



**Secretary-General**  
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**SECRETARY-GENERAL, IN REMARKS TO AD HOC LIAISON COMMITTEE, CALLS FOR GENUINE**

**ISRAELI SETTLEMENT FREEZE TO RECIPROCATE PALESTINIAN MEASURES**

Following is the text of UN Secretary-General Ban Ki-moon's opening remarks to the meeting of the Ad Hoc Liaison Committee (AHLC) in New York, today, 22 September:

Welcome to United Nations Headquarters for this meeting of the Ad Hoc Liaison Committee.

I particularly welcome Prime Minister [Salam] Fayyad, whose leadership of the Palestinian Authority for over a year now has driven a far-reaching effort in Palestinian reform and self-empowerment, despite conditions of great adversity.

I also thank Director-General of the Israeli Foreign Ministry Aharon Abramovitch for attending, and for Israel's continued commitment to this process.

And I am glad that there are so many representatives here today to underline their resolve to succeed in reaching our common goal — building an independent, viable and democratic Palestinian State, to live side-by-side in peace and security with Israel.

A Palestinian State can only come into being with an end to occupation and an end to conflict.

That is why the ongoing political process launched at Annapolis must continue, on which the Quartet will meet later this week, and I'm glad to see all Quartet principals and Quartet Representative Tony Blair.

But as Prime Minister Fayyad has said to many of us, the Palestinian Authority is determined to build the institutions of a Palestinian State despite the unresolved conflict.

Since AHLC last met in May, the Palestinian Authority has made major strides in public financial management and security.

Donors have shown their commitment by contributing over \$1.2 billion in budget support this year.

Israel has removed certain obstacles in the West Bank, and there have been some moves forward in implementing the package negotiated by Quartet Representative Tony Blair in May.

But this is not enough. More needs to happen.

At a time when the Palestinian Authority's security performance has significantly improved and is delivering real results, when donors and investors are ready to do more and when the political process is at such a delicate stage, an easing of closure to enable the Palestinian economy to grow is indispensable.

This, combined with a genuine settlement freeze and continued Palestinian efforts in the realm of security, both in accordance with the Road Map, is vital if the weight of the occupation is to begin to be lifted.

We cannot move to end the conflict and empower the Palestinian Authority while the reality on the ground remains unaltered.

The Palestinian Authority also faces another budget crisis.

More predictable donor commitment is needed or civil servant salaries may not be able to be paid from the end of October, and I appreciate the Norwegian Government's commitment for additional funds.

I also wish to encourage the Palestinian Authority to deepen its reform path, with continued action on security, and further attention to governance and social

development issues.

Finally, I remind you all that the Quartet agreed earlier this year that a new strategy for Gaza was required.

Since then, a welcome ceasefire was attained, and has largely held.

But the underlying humanitarian, security and political issues remain unaddressed.

Without a significant rise in imports and the revival of the economy through exports, the population in Gaza will continue to endure hardship and become increasingly aid dependent. Hamas' actions are compounding the problem, increasingly divorcing Palestinian institutions from the Palestinian Authority itself, and interrupting basic service delivery.

The only way we can hope to break these dynamics is through the peaceful reunification of Gaza with the West Bank. This must be done within the framework of the legitimate Palestinian Authority in a manner which allows the peace process to move forward.

I commend the commitment of President [Mahmoud] Abbas and Prime Minister Fayyad to this cause, and support the continuing efforts of the members of the Arab League, led by Egypt, to lay the groundwork for this effort.

It is clear that the road ahead will not be easy.

But we must all continue to show the determination necessary to keep working, day by day, on the agenda we share.

In that spirit, the UN will continue to do everything in its power to create and support those who work towards the goal of a better socio-economic environment for the Palestinian people, and to drive forward the process of building a Palestinian State.

On that note, I wish us all a day of positive discussions.

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