts with all the means available to me.