Today in the Middle East, crisis and opportunity exist side by side in a daily struggle for dominance over the fate of Israelis, Palestinians, Lebanese, Syrians and the region as a whole.

At the heart of the conflict is the problem of Israel and Palestine. In that theatre, a deadly crisis continues in Gaza. For many months, Israel has conducted military operations, featuring tank, commando and infantry incursions, targeted killings from the air and firing from the sea, with the stated purpose of preventing the daily Palestinian militant rocket fire into population centres in southern Israel. These operations intensified after the capture of an Israeli soldier on 25 June and the killing of two others by Palestinian militants who had crossed from Gaza into Israel.

Since that time, Israeli operations have killed 295 Palestinians, including 66 children, and have injured 1,113 others. However, neither these intensive operations nor continuing diplomatic efforts have led either to the release of the captured soldier or to the cessation of the indiscriminate rocket attacks, which have injured 20 Israelis since 25 June.

A number of Israeli sources in the Israel Defense Forces (IDF) and intelligence services claim that weapons-smuggling into Gaza has increased in recent months, including through tunnels under the Philadelphi corridor and elsewhere. IDF forces launched a ground operation along the corridor in recent days, and there are reports that the IDF is preparing for a further intensification of its military operations in Gaza.

Egyptian officials are leading diplomatic efforts to resolve the crisis and report that a package is on the table designed to address both parties' concerns, but the captors say they seek additional guarantees. In Cairo last week, I conveyed the full support of the United Nations for the Egyptian efforts and expressed our readiness to assist in any way we can.

The other crisis that must be overcome is the political crisis of the Palestinian Authority, which has for several months been governed by a President and a Prime Minister with divergent programmes and has been polarized by deadly clashes between rival security forces. Palestinian society is teetering between national unity one day and civil conflict the next.
On 11 September, President Abbas announced that he had agreed with Prime Minister Haniyeh on the political platform of a national unity government. On 20 September, the Quartet encouraged those efforts in the hope that a national unity government programme would reflect Quartet principles and allow for early international engagement.

Regrettably, following statements from Prime Minister Haniyeh calling basic points into question, these efforts did not succeed. Recent efforts by regional mediators to help the Palestinians unite have also not borne fruit. In our contacts with both the presidency and the Government, we continue to urge them and the movements of which they are members to make a new effort to overcome their differences.

We saw how important it is for these efforts to succeed two and a half weeks ago, when at least eight Palestinians were killed and more than 70 were injured in armed clashes in Gaza between the striking Palestinian security forces, largely loyal to Fatah, and the executive force deployed by the Hamas Minister of the Interior. United Nations workers on the ground also report an increased reliance on traditional law enforcement as family groupings resort to self-protection and take justice into their own hands. The members of the civil police — the only civilian service with the potential to provide public order and protection within the occupied Palestinian territories' increasingly insecure communities — have received less than 40 per cent of their salaries since March, and only half of them now show up for work. A rolling strike has, in fact, been widespread throughout the public sector since 13 August. As many as three quarters of medical workers are not turning up at work, and WHO reports that most hospital wards are, in fact, closed. In response, the United Nations Relief and Works Agency for Palestine Refugees in the Near East has had to open its medical facilities to non-refuges. Ninety per cent of teachers employed by the Palestinian Authority in the West Bank are on strike, imperilling this year’s academic cycle. Here again, UNRWA has been obliged to step in. There are growing indications that ministries are being transformed by the continued replacement of mid- to high-level officials with new appointees loyal to the current Government — a process that may also be accelerated by the departure of former officials in the absence of regular salary payments.

We welcome the efforts of the European Commission to mitigate the worse effects of the crisis by renewing and expanding the Temporary International Mechanism (TIM), as agreed by the Quartet last month. However, the TIM can neither substitute for the Palestinian Authority, nor can it be sustained financially over time. The continued withholding by Israel of over half a billion dollars of Palestinian money, collected via value-added tax and customs receipts, is the biggest single direct cause of the Palestinian financial crisis. Its importance has led the Quartet to invite the parties to consider channelling these funds through the TIM, at least for the present.

Another ingredient for restoring hope to the Palestinians would be implementation of the Agreement on Movement and Access, which was concluded a year ago next month. The Quartet believes that Rafah and other crossings must remain open in accordance with the Agreement. Despite discussions by Quartet members with the Israeli authorities on concrete steps to move forward — including proposals put forward by the United Nations
— Israel's policy of near-complete closure of Gaza continues. Israel has legitimate security concerns relating to human and commercial movements in and out of the Gaza Strip, and we continue to press the Palestinian Authority to meet its obligations under the Agreement on Movement and Access relating to the protection and administration of passages. For its part, Israel has undertaken in the Agreement to ensure the continuous operation of passages and to facilitate the export of agricultural goods from Gaza. While specific security threats may require specific actions, analysis of Agreement implementation patterns shows that the significant tightening of closures at Rafah, Karni and Erez crossings have been heavily shaped by two events in 2006: the formation of the Hamas-led Palestinian Authority Government and the abduction of the Israeli soldier. It would appear that only by decoupling economic access for civilians from the broader political impasse will the Agreement on Movement and Access be implemented. Only then will Palestinian economic life be given a chance to recover.

Meanwhile, obstacles to movement in the West Bank have risen by 40 per cent in a year. Settlement activity continues, with the recent announcement of the construction of a further 950 settlement units in the West Bank. The construction of the main structure of the police station on the E1 block between Jerusalem and Ma'aleh Adumim has largely been completed. The construction of the barrier on occupied territory, including around Jerusalem, has continued, in defiance of the International Court of Justice Advisory Opinion.

Access to the occupied Palestinian territory by Palestinians of the diaspora has also been tightened in recent months. Palestinians holding foreign passports, including businessmen, students and professionals, have, in ever-larger numbers, been denied visas that would permit them to visit spouses or families or tend to businesses. I should also report that Prime Minister Olmert announced in the aftermath of the Lebanon war that the plans on which he had been elected, namely, to withdraw Israeli settlements from parts of the West Bank, are on hold. The Prime Minister has, however, stated his willingness to meet President Abbas, and aides to the two leaders are exploring this possibility. Foreign Minister Livni and President Abbas also met during last month's opening of the general debate of the General Assembly.

The fragile balance between crisis and opportunity is also apparent in Lebanon, where momentum has been generated in the implementation of Security Council resolution 1701 (2006), but also where the country's heavy political tensions remain a constant source of concern. The United Nations is continuing to work closely with all sides to encourage political leaders to commit themselves to dialogue in order to bridge their differences. The Council will receive the report on implementation of resolution 1559 (2004) shortly. The Secretariat will also continue to report to the Council directly on the status of implementation of resolution 1701 (2006), and I will, therefore, not address this further in this briefing.

I should report also that Israeli Prime Minister Olmert has called for direct talks between Israel and Lebanon, but Lebanese Prime Minister Siniora has reiterated his position that his country will the last to sign a peace treaty with Israel. Meanwhile, Syrian President
Assad has expressed publicly on more than one occasion a desire to negotiate with Israel in order to secure the return of the occupied Golan Heights and establish a lasting peace between Syria and Israel. While this has generated some debate in Israel, the Israeli Prime Minister has dismissed these statements and has stated that Syria must cease alleged support for terrorism. Mr. Olmert has also stated that, as long as he is Prime Minister, the Golan Heights will remain a permanent part of the State of Israel.

The continuing violence in Gaza and southern Israel continues to kill, injure and endanger civilians. Palestinian militant rocket fire should cease, as should Israeli military operations. Both sides should comply with their obligations to respect civilians under international humanitarian law. The virtual siege of Gaza is having a devastating effect on the lives of ordinary Palestinians, stifling hope and fomenting despair, while the continued dangerous launching of rockets at Israeli population centres, such as Sderot, is a source of deep distress for ordinary Israelis. Palestinian institutions continue to be degraded, and the suffering of civilians widens and increases, particularly in Gaza. The combination of near total closure of the Gaza Strip, non-payment of public-sector salaries, absence of basic law and order, declining service delivery, continued military strikes by air and land and the lack of any apparent political horizon is a truly explosive one — as potentially dangerous for Israel as it is currently dangerous for Palestinians. As my colleague Jan Egeland puts it, Gaza is a ticking time bomb, and only a political way out can defuse it. The United Nations fully recognizes the challenges facing both Prime Minister Olmert and President Abbas in this regard. At the same time, we believe that they and their citizens have a shared interest in meaningful dialogue, and we offer them our full support in trying to develop it.

The difficulties that continue to bedevil efforts to form a Palestinian national unity government should not lead us to think that there is another simple, magic formula or quick fix that is likely to solve the current Palestinian political crisis. The route of national unity offers the most credible opportunity — indeed, perhaps the only one — to stem the slide into anarchy and for the security forces controlled by the presidency and those under the jurisdiction of the Ministry of the Interior to work together to provide basic law and order for Palestinians and prevent attacks against Israel, rather than continue to face off on the streets. Such a government will need international support if it is to respond to the aspirations of the Palestinian people for law and order and progress towards a two-State solution. That is why its platform should reflect Quartet principles and why donors, in turn, should signal their readiness to re-engage if there is genuine movement, in full awareness that such movement is more likely to be a process than an event.

The international community should also expect all members of the Israeli Government, and its acts of legislation, to reflect their commitment to the principles of the peace process, including the goal of a two-State solution which ends the occupation that began in 1967, and to meeting their obligation not to advocate or pursue policies that create irreversible facts on the ground or prejudge final status issues. Israel clearly has more to do in this regard, in the light of the continued building of the barrier, the entrenchment of
settlements and the rarely impeded mushrooming outposts considered illegal by Israel itself, despite its statements of intent regarding commitment to Road Map obligations.

Last month, at its meeting in New York, the Quartet reaffirmed its commitment to the Road Map as the means to realize the goal of two democratic States, Israel and Palestine, living side by side in peace and security. The Quartet also stressed the need for a credible political process in order to make progress towards a two-State solution to the Israeli-Palestinian conflict. The United Nations continues to work closely with Quartet partners to identify ways to restart such a political process between Israelis and Palestinians.

The international community’s long-term goal is, of course, not only peace between Israel and Palestine, but also peace between Israel and Syria, and Israel and Lebanon. Security Council resolution 1701 (2006) stresses the need for a just, lasting and comprehensive peace in the region. My regional terms of reference reflect the United Nations commitment to this goal. The Arab Peace Initiative, which was endorsed by the Council of the League of Arab States in Beirut in 2002, also represents a crucial piece of the regional puzzle. A serious and systematic search for peace in the region requires dialogue with all the parties in the conflict, pari passu, to ensure that crises are managed and opportunities explored, and that developments on one track are not undermined by developments on another.

Recent developments have also driven home the interconnectedness of the region's problems and the shortcomings of piecemeal or compartmentalized approaches as opposed to an approach that is coordinated and comprehensive. Signs of willingness by Israel to open discussions with the Government of Lebanon, and by the Syrian President to talk to Israel — tentative as these are — should be considered in this light, and we hope that opportunities for adversaries talking to resolve differences will not remain unexplored.

Together with our Quartet colleagues and working with the parties and our regional partners, the United Nations will do its part in trying to rebuild this bridge in the form of a carefully monitored and credible political process based on parallel implementation of obligations leading towards a clearly defined comprehensive peace. The objectives of the United Nations remain security and full recognition to the State of Israel within internationally recognized borders, an end to the occupation for the Palestinian people in an independent, sovereign State, recovery of lost land by Syria, and a fully sovereign and secure Lebanon, through the implementation of all relevant resolutions of the Security Council.