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Provisional

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New York

<i>President:</i>	Mr. Valdivieso	(Colombia)
<i>Members:</i>	Bulgaria	Mr. Raytchev
	Cameroon	Mr. Tidjani
	China	Mr. Wang Yingfan
	France	Mr. De la Sablière
	Guinea	Mr. Boubacar Diallo
	Ireland	Mr. Ryan
	Mauritius	Mr. Jingree
	Mexico	Mr. Pujalte
	Norway	Mr. Strømmen
	Russian Federation	Mr. Lavrov
	Singapore	Mr. Mahbubani
	Syrian Arab Republic	Mr. Wehbe
	United Kingdom of Great Britain and Northern Ireland	Sir Jeremy Greenstock
	United States of America	Mr. Cunningham

Agenda

The situation in the Middle East, including the Palestinian question.

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The meeting was called to order at 3.15 p.m.

Adoption of the agenda

The agenda was adopted.

The situation in the Middle East, including the Palestinian question

The President (*spoke in Spanish*): In accordance with the understanding reached in the Council's prior consultations, and in the absence of objection, I shall take it that the Security Council agrees to extend an invitation under rule 39 of its provisional rules of procedure to Mr. Terje Roed-Larsen, Special Coordinator for the Middle East Peace Process and Personal Representative of the Secretary-General.

It is so decided.

I invite Mr. Roed-Larsen to take a seat at the Council table.

The Security Council will now begin its consideration of the item on its agenda. The Security Council is meeting in accordance with the understanding reached in its prior consultations.

At this meeting, the Security Council will hear a briefing by Mr. Terje Roed-Larsen, Special Coordinator for the Middle East Peace Process and Personal Representative of the Secretary-General. I give him the floor.

Mr. Roed-Larsen: Since the Secretariat's last briefing to the Security Council on 12 November, the security and political environments have seen developments which, in the near future, could further complicate an already fragile situation on the ground. However, there have been some positive developments related to the diplomatic front.

Sadly, first, three United Nations staff members lost their lives in recent weeks as the result of actions of the Israel Defence Forces (IDF): Iain Hook in Jenin on 23 November and Osama Tahrawi and Ahlam Kandil in Gaza on 6 December. All three were employed by the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA). A preliminary United Nations investigation into Mr. Hook's death indicates that he was killed at a time when there was no threat to IDF forces in the vicinity of the UNRWA compound in Jenin. It also determined that there had been no fire aimed at IDF

forces at any time originating within the UNRWA compound. Needless to say, it is in the interest of all that the facts surrounding the event be resolved, if only to ensure that incidents such as these are not repeated.

The killing of Iain Hook, along with the recent destruction by the IDF of a World Food Programme storehouse in Gaza containing food supplies for tens of thousands of persons, reflect a troubling indifference to the sanctity of United Nations facilities.

The killings of United Nations staff members also highlight a larger issue: the need for the IDF to ensure that its soldiers act in a manner that does not place civilians in harm's way. The Secretary-General has repeatedly urged Israel to refrain from the excessive and disproportionate use of deadly force in civilian areas. The Government of Israel must conduct itself in keeping with its obligation as an occupying Power to protect the civilian population. Once again, the United Nations urges it to ensure that the IDF behaves with greater restraint and discipline and in conformity with international humanitarian law.

Unfortunately, terrorist attacks on Israeli civilians have also continued since the last briefing to the Security Council. Two of the attacks, carried out outside Israel, have added a new and worrying element to the tragic cycle of violence. The day of the Likud Party primary election was marred by the death of nine Israelis in two separate terrorist incidents. In the first, an Israeli-owned hotel in Mombasa, Kenya, was bombed and three Israelis were killed. Later that day, an attack on the Likud polling station in the northern Israeli town of Beit Shean resulted in the deaths of six Israelis and the wounding of more than 20, some dozen of them seriously. Much greater loss of life in Kenya was narrowly averted when missiles that had been fired at an Israeli tourist charter plane carrying 271 passengers and crew missed their target.

The toll of casualties in the conflict has tragically reached new peaks since the most recent briefing to the Council. At least 88 Palestinians and 37 Israelis have been killed in the past five weeks. We have called on Israel to act with restraint and in keeping with international humanitarian law in its operations in the West Bank and Gaza Strip. We have repeatedly demanded — in the strongest of terms — that the Palestinian Authority take all measures within its power to apprehend and prosecute those who carry out terrorist attacks and those who order such attacks. We

have asked the Palestinian Authority to do everything in its power to prevent the commission of further acts of terrorism. I made that point to President Arafat again on Friday, when I last met with him at his Ramallah headquarters, and emphasized the need for immediate and bold steps. We have also repeatedly called on all Palestinian groups to bring an end to such wicked acts.

The humanitarian crisis continues to deepen. Cities in the West Bank and Gaza Strip suffer from frequent round-the-clock curfews, and internal and external closures in the occupied Palestinian territories have all but shut down the Palestinian economy. We recognize Israel's right to take reasonable measures to defend its people, and it would be wrong to underestimate the security challenges that confront Israel. However, the IDF's security measures are creating a humanitarian catastrophe in the Palestinian areas. Let us also be clear that lasting security for Israel will be found only through a just, lasting and comprehensive settlement in the Middle East.

Meanwhile, the humanitarian crisis cannot, and should not, be solved through donor support alone. Over the past two years, the Palestinians have received more than \$1 billion a year in donor assistance. The World Bank estimates that, even if assistance were doubled to \$2 billion a year, it would have only have a marginal effect on rising poverty levels. The Office of the United Nations Special Coordinator in the Occupied Territories estimates that some 60 per cent of the Palestinian population of the West Bank and Gaza Strip is now living below the poverty line. Only a political solution can provide the underpinnings necessary for reviving the Palestinian economy and for improving living conditions.

On 12 November, the United Nations convened an inter-agency meeting to review the humanitarian action plan prepared by an assessment mission led by the Office for the Coordination of Humanitarian Affairs. The Quartet, the World Bank, the International Monetary Fund (IMF) and other donors, and the Palestinian Authority also participated in the meeting. As decided at the 17 September Quartet meeting, held here in New York, the Quartet envoys will present recommendations to the principals meeting in Washington later this week on the reorganization of existing international coordination structures to render them more efficient and more responsive to the evolving humanitarian challenge.

The Government of Israel recently took a significant step forward, easing the crisis by transferring approximately \$28 million in withheld tax revenues to the Authority, and undertook to begin a regular system of revenue transfers. Such a system of regular transfers should now commence. The approximately \$580 million that is owed in arrears should be transferred as well. Regular transfers go a long way towards lessening the humanitarian crisis and also towards facilitating Palestinian Authority reform. Without such transfers and a lifting of internal movement restrictions, even a drastic increase in donor assistance would only scratch the surface of the growing need.

According to the IMF, if the Government of Israel fulfils its promise of fund transfers, the Palestinian Authority will have ample funds — which will amount to roughly \$95 million per month — to meet its budgetary needs for the coming year and will even have a surplus with which to begin paying off the more than \$500 million in debt that it has accumulated. For most of the past year, the Palestinian Authority has been able to pay the salaries of its more than 100,000 employees only through generous contributions of budgetary support from donor countries. That assistance has prevented poverty levels from rising further. Israeli transfers of value added tax owed to the Palestinian Authority would allow the international community once again to focus its assistance on development and State-building.

We have observed little improvement with regard to the commitments made by the Government of Israel concerning the humanitarian situation. Those include shorter waiting times for ambulances, assistance for Palestinians seeking urgent medical attention at checkpoints, facilitated passage of water tankers and free movement of international organizations.

The United Nations is troubled by reports that the Israeli military is confiscating and demolishing homes in Hebron in order to build a new road for the use of Jewish settlers. The construction and expansion of settlements in occupied territory is clearly prohibited by international humanitarian law. In the period from the signing of the Oslo Accords to 2001, the settler population in the West Bank — excluding East Jerusalem — and the Gaza Strip expanded 95 per cent, from 109,784 to 213,672. Each new settlement makes peace more remote and potentially prejudices a permanent territorial agreement. Also troubling is the

erection of a new security wall east of the Green Line, which threatens to sever thousands of Palestinians from their agricultural lands and from other sources of livelihood.

On 14 to 15 November, the Quartet Task Force on Palestinian Reform met at the capital level in Jordan, hosted by the European Union. The Task Force reviewed progress in implementing reforms in the areas of financial accountability, market economics, civil service, judiciary/rule of law, local Government and elections, as well as civil society engagement in the reform process. The Task Force also heard reports regarding the increasingly severe Palestinian humanitarian crisis and fiscal crisis, finding that both are stymying institutional development efforts. On 9 December, the Task Force met at local level in Jerusalem to assess progress on all of those fronts, focusing on civil service, the judiciary/rule of law and election reforms.

The Task Force determined that the Palestinian Authority has made considerable, but uneven, progress in advancing the reform agenda. Financial reforms have been particularly substantial, while progress in the judicial sector has been extremely slow. Security reform, which is not within the purview of the Task Force, has also stalled. President Arafat has appointed an elections commission that is universally regarded as independent, and the Palestinian Legislative Council's legal committee has begun working to revise the Palestinian elections law. Rapid implementation of the road map will do much to facilitate all of these reforms, including creating a climate within which free, fair and open elections can soon take place.

The Task Force called upon the Palestinian Authority to continue advancing reform efforts. It also called on the Government of Israel to end actions impeding reform, including withholding tax revenues owed to the Palestinian Authority and restricting the movement of Palestinian officials involved in the reform process.

Since the last briefing, the upcoming electoral contest in Israel has begun to take shape. Each of the two largest political parties, Labor and Likud, have chosen their leaders and candidates for Prime Minister. On 23 November, the Labor Party elected Haifa Mayor, Amran Mitzna to lead them into the general elections scheduled for 28 January 2003. Leading up to the poll, Mr. Mitzna consistently emphasized that once elected

he would re-open negotiations with Mr. Arafat, evacuate settlements in the Gaza Strip and seek to close a deal with the Palestinians within a year. If that were not possible, then he would work for unilateral separation.

On 28 November, Prime Minister Ariel Sharon once again won the leadership of the Likud Party. In a further development, on 4 December, Prime Minister Sharon delivered a major policy speech on Israel-Palestinian relations. In the speech, he said that he endorsed President Bush's 24 June vision statement, which supports the establishment of a Palestinian State. Prime Minister Sharon described that statement as a "reasonable, pragmatic and practicable one, which offers a real opportunity to achieve an agreement". He also stated that political concessions that Israel has already made since Oslo are irreversible.

The consensus around the two-State solution is growing. It is backed by opinion polls that show that the large majorities of both the Israeli and the Palestinian communities support the concept, and the leaders of the two major Israeli parties have expressed their support. As members well know, there is nearly unanimous support within the international community, including in the Middle East, for that vision. The Quartet has taken the lead in advocating that outcome.

This paradox — the steadily growing gap between the deteriorating situation on the ground and the growing consensus about where to go — has to be resolved. The Quartet road map, which has evolved, since last time I briefed the Council, through the hard work of the Quartet's envoys, is the best tool to show us how to get there. It is, therefore, imperative that the upcoming Quartet meeting, to be held in Washington, D.C., this week, finalizes a plan for moving forward and that it sets out, in parallel and with reciprocity, political, security and economic steps to be monitored under the auspices of the Quartet. Only this can restart a process that stops the meaningless and unfathomable fear and suffering of both peoples. We know where to go; we should now start. The parties and the international community must work in tandem towards our common goal: the establishment of a State of Palestine living in peace alongside Israel within secure and recognized borders. Only this can provide harmony, justice and prosperity for both peoples, and the beginning of a comprehensive and lasting peace based on Security Council resolutions 242 (1967), 338 (1973) and 1397 (2002).

I now turn to recent developments in Lebanon. While the general situation along the Blue Line since the last briefing, on 12 November, continued to be one of uneasy stability, there were two elements that raised tension over the past month. On 8 December, a roadside bomb placed on the Lebanese side of the Blue Line was detonated. The explosion was directed at a passing IDF patrol on the Israeli side of the Blue Line and injured two IDF soldiers, one seriously. This is the first serious violation of the Blue Line from the Lebanese side since 29 August, when Hizbullah targeted IDF positions in the Sheb'a farms area. While the full circumstances and responsibility regarding this incident are unclear as yet, it is evident that tension has increased and that the 8 December bombing was a serious and totally unacceptable Blue Line violation, which tragically and severely wounded two Israeli soldiers.

Since the last briefing to the Council, on 12 November, Israeli military aircraft have continued to violate the Blue Line and Lebanese airspace on a regular basis. These air violations continue to draw anti-aircraft fire from the Lebanese side of the Blue Line. On 20 November, two days prior to Lebanese Independence Day celebrations, there was a sudden and significant increase in the number of overflights. Six air violations, involving 15 Israeli jets, were recorded. The continuation of Israeli overflights and the anti-aircraft fire that they elicit threaten to further destabilize the already tense situation along the Blue Line. These violations contribute to a continuing level of tension along the Blue Line. They threaten to destabilize further what is already a fragile situation. All concerned parties, therefore, are reminded of their obligation to fully respect the Blue Line and to refrain from further violations thereof.

I paid a visit to Beirut a few days ago and met with the President, the Prime Minister and other senior officials. One of the main reasons for this mission was to discuss with the Lebanese leadership how to ensure a reasonable and diplomatic approach to dealing with the potentially escalatory water issue between Lebanon and Israel. Since the last briefing to the Council, there has been no change in the political situation with regard to the Wazzani springs issue; there is no meaningful communication between the parties. We are concerned that unless a mechanism is established soon to handle future developments through diplomatic

channels, we may see, sooner or later, a dangerous escalation of tensions between Israel and Lebanon, with possible regional consequences.

I am pleased to report that the Lebanese leadership assured me that they would remain within the parameters of the report on the water issue that they submitted in October, and that they would also refrain from any unilateral moves regarding water. They reiterated their desire to have some sort of mechanism using the good offices of the United Nations, in order to establish a diplomatic means for resolving future water disputes. They agreed to keep their water activities within the parameters defined in their report and to abstain from any unilateral action for the time being, and they committed themselves to notify the United Nations before going ahead with any such action in the future. They also seek to reach an agreement on water quantities, via the United Nations as a third party, working with other key members of the international community. They are willing to install a measurement instrument — a water meter — after reaching such an agreement.

The Lebanese assurances are of course in anticipation of this mechanism becoming operational. I consider this a positive development. The success of any such arrangement is, however, contingent on a clear acceptance by both concerned parties. I will, and I believe we need to, encourage this non-violent diplomatic option in order to defuse the situation.

We should not neglect the dangers facing the Middle East or the perils of inaction during this critical period. The peace process has been at a stalemate for more than two years, and the entire region has suffered tremendously as a result. The Quartet road map sets out a coherent framework for shifting the parties from violence and confrontation to negotiations and compromise. A consensus at the upcoming Quartet meeting must be our highest priority. This is not the time to hesitate.

The President (*spoke in Spanish*): I thank Mr. Roed-Larsen for his comprehensive briefing.

In accordance with the understanding reached in the Council's prior consultations, I would now like to invite Council members to informal consultations to continue our discussion of this item.

The meeting was adjourned at 3.45 p.m.