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

29 August 2007

Mr. President,

1. I have just completed my last visit to the region as Special Coordinator, and I returned guardedly optimistic, but conscious of many challenges ahead.
2. The substantive dialogue developing between PLO Chairman Abbas and Israeli Prime Minister Olmert, and the reform efforts of Palestinian Prime Minister Fayad, have created growing expectations. The anticipated engagement of Quartet Representative Tony Blair, more active regional diplomacy, and preparations for a series of high profile international gatherings, above all the November meeting called by President Bush, reinforce their efforts.
3. In the period ahead, the diplomatic process will need to be carefully monitored and supported, and must be buttressed by urgent and meaningful steps on the ground, if the many factors that could de-rail efforts are to be overcome.

Israeli-Palestinian track

4. I turn first to the bilateral process between President Abbas and PM Olmert, who met again yesterday for three hours. This meeting followed on from their 6 August meeting in Jericho, which marked the first visit of an Israeli leader to a Palestinian town in seven years. These meetings will continue, with the next anticipated on 10 September, before a mission of US Secretary of State Rice to the region.
5. Both sides have reported substantive discussions and exchanges of ideas on permanent status issues, as well as on confidence-building steps. There also appears to be a welcome common desire to reach an agreement or understanding that could be presented to November's international meeting.
6. Inevitably, differences of emphasis are noticeable regarding the precise content and scope of what needs to be achieved. For expectations to be met, I believe that the talks will need to shift gear, to achieve concrete agreements on permanent status issues and steps of implementation. Given the sensitivity of the issues, the shortness of time and the amount of work to be done, this will not be easy. But with political will, and supporting action on the ground, it is my assessment that this can be achieved.

Challenges in the West Bank

7. Turning to the situation on the ground, the Palestinian Authority under Prime Minister Fayyad has begun implementing reforms as well as a serious security program.
8. The PA government has initiated measures to remove redundant employees and end superfluous hiring at ministries. It is preparing an emergency plan for immediate public expenditures, while initiating wide-ranging consultations for the production of a Medium Term Expenditure Framework for the period 2008-2010.
9. On security, Israel's agreement not to pursue a number of wanted militants, provided they turn in their weapons and report to PA offices, has provided an important first example of security cooperation. I also commend the work of the Palestinian Authority security forces in Jenin who recently rescued an IDF soldier from a mob after he had mistakenly entered the city. It is incumbent on the parties to respect the agreements reached, and to move to further cooperation that sees an early end to Israeli incursions and the deployment of credible PA security personnel on the streets of cities such as Nablus. Further prisoner releases would also build on the important and positive first step already taken by PM Olmert in this regard.
10. The easing of closure is also an urgent requirement. While Israel has legitimate security concerns, the 532 obstacles in the West Bank continue to severely restrict the movement of Palestinians and prevent normal economic activity. Freedom of movement is essential in any economy. In the context of genuine security cooperation and political empowerment, it is vital for Israel to ease West Bank closures. I am also concerned at reports by UN agencies of increasing difficulties for staff access.

The internal Palestinian divide and challenges in Gaza

Mr. President,

11. I remain deeply concerned about the political, institutional and socio-economic consequences of the continued West Bank/Gaza split.
12. President Abbas and Prime Minister Fayad confirmed to me that they remain committed to re-integrating Gaza under the legitimate authority of the PA, and I welcome this clear position. For its part, Hamas continues to call for dialogue. However, in the absence of steps that indicate Hamas' acceptance of President Abbas' 15 June dismissal of Mr. Hannieh as Prime Minister, or its readiness to reverse its actions of recent months, progress remains elusive.
13. While Hamas has brought some order to the streets of Gaza, its actions are taking place outside the framework of the rule of law and the institutions of the PA, generating concern regarding respect for human rights and the future development of the Strip. Hamas is recruiting volunteers and using charities in efforts to provide certain services, since the majority of PA employees are not

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reporting to work due to the dispute over who they report to. Hamas continues to assert its military control over the Strip, including through the establishment of new security bodies – a coastal force, a female police force, and an interior security force. There are reports of increasing arrests and clashes with other political factions. Palestinian civil society groups have documented allegations of harassment of journalists, arbitrary arrests and torture, and other human rights abuses by Hamas militants.

14. The PA is paying public sector salaries in Gaza, and due to PA, Israeli and international cooperation, food and medical supplies are entering through two border crossings – Sufa and Kerem Shalom – as well as a conveyer belt at the Karni crossing. Yesterday, for the first time, potatoes were exported through Kerem Shalom. Despite a temporary interruption of support earlier this month due to concerns over the diversion of resources, the EC has resumed payments to enable fuel shipments to Gaza for local electricity generation.
15. These support measures, however, are not enough to prevent a worrying socio-economic deterioration in Gaza. The shortage of some essential commodities, unstable prices, the accumulation of garbage on the streets due to a municipal strike, and above all the mass closure of industry are sources of acute concern. The main commercial crossing, Karni, has been closed for more than two months, ever since the Hamas takeover led to the removal of the trained PA security personnel on the Palestinian side. Neither the import of raw materials nor the export of commercial goods through Karni has been possible. As a result, 85% of manufacturing businesses have now been closed, and 95% of private construction projects have been halted at a value of \$160 million as well as \$213 million of UN projects. Around 70,000 workers have lost their jobs.
16. UNSCO and others continue efforts to find a formula that could lead to the early reopening of Karni. UN policy is guided by three concerns: first, the people of Gaza should not be subject to collective punishment; second, further damage to the socio-economic fabric of Gaza will only increase aid dependency and fuel extremism; and third, all steps taken should be consistent with the goal of reunifying the occupied Palestinian territory under the PA. I call for the cooperation of all parties to work to reopen Karni.

Security and violence

Mr. President,

17. Israeli-Palestinian violence has continued this month, claiming the lives of 51 Palestinians, injuring 145 others, and injuring 13 Israelis. A further 18 Palestinians were killed and 88 injured in internal violence. I draw the Council's attention to three aspects of this violence.
18. First, 83 rockets and 89 mortars were fired by Palestinian militants, including Hamas, from Gaza into Israel. A school and a day care center in Sederot were hit, and an infant was among those injured. There have also been several attacks with these weapons on the crossings between Israel and the Gaza Strip. I condemn these attacks on civilians and on crossing points used by civilians as

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well as aid workers seeking to help the people of Gaza. Reports of continued smuggling of weapons and materiel into the Gaza strip from Egypt are also cause for concern. On 25 August, two Palestinian militants scaled the wall between Israel and Gaza and opened fire on IDF positions before being killed by IDF fire.

19. Second, Palestinian casualties of IDF operations in the West Bank and Gaza include 5 children killed and 23 injured. A Palestinian woman also died of a heart attack while waiting at a West Bank checkpoint to be taken to hospital. I strongly remind Israel of its obligations to protect civilians under international humanitarian law, and the need for more credible accountability measures, as called for by the High Commissioner for Human Rights.
20. Third, I wish to underscore my concern at the lawless actions of Israeli settlers, who injured 8 Palestinians, including a UN staff member, in violent incidents in the past month. In Hebron, there have been confrontations between Jewish settlers and Israeli security personnel. 18 Israeli security personnel and 12 settlers were injured during the evacuation of a building in the wholesale market in the Old City, after the settlers refused to obey the orders of the Israeli government. Three settlers were also injured by Palestinians throwing rocks.
21. I note again the lack of progress in securing the release of captured Israeli soldier Gilad Shalit, and call on all parties to work with Egypt as it seeks to resolve this issue and the fate of a number of Palestinian prisoners.

Settlement activity

22. I am also deeply concerned that Israeli settlement activity continues throughout the West Bank, including East Jerusalem. I regret to say that there are no credible efforts or actions to remove any of the more than 100 outposts or halt settlement expansion. Israeli steps to meet its Road Map obligations in this regard are crucial to the credibility of the renewed diplomatic process. Settlement activity undermines hope for a contiguous Palestinian State. Settlements and their supporting infrastructure are also a key cause of significant hardship for the Palestinian people, as OCHA details in a forthcoming report.

Regional diplomacy

Mr. President,

23. I have described the bilateral process, and the considerable challenges on the ground. I wish to turn now to regional and international diplomatic efforts.
24. In the aftermath of the visit to Israel in late July of the Foreign Ministers of Egypt and Jordan, as envoys of the committee of the League Arab States on the Arab Peace Initiative, Arab Foreign Ministers met in Cairo on 30 July and called for the forthcoming international meeting to be comprehensive in nature. The Secretary-General recently exchanged views with the Foreign Minister of Saudi Arabia, HRH Saud Al-Faisal, on these matters. The Secretary-General

believes the widest possible attendance from the Arab world at the international meeting should be strongly encouraged, and he will be working towards that end.

25. I note too, in this context, the continued Syrian commitment to the Arab Peace Initiative. I also welcome assurances from both the Israeli and Syrian leadership that they have no desire to initiate conflict, despite reports of military exercises and build-ups on both sides, and media speculation about heightened tensions.

International diplomacy

26. The Secretary-General will host his Quartet partners for a meeting here at UN Headquarters on 23 September, after which he and other Quartet Members will host an iftar for members of the Arab League's Follow-up Committee on the Arab Peace Initiative. This will be an important moment to take stock of the bilateral efforts underway, and make preparations for the November international meeting.
27. The following day, the Ad hoc Liaison Committee will meet at the Ministerial level here at the UN. We hope that this meeting will reconfirm the international community's strong support for the PA government's program. The meeting will also be a key stepping stone towards a donor pledging conference planned for December.
28. The Quartet Representative, Tony Blair, will participate in both the Quartet and AHLC meetings, which will be the opportunity to share with international partners his agenda for the period ahead to support Palestinian institutional reform and economic rejuvenation. Mr. Blair's core team and office is being established in Jerusalem, and he is expected to arrive there on 4 September for his second visit. Several UN offices and departments are collaborating to finalize arrangements for the provision of financial management and security support for Mr. Blair's mission.

Lebanon

Mr. President,

29. In Lebanon, the political deadlock that has gripped the country since November of last year continues. International initiatives to facilitate a Lebanese dialogue and to address the causes behind the stalemate also continue, but there has been little tangible shift in the positions of the parties. In this respect, I pay tribute to the recent efforts of France in particular.
30. Attention is now turning towards presidential elections. The Speaker of Parliament has begun constitutional consultations, signaling the advent of the official process through which the Lebanese select their next president. The Secretary-General hopes that the Lebanese find their way to consensus on this critical issue. He supports the clear desire of the Lebanese to hold presidential elections as stipulated in their constitution, an outcome that would help achieve a breakthrough in the country's political impasse.

31. We also note that on 5 August, parliamentary by-elections were held in a tense but orderly atmosphere for the seats rendered vacant by the tragic assassinations of Pierre Gemayel and Walid Eido.
32. In northern Lebanon, the LAF have entered their fifteenth week of confrontation with fighters from Fateh el-Islam in the Palestinian refugee camp of Nahr el-Bared. According to official figures, 141 soldiers have been killed and hundreds wounded since fighting erupted in May. The exact extent of civilian casualties has not been established. Fateh el-Islam fighters have continued to reject calls by the army to surrender. Last week, the army ensured the evacuation of all the remaining Fateh el-Islam family members.
33. The UN system has worked closely with the Lebanese authorities in fashioning a strategy to support the Government's post-conflict reconstruction of the Nahr el-Bared camp and its assistance to the approximately 30,000 Palestinian refugees that have been displaced by the fighting. Responsive and concerted actions on the part of the Lebanese authorities and donor countries will continue to be required in order to deliver effective assistance.
34. In the south, the situation has remained generally calm. There has been a modest decrease in the number of Israeli air violations of the Blue Line, with 170 overflights recorded since the last briefing to the Security Council. However, the fact that the overflights continue represents a continuing violation.
35. Despite a welcome reduction in the number of mine and UXO-related incidents over recent months, tragedies continue. On 23 August, an NGO staff member was killed while clearing a cluster bomb site. Four civilian de-miners were injured in this incident, and one supervisor demining engineer was injured in another incident. To date, 22 Lebanese civilians have been killed as a result of the unexploded ordnance contaminating large tracts of southern Lebanon. While the UN continues its demining activities on the ground, the provision of the necessary cluster munitions strike data would greatly facilitate the rate of clearance operations and more quickly reduce the present threat to civilians. Further to the adoption of resolution 1773 (2007) last week, the Secretary-General reiterates his call for Israel to provide this strike data.

Conclusion

Mr. President,

36. Let me conclude by saying, we cannot afford a new failure in the efforts to revive the Arab-Israeli peace process. There is a hope now which has been absent for almost seven years. A setback at this stage could have serious consequences. Nor can we allow progress in Lebanon in the past year to be stalled by internal political deadlock or opponents of Lebanese sovereignty and unity. In both arenas, the international community's engagement must be robust and purposeful, in order to advance the implementation of the resolutions of this Council.

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37. I will miss the opportunity to contribute to those goals as UN Special Coordinator and as Special Advisor on the Middle East, a role I have undertaken since last summer's war in Lebanon. I wish to thank the Secretary-General, and his predecessor, for giving me this opportunity, and to pay tribute to the professionalism and dedication of my colleagues in UNSCO and here in New York. I wish them well, and look forward to working closely with the UN in the region in my new role.

Thank you, Mr. President.