Madam President,

1. Since our last meeting, the Middle East region has been witnessing dramatic political transformations – but stagnation in the Israeli-Palestinian negotiations. It is true that the shifting regional dynamics have added uncertainty to the environment of an already difficult Middle East peace process. However, progress towards a negotiated solution that addresses all core issues would make a critical contribution to stabilizing the region. When Quartet Principals met in Munich on 5 February, they affirmed that Israeli-Palestinian and comprehensive Arab-Israeli peace are imperative to avoid outcomes detrimental to the region.

2. Let me convey to Council members the Secretary-General’s profound concern at the continued impasse in the political process. I must in all frankness report low confidence and trust of the parties in each other and in international efforts to help them overcome their differences. The parties are unlikely to overcome the deficit of trust without a credible and effective international intervention in the peace process.

3. In our view, it is becoming increasingly clear that a more concrete and substantive basis would have to be laid out for the parties to engage. The Quartet must play its full role in this regard. When the Quartet met in Munich on 5 February, it reiterated its commitment to the two state-solution and a conclusion of the talks by September 2011 and reaffirmed that the outcome of negotiations should end the conflict and the occupation that began in 1967. The Quartet agreed a way forward towards a further Quartet Principals meeting. Envoys are working to meet separately with the parties, as well as with representatives of the Arab Peace Initiative Committee. In its discussions with the parties, the Quartet will give serious consideration to their views on how to bring about resumed negotiations on all core issues, including borders and security.

4. The longer the impasse in talks persists, the greater our concern that tensions on the ground will unravel modest achievements and stand in the way of a negotiated solution. Actions that risk prejudging the outcome of negotiations are particularly unhelpful. In this context, Israel
continues to build some 2,000 units begun in the West Bank after the moratorium expired on 26 September – a regrettable development, as was noted by the Quartet. We call on Israel to heed the calls of the international community and the provisions of international law and the Roadmap, by freezing all settlement activity, including natural growth, and dismantling outposts. I note that, notwithstanding the recent results in the Security Council, all members of the Security Council strongly oppose continued settlement activity.

5. This extends to East Jerusalem, where a number of settlements were announced for expansion in past weeks, including 56 new units in Ramot, and 13 units in the heart of the Palestinian neighbourhood Sheikh Jarrah. We urge the parties to refrain from provocative actions at this sensitive time.

6. Israeli authorities demolished 66 Palestinian-owned structures in Area C and East Jerusalem, displacing over 100 people and otherwise affecting another 220, particularly impacting the livelihoods of vulnerable herding communities, while construction of adjacent settlements continued.

Madam President,

7. Adversity on the ground has not stopped the Palestinian Authority from forging ahead with its statebuilding agenda. With significant achievements realized over the past years, and further reforms underway, it is my clear view that the strong institutions now established represent the basis of a state-in-waiting. The further realization of progress is fundamentally constrained by the Israeli measures of occupation that deny territorial contiguity and inhibit freedom of movement. The continued divisions among the Palestinians are also a serious concern in that regard.

8. Palestinian security forces continued to make strides in the maintenance of law and order in the West Bank. Economic activity is on the rise, and we positively note Israel’s removal of some further obstacles to support this trend: easier access to Nablus via the Huwwara checkpoint; increased tourist access to Bethlehem; and more predictable access for meat and dairy products into East Jerusalem from the rest of the West Bank.

9. On 4 February, Israeli Prime Minister Netanyahu agreed with Quartet Representative Blair on a package of measures designed to help improve Palestinian livelihoods and support economic growth both in the West Bank and in Gaza. It is imperative that these steps be facilitated and implemented in full. More and speedier easing measures by the Government of Israel are urgently needed to shore up the statebuilding effort. The confidence built over the past years should enable Israel to further roll back elements of occupation.

10. My visit to Hebron on 25 January impressed on me the importance of enabling the PA to develop in Area C. I visited the densely populated neighborhood of Qaizun in Area A, overlooking empty space in area C next to Israeli settlements. The Governor and the Mayor of Hebron underlined the importance and urgency to use at least some of this area to accommodate Hebron's natural growth by expanding its residential and industrial area there. This situation
applies to many more Palestinian urban centers and I urge Israel to address these pressing Palestinian needs.

11. The Government of Israel's commitment to allow Palestinian security forces to deploy into seven towns in Area B, as part of the package agreed with Quartet Representative Blair, is a step forward. However, as Prime Minister Fayyad has impressed upon me repeatedly, the presence and operations of Israel’s security forces within Palestinian population centres which are meant to be under Palestinian security control is a major concern. In the past month alone, there were 434 incursions which resulted in one Palestinian killed, 96 injured and 379 arrested. We also remain concerned at violent incidents at checkpoints, which injured one Arab Israeli and two Palestinians during the reporting period. On 20 January, an alleged Islamic Jihad militant opened fire against an Israeli position near Jenin and was consequently shot and killed by the Israeli soldiers.

12. Demonstrations continued against the barrier, which deviates from the Green Line in contravention of the advisory opinion of the International Court of Justice, resulting in seven Palestinian injuries and numerous arrests. Allow me to stress that the right of peaceful and non-violent protest must be upheld.

13. Israeli forces arrested two settlers on 30 January in connection with one of two incidents where two Palestinians were shot and killed by settlers. Settlers also injured nine Palestinians. Settler impunity remains a concern. A report released by the Israeli human rights group Yesh Din indicates that, since 2005, less than 10% of alleged attacks by settlers against Palestinians in the West Bank have resulted in an indictment.

Madam President,

14. During the reporting period, a number of steps were taken by the Palestinian Authority aimed at responding to expectations for political reform. On 8 February the Government of Prime Minister Fayyad called for local elections to be held on 9 July. President Abbas declared on 17 February that presidential and legislative elections should also be held as soon as possible both in the West Bank and Gaza. Hamas has so far rejected the calls for elections absent full reconciliation.

15. Prime Minister Fayyad submitted the resignation of his government on 14 February and was immediately tasked by President Abbas to form a new government. I note the important suggestion of Prime Minister Fayyad to form a Government of national unity based on the principle of non-violence, as a first step to advance reconciliation.

16. Several hundred demonstrators took to the streets of Ramallah last week demanding that their leaders end their differences and re-unite, and a network of 81 Palestinian non-profit organizations from the West Bank, Jerusalem, and the Gaza Strip publicly called on 21 February for rival Palestinian factions to end their disagreement. I urge all Palestinian factions to show responsibility and heed the legitimate calls of the Palestinian people for reunification.
17. It is critical that the donor community continues to support the Palestinian Authority and buttress the reform agenda, even if the Palestinian Authority has been able to halve its dependence on budgetary assistance between 2008 and 2011. Thus far in February, the Palestinian Authority has received over US$80m in support for recurrent expenditures. A new international donors’ conference for the Palestinian State will be held in Paris in June. This will be preceded by a meeting of the Ad Hoc Liaison Committee on 13 April.

Madam President,

18. I was last in Gaza last week, on 16 February, and it remains a high priority in all my engagement to seek to improve the situation in Gaza on the basis of the respect for calm, and a significant improvement in the socio-economic conditions that have deteriorated so badly in recent years in the aftermath of the Hamas takeover and the Israeli-imposed blockade.

19. I regret to report to the Council that the reporting period was marked by an increase in violence with an escalation of rockets attacks emanating from Gaza, Israeli air raids and repeated confrontations in the border area with Israel. 19 mortar shells and 15 rockets were fired indiscriminately from Gaza towards Israeli civilian areas. As recently as yesterday, three Grad rockets were fired at the city of Be’er Sheva, damaging a house. On 31 January, three Grad rockets were fired, narrowly missing a wedding celebration in Netivot. Also on 23 February, a ten-year old girl was killed in the southern Gaza strip when an explosive device went off while being prepared by militants. We condemn rocket attacks and once again call for their immediate cessation. We are urging the de-facto authorities to intensify their efforts to maintain calm.

20. Israeli forces responded overnight to the recent rocket attack with air raids against Hamas facilities in the Strip. On 23 February, Israeli forces also used tank fire against militants allegedly detonating an explosive device near the border fence and firing mortars. The operation injured 11 Palestinians, including militants from Islamic Jihad, killing one. During the night of 17 February, three Palestinians were shot and killed by Israeli security forces near the border fence in Gaza as they were allegedly planting explosive devices, while the de-facto authorities contend they were fishermen. During the reporting period, Israel conducted ten further incursions and four air strikes into Gaza, in which two Palestinian militants and 27 Palestinian civilians were injured. We call on Israel to exercise maximum restraint and to ensure protection of civilians. All parties must respect international humanitarian law.

21. We remain concerned at the depressed economic situation in Gaza and the continuing impact of Israeli closure measures. At the same time, I note positively the Israeli approval of 14 additional UN infrastructure projects in Gaza, including seven UNRWA schools, bringing the total number of approved UNRWA schools to 20. The total amount of approved projects now stands at 155.4 million USD. It is important that implementation now proceed smoothly, which will require streamlined entry of material and adequate capacity at the crossings. Import levels are more significant than before Israel’s policy adjustment in June 2010, but far from meeting pre-2007 levels. The needs in Gaza remain vast, and we hope that both import and export levels can be scaled up within the framework of implementation of SCR 1860. The UN is also in discussions with the Government of Israel on a process – led by the Palestinian Authority with UN monitoring – for the commercial import of construction materials for the private sector.
22. High Commissioner for Human Rights Pillay visited the occupied Palestinian territory and Israel during the reporting period and expressed her concern at the violations of human rights. Amongst others, she spoke out against settlement activity in the West Bank, including in East Jerusalem, and the associated regime of obstacles to movement, given their devastating impact on human rights, peace, and development. She also met with victims of rockets in Sderot on 10 February and urged the militants in Gaza to stop committing war crimes by firing these rockets.

23. Staff Sergeant Gilad Shalit has been detained by Hamas for over 1700 days. We reiterate our appeal for his release and for humanitarian access to be granted without delay. We continue to express concern about the several thousand Palestinians in Israeli prisons.

24. The Rafah crossing was closed from 30 January 2011 to all traffic, including humanitarian cases. We welcome the gradual reopening of the crossing since 18 February.

Madam President,

25. Let me turn now to regional events. As regards developments in Egypt, where a transition is underway that must serve the interests of the Egyptian people, we take positive note of reaffirmed commitments by Israeli and Egyptian authorities to regional stability and peace. We note with appreciation that Israel is allowing 300 Palestinians living in Libya to enter the West Bank as a humanitarian gesture.

26. We regret the lack of progress towards peace between Israel and Syria. We are concerned about a new campaign to encourage additional Israeli settlement in the occupied Syrian Golan, aiming to recruit 140 new families during 2011. In the interest of regional stability and to realize the Arab Peace Initiative, the conflict between Israel and Syria should be resolved on the basis of relevant Security Council resolutions.

27. In Lebanon, the collapse of the Government on 12 January led to an increase in the level of political tension in the country, which culminated in a series of demonstrations in support of caretaker Prime Minister Hariri that took place on 24 and 25 January, mostly in the northern city of Tripoli and some areas in Beirut. The demonstrations ended as Prime Minister Hariri called for calm. The Secretary-General welcomed the statement issued by Prime Minister Hariri and called on all parties to maintain calm and avoid any acts of violence.

28. On 25 January, and following two days of constitutionally-mandated consultations with all parliamentary groups, President Sleiman requested Mr. Najib Mikati to form a new Government. Mr. Mikati’s consultations are still continuing. On behalf of the Secretary-General, we would like to convey his hope that the new Government will meet the aspirations of all Lebanese, and his call on this Government to abide by all the international obligations that Lebanon has undertaken.

29. On 14 February, a political rally took place in Beirut to commemorate the sixth anniversary of the assassination of former Prime Minister Rafiq Hariri and 22 others. The
Secretary-General issued a statement on that occasion in which he reaffirmed the commitment of
the United Nations to the efforts of the Special Tribunal for Lebanon.

30. On 22 February, the Lebanese caretaker Minister of Labour signed an administrative
decree regulating the implementation of the labour law amendments that were approved by
Parliament in August 2010. This represents an important and positive step that will contribute to
improving living conditions of Palestinian refugees in Lebanon. While progress is being made in
the reconstruction of the Nahr el Bared refugee camp, funding remains a major concern. The
United Nations urges the international community to renew its financial support to the
reconstruction of Nahr el Bared so that progress can be sustained.

31. The overall situation in the UNIFIL area of operations remained quiet and stable. Israeli
violations of Lebanese air space have continued to take place on an almost daily basis.

Madam President,

32. I indicated in my December briefing that I believed the credibility of the international
community, including the Quartet, would be at stake in 2011. It is now all the more urgent and
crucial that it respond to this test. To this end, the Quartet intends to engage the parties in
serious talks including on substance and support them in finding ways back to the negotiation
table. I also believe that there should be a readiness to offer more concrete suggestions for those
negotiations, if that is what it takes to enable decisive progress toward peace. I hope the leaders
will join in this effort by acting responsibly and in keeping with their peoples’ aspirations for
stability and peace. This, in my view, is the right lesson to draw from the changes that are taking
place in the region.

Thank you, Madam President.