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## Speech by

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## MIDDLE EAST PEACE PROCESS

Appearance before the European Parliament

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I am appearing before the European Parliament at a critical time for the future of the Middle East peace process, immediately after the forming of a new Palestinian government and the holding of elections in Israel.

Allow me first to describe how I see the present situation, before going on to set out the points on which, in my view, Europe's position should be based at this delicate juncture.

#### **Present situation**

In the occupied territories, Hamas has taken over the reins of government. Its programme, as presented by Prime Minister Ismail Haniyeh, is unfortunately unacceptable to the international community. It does not give any clear indication that the Hamas government is prepared to respect the principles established by the European Union: eschewing the use of violence as a means of settling the conflict, recognising the State of Israel and observing the agreements signed between the Palestinians and Israel.

It needs to be pointed out once more that there is nothing arbitrary about those principles. On the contrary, they are the minimum requirements if the political ideal consistently championed by the EU is to become a reality. That ideal is none other than a negotiated solution leading to the creation of a viable Palestinian state in peaceful coexistence with Israel under the principles of international law.

Obviously, there can be no negotiation if the parties do not recognise one another. There can be no peaceful settlement if the parties resort to arms in order to resolve the conflict. Nor can there be any solution based on the principles of international law if the parties disregard the fundamental principle that agreements are made to be honoured ("pacta sunt servanda").

Ultimately, the unwillingness of Hamas to come into line with our principles, in spite of some very light steps, along with the fact that Hamas appears on the European list of terrorist organisations, must inevitably have consequences for the EU: the impossibility of regarding Hamas as a valid partner until it changes its stance.

<u>In Israel</u>, the election results are open to a number of interpretations. It is not my intention to engage in an in-depth analysis of the elections, but I think some brief comments will help us to understand what to expect from the political picture to emerge from them.

- It should first be pointed out that, although there was a clear winner, Kadima, that party did not achieve the results it was hoping for and this will affect negotiations for the formation of a coalition government, although Labour will be the basis for this coalition.
- Secondly, purely political factors can be seen to have carried less weight and economic and social factors more weight; this explains partly the scores achieved by Labour, by the pensioners' party or by parties with a very limited social or language basis (Shas, the ultra-Orthodox Sephardic Jews' party, and Yisrael Beiteinu, the Russian-speaking community's party).
- Thirdly and perhaps most worryingly for the peace process, the elections seem to have shown a consolidation of the desire for separation (materialised mainly by the Wall built between Israel and the Palestinian Territories) and lack of dialogue with the Palestinian people in determining Israel's borders. This is not a sustainable solution for those, like us, who favour negotiation.

The inward-lookingness on the part of the Israeli electorate is mirrored by the desire of Hamas to focus on internal Palestinian issues and disregard an Israel whose right to exist it anyway denies. We cannot overlook the fact that it will have an impact on the scope for implementing the road map, whose principles remain a point of reference, but we have to tailor our discourse to the new situation.

Apart from aspects relating to the Middle East peace process, the coming to power in Palestine, in free, democratic elections, of a movement affiliated to the Muslim Brotherhood represents an entirely new development.

The EU does not want on principle to see the Hamas government fail. What we want is for that government, besides respecting the Quartet's three principles, also to apply those of the rule of law, a state based on it and democratic transfer of power, and to maintain the pluralistic nature of Palestinian society. If it does so, Hamas can be regarded as a fully-fledged political entity.

#### Europe's position

Let me once again state the obvious, that a satisfactory solution to the Palestinian-Israeli conflict has been, is and will remain a key priority for the EU. Now, more than ever, it needs to be stressed that only a negotiated solution can prove stable and lasting.

The EU should here continue to press both sides to commit themselves to a negotiated two-state solution. It must be pointed out that, in the EU's contention, peace should be based on observance of the 1967 borders and only any territorial adjustments agreed to by both sides will be acceptable.

The EU's role in the Middle East peace process has recently seen significant growth. Suffice it to say that just a few years ago it would have been inconceivable for the EU to establish a security mission in the occupied territories, whereas now we have two: one supporting Palestinian police reform; the other supporting the control of the Rafah border crossing. Nearly 200 000 persons have crossed from Egypt to Gaza and vice-versa since its opening last November.

One of the EU's basic aims is to get through this incipient period of uncertainty so that, when opportunities for a negotiated peace resurface, we can continue to enjoy the trust of Israelis and Palestinians.

As regards our relations with the two sides in the conflict, our principles are as follows:

As regards Palestine:

The EU will continue to support President Abbas and the peace programme on which he was elected by an overwhelming majority of Palestinian voters.

In line with the Quartet's statement of 30 March 2006, the EU is currently reviewing its programmes of direct aid to the Palestinian Authority. Obviously, until Hamas shows unequivocal willingness to respect the international community's principles, we cannot do business as usual with the Palestinian Authority.

The EU will, however, continue its aid for the Palestinian people,

- firstly, because this is a moral imperative which the EU cannot shirk and,
- secondly, because the humanitarian crisis and instability in the occupied territories do no good to anyone, starting with Israel itself.

Another of the EU's key aims is to maintain the Palestinian Authority's institutional fabric, which we have put so much effort and money into building and whose continuity is crucial if the creation of an independent, democratic, viable Palestinian state is one day to become a reality.

As regards Israel

The EU must continue to reject unilateral measures which may jeopardise the two-state solution. The EU will keep a very close watch on developments in East Jerusalem and in the Jordan Valley, where Israel is engaging in action particularly harmful to the Palestinians, and on the construction of the separating fence.

Under international humanitarian law, Israel has a number of duties as an occupying power. Basically, it must facilitate transport of humanitarian aid to the Palestinian population. Over and above a strict interpretation of that duty, Israel must also facilitate movement in the occupied territories, so as to allow economic sustainability, without compromising the security of Israelis.

It is of the utmost urgency here for both sides to apply the access and movement agreement signed in November 2005. That agreement made it possible to open the Rafah border post, where the EU is playing and will, if both sides so wish, continue to play a very significant role. However, that agreement includes other points (transit between Gaza and the West Bank, and facilitation of movement within the West Bank) which also need to be carried out.

Another obligation is for Israel to transfer to the Palestinian Authority the revenue from customs duties and taxes which it collects on its behalf. This is Palestinian money, which cannot be withheld.

As regards the international framework, the EU's aims are to

- Continue working within the Quartet. The upholding of international legality requires the firm support of the entire community of nations, represented by the Quarter. Close coordination with the United States can make the EU's role more effective.
- Involve the Arab countries. They can and should do far more politically and economically to try and bring Hamas into the Beirut peace initiative.

We must not forget that the Palestinian-Israeli conflict is part of the serious crisis which the Middle East region is undergoing. In working on the peace process, we have to bear in mind the role of States which may exert a negative influence and the repercussions of the situation in Iraq.

# Conclusion

The results of the elections in the occupied territories and in Israel have created a new situation. The EU has to tackle it on the basis of two principles, which are contradictory only in appearance: rigour and flexibility.

- Rigour is needed in order to uphold the principles which have informed Europe's position since the 1980 Venice European Council meeting, namely respect for the rights of the Israeli and Palestinian peoples, rights which should be firmly spelt out in a negotiated solution leading to the creation of an independent, sovereign, democratic Palestinian state in peaceful coexistence with Israel.
- Flexibility is needed in order to adapt to developments in reality on the ground and to support solutions bringing progress in the cause of peace.

Hamas cannot change its past, but it can and must change its future. If it decides that there is no place in that future for terror, violence or negation of the reality of the State of Israel, the EU will be able to respond appropriately, as it has always done.