Introduction

1. The forthcoming Israeli withdrawal from Gaza and parts of the northern West Bank continues to overshadow all other issues. Disengagement is an important step forward: withdrawal from occupied territory, albeit partial and on terms largely set by the occupier, is a positive, precedent-setting step and one that the entire international community cannot but support. Moreover, as stated repeatedly by the Quartet, it offers an opportunity to re-energize the Road Map. It is a moment pregnant with hope but also fraught with peril.

Quartet Engagement and Activities

2. The Quartet has met in recent weeks to review the situation at this critical time. In a statement released after its meeting in London on 24 June, the Quartet underscored its commitment to the broader implementation of the Road Map, which this Council endorsed in its resolution 1515 (2003), and to the vision of two states, Israel and a sovereign, viable, democratic and contiguous Palestine, living side by side in peace and security. The Quartet continues to consider the Road Map and the two-state vision the best way to achieve a permanent peace and an end to the occupation that began in 1967. The Quartet condemned the upsurge in violence in Gaza and urged both parties to avoid and prevent any escalation in violence, so that the Israeli withdrawal could proceed peacefully. It highlighted the importance of Israeli withdrawal and reiterated its full support for its Special Envoy for Gaza Disengagement, James Wolfensohn, and his efforts to assist with the non-security aspects of Disengagement and the revival of the Palestinian economy. The Quartet is intensifying its monitoring of the situation. Envoys met in Jerusalem only last week, and will meet again next month and in September.

3. Mr. Wolfensohn has spent much time on the ground, devoting his energy and ingenuity to restoring a sense of hope and security among Palestinians and Israelis, following the apparent paucity of results of the much-anticipated meeting between Israeli Prime Minister Sharon and Palestinian President Abbas on 21 June. Specifically, Mr. Wolfensohn’s efforts are focusing on a set of six key issues, which the parties are addressing jointly and urgently with his help and encouragement. They are: (1) border crossings and trade corridors; (2) connecting Gaza with the West Bank; (3) movement within the West Bank; (4) the Gaza airport and seaport; (5) the houses in Israeli settlements; and (6) the greenhouses and dairy industry in the settlements. In addition, Mr. Wolfensohn has pointed out three essential areas the Palestinians should address, with the support of the international community. These are (1) the PA's Fiscal Crisis and development of a
Fiscal Stabilisation Plan for incorporation into the 2006 Budget; (2) the creation of a broad development plan linked to a fiscally sound financial plan for 2006-2008; and (3) design of a package of quick-impact economic programs that would provide an adequate response to pressures and demands for employment generation in the short term. United Nations agencies operating in the occupied Palestinian territory remain committed to support Mr. Wolfensohn’s Rapid Action Program.

**Violence**

4. The last few weeks have seen a gradual erosion of the informal quasi ceasefire that had prevailed since the Sharm el-Sheikh summit and President Abbas’ Cairo agreement with Palestinian factions. Palestinian militants staged a number of attacks with mortar and Qassam rocket fire against Israeli settlements as well as urban centers inside Israel. Shooting incidents in the West Bank, in particular, claimed the lives of several Israeli settlers, and the level of frequency of such incidents grew significantly. Partially in response to such incidents, Palestinian militants as well as unarmed Palestinians, among them teenagers, were killed by Israeli troops and security forces. On 20 June, a young woman from Gaza carrying 10kg of explosives, apparently a suicide-bomber, was caught at the Erez crossing trying to enter Israel. Following the gradual increase in the violence of the last ten days, Israel is taking more forceful action. A suicide bombing on 12 July in Netanya that killed five Israelis and wounded many others prompted Israeli forces to enter the West Bank city of Tulkarem, which in turn led to a firefight in which two armed Palestinians, one of them a member of the security forces, were killed. Israeli forces have continued to operate in the West Bank city and have arrested large numbers of Palestinians. On 14 July, a Qassam rocket killed a young Israeli woman, and wounded others, and Israel retaliated by firing missiles against targets in the Gaza Strip, after the PA’s declaration of a state of emergency in the Strip and Palestinian security forces acting forcefully to prevent the launching of further rockets. In the following days, the violence escalated further, with Israel, breaking the restraint observed in the past few months, resuming its earlier practice of targeted killings with the stated purpose of preventing terrorist operations. Seven Hamas militants were killed; several escaped a missile attack on their vehicle. Israel began amassing military forces outside the Gaza Strip, but vowed to give the Palestinian Authority a “last chance” to prevent the mortar and Qassam rocket fire against Israeli targets inside and outside the Gaza Strip. Prior to these incidents, Israelis and Palestinians had continued their regular meetings in the realm of security with the help of US Security Coordinator Gen. Ward.

**Law and Order**

5. The Palestinian Authority has been hard-pressed to establish law and order in both the West Bank and Gaza. PA President Abbas reiterated his commitment to work towards “one authority, one gun,” a clear pledge to assert the PA’s monopoly on the use of force. I have referred to recent efforts following the increase of rocket firing from Gaza by militants against Israeli targets, which saw a number of casualties among Palestinian security forces, militants, and the civilian population in Gaza. Earlier, a number of worrying incidents had underscored the imperative and urgency for the PA to assert its control and end violence and internal unrest. On 23 June, a Palestinian policeman was killed as gunmen opened fire on a police station in Jenin. Later
that evening, the house of a PLC member in Jenin came under attack. Gun battles erupted on 24 June, as PA security forces searched for and arrested ten men suspected of being connected to the shooting incident. Two international development workers were kidnapped by armed Palestinians seeking the release of a family member from prison on 13 July. UN intercession with the family helped to secure the release of the two later the same day.

6. More ominous were the statements and challenges to the Palestinian Authority emanating from Hamas prior to the confrontation between the militant group and the PA on 14 and 15 July. Rejecting an offer by President Abbas to join the Authority, a senior leader of the group threatened open confrontation with the PA and a continuation of attacks against Israel “in order to liberate the West Bank and Jerusalem.” But the PA has lately shown resolve to confront militants challenging its authority and to live up to its obligations under the Road Map to end the violence and begin dismantling terrorist capabilities. On 23 June, a deal was reached involving the handover of weapons by more than 200 militants in Nablus, after earlier such deals had been reached and partially implemented in Tulkarem and Jericho. Upon PA President Abbas’ arrival in Gaza last week, the barrage of rockets that was fired by militants against Israeli targets aggravated the problem further.

7. On 16 July, in a primetime radio and television address, President Abbas made a ringing appeal to the Palestinians, in which he strongly reiterated his commitment to assert his authority vis-à-vis militants threatening to upset the fragile calm that had prevailed in recent months. He stated: “No one is above the law and we will chase those who participated in the attacks and punish them. There will be no more weapons on the streets or in our cities and camps […] We will use force against anyone who tries to trigger internal fighting. […] Some have mistaken our keenness to preserve national unity as a sign of weakness. We won’t allow anyone to obstruct the Israeli withdrawal.” Since then, with the help of Egyptian mediation, the clashes between Palestinian factions have given way to a renewed commitment to the relative calm that prevailed previously.

PA Elections

8. On 18 June, the Palestinian Legislative Council passed, with a significant majority, a new election law introducing the amendments proposed by President Abbas. The President additionally asked the PLC on 27 June to amend the Basic Law in order to create the position of Vice-President. No official decision has yet been announced concerning the date of the elections for the legislature, but the target appears to be January 2006.

Israeli Disengagement Preparations

9. Israeli domestic preparations for the withdrawal continue at rapid pace. The Israeli authorities have had to deal with protests and demonstrations, efficaciously clearing a building in Gaza taken over by extremists opposed to disengagement. In addition to a number of arrests and minor injuries, a Palestinian teenager was attacked by Israeli extremists on 29 June and was rescued by an Israeli soldier. Following these incidents, the Gaza strip was permanently closed off to Israelis not residing in the settlements there on 13 July. A similar order was issued with regard
to the northern West Bank region, though its application has been left to the discretion of the local operational command. On 3 July, the cabinet had overwhelmingly rejected a proposal to postpone the withdrawal, thus underlining again that the government remains committed to the implementation of its plan, without delay. Following this vote, the Knesset, with an equally clear majority rejected three bills calling for a delay of the withdrawal on 19 July, amidst prolonged protest and demonstrations by those opposing Disengagement and attempting to march on the Gaza settlement block of Gush Katif.

*Settlement Activity*

10. There is considerable evidence that settlement activity continues. Recent figures from the Israeli Central Bureau of Statistics indicated that construction in West Bank and Gaza settlements during the first quarter of 2005 significantly exceeded the overall rate of construction in Israel. New tenders have also been published, most recently on 6 July, when the construction of 18 housing units in Elkana was publicized. In its recent meeting on 24 June, the Quartet once again expressed its concern over Israeli settlement activity and reaffirmed the need to avoid any action that contravenes the Road Map or prejudices final status negotiations. On the other hand, on 10 July, buildings in the West Bank settlement outpost of Amuna were evacuated voluntarily, after a petition against the settlers living there.

*Barrier Construction*

11. Israel has also continued and accelerated construction of its Barrier in the West Bank. On 10 July, the Israeli cabinet discussed and approved remaining details of the route of the Barrier around Jerusalem, which is projected to cut off some 55,000 Palestinian residents of East Jerusalem from the rest of the city. The government also decided on 1 September as the new deadline for the completion of the Barrier around Jerusalem.

*Lebanon*

12. I turn now briefly to Lebanon, where the situation remains a cause for concern. The Council has already been briefed on the assassination of George Hawi on 21 June, and I will not dwell on it. On 12 July, an explosion in a northern suburb of the capital led to the death of one person and injuries to thirteen others, including the (then) Deputy Prime Minister and (current) Minister of Defense, Elias Murr. Both the Secretary-General and the Security Council have issued statements on these matters.

13. After the successful conclusion of the parliamentary elections under the government led by Prime Minister Nejib Mikati, Lebanon set about forming its new government. On 28 June, Nabih Berri was re-elected as the Speaker of the National Assembly and Fuad Siniora, a former Minister of Finance, was designated as Prime Minister. Yesterday, Mr. Siniora announced agreement on the membership of the cabinet, which will be subject to a vote of confidence in Parliament early next week.
South Lebanon and Blue Line

14. On 29 June, the Security Council met to discuss the exchange of fire that day between Hizbullah and the IDF that began when a group of Hizballah fighters breached the Blue Line in the Sheb’aa farms area, one of several incidents along the Blue Line. The day after, Israeli helicopters violated Lebanese airspace and flew over the cities of Tyre, Sidon and Beirut dropping leaflets. Another incident occurred on 12 July when, according to UNIFIL, unidentified armed elements approached the Blue Line from the Lebanese side and fired four rounds from an AK-47 rifle towards an IDF position. Also over the past two weeks, there has been a substantial number of daily ground violations by Lebanese shepherds and civilians along the length of the Blue Line. The Secretary-General’s report on UNIFIL, which refers to all these matters, will shortly be presented to the Council.

15. The incidents along the Blue Line of 29 June and 12 July illustrate once again the need for the Government of Lebanon to exert every effort to prevent attacks from its side of the Blue Line. Responding to the situation on the ground, the Secretary-General’s Personal Representative for Southern Lebanon again urged the Lebanese authorities to exert their control over all of the country and refrain from all violations of the Blue Line. He also called on Israel to cease its continuing violations of Lebanese airspace. Maximum restraint will be required in order to prevent the deterioration that all sides state they wish to avoid.

Observations

16. My erstwhile colleague Kieran Prendergast last briefed the Council in June, and announced that I would come this month, to give you my first impressions. This is a tall order. The old vaudeville expression that someone is “a hard act to follow” applies doubly in this case: I walk in the footsteps not only of Kieran but also of Terje Roed-Larsen. Both brought to their work vast Middle East experience -- decidedly not my case. Please bear in mind these mitigating circumstances as you consider the very personal comments I am about to offer, barely six weeks after taking on my current assignment. Without detriment to the United Nations’ commitment to the achievement of a comprehensive peace, I will concentrate on the Israeli-Palestinian portion of my mandate.

17. As I said at the outset, Israel’s disengagement from Gaza dominates the agenda less than one month before the announced starting date. Some commentators strike an incongruous parallel between rocket and mortar attacks by Palestinian militants in Gaza against Israelis and the less lethal but particularly strident physical effort of Israeli disengagement opponents to impede the implementation of this decision. They have in common only that they are rear-guard efforts at obstructing a move that is viewed positively by clear majorities on both sides.

18. The driving force behind the Israeli government’s decision to remove settlers from Gaza and to end the Israeli presence there is in Israel’s own interest. Prime Minister Sharon describes Gaza evacuation as “vital” to Israel. In the classic calculus that a win for one side is a loss for the other, satisfying an Israeli interest may strike some Palestinians as a loss, judging from their efforts to jeopardize it. Here, however, we are in the presence of an important step which defies
that calculus: how could the dismantling of Israeli settlements in occupied Palestinian territory – the first ever – be anything but a gain for the Palestinian side, offering as it does, through the efforts of James Wolfensohn with the strong support of the international community, the prospect of an early and tangible improvement in the daily lives of Palestinians and a return, via the Road Map, to substantive peace efforts?

19. While the deterioration of the informal cease-fire is profoundly disquieting, there have been encouraging developments since late last week, consisting of the actions of the Palestinian Authority’s security forces, pursuant to President Abbas’ orders, to take vigorous action to restore law and order and particularly to intercept militants preparing to attack Israelis. The President’s forceful address to his people at the end of last week was a most welcome display of leadership. Hope was also provided by the report only two days ago that the ceasefire has been renewed and that the Palestinian factions are committed to end internal fighting.

20. I have no doubt regarding the determination of the Government of Israel to proceed unswervingly with disengagement. Israeli authorities have given clear evidence that they will not allow Israeli extremists to prevent the plan from being carried out. It is to be hoped that the combination of measures by the Palestinian Authority and the return of relative calm will make it unnecessary for the Israel Defense Forces to use the unlimited discretion they have reportedly been given to take intrusive military action to quash attacks against Israelis from Gaza. At this time it is essential not to lose sight of the overall goal.

21. The unease, suspicion and cynicism that bedevil Israeli-Palestinian relations can be attributed in large part to the fact that the disengagement is not taking place within an unequivocally agreed framework for the next steps toward the overall solution to which both sides claim adherence, i.e. two states living alongside each other in peace. Israelis need to be assured of their security; and Palestinians need to be provided with hope. Beyond the tangible improvement in their daily lives, the intangible element of a perspective for the future would be critical to instilling that hope.

22. It is of paramount importance that stability be preserved and that the Palestinian Authority be empowered to successfully counter militancy and extremism. Such empowerment will also be an element of central significance in the preparations to take control over the areas that Israel is withdrawing from. As we have stated here repeatedly in recent months, and as US Security Coordinator Gen. Ward has pointed out, Israel could and should do more to support the PA in its efforts to reign in the militants. In consequence, both the PA and Israel have homework to do: the PA has to continue exerting control and authority; while Israel has to strengthen the hand of the moderate forces and enable the PA to impose itself successfully.

23. One area in which Israel can and should take the initiative is meeting its parallel obligations under the Road Map, in accordance with which Israel should freeze all settlement activity, including natural growth, and immediately dismantle all settlement outposts erected since March 2001. The recent voluntary evacuation of the West Bank outpost of Amuna, after a petition had been filed against the settlers living there following the government’s official adoption of the Sasson Report’s recommendations, illustrates that it is possible to meet those obligations. It is equally important that Israel take steps to meet its legal obligations related to the Barrier. One senior Israeli cabinet minister recently stated that among other things the route of the Barrier, “also
makes Jerusalem more Jewish.” While it would not be entirely fair to hold the government to a perhaps inadvertent choice of words of an official in the heat of a radio interview, this and the revelation that some 55,000 Palestinian residents of Jerusalem will be shut out of the city as a result of the routing can only fuel the fear that the Barrier is designed to prejudge the outcome of eventual permanent status negotiations. These issues should be as much part of the short-term action agenda as energetic Palestinian action against militants targeting Israelis.

24. The broader implementation of the Road Map and the eventual realization of the two-state solution, as outlined in Security Council resolution 1397 (2002), must remain the goal. We aspire to the end of the occupation that began in 1967, the establishment of a sovereign, democratic, viable and contiguous Palestinian state, and its co-existence in peace and security alongside Israel. We also continue to work towards the broader realization of a just, lasting and comprehensive peace in the Middle East, in accordance with the Road Map and the Beirut Arab summit declaration of 2002, and based on resolutions 242 (1967), 338 (1973), 1397 (2002), and 1515 (2003).

25. In sum, while there was a perilous turn back to the abyss in the past month or so, there are some glimmers in the last week that may point to a new beginning.