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AFFAIRS**

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

**17 AUGUST 2010**

Mr. President,

We are nearing a turning point in the efforts to promote direct negotiations between Israel and the Palestinians. Since May, parties have engaged in seven rounds of proximity talks, mapping out areas of mutual interest and laying out their respective issues of priority. We appreciate the constructive involvement of the United States mediation in this regard, and the tireless efforts of Senator Mitchell who again met with President Abbas and Prime Minister Netanyahu on 10 and 11 August respectively. The Secretary-General is himself personally active in this regard. He remains in contact with Senator Mitchell, and has spoken directly to Palestinian, Israeli and Arab leaders to encourage movement in the peace process. On his behalf, Mr. Serry has been fully engaged in coordination and consultations with the other Quartet Envoys.

Success will require sustained regional and international support. In this regard, we welcome the decision by the Arab League Foreign Ministers in Cairo on 29 July to give its backing, in principle, for President Abbas to enter into direct negotiations when he deems it appropriate. President Abbas also continued his consultations with Arab leaders, meeting with King Abdullah of Saudi Arabia on 4 August, with President Mubarak of Egypt and King Abdullah of Jordan on 12 August, and with Emir Sheikh Hamad bin Khalifa al-Thani of Qatar on 13 August. Prime Minister Netanyahu also met with King Abdullah of Jordan on 27 July.

The parties are currently holding internal discussions with a view to deciding on whether they will enter into direct talks. We urge them to be forthcoming in their deliberations and are hopeful that leaders on both sides will seize this opportunity and engage in a path of decisive progress towards a sustainable, mutually acceptable two-state solution, within a realistic timeframe. To support them in taking this step, we remain in close contact with Quartet partners to promote the start of meaningful direct negotiations as soon as possible.

Mr. President,

For these negotiations to succeed, it is crucial to maintain an enabling climate on the ground. Parties should adhere to their Roadmap commitments and obligations under international law, as reemphasized by the Quartet on 19 March in Moscow.

The partial moratorium on settlement construction in the West Bank is due to end on 26 September. We urge for the continuation of the settlement halt beyond its scheduled expiry and its extension to all settlement activity in the occupied Palestinian territory, including East Jerusalem. Let me recall that under the Roadmap, Israel is obligated to freeze all settlement activity, including natural growth, and dismantle outposts erected since March 2001

On the occasion of the Muslim holy month of Ramadan, Israeli authorities removed three obstacles to movement in the West Bank, extended operation hours of some checkpoints, and slightly eased access to Jerusalem for Friday prayers on the Temple Mount. The number of obstacles to movement throughout the West Bank remains over 500. Easings on movement and access should be expanded, including with regard to barrier-related obstacles.

We are also concerned about the increase in demolition or dismantlement of Palestinian-owned structures in Area C that displaced or otherwise affected 212 people. The situation is particularly worrisome in Al-Farisiye, in the Northern Jordan Valley, where two families currently face demolition of the shelter provided by the Palestinian Authority with international support, following their eviction from their homes earlier this year.

During the reporting period, Israeli security forces conducted 313 incursions in the West Bank, resulting in one Palestinian shot dead by Israeli soldiers on 22 July while he attempted to intrude into the settlement of Barkan. Overall, 15 Palestinians were injured and 162 Palestinians arrested, while 3 Israeli soldiers were also injured. Demonstrators against the barrier often clashed with Israeli forces, resulting in nine Palestinians injured while others were arrested or suffered from gas inhalation.

Violence by Israeli settlers against Palestinians amounted to 22 incidents, resulting in seven Palestinians injured and damages to property. Following the demolition by Israeli forces of structures in the Bracha settlement near Nablus on 26 July, Israeli settlers attacked the Palestinian village of Burin on the same day and again on 30 July, as part of so-called 'price tag' retaliation.

Mr. President,

On 15 August, the Palestinian Authority, under Prime Minister Fayyad, issued a report taking stock of progress on the Government's two-year state-building agenda, observing that substantial progress was made in building sound institutions and a stable society. The United Nations welcomes this achievement.

However, without significant additional external financing, the Palestinian Authority will face a serious liquidity crisis in September and will have difficulty paying August salaries. Financing to date – USD 507 million – falls almost USD 200 million short of the budget. The Palestinian Authority has also nearly exhausted the scope for loans from commercial banks. Current initial estimates of donor commitments through 2010 suggest that the financing deficit will exceed USD 300 million. To reinforce stability, which is critical in the context of renewed negotiations, donors must reaffirm their support.

In Jerusalem, the comparative restraint of the past few months has been eroding as announcements of construction, demolitions, and evictions have recommenced. This included the deplorable forcible takeover by Israeli settlers of a building housing nine Palestinian families, on 29 July, in the Muslim Quarter of East Jerusalem's Old City. On 27 July, the Jerusalem Municipality demolished five commercial structures in the area of Hizma village, affecting the livelihood of the families involved. On 2 August, the Jerusalem municipality authorized the construction of 40 homes in the East Jerusalem settlement of Pisgat Zeev.

The situation of the four lawmakers from the Hamas-affiliated Change and Reform bloc remains unresolved. The trial of one has been postponed until November. He remains in Israeli custody while the three others are still in the care of the ICRC. We call on the Israeli authorities to find a positive resolution for this unsustainable situation.

Mr. President,

We continue to follow the impact of the new Israeli policy on Gaza, following the announcement on 20 June by the Israeli Government of a package of measures aimed at easing the blockade, and on 5 July the move by Israel from a "positive" list of goods allowed into Gaza to a "negative" list of goods whose entry is prohibited or restricted. The volume and variety of supplies entering Gaza has continued to increase over this reporting period. The weekly average of imported truckloads has reached 1,006 – an almost 30 percent increase over the average from the last reporting period [780], and an 80 percent increase over the 2010 weekly average before the policy change [553].

The Israeli decision to allow 100 million New Israeli Shekels in cash into Gaza, as well as the exchange of 31.5 million worth of spoiled New Israeli Shekel bank notes since mid-July is an important step in alleviating the immediate liquidity crisis in Gaza, and is welcome. Further steps and regularized banking arrangements will be critical to meet cash needs and salary payments.

While these are positive developments, imports into Gaza still remain far below the weekly average of truckloads before the closure was instituted in 2007. The current extent of easing cannot meet the crucial longer-term construction and rehabilitation needs of Gazans, and resuscitate the legitimate economy. To achieve this, the Quartet called in its 21 June statement for a comprehensive solution that ensures the unimpeded flow of humanitarian aid, commercial

goods and persons to and from Gaza; addresses Israel's legitimate security concerns, including an end to weapons smuggling into Gaza; promotes Palestinian unity based on the Palestine Liberation Organization commitments and the reunification of Gaza and the West Bank under the legitimate Palestinian Authority, and consistent with Security Council resolution 1860 (2009).

The Rafah crossing remained open for humanitarian purposes, and transit to other countries for foreign visas holders, including religious pilgrimage. Egypt continues its efforts to counter smuggling along its border with Gaza, discovering and closing some 17 tunnels, which were used to smuggle cement, steel and other construction materials.

Similarly, while we welcome Israel's recent approval of 11 United Nations construction projects in Gaza, we are nonetheless concerned about bottlenecks in project implementation if the current cumbersome procedures for approval and entry of materials are not streamlined. Procedures have already resulted in substantial delays in projects previously approved. The Khan Younis housing project, approved at the time of the Quartet meeting on 19 March 2010, took 3 months to move from approval in principle to approval in practice. Due to strict requirements imposed on project approval and entry, project cost doubled.

In view of the newly approved projects, it will be important to improve efficiency of the applicable procedures. We look forward to continued effective dialogue with the Israeli authorities to facilitate smooth implementation of these and future United Nations projects in priority areas.

On a separate note, UNRWA warned on 16 August that it is running an \$84-million deficit that could soon force it to shut schools and clinics in the Gaza Strip. I call on the international community to help UNRWA fulfill its important mission in health, education and social services in Gaza and elsewhere in the region.

Palestinian efforts continued during the reporting period to overcome the electricity crisis that is causing hardship for the population in Gaza and endangering operation in hospitals and such. We urge the Palestinian parties involved to resolve their internal disputes, and to achieve a sustainable solution to restore reliable electricity supply for Gaza.

August 4<sup>th</sup> marked the 1,500th day since the capture of Israeli Corporal Gilad Shalit. We very much regret that international calls for his release, immediate humanitarian access, and completion of a prisoner exchange agreement have not been heeded.

During the reporting period, Palestinian militant groups fired six rockets and three mortars from Gaza into Israel, causing no injuries. In a serious incident, a grad-rocket was fired on 30 July from Gaza on the Israeli town of Ashkelon, causing no injuries. We continue to condemn rocket fire, which indiscriminately targets civilians. This attack was followed by an Israeli airstrike on Gaza overnight that killed one Hamas commander. Israeli Security Forces

conducted 11 air strikes and 11 incursions into Gaza, resulting in the death of three militants; two militants were injured as well as 22 civilians and 5 policemen. We urge calm and full respect by all parties of international humanitarian law. Israeli security forces continue to restrict Palestinian access to land areas in Gaza located up to 1,000 to 1,500 metres from the Green Line and sea areas beyond 3 nautical miles from shore, thereby severely impacting livelihoods.

I am disappointed to report lack of progress in intra-Palestinian reconciliation within the framework of the Egyptian-mediated proposal, in spite of mediation visits to Gaza by prominent independent Palestinian figures. We urge Palestinian factions to work together to overcome Palestinian internal divisions. In a positive development, on 11 August, a number of prisoners were released in Gaza as a humanitarian gesture for the start of Ramadan, in parallel with a release of prisoners in the West Bank, which I referred to earlier.

On 2 August, the Secretary-General announced the launch of a Panel of Inquiry on the flotilla incident of 31 May. This unprecedented development followed intensive consultations with the leaders of Israel and Turkey. The Secretary-General thanked the leaders of the two countries for their spirit of compromise. The Panel is composed of former Prime Minister of New Zealand Mr. Geoffrey Palmer as Chair, former President of Colombia Mr. Alvaro Uribe, an Israeli Panel member, Mr. Joseph Ciechanover, and a Turkish Panel member, Mr. Ozdem Sanberk.

The Secretary-General expressed his hope that the Panel would fulfil its mandate in the light of the Presidential Statement of the Security Council and with the fullest cooperation of the relevant national authorities of the two countries. The Panel will examine and identify the facts, circumstances, and the context of the flotilla incident, as well as recommend ways of avoiding future incidents. For that purpose, the Panel will receive and review reports of national investigations into the incident, and request such clarifications and information as it may require from relevant national authorities. For the conduct of its work, the Panel will decide what steps it will take and will work with the national authorities. It is not designed to determine individual criminal responsibility.

The Panel convened in New York for two full days on 10 and 11 August. Its members met with the Secretary-General who outlined the nature of the task he envisaged for them. The Secretary-General stated his hope that the agreement on the Panel would impact positively on the relationship between Turkey and Israel as well as the overall situation in the Middle East. The Panel began its substantive discussions on how it will conduct its work. The members of the Panel will meet together again in early September. They will strive to produce for the Secretary-General an interim report on 15 September.

Under the chairmanship of Justice Turkel, the Israeli Commission to examine the maritime incident of 31 May 2010 continued its work and heard the testimonies of Prime Minister Netanyahu, Minister of Defense Barak and Army Chief of Staff Ashkenazi during the

week of 9 August. On 12 August, the Turkish Government also announced the establishment of a national commission of inquiry on the 31 May events.

Mr. President,

Turning to regional matters, the situation in the occupied Syrian Golan remained stable, although settlement activity continued. Unfortunately, I have to report a number of serious incidents in the region during the period. On 2 August, 5 rockets were fired toward Eilat, Israel and Aqaba, Jordan, killing one Jordanian civilian and injuring 3 others. Countries concerned must cooperate to bring those responsible for this act of terrorism to justice.

As this Council has already been briefed, there was another serious incident, this time on the Blue Line, when an exchange of fire took place on 3 August between the Lebanese Armed Forces and the Israel Defense Forces. This incident was the most serious one since the adoption of Security Council resolution 1701 (2006). A UNIFIL investigation is underway into this incident and the Security Council will be briefed on its outcome accordingly. Throughout the month, aerial over flights of Lebanon's territory continued, almost daily, constituting a violation of resolution 1701 (2006) and of Lebanese sovereignty. On 20 July, the Prime Minister of Lebanon requested that the Security Council extend the mandate of the United Nations Interim Force in Lebanon (UNIFIL) for a further period of one year without amendment.

Mr. President,

Some significant political and security developments also took place in place in Lebanon during the reporting period. On 31 July, the President of Lebanon hosted a joint meeting in Beirut with the King of Saudi Arabia and the President of Syria. Also, the Emir of Qatar conducted an official visit to Lebanon from 31 July to 2 August, including a tour of villages in the South of the country. These visits, which signaled a strong commitment by Lebanon's Arab neighbours to the maintenance of calm in the country, took place against a background of increased tension generated by speculation, rumours and allegations regarding potential indictments by the Special Tribunal for Lebanon.

On 14 August, the alleged leader of Fatah al-Islam, Mr. Abdel al-Rahman Awadh, and his associate Mr. Abu Bakr Mubarak, were killed in an ambush set in the Bekaa Valley by the intelligence branch of the Lebanese Army. Fatah al-Islam, a radical Islamist group, became notorious as a result of a three month-long conflict against the Lebanese Army in the Palestinian refugee camp of Nahr el-Bared in 2007.

The Lebanese Parliament met today and considered a draft law granting some civil rights to Palestinian refugees. This follows a month of intense debates over the scope and applicability of the law. The United Nations has urged all political parties to improve the legal regime applicable to Palestinian refugees in Lebanon, without prejudice to their right of return.

The United Nations has also continued to work closely with the Lebanese-Palestinian Dialogue Committee on a number of pending issues pertaining to the situation of Palestinian refugees in Lebanon, such as restrictions on access to the Nahr el-Bared refugee camp and the situation of Palestinians with no official identification papers. While the reconstruction of the camp is progressing, we remain concerned about the shortfall in UNRWA's funding requirements, both for the reconstruction of Nahr-el Bared and for its general fund. It is imperative that the generous financial contributions of donors toward basic social services such as health and education not be cut back and for the reconstruction of Nahr el Bared to continue.

Mr. President,

We remain convinced that direct and meaningful negotiations are the only avenue towards a comprehensive, sustainable solution that fulfills the aspirations of the Israeli and the Palestinian peoples. The United Nations stands ready to provide support to this process, in accordance with relevant Security Council resolutions and within the framework of relevant international agreements. Strong leadership from both Parties to make progress at the negotiating table and realize the aspirations of both people will be required, as well as the continuation of the parallel process of Palestinian state-building, sustained regional and international support; and the pursuit of a comprehensive regional peace as envisaged in the Madrid terms of reference, Security Council resolutions and the Arab Peace Initiative.