

**ROBERT H. SERRY
UNITED NATIONS SPECIAL COORDINATOR
FOR THE MIDDLE EAST PEACE PROCESS**

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

26 July 2011

Mr. President,

1. The political process to resolve the Israeli-Palestinian conflict is in profound and persistent deadlock. Efforts to find the necessary common ground for resumed negotiations have proven extremely difficult, given the differences and lack of trust between the parties. Political leaders on both sides are frustrated, as are their publics. This is particularly acute on the Palestinian side, in the absence of a credible political horizon for ending the occupation that began in 1967. Israelis remain concerned about achieving lasting security and end of conflict.
2. The Quartet has engaged throughout this year to promote meaningful negotiations. Most recently, the Secretary-General joined Quartet partners in Washington on 11 July. The Quartet sought to translate the important speech of President Obama on 19 May, in which he laid out parameters on borders and security as what he termed a “foundation for negotiations”, into an internationally-agreed framework for the parties to resume talks. The Secretary-General appreciated the substantive discussion in Washington. The Quartet did not issue a statement to help chart the way forward, but its efforts continue.
3. Both President Abbas and Prime Minister Netanyahu continue to reiterate their desire to negotiate. However, in the absence of a framework for meaningful talks, and with Israeli settlement activity continuing, the Palestinians are actively exploring approaching the United Nations. President Abbas states that he remains committed to negotiations, and that efforts in the United Nations would help to preserve the two State solution. Israel opposes this course of action, stating that it will make negotiations for a two State solution more

difficult to achieve. The Palestinians are consulting closely with the Arab League on this issue, and both parties are intensively engaging members of the international community.

4. We hope that the international community can be united in for a of collective decision-making– now, in September, and after September too – and shape a legitimate and balanced way forward that helps the parties overcome their differences and ultimately return to negotiations. We will continue to work with Quartet partners to seek urgent action in this regard. We also note the prerogatives and responsibilities of the Security Council and the General Assembly.

Mr. President,

5. We must not lose sight of what is at stake. The World Bank, the IMF, and UNSCO have all acknowledged the unprecedented achievements of the Palestinian Authority in the West Bank. The Palestinian Authority has, in key areas, reached a level of institutional performance sufficient for a functioning state. The Palestinian Authority is ready to assume the responsibilities of statehood at any point in the near future.
6. Real security and economic gains have been made, benefitting both peoples. Better governance, increased investment, improvements in movement and access and donor engagement have strengthened the West Bank economy in a difficult global environment over the past two years. The training and deployment of thousands of Palestinian Security Forces and intensified security coordination has seen terrorist cells dismantled and extremist incitement combated. Palestinians have seen law and order return to the main cities and Israelis have faced comparatively few acts of violence from the West Bank.
7. However, as we have often warned, this agenda is reaching the limits of achievement without more political and physical space. This requires Israeli steps to roll-back measures of occupation and continuous donor support. For example, we have repeatedly called on Israel to allow the expansion of Palestinian urban centers to accommodate population growth and industrial activity, which would necessitate some parts of Area C. While steps of enablement were made in the past, bold measures have been lacking in recent times,

and implementation of those measures which have been announced, including the February 2011 package agreed with Quartet Representative Blair, has been slow.

8. Indeed, we see many negative actions in Area C. Demolitions of Palestinian structures have surged. This year, 700 people have been displaced when about 370 structures were demolished – the highest numbers since 2006. Water and sanitation systems have especially been targeted.
9. Settlement activity continues in many of the most sensitive areas of East Jerusalem and Area C. In the past month, 40 units were approved in Karnei Shomron in the northern West Bank. I am particularly concerned that, for the first time in several years, on 26 June 2011 Israel confiscated 19 hectares of private Palestinian land in the village of Karyut, also in the northern West Bank. An outpost, illegal even under Israeli law, is located on that land. This departs from Israeli public undertakings not to build new settlements or set aside land for new settlements, and sets a worrying precedent for the further legalization of outposts which, under the Roadmap, should be removed. Settlements are illegal under international law and prejudice final status discussions, and settlement activity must cease.
10. Issues on which we report regularly to the Council, including settler violence, incursions citing security concerns, movement and access limitations, and the route of the barrier, continue to be sources of friction between the parties. I note that, on 23 June, the Israeli authorities, as ordered by the Israeli Supreme Court, began re-routing a section of the barrier near Bil'in, a village where there are weekly protests, giving residents access to an additional 1,020 dunums of agricultural land, while still depriving villagers of another 1,280 dunums.
11. There are now growing calls from civil society groups and political figures for intensified peaceful protests against the *status quo*, and calls for action to realize the Palestinian right of self-determination. Meanwhile, precisely at the time when the statebuilding plan was meant to reach fruition, the Palestinian Authority has faced setbacks due to its fiscal position and shortages in donor funding, forcing it to cut back on security expenditures and only pay half-salaries in June. I

urge donors to ensure that the Palestinian Authority can pay salaries and meet its other financial obligations, including members of the Arab League who are meeting on this issue today in Cairo. I urge Israel to do more to empower its moderate, committed and peaceful Palestinian partner.

Mr. President,

12. Security Council resolutions 1850 and 1860 and the framework of international law continue to guide the United Nations on Gaza.
13. We are concerned that the calm between Israel and Gaza restored in early April has been challenged by the firing of some 18 rockets into Israel since 23 June. During the same period, Israel conducted three incursions and 16 air strikes, killing two Palestinian militants and injuring eight, but also killing one Palestinian civilian and injuring fourteen. One Israeli soldier was injured during an incursion, and an Israeli civilian contractor was lightly injured by gunfire from Gaza. Militants' firing of indiscriminate rockets towards civilian areas is unacceptable and must cease. Israel must also show restraint. Tensions have subsided in recent days. My office remains active in promoting a full restoration of calm, which remains a cornerstone for any broader achievements.
14. A nascent recovery is underway in Gaza, with real GDP growth of 15.1% in 2010 and 17.9% in the first Quarter of 2011. However, this rebound is from a very low base, and is driven in part by public expenditure, donor aid, tunnel traffic, increased imports from Israel and limited exports. Imports are only about a third of the volume before the closure. Unemployment in Gaza is very high at 31%, 54% of households remain food insecure, and 38% live in poverty.
15. Israel's June 2010 policy change from a list of permitted to a list of prohibited items has contributed to an increase in consumer good imports. A limited range and volume of agricultural products have also exported since Israel's December 2010 decision to allow them. The volume of UN projects approved for Gaza to date pursuant to Israel's policy totals USD 265 million – a significant start to address Gaza's vast basic needs including education, housing, and sanitation.

The Rafah crossing for people now operates six days a week between Gaza and Egypt.

16. Together with our Quartet partners, we urge Israel to allow aggregate, iron bar and cement for use by Gaza's private sector. The ongoing illicit tunnel trade in these essential building materials empowers those who control smuggling at the expense of the legitimate commercial sector. Exports to foreign countries and the West Bank should also be further enabled. The much freer movement of people to and from the Strip is vital if Gazans are to enjoy basic rights, normal interaction with the outside world, and human dignity. We continue to seek the full reopening of all legitimate crossings. We urge continued vigilance to combat smuggling of weapons into the Strip.
17. Most of the vessels involved in a recent flotilla did not receive authorizations from maritime authorities from countries in the region to sail toward Gaza. On 19 July, Israeli Naval Forces intercepted a small boat carrying approximately 10 activists who intended to sail to Gaza, and directed it to the Israeli port of Ashdod. Unnecessary confrontations at sea were avoided, as urged by the Quartet.
18. In Gaza, the Hamas interior ministry closed the local Sharek Youth Forum on unspecified accusations of immoral behavior. The authorities are also seeking to audit international NGOs with onsite inspections. We urge full respect for the free and independent exercise of the functions of these Organizations. We also urge full respect for the work of UN agencies, some of whose activities in support of Palestinian beneficiaries has been misrepresented recently.
19. We are also very concerned that a bomb was detonated near the UNSCO compound in Gaza on 25 June causing material damage to the perimeter wall, underlining the continued challenging security environment facing the UN in the Strip.
20. I also draw your attention to the fact that UNRWA faces an unprecedented funding shortfall of USD 61.4 million for its core programmes and operations, as well as for its emergency food and employment operations. I urge donors to provide decisive and speedy support to UNRWA, without which support to Gazans could be significantly curtailed come October.

21. The Secretary-General joined the Director-General of the International Red Cross on the fifth anniversary in expressing his grave concern at the continuing captivity of Israeli Staff Sergeant Gilad Shalit, and called on Hamas to protect his life, treat him humanely and present a proof of life. We also continue to call for his release and for the conclusion of prisoner exchange negotiations, which would also enable the release of a significant number of Palestinian prisoners. We note with concern reports of steps taken to harden conditions of detention of some of these prisoners in the reporting period.

22. Implementation of the May reconciliation accord is stalled, amidst disputes over the composition and program of a new Government. The longer reconciliation is delayed, the more that developments on the ground will push the West Bank and Gaza further apart, with grave consequences for prospects for a viable Palestinian State. The United Nations continues to promote reconciliation within the framework of the commitments of the Palestine Liberation Organization, the positions of the Quartet and the Arab Peace Initiative.

Mr. President,

23. There has been no movement on the regional tracks of the peace process. Popular protests and political change have become part of the regional dynamic and affect the way the parties perceive their security and political strength. Uncertainty in the region should be cause for the parties to redouble efforts to address stability. Progress towards peace is more urgent than ever.

24. I will not brief on Lebanon given that the Special Coordinator for Lebanon briefed you last week.

Mr. President,

25. After nearly twenty years of inconclusive peace negotiations since the Madrid Conference, yet again we are reaching a point where the parties fail to meet an agreed timeline for a permanent status agreement. I cannot but describe the situation where Palestinian

statebuilding has matured in the West Bank, but the political track has failed to converge, as dramatic.

26. We continue to urge the parties to find a way forward at this sensitive and important time. We hope that the international community can help by shaping a legitimate and balanced framework. Without a credible political path forward, accompanied by more far-reaching steps on the ground, the viability of the Palestinian Authority and its statebuilding agenda – and, I fear, of the two State solution itself – cannot be taken for granted.

27. This agenda should be advanced within the framework of Security Council resolutions and international law, the agreements and obligations of the parties, and the Arab Peace Initiative.

Thank you, Mr. President.