Mr. President,

1. As 2009 draws to a close, Israeli-Palestinian negotiations are yet to resume, confidence between the parties remains low, facts continue to be created on the ground, tensions persist in Jerusalem, and the actions of both Hamas and Israel are not contributing to the stability and welfare of Gaza. Even the genuine progress taking place in parts of the West Bank runs in parallel with negative trends.

2. We are in a race against time to overcome the contradictions on the ground and the crisis of confidence between the parties, and move decisively towards a political end game. Israel must do more in this regard -- by implementing Roadmap commitments, including on settlements; easing measures which stifle the Palestinians; and being prepared unambiguously to negotiate and resolve all core issues in a fixed timeframe, including Jerusalem. The Palestinians need to play their part, too -- by engaging constructively on efforts to bring about resumed negotiations in earnest; and continuing to advance their important statebuilding project. The situation in Gaza needs to be addressed with an end to the blockade and a period of calm, and responsible steps from all concerned. The region and the Quartet need to work together, without delay and with united purpose, to support this agenda over the crucial months ahead.

3. On 26 November, Israeli Prime Minister Netanyahu announced that Israel would restrain certain settlement activity, by temporarily freezing new construction permits and starts, for a period of ten months. Prime Minister Netanyahu described the decision as designed to “encourage resumption of peace talks with our Palestinian neighbors”. Teams of Israeli inspectors have been visiting settlements to ensure compliance with the cabinet decision, facing protests from settler groups.

4. Under the terms of the announcement, construction already underway on over 3,000 units and on public buildings will continue -- as evidenced by the approval of a further 28 public buildings in settlements. The restraint does not apply to settlement activity in the Israeli-determined municipal boundaries of East Jerusalem. In addition, on 13 December the cabinet granted additional budget
allocations to some 110,000 settlers, many living in isolated settlements deep in the West Bank.

5. The policy announced by Prime Minister Netanyahu is a step beyond previous Israeli government positions, and has not come without domestic political challenges. We will follow closely the impact of the decision on the ground, and it must be hoped that it contributes to forward movement. However, particularly as regards East Jerusalem, the policy falls considerably short of Israel’s commitments under the Roadmap to freeze all settlement activity, including “natural growth”, and to dismantle outposts erected since March 2001. I reiterate the Secretary-General’s and the Quartet’s calls on Israel to implement its Roadmap obligations. Settlement activity is illegal under international law and unilateral actions on the ground prejudicing final status issues will not be recognized by the international community.

Mr. President,

6. On the Palestinian side, the inability to hold elections decreed for 25 January 2010 has further deepened the internal crisis. This has presented new challenges for the institutions of the Palestinian Authority, in a context where President Abbas has confirmed his decision not to stand in any future elections. In this extraordinary situation, the PLO Central Council convened on 15 and 16 December and resolved that the term of the Palestinian Authority Presidency and the Legislative Council should be extended until elections can be held, as soon as possible in 2010. The PLO Central Council resolved to meet again in 2010 and we continue to hope that it will be possible to hold free and fair elections throughout the occupied Palestinian territory.

7. President Abbas has indicated his readiness to continue to serve until elections, and restated his commitment to a negotiated two State solution and his rejection of violence. He has called for a full Israeli settlement freeze in accordance with the Roadmap in order to resume negotiations.

Mr. President,

8. Significant and urgent improvements on the ground are needed if the two State agenda is to be sustained and advanced.

9. The Palestinian Authority must continue its efforts to meet its Roadmap obligations, and Israeli-Palestinian cooperation to enable security and economic performance must be further developed. I underscore the UN’s full political and programme support to the Palestinian Authority’s agenda, and I was pleased to welcome Palestinian Prime Minister Fayyad to participate in the UN Country Team retreat in Bethlehem to plan UN activities for 2010. Palestinian security forces have continued their important security responsibilities, often at risk: on 26 November the residence and vehicle of the deputy Mayor of Nablus was riddled
with bullets by unknown assailants. A fifth battalion of newly trained Palestinian security forces is due to be deployed in a West Bank city before the end of the year. Israel needs to build on previous steps in the economic and security fields with a range of further measures, including a reduction of incursions into Palestinian areas, facilitation of Palestinian development in Area C, and a further easing of closures, which currently stand at approximately 575 obstacles to movement across the West Bank.

10. Citing security concerns, Israeli forces arrested 172 Palestinians and injured 27 others in 64 operations in the West Bank, and two explosive devices were defused near the settlement of Beit el on 3 December. Six members of the Israeli security forces were injured.

11. Palestinian, Israeli and foreign protesters continued demonstrating against the barrier, built in occupied territory contrary to the advisory opinion of the International Court of Justice, mostly in Nil’in and Bil’in villages, and there have been clashes with Israeli security forces.

12. Settler attacks against Palestinian civilians, property and places of worship have continued, some in the context of the so-called “price tag” policy to protest the Israeli government’s settlement restraint announcement. There were 33 violent incidents between settlers and Palestinians. Tensions further increased on 10 December, when a group of settlers set fire to the mosque in Yassuf village, in a deplorable desecration of a place of worship. Israel continues to fall short in imposing the rule of law on such violent extremists, and this must be addressed. I welcome the strong condemnation of the mosque attack by the Israeli government, and I urge the authorities to seek out those responsible for this incident, along with other such acts of violence, and bring them to justice.

13. The situation in Jerusalem remains tense and makes prospects for successful negotiations more difficult. Palestinian institutions remain closed contrary to the Roadmap. There are concerning reports of increased revocations of the identity cards of Palestinians from East Jerusalem. Provocative actions continue in sensitive neighbourhoods such as Silwan and Sheikh Jarrah, where many properties remain under threat of demolition. On 1 December, pursuant to an order of the Israeli court, a group of armed Israeli settlers escorted by Israeli security forces entered and took control of part of a Palestinian home in Sheikh Jarrah, claiming ownership of the building. The UN’s efforts to persuade the Israeli authorities to apply a moratorium on demolitions and evictions and cease installing settlers into Palestinian neighborhoods have so far not been heeded. I have taken careful note of reports that Prime Minister Netanyahu has appointed a focal point to oversee decisions on these matters. I hope that this signals an intention for Israel to take this issue in hand in a positive manner. Jerusalem remains a final status issue, and a way must be found through negotiations to resolve the status of Jerusalem as the future capital of two states.
Mr. President,

14. A different approach is needed to the situation in Gaza, grounded in Security Council resolution 1860.

15. During the reporting period, imports were at approximately a quarter of the level prior to the imposition of the blockade after the Hamas takeover in mid-2007, a decline on the last reporting period. Food and hygiene items continue to constitute the vast bulk of goods allowed into the Strip, although there was an increase in the amount of cooking gas allowed in. The Gaza Strip remains closed to exports of its agricultural products, with the exception of one truckload of flowers allowed out of the Strip during this reporting period. The lack of fuel for the Gaza power plant and a shortage of materials to repair damaged electricity infrastructure leave the majority of the population of Gaza subject to rolling electricity blackouts. It is essential that Israel increases the quantity and quality of supplies through the crossings, including to meet urgent winter needs in accordance with UN requests. Discussions on this issue are ongoing with the Israeli authorities and we hope that approval followed by swift entry of winterization materials will take place in the coming days.

16. Beyond immediate humanitarian needs and measures for the winter, I regret that the Israeli authorities have not provided a satisfactory response to the UN’s proposal to complete stalled UNRWA and UNDP projects for housing, schools and health facilities. On a recent visit to Gaza, I visited one of these projects. It is painful to see a project which is 70% completed, and needs only the remaining materials to be completed to provide housing for several hundred families. The Gaza business community expressed their frustration that legitimate commerce has been destroyed by the blockade. Smugglers and militants control commodities flowing through tunnels, with attendant revenues reaching Hamas. The blockade is unacceptable and counter-productive, and must end. Normal economic life must be restored for the civilian population, half of whom are under eighteen.

17. I do not overlook legitimate Israeli concerns regarding the situation in Gaza. We continue to be concerned at reports of the continued smuggling of weapons into the Gaza strip. According to the Israeli authorities, an S-5K rocket was fired on 5 December. We continue to note the efforts of Egypt to increase security along the border, including seizing a truck loaded with a ton of explosives on 23 November, the installation of sensor equipment, and action to close down tunnels.

18. During the reporting period, however, violence was at a comparatively restrained level. Ten rockets and mortars were fired by Palestinian militants towards Israel, though no injuries or damages were reported. Four alleged Palestinian militants were injured by an Israeli airstrike on 27 November and a Palestinian man died on 12 December after being shot by Israeli forces near the
border area. Despite these worrying incidents, it is our assessment that both sides do not seek escalation. There are possibilities for a sustained calm if wisdom and restraint prevails.

19. Efforts continue to secure the release of Israeli Corporal Gilad Shalit along with a number of the more than 9,000 Palestinian prisoners in Israeli jails, and as the United Nations we continue to be supportive of these efforts with all concerned. We urge both Israel and Hamas not to miss the current opportunity and to resolve this issue.

20. The great majority of the 750 students seeking to leave Gaza to study abroad remain in Gaza. Within Gaza, there have been new measures imposed by Hamas on Gazans trying to pass through the Erez crossing into Israel. Civil society organizations and NGOs have been the targets of what appear to be politically-motivated burglaries for which no culprits have been held responsible, despite the total security control of the de facto authorities. We take note that on 26 November, 150 prisoners from all political factions were released in Gaza on the occasion of the Eid Al-Adha holiday. As the de facto authorities on the ground, Hamas must act with responsibility towards the population. Hamas should also work more constructively under Egyptian auspices on the basis of Egypt’s proposal for national reconciliation.

Mr. President,

21. In addition to my regular consultations with the Israeli government, I visited Syria on 9 December to discuss the prospects for a resumption of the Israeli-Syrian track. Important work has been done on this file in previous efforts, including under Turkish auspices during 2008, and this should be built upon. We support the efforts of all those in the region and international community who are working in this regard, as part of our commitment to a comprehensive regional peace.

22. On the ground, the situation in the occupied Syrian Golan remains stable although settlement activity continues. I draw to the Council’s attention that a Knesset bill requiring a certain majority of Knesset Members, or a referendum, to approve the return of any territory in the Golan Heights or East Jerusalem passed its second reading on 9 December. A further reading is required, but if passed this bill could make any future territorial return more complex.

23. Turning to Lebanon, on 10 December, and following a three-day debate, Lebanon’s Parliament formally expressed its confidence in Prime Minister Hariri’s government, which has now officially assumed its functions. The vote of confidence saw 122 out of a total of 128 MPs express their support. The parliamentary vote followed the adoption by the Council of Ministers on 2 December of the new government’s Ministerial Statement, which outlines the cabinet’s programme of work. In the Ministerial Statement, the new
Government of Lebanon affirms its commitment to the implementation of Security Council resolution 1701 “in all its aspects.” The cabinet also affirmed its exclusive right to decide over war and peace and envisaged the extension of the government’s authority over all Lebanese territory.

24. Following the parliamentary vote of confidence, Prime Minister Hariri paid his first official visit to the Kingdom of Saudi Arabia, before traveling to the Climate Change summit in Copenhagen, where he met with the Secretary-General. President Sleiman undertook a trip to the United States, where he reiterated Lebanon’s commitment to the full implementation of resolution 1701.

25. The situation in the area of operations of the United Nations Interim Force in Lebanon has remained quiet. However, air violations have continued on an almost daily basis.

Mr. President,

26. We have warned in recent briefings of the danger of a political vacuum. If we cannot move forward towards a final status agreement, we risk sliding backwards, with both the Palestinian Authority and the two-State solution itself imperiled. In my meeting with US envoy Mitchell in Washington yesterday, I was reassured of President Obama’s determination to work not only for the early resumption, but also for the early conclusion, of negotiations, as called for by the Quartet, as well as a comprehensive approach to peace.

27. The Secretary-General believes a revitalized Quartet must play its full role in urgently advancing a common agenda in the crucial few months ahead. He remains committed to an end to the occupation and an end to the conflict, through the creation of a Palestinian State living side-by-side with Israel in peace and security, and comprehensive regional peace, in accordance with Security Council resolutions, previous agreements, the Roadmap and the Arab Peace Initiative.