Mr. President,

1. While the world’s gaze of concern points elsewhere in the Middle East, the Israeli-Palestinian conflict drifts dangerously in a direction that must be avoided. Both sides maintain their rhetorical commitment to a negotiated peace, however the creeping realities on the ground and the stalemated diplomacy portray a more worrying reality. Stated intentions to adhere to a two-state solution are not translating into meaningful steps to renewed dialogue on the core issues to be resolved. And this should be a matter of great concern to this Council.

2. We heard a restatement of these intentions during the speeches of both Prime Minister Netanyahu and President Abbas to the General Assembly on 27 September. At the same time, citing the absence of a political process, President Abbas announced his intention and initial consultations to seek an upgrade of Palestine to a "non-member Observer State" status - a move Israel rejects as unilateral and an impediment to resuming negotiations.

3. We hope that this development can be addressed in a constructive manner and it will remind everyone that a negotiated two-State solution, to which both leaders are committed, must remain the highest priority. We fear, however, that the door for such a solution may be closing before our eyes.

Mr. President,
4. The Ad-hoc Liaison Committee (AHLC) meeting of 23rd of September brought into sharp focus the severe financial crisis that the Palestinian Authority is experiencing as a result of combined shortfalls in domestic revenue, tax income and donor contributions. In his message, the Secretary-General reiterated the United Nations’ view that the vision of the two-State solution and the institutional achievements of the Palestinian Authority are key elements of stability. Let me repeat today his call for preserving those achievements and for ensuring the Palestinian Authority’s fiscal viability by helping to bridge its immediate funding gap. As we have said before, all those states that verbally support the Palestinian people can demonstrate their commitment in a tangible way by providing financial help that provides the Palestinian people with jobs, services, and security.

5. The figures speak for themselves. As of the 11th of October, the Palestinian Authority had not yet set a date for the payment of government employees’ salaries for the month of September. While recent contributions from Iraq, Saudi Arabia, Japan, the Netherlands, and France are welcome, they do not suffice. A predictable and immediate injection of new funds is required in order to finance the deficit currently projected to reach US $1.3 billion by the end of the year.

6. The AHLC also called upon Israel to help facilitate the sustainable growth of the Palestinian economy by taking further steps to improve the movement of people and goods, development, and trade and exports in Gaza and the West Bank, including in Area C and East-Jerusalem. Such steps ought to include measures to address the lack of adequate planning for Palestinian communities, as well as measures to develop socio-economic infrastructure such as support to the agricultural sector in Area C, an area fundamental to the contiguity of the West Bank and the viability of a future Palestinian state. The United Nations welcomes the recent approval by the Government of Israel of 15 schools and health centers in Area C and hopes to see similar action in the processing of the 32 master plans submitted to the Israeli authorities. Indications that plans for six Palestinian localities may soon be published for ultimate approval are also encouraging. Yet further progress to address the planning needs of over 200 Palestinian communities in Area C remains essential.
Mr. President,

7. Violence and other sources of tension on the ground make it all the more difficult to overcome the political stalemate. We remain concerned about security in the West Bank. 29 incidents involving settler violence resulted in injuries to ten Palestinians, as well as damage to property. The Dormition Abbey in East Jerusalem was desecrated with graffiti on the 2\textsuperscript{nd} of October as part of so-called "price tag activities". The annual olive harvest, which has just begun, is an important economic, social and cultural event for Palestinians. However, in recent years, the Israeli military has limited access of Palestinian farmers to their olive groves next to settlements to mitigate the risk of violence. In a particularly disturbing development, approximately 7,000 Palestinian-owned olive trees have been destroyed, damaged or harvested by Israeli settlers since the beginning of 2012. We note that on the 4\textsuperscript{th} of October the Israeli police arrested three settlers allegedly involved in so-called “price tag activities”.

8. We urge the Government of Israel to take effective measures to curtail such acts in the lead up to the harvest season and, more generally, to hold accountable those responsible for violence.

9. Settlement activity continued. Of note, the outpost of Migron was evacuated to a nearby settlement and the outpost is now used by the Israeli Defence Forces. The United Nations position remains that settlement construction in the occupied Palestinian territory including East Jerusalem, whether on private land or elsewhere, is illegal under international law, contrary to Israel’s obligations under the roadmap, and should be put to a halt.

10. On five occasions between the 27\textsuperscript{th} of September and the 7\textsuperscript{th} of October, Israeli extremists entered the Temple Mount/Haram al Sharif compound, intending to perform religious rituals. Clashes with Muslim worshippers resulted in injuries to 5 Palestinians, while Israeli forces arrested a number of Palestinians and Israelis for violation of visiting regulations and disturbance of public order. Also, on the 4\textsuperscript{th} of October, over 1,000
Israelis entered Joseph’s Tomb near the city of Nablus to perform religious rituals. Despite prior coordination, this move resulted in clashes with Palestinians. The status of Jerusalem and the religious sites are sensitive issues that will only be fully resolved in final status negotiations.

11. In the meantime, we strongly urge all sides to exercise restraint and safeguard the sanctity of religious sites.

12. Palestinian attacks against Israelis were – comparatively speaking – on the rise during the reporting period; four (4) Israelis were injured and material damage was caused. Incidents of stone and Molotov cocktail throwing at Israeli vehicles travelling in the West Bank were recorded on four occasions. On the 10th of October an Israeli was stabbed and injured near the Gush Etzion settlement by a Palestinian who was subsequently arrested by the IDF.

13. Citing security concerns, the Israeli Defense Forces (IDF) had conducted 226 operations in the occupied West Bank as of 9 October, resulting in 87 Palestinians injured and 182 arrested. On the 25th of September Israeli forces uncovered a weapons cache near Hebron. Almost daily clashes were reported between Israeli forces and Palestinians at the Qalandiya checkpoint. Most injuries took place during Palestinian demonstrations, including against the Barrier which deviates from the Green Line in contravention to the advisory opinion of the International Court of Justice. Allow me to stress that the right of peaceful protest must be upheld and that all protests should be kept strictly non-violent.

14. Demonstrations also took place on the 2nd of October to protest the plight of Palestinian hunger strikers in Israeli jails. The United Nations continues to call for a reasonable resolution to these cases and recalls its position that the use of administrative detention must be exceptional and of short duration.

15. Palestinian security forces continued their efforts to preserve law and order in the West Bank. Between the 18th and the 19th of September they arrested 57 militants affiliated with Hamas throughout the West Bank, which led to the discovery on the 23rd of September of a Hamas underground bunker in the village of Urif, near Nablus.
16. Palestinian local elections are on schedule for the 20th of October. The Palestinian Central Election Commission has been carrying out preparations in accordance with the local elections law and calendar. Some 4700 candidates were nominated, nearly a fourth of them women, and electoral campaigning commenced on the 6th of October. Elections will take place in the West Bank only, as the de facto authorities in Gaza have not allowed the Central Election Commission to proceed with voter registration and related electoral preparations in Gaza. Meanwhile, in Israel, Prime Minister Netanyahu recently announced that he will be presenting a bill to dissolve the Knesset in preparation for early elections.

Mr. President,

17. Turning to Gaza, sporadic eruptions of violence were recorded during the reporting period. A serious escalation occurred when, on 7 October, an Israeli air strike killed an alleged militant and seriously injured another, as well as eight civilians. Some 50 rockets and mortars were fired from Gaza into Israel the following day. Another serious escalation took place this past weekend when on 13 October an Israeli airstrike killed a Salafi leader and his assistant, while two civilians were injured. Yesterday two Israeli airstrikes resulted in three Palestinian militants killed and three injured including two critically. Overall for the reporting period a total of 72 rockets and mortars were fired into Israel, resulting in some material damage.

18. During the same period, Israeli forces conducted three (3) incursions and eleven (11) into Gaza, resulting in the death of eight (8) alleged Palestinian militants and one (1) civilian, as well as injuries to five (5) Palestinian militants and 17 civilians, including four (4) children. This latest episode demonstrates the continuing fragility of the situation in Gaza and highlights the vulnerability of the civilian population. We continue to condemn all rocket attacks from Gaza into Israel; the de facto authorities have the responsibility to prevent and stop all such attacks. We also urge Israel to show maximum restraint.

19. We must all work to ensure that calm is realized, the closure regime is lifted and the Palestinian divide ends. Regrettably, there is no new progress to report in ending that divide.
20. Lifting the closure regime in accordance with Security Council resolution 1860 and Gaza's recovery and long-term economic growth remain fundamental objectives of the United Nations. In this regard, we note the recent transfer of an order of school furniture from Gaza to the West Bank commissioned by the Palestinian Authority. On the 19th of September the World Food Programme (WFP) transported 1.2 million fortified date bars produced in Gaza to its West Bank School meals initiative. This WFP initiative was the first such delivery from Gaza to the West bank in five years. These are positive steps towards reinstating commercial transfers to the West Bank. However, much more is required. Lifting restrictions on the entry of aggregate, iron bar and cement would not only enable the growth of private sector but also provide an additional source of revenue for the Palestinian Authority.

21. In the meantime, a steady flow of approvals for works involving “dual use” material should be maintained. We welcome the recent approval by the Government of Israel of an additional US $38 million worth of project work, including schools, shelters and solid waste treatment infrastructure, raising the value of UN implemented works involving material subject to approval to around US $400 million since May 2010.

Mr. President,

22. Turning to the region, tensions on the border between Israel and Egypt raised concern when, on the 21st of September, three terrorists attacked an IDF position on the Sinai border, and were killed in the ensuing exchange of fire. One (1) IDF soldier was also killed and another seriously wounded.

23. A worrying development took place on the 6th of October when a drone penetrated Israeli airspace in the Northern Negev before being shot down by Israeli forces. This incident has since been claimed by Hezbollah Secretary General Nasrallah. We note that, in comments reported in the Lebanese media, Lebanese Foreign Minister Adnan Mansour
has stated that “Lebanon will definitely assume responsibility for Hizbullah's recent action because the country is in a confrontation with Israel.”

24. The conflict in Syria, now entering its 20th month has reached new and appalling heights of brutality and violence. Available estimates, which the United Nations is not in a position to verify, put the number of people killed at over 30,000. Syrian cities and villages – some of which are part of our World’s Heritage- are turning into ruins, archaeological treasures have been looted and destroyed. Such violence is creating a fertile ground for terrorism and criminal actions of all kinds. Human rights abuses, including arbitrary detentions, torture and summary executions continue unabated. This includes the continued captivity by the armed opposition of Iranian pilgrims abducted in August. The voices of the peaceful protests that emerged so proudly last year have receded in the tremor of fighting.

25. Long-standing predictions of the conflict spiraling beyond its borders are coming true, as illustrated by the recent escalation along the Syrian-Turkish border, rounds of small arms fire in the Golan, exchanges of fire into northern Lebanon, as well as a surge in belligerent rhetoric. The Secretary-General has expressed his alarm at the heightened tension between Syria and Turkey following a wave of cross-border shelling which resulted in the death of several Turkish nationals, including children. He has called on the Syrian Government to respect fully the territorial integrity of its neighbours as well as on all concerned to abandon the use of violence and exercise maximum restraint.

26. The Secretary-General has expressed his utmost concern at the continuing militarization of the conflict. He has urged the Syrian Government to declare a ceasefire to be reciprocated by the opposition armed groups. To succeed, this must be a collective effort by all inside Syria, in the region and beyond. All governments should desist from supplying arms and military assistance to any party to the conflict, some of which may violate UN Security Council Resolution 1747 (2007). After all the deaths and destruction Syria has suffered, it is plain to see that this conflict cannot be won militarily—and if it
were, it would be at an excruciating cost unlikely to lead to a lasting solution that respects the will of the Syrian people.

27. Our priority remains a political solution, and this is what Joint Special Representative Lakhdar Brahimi is trying to help bring about. You heard his assessment three weeks ago. He is back in the region as we speak, continuing his discussions with a great sense of urgency, trying to identify the path to a political solution. In his current trip to Egypt, Saudi Arabia, Iraq and Iran, he is reiterating the Secretary-General’s call for a cease-fire and an end to arms transfers to all parties.

28. Despite growing insecurity and significant challenges on the ground, the United Nations continues to expand aid deliveries. We must press on all parties to allow unhindered humanitarian access. As winter approaches, we are very concerned at the continued shortfalls in our appeals for funding. As of 11 October, the US$348 million United Nations revised humanitarian plan for Syria is only 40 per cent funded. We urge donors to contribute more generously to address the growing needs of over 2.5 million civilians inside Syria, including over 1.2 million IDPs; numbers which are increasing by the day. Resources are also urgently required to assist the over 330,000 refugees in Turkey, Jordan, Lebanon and Iraq.

29. It is important to preserve calm in UNDOF’s area of operations where there is a risk of increased tensions, as illustrated by several security incidents since our last briefing. UNDOF observed an exchange of weapons between groups crossing the border into Syria from Lebanon on 27 September. Deadly incidents involving armed elements from Lebanon and Syrian security forces were also observed by UNDOF in its area of operations on 20 and 29 September.

30. Finally, on 9 October 2012, soldiers from the Syrian Arab Armed Forces fired shots at two members of Observer Group Golan in a clearly marked UN vehicle in the northern part of the area of limitation. Syrian authorities were informed and are investigating the incident. Separately, while the situation in the occupied Syrian Golan has remained
relatively stable, the Syrian Arab Republic has sent an official letter complaining about several incidents, including injuries sustained by Syrian children from a landmine explosion on the 4th of October.

Mr. President,

31. Despite overcoming a spate of security incidents and tensions over the summer, Lebanon continues to be dangerously exposed to spillover from the conflict in Syria. Areas bordering Syria remain volatile with regular cross-border shelling, including close to Lebanese villages in the northern region of Akkar, some of them several kilometers from the border. The Lebanese Armed Forces stated that it would not allow any side to use Lebanese territory to draw Lebanon into neighbouring tensions and reaffirmed its determination to confront any violations of Lebanese territory. However, there continue to be reports of cross-border arms smuggling.

32. On 25 September, for example, a truckload of weapons and military equipment was seized by the Lebanese Armed Forces en route to the Lebanese-Syrian border. After the release on 25 September of a second member of the group of Lebanese pilgrims abducted in Syria in May, nine still remain held.

33. Of great concern are fresh reports suggesting involvement by Lebanese political forces in support of the parties to the conflict in Syria. The explosion on 3 October of an arms depot in the Bekaa town of Nabi Sheet, in which three Hizbullah militants were killed and several other people wounded, was also a reminder of the risk posed by the presence of arms held by non-State actors.

34. Lebanese public opinion is deeply polarized regarding developments in Syria. Against this backdrop, it is all the more important that the Lebanese Government and political leaders across the spectrum continue to work to preserve Lebanon’s unity and stability. Prime Minister Mikati’s reaffirmation on 27 September before the General Assembly of Lebanon’s policy of ‘disassociation’ is welcome. We hope that Hezbollah, too, will fully respect the “disassociation” policy of the government in which Hezbollah participates.
35. We also welcome President Sleiman’s initiative in the National Dialogue on 20 September to present a first vision for a national defense strategy, including in respect of Hizbullah’s arms, which participants agreed to consider as a basis of discussion. The next session of the National Dialogue is set for November. We hope that all Lebanese leaders will seize this opportunity to overcome outstanding divergences with a view to realizing such a strategy in the national interest. In the current regional context, it is in the interest of Lebanon’s continued stability that all Lebanese parties continue to exercise restraint and work cooperatively in preparation for the 2013 parliamentary elections.

36. In contrast with the ongoing volatility in the region, UNIFIL’s area of operations remained generally calm. The number of air violations and mostly inadvertent ground violations of the Blue Line however remained however relatively high. Despite the temporary redeployment of units of the Lebanese Armed Forces from UNIFIL’s area of operations to address security requirements elsewhere in Lebanon, the level of cooperation between the two Forces has remained broadly the same. Both parties have an interest in building on this period of calm to protect the achievements along the Blue Line from regional tensions and take steps to strengthen the cessation of hostilities.

Mr. President,

37. Let me conclude with a reminder that amid the seismic shifts being felt throughout the Middle East, we cannot afford to be complacent to the persisting deadlock between the Israelis and Palestinians. Despite their apprehensions, understandable in part, the parties cannot be impervious to the warning signs of a fading two-State solution. Nor can the Council. We have all been sobered by last month's events in the West Bank. The window of opportunity for taking constructive action to preserve the two-State solution may now become more limited. There is no alternative, sustainable and just solution to negotiated peace. We must therefore continue to make every effort, to work towards this fundamental goal. We, now collectively need to rediscover with the parties the
determination to forge a credible political path forward. We must not let the urgency elude us.

Thank you.