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**PEACE PROCESS**

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**BRIEFING TO THE SECURITY COUNCIL**  
**ON THE SITUATION IN THE MIDDLE EAST**  
**17 September 2012**

Mr. President,

Before beginning allow me to express my best wishes for the Jewish Holiday of Rosh Hashanah.

Mr. President,

1. Turning to the brief, it is nearly one year since the Secretary-General forwarded the Palestinian application for membership in the United Nations to this Council. At the same time the Quartet set a framework for resumed dialogue, reaffirming that the only sustainable solution to the conflict is a negotiated one. Despite some positive quiet engagement, the parties have not yet engaged in meaningful dialogue on the core issues. More recently, following his meeting with the Foreign Ministers of the League of Arab States in Cairo on 5 September, President Abbas expressed his intention to commence preparations to pursue an upgrade in status at the United Nations, through the General Assembly.

2. Today, amidst a fiscal crisis and related social unrest in the West Bank, the stakes are growing. The main obstacles remain political: the unresolved issues between the parties, the continued occupation and the ongoing Palestinian divide. But we can no longer simply count on the pursuit of short-term mutual confidence-building measures aimed at starting talks. Such measures are not alternatives for a negotiated peace.

3. The lack of progress on the political track and ongoing conflict and occupation put at risk the very viability of the two-state solution. There is no more sobering a manifestation of such a risk than the financial and

economic crisis currently afflicting the Palestinian Authority.

Mr. President,

4. Starting on 4 September thousands of Palestinian demonstrators in the West Bank took to the streets to protest the increase in the VAT, recent rises in the price of fuel and most basic commodities, and deferred payment of August government salaries. Unions and taxi and truck drivers repeatedly blocked city centers and joined protestors. One protestor who set himself on fire in Ramallah remains in serious condition. Attempts of another two protestors, including one with his child were thwarted. Although Palestinian Security Forces handled the protests with professionalism and restraint, demonstrators turned violent on 10 September and dozens were injured in clashes. The situation in Gaza also turned tense when a teenager died on 2 September after he torched himself to death to protest his family's poor living conditions.

5. The government of Prime Minister Fayyad announced an emergency economic package on 11 September including a reduction of the VAT to 15 percent and a return to pre-September prices for diesel and gas. Such measures will provide a temporary relief to the average Palestinian who bears the brunt of this crisis. Absent a predictable and immediate injection of funds, the PA will be unable to meet its recurrent financial requirements, which amount to less than 1 billion US dollars. Such a mounting fiscal crisis will paralyze the institutions of the Palestinian Authority.

6. In a few days the Ad Hoc Liaison Committee meeting in New York will offer a sober account of the PA's very grave fiscal situation. Despite PM Fayyad's commendable efforts he is confronted with the effects of a decrease in foreign aid, the failure of donor countries to fulfill their financial pledges and slowing economic activity. As our report to the AHLC will highlight, such a slowdown is dampening hopes of reducing the high unemployment, poverty and vulnerability that still affect thousands of Palestinians. Against this background and as an immediate step to ensure the PA's fiscal viability in the short-term, we urgently call on donors, in particular from the region, to increase their

contributions and provide the much needed funds to timely finance the current gap.

7. The Israeli government is also called upon to do more to alleviate the PA's burden and provide the much needed economic impetus in the medium-term. On 11 September PM Netanyahu announced the transfer in advance of NIS 225 million [shekels] in tax money it collects for the Palestinians. This is welcome and we encourage Israel to take further steps in this direction. Greater facilitation by the Israeli government, in particular by easing restrictions to allow for private sector to develop, would contribute to stimulating economic activity and addressing the PA's fiscal sustainability in the medium-term.

Mr. President,

8. Developments on the ground also do not support efforts to overcome the political stalemate. Settlement activity continued during the reporting period. On 9 September the Israeli government endorsed an Israeli Higher Education Committee decision to upgrade the status of a college in the settlement of Ariel to that of a university. While pending final approval, this decision would lead to a further encroachment into the West Bank. On 11 September Israeli authorities reportedly issued orders to confiscate some 1,500 dunams of land near Nablus. On 2 September, the outpost of Migron was evacuated following a High Court ruling and the approximately 50 families moved to another settlement nearby. The United Nations position remains that settlement construction in the occupied Palestinian territory including East Jerusalem, whether on private land or elsewhere, is contrary to international law and should be put to a halt.

9. Several vehicles were vandalized, and a monastery in Latrun and a mosque near Hebron were desecrated on 4 and 11 September respectively, as part of so called "price tag activities" following the evacuation of Migron. 35 incidents involving settler violence resulted in injuries to 15 Palestinians as well as extensive property damage. Palestinians were attacked in Jerusalem on 5 and 7 September and Israeli police have actively pursued the attackers. We note the Israeli

government's consistent condemnation of such attacks. Israeli police also arrested settler youth in connection to the 16 August Molotov cocktail attack near Hebron. Yet, we continue to urge the Israeli authorities to decisively act against acts of violence perpetrated by Israeli citizens.

10. Palestinian violence against Israelis in the West Bank, mostly stone-throwing at vehicles, resulted in injuries to seven Israeli citizens as well as material damage. On 9 September a Palestinian driver killed an Israeli security guard in a suspected deliberate hit and run accident near the Barrier and Oranit settlement.

11. Citing security concerns, Israeli Defense forces conducted 247 operations in the occupied West Bank, resulting in 110 Palestinians injured, with 186 arrested. The majority of injuries and detentions 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.

12. Much of the reported violence continues to occur in Area C, an area fundamental to the contiguity of the West Bank and the viability of a future Palestinian state. Palestinian access to and development in Area C is vital to accommodate the natural growth of the Palestinian population. Developing natural resources is also essential for the private sector to drive the economic growth needed for a rapidly growing population. Alongside USAID and other international partners, the United Nations has engaged the Israeli Government on a series of planning and social infrastructure projects in Area C. An additional package of 18 education and health projects for USAID have just been approved. The United Nations continues to remain concerned about the scale of ongoing demolitions, which in the reporting period included 11 residential structures. We note there is ongoing dialogue between the concerned vulnerable communities and the Government of Israel. While there are initial indications that plans for 6-8 Palestinian communities may soon be approved, more progress in addressing the needs for Palestinian communities in area C is urgently required to adequately address the long standing developmental needs of these communities.

13. Palestinian security forces have continued working to maintain law and order in the West Bank. On 5 September a senior Palestinian Authority security commander was shot dead in Jenin, where extensive security operations have taken place since the death of its Governor in May. For the PA security forces to continue operating effectively, it is necessary that they receive a delivery of equipment currently awaiting approval for import.

14. On 13 September, the 19th anniversary of the Oslo Agreement, all pre-Oslo Palestinian prisoners in Israeli jails observed a one-day hunger strike protesting their continued imprisonment and in solidarity with other long-term hunger-strikers. The Secretary-General remains concerned about the life-threatening condition of three of those hunger strikers, and call for a swift resolution to their cases. On a positive note, visits of family members from Gaza to Palestinian detainees continue on weekly basis since they were resumed on 16 July with ICRC facilitation.

15. The Palestinian Central Election Commission continued preparations for local elections, scheduled to take place in the West Bank on 20 October. In accordance with the electoral law, the nomination period, which began on 1 September, concluded on 11 September. This constitutes an important benchmark and we encourage the PA to conduct this poll as scheduled with all necessary support extended to the CEC. The last such elections were only partially held in 2005 and some municipal councils have not been voted into office since the 1970s.

Mr. President

16. In Gaza, the United Nations released a report entitled "Gaza 2020" on 27 August. The report highlighted the ever greater stress that population growth in Gaza will place on the provision of clean water, electricity, health and education, which are inadequate now and will not keep pace with the needs of a population that is projected to grow to 2.1 million people in 2020. The implications if there is no change to the current untenable situation should be a reason for alarm to all concerned. Alongside efforts to make progress on the peace process we must all

work to ensure a calm is realized, the Palestinian divide ends, and the closure regime is lifted.

17. In the above sobering context, several weeks of calm were yet again interrupted on 26 and 31 August when homemade rockets fired from Gaza hit the Israeli town of Sderot, causing damage to infrastructure. A Grad rocket fired at the Israeli town of Netivot on 9 August caused extensive material damage to a house without injuring residents. In total 50 projectiles were fired from Gaza into Israel, including 6 Grad rockets and 17 mortar shells. Israeli forces conducted five incursions and 10 airstrikes into Gaza, resulting in six Palestinian militants killed, while four Palestinian militants and six civilians were also injured. Israeli strikes at tunnels also resulted in one Palestinian killed and one injured. We continue to condemn all indiscriminate rocket attacks from Gaza into Israel which must stop. We also urge Israel to show maximum restraint.

18. Efforts to promote Palestinian reconciliation continue to face obstacles. At the Arab League meeting on 5 September President Abbas reiterated that general elections are key to true reconciliation. For its part Hamas reiterated that no polling should take place prior to reconciliation. On 2 September the *de facto* authorities in Gaza reshuffled the ruling cabinet but claimed efforts toward Palestinian reconciliation would not be impacted.

19. A unified Palestinian polity is central to realising a two-state solution. The Quartet has been also clear in stating that the situation in and around Gaza would remain unsustainable as long as the West Bank and Gaza are not reunited under the legitimate Palestinian Authority that adheres to the PLO commitments. In this context we welcome recent statements of support, also by the LAS, for Egyptian facilitation efforts to bring the Palestinian factions back to the table.

20. Lifting the closure regime in accordance with Security Council resolution 1860 and Gaza's recovery and long-term economic growth remains a fundamental United Nations objective. The long-term growth of Gaza's economy will depend on reactivating the productive private

sector by allowing it to have easier access to necessary raw materials, capital inputs and its traditional markets, namely the West Bank and Israel. Lifting restrictions on the entry of aggregate, iron bar and cement would not only enable the growth of the private sector but also provide additional source of revenue for the PA through taxation at the point of entry. In the meantime a steady flow of approvals for works involving ‘dual use’ material should be maintained. We appreciate the ongoing cooperation with the Israeli authorities and we expect this week approval of an additional substantial package of UN projects, including housing, schools, shelters and solid waste treatment infrastructure.

Mr. President,

21. Turning to the region, the situation in Syria remains of utmost concern to the Secretary-General. Mr. Brahimi is returning from Damascus and will report on his mission, so I will be extremely brief. As we are facing a grim spiral of violence, our objectives remain the same: to stop the bloodshed and human rights violations, to alleviate human suffering and to seek a political solution through a Syrian-led process of transition and dialogue. Tragically for millions of Syrian civilians, the violence and killing continue to mount as a result of a dangerous militarization of the conflict. Military operations have broadened, encompassing all major cities. Indiscriminate shelling of civilian areas by Government forces with heavy weapons, tanks and air assets has increased. Operations from the armed opposition have also intensified.

22. The month of August registered the highest number of casualties thus far, and this toll is growing. More than 2.5 million people – including refugees from Palestine and Iraq – now need assistance and protection inside Syria. As conditions deteriorate, we see dangerous implications for Syria’s neighbours. United Nations agencies and their humanitarian partners are working tirelessly to deliver food and basic assistance to those in need in Syria as well as to refugees across borders. They have been able to reach an increasing number of people, but more support from donors is needed to further increase capacities.

23. As regards the situation in the area of separation, UNDOF has

continued to liaise with Israeli and Syrian military authorities to prevent an escalation of tensions. UNDOF has since 18 July protested operations by Syrian security forces in the area of separation, which are in violation of the Agreement of Disengagement. Among other measures, the IDF started three weeks ago to reinforce the Technical Fence, including through an advanced alert system along the Israeli-Syrian disengagement line. New roads were also paved in several spots.

Overall, while the situation in the occupied Syrian Golan has remained relatively stable in spite of continued settlement activity, no progress towards peace between the two countries can be expected while the conflict in Syria remains unresolved. A just and comprehensive peace in accordance with relevant resolutions remains however a critical objective for regional stability, and an essential part of realizing the vision of the Arab Peace Initiative.

24. The situation on Lebanon's northern border remains tense, underscoring the need for continued vigilance internationally about the risk of further impact from the crisis in Syria. Of particular concern is the continued cross-border shelling from Syria into Lebanon, with seven confirmed incidents since 22 August, resulting in the injury of at least eight people. It is noteworthy in this context that, the Lebanese Armed Forces (LAF) has performed robustly during this period, while the Government and political leaders have helped to calm the situation through responsible appeals for national unity. On 11 September, the LAF freed the last hostage kidnapped on 15 August, while four Syrians and a Turkish national had been freed in an operation in south Beirut on 8 September in which government forces made several arrests in connection with the kidnapping. Following the release on 25 August of one of the Lebanese pilgrims kidnapped in Syria in May, ten still remain in captivity

25. Although fragile, calm has also prevailed in Tripoli after the cessation of violence in the city and after the LAF arrested some 18 people on 26 August for their involvement in last month's clashes. The LAF also confiscated guns, ammunition and heavy weapons. These

successful operations serve to underscore the continued need for international support to the Lebanese Government and the LAF as they face increasing challenges as a result of the situation in Syria.

26. The next National Dialogue session is planned for 20 September. International support for the continuation of this process is important as it represents a key test of the commitment of all Lebanese parties to their country's stability and sovereignty against attempts to cause sectarian strife and draw Lebanon into regional events. Welcomed by leaders of all communities in Lebanon, Pope Benedict XVI has further encouraged an atmosphere of calm and tolerance during his visit to Lebanon from 14 to 16 September. The situation in the UNIFIL area of operations remained cautiously calm and stable. UNIFIL maintained an enhanced presence across its area of operations as LAF operated at lower strength due to the temporary redeployment of some units to cater to security requirements north of the Litani river. While Israeli violations of the Lebanese airspace continued on an almost daily basis, there were also minor Lebanese ground violations of the Blue Line.

27. These developments are taking place in a broader regional context, which, as we have seen, is rife with tensions, tensions which have recently led to disturbing episodes of violence in the region. In this challenging context, the Secretary-General has been clear that now is the time for all to work for calm and restraint, and strive to advance dialogue, mutual respect and understanding.

Mr. President,

28. In conclusion, in a volatile and rapidly changing region, the vision of the two-state solution and the achievements of the Palestinian Authority are elements of stability and progress that should not be lost but rather maintained and realized in full without further delay. For one, this means nothing short of unequivocal support by the international community for the PA and collective intensified efforts to address the fiscal difficulties presently faced and preserve the institutional gains

made to date. Israel also has a special responsibility and interest in ensuring the PA's viability. It is now even more important for the parties to further engage in positive steps, show restraint, and refrain from provocative acts that risk inflaming an already delicate environment.

29. By the end of this year yet another timeline set by the Quartet for reaching a comprehensive, negotiated settlement will have lapsed. In circumstances of prolonged political stalemate and an increasingly fragile situation on the ground, the time has come for the international community to seriously reassess its role in resolving the conflict. In this regard, the Secretary General sincerely hopes that Quartet partners, in consultation with the parties, will look beyond prescriptive timelines to chart a credible political way ahead in the coming months. Both parties will suffer the consequences of failure to act responsibly and of sliding further away from the two state solution and regional peace as envisaged in the relevant Security Council resolutions and the Arab peace initiative.

Thank you.