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I. QUARTET PRINCIPALS ISSUE STATEMENT IN SUPPORT OF ONGOING ISRAELI-PALESTINIAN NEGOTIATIONS

The following is the text of the statement issued on 2 May 2008 in London by the Quartet principals (SG/2137).

Representatives of the **Ouartet** Secretary-General Ban Ki-moon, Russian Foreign Minister Sergey Lavrov, United States Secretary of State Condoleezza Rice, High Representative for European Common Foreign and Security Policy Javier Solana, European Commissioner for External Relations Benita Ferrero-Waldner Slovenian Foreign Minister Dimitrij Rupel met today in London to discuss the situation in the Middle East. They were joined by Quartet Representative Tony Blair.

The Quartet expressed its strong support for ongoing Israeli-Palestinian negotiations and encouraged the parties to make every effort to realize the shared goal of an agreement on the establishment of a Palestinian State by the end of 2008. Commending the parties for their continuous and intensive negotiations, the Quartet emphasized the urgent need for progress and called on the international community to remain constructively engaged in support of negotiations with the goal of the establishment of a Palestinian State in the West Bank and Gaza and an end to the conflict.

The Quartet emphasized the importance of visible progress on the ground to build confidence and create an atmosphere supportive of negotiations. The Quartet welcomed concrete steps by both sides in the wake of the trilateral meeting between

Secretary of State Rice, Prime Minister Fayyad and Defence Minister Barak, and stressed the urgent need for rapid and continued implementation of these and previous commitments improve to conditions on the ground. While taking note of some positive steps, including the removal of some roadblocks and an outpost security Israel. and improved performance by the Palestinian Authority, the Quartet noted that much more remained to be done to improve the situation on the ground in order to change the conditions of life in the West Bank and to keep the political process on track.

In that context, the Quartet expressed its support for Quartet Representative Tony Blair and underscored the urgent need for progress and close donor coordination. It also expressed its strong backing for the planned Bethlehem conference on private sector investment in May as well as the parties' agreement to improve security and economic conditions in Jenin, which could offer a model for important progress on the ground.

Noting the particular importance of justice sector reform, the Quartet looked forward to the meeting that would take place in Berlin in June to promote and coordinate donor assistance in that area.

The Quartet called upon both sides to fulfil their obligations under the Road Map.

It also called on both sides to refrain from any steps that undermined confidence or could prejudice the outcome of negotiations. In that context, the Quartet expressed its deep concern at continuing settlement activity and called on Israel to freeze all settlement activity including natural growth, and to dismantle outposts erected since March 2001.

It called on the Palestinian Authority to fulfil its commitments to fight terrorism and to accelerate steps to rebuild and refocus its security apparatus. It urged Israel and the Palestinian Authority to increase cooperation in that respect and to facilitate the delivery of security assistance to the Palestinian Authority.

The Quartet condemned continuing rocket attacks from Gaza on southern Israel, including against Sderot and Ashkelon, as well as the terrorist attacks at a seminary in Jerusalem on 6 March. The Quartet also expressed deep concern at Palestinian civilian casualties, including the recent death of a mother and four of her children in Gaza. It called for an end to all violence and terror and urged all parties to take all feasible steps to ensure the protection of affected civilians in accordance with international law.

Noting its deep concern over humanitarian conditions in Gaza, the Quartet called for continued emergency humanitarian assistance and the provision of essential services to Gaza without obstruction. The Quartet expressed its continuing concern over the closure of major Gaza crossing points given the impact on the Palestinian economy and daily life. The Ouartet condemned the terrorist attack on Nahal Oz fuel terminal on 9 April, and noted that such attacks on the Gaza crossings

interfered with the supply of essential services and undermined the interests of the Palestinian people. The Principals strongly encouraged Israel, the Palestinian Authority and Egypt to work together to formulate a new approach on Gaza that would provide security to all Gazans, end all acts of terror, provide for the controlled and sustained opening of the Gaza crossings for humanitarian reasons and commercial flows, support the legitimate Palestinian Authority Government, and work towards conditions that would permit implementation of the 2005 Agreement on Movement and Access.

Looking forward to a productive meeting of the Ad Hoc Liaison Committee, the Quartet encouraged all parties to do their part to support Palestinian institutional capacity-building and economic development. The Quartet called for all donors to follow through on pledges made at the December 2007 **Paris** donors' conference. Underlining the crucial role of Arab States in support of the peace process and the importance of the Arab League peace initiative, the Quartet encouraged the Arab States to fulfil both their political and financial roles in support of the Annapolis process.

The Quartet also discussed the proposal for an international meeting in Moscow to lend continued support to the parties in their negotiations and efforts on the ground.

The Quartet authorized its envoys to continue to work to facilitate the achievement of all of those goals.

The Quartet reaffirmed its commitment to a just, lasting and comprehensive peace in the Middle East based on Security Council resolutions 242 (1967), 338 (1973), 1397 (2002) and 1515 (2003).

II. SECRETARY-GENERAL ADDRESSES MEETING OF AD HOC LIAISON COMMITTEE IN LONDON

The following are Secretary-General Ban Ki-moon's opening remarks at the meeting of the Ad Hoc Liaison Committee of donors held in London on 2 May 2008 (SG/SM/1154/Rev.1).

Let me thank you, Mr. Chairman and Mr. Foreign Secretary, for bringing us together at such a crucial time. Prime Minister Fayyad and Foreign Minister Livni, I am delighted that you were able to attend.

We meet at a vital juncture, just as the Quartet has issued a statement applauding the parties for their continued commitment to serious political negotiations. Now we must back up these negotiations with real change on the ground - change that allows Palestinians and Israelis to believe in a positive future. Only in this way can we lend substance to the process and send a clear message to people in the Occupied Palestinian Territory and Israel that it is meaningful and beneficial to each side.

Following the initial steps by the parties, as well as by Quartet Representative Tony Blair, more needs to happen to translate these early achievements into enduring developments on the ground.

There will be several opportunities to demonstrate our commitment. President Bush's visit to the region represents one such opportunity. The Palestine Investment Conference in Bethlehem. and the Conference in Support of Palestinian Civil Security and Rule of Law in Berlin, will represent demonstrations other ofcommitment over the next few weeks.

This Committee has a key role to play as a platform for peace and development for both Israel and Palestinians. The vision behind the Palestinian Reform and Development Plan is that all parties should

contribute in parallel to economic improvement. Over the past six months, the cooperation framework has brought together the ongoing political dialogue with joint committees, the reform efforts made by the difficult Palestinian Authority in a environment and the generous support pledged by donors in Paris.

Israel's support is vital to Palestinian economic revival, reform and development, and I welcome its recent announcement of measures to ease conditions in the West Bank. Now, both parties need to continue their work to fully meet their obligations under the Road Map. Palestinians need to do more to ensure security, and Israel needs to further ease restrictions on permits, movement and access - a precondition to any substantive economic progress.

I remain deeply concerned about the de facto separation of the two parts of the Occupied Palestinian Territory and the continuing violence in Gaza. The humanitarian and economic situation there continues to deteriorate and the civilian population is finding itself increasingly cut off from the world.

It is obvious that a new strategy is required - one which ensures the passage of people, humanitarian and commercial goods, and which leads to the reunification of Gaza with the West Bank within the framework of the legitimate Palestinian Authority. I am heartened that there is strong Quartet consensus on this issue.

The United Nations will continue to provide critical humanitarian assistance in Gaza and development support in the West Bank. It is critical that restrictions are eased on United Nations operations.

Finally, I look forward to hearing from the parties about how they see the next few months. I'm sure I speak for all of us in saying that our priority is putting an immediate end to violence and bloodshed, stepping up creative efforts on addressing the situation in Gaza and improving the economy.

Whatever the many and real difficulties ahead, let us remember that there is only one path for both peoples to achieve the peace, freedom, security and prosperity they deserve: a permanent political settlement leading to an end to the occupation that began in 1967; the establishment of a sovereign, viable, contiguous and democratic Palestinian State, living side by side in peace with a secure Israel; and an end of conflict, in accordance with Security Council resolutions.

III. WORLD BANK ISSUES STUDY ON PALESTINIAN REFORM AND DEVELOPMENT AGENDA

At the Ad Hoc Liaison Committee meeting in London on 2 May 2008, the World Bank presented a study entitled "Implementing the Palestinian reform and development agenda." The executive summary of the study is reproduced below.

At the Ad Hoc Liaison Committee meeting in New York on 23 September 2007, the World Bank summarized the changing course of the Palestinian economy since 2000 from one driven by investment and private sector productivity to one sustained by government spending and donor aid. After a good performance in the latter 1990s, the fragile Palestinian economy entered a gradual downward cycle of crisis and dependence, as it was confounded by political and security events in the West Bank and Gaza, the continued growth in settlements, Israeli restrictions on movement and access since the second intifadah, and finally the 2006 drop in donor aid. Unable to find opportunities in a shrinking private sector, a young and rapidly expanding labour force has turned to the public sector to create jobs and increase spending to alleviate poverty, at the expense of further

investment in the economy's productive potential. This trend, under way since 2000, was most acute in the aftermath of the elections in 2006.

The analysis that was presented at the 2007 Meeting of the Liaison Committee showed that reversing this downward trend required parallel actions by the Palestinian Authority, Israel and the donors. In addition, these parallel actions were regarded as effective insofar as they addressed the entirety of the Palestinian population. Reform and development of the Palestinian economy - including Gaza, which represents about 40 per cent of the population - and its institutions were to resume through the implementation of the Authority Palestinian Reform and Development Plan. To succeed, the Plan was to be underwritten by donors and supported by Israeli efforts to loosen restrictions on the movement of goods and

people within and out of the West Bank and Gaza. It was argued that the impact of donor aid was highest when accompanied by concrete and parallel Palestinian Authority and Israeli actions, but that the consistent flow of aid should not be predicated on them - aid remained critical to ensure the survival of Palestinian institutions that underpinned the peace process.

The expectations set at the Liaison Committee Meeting in New York were that several developments could trigger a change in the course of the Palestinian economy: not least the Annapolis conference of 27 November 2007, where Prime Minister Olmert and President Abbas agreed to resume peace negotiations and resolve core issues by the end of 2008; the progress in bilateral discussions on key issues and the formation of seven Israeli-Palestinian working groups; and the Paris donor conference on 17 December 2007, where representatives of 87 States organizations pledged \$7.7 billion in financial support for the Palestinian Reform and Development Plan for 2008-2010. In furtherance of those efforts, several critical measures were initiated by the parties, including those by Quartet Representative Tony Blair, to rebuild confidence and momentum towards an economic recovery.

This World Bank study will show that, despite these and other efforts since the 2007 Liaison Committee Meeting the virtuous cycle of economic growth arising from parallel actions by the Palestinian Authority, Israel and the donors has not been fully realized. The formation of the caretaker Government in mid-2007 and the resumption of aid have reversed the impacts of the aid boycott in 2006 and 2007, but only partially. Real gross development

product was negative in the first half of 2007 but began to recover in the West Bank during the second half. Because of the situation in Gaza, real GDP growth in 2007 is estimated to be about 0 percent which, given the rapidly growing population, indicates falling per capita income. The contributing effects of the closures and movement restrictions cannot be overestimated.

Moreover, economic indicators have not changed considerably, despite the resumption in aid. Unemployment in the West Band and Gaza stood at nearly 23 per cent in 2007, up from only 10 per cent before the beginning of the Intifada in 2000. Unemployment is highest in Gaza, at nearly 33 per cent of the active work force. This rate is likely to become much higher as the layoffs in the industrial sector become permanent.

As a tripartite action plan, implementation of the Palestinian Reform and Development Plan has begun in earnest, but progress has been only partial. The Palestinian Authority has implemented a sequence of steps centering on control of expenditures and medium-term reforms to bring the Authority back to financial sustainability, and has achieved some important milestones in this area. The Plan has been underwritten by donors who, at the time of the study, had already transferred half of their pledges made in Paris towards recurrent expenditures, either through direct transfers to the Palestinian Authority's central treasury account, through European Community's new PEGASE (Mécanisme Palestino-Européen de Gestion de l'Aide Socio-Économique) instrument, or through the World Bank's new multi-donor trust fund linked to the Plan. The efforts of

the Quartet Representative have introduced a set of concrete deliverables that, if adopted by the parties, could help trigger a much-needed private sector response. However, the private sector revival required for a virtuous cycle of growth has not been realized due to continued restrictions on movement and access. As a result, the economic scenarios presented at the Paris conference, proposing that the implementation of Palestinian commitments alone is a necessary but insufficient condition for economic growth, have been confirmed by the zero GDP growth in the West Bank and Gaza in 2007. As for 2008, the International Monetary Fund analysis and Liaison Committee report note a projected GDP growth of 3.0 per cent that, taking into account population growth, leaves per capita incomes static if not lower than the previous year.

Regardless of the scenario, Palestinian Authority reforms and adequate donor aid covering both recurrent and development spending - remain necessary but insufficient preconditions for economic recovery in the West Bank and Gaza. A scenario where Palestinian Reform and Development Plan reforms continue, where they are fully funded by donors, and where private sector growth and trade is revived as a result of easing movement and access restrictions, will result in accelerated growth rates at double digit levels. Embedded in this scenario is a recovery in Gaza driven by the resolution of the current stalemate, and its immediate inclusion in the benefits of reforms, donor aid and the lifting of movement restrictions.

IV. INTERNATIONAL MONETARY FUND REPORTS ON PROGRESS OF DEVELOPMENT OF MACROECONOMIC AND FISCAL FRAMEWORK FOR THE WEST BANK AND GAZA

At the Ad Hoc Liaison Committee meeting in London on 2 May 2008, the International Monetary Fund presented a report on the progress of the development of a macroeconomic and fiscal framework for the West Bank and the Gaza Strip. The executive summary of the report is reproduced below.

The Palestinian Authority is implementing prudent fiscal policies and reforms, in the context of an ambitious budget for 2008. A strict government employment policy has been followed and utility subsidies are being reduced. The Public Financial Management System has also been strengthened, which will help control non-wage spending. The 2008 budget builds on this progress and targets a reduction of the recurrent deficit from 27 per cent of GDP in 2007 to 22 per cent of GDP in 2008, in particular through: (a) a freeze

on wage rates and on new employment (except for health and education); (b) enforcement of measures to increase utility payments by households and municipalities; and (c) improvement in cash management and spending commitment controls to help prioritize and raise the quality of spending and minimize arrears accumulation. The staff considers that the reforms undertaken so far, and the 2008 budget, represent a significant stride towards fiscal sustainability.

Donor assistance pledged for the recurrent budget falls short of the Palestinian Reform and Development Plan needs. The total amount pledged at the December 2007 Paris donors' conference for 2008–2010, at \$7.7 billion, is significantly above the Plan requirements. However, pledges allocated for the recurrent budget are below those needed to finance the projected deficits. For 2008, the amounts disbursed or confirmed are adequate to cover recurrent financing needs for the first half of the year. However, without additional assistance, a shortfall of 1.4 billion new sheqalim (\$0.4 billion) is projected in the second half of 2008.

Adequate and timely disbursements from donors, and close coordination with the Palestinian Authority, are essential to prevent liquidity problems and expenditure arrears. Israel has tightened restrictions on movement and access based on security concerns, and settlements in the West Bank have expanded, with attendant risks to economic growth and reforms. Social and political pressures against austerity measures have recently increased, conveyed through

protests and strikes by trade unions. These pressures could grow if household incomes and employment opportunities remain constrained, posing significant risks to fiscal adjustment.

Good cooperation among the three parties - the Palestinian Authority, the Government of Israel and donors - is essential to reduce the risks outlined above. The Authority has undertaken bold reforms despite the difficult political and security These reforms environment. have encouraged donors to fully cover the Authority's external financing requirements for the first half of 2008, including through the creation of the World Bank's Trust Fund for the Reform and Development Plan. The of Government Israel's recent announcement that a number of obstacles in the West Bank would be removed soon is encouraging and could hopefully followed by a broader relaxation restrictions on movement and access in 2008.

V. ECONOMIC AND SOCIAL COMMISSION FOR WESTERN ASIA ISSUES REPORT ON ECONOMIC AND SOCIAL REPERCUSSIONS OF THE ISRAELI OCCUPATION

On 6 May 2008, the Economic and Social Commission for Western Asia issued a report entitled "Economic and social repercussions of the Israeli occupation on the living conditions of the Palestinian people in the occupied Palestinian territory, including Jerusalem, and of the Arab population in the occupied Syrian Golan" (A/63/74-E/2008/13). The report was prepared pursuant to Economic and Social Council resolution 2007/26 and General Assembly resolution 62/181. The following excerpts are taken from the summary and conclusions of the report.

Summary

The Israeli occupation of the Palestinian territory and Syrian Golan continues to intensify the economic and social hardship of the Palestinian and Syrian people.

Attacks by Palestinian militants and the launching of rockets into Israeli cities from the Gaza Strip continue, as do Israeli military operations, together with measures of arbitrary detention, the disproportionate use of force, house demolitions, severe mobility restrictions and closure policies in

the occupied Palestinian territory. However, there was a decline in Palestinian-Israeli violence in 2007 and an increase in intra-Palestinian violence, culminating in the takeover of the Gaza Strip by Hamas in June 2007.

Internal conflict in the occupied compounded territory Palestinian has existing hardships. After the Hamas takeover of Gaza, Israel imposed additional restrictions on the movement of goods and people into the Gaza Strip, which led to deteriorating conditions and shortages of commodities, including basic electricity and fuel. Increased restrictions on the operations of humanitarian agencies hindered the delivery of humanitarian aid in the Gaza Strip and the West Bank.

The Israeli closure system, which restricts Palestinian access to health and education services, employment, markets and social and religious networks, led to increased poverty and humanitarian need in the occupied Palestinian territory. Israeli settlements, land confiscation and the construction of the barrier in the West Bank, contrary to the Geneva Convention and other norms of international law, isolate occupied East Jerusalem, bisect the West Bank and curtail normal economic and social life.

The ongoing occupation and expansion of settlements by Israel in the occupied Syrian Golan and the restrictions imposed on the Syrian citizens living there also continue, in violation of Security Council and General Assembly resolutions.

Conclusions

While the number of casualties of Israeli-Palestinian violence decreased by

almost half compared with 2006-2007, a combination of intensified closures and sanctions imposed by Israel and increased Palestinian internal conflict led to the deepening measurable the socioof economic crisis in the occupied Palestinian territory in 2007. All economic, social and public health indicators reveal that standards in living conditions are declining and that there is social and spatial dismemberment, growing despair and increased violence against fellow Palestinians. Residents of the Gaza Strip have become almost completely isolated from the outside world, with access to only basic commodities and humanitarian items.

Both the Security Council and the General Assembly have declared that the Israeli decision to annex the Golan is null and void (Security Council resolution 497 (1981) and General Assembly resolution 61/27). Nevertheless, in 2007 Israel continued its expansion of settlements and violation of the rights of the Syrian residents of the occupied Syrian Golan.

The situation in the occupied Palestinian territory prompted the United Nations country team to launch the 2008 consolidated appeal, which, at \$454 million, represents an 8.51 per cent increase from the level of the 2007 appeal. The 2008 consolidated appeal focuses on four main issues with a view to sustaining livelihoods preventing further deterioration: (a) humanitarian aid; (b) the protection of civilians and the implementation international humanitarian law: (c) humanitarian monitoring and reporting; and (d) the strengthening of United Nations humanitarian coordination. While those measures are aimed at stabilizing socioeconomic conditions, they are not expected to contribute to the long-term improvement

of such conditions in the occupied Palestinian territory.

In his message of 19 February 2008 to the United Nations Seminar on Assistance to the Palestinian People, the Secretary-General reiterated the United Nations position that only a permanent political settlement which ends the occupation and gives Palestinians their independence can fundamentally alter the economic and humanitarian problems of the Palestinian people. He stressed that the key ingredients for a breakthrough existed, pointing to bilateral negotiations and the support of donors. Finally, he expressed his belief that with the right mixture of wisdom, realism and political courage, historic progress towards the vision of two States, Israel and Palestine, living side by side in peace and security, could be made.

VI. SECRETARY-GENERAL ISSUES REPORT ON ASSISTANCE TO THE PALESTINIAN PEOPLE

Pursuant to General Assembly resolution 62/93, the Secretary-General on 7 May 2008 submitted to the Economic and Social Council at its 2008 substantive session a report entitled "Assistance to the Palestinian people" (A/63/75-E/2008/52). The summary and the conclusions of the report, which covers the period from May 2007 to April 2008, are reproduced below.

Summary

During the period under review, the Palestinian economy continued to suffer hardship and decline. In the aftermath of Hamas' takeover of the Gaza Strip and the formation of a new Palestinian Authority Government under Prime Minister Salam Fayyad, the West Bank witnessed some modest economic recovery. The Gaza Strip, however, continued to experience drastic economic decline and private sector collapse due to a near-complete closure. There was significant progress in reform and pledges from international donors in the amount of \$7.7 billion for a three-year period to enable the implementation of the new Palestinian Reform and Development Plan.

These developments reflected the de facto political split between the West Bank and the Gaza Strip from June 2007 onwards. While bilateral political negotiations resumed between the Government of Israel

and the Palestinian Authority in the context of the November 2007 Annapolis conference and the parties committed to reaching an agreement by the end of 2008, the situation in and around Gaza was characterized by near-daily rocket fire against Israeli targets and Israeli aerial attacks and military incursions.

The report describes efforts made by United Nations agencies and programmes, in cooperation with Palestinian Authority and donor counterparts, to support the Palestinian civilian population and institutions.

VI. Conclusion

The period under review was volatile and difficult. The political terrain shifted, with a corresponding significant degradation in the quality of life for the population in Gaza. Agencies were compelled to deliver increasing emergency and humanitarian

assistance to a population that is otherwise ready for and in need of longer-term development programming. They will continue to do so. At the same time, the United Nations country team is prepared to offer its full support both to the Palestinian Authority, in its efforts to implement its Reform and Development Plan, and to the many Palestinians whose livelihoods and communities have been severely disrupted in these years of conflict.

While the coming year promises to be no less challenging, new opportunities could emerge with the implementation of

commitments from both parties. Negotiations could bring new approaches and solutions to reach the broader aim of the United Nations, the Ouartet and the entire international community to realize a just, lasting and comprehensive peace in the Middle East based on Security Council resolutions 242 (1967), 338 (1973), 1397 and 1515 (2003), (2002)and establishment of a sovereign, democratic, viable and contiguous Palestinian State, existing side by side in peace with a secure Israel.

VII. QUARTET REPRESENTATIVE BLAIR ANNOUNCES PACKAGE OF MEASURES TO IMPROVE SOCIO-ECONOMIC SITUATION AND PROMOTE PALESTINIAN STATEHOOD

On 13 May 2008, Quartet Representative Tony Blair unveiled a set of proposals entitled "Towards a Palestinian State," which are reproduced below.

Israel and the Palestinian Authority are working to reach a viable lasting peace agreement with the aim of establishing a Palestinian State that will reside peacefully alongside the State of Israel. The Quartet supports these efforts and is encouraged by the ongoing negotiations between the parties. In this framework, I have received the support of the Government of Israel and the Palestinian Authority in promoting a package designed to allow movement of people and goods, helping the Palestinian economy to grow, and its people to achieve increased prosperity, in a way consistent with protecting fully the security of Israel and its people.

For Palestinian statehood to be possible in the eyes of Palestinians there must be hope that the occupation will, over time, be lifted. For Palestinian statehood to be possible in the eyes of Israelis there must be hope, over time, that the security of Israel will be improved and not harmed by the way Palestinians run their territory.

I stress that the following package is only a start. Of course, much more needs to be and will be done. But it has four elements to it that represent four aspects to creating a Palestinian State:

- · Economic and social development
- · Lifting access and movement restrictions
- Developing Area C, which is 60 per cent of the West Bank, on a case-by-case basis
- · Proper security capability and performance by the Palestinians

All of these aspects then come together in a package specifically set around Jenin in the north of the West Bank, which will, in effect, be an economic and security zone. Should that package work, it can be extended to other parts of the territory. But it will require both sides to fulfil their obligations. It is also clear that in order to achieve economic progress the issue of security should be duly addressed and there is still a lot to be done on the Palestinian side to achieve this goal. With that notion in mind, I shall further elaborate on the four measures:

1. Economic and social development

The following projects have now been cleared for work to begin:

· Jenin industrial park

Preparations for the establishment of the Jenin industrial estate have advanced significantly over the past few months and construction can now start with the support of the German Government following agreement reached by the Government of Israel and the Palestinian Authority on arrangements for water and electricity services and access to the site. Construction of the industrial park will Palestinian economic activity by attracting (foreign) investment and creating sustainable employment and income generation in the region of Jenin. The park will improve services for Palestinian industries and offer opportunities for regional and international business cooperation.

Tarqumiya industrial park

Following the decision of the Ankara Forum on Tuesday, 13 November 2007, the

Government of Israel and the Palestinian Authority have agreed to establish Tarqumiya industrial estate, which will be located in Area C and B, and for which the precise location has still to be decided. Construction of the industrial park will stimulate Palestinian economic activity by attracting (foreign) investment and creating sustainable employment and income generation in the region of Hebron.

· Wataniya telephony licence

The Government of Israel has agreed to approve this enterprise and to release a frequency of 2.4 MHz in the 900 bandwidth. The Government of Israel will commit, in writing, that within six to eight months, the assignment of frequency will be amended to a total bandwidth of 4.8 MHz at the 900/1800 MHz bands and will assign a frequency of more than 4.8 MHz in due course.

This deal will contribute to the overall growth of the Palestinian economy. First, it will involve an injection of funds into the Palestinian Authority of over \$354 million in licence fees (with an immediate transfer of \$100 million). Secondly, Wataniya will invest more than \$700 million in the Palestinian Authority over 10 years, create 750 jobs for Palestinians and generate 1,500-2,000 indirect jobs.

· Bethlehem tourism

Tourism to the Holy Land is on the rise with positive effects for both the Palestinian and Israeli tourism sectors. This has had a significant impact on hotel occupancy rates, for example in Bethlehem. However, investment is needed to rehabilitate hotels and rooms in order to increase overall capacity to meet pre-intifada levels.

A number of permanent improvements in the tourism sector have been agreed in order to encourage private investment. It was agreed between both sides that immediately after the Palestine Investment Conference the facilitation of access from and to Bethlehem would be improved on a permanent basis. A total of 500 new trader permits and the existing Ministry of Defense permits for tour guides would be renewed, on an ongoing basis. The Government of Israel will allow the transport of goods and services to go directly from Bethlehem to Jerusalem through the existing checkpoints, except for specific defined categories, pending security arrangements.

Allenby Bridge

The Government of Israel has recently extended the opening hours from 1800 to 2000 hours, and has expressed its general willingness to extend the opening hours even more. The Government of Israel will seriously consider at the earliest possible date, the presence of a limited number of Palestinian customs officials - under existing arrangements and procedures - at the Bridge as part of the larger long-term effort to create a professional Palestinian border authority.

Jericho agro-industrial project

The parties are cooperating and facilitating the efforts of the Japan International Cooperation Agency in establishing an agro-industrial park in the area of Jericho.

· Water/sanitation projects

I. Projects agreed for the West Bank:

- a. Construction of a wastewater treatment plant in Nablus-Wadi Ziemar, project part A;
- b. Construction of a wastewater treatment plant in Tulkarem-Wadi Ziemar, project, part B;
- c. Construction of a wastewater treatment plant in Salfit;
- d. Construction of a wastewater treatment plant in Ramallah based on the outcome of ongoing negotiations between Israeli and Palestinian water authorities; and
- e. Supply and installation of a main transmission line and internal network for Aqraba cluster of villages.

II. Gaza water/sanitation

a. North Gaza sewage treatment works:

Phase 1 of the North Gaza sewage treatment works (the construction of two infiltrations basins, a pumping station and the pipe network) is expected to be completed in the first or second week of June. The Palestinian Water Authority will tender the contract for phase 2 (the treatment plant) in June. The Ministry of Defense will provide a letter of comfort to the Water Authority in order to encourage potential bidders. The Ministry will also preclear a list of goods provided by the Water Authority. This part is likely to take two years to complete as it involves a state-ofthe-art water treatment facility. However, sewage will start to be partially redirected

from the dangerous Beit Lahia lake as of the completion of phase 1 in June;

- b. Construction of a wastewater treatment plant in Khan Yunis, Gaza; and
- c. Construction of a wastewater treatment plant in the Gaza Middle Area. Allow the entry of critical goods for the maintenance of the water and sanitation sector in Gaza.

The Coastal Municipal Water Utility has provided the Ministry of Defense and Mekorot (Israel's national water company) with a list of critical items to ensure the continued provision of water and sanitation services to Gaza's population. Immediate clearance of this list is critical without prejudice to Israel's legitimate security needs.

· Entry permits to Israel

The Government of Israel has now approved the additional 5,000 entry permits to Israel for Palestinian workers and will issue an additional 3,000 permits pending government approval. Out of the total number, 5,000 permits shall include permits for an overnight stay in Israel. In addition, the period of validity of entry permits to Israel for representatives of approved nongovernmental organizations (NGOs) shall be double (from 3 to 6 months). This shall substantially ease their ability to carry out their humanitarian activities.

· Housing projects

A \$500 million mortgage facility has already been created for the construction of affordable homes. The Government of Israel will discuss with the Palestinian Authority specific housing development projects to be proposed.

2. Access and movement

Attention has focused on the number of roadblocks. The number is important. But the most important thing is the strategic nature of where they are placed and their significance. So there could be numerically large reduction with little practical difference. Alternatively, there could be a small but key strategic number of changes. There should be a continued reassessment of the large number of mounds and blocks, but the Office of the Ouartet Representative has focused on trying to remove, change or improve 11 key strategic obstacles to free movement and access. The Israelis are prepared to make changes as outlined below, but have emphasized that their implementation will start now and then be phased over the coming period of time subject to and depending on a continuous security assessment.

These measures shall be implemented in addition to the checkpoints and scores of roadblocks which have been already removed, in particular the Rimonim, 408 and Beit Ha Arava checkpoints, the latter now being open 5 days a week.

The following measures will be taken:

The Kvasim checkpoint will removed this week. The following checkpoints identified by the Office of the Quartet Representative, namely Container and Shavei Shomevron checkpoints, as well as the Halhul Bridge roadblock, will be removed and the Beit El checkpoint will be relocated once Israel determines that the security situation so allows. This security assessment has started and is currently being carried out with a view to removing these checkpoints at the earliest possible date.

- · Through flow at Tayasir and Hamra will be improved in order to better facilitate the expected increase in traffic of agricultural workers and their vehicles from the West Bank down to the Jordan Valley.
- · Work to upgrade Hawarrah and Beit Iba has already started. Work to upgrade Einav will start as soon as possible. Finally, the through flow in the Jericho District Coordination Office will be improved to facilitate increased tourism and activities related to the Jericho agro-industrial park.

The purpose of making these changes is to open up significantly north-south movement and movement out to the east. When fully implemented, they would make the following practical difference to how the West Bank operates.

The above measures, together with a general improvement of the management of the checkpoints, should significantly improve commercial traffic for the whole of the West Bank.

3. Area C

Area C comprises 60 per cent of the West Bank and, under the Oslo Accords, some administrative and all security responsibilities in this area rest with Israel. It has been a long-standing grievance felt by Palestinians that they have been unable to improve or develop Area C. While it is clear that changes in the status of Area C will be made only in the framework of an Israeli-Palestinian political agreement, specific requests relating to these areas can be approved on a case-by-case basis.

Israel has already approved master plans for 13 villages in Area C and it will now approve an additional 14. The following have been approved:

- 1. Fazail North (Jericho)
- 2. Rashida (Jericho)
- 3. Khirbat a-Tih (Tulkarm)
- 4. Brukin North (Qalqilya)
- 5. Khirbat A-Tawani (Hebron)
- 6. Khirbat A-Shama West (Hebron)
- 7. Jabel Harsa (Bethlehem)
- 8. A-Sheikh West (Bethlehem)
- 9. Hermel (Bethlehem)
- 10. Zabrat Kabira (Tulkarm)
- 11. Adna East (Hebron)
- 12. Tarkumiya South (Hebron)
- 13. Khirbat Ta'anach (Jenin)
- 14. Khirbat Um Reihan (Jenin)

Approval of these master plans will facilitate developing, building and upgrading of schools, clinics and other facilities within these villages. This is an important beginning and it is our intention to work to proceed along these lines to apply this model to other villages in the West Bank.

The Government of Israel will reexamine the current demolition and land orders in Area C.

Tarqumiya industrial park, the exact location of which still requires specific agreement between the Government of Israel and the Palestinian Authority, as stated above, will have land from Area C for development. The Government of Israel will agree to allow Palestinian agricultural workers to cultivate the land.

Other Area C measures have been included in the section on Jenin below.

Developing Palestinian security capabilities

The measures on economic development, movement and access and Area C are all those that can be done within the existing security arrangements for the West Bank.

However, there are measures already being taken by the Palestinian Authority to improve their security capability. In addition, there are plans and proposals for security sector reform - in conjunction with General Dayton; for civil police reform, with the European Union Coordinating Office for Palestinian Police Support under Colin Smith; and for wider justice reform (prisons, courts and judiciary), with the help of the European Union and the United States Agency for International Development.

These plans are well advanced. The Berlin Conference at the end of June gives the Palestinian Authority and the international community the chance to bring them all together into a coherent set of proposals for the radical upgrading of Palestinian security capability and performance.

But certain steps are already being undertaken. As a result, we can bring the first three elements together with security improvements to try to create fundamentally different way of working. The Palestinians are working to create an area in and around Jenin city where Palestinians take control of security, there is substantial economic and social development, movement access and restrictions are significantly lifted and land

in Area C can be developed. If this works, and it depends on both sides fulfilling their obligations, then it is the intention to expand it.

4. Jenin area

Security

General Jones and General Dayton are working intensively to help develop the Palestinian capability to instil law and order and to combat terrorism in the area.

In this area, the security arrangements will be:

Israel will retain overall security responsibility in the West Bank and reserves the right to act where its security is at risk. But subject to this, in the designated area, the Palestinian Authority will be given control of security under unique and different arrangements, the details of which are subject to an ongoing discussion between General Jones' team, the Government of Israel and the Palestinian Authority.

The Palestinian Authority will construct new prison capacity for Jenin prisoners whether in Jenin or elsewhere and rebuild the Muqata'a detention facility. The Palestinian Authority will also open the new courthouse facility by the end of July to process cases.

In addition, Government of Israel has agreed to the opening of four new police stations in Area B, in approved locations in Jenin, out of a total of 20 police stations approved throughout the West Bank.

Access and movement

There will be no roadblocks in the designated area and other changes will be made to facilitate Jenin-Nablus and Jenin-Jordan Valley traffic, as referred to in the movement access section above.

There will be greater ease of access into Jenin and the crossings will open at Jalameh and Reihan until midnight. The Government of Israel intends to upgrade the Jalameh crossing. All these measures will be undertaken with due consideration of the security conditions on the ground.

Economic and social development

There will be the new industrial park at Jalameh announced above, to begin in early 2009.

There will be 1000 work permits for Jenin residents to work in Israel and 300 Jenin traders will be given access to Israel.

The Government of Israel will allow the construction of a new facility at the border to allow storage and passage of grain and import and export of agricultural products

As stated above, the Government of Israel has agreed to grant permits for 150 vehicles for landowners from the West Bank to access the Jordan Valley. Additional requirements will be positively considered.

There will be a large number of smaller-scale economic and social projects implemented by the Palestinian Authority. Many will begin immediately. These projects will upgrade schools, providing additional classrooms where needed. New schools will be built in Jalboon and Jenin

city. Several health clinics will be upgraded and community and youth centres will receive additional facilities.

Pending the decision of the Joint Water Committee, work will begin to provide water to 25,000 residents of six villages that currently lack access to safe water. Work will also start in the coming months on providing electricity to several villages that lack services. Sewage lines within Jenin city and in surrounding villages will be upgraded and the rehabilitation of Jenin city's sewage treatment plant will begin soon. Municipalities will soon receive \$750,000 worth of equipment to manage solid waste.

Area C

Permission will be given to develop a children's centre and park in a site in Area C to be decided.

The Jenin Governor's proposal for a new school near Jalameh, outstanding for several years, has been approved, in principle, with the details to be concluded between the two sides.

There will be master plan approval and the Palestinian Authority security force activity, set out above, in Area C.

Let me repeat, most of the set out measures above are in the West Bank. However, as the Quartet has frequently reiterated, the Palestinian State will comprise the West Bank and Gaza, and should be thought of as an integral whole. Were the security situation in Gaza to improve, there are equal possibilities to improve the lives of Gazans. But tragically until this happens and proper Palestinian Authority control is reestablished, and all the conditions set forth by the Quartet fully met, the prospects are bound to be limited.

If the above package works, then it will be followed by further such packages. In this way, over time and progressively, the weight of occupation can be lifted, but in a way that does not put Israel's security at risk. It is my firm belief that these steps will also facilitate the ongoing negotiations between the parties, aimed to achieve a viable and lasting peace agreement between two countries, living side by side in peace and prosperity.

VIII. OFFICE FOR THE COORDINATION OF HUMANITARIANAFFAIRS REPORTS ON "LACK OF PERMIT" HOUSE DEMOLITIONS IN THE WEST BANK

As part of its series of Special Focus publications, the Office for the Coordination of Humanitarian Affairs published on 27 May 2008 an issue on "Lack of permit, demolitions and resultant displacement in Area C" of the West Bank, which is under administrative and security control of Israel. The introduction of this publication is reproduced below.

Demolitions of Palestinian-owned structures in the West Bank by the Israeli authorities have taken place throughout the period of Israel's occupation. However, since the onset of the Oslo negotiations and the division of the West Bank into Areas A, B and C, demolitions due to lack of a permit have been largely restricted to a specific area of the West Bank, Area C, where Israel retains military authority and control over the building and planning sphere.

During the first quarter of 2008, there was a marked increase in the number of demolitions of Palestinian-owned structures located in Area C. Whereas 29 structures (including 22 residential structures) were demolished in the West Bank (excluding East Jerusalem) due to lack of a permit in the last quarter of 2007, the first quarter of 2008 witnessed a four-fold increase, with the demolition of a total of 124 structures (including 61 residential structures). This trend, however, was discontinued in the following two months (as of 20 May), when one structure was demolished (excluding East Jerusalem).

Demolition of Palestinian buildings (residential, agricultural, public and other) for lack of a permit constitutes one of the most significant issues affecting Area C, which covers some 3,400 km² represents almost 61 per cent of the West Bank. Under the 1966 Jordanian Planning Law, which is still in force in the West Bank, virtually any construction requires a permit and such a permit may be given only in line with an approved planning scheme. In Area C, such permits are issued by the Israeli Civil Administration. However, the Administration rarely issues building permits to Palestinians.

According to information supplied by the Israeli Ministry of Defense to the Israeli Parliament (Knesset), over 94 per cent of Palestinian applications for building permits in Area C submitted between January 2000 and September 2007 were denied. Given the inability to obtain building permits, many Palestinians no longer apply and build without them in order to meet their needs, despite the ever-present risk of demolition.

The official statistics provided by the Ministry of Defense indicate that for each permit allowing Palestinian construction that is issued by the Israeli Civil Administration, 18 other buildings are destroyed and 55 demolition orders are issued for structures in

Area C. Between January 2000 and September 2007, close to 5,000 demolition orders were issued against Palestinian structures in Area C and more than 1,600 Palestinian buildings were demolished - over 30 per cent of total orders.

IX. UNITED NATIONS SPECIAL COORDINATOR FOR THE MIDDLE EAST PEACE PROCESS BRIEFS SECURITY COUNCIL

On 28 May 2008, the United Nations Special Coordinator for the Middle East Peace Process and Personal Representative of the Secretary-General to the Palestine Liberation Organization and the Palestinian Authority, Robert H. Serry, briefed the Security Council on the situation in the Middle East, including the Palestinian question. The following are excerpts from the briefing (S/PV.5899).

There have been a number of important political developments in the Middle East this month. The start of indirect Israelinegotiations has Svrian peace announced. Israeli-Palestinian negotiations are continuing. There have been new pledges of investment in the Palestinian economy and new measures announced to improve conditions on the ground in the West Bank. Egyptian-led efforts to achieve a ceasefire in Gaza are ongoing. In Lebanon, an Arab League initiative led by Qatar has produced agreement to unblock an 18-month political impasse.

The active roles that countries of the region are playing in addressing the region's issues are commendable and deserve our support.

The confidential bilateral negotiations between Israel and the Palestinians are ongoing. Comprehensive discussions are under way, and the parties remain committed to the process.

The Quartet has emphasized the importance of tangible and visible progress

on the ground to build confidence and create an atmosphere supportive of negotiations.

We welcome the additional budgetary support to the Palestinian Authority from Arab countries and note that further donor support, in particular from the region, will be vital to address a \$600 million budget shortfall. The United Nations plans to host the next meeting of the Ad Hoc Liaison Committee on the margins of the General Assembly in September.

The Palestinian Authority has finalized its 2008-2010 Reform and Development Plan and has begun implementing nearly 200 development projects worth \$250 million. A further 226 projects were recently approved by the Government.

A Palestine Investment Conference to attract private sector investment was held in Bethlehem from 21 to 23 May.

On 13 May, Quartet Representative Tony Blair announced a package of measures coordinated with the parties to stimulate economic development, ease movement and access restrictions, develop the 60 per cent of the West Bank in Area C and build Palestinian security capability and performance. The package also included measures to establish an economic and security zone around Jenin, which if successful could be replicated elsewhere.

These various measures hold promise, but action on the ground remains the key. As stressed by the Quartet, much more remains to be done to improve conditions, implement recent commitments and fulfil Road Map obligations. Some steps have been taken. For instance, Palestinian security forces have continued efforts to disarm and arrest militants. They seized a cache of illegal weapons and explosives in Bethlehem and, on 3 May, some 500 security personnel, mostly trained and equipped in Jordan with the assistance of the United States Security Coordinator, were deployed in and around Jenin. A European Union conference to support measures in the civil security and justice sector is scheduled for 24 June in Berlin.

Continued Palestinian efforts to meet its Road Map commitments on security need encouragement and support from all parties. In this context, we note that Israel has approved the reopening of 20 Palestinian police stations. However, Israel Defense Force incursions have continued in the West Bank, including in areas where Palestinian security forces are deployed. In addition, Israel has not consented to the delivery of certain equipment for the Palestinian security forces.

Easing of movement and access remains an essential precondition for Palestinian economic revival. In this regard, the removal of two roadblocks in the southern West Bank and one in the Qalqilya area should have a significant impact on commercial activity. Intentions to remove other obstacles will be subject to a security assessment and five others are to be upgraded to facilitate improved movement. Further steps are vital, with the number of obstacles to movement in the West Bank now standing at over 600. We also note that Israel has announced the issuance of 5,000 special permits for Palestinian workers in Israel.

Palestinian institutions in East Jerusalem remain closed by Israeli order, despite Road Map commitments. Hundreds of demolition orders remain pending against Palestinian structures in East Jerusalem, along with some 3,000 further orders in the remainder of the West Bank. Government of Israel has undertaken to Quartet these as part of Representative Blair's package.

Construction on the barrier continued within occupied Palestinian territory, in deviation from the Green Line and contrary to the advisory opinion of the International Court of Justice.

I now turn to Gaza and southern Israel, where the complex political, security, human rights and humanitarian crisis has deepened this past month. In total, four Israeli civilians were killed by Palestinian militants and at least 30 were injured during reporting period. In total, Palestinians, at least 18 of whom were civilians, among them 11 children, were killed during IDF operations during the reporting period, the great majority in Gaza. Two hundred and seven Palestinians were injured, including at least 22 children.

We condemn attacks by Hamas and other militant groups on Gaza crossing

points. These attacks are also totally contrary to the interests of the civilian population of the Strip and run counter to all efforts to help them. Attacks on the Nahal Oz fuel terminal have played a significant part in the fuel crisis in the Strip. The Erez crossing, through which aid workers and urgent medical cases must pass, was closed until yesterday after a suicide bombing attack on 22 May, involving four tons of explosives in a truck and causing significant structural damage to the Erez terminal. The blast also damaged electricity lines between Gaza and Israel, causing a complete loss of electricity for six days to northern parts of Gaza. Kerem Shalom, the main crossing for goods into Gaza, has remained closed since an attack on it on 19 April.

We condemn the firing of indiscriminate rockets from Gaza into Israel. One hundred and ninety-one rockets and at least 183 mortars have been fired from Gaza at Israeli civilian targets or at crossing points since the Council was last briefed. These attacks are sometimes launched from civilian areas. Concerns continue to be expressed over alleged smuggling. On 14 May, a longer-range rocket hit a shopping mall in the Israeli city of Ashkelon, wounding dozens of civilians.

IDF operations, including land incursions and air attacks, also continued throughout the reporting period. While we acknowledge Israel's legitimate security concerns, we deeply deplore the killing and injuring of civilians in some of these operations. The IDF must seek to exercise maximum restraint and to comply with international law, so as not to endanger civilians.

Humanitarian conditions for the 1.5 million people in the Gaza Strip are increasingly grave. Those people are caught

between the closure of crossings due to militant attacks and Israeli measures punishment. amounting to collective Approximately 5 per cent of the weekly average of petrol and 16 per cent of the weekly average of diesel entering Gaza prior to June 2007 were delivered during the reporting period, leading to a virtual cessation of vehicular traffic and a cessation of some of the operations of the United Nations Relief and Works Agency for Palestine Refugees in the Near East. including food distribution, for four working days. Meanwhile, although 70 per cent of the amount of industrial fuel needs for the Gaza power plant entered Gaza during the reporting period, the power plant shut down entirely for two days on 10 May due to the sporadic nature of import and delivery.

Almost all Gazans face significant interruptions in their access to water, due to a lack of fuel and spare parts. Up to 80 million litres of raw and partially treated sewage continue to be discarded into the Mediterranean Sea every day. An estimated 600 tons of rubbish accumulates in the streets every day, with attendant health risks. In May, the catch by fishermen was 50 per cent of what it was in the same month last year. Meat shortages have been compounded by the destruction of two chicken farms on 17 May during IDF operations. No exports have left Gaza for five months, and only 77 trucks left during the six months before that.

The Rafah crossing to Egypt opened on an exceptional basis between 10 and 12 May, to allow 140 of 1,700 patients seeking medical treatment and about 750 students and others to cross into Egypt. Some 550 Gaza residents also crossed back into Gaza from Egypt.

Meanwhile, Palestinian institutions in Gaza are being increasingly separated from

the Palestinian Authority itself, and Hamas-Fatah tensions are increasingly evident. In addition, Salafist elements are suspected of attacks on cafés and other institutions associated with Christians in Gaza during the reporting period.

In addition, no agreement has been reached on securing the release of captured Israeli soldier Gilad Shalit or of Palestinian prisoners. The International Committee of the Red Cross has still not been provided access to Corporal Shalit.

The United Nations has repeatedly made clear our concern that the situation in and around Gaza is unsustainable, and we have called for a different and more positive strategy for Gaza. In London, the Quartet threw its weight behind a new strategy for Gaza that would provide security for all Gazans, end all acts of terror, provide for the controlled and sustained opening of the Gaza crossings for humanitarian reasons and commercial flows, support the legitimate Palestinian Authority Government and work towards conditions that would permit implementation of the 2005 Agreement on Movement and Access.

We therefore commend and support the Egyptian efforts now under way to calm the violence and ease the situation on the ground. That effort is continuing through Egyptian contacts with representatives of Hamas and other groups in Gaza, and with the Israeli and Palestinian Governments. We strongly urge all parties to work constructively with Egypt in that vital effort.

This has been an extensive briefing, but, even by the standards of the region, it

has been an event-filled month. I wish to conclude with three observations.

First, Egyptian efforts to achieve a calming of violence in and around Gaza are extremely important, and the United Nations supports those efforts. strongly reopening of crossings for humanitarian relief and commercial flows, with the presence of the Palestinian Authority, will also be crucial if any calm is to be sustained. A calming and easing of the situation in and around Gaza is essential for genuine progress in both the Israeli-Palestinian negotiations and in reuniting the West Bank and Gaza within the framework of the legitimate Palestinian Authority. For those reasons, I am actively engaged in supporting a more positive strategy on Gaza.

Second, progress must be intensified on the Annapolis track, both in the political negotiations and in action on the ground, notwithstanding the domestic challenges on both sides. We continue to press and support the parties to intensify cooperation on these issues and meet Road Map commitments. We encourage regional partners to continue and intensify their support of the bilateral process and express our strong support for the Arab Peace Initiative in that context.

Third, we commend the leading role regional players are taking to find political solutions on several fronts. This is a positive development, offering potential on which we hope it is possible to build. The Secretary-General remains committed to the full implementation of all relevant Security Council resolutions and to a just, lasting and comprehensive peace in the Middle East.

X ARCHBISHOP TUTU LEADS HUMAN RIGHTS COUNCIL FACT-FINDING MISSION TO INVESTIGATE BEIT HANOUN KILLINGS

On 28 and 29 May 2008 Archbishop Desmond Tutu of South Africa led a high level fact-finding mission to investigate events that took place at Beit Hanoun on 8 November 2006, established pursuant to Human Rights Council resolution S-3/1. His remarks at a press conference in Gaza upon the conclusion of the mission are excerpted below.

We were appointed by the Human Rights Council as a fact-finding mission to investigate the attack on 8 November 2006 in Beit Hanoun which left 19 people dead. We have a three point mandate: the assessment of the situation of victims, addressing the needs of survivors and to make recommendations on ways and means to protect Palestinian civilians against any further Israeli assaults. The mission returns to Geneva tomorrow and we will be reporting to the Human Rights Council at its session in September, so these impressions on our part, for it is to the Council first that we are obliged to present our report.

We have tried three times in 18 months to secure the cooperation of the Israeli Government to no avail, and in the end we were forced to come to Gaza through Egypt. We want to begin by thanking the Government of Egypt for their facilitation of our mission. We also want to thank all of the United Nations personnel for their logistical support. We want to say thank you also to the United Nations in Egypt and to the Office of the United Nations High Commissioner for Human Rights for their efficient and friendly help, as well as to the interpreters who have assisted us. We want to thank all the people we have met here in Gaza, members of NGOs, but especially the survivors and victims of the attack itself. I also want to express my deep appreciation to Professor Christine Chinkin, my co-expert on this mission.

All we had heard about the conditions in Gaza - the deprivation, the sense of despair, the lack of economic activity - had not prepared us for the stark reality we saw. We saw a forlorn, deserted, desolate and eerie place. Hardly any pedestrians as would be the case in a more normal setting. We were struck particularly by the absence of the sounds of children shrieking and playing. Usually, when there is a convoy in a normal situation, children will rush out to wave, to be funny and to laugh. We saw none of this. There was no hustle and bustle as in a normal urban setting. There are hardly any vehicles on the road because of the scarcity of fuel. We saw more donkeyand horse-drawn carts.

We are in a state of shock, exacerbated by what we subsequently heard from the victims and survivors of the Beit Hanoun massacre. For us, the entire situation is abominable. We believe that ordinary Israeli citizens would not support this blockade, this siege, if they knew what it meant for ordinary people like themselves. No, they would not support a policy which limits fuel supplies or automatically cuts off the electricity supply. They would not support a policy which jeopardizes the lives of ordinary men and women in hospital, that cuts off water and food from hospitals jeopardizing the lives of babies. No, they would not support a policy that results in happened in Beit Hanoun 8 November 2006, when a mother scooped up the brains of her baby lying with its

skull cracked open by an Israeli shell, the same mother rushing out into the street to find her son staring at his bowels hanging out and then seeing him scoop them up and shove them back into his abdomen. No, they would not.

As a matter of principle, Professor Chinkin and I wanted to go to Israel to hear directly from the Israeli authorities their version of the events. We wanted to meet any other interested parties and NGOs. But we also wanted to go to Sderot to meet with victims and survivors of the Qassam rockets. We care about all people. That is why we told Mr Haniyeh that the firing of those rockets is a gross violation of human rights, and asked for them to stop the firing.

The siege must stop because it is not in the interests of Israelis. There can be no justice, no peace, no stability, not for Israel, the Palestinians, without for accountability for human rights violations. This includes accountability for the human rights violations which occurred in Beit Hanoun on 8 November 2006. Israel has admitted that it made a mistake, but this falls far short of accountability and due redress victims and their families. Accountability applies also to those firing rockets into civilian areas of Israel. The culture of impunity on both sides must end! True security and peace will not come from the barrel of a gun. It will come through negotiation: negotiation not with your friends. Peace can come only when enemies sit down and talk. It happened in South Africa. It happened more recently Northern Ireland. It will happen here too.

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