Mr. President,

1. Two events with important implications took place during the reporting period. On 27 April, Palestinian factions concluded a reconciliation agreement under Egyptian auspices designed to overcome years of division. Last Sunday, there were serious clashes between Israeli security forces and Palestinians in Syria, Lebanon and the occupied Palestinian territory during the largest popular demonstration of Palestinians in many years.

2. Both developments remind us that popular protests and political change continue to sweep the Arab world and shake the unsustainable status quo found in many parts of the Middle East. The Arab-Israeli conflict will not be immune to these dramatic developments. One way or another, change will come to it too. This change must be shaped to positive ends.

3. Yet we are worryingly stuck regarding the search for a two State solution. As evidenced by Prime Minister Netanyahu’s address to the Knesset on 16 May, and President Abbas’ opinion piece in the New York Times on the same date, both sides profess their desire to negotiate a two State solution. However, deep differences over the stalemate in the peace process remain. There is a genuine lack of trust, and no credible initiative has yet been taken that could overcome the impasse. In the absence of negotiations, and amidst continued Israeli settlement expansion, the Palestinians are preparing to approach the United Nations in September to seek recognition of a Palestinian state.

Mr. President,

4. I turn first to the Palestinian reconciliation agreement. Bearing in mind Security Council resolutions 1850 and 1860, the Secretary-General has continually supported efforts for Palestinian unity and the work of Egypt in this regard. The Secretary-General wishes to see unity in the framework of the positions of the Quartet and the commitments of the Palestine Liberation Organization and the Arab Peace Initiative.
5. Within this framework, the Secretary-General asked me to represent him on 4 May at the ceremony in Cairo that marked the conclusion of the accord. The accord was signed by Fateh and Hamas, together with other Palestinian factions. Faction representatives met again earlier this week in Cairo for discussions on implementation of the accords, which will clearly be a process rather than an event. The accord has been widely welcomed by the Palestinians, who have strongly pressed their leaders in this direction. Civil society figures have been active in the process.

6. Under the accord, a Palestinian government of national “capables” or “technocrats” is to be formed, with the Prime Minister and ministers agreed by consensus. The government is to prepare for simultaneous elections for the Palestinian Legislative Council, the Presidency, and, where this is possible, the Palestinian National Council, in one year, organized and overseen by reformed electoral institutions. During the transitional period until elections, the government is to begin reunifying Palestinian institutions and follow up on Gaza reconstruction.

7. The agreement also envisages the establishment of an interim committee to address national political issues, in which Hamas and other non-PLO factions would participate with PLO factions, including Fateh, pending National Council elections. However, it is explicitly stated that the work of this committee will not contradict the jurisdiction of the Executive Committee of the PLO, which is recognized internationally as the sole legitimate representative of the Palestinian people.

8. At the Cairo ceremony, President Abbas reiterated his full commitment to the platform of the PLO, which has long accepted Security Council resolutions 242 and 338, recognized Israel’s right to exist in peace and security, and renounced violence and terrorism – and which remains committed to existing agreements. He has stated that any government he commissions would support this programme.

9. The accord envisages reform of Palestinian security forces on a national and professional basis, and establishment of a security committee of professional officers with the participation of Egypt. Security reform is likely to be a gradual process. The current realities are expected to continue for the immediate future. In particular, we believe it is understood that the security cooperation between the Palestinian Authority and Israel in the West Bank must continue, and this is to be respected by all parties. Equally, we believe there is an intention to observe the calm that is now in place between Israel and Gaza, which had been secured in early April with Egyptian and UN assistance.

10. I can report that no rockets and three mortars were fired from Gaza during the reporting period. Calm from Hamas has been met with Israeli restraint. There were five Israeli incursions and no air strikes into Gaza. Apart from incidents on 15 May, which I will
come to later, one alleged militant and five Palestinian civilians were injured in incidents with Israel security forces, while there were no Israeli deaths, injuries or material damages around Gaza. The de facto authorities in Gaza must now actively maintain this encouraging and important calm. Israel must show maximum restraint and ensure a conducive environment for calm.

11. In the West Bank, existing security cooperation and performance has been sustained. A seventh battalion of Palestinian security forces returned to the West Bank from training in Jordan with international assistance, raising the number of newly trained security personnel in the West Bank to over 3,500. We stress the importance of this process continuing under any future government.

Mr. President,

12. Some Hamas statements have suggested that the faction is ready within the framework of the accord to submit to national decisions on issues on which the movement itself has extreme positions. However, other statements assert those extreme positions in worrying terms. Statements such as those calling on the PLO to renounce its recognition of Israel, lauding Osama Bin Laden, or stressing that the movement’s sole programme is “resistance” are a reminder of why deep international concerns remain, and why we must follow developments vigilantly.

13. We also note Prime Minister Netanyahu’s serious concerns about the accord, which have been repeated to me by many Israeli interlocutors.

14. Yet we would counsel against reaching a predetermined view about the accord’s merits or prospects. Reunification of Gaza and the West Bank is a vital goal for all interested in peace, and the process should not be undermined in its infancy. We must encourage the formation of a non-factional government under President Abbas, with an effective Prime Minister and ministers, who are able to preserve the functioning security apparatus on the ground in the West Bank, adhere to calm out of Gaza, expand the statebuilding agenda, oversee reconstruction in Gaza, begin the process of re-integration, and prepare for new elections. The government should be able to fully support President Abbas’ programme. The international community’s expectations reflected in Quartet statements are directed to any Palestinian government, and are clear.

15. I am pleased that the Israeli government has now decided to transfer VAT and customs revenues that were withheld from the government of Prime Minister Fayyad for a period after the announcement of the reconciliation accord. These funds are collected from Palestinians and are essential for meeting normal budgetary gaps and paying salaries to employees – including security personnel who are maintaining cooperation with Israel. Israel’s adherence to its international obligations is the right way to promote cooperation with a responsible Palestinian partner.
16. We appeal to donors to remain fully engaged. To date, the Palestinian Authority has received about $30 million less per month than what is budgeted for the first 4.5 months of 2011. Inadequate donor support for the budget would undermine government functions and the statebuilding agenda, affecting the ability of the PA to borrow to meet recurrent expenditures. Continued engagement based on an assessment of the make-up and real policies of any new government under President Abbas can empower moderation, enhance security, restore hope, help begin Gaza reconstruction, and contribute to reunification.

17. We take note of President Abbas’ concerns about Israel’s continued expansion of settlements contrary to the Roadmap and international law. We call once again for Israel to freeze settlement activity, which continued apace during the reporting period in the East Jerusalem and the remainder of the West Bank. We also continue to stress the need for further measures regarding Area C and East Jerusalem, both in enabling Palestinian efforts and supporting vulnerable communities.

18. Further measures of liberalization in Gaza are also essential to solidify the modest progress already made and empower those seeking continued calm. The Secretary-General urges the Government of Israel to take further meaningful and far-reaching steps to end the closure of Gaza within the framework of Security Council resolution 1860 (2009). A free flow of both people and construction materials for Gaza remains a central objective of the United Nations.

19. At present, we urgently need the approval of further projects, including two UNRWA housing projects in Khan Younis and Rafah, totalling 1100 units. Moreover, the market in aggregate, steel bar and cement – the so-called “A B C” of construction in Gaza – can and should be liberalized by the Israeli authorities – particularly given the quantities of construction material now entering through unregulated tunnels.

20. The United Nations believes that all assistance and legitimate goods destined to Gaza should be channelled through official crossings and established channels, as requested by the Quartet on 21 June 2010 and the Ad Hoc Liaison Committee on 13 April 2011. In this regard, we continue to urge action to combat smuggling of weapons.

21. The Secretary-General is also following with concern media reports of potential new flotillas to Gaza that can provoke unnecessary confrontations. The Secretary-General calls on all Governments concerned to use their influence to discourage such flotillas, which carry the potential for escalation. He further calls on all to act responsibly to avoid any violent incident.

Mr. President,
22. We must also open Gaza to enable its civil society and children to engage with the world. I can personally attest to the positive impact of the visit of UN Messenger for Peace Daniel Barenboim and the Orchestra for Gaza, comprising musicians from leading European orchestras, who performed a concert of works by Mozart on 3 May in Gaza.

23. I renew our calls for Hamas to release and allow humanitarian access to Israeli Staff Sergeant Gilad Shalit, in captivity for 5 years next month. Now is clearly the time to resolve this humanitarian issue through a prisoner exchange. In this context, we also follow with concern the situation of several thousand Palestinians in Israeli prisons, and we continue to underscore the importance of releases of prisoners to the Palestinian Authority.

Mr. President,

24. Let me now turn to the serious confrontations that took place on 15 May between Israeli security forces and Palestinians in Syria, Lebanon and the occupied Palestinian territory, as Palestinians demonstrated in large numbers marking what they call “Nakba Day”.

25. Allow me to detail some of the most serious incidents. Regarding the occupied Syrian Golan, at least 1,000-1,200 civilians, the vast majority Palestinian, were allowed into the area of separation on the Syrian side to which access is tightly controlled by the Syrian authorities. They gathered opposite the village of Majdal Shams on the Israeli-occupied side. An estimated 200 to 300 demonstrators who had crossed the cease-fire line broke through the Israeli technical fence, crossing a clearly marked mine field despite Syrian police attempts to block them. After firing warning shots, the IDF opened fire in an attempt to stop protesters from reaching the Israeli-occupied side. Early reports indicate that four people were killed and approximately 48 injured by bullets, while approximately 87 others suffered gas inhalation. Thirteen Israeli soldiers were also injured in the incident. Subsequently, the majority of the few hundred civilians who had crossed into the Israeli-occupied Golan were escorted by local villagers and returned to the Syrian side. Of three infiltrators subsequently arrested by Israeli police, two were returned to Syria and one remains in Israeli custody.

26. In southern Lebanon, thousands of Palestinian refugees gathered in the area of Maroun al-Ras. While most demonstrators protested peacefully away from the Blue Line, an estimated 300 to 400 demonstrators broke away from the demonstration and approached the Israeli technical fence. They started throwing stones and interfering with the fence. The IDF opened fire to repel the demonstrators at the fence. The LAF also fired shots in order to disperse the demonstrators. Official Lebanese figures say that ten protestors were killed and 112 were injured.

27. UNIFIL and UNDOF were in close contact with the parties throughout the incidents trying to restore calm. UNIFIL and UNDOF are now separately investigating both
incidents, in accordance with their respective mandates. We recall that full compliance by all parties with UN Security Council resolutions 1701 (2001) and 350 (1974) is essential.

28. In the occupied West Bank on 15 May, 164 people were reportedly injured, mostly in Area C and East Jerusalem where Israeli security forces are present, while Palestinian security forces generally prevented demonstrators in Area A from approaching Israeli security positions. In Gaza, 80 people were reportedly injured in clashes between demonstrators and the IDF in the Beit Hanoun area near the Erez crossing. On the same day, one Palestinian was killed by Israeli fire in the Buffer Zone area in Gaza. We await details of an incident in Tel Aviv that day involving a truck which left one Israeli killed and 17 injured.

29. The Secretary-General expressed his deep concern that a significant number of people were killed or injured during the events of 15 May. He called on all concerned to show restraint and refrain from provocations so as to prevent escalation of tensions and ensure civilians involved in protests are not killed or injured. We further note that the protests involved violations of the Blue Line between Israel and Lebanon and the disengagement line along the occupied Golan Heights, and stress the importance of the governments in the area to ensure respect for these lines.

30. Among other serious incidents during the reporting period, two were fatal. A Palestinian child was killed in East Jerusalem on 14 May, apparently by a settler. An Israeli civilian was killed and four others injured by Palestinian Security Forces on 24 April during an uncoordinated visit by settlers to a Palestinian-controlled religious site in the West Bank.

Mr. President,

31. I would like to turn briefly to the situation in Lebanon, where with the exception of the grave incident on 15 May I just reported, the overall situation in the UNIFIL area of operations has remained generally stable over the last month. Israeli air violations continued on an almost daily basis.

32. At the political level, almost four months after his nomination as Prime Minister-designate by President Sleiman, consultations by Najib Mikati with the new Parliamentary majority have not led to agreement on the composition of Lebanon’s next Government. We continue to believe that a government supported by all is critical to enable the country to face important challenges in the political, economic, social and security spheres.

Mr. President,

33. At this difficult time in the region, we take this opportunity to urge continued funding for UNRWA and its support for refugees. The Agency faces an overall deficit of nearly US$
65 million in 2011 in its General Fund; a shortfall that if not bridged would have significant consequences. UNRWA also requires an additional US$6 million of support for its 2011 Summer Games activities for children in Gaza.

Mr. President,

34. We are three months away from September. There is a statebuilding agenda that has ensured Palestinian institutional readiness for statehood in the West Bank, and there is now a unity process in its infancy. We hope that real security and economic improvements can be continued in the West Bank, and broadened to begin to include Gaza, and that elections can take place in a year. We urge all parties to give this process a chance, while reminding the Palestinians of the importance of agreeing on a government that can live up to the expectations of the people and meet the concerns of the international community, and support negotiations with Israel.

35. But with September just around the corner, a meaningful political initiative offers the only prospect of reaching September with the various dynamics in play working together toward one objective: a negotiated two-state solution. In the absence of an initiative, it is too early to assess whether September will bring a new and more effective paradigm for resolving the conflict through negotiations, or renewed confrontation between the parties in the diplomatic arena or on the ground.

36. We strongly agree with US President Obama that it is more vital than ever to solve this conflict, and we will be following closely his speech on the region today. We also await the address of Prime Minister Netanyahu to the US Congress next week, and whether an initiative for breaking the logjam is announced. We will continue to seek enhanced and substantive Quartet engagement to shape the process between now and September, and beyond. We must show purpose, rather than paralysis, as we approach a critical period in the search for peace in the Middle East.

37. In closing, let me thank retiring US Envoy George Mitchell for two years of tireless and difficult work on peace in the Middle East. The Secretary-General and I appreciated the close working relationship with him and his team. We will continue to work closely with the United States and all our regional and international partners in the quest for a two State solution.

Thank you, Mr. President.