Mr. President,

1. There have been a number of important political developments in the Middle East this month. The start of indirect Israeli-Syrian peace negotiations has been announced. Israeli-Palestinian negotiations are continuing. There have been new pledges of investment in the Palestinian economy, and new measures announced to improve conditions on the ground in the West Bank. Egyptian-led efforts to achieve a ceasefire in Gaza are ongoing. In Lebanon, an Arab League initiative led by Qatar has produced agreement to unblock an eighteen-month political impasse.

2. The active roles that regional countries are playing in addressing the region’s issues are commendable, and deserve our support. Not least thanks to them, there are now various processes underway that have the potential to lastingly change the conflict-fraught face of the Middle East. At the same time, they all remain fragile. Underlying sources of tension must still be addressed through further political progress and action on the ground. Nowhere is this more urgent than on the Israeli-Palestinian track, to which I first turn.

Israeli-Palestinian track

3. The confidential bilateral negotiations between Israel and the Palestinians are ongoing. Comprehensive discussions are underway, and the parties remain committed to the process. At the same time, it appears that important gaps remain to be overcome. When the Quartet met on 2 May in London, it stressed its continuing encouragement and support for the goal of reaching a peace treaty this year. US Secretary of State Rice visited the region immediately after that meeting to push the Annapolis process forward, and US President Bush underlined his support for the process during a subsequent trip.

4. The Quartet also emphasized the importance of tangible and visible progress on the ground to build confidence and create an atmosphere supportive of negotiations. In the economic sphere, the Ad Hoc Liaison Committee meeting, also on 2 May, stressed that Israel must enable Palestinian reform and economic revival; the Palestinians must continue their reform efforts; and regional and international players need to continue to provide concrete support.

5. We welcome the additional budget support to the PA from some Arab countries, and note that further donor support, particularly from the region, will be vital to address a $600 million budget shortfall. The UN plans to host the next meeting of the AHLC on the margins of the General Assembly in September.
6. The Palestinian Authority has finalized its 2008-2010 reform and development plan, and begun implementing nearly 200 development projects worth $250 million. A further 226 projects were recently approved by the government.

7. A Palestine Investment Conference to attract private sector investment was held in Bethlehem from 21 to 23 May. Hundreds of foreign representatives and Palestinian businesses, including from Gaza, attended. Prime Minister Fayyad announced that investors pledged $1.4 billion for Palestinian business projects, including for major housing projects in the West Bank. Israel was supportive of the conference and issued more than 500 visas and permits to foreign investors, some from countries with no diplomatic relations with Israel.

8. On 13 May, Quartet Representative Tony Blair announced a package of measures coordinated with the parties to stimulate economic development; ease movement and access restrictions; develop the 60% of the West Bank in Area C; and build Palestinian security capability and performance. The package also included measures to establish an economic and security zone around Jenin, which if successful could be replicated elsewhere.

9. These various measures hold promise. But action on the ground is the key. As stressed by the Quartet, much more remains to be done to improve conditions, implement recent commitments, and fulfil Road Map obligations. Some steps have been taken. For instance, Palestinian security forces have continued efforts to disarm and arrest militants. They seized a cache of illegal weapons and explosives in Bethlehem, and on 3 May, some 500 security personnel, mostly trained and equipped in Jordan with the assistance of the US Security Coordinator, were deployed in and around Jenin. An EU conference to support measures in the civil security and justice sector is scheduled for 24 June in Berlin. Continued Palestinian efforts to meet its Road Map commitments on security need encouragement and support from all parties. In this context, we note that Israel has approved the re-opening of 20 Palestinian police stations. However, IDF incursions have continued in the West Bank, including in areas where Palestinian security forces are deployed. Israel has also not consented to the delivery of certain equipment for the Palestinian security forces.

10. Easing of movement and access remains an essential precondition for Palestinian economic revival. In this regard, the removal of two roadblocks in the southern West Bank and one in the Qalqiliya area should have a significant impact on commercial activity. Intentions to remove other obstacles will be subject to a security assessment, and five others are to be upgraded to facilitate improved movement. Further steps are vital, with the number of obstacles to movement in the West Bank now standing at over 600. We also note that Israel has announced the issue of 5,000 special permits for Palestinian workers in Israel.

11. On 2 May, the Quartet expressed its deep concern at continuing settlement activity, and called on Israel to freeze all settlement activity including natural growth and to dismantle outposts erected since March 2001, as required by the Road Map. However, construction continues in a majority of settlements, as does the building of settlement infrastructure in East Jerusalem and throughout the West Bank. This activity is contrary to international law and Security Council resolutions. We also note with
concern a rising number of incidents of settler violence, and insufficient signs of law and order being imposed on settlers.

12. Palestinian institutions in East Jerusalem remain closed by Israeli order, despite Road Map commitments. Hundreds of demolition orders remain pending against Palestinian structures in East Jerusalem, along with some 3,000 further orders in the remainder of the West Bank. The Government of Israel has undertaken to review these as part of Quartet Representative Blair’s package.

13. Construction on the barrier continued within occupied Palestinian territory, in deviation from the Green Line and contrary to the International Court of Justice advisory opinion.

Gaza and Southern Israel

14. I turn to the situation in and around Gaza, where the complex political, security, human rights and humanitarian crisis has deepened this past month.

15. In total, four Israeli civilians were killed by Palestinian militants and at least 30 were injured during the reporting period. In total, 50 Palestinians, at least 18 of whom were civilians, among them 11 children, were killed during IDF operations in the reporting period; the great majority in Gaza. 207 Palestinians were injured, including at least 22 children.

16. We condemn attacks by Hamas and other militant groups on Gaza crossing points. These attacks are also totally contrary to the interests of the civilian population of the Strip, and run counter to all efforts to help them. Attacks on the Nahal Oz fuel terminal have played a significant part in the fuel crisis in the Strip. The Erez crossing, through which aid workers and urgent medical cases must pass, was closed until yesterday, after a suicide bombing on 22 May, involving four tonnes of explosives in a truck, caused significant structural damage to the Erez terminal. The blast also damaged electricity lines between Israel and Gaza, causing a complete loss of electricity for six days to northern parts of Gaza. And Kerem Shalom – the main crossing for goods into Gaza – has remained closed since an attack on it on 19 April.

17. We condemn the firing of indiscriminate rockets from Gaza into Israel. 191 rockets and at least 183 mortars have been fired from Gaza at Israeli civilian targets or at crossing points since you were last briefed. These attacks are sometimes launched from civilian areas. Concerns continue to be expressed over alleged smuggling. On 14 May, a longer range rocket hit a shopping mall in the Israeli city of Ashkelon, wounding dozens of civilians.

18. IDF operations, including land incursions and air attacks, continued throughout the reporting period. While we acknowledge Israel’s legitimate security concerns, we deplore the killing and injuring of civilians in some of these operations. The IDF must seek to exercise maximum restraint and comply with international law so as not to endanger civilians.

19. Humanitarian conditions for the 1.5 million people in the Gaza Strip are increasingly grave. They are caught between the closure of crossings due to militant attacks and...
Israeli measures amounting to collective punishment. Approximately five percent of the weekly average of petrol and 16% of the weekly average of diesel entering Gaza prior to June 2007 were delivered in the reporting period, leading to a virtual cessation of vehicular traffic, and a cessation of some of UNRWA’s operations, including food distributions, for four working days. Meanwhile, although 70% of the amount of industrial fuel needs for the Gaza power plant entered Gaza during the reporting period, the power plant shut down entirely for two days on 10 May due to the sporadic nature of import and delivery.

20. Almost all Gazans face significant interruptions in access to water, due to a lack of fuel and spare parts. Up to 80 million litres of raw and partially treated sewage continue to be discarded into the Mediterranean Sea every day. An estimated 600 tonnes of rubbish accumulate in the streets every day, with attendant health risks. In May, the catch by fishermen was 50% what it was in the same month last year. Meat shortages have been compounded by the destruction of two chicken farms on 17 May during IDF operations. No exports have left Gaza for five months, and only 77 trucks left in the six months before that.

21. The Rafah crossing to Egypt opened on an exceptional basis between 10 and 12 May, to allow 140 of 1700 patients seeking medical treatment and about 750 students and others to cross into Egypt. Some 550 Gaza residents also crossed back into Gaza from Egypt.

22. Meanwhile, Palestinian institutions in Gaza are being increasingly separated from the Palestinian Authority itself, and Hamas-Fatah tensions are increasingly evident. In addition, salafist elements are suspected of attacks on cafes and other institutions associated with Christians in Gaza during the reporting period.

23. In addition, no agreement has been reached on securing the release of captured Israeli soldier Gilad Shalit or of Palestinian prisoners. The ICRC has still not been provided access to Corporal Shalit.

24. The UN has repeatedly made clear our concern that the situation in and around Gaza is unsustainable, and we have called for a different and more positive strategy for Gaza. In London, the Quartet threw its weight behind a new strategy for Gaza that would provide security for all Gazans, end all acts of terror, provide for the controlled and sustained opening of the Gaza crossings for humanitarian reasons and commercial flows, support the legitimate Palestinian Authority government, and work towards conditions that would permit implementation of the 2005 Agreement on Movement and Access.

25. We therefore commend and support the Egyptian efforts now underway to calm the violence and ease the situation on the ground. This effort is continuing through Egyptian contacts with representatives of Hamas and other groups in Gaza, and with the Israeli and Palestinian governments. We strongly urge all parties to work constructively with Egypt in this vital effort.

Israel-Syria

Mr. President,
26. On 21 May, the Governments of Israel, Syria and Turkey issued simultaneous statements, confirming that Israel and Syria have started indirect peace talks under the auspices of Turkey. The two sides stated their intention to conduct these talks in good faith and with open minds. They decided to pursue the dialogue between them in a serious and continuous way, in order to achieve the goal of comprehensive peace in accordance with the Madrid Conference terms of reference for peace.

27. This significant announcement comes after nearly two years of indirect contacts under Turkish auspices. The Secretary-General has warmly commended President Assad and Prime Minister Olmert, as well as Prime Minister Erdogan, for their efforts. We welcome the important possibilities opened by these negotiations and hope that they yield progress on this important track of the peace process.

Lebanon

Mr. President,

28. Events in Lebanon recently have been little short of tumultuous. Within the space of a few weeks, we have witnessed both the ruinous effects of sectarian violence but also hope and optimism following the agreement of the Lebanese leaders in Qatar on 21 May.

29. In the two weeks preceding the 21 May agreement, Lebanon was hostage to instability and violence. On 6 May, the Lebanese Cabinet declared Hizballah's exclusive telecommunications network "illegal and unconstitutional" and announced the dismissal of the chief of security of the Beirut International Airport. In protest, Hizballah closed all roads leading to and from Beirut airport and other principal roads in parts of the capital. This led to the cancellation of all flights to and from Beirut airport, bringing the country to an effective standstill. Hizballah stated that its actions would continue until the Government rescinded both decisions.

30. Later that day, exchanges of fire between members of the opposition and pro-government forces took place throughout several districts of Beirut. The violence soon escalated and spread to other parts of the country, including several areas of the Bekaa valley, Tripoli and in northern Lebanon. Heavy fighting also occurred in the Chouf mountains where reports indicated the use of rocket fire and heavy artillery. Throughout this period, the United Nations remained in close contact with all parties aiming to contain the violence. Hostilities continued until 14 May by which time approximately 69 people had been killed and over 180 injured.

31. On 14 May, a Ministerial Committee of Arab Foreign Ministers, headed by the Prime Minister of Qatar, Sheikh Hamad bin Jassem bin Jabr Al Thani and by the Secretary-General of the League of Arab States, Mr. Amr Moussa, travelled to Lebanon. The Committee held discussions with the parties aimed at ending the immediate crisis. On 15 May, the Cabinet rescinded its decisions of 6 May. Shortly afterwards, the Arab Committee announced an inter-Lebanese understanding that called for calm on the streets and the withdrawal of all armed elements. The Beirut agreement also called for a Lebanese National Dialogue to begin the following day in Doha aiming to seek
consensus on the issues of a national unity government and certain aspects of a new electoral law, thereby enabling the election of a President of the Republic.

32. Lebanese political leaders travelled to Doha on 16 May. Through the intense efforts of the Emir of Qatar, Sheikh Hamad bin Khalifa Al Thani, the Prime Minister and Foreign Minister of Qatar, Sheikh Hamad bin Jassim bin Jabr Al Thani and the Secretary-General of the Arab League, Amr Moussa, the Lebanese leaders reached an understanding on 21 May regarding the formation of a national unity government and certain aspects of a new electoral law.

33. The Secretary-General welcomed the agreement and expressed his appreciation for the crucial diplomatic efforts of Qatar in assisting the Lebanese leaders to reach agreement on key issues. The Secretary-General also expressed his hope that the agreement would be the prelude to a lasting period of national reconciliation, political stability, peace and progress for the Lebanese and a stepping stone towards the full implementation of relevant Security Council resolutions.

34. Both the Doha and Beirut agreements emphasised the fundamental importance of reinforcing the authority of the Lebanese State over all of Lebanon. The Secretary-General supports the dialogue in this regard to be continued under the Chairmanship of President Suleiman, who was elected on 25 May 2008. He also welcomes in particular the stated commitment of the parties to reject the use of weapons or violence for achieving political gains.

35. In contrast with developments in Beirut, the situation in UNIFIL’s area of operations remained generally quiet during the past month. During the days of conflict in Beirut and other parts of the country, the Lebanese Armed Forces continued all their operational activities, and UNIFIL and the LAF continued coordinating their operations as usual without interruption.

Conclusion

Mr. President,

36. This has been an extensive briefing, but even by the standards of the region it has been an event-filled month. I conclude with three observations.

37. First, Egyptian efforts to achieve a calming of violence in and around Gaza are extremely important, and the United Nations strongly supports these efforts. The reopening of crossings for humanitarian relief and commercial flows, with the presence of the Palestinian Authority, will also be crucial if any calm is to be sustained. A calming and easing of the situation in and around Gaza is essential for genuine progress in both the Israel-Palestinian negotiations and in reuniting the West Bank and Gaza within the framework of the legitimate Palestinian Authority. For these reasons, I am actively engaged in supporting a more positive strategy on Gaza.

38. Second, progress must be intensified on the Annapolis track, both in the political negotiations and in action on the ground, notwithstanding the domestic challenges on both sides. We continue to press and support the parties to intensify cooperation on these issues and meet Road Map commitments. We encourage regional partnersto
continue and intensify their support of the bilateral process, and express our strong support for the Arab Peace Initiative.

39. Third, we commend the leading role regional players are taking to find political solutions on several fronts. This is a positive development, offering potential on which we hope it is possible to build.

40. The Secretary-General remains committed to the full implementation of all relevant Security Council resolutions, and to a just, lasting and comprehensive peace in the Middle East.

Thank you, Mr. President.