It is a pleasure to be here at the Truman Institute to speak on the situation in the region and the prospects for a two-state solution (TSS). Let me first introduce myself and give you an idea or a snapshot of what I and (UNSCO) are doing here [elaborate].

I chose to address our topic from a provocative angle: is the TSS perhaps fading? Certainly many people appear to feel that it is increasingly difficult to achieve. This Institute’s own polling data provides sobering reading – 31% of Israelis and 34% of Palestinians believe a political settlement is not ever possible. (Behind these figures looms the reality of determined anti-TSS minorities on both sides.) But the good news is that the polls also show that 70% of all Israelis, and 57% of Palestinians support the two-state solution (but Palestinian support is declining). So the will is there, and I have not given up hope that it can be achieved, despite the mood of increasing pessimism and even indifference, both among Israelis and Palestinians, that a TSS is still desirable or feasible. In this academic setting, let’s be frank with ourselves and ask the question if the TSS is fading away and, if so, what are the consequences, for both Israelis and Palestinians?

Let us first briefly look back and allow me to take you through my own little odyssey with this most intractable problem in our modern times, which for me ironically began far from the region, in Moscow in the late seventies. In those days there were no relations between the Jewish state and the Soviet Union. As a result, The Netherlands was charged with looking after Israeli interests, which included in my portfolio checking on the state of the Israeli Embassy, as well as issuing exit visas for many thousands Soviet Jews who got permission to leave for Israel. I was struck
by their passion to leave and get to Israel, so that they could live their lives freely in a Jewish state. I vividly recall my contacts and efforts on behalf of so-called refuseniks (Jewish families denied exit visa). I once took the same train journey out of the former USSR, from Kiev to Vienna, the first leg for many departing Jewish families to Israel and freedom. The humiliating treatment they received from Soviet border guards showed me first hand what state persecution and anti-Semitism looks like.

At that time in Moscow I understood even better the importance for Jews to have a homeland they can call their own. Sadly, these were also times when the notion that Israelis and Palestinians would recognize the rights of the other, or even talk to each other, seemed a fantasy.

Let’s fast-forward a number of years and the impossible started to look possible with Madrid and the Oslo accords. I attended the Madrid conference and was involved in one of the back-channels leading towards the Oslo breakthrough. Those were days of hope and optimism, seeing members of the Israeli government sitting across the table from the Palestinian Delegation, and representatives of Arab States. Many believed that Israel and the Palestinians were headed inexorably towards a final settlement with two states for two peoples.

As we all know too well that hope and those plans were shattered amid violence and recriminations. The first Intifada of hope was followed by a second Intifada of violence and despair.

My third and present involvement with the region started two years ago as the UNSC for the MEPP. I felt somewhat encouraged that my appointment coincided with the resumption of peace negotiations at Annapolis, but the belated and ambitious goal of reaching a final peace agreement within the last year of the Bush presidency proved elusive. And the war in Gaza set the region back and since, despite the strenuous efforts led by Senator Mitchell, the parties haven’t found the way back yet to the negotiating
table. I hope it will happen soon, because I am convinced that neither party has the luxury to waste precious time, unless they wish to see an end of the TSS.

Almost twenty years of failed and inconclusive peace-making has created a situation on the ground and in the region that is by way of understatement - complicated. As the only Quartet representative so far on the ground, I am confronted with the daily realities, with continued settlement activity and numerous checkpoints and barriers throughout the West Bank. Since Oslo the settler population in the West Bank, including in East Jerusalem, has more than doubled to half a million people. And despite much appreciated Israeli steps to ease access and movement, the PA now only exercises limited control over 40% of WB territory. During the recent visit of SG Ban Ki Moon, I accompanied him to a hill on the edge of Ramallah where he met the Palestinian PM Salam Fayyad. From this outlook (Massioun) we had a view towards open land below and towards the 443 highway (to which Palestinians still do not have access) and beyond it the settlement of Givat Zeev. It was also visible how the barrier snakes its way through the rolling landscape. Fayyad pointed out that the land below us belonged to area B and C —under Israeli control—and he could therefore not make use of it. This is a Palestinian PM who is doing what Israel has for many years been asking for - to peacefully develop bottom-up the democratic and economic foundations for a viable Palestinian state. His achievements have been impressive and I am sure he will determinedly pursue his state building agenda, despite the ongoing occupation. Last month in Madrid he announced that the PA expects to be ready for statehood by the summer of 2011—next year! This should be good news for all of us believing in the TSS.

But what if the political track isn’t converging and doesn’t provide us by that time with a credible political horizon as well? And what about Gaza where the PA has lost control to Hamas, while still spending about half of
its budget to paying salaries, paying for electricity and other things in Gaza? With no reconciliation in sight, the divide between the WB and Gaza is only growing.

The situation in Gaza is very troubling both in political and humanitarian terms. And while the underlying dimensions of the crisis in Gaza are manifold and regionally entwined, it threatens to undermine any efforts towards the two-state solution. I know that Israelis too are troubled by a situation where Palestinians can’t find work, where children with no prospects for health and education are at risk and where almost nobody can travel beyond Gaza’s very limited horizon. At the current time it is important we try to manage Gaza and prevent it from sliding further down the slope of de-development and hopelessness (which is a breeding ground for even greater extremism). Israel’s recent easing of the blockade is welcome and I am grateful to the government for facilitating the entry of some building materials to complete a number of priority UN projects [elaborate]. But more needs to be done to ease the plight of ordinary people. I spent many months negotiating with the Army and Security establishment allow in materials to complete these projects – for instance: doors, window frames and other items for the building projects. These don’t threaten anyone, they merely allow people who need it, to have a decent home.

Of course I know that for Israelis, Gaza also means the fate of your captive soldier Gilad Shalit. I was disgusted to see the animation video released last week by Hamas’ military wing, the Al Kassam Brigades. I note that today a senior Hamas leader, Mahmoud Al Zahar, has condemned the video. I wish to assure you that the United Nations, also through our informal contacts in Gaza, will do its utmost for his release and return to his family.
With respect to Palestinian reconciliation, I expect it to be a slow, uneasy process culminating at some point in elections. It would be good if by that time the Palestinians have something positive they can vote for: a TSS.

I felt the depth of Palestinian gloominess at the Al Quds University not far from here—but a long way because Abu Dis is now located on the other side of the barrier. Students there are the future leaders of Palestinian society and when I asked them in the middle of my talk how many believed in the TSS only a very few hands went up, as they see negotiations leading them to a road to nowhere. And during another lecture, a Palestinian student told me she didn’t believe in the peace process and therefore didn’t like my title. Could she suggest a different one: SC to end the occupation and achieve peace? I replied that I understood what she meant, but she was giving me another very long title!

These tales of Palestinian gloominess may seem remote to you, but they do matter. I understand Israel’s security concerns, particularly following the two Israeli withdrawals, first from Lebanon and then from Gaza, which have been followed by increased threats from non-state actors—Hezbollah and Hamas—supported by powerful regional actors. My Israeli friends tell me of their fears and concerns about Iran, which they see as trying to dominate the region and acquire nuclear weapons. They talk to me about the paramount importance of combating what they see as Iran’s hegemonic ambitions – which for them are more urgent than the Palestinian issue. And they raise the issue of the Palestinians divide, casting doubt there is a credible Palestinian partner that will ever truly accept the Jewish State and give up the right of return. I hear all their fears and their concerns and the deep seated insecurity felt by my Israeli friends.

So, given this along with Palestinian gloominess: is the TSS indeed fading? Let me try to argue on the contrary why the present situation is a
compelling reason for both parties to waste no further time in seeking a TSS as befitting their own best interests.

Let me begin with Israel: if Israel’s strategic interest in the region is to stop the advance of radical Islam and fight terror, it would be well advised to act in a way that helps the moderate Arab countries, and President Abbas and the Palestinian Authority in Ramallah. What I hear loud and clear in moderate Arab capitals like Cairo and Amman (the only two Arab states that have concluded a peace agreement with Israel) is that they feel undermined by Israel’s provocative actions in Palestinian neighbourhoods in East Jerusalem, its perceived unwillingness to observe a credible settlements freeze and by the absence of negotiations and a credible political horizon. They see the land for a Palestinian State and its capital being eaten away by actions on the ground. If the TSS is fading, so will the Arab Peace Initiative, which is still offering to multiply for Israel peace with the Palestinians into peace with all the 22 members of the Arab League.

I also believe that Israel would be well advised to understand the consequences of a TSS fading. To me the choice looks agonizing:

- either: keeping the democratic character of Israel, but losing its Jewish identity (as Palestinians will become the majority over time, in a decade or so.)

- or: (as MOD Barak warned in Herzlyia) becoming an apartheid state ruling indefinitely over a restive and growing Palestinian population, no secure and recognized borders, increasingly isolated and ostracized in the region and worldwide.

Frankly, and I say this with a heavy heart, do you really believe that the present status quo is in your interest and that in the longer run Israel can remain what it today still is: a democratic, pluralist and astonishingly
vibrant and resilient society, a homeland for a solid Jewish majority and source of pride and identity of millions of Jews all over the world?

Every Palestinian should know that if he wants a TSS, time is not on his side. Every day he sees the cranes and earth-movers working in settlements, on land that is supposed to become part of the future Palestinian state. No wonder he starts to disbelieve.

But for Palestinians to seek their destiny in a one-state solution, I don’t believe that’s much of a choice for them either. Isn’t it a bit of an illusion for Palestinians to think that time would make them a majority with democratic and equal rights in one state? When is that supposed to happen—in twenty, fifty or one hundred years? Wouldn’t they be better off in aspiring and believing in what Salam Fayyad is doing: building the foundations of a viable Palestinian state that will one day—and hopefully sooner rather than later—serve as the proud homeland for all Palestinians, whether they live in, or choose to come back to, the Palestinian State, or choose to stay abroad, on the basis of a just and agreed solution of the refugee issue?

So let me try to draw some conclusions. I am afraid the TSS is fading if:

- The parties think they still have the luxury of time and believe they can continue to postpone decisions on some of the core issues for later. As the Quartet underlined in Moscow, negotiations should resume on all core issues and be concluded within 24 months.
- If Israel chooses to avoid addressing the future of Jerusalem which I know is central to Judaism and close to the heart of Israelis. But the TSS is simply not achievable if it does not take account of realities in Jerusalem itself and of the attachment of Palestinians and three different faiths to the City. That’s why the Secretary-General believes that Jerusalem should become the capital for two-states.
If Palestinians avoid addressing the refugee issue, which I know is emotionally attached to what happened in 1948, the very essence of a TSS means two homelands for two peoples and a just and agreed resolution of the refugee issue will have to be found in that framework.

Just as I have difficult conversations with my Israeli friends on Jerusalem, I must have difficult conversations with my Palestinian friends on refugees. These are the two hard core issues among the other core issues such as borders, security, to be addressed together in direct negotiations sooner rather than later.

As you know Senator Mitchell was here last week in yet another attempt to revive negotiations stalled for longer than one year. He briefed me on his efforts and I am hopeful that he is making progress. Let me assure you that the UN is fully supportive of the US led efforts to resume serious and meaningful negotiations ASAP.

In fact, I believe the IC has never been so united on the TSS as the only political way forward, as ultimately in the best interests of both Israel and the Palestinians, the region and the world at large. I strongly felt this sense of shared goals and unity of purpose at the Quartet’s last meeting in Moscow where a 24 months period for negotiations was proposed to reach an agreement. While US leadership will be indispensible, the parties will find the Quartet pro-actively on their side if they resume negotiations.

If the TSS would be realized, we would finally be making a full historical circle: after all the IC envisaged this land to be partitioned and shared by two peoples in its UN resolution 181 in 1947 (mentioned four times in Israel’s declaration of independence). Last week Israel celebrated its 62nd birthday. I sincerely hope that the birthright of the long envisaged Palestinian nation living in peace and security with Israel and its other
neighbours, will be negotiated and agreed within the next twenty four months. Otherwise, it may be too late.

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