

**BRIEFING TO THE SECURITY COUNCIL ON THE SITUATION IN THE MIDDLE EAST,
INCLUDING THE PALESTINIAN QUESTIONS**

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When I last briefed the Council on this item on behalf of the Secretariat on 30 November I spoke of the opportunities for, and challenges to, progress towards peace in the Middle East.

This month has seen some positive developments, notably steps toward the implementation of the Access and Movement Agreement between Israel and the Palestinian Authority. But violence has continued in the occupied Palestinian territory, in Israel and in Lebanon. This violence undoubtedly raises tension in the region at a time when the political situation is evolving very rapidly. In the coming weeks, the parties must strive for a return to calm. An atmosphere of stability and restraint will help to ensure that voices of peace and moderation are heard and heeded during the crucial electoral period.

I would like first to touch upon the economic, fiscal and the humanitarian situation in the occupied Palestinian territory. Let me begin with the Ad Hoc Liaison Committee meeting held in London on 14 December, where donors, the Palestinian Authority and the Government of Israel met to discuss the economic, fiscal and humanitarian situation in the occupied Palestinian territory and to assess progress in Palestinian reform.

The Palestinian Authority presented an update on its precarious financial situation and shared with donors the main elements of its medium-term development plan for the next three years. The meeting adopted a revised donor structure that strengthens the role of the Palestinian Authority. This enhanced role in aid management constitutes an important step towards the assumption of some recipient-State functions by the Palestinian Authority, in accordance with the Organization for Economic Cooperation and Development (OECD) Paris principles.

The need for the Palestinian Authority to adhere to the reform agenda and to re-establish fiscal discipline was a central theme of the meeting. The International Monetary Fund (IMF) reported on the fiscal crisis thus: the Palestinian Authority's deficit rose from 14 per cent to 17 per cent of gross domestic product (GDP) in the past year, and may well reach 19 per cent of GDP in 2006. Donors agreed on the need for the Palestinian Authority to implement, as a matter of priority, a medium-term fiscal stabilization plan and stressed that reform must continue in the coming months, even though the election period may make this more difficult. The Palestinian Authority's fiscal situation is so acute that there is real concern that, this month, December salaries may not be paid.

The United Nations reported three significant socio-economic trends that emerged in 2005. First, poverty rates increased despite overall growth in the economy and in employment rates. Secondly — and related to that — the gap between rich and poor widened. And, thirdly, geographic disparities became more pronounced, with humanitarian needs highest in the Gaza Strip and in the northern and southern areas of the West Bank.

The Ad Hoc Liaison Committee discussed convening a pledging conference to mobilize the target sum of \$3 billion, as agreed in principle at the Group of Eight (G-8) Summit in October. A specific date has not yet been identified, but the conference is expected to take place in the first half of 2006.

I should now like to move on to the status of the implementation of the Agreement on Movement and Access. In its presentation to the Ad Hoc Liaison Committee, the World Bank reiterated that movement

restrictions imposed on goods and people continued to be the major obstacle to Palestinian economic growth. That underscores the importance of the Agreement on Movement and Access, which was signed last month. Implementation is proceeding on some parts of the Agreement. For example, the Rafah crossing, between Gaza and Egypt, has been open for five hours each day since 26 November. The Karni crossing, through which produce enters Israel from Gaza, has also remained open since 15 November, allowing the first post-disengagement Palestinian harvest to reach Israeli markets. Both parties must continue to make efforts to ensure that agricultural exports remain a top priority.

The Agreement includes an Israeli commitment to allow the passage of convoys to facilitate the movement of goods and persons between Gaza and the West Bank, specifying that bus convoys would start by 15 December. Despite the concerted efforts of the United States and Mr. James Wolfensohn, the Quartet's Special Envoy, to resolve outstanding differences and to ensure that Israel's security concerns are met, the commencement of the convoys remains suspended. We hope that discussions aimed at breaking the impasse will continue on this very important issue.

As for movement in the West Bank, the United Nations Office for the Coordination of Humanitarian Affairs has reported a slight increase: there are now just over 400 roadblocks and checkpoints. Discussions are ongoing between the Government of Israel and the United States, with United Nations participation, to develop a plan to reduce obstacles to movement in the West Bank.

Let me now turn to the security situation. On 5 December, a suicide bombing in Netanya killed five Israeli civilians and wounded dozens more. Representatives of Palestinian Islamic Jihad claimed responsibility for that attack. The Palestinian Authority, which condemned the act, arrested some 60 suspects following the bombing. The Quartet condemned that terrorist attack in the strongest terms and demanded that the Syrian Government take immediate action to close the offices of Palestinian Islamic Jihad and to prevent the use of its territory by armed groups engaged in terrorist acts. The Quartet also encouraged and supported the Palestinian Authority's efforts to prevent armed groups from acting against law and order and against the policy of the Authority itself, and urged all parties to exercise restraint, avoid an escalation of violence and keep the channels of communication open.

There have been a number of other worrying security developments since my last briefing to the Council. Over 20 Qassam rockets were fired at Israel since the beginning of December. The outskirts of Ashkelon were hit by rockets for the first time in two and a half years.

The Government of Israel responded to the Netanya terror attack and to the firing of Qassam rockets by tightening the closure regime and by implementing a previously announced resumption of targeted killings. Israeli air force strikes on 6 December and 8 December killed four suspected militants in Gaza. On 14 December, a helicopter strike by Israel Defense Forces (IDF) killed four men east of Gaza city, reportedly all members of the military wing of the Popular Resistance Committees. A failed targeted killing took place on the same day.

While acknowledging the right of Israel to defend itself against terrorist attacks in conformity with international law, it must be noted that extrajudicial killings amount to executions without trial and that innocent bystanders are often killed or injured in those operations. In the targeted killings I have just mentioned alone, 11 other Palestinians, including four children, were reported wounded.

Meanwhile, the Palestinian internal security situation has worsened, with attacks on electoral offices, armed clashes between Fatah factions at the party headquarters and between the Palestinian security forces and armed elements. Clashes with the IDF also led to the death of a Palestinian in Nablus. An Israeli soldier was stabbed to death at the Qalandia checkpoint, and militants killed an Israeli settler near Hebron.

It is clear that the Palestinian Authority must pursue security-sector reform with single-minded determination. The Palestinian Authority's inter-ministerial working group, supported by the team of the United States Security Coordinator, has now produced a first draft of a security reform white paper. Security-sector reform is expected to feature in the Palestinian Authority's medium-term development plan.

Let me now say a word about settlement activity. During the reporting period, settlement activity and barrier construction continued. A recent study by the Israeli non-governmental organization Peace Now refers to a list published by the Israeli Ministry of Housing and Construction, reporting that 3,696 housing units are currently being built in West Bank settlements, and another 1,654 in East Jerusalem. We are concerned by unconfirmed reports that the Israeli Defence Minister recently approved plans to construct further housing units in Maale Adumim and other settlements near Jerusalem. According to the road map, Israel is obliged to freeze its settlement activities and to dismantle outposts in the West Bank constructed since March 2001.

With regard to elections, preparations are continuing for the Palestinian Legislative Council elections scheduled for 25 January 2006. Those preparations were marred by violent incidents, many of them arising from internal disagreements within the Fatah party concerning the composition of the party's lists. The Central Election Commission decided to close down all district offices on 13 December, but it reopened them the following day when police protection was provided, thereby allowing candidates to be registered by the deadline of 14 December. The candidate lists include two Fatah lists, one headed by Prime Minister Ahmed Qurei and another under the name Al-Mustaqlal — which is Arabic for "the future" — headed by the imprisoned Fatah leader Marwan Barghouti. Hamas has also formally registered for its first parliamentary elections.

On 15 December, the fourth round of municipal elections took place in the West Bank, including in larger municipalities such as Nablus, Jenin and AlBireh, where Hamas won an overwhelming majority of seats, and Ramallah, where Fatah won. The fifth, and final, round, which will include major constituencies in Gaza, will be organized in early 2006 after the legislative elections themselves.

I now turn to the situation in Lebanon, a country that has had to endure yet another attempt to undermine its stability and independence through the brutal killing of Gebrane Tueni and three others on 12 December. Mr. Tueni was a champion of a democratic, sovereign Lebanon and of a free press. The Security Council and the Secretary-General expressed their condemnation of that act of terrorism, as well as their support for the Government of Lebanon's determination to bring the perpetrators of that and other such attacks to justice.

We note the decision of the Security Council in resolution 1644 (2005) to establish a tribunal of an international character to try those found responsible for the assassination of Rafik Hariri, to extend the United Nations International Independent Investigation Commission's technical assistance to the Lebanese authorities and to expand the scope of the Commission's investigations. The Secretariat is working actively to implement the operative paragraphs of resolution 1644 (2005).

Promoting the stability of Lebanon is a vital part of efforts to achieve comprehensive peace in the Middle East. The Special Coordinator for the Middle East Peace Process, Mr. Alvaro de Soto, visited Lebanon in early December. In his meetings with the Government of Lebanon, he discussed, among other matters, the need to improve the situation along the Blue Line. That is a matter on which Mr. De Soto has also had discussions with Israel.

The situation along the Blue Line was tense but stable during the reporting period. Hezbollah started to reconstruct its position near Ghajar village, which had been destroyed during the 21 November exchange

of fire, on which the Council received a separate briefing. I would like to stress the importance of the Government of Lebanon's extending control over all of its territory, especially in the South.

Since the last briefing of the Council on 30 November, there have been 19 Israeli air violations, including on the day of Gebran Tueni's funeral. On 15 December, the Personal Representative of the Secretary-General for Lebanon, Mr. Geir Pedersen, yet again expressed his deep concern about those violations and noted that overflights are a serious breach of Lebanese sovereignty. Israel cites the continued presence and activities of Hezbollah as the reason for the violations. We would like to remind both parties, however, that one violation does not justify another. We call again on the Israeli authorities to halt those overflights and on all parties to respect the Blue Line in its entirety.

The road map's target date for a final and comprehensive settlement of the Israeli-Palestinian conflict is now 10 days away. It is obvious therefore that, while we have made very important progress, we will certainly not reach our destination on time. Let me be clear: that does not in any way detract from the centrality of the road map, which remains the agreed framework for achieving a just and lasting peace in the Middle East.

This is surely an occasion for all parties to reflect on what more they can do to ensure that road map obligations are met so that we can make genuine progress towards the goal of two States, Israel and an independent, viable and democratic Palestine, living side by side in peace and security, within secure and recognized borders.

More immediately, however, during this delicate pre-electoral period in both countries, there is a need to respond to the forces of violence and despair with concrete political, economic, security and social action — action that provides a framework in which the agenda of peace is made stronger than the agenda of conflict, violence and terror.

The Palestinian Authority's inability to exercise control over its territory remains a source of great concern. The Quartet encourages and supports the Palestinian Authority's efforts to take immediate steps to prevent armed groups from acting against law and order and against the policies of the Authority itself.

Israel's continued policy of settlement expansion and barrier construction undermines not only Palestinian leaders who are seeking election on a platform of peaceful negotiation with Israel, but also efforts to achieve a viable two-State solution, with a contiguous West Bank, including East Jerusalem, and meaningful linkages between the West Bank and the Gaza Strip.

I note, in closing, the comments of the Quartet Special Envoy, James Wolfensohn, at the recent donor meeting in London. Mr. Wolfensohn, whose efforts have been so crucial to achieving the progress recorded in 2005, reminded participants that the immediate aftermath of both Palestinian and Israeli elections will be a very critical period of opportunity that neither the parties nor the international community can afford to miss.