Mr. President,

1. The period since the last briefing has seen both Israeli-Palestinian political dialogue and international diplomatic engagement with the Middle East peace process reach their most intensive levels in years. However, there have also been several developments of concern on the ground in the West Bank and a further serious deterioration of the situation in Gaza.

2. The Quartet offered its strong support for the bilateral talks between Prime Minister Olmert and President Abbas when it met in New York on 23 September. The Quartet also pledged to support a serious and substantive international meeting and to work toward its success and for implementation of its conclusions. The Quartet met the League of Arab States Follow-Up Committee, underscoring the importance it attaches to the Arab Peace Initiative, to regional engagement in the effort underway, and to the ultimate goal of a comprehensive regional peace.

3. President Abbas and Prime Minister Olmert have continued their meetings, and tasked their teams, led respectively by former PA Prime Minister Qurei and current Israeli Vice-Prime Minister and Foreign Minister Livni, to work intensively on a framework document for the international meeting. US Secretary of State Rice visited the region for several days in mid-October to encourage progress, and is expected in the region at least twice more in the coming period. I will attend a Quartet envoys meeting soon as part of the process of consultations in preparing the international meeting.

4. On 24 September, the Ad Hoc Liaison Committee met and expressed its support for the reform agenda outlined by PM Fayad as well as the efforts of Quartet Representative Blair. It endorsed the establishment of a multi-donor budget funding arrangement and the holding of an inclusive donor conference.

5. The PA is rapidly developing its Palestinian Reform and Development Plan which sets out its budget support, reform and investment priorities for the coming three years. This plan will serve as the basis of the PA’s funding package for the donor conference, which is being planned to take place in Paris in the period after the international meeting, and be jointly chaired by the Governments of France and Norway and the Quartet Representative.
Mr. President,

6. The PA government has succeeded in paying public sector salaries and anticipates that all arrears will be paid by the end of the year, but a major fiscal gap for 2008 is anticipated and urgent additional donor support will be needed if crucial salary payments are not to be interrupted once more. The government has also secured from Israel permits for around 3,400 family reunions in the West Bank – out of a total of 54,000 pending cases. Israel also released a further 86 Palestinian prisoners. We hope that more confidence building measures will be forthcoming.

7. The PA government continues its efforts to improve law and order, but faces challenges, including in its plan to deploy 500 PA security personnel into Nablus. We urge the PA to do all possible on the security front in accordance with Phase 1 of the Road Map. We welcome initial steps in this regard and strongly encourage Israel and the PA to enhance cooperation on security, freedom of movement and economic rejuvenation in close cooperation with the Quartet Representative.

8. According to the Government of Israel, 24 road blocks in the West Bank and one checkpoint have been removed. OCHA, which monitors AMA implementation, reports that the total number of obstacles to movement currently stands at 562, compared with 563 during the previous reporting period.

9. Socio-economic conditions in the West Bank remain a source of serious concern. Economic activity and humanitarian operations will be seriously affected by the decision of Israel to further restrict access for West Bank residents - including UN staff - to East Jerusalem and to the "seam zone" between the Barrier and the green line. In addition, the announced intention to reduce the number of crossing points for goods from 12 to six, and the imposition of “back to back” procedures and new customs regulations, would, if implemented, significantly increase the cost of transportation of humanitarian supplies, and result in possibly unsustainable operational obstacles. The UN is actively engaged with the Government of Israel to seek a reconsideration of these measures, in view of their impact on essential humanitarian operations.

10. Construction of the Barrier has continued throughout the reporting period in occupied Palestinian territory, despite the 2004 advisory opinion of the International Court of Justice.

11. Settlement activity continued this month, despite the Quartet’s call for “immediate additional steps to meet previous commitments, including under the Road Map”. In addition to contravening the Road Map, settlement activity breaches the Fourth Geneva Convention, prejudices final status issues, and undermines the political process. It is also a major factor in determining the extent and character of the closure regime and the route of the Barrier and consequent hardship for the Palestinian population. Urgent action on an Israeli settlement freeze and the dismantling of settlement outposts is required as part of a genuine effort to resolve the conflict.

12. The approval by the IDF this month of an order to confiscate almost 300 acres of Palestinian land in and around East Jerusalem is a matter of great concern. The
confiscated land would be used to create an alternative road network, linking the northern and southern West Bank and bypassing Jerusalem. Quartet members received a strong complaint from the PLO regarding this unacceptable land confiscation, which Palestinians fear would further undermine prospects for territorial contiguity of a future Palestinian State, and further cut already heavily restricted Palestinian access to Jerusalem.

Mr. President,

13. The internal Palestinian divide remains. The PA continues to insist that Hamas reverse its measures of the last four months and accept the decisions taken by the President. Hamas continues to reject a return to the status quo ante, while stating that it does not intend its administration of Gaza to be permanent and seeks dialogue without preconditions. Hamas has also indicated that it opposes President Abbas’ negotiations with PM Olmert and the international meeting in the absence of an internal Palestinian consensus.

14. In Gaza, Hamas continues to confiscate weapons and vehicles of clans and rival factions leading to sometimes heavy clashes between Hamas forces and forces of other factions or clans. Hamas has appointed personnel to key parts of the administrative apparatus, and is imposing taxes on smuggled goods. Hamas claims it is bringing order to the Gaza Strip, while also stating an interest in a mutual ceasefire with Israel. Hamas’ efforts to assert military and administrative control over the Strip are accompanied by allegations of human rights abuses. Allegations of abuses have also been made against PA forces in the West Bank. Four Palestinians have been killed and 69 injured in internal Palestinian violence, mostly in Gaza.

15. Twenty-seven rockets and 90 mortars were fired by militants in Gaza – some at crossings, others at Israeli civilian population centres. On 7 October, for the first time in over a year, a standard Grad rocket was fired from Gaza, at the city of Netivot. The Government of Israel has stated to the UN that weapons continue to be smuggled into Gaza. IDF raids and incursions into West Bank cities have continued, leading to casualties. The IDF claims it has foiled attacks against Israel during the reporting period.

16. In Israeli-Palestinian violence, thirty-one Palestinians, including one child, have been killed, and 153 injured, including 26 children, while one Israeli has been killed and six injured. Two hundred Palestinians have been detained by the IDF. One of the approximately 11,000 Palestinian prisoners remaining in Israeli jails died after injuries sustained when prison guards put down a prison riot, in circumstances that are not yet clear. IDF Corporal Gilad Shalit is in his 17th month of captivity in Gaza.
17. The Secretary-General continues to condemn all acts of terrorism, as well as all military acts which target, endanger or harm civilians due to their disproportionate or indiscriminate character.

Mr. President,

18. Members of the Council will recall Israel’s decision last month to designate Gaza a hostile territory, to restrict the passage of goods and reduce the supply of fuel and electricity, and to place new restrictions on movement of people to and from the Gaza Strip. The Secretary-General expressed his deep concern at this decision and called on Israel to reconsider it, warning against any measures of punishment of the population.

19. While the Israeli cabinet decision stated that Israel would take into account “both the humanitarian aspects and the intention to avoid a humanitarian crisis”, the humanitarian situation in Gaza is deteriorating alarmingly. In June and July, around 100 truckloads of humanitarian goods were entering Gaza daily; today, the number is around 50. Reversing a previous trend, food prices have jumped by almost 10% in two months, even as poverty levels increase and many have businesses and tens of thousands of workers have lost incomes with the loss of materials and markets due to closures.

20. In July, an average of 40 critical medical cases a day crossed Erez into Israel for essential medical treatment not available in Gaza; in the last month, the daily average was five. According to Human Rights Watch, at least three patients denied exit permits have died since June, and others have lost limbs or sight due to untreated injuries and disease. Hospitals in Gaza briefly ceased conducting operations in recent days citing a lack of nitrous oxide.

21. Over 1,000 Palestinians remain stranded in Egypt, unable to cross into Gaza with the closure of Rafah for over four months. Over 7000 Gaza Palestinians who study or work abroad have not been allowed to leave the Strip. Cash transfers from banks in the West Bank will be subject to new restrictions.

22. We are also concerned that one of the two crossings that remain open for humanitarian goods – Sufa – is slated to be closed towards the end of this month. Since mid-June, 5,936 trucks have gone through Sufa, compared with 1,654 through Kerem Shalom, which is the crossing that will remain open. While it has been upgraded, Kerem Shalom is unlikely to have the capacity to process the number of trucks required to meet the humanitarian needs of the Gazan population.

23. It is difficult to see how security concerns can justify the hardship these measures are causing. I repeat the Secretary-General's strong injunction against punishment of the civilian population of the Gaza Strip. We also reiterate the Quartet’s urgent concern about the continued closure of Gaza, and its calls for continued emergency and humanitarian assistance without obstruction and the provision of essential services.
Mr. President,

24. I turn to the situation in Lebanon, which is currently in the midst of the presidential elections campaign. On 25 September Speaker Berri attempted to convene parliament for a first vote on a new president. The session however never opened due to a lack of quorum. The same day, Speaker Berri issued a call to convene parliament for a vote on the president on 23 October. However, on 22 October he postponed the scheduled session until 12 November. The election of a new president is an important milestone in re-asserting Lebanon’s sovereignty, territorial integrity, unity and political independence. It is essential that the new president be elected in accordance with the constitutional timeframe and procedures and without foreign interference.

25. The situation within Palestinian refugee camps in Lebanon remains precarious, with occasional armed clashes between Palestinian militias. Most recently, on 3 October, two people were wounded in night-time gunfire between armed supporters of Fatah and those of Hamas in the Miyah-Miyah refugee camp near Sidon. Tangible improvements in living conditions inside these camps are urgently needed, given the obvious connection to the wider security situation in Lebanon. The United Nations family stands ready to work with our Lebanese and Palestinian partners towards this goal. The UN Country Team in Lebanon is actively engaged in supporting UNRWA’s efforts to implement an emergency return plan funded by a new Flash Appeal launched jointly with the Prime Minister and the World Bank at donor meeting held in Beirut on 10 September 2007. I urge donors to continue to provide vital financial assistance for urgent humanitarian needs and for the reconstruction of the camp.

26. During the reporting period, UNIFIL has reported 142 over flights of Lebanese territory by Israeli planes and Unmanned Aerial Vehicles. These overflights occur on an almost daily basis. Some of these overflights were at a low altitude, breaking the sound barrier in populated areas in southern Lebanon. Overflights not only constitute serious violations of Security Council resolutions. They also undermine the credibility of both UNIFIL and the Lebanese Army Forces in the eyes of the local population and damage efforts to reduce tension, build confidence and stabilize the situation in southern Lebanon. At the same time, Israel continues to state that its air violations are to counter other alleged breaches of resolution 1701, including violations of the arms embargo.

Mr. President,

27. The Secretary-General has asked me to convey to the Council his strong backing of the current diplomatic efforts. He remains committed to the creation of an independent and viable Palestinian State living side-by-side in peace with Israel, and a comprehensive peace in the region, in accordance with Security Council resolutions, the Road Map, and the Arab Peace Initiative.

28. To this end, the Secretary-General hopes for an international meeting that deals with the substance of permanent peace, has broad Arab participation, produces results that positively affect the lives of Israelis and Palestinians, and leads to a serious follow-on process. He therefore encourages the parties to be bold in
reaching understandings on core issues and on a clear process following the international meeting. And he calls for urgent efforts by the parties to build confidence and improve the situation on the ground by taking further steps in accordance with the Agreement on Movement and Access and Phase 1 of the Road Map. All of the relevant international actors should help the parties take such steps. A failure of this process would be a major setback with wide-ranging consequences.

29. The Secretary-General remains deeply concerned for the welfare of the civilian population of Gaza and reiterates the commitment of the entire United Nations system to doing its part to meet their needs. The Secretary-General regrets the continued division of the occupied Palestinian territory and fears that this will become harder to overcome the longer it is left unaddressed. He hopes that the concerned parties, regional and international players, will address the situation in Gaza with wisdom, foresight and a sense of responsibility.

30. Finally, the Council should be informed that the Deputy Special Coordinator and Resident and Humanitarian Coordinator, Kevin Kennedy, resigned from UNSCO at the end of last month. On behalf of the Secretary-General, I thank Mr. Kennedy for his outstanding contribution to the work of UNSCO and the entire UN system on the ground, which was the culmination of a distinguished career leading UN efforts in many complex emergencies and supporting those efforts in senior leadership positions at Headquarters. He is sorely missed, and we wish him well. The Secretary-General is moving quickly to fill both the Special Coordinator and Deputy positions, and will ensure that, pending long-term appointments, arrangements are in place for leadership of the UN country team at this critical time.

Thank you, Mr. President.