



DIVISION FOR PALESTINIAN RIGHTS

September 2013
Volume XXXVI, Bulletin No. 9

Bulletin on action by the United Nations system and intergovernmental organizations relevant to the question of Palestine

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*The Bulletin can be found in the United Nations Information System
on the Question of Palestine (UNISPAL) on the Internet at:
<http://unispal.un.org>*

I. SECRETARY-GENERAL ISSUES REPORT ON THE PEACEFUL SETTLEMENT OF THE QUESTION OF PALESTINE

UN Secretary-General Ban Ki-moon submitted on 4 September 2013 the report entitled "Peaceful settlement of the question of Palestine", covering the period from September 2012 to August 2013, in accordance with General Assembly resolution 67/23. The observations of the Secretary-General on the current state of the Israeli-Palestinian conflict are reproduced below (A/68/363; S/2013/524):

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II. Observations

Efforts intensified to achieve the peaceful settlement of the question of Palestine during the latter half of the reporting period. Direct Israeli-Palestinian negotiations, discontinued in September 2010, resumed on 29 July 2013. The situation on the ground remained challenging, in particular for the population living under closure in Gaza while Israel continued to face the threat of rocket fire. In the West Bank, tensions persisted while settlement activity continued to accelerate. The situation on the ground presented a growing cause for concern over the viability of the two-State solution. At the same time, the Palestinians continued to implement an ambitious State-building programme. They also briefly resumed their efforts towards reuniting the West Bank and Gaza, albeit with limited success at reconciliation.

In parallel to those developments in the peace process, on 29 November 2012 the General Assembly accorded Palestine non-member observer State status in the United Nations with the adoption of resolution 67/19 through a majority of 138 votes in favour. I reported on the steps taken regarding the change of status of Palestine in the United Nations, as well as the progress made, or lack thereof at the time of my report, in resuming the Middle East peace process on 8 March 2013 (A/67/738). The application for full United Nations

membership remains pending before the Security Council.

Quartet envoys met in Brussels on 12 December 2012 and again on 10 January 2013 in Amman. They discussed ways to help the parties avoid escalation diplomatically and on the ground in the short term, while also finding a way back to negotiations. Quartet envoys continued to work with the parties to encourage them to step up direct contacts and refrain from provocations, and reminded them of their road map obligations. I also continued to engage with the parties, as well as with key international and regional leaders, both in New York and on the margins of international conferences and events, in order to encourage concerted efforts to forge a way forward.

From 20 to 22 March 2013, the President of the United States of America, Barack Obama, visited the region with his Secretary of State, John Kerry. The visit by President Obama marked an important opportunity to reinvigorate efforts towards a two-State solution. During President Obama's speech on 21 March in Jerusalem he called for an independent, viable Palestine, while emphasizing Israelis' right to insist upon their security. The President also reiterated his earlier suggested principles on territory and security which he believed can be the basis for talks, and called for Arab States to take steps towards normalized relations with Israel. Secretary Kerry remained in the region to meet with

Israeli leaders, and in five subsequent visits to the region he continued to meet with both the Palestinian and Israeli leaderships to discuss the resumption of dialogue leading to peace.

I met with President Obama on 11 April 2013 in Washington, D.C. We agreed that there is at least a window of opportunity for both Israelis and Palestinians to resume negotiations. I reconfirmed the commitment of the United Nations to support, including through the Quartet, a substantive initiative with a defined political horizon to achieve a two-State solution. I also spoke to the urgency of progress towards peace.

In a particularly important visit to Washington, D.C., on 29 April, the Follow-up Committee on the Arab Peace Initiative of the League of Arab States, a delegation of Arab Ministers and leaders including the then-Prime Minister of Qatar, Sheikh Hamad bin Jassim al Thani, and Arab League Secretary-General Nabil Al-Araby, reaffirmed the importance of the Arab Peace Initiative first proposed in 2002, and the Committee declared that a peace agreement should be based on the two-State solution on the basis of the 4 June 1967 line, with the possibility of comparable and mutually agreed minor swaps of land, reviving prospects that its promise of regional stability can become an important part of developing peace efforts.

On his sixth trip to the Middle East, Secretary Kerry secured the commitment of both sides, announcing on 19 July in Amman that the parties had established the basis to resume direct final status negotiations between Israelis and Palestinians. It is against this compelling background that I welcomed Secretary Kerry's intense diplomatic efforts in recent months. On 29 and 30 July 2013, Secretary Kerry hosted the first meeting between

Palestinian and Israeli officials since September 2010. The Middle East Quartet and I welcomed and supported this engagement.

Some very tough choices were required from both sides in the period ahead. Both leaders had to win the support of their domestic constituencies for renewed negotiations. Prime Minister Netanyahu secured his cabinet's approval to release 104 pre-Oslo Palestinian prisoners during the course of an agreed nine month timetable for negotiations. On the eve of the first round of direct negotiations held in Jerusalem, the first group of 26 Palestinian prisoners was released on 13 August. However, I was deeply troubled by the announcement by Israel of approvals of some 3,000 housing units in the West Bank, including in East Jerusalem. A second round of negotiations was held on 20 August in Jericho.

It was against this background that I travelled to the region — to Jordan, Palestine and Israel — on 15 and 16 August to lend my personal support to the leaders on both sides. I was encouraged by the seriousness of efforts to bring the parties to the negotiating table after a prolonged political stalemate. I was particularly heartened by the bold decision of President Abbas and Prime Minister Netanyahu to embark on direct dialogue. I found both Palestinian and Israeli leaderships recommitted to the vision of a two-State solution, which is clearly in the best interest of both peoples. It is my firm belief that direct negotiations are the only way through which Palestinians can realize their rightful aspirations for an independent and viable Palestinian State and Israelis can meet their legitimate security needs and finally become a crucial partner in the development of a stable and prosperous Middle East. For the negotiations to have a chance at success, they need to be meaningful with a clear

political horizon and yield early dividends in the immediate period ahead.

Palestinians continued to advance their State-building programme, albeit limited to the territory under the Authority's control, which excluded Area C, East Jerusalem and Gaza. This formed an essential component of the political process. Despite strong international consensus that the Palestinian Authority was capable of running a State, the Ad Hoc Liaison Committee for the Coordination of the International Assistance to Palestinians was primarily concerned over the fiscal sustainability and economic viability due to the Palestinian Authority's fiscal difficulties during the reporting period. They also maintained that concerted action was urgently needed to stabilize the fiscal position of the Palestinian Authority and rekindle private sector-led economic growth. Efforts by the Palestinian Authority towards structural reforms including fiscal containment, as well as adequate and predictable assistance to the Palestinian government by donors, were considered essential to manage the deficit projected at \$1.7 billion.

Bearing in mind Security Council resolutions 1860 (2009) and 1850 (2008), I continued to support efforts to advance Palestinian unity within the framework of the commitments of the Palestine Liberation Organization (PLO), the positions of the Quartet and the Arab Peace Initiative. Reconciliation on this basis and on the basis of Israeli-Palestinian peace talks need not be mutually exclusive, and a united Palestinian polity is necessary for the viability of the two-State solution. I welcomed the efforts extended to this effect, notably by Egypt.

Despite a series of meetings between members of Fatah and Hamas in Cairo to advance the implementation of existing reconciliation agreements, there has been

little progress to date other than the successful voter registration drive conducted, from 11 to 20 February in both the West Bank and Gaza, for the first time since 2007. A total of 450,000 new electors were registered by the Palestinian Central Election Commission, including 350,000 in Gaza. On 2 April, Khaled Meshaal was re-elected Head of the Hamas Political Bureau.

The situation in occupied East Jerusalem remained tense. Clashes occurred on 7 and 8 May in East Jerusalem in and around the Old City in the context of what Israelis call "Jerusalem day". Restrictions on access for Palestinians were imposed in connection to visits in the esplanade of the Haram al-Sharif/Temple Mount by right-wing Israeli activists. This was coupled with the temporary detention of the Grand Mufti of Jerusalem for interrogation over reported incitement. Jerusalem is a final status issue that requires a negotiated solution. I have consistently emphasized that a way must be found for the city to emerge, through negotiations, as a capital of two States, Israel and Palestine, with arrangements for holy sites acceptable for all. It is equally important that political and religious authorities on both sides continue to ensure that the cultural and religious rights of all are duly respected.

The expansion of settlements, which undermines the territorial basis for a future Palestinian State and the credibility of Palestinian moderates, is of particular concern. I have repeatedly stressed that all settlement activity in the occupied Palestinian territory, including East Jerusalem, is illegal under international law. Over the reporting period, the Government of Israel approved tenders for the construction of approximately 18,109 residential units in settlements in the West Bank, including East Jerusalem, and retroactively legalized others. In July the

Government of Israel announced its intention to issue construction tenders for 854 housing units in the settlements of Har Homa, Nokdim and Modi'in Ilit. Construction in such sensitive areas is of particular concern, as it impedes the natural development of Palestinian urban centres. Moreover, the Israeli authorities did not act effectively against the construction of illegal outposts on private Palestinian land. A report of the Israeli State comptroller issued on 17 July noted that there was little to no criminal law enforcement in the settlements regarding violations of planning and construction law and that administrative procedures for demolitions are rarely implemented.

Settler violence decreased slightly from last year. It is deeply troubling that attacks by settlers on Palestinians and their property have become a systematic occurrence — often but not exclusively in the context of anticipated Government action against illegal settlement construction. Attacks by settlers on Palestinians and their properties resulted in 159 Palestinians, including 35 children, being injured during the reporting period.

The demolitions and evictions that took place in Area C over the reporting period are of deep concern and were condemned by the international community. Palestinians require access to a fair planning and zoning regime so as not to resort to the building of unauthorized structures that lead to unjustified demolitions, which often impact the most vulnerable people. Throughout the reporting period, demolitions have led to the displacement of some 907 individuals, including 458 children, in the West Bank and East Jerusalem. Overall, more needs to be done to ease access and movement throughout the West Bank, including Area C, the Jordan Valley and Gaza.

The situation in Gaza remains precarious. In the wake of the political developments in Egypt, the Egyptian authorities took robust measures against the tunnels into Gaza. As a result of those actions against illegal activity, according to some estimates 80 per cent of the tunnels are now no longer functioning. Gaza experienced serious shortages of fuel and basic building materials for which the tunnels had become the primary entry point owing to severe restrictions on imports via the official crossings and the higher cost of fuel available from the West Bank and Israel. While the only Israeli crossing for goods, Kerem Shalom, has remained open and is handling increased quantities of consumer goods, I am concerned that already difficult economic and humanitarian conditions in Gaza will further deteriorate if access into Gaza through legal crossings of basic commodities such as building materials is not liberalized. I encourage all parties not to forget the precarious situation in Gaza and to take advantage of the improved context between the parties to further lift the remaining closures. These changes must be applied with due consideration for the legitimate security concerns of Israel. Of positive note is the liberalization by Israel of the entry of key construction materials into Gaza, to some extent, by allowing an average of 20 truckloads of construction material per day to enter Gaza for the private sector in December 2012. That has helped the private sector to legally procure those materials to address the infrastructural needs of Gaza.

The full implementation of Security Council resolution 1860 (2009) and the recovery and long-term economic growth of Gaza remain fundamental objectives of the United Nations. Some significant progress was made towards that goal, but much more needs to be done. In this context, United Nations reconstruction work worth \$450

million in Gaza has been approved by the Government of Israel. That has had a positive effect not only for those receiving services but also on short-term employment; however, the economic benefits of increased employment will end with the conclusion of those works. Deeper and more fundamental change is therefore required to enable a functioning Gazan economy, beginning with authorizing exports to Israel, as well as transfers to and from the West Bank. Without those essential steps, the future of Gaza will remain tenuous at best.

The reporting period witnessed alarming escalations of tension between Gaza and Israel. The fragility of the relative calm was once again demonstrated on a number of occasions throughout the reporting period, and a dangerous escalation took place from 14 to 21 November 2012 during Operation Pillar of Defense. The Israel Defense Forces publicly reported that it had conducted strikes against more than 1,500 targets in Gaza. The devastating impact of the violence during the eight days of fighting includes an estimated 174 Palestinians killed, including 6 who may have been killed by projectiles fired by Palestinian armed groups that fell inside the Gaza Strip. Of the 174 killed, 101 were civilians, including 36 children and 14 women. In a particularly distressing example of civilians bearing the brunt of the suffering, 12 members of the Dalu family were killed in an Israeli air strike on their house on 18 November. A total of 1,046 Palestinians were reported injured. Six Israelis, including four civilians and two soldiers, were reported killed by Palestinian rocket fire. A total of 239 Israelis were injured, the vast majority civilians.

In retaliation to the Gaza offensive, a bomb attack took place in Tel Aviv, on 21 November 2012, injuring 29 people, 3 severely. I condemned the attack in the

strongest terms. The calm in Gaza, brokered by Egypt on 21 November, has largely held, but it remains tenuous. Preserving calm in Gaza and southern Israel continues to be crucial for improvements there and for the overall political atmosphere.

In total, over the reporting period 331 rockets were fired from Gaza, including 43 medium-long-range rockets, as well as 141 mortar shells, separate from the 1,506 rockets and 138 mortar shells fired during the escalation that occurred from 14 to 21 November. Many rockets directed at populated areas in Israel were intercepted by the Iron Dome system. The Israel Defense Forces conducted 62 incursions and 58 airstrikes into Gaza, resulting in the deaths of 121 Palestinian civilians. More than 1,253 Palestinian civilians were injured during the reporting period. Excluding the eight days of conflict in November 2012, a total of 207 Palestinian civilians were injured, including 47 children. Also during the period, 106 Palestinian militants were killed and 22 injured, excluding the November 2012 figures. Again, I unequivocally condemn these indiscriminate rocket attacks from Gaza into Israel and call for their complete cessation. I also urged Israel to show maximum restraint. All concerned should fully observe their obligations regarding the protection of civilians.

There are more than 130 Palestinians being held under Israeli administrative detention, which should only be used in the most limited number of cases, for as short a period as possible, and in exceptional cases. Those detained must be charged and brought to trial or released without delay.

I remain concerned about the condition of Palestinian prisoners in Israeli jails, especially those on hunger strike. International human rights obligations towards all Palestinian detainees and

prisoners under Israeli custody must be fully respected.

Tensions and violent incidents in the West Bank, including East Jerusalem, continued throughout the reporting period. Citing security reasons, the Israel Defense Forces conducted 3,662 search and arrest operations in the West Bank, resulting in the injury of 202 Palestinians, including 51 children, and 4,341 Palestinians were arrested. Overall, during the period, Israeli forces injured 3,918 Palestinians, including 1,179 children. More than 64 Israel Defense Forces personnel were injured by Palestinians.

During the reporting period, a total of 338 Palestinians were killed, including 232 civilians, while 5,193 Palestinians were injured throughout the occupied Palestinian territory; 8 Israelis were killed and more than 90 Israel Defense Forces personnel were injured, while 282 Israeli civilians were injured, illustrating the continuing cost of the ongoing conflict. All figures represent a significant increase from the previous reporting period.

A final area of concern is the Sinai peninsula, where there have been a growing number of incidents. At least four rockets fired from the Sinai were targeted at the Israeli Red Sea resort of Eilat during the November 2012 escalation. On 17 April 2013, two rockets fired from the Sinai peninsula exploded in open areas of Eilat, causing no casualties or damage. The attack, claimed by the Salafist jihadist group Mujahedeen Shura Council in the Environs of Jerusalem, was the first such rocket firing at Eilat since the November 2012 escalation. On 13 August 2013, the same group fired at least two other rockets at Eilat from the Sinai, of which one was intercepted by the Iron Dome system and the other struck open area. They also conducted a cross-border attack near the Har Harif area on the Israeli-

Egyptian border on 21 September 2012, killing an Israel Defense Forces soldier. On 4 July 2013, two explosions were heard in Eilat, without any casualty or damage, reportedly resulting from rockets fired from the Sinai. A Salafist group, Ansar Beit al-Maqdis, took responsibility for the shooting.

I recognize that Israel has legitimate security concerns and believe that sustainable security will best be achieved by intensified cooperation, the continued empowerment of the Palestinian Authority's security efforts and performance, the further curtailment of Israel Defense Forces incursions into Palestinian areas, full respect for legitimate non-violent protest, Israeli action to curb settler violence, Palestinian action against incitement and progress in the political negotiations and in economic development.

I continue to worry about the state of human rights and freedoms in Gaza. Of particular concern are the reports of arbitrary detention being carried out by Palestinian security forces and the reports of ill-treatment in detention centres in Gaza. I am also deeply concerned about five death sentences passed by military courts in Gaza, between 9 May and 14 July 2013, and two executions carried out on 22 June, without the approval of President Abbas, as is required by Palestinian Basic Law. I call on the de facto authorities in Gaza to refrain from carrying out further executions. I also urge the Palestinian Authority to ensure that it fulfils its responsibilities with full respect for international human rights laws.

The Palestinian Authority has achieved what it set out to do three years ago, and this must be noted, preserved and built upon. I am concerned, however, over the ability of the Palestinian Authority to maintain these gains in the light of its increasingly dire financial situation.

I strongly encouraged the Government of Israel to take all necessary measures to facilitate economic growth, including the further easing of access and movement within, into and out of the West Bank for both goods and people. In a positive development, Israel provided a considerable number of permits for Palestinian residents of the West Bank to visit Jerusalem and Israel during Ramadan and applied more flexible regulations at checkpoints and points of passage during the holy month.

I would like to express my deep thanks and appreciation to Robert H. Serry, the United Nations Special Coordinator for the Middle East Peace Process, as well as to the Commissioner-General of UNRWA, Filippo Grandi. I also pay tribute to all United Nations staff who work under difficult, at times dangerous, circumstances in the service of the United Nations.

I remain hopeful, in the light of recent progress during the latter half of the reporting period, in the search for a negotiated solution which would bring Israel and the Palestinians closer towards durable peace and security, including the realization of the legitimate aspiration of Palestinians to a State of their own, and of Israel to live within recognized and secure borders. What is important now is for the parties to engage seriously on substance. I call on Israeli and Palestinian leaders to show vision, courage and determination to reach a historic peace agreement that would meet the legitimate aspirations of their peoples. I remain convinced that direct and meaningful negotiations are the main avenue towards a comprehensive, fair and lasting solution, including an end to occupation, an end to conflict and a just and agreed solution to the plight of Palestinian refugees.

To that end, it is my sincere hope that the parties pursue vigorously all efforts to

sustain an environment conducive for the peace process to move forward. In particular, I urge Israel to cease all settlement activity in the occupied West Bank, including East Jerusalem, and to take concrete steps to further ease the numerous restrictions in place both in the West Bank and Gaza. I also strongly encourage all Palestinians on the path of non-violence and unity in line with past PLO commitments, and call on them to pursue their efforts to improve law and order and combat extremism and incitement against Israel, and to continue building strong and democratic institutions that are essential to a viable, independent Palestinian State. In a highly volatile environment, it is crucial that any outbreaks of violence that could undermine political efforts are prevented, and that the parties refrain from provocative steps on the ground. The international community must also play its role by shaping a legitimate and balanced framework that offers a credible political path forward, combined with far-reaching steps on the ground. The international community should understand that its own efforts in pursuit of this goal will increasingly lack credibility if it continues to fail to take the steps necessary to enable an environment conducive to serious engagement.

As Secretary-General, I will continue to ensure that the United Nations works towards the establishment of an independent, democratic, contiguous and viable Palestinian State living side by side in peace with a secure Israel in the framework of a comprehensive regional settlement consistent with Security Council resolutions 242 (1967) , 338 (1973) , 1397 (2002) , 1515 (2003) and 1860 (2009) , and in accordance with the road map, the Arab Peace Initiative and the principle of land for peace.

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II. SPECIAL RAPPORTEUR ISSUES REPORT ON THE HUMAN RIGHTS SITUATION IN PALESTINIAN TERRITORIES

In accordance with Human Rights Council resolution 5/1, the Special Rapporteur on the situation of human rights in the Palestinian territories occupied since 1967, Richard Falk, submitted on 10 September 2013 his report. The following is a reproduction of the Report's recommendations (A/68/376):

VI. Recommendations

If current diplomacy fails to produce a solution to the underlying conflict, the Special Rapporteur recommends that the General Assembly request an advisory opinion from the International Court of Justice as to the legal consequences of the prolonged occupation of Palestine.

The Special Rapporteur recommends that the Government of Israel cease expanding and creating settlements in occupied Palestine, start dismantling existing settlements and returning its citizens to the Israeli side of the Green Line and provide appropriate reparations for the damage due to settlement and related activity since 1967.

The Special Rapporteur recommends that the Government of Israel inform Israeli businesses that are franchises and subsidiaries of global companies that profit from activity with the settlements of their corporate responsibilities and the international legal ramifications of such business activities, in particular concerning potential liability for corporate complicity in overseas domestic courts.

The Special Rapporteur recommends that Belgium and France compensate Palestinians who have been directly affected by the settlements to which Dexia Israel has provided mortgages or administered grants.

The Special Rapporteur recommends that copies of the present report be forwarded to Robert de Metz (Chair of the

Board of the Dexia Group) and David Liniger (Chair and founder of Re/Max International). It is strongly recommended that each of these two companies undertake a prompt review so as to bring it, its affiliates and its employees' policies and practices into full compliance with the laws and standards mentioned in the present report.

The Special Rapporteur recommends that the Dexia Group and Re/Max International should agree to comply with and adopt clear guidelines for future corporate social responsibility based on the Guiding Principles on Business and Human Rights.

The Special Rapporteur recommends that civil society in Belgium and France be urged to pressure their Governments to sell their shares in the Dexia Group and encourages civil society to demand that all businesses cease their activities that relate to the settlements and henceforth insist that companies act in accordance with the Guiding Principles on Business and Human Rights.

The Special Rapporteur recommends that all companies with relations to the settlements comparable to those of the Dexia Group and Re/Max International review their arrangements with an eye towards respect for international law and the Guiding Principles on Business and Human Rights.

The Special Rapporteur recommends that Israel immediately end its discriminatory policies and practices that

serve to deny Palestinians their rightful share of water resources in the West Bank and the Gaza Strip. In particular, Israel must cease the demolition of water collection

facilities, including wells and water tanks, on the pretext that they operate without valid permits.

III. UNCTAD ISSUES REPORT ON DEVELOPMENTS IN THE ECONOMY OF THE OCCUPIED PALESTINIAN TERRITORY

The United Nations Conference on Trade and Development issued on 16 September 2013 its report “Assistance to the Palestinian People: Developments in the economy of the occupied Palestinian territories”. The report was discussed at the sixtieth session of the Trade and Development Board, held in Geneva from 16 to 27 September 2013. The following are excerpts of the report: (TD/B/60/3):

Executive summary

With the persistence of Israeli restrictions on mobility in the Occupied Palestinian Territory,* loss of land and productive resources and bleak political prospects, gross domestic product (GDP) decelerated, and poverty and unemployment increased in 2012. These conditions are expected to deteriorate further. The Palestinian fiscal crisis deepened, owing to less aid and Israel's withholding of Palestinian revenue, posing risks to the whole economy. The crisis is exacerbated by the leakage of Palestinian fiscal revenues from smuggling and lost tax on imports via Israel. Stemming this leakage, estimated at \$300 million annually, would expand Palestinian fiscal policy space, with a broader, positive impact on the economy, employment and poverty.

*The designations employed and the presentation of the material in this document do not imply the expression of any opinion whatsoever on the part of the United Nations Secretariat concerning the legal status of any country, territory, city or area, or of its authorities, or concerning the delineation of its frontiers or boundaries. In accordance with the relevant resolutions and decisions of the General Assembly and Security Council, references in this report to the Occupied Palestinian Territory or territories pertain to the Gaza Strip and the West Bank, including East Jerusalem. Use of the term ‘Palestine’ refers to the Palestine Liberation Organization (PLO), which established the Palestinian Authority. References to the ‘State of Palestine’ are consistent with the vision expressed in Security Council resolution 1397 (2002) and General Assembly resolution 67/19 (2012).

UNCTAD continues to respond positively to the emerging needs of the Palestinian people. However, securing extrabudgetary funding remains critical to achieving the Doha Mandate of supporting the efforts towards building an independent Palestinian State.

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C. Recommendations for stemming fiscal leakage

The estimated costs to the Occupied Palestinian Territory of the \$300 million leaked annually to Israel is equivalent to 17 per cent of total tax revenue, in addition to 4 per cent in lost GDP and about 10,000 jobs per year. The analysis also shows that these costs are compounded over time as the economy grows and that there is a need for measures to stem the fiscal leakage and remedy the information asymmetry between the two sides, as well as measures to expand the operations and control of Palestinian Customs, and to reconsider the revenue clearance arrangement in place.

UNCTAD recommends the following measures to contain fiscal resources leakage:

- (a) The Paris Protocol should be replaced with a balanced framework

consistent with the needs for Palestinian fiscal independence, structural transformation prerequisites and sovereign economic policymaking for the following reasons:

(i) Palestinian resource leakage is rooted in the trade relations between the Occupied Palestinian Territory and Israel enshrined in the Paris Protocol, which deprives the Palestinian Authority of policy independence, border control and the ability to collect accurate data on external trade;

(ii) The Protocol curtails the Palestinian Authority's ability to conduct industrial policies and limits Palestinian fiscal space by forcing the Palestinian Authority to adhere to Israel's tariff schedule, which is not compatible with the vastly different Palestinian economy;

(b) Israel's cooperation should be sought to allow the Palestinian Authority:

(i) To gain full and accurate access to all data related to imports from or via Israel when the final destination of goods is the Occupied Palestinian Territory;

(ii) To have access to data related to imported Israeli products subject to purchase taxes and the companies that supply them, and due purchase tax revenue should be transferred to the Palestinian Authority as agreed in the 1999 Wye River Memorandum;

(iii) To abolish the time limit that prevents the Palestinian Authority from

claiming due revenue from imports with transaction dates of more than six months, since its access to trade data is neither complete nor timely;

(iv) To reduce trade dependence on Israel by removing barriers to trade with countries other than Israel. This will not only give Palestinian shippers access to cheaper, more competitive sources, but will also increase fiscal revenue without necessarily laying additional burdens on Palestinian consumers since taxes on imports from third countries will be offset by less expensive imports;

(v) To obtain access for Palestinian customs brokers to Israeli ports and borders in order to follow up on customs procedures and clear goods destined to the Occupied Palestinian Territory. This will raise the efficiency of Palestinian trade, reduce costs and enhance the Palestinian Authority's control over external trade and related data;

(c) The Palestinian Authority should secure the financial and human resources necessary for strengthening customs administration capacity, including the important role of the customs police, as a strategic institution essential for sovereignty, fiscal sustainability, security and the ability to implement pro-development trade and industrial policies. Palestinian Customs should acquire the capacity to deal with complex and changing trade regimes in the context of prolonged occupation and beyond.

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IV. UN SPECIAL COORDINATOR BRIEFS SECURITY COUNCIL ON THE SITUATION IN THE MIDDLE EAST, INCLUDING THE PALESTINIAN QUESTION

On 17 September 2013, the Security Council considered the agenda item “The situation in the Middle East, including the Palestinian question”, under which the United Nations Special Coordinator for the Middle East Peace Process, Robert Serry, gave a briefing. Excerpts of his briefing are reproduced below (S/PV.7032):

Developments in the region remain profoundly troubling, and the Security Council was briefed yesterday by the Secretary-General on the situation in Syria. As those events have already been well covered this month, my briefing today will continue to focus on efforts for renewed peace prospects in the Middle East, which should not be neglected, even against the background of turmoil elsewhere in the neighbourhood.

The resumption on 29 July of direct negotiations with the agreed objective of achieving a peaceful, comprehensive settlement on all final status issues within a nine-month time frame has been widely welcomed. As indicated by Under-Secretary-General Feltman in his horizon briefing on 4 September, the Secretary-General returned from the region encouraged by what he deemed to be a demonstrable seriousness by both President Abbas and Prime Minister Netanyahu to resume direct talks, despite skepticism from their domestic bases, as the only viable path through which a two-State solution may still be achieved.

In a sign of support for the bold decision taken by the leaders, regional and international partners pursued their diplomatic engagement with the parties. United States Secretary of State Kerry, credited for the renewed momentum, met with President Abbas on 8 September in London and Prime Minister Netanyahu on 15 September in Jerusalem. He also continued his regular consultations with

members of the Arab League Peace Initiative Follow-up Committee in Paris, as the region’s engagement on a solution is vital. On 26 August, Foreign Minister Fahmy visited Ramallah, signalling Egypt’s commitment to a comprehensive peaceful settlement to the conflict. The Quartet has lent its full backing to that political initiative, and principals and envoys are scheduled to meet next week.

The negotiating teams have been engaged in several rounds of talks, and we encourage both sides to accelerate and intensify their discussions. It is perhaps understandable that the skeptics continue to question the substance of the talks. However, at this stage, public comments would be counterproductive, and the parties’ commitment to not revealing the contents of their sensitive negotiations should be respected as a signal of their resolve to overcome the deep divisions that exist on key issues. There are formidable challenges ahead and they cannot be underestimated.

The international community has long supported the vision of a two-State solution and now has a responsibility to give efforts towards that end a chance. But the onus to sustain an enabling environment lies with the parties. Both should refrain from actions that risk undermining the prospects of negotiations. And we urge them to act responsibly and with restraint. Concurrently, any substantial political initiative must yield early dividends in the immediate period ahead, with tangible improvements to

security and socioeconomic conditions for Israelis and Palestinians alike.

In that context, we welcome the decision taken on 8 September by the Israeli Government to increase the number of work permits for West Bank Palestinians by 5,000 to a total of 50,000. Noteworthy too is the agreement between the Israeli and Palestinian agriculture ministries to revive some of the joint committees first formed in the 1990s under the Oslo Accords. We look forward to further such steps that would increase Palestinian and Israeli economic cooperation, ease restrictions on access and movement of Palestinians, and lead to tangible improvements on the ground in both the West Bank and Gaza. In that regard, we hope ongoing discussions will soon produce results.

The foregoing are issues we shall also address in next week's ministerial meeting of the Ad Hoc Liaison Committee for the Coordination of the International Assistance to Palestinians (AHLC), which comes at a more hopeful time. The meeting is expected to discuss a Palestinian economic initiative, developed in close consultation with Quartet Representative Blair and United States experts, that should mutually reinforce and complement the political track. The United Nations report to the AHLC highlights steps towards expanding Palestinian economic activity, including in Area C, to improve the lives of Palestinians and increase revenue through taxation for the Palestinian Authority. In the short to medium terms, donors must continue to provide timely and predictable direct budget support.

However, as also highlighted in the reports of the International Monetary Fund and the World Bank, all socioeconomic trends indicate that the status quo is not sustainable absent real political progress, pointing to dire consequences for Israelis

and Palestinians alike. We sincerely hope that the resumption of negotiations marks the beginning of closing the gap, renewing hope for a final status agreement in which Palestinians can realize their rightful aspirations for an independent and viable Palestinian State, and Israelis can meet their legitimate security needs and become a full partner in the development of a stable and prosperous Middle East. Another opportunity may not present itself soon.

Stability in the West Bank is all the more critical as talks are ongoing, and parties should exert all efforts to avoid violence. Israeli security forces carried out some 282 operations, during which five Palestinians died in Jenin and Qalandia refugee camps on 20 and 26 August, respectively. We strongly deplore those losses of life, including of one employee of the United Nations Relief and Works Agency for Palestine Refugees in the Near East. Additional clashes took place in early September in the vicinity of refugee camps, as well as at Al-Quds University in Abu Dis. Demonstrations, including against the barrier, also continued, resulting in 32 Palestinian injuries. A total of 169 Palestinians were injured by Israeli forces during this period, including 26 children and six women, while 339 Palestinians were arrested. The Israel Defense Forces (IDF) reported tens of instances of rock and firebomb throwing by Palestinians at Israeli forces, during which five Israeli soldiers were injured.

Israeli security forces announced on 1 September the arrest of two Palestinians of East Jerusalem suspected of planning an explosive attack at a popular mall in West Jerusalem during the Jewish holidays. Their indictment suggests that the terrorist attack was at an advanced stage. The IDF also announced the arrest of a total of 24 Palestinian terror suspects on 2 and 4

September, and the confiscation of weapons, explosives and military equipment. Palestinian security forces, continuing to work to maintain security in the West Bank, defused a total of 23 unexploded devices.

Settlement activity continued in the West Bank and in East Jerusalem. The construction of settlements is counterproductive and against international law. Clashes between Palestinians and settlers also continued, and reports of settler attacks against Palestinian farmers, including arson of olive trees near Nablus on 11 September, are particularly worrisome as we enter the olive-picking season.

We are monitoring with concern increased tensions in the Old City of Jerusalem, which resulted in clashes with Palestinian worshippers, injuries, arrests and restrictions imposed on Palestinian access to the Haram al-Sharif/Temple Mount compound. Incitement, provocation and violent actions must cease and the sanctity of holy sites of all faiths must be respected.

A total of 33 residential structures were demolished, including of the Bedouin community of Tel al-Adassa in East Jerusalem, leading to the displacement of 176 Palestinians, including 78 children. The ongoing practice of demolishing Palestinian structures that do not have an Israeli-issued permit only highlights the need for Israel to address the urgent housing and development needs of Palestinian communities in Area C and East Jerusalem. Palestinians require access to a fair planning and zoning regime so as not to resort to the building of structures without an Israeli permit, which leads to demolitions. We urge Israel to find a sustainable solution for the Tel al-Adassa Bedouins, most of whom have crossed the barrier into Area C in search of new grazing lands for their herds.

The calm in Gaza was mostly sustained. Two rockets exploded at their launching sites and seven rockets dropped short, landing inside of Gaza and putting its population at risk. Three Palestinian civilians were reportedly injured by Israeli fire on 20 and 30 August while approaching the border area in the north of Gaza. Israeli forces conducted five limited incursions into Gaza, and three improvised explosive devices were detonated during their patrols in the border area. The Israeli navy reportedly fired warning shots at the vicinity of Palestinian fishing boats on several occasions, citing security concerns. There were also reports of the Egyptian navy intercepting Palestinian fishing boats in Egyptian territorial waters. Allegedly, five fishermen were arrested, two of whom were injured.

Earlier this month, I met with the Egyptian leadership in Cairo, who ascribed great importance to progress in the peace process. The situation in Gaza was central to our discussions. Egypt has intensified military operations in northern Sinai, which included the continued closing of smuggling tunnels. Here, let me condemn the attacks in Rafah on 11 and 16 September, when six Egyptian security personnel were reported killed and 20 injured. Egyptian authorities have today announced that Rafah will be reopened for special cases.

While we fully recognize Egypt's legitimate security concerns and the need to effectively counter illegal activities in the Sinai and around Gaza, including smuggling via tunnels, we are particularly attentive to the potential humanitarian impact on Gaza. As a result of shortages of fuel, the Gaza power plant shut one of three generating turbines. The deficit of around 40 per cent of required electricity in Gaza could adversely impact other essential services, including water, sanitation and health. We continue to

work with all concerned parties to ease the humanitarian pressures on Gaza and further increase access through legal crossings into Gaza, in particular of construction materials, fully taking into account legitimate security concerns and previous agreements.

The Gaza Strip remains a high priority for the United Nations, and we welcome the approval of another package of United Nations construction works involving what are still classified as dual-use materials. United Nations construction work in Gaza includes almost 3,000 housing units, 67 schools, eight health clinics, 31 water- and 10 electricity-related structures, and road habilitation, totaling some \$450 million.

On 27 August, a military court in Gaza sentenced two men to death, one on charges of collaborating with Israel and the other for multiple homicides. No dates for the executions were set. I recall High Commissioner Navi Pillay's position on death sentences in Gaza, as well as her concern about ill-treatment and torture during interrogations of persons later sentenced to death.

...

In conclusion, last week marked 20 years since the signing of the Oslo accords. Twenty years of endless negotiations,

prolonged occupation, terror and conflict have deeply affected perceptions and expectations within both Israeli and Palestinian societies and undermined the belief that peace is possible, even if the majority still favours a two-State solution. We do not underestimate the challenges ahead or the momentous efforts required to sustain and successfully conclude negotiations within the prescribed time frame.

And yet, 20 years of peace efforts have also demonstrated that fair, reasonable and legitimate solutions can be found for the key issues dividing the parties. It is for the negotiators to identify and narrow these gaps, and for their leaders to take decisions in the best interest of their peoples. And the international community, including key regional stakeholders, must now show unity and resolve in assisting the parties in moving forward. The Secretary-General therefore looks forward to productive meetings of the AHLC and the Quartet this month, as well as to a constructive debate during this year's General Assembly.

Words are critical in preparing the ground for peace. Both leaders are soon to address the General Assembly, and we sincerely hope that they will take the opportunity to reach out to each other's people in making the case for peace.

V. QUARTET REPRESENTATIVE WELCOMES ISRAEL'S EASING MEASURES FOR THE WEST BANK AND GAZA

The following statement was issued on 17 September by the Quartet Representative, Tony Blair:

I welcome the decision which reflects our ongoing discussions with the Israelis. This is an important step in building a more positive environment for the diplomatic negotiations and in preparing the ground for

the more comprehensive and transformative economic initiative which we have been working on for the past few months. Much more is needed to fundamentally transform the Palestinian economy and improve the

lives and livelihoods of Palestinians, but one thing is clear – a vibrant and thriving Palestinian economy, although not a substitute for the peace process in any way,

will be beneficial for both sides and can provide hope that a better future is achievable for all.”

VI. UNRWA COMMEMORATES THE SIXTY-FIFTH ANNIVERSARY OF COUNT BERNA DOTTE’S DEATH

On behalf of the UNRWA Commissioner-General Filippo Grandi, UNRWA’s Spokesperson Chris Gunness delivered a speech at an event in Jerusalem to commemorate the sixty-fifth anniversary of the assassination of Count Bernadotte and his assistant, Colonel Serot. The following are excerpts of the speech:

Allow me to begin with some words of apology and some of thanks. The Commissioner-General of UNRWA, Filippo Grandi, sends his regrets at not being able to attend this commemoration of a life that was and is so central to UNRWA’s contemporary mandate; the commemoration of a man whose prescience and courage bequeathed to the refugees and the Agency that serves them a rich diplomatic and political framework – a framework that remains relevant today in more ways than many of us are allowed to annunciate. Indeed, despite the vagaries, injustices and cruelties of geopolitics, many of the concepts bequeathed to us by Count Bernadotte remain the touchstone of those who approach the question of Palestine today and those who forge any attempt to deal with both the political and humanitarian aspects of resolving the plight of the Palestine refugees; more of all that in a moment.

...

If the early reports of the assassination of Count Bernadotte are redolent with an honesty and integrity that are almost unimaginable today, so too are Count Bernadotte’s own pronouncements on the political prospects of the UN peace process and on the plight of Palestine refugees.

These pronouncements would later set the parameters for the creation of UNRWA.

With respect to the refugee issue, Bernadotte was bold and principled. Here I quote his first general report to the Secretary-General. Sadly, the count would not live to see his words inform the international discourse; he was killed the day before it was published on 18 September. Tellingly, this is what he had to say:

“It is ... undeniable that no settlement can be just and complete if recognition is not accorded to the right of the Arab refugee to return to the home from which he has been dislodged by the hazards and strategy of the armed conflict between Arabs and Jews in Palestine. The majority of these refugees have come from territory which ... was to be included in the Jewish State. The exodus of Palestinian Arabs resulted from panic created by fighting in their communities, by rumours concerning real or alleged acts of terrorism, or expulsion. It would be an offence against the principles of elemental justice if these innocent victims of the conflict were denied the right to return to their homes, while Jewish immigrants flow into Palestine, and, indeed, at least offer the threat of permanent replacement of the Arab

refugees, who have been rooted in the land for centuries.”

It speaks volumes about Count Bernadotte’s humanity that for him, the right of return was no panacea in and of itself. Justice for this dispossessed population would need remedies beyond that one mere right. He continues in that posthumously published 1948 report and I quote:

“It must NOT be supposed, however, that the establishment of the right of refugees to return to their former homes provides a solution of the problem. The vast majority of the refugees may no longer have homes to return to and their resettlement in the State of Israel presents an economic and social problem of special complexity. Whether the refugees are resettled in the State of Israel or in one or other of the Arab States, a major question to be faced is that of placing them in an environment in which they can find employment and the means of livelihood. But in any case their unconditional right to make a free choice should be fully respected.”

In those words, you can already hear the mandate of UNRWA beginning to take shape, as well as one of the key messages underlying our protection work: that the refugees’ unconditional right to make a free choice about their future must be fully respected. The report outlines with heartbreaking detail the situation of the refugees, nearly a quarter of whom Bernadotte says “are simply camped out and living under trees. In most places there was absolutely no sanitary accommodation, and since water was drawn from surface collections, and typhoid was endemic, grave possibilities in this regard at this season of the year were likely”.

In that first report to the Secretary-General, the short- and long-term needs of

the refugees are summed up with urgency, compassion and authority. The manner in which Bernadotte drew together the resources of the fledgling UN agencies is magisterial. It is an object lesson in humanitarian coordination. The breadth and depth of that report and Count Bernadotte’s grasp of the issues that would soon inform the creation of UNRWA reveal a man of extraordinary humanity, a man of compassionate intelligence and vision.

He concludes that section of the report on refugees with words that have echoed through the decades and rightly should haunt us today. I quote:

“The situation of the majority of these hapless refugees is already tragic, and to prevent them from being overwhelmed by further disaster and to make possible their ultimate rehabilitation, it is my earnest hope that the international community will give all necessary support to make the measures I have outlined fully effective. I believe that for the international community to accept its share of responsibility for the refugees of Palestine is one of the minimum conditions for the success of its efforts to bring peace to that land.”

Ladies and gentlemen,

I fervently hope that the peacemakers of today are listening, because 65 years after his death, Count Bernadotte’s vision and his prophetic warnings remain as tragically relevant today as they did before his untimely departure. Many of the underlying assumptions of specific UNRWA interventions – particularly our rights-based protection work - find their first expression in Count Bernadotte’s early reporting to United Nations headquarters. The links we make today between satisfying humanitarian need and creating an environment in which peace can take hold, were first given voice

by him. And in UNRWA's repeated calls for a just and durable solution for the refugees - a voice sadly crying in the wilderness - we harken back to Count Bernadotte who announced this truth that dare not speak its name with such boldness, a boldness that may, ultimately, have cost him his life.

But the legacy of those arguments lives on; indeed, allow me to take Count Bernadotte's rationale to its contemporary conclusion: The Middle East will remain inherently unstable while millions of refugees are allowed to languish, many in inhuman conditions in decaying camps, with

little prospect of a political resolution of their plight; indeed there can be no peace in this region unless and until some 5 million Palestine refugees are brought out of their statelessness, dispossession and exile. Without that, this region is doomed to a future of insecurity and instability. Moreover, the dignity and humanity of all of us is diminished, while the Palestine refugees are deprived of theirs. For those conclusions, for that legacy, we all owe Count Bernadotte a profound debt of gratitude.

...

VII. UN HUMANITARIAN COORDINATOR EXPRESSES CONCERN ON DELIVERY OF ASSISTANCE TO THE JORDAN VALLEY IN THE WEST BANK

On 20 September 2013 the Office of the United Nations Humanitarian Coordinator, Mr. James W. Rawley, issued the following statement:

The United Nations Humanitarian Coordinator Mr. James W. Rawley expressed deep concern that Israeli forces prevented the provision of humanitarian assistance to a community in urgent need in the Jordan Valley in the occupied West Bank.

In today's incident, Israeli forces seized a vehicle carrying tents from an international humanitarian organisation destined for the community of Makhul, where 48 Palestinians, including 16 children, are in urgent need of emergency shelter following repeated demolitions this week by the Israeli authorities. The forces also confronted members of the humanitarian and diplomatic communities who were present on site.

"The United Nations and its partners remain committed to providing humanitarian

assistance to populations in immediate need", Mr. Rawley said, adding that the international humanitarian community would continue efforts to mitigate the humanitarian impact, including displacement and loss of livelihoods, of demolitions which have been on the rise over recent months in the West Bank. "I call upon the Israeli authorities to live up to their obligations as occupying power to protect those communities under their responsibility, including to halt demolitions of Palestinian homes and property," said Mr. Rawley.

"The displacement of a whole Palestinian community in the occupied Palestinian territory is a very disappointing development at such a delicate moment where we look forward to positive measures on the ground", Mr. Rawley concluded.

VIII. UN SPECIAL COORDINATOR CONDEMNS THE KILLING OF AN ISRAELI SOLDIER

The following statement was issued by the Office of the UN Special Coordinator for the Middle East Peace Process (UNSCO), Robert Serry, on 21 September 2013:

The Special Coordinator condemns the abduction from central Israel and killing in the West Bank of an off duty Israeli soldier by a Palestinian individual, who reportedly confessed the crime.

This shocking murder follows a series of violent incidents in the West Bank.

The Special Coordinator has emphasized the need for calm on the ground which is all the more important at this critical moment in the political process. He therefore reiterates his call on all to refrain from violence and avoid loss of life.

IX. QUARTET REPRESENTATIVE ISSUES STATEMENT ON THE ECONOMIC INITIATIVE FOR PALESTINE

On 25 September 2013 the Office of the Quartet Representative, Tony Blair, issued a statement on the “Economic Initiative” for Palestine:

The Economic Initiative represents an important acceptance that just as the economics cannot take precedence over the politics, so a successful political negotiation has to be supported and boosted by economic growth and development.

The Economic Initiative looks to replace incremental change with transformative change. It has analysed eight sectors of the Palestinian economy and prepared detailed plans for implementation of such change.

The eight key sectors for investment and growth, include construction and housing (including financing of personal mortgages), agriculture, a comprehensive plan to attract tourism, telecommunications and IT, power, water, and light manufacturing.

It has been drawn up in consultation with Palestinians and Israelis, with the international investment community and international donors. It is still subject to a

process of final consultation though some measures are ready now.

Of course a benign political environment is pre-conditional to the success of the Initiative. Some measures can take effect quickly. Others will take time. The period for the initiative is three years.

It will rely on private Palestinian businesses, large and small, as well as multi-national companies. Government and other international organisations will be called upon to help with investment through facilities such as guarantees and insurance, but the emphasis will be on private business arrangements that can succeed and endure in the marketplace.

Statehood is not just about maps and borders but about institutions, governance and a sustainable economy.

This is the first time in history that such a fresh, comprehensive, innovative and broad approach has been taken: fresh in its

reliance on the private sector rather than just public support; comprehensive in its involvement of nations and agencies from around the world; and broad in the support it can garner from both the Palestinian and Israeli sides.

Implementing the Economic Initiative requires significant commitment from both the Government of Israel and the Palestinian Authority. Its' success inevitably relies on implementing large-scale Israeli easing measures as well as a combination of boosted capacity within the Palestinian Authority and large new financing flows

into the Palestinian economy. To this end, we are engaged in intensive talks with all sides, and both the Israeli and Palestinian governments have indicated their broad support for the plan.

This plan is not a substitute for a political solution. On the contrary, it both hinges upon and aides this paramount objective. It will be difficult. Plans that are this fundamental do not unfold neatly or quickly. But it is a critical enabler for real progress to be made in the region, to the benefit of all.

X. SECRETARY-GENERAL'S REMARKS AT THE AD HOC LIAISON COMMITTEE MEETING IN NEW YORK

UN Secretary-General Ban Ki-moon addressed the Ad Hoc Liaison Committee meeting that was held in New York on 25 September 2013. The following are excerpts of his remarks (SG/SM/15328, PAL/2163):

...

This meeting comes at a time of renewed hope. Though many challenges remain, the resumption of negotiations is a step in the right direction. As the talks continue, it is crucial to make visible progress on the ground to foster badly needed trust.

The situation is volatile, and the status quo in the Occupied Palestinian Territory is not sustainable. In the long run, the occupation is deeply damaging to both Israelis and Palestinians. I am extremely concerned that, without political progress, there could be dire consequences for both peoples.

I hope today's meeting will point the way towards increased Palestinian and Israeli economic cooperation, an easing of restrictions on access and movement of Palestinians, and tangible improvements in

both the West Bank and Gaza. Such positive measures would mutually reinforce each other and usefully complement the political track.

I welcome the Government of Israel's decision to allow 350 trucks per week of construction material into Gaza for private sector use. A sustainable recovery also depends on restoring the Gaza Strip's ability to trade externally. Ultimately, real and lasting progress can only be realized through the implementation of Security Council resolution 1860 (2009) in all its elements, building on a full calm and a lifting of remaining closures.

The parties themselves bear the primary responsibility to make the most of the current opening. Both should act responsibly and with restraint, and refrain from incitement and other actions that risk undermining the negotiations or prejudging final status issues. Stability is critical and

maximum efforts should be made to avoid violence and reverse negative trends.

The international community, for its part, must work in concert, including through the Quartet, to assist the parties in forging a way forward. Foreign Minister Eide, I welcome Norway's continued effort to promote trilateral dialogue. I hope the Committee's discussions today will help ensure continued support for the Palestinian Authority while strengthening the necessary cooperation with Israel.

In closing, let me reiterate what I said to the General Assembly yesterday: we must

do all we can to save the two-State solution. If we truly believe in that solution, we must also recognize that the window for achieving it is closing fast. The more we defer the tough decisions, the likelier it is that dire predictions become dreadful reality. Complacency only breeds more conflict.

While we desperately need steps that feed the hunger for economic progress, we are especially starved for leadership — statesmanship — the recognition of the two peoples' shared fates and interests. The knowledge and experience in this room can make a difference. I appeal to all of you to rise to the current moment.

XI. AD HOC LIAISON COMMITTEE ISSUES CHAIR'S SUMMARY AFTER ITS NEW YORK MEETING

An Ad Hoc Liaison Committee meeting was held in New York on 25 September 2013. The following is the Chair's summary issued by Norwegian Foreign Minister and Committee Chair Espen Barth Eide:

AHLC members and other major donor countries met in New York today. The meeting was hosted by UN Secretary-General Ban Ki-moon. The Chair, Norwegian Foreign Minister Espen Barth Eide, commended Secretary of State John Kerry's successful initiative to bring the parties back to the negotiating table, and praised the courage shown by President Abbas and Prime Minister Netanyahu. Twenty years after the Oslo Agreement, it is urgent to reach a negotiated settlement of the two-state solution, as this may be the last chance to succeed within the "Oslo paradigm".

The AHLC reaffirmed its long-standing commitment to the vision of an independent, democratic and sovereign State of Palestine living side by side with Israel in peace and security. Encouraged by the briefings by the parties and by Secretary of State John Kerry on the resumption of talks, the AHLC

expressed its full support for these negotiations, as they give renewed hope for a political solution. The AHLC appeals for creating a positive climate for these talks.

The donors reaffirmed their assessment of the state readiness of the Palestinian Authority and expressed their willingness to support the parties and assist where they can with a view to bringing the dividends of peace to Palestinians and Israelis alike.

They realize that time is not on their side. The reports from the PA, the World Bank, the IMF, and the UN show that in spite of all efforts, the Palestinian economy is slowing down and providing lower income to the PA than budgeted.

The AHLC welcomed the PA's measures to curb expenses and increase revenues. Indeed, in view of the difficult fiscal situation in 2013, the IMF and World

Bank recommend that the PA take measures to bring spending closer into line with expected available resources in order to reduce the USD 350 million financing gap projected for this year. Donor assistance will also be needed to help close the gap, to avoid distortionary budget financing such as arrears accumulation. Over time, to support economic growth, the budget should shift from consumption to productive investment spending, and donors should assist in this transition with multiyear aid commitments.

To help stimulate private sector development, the PA should take measures to develop a business-friendly economic environment. Only a vibrant and self-sustaining Palestinian economy can secure the long-term viability of Palestinian institutions. The reports emphasised the significance of progress in the peace process for economic growth.

For the economy to grow, a broad-based and sustained easing of Israeli restrictions is crucial. This means further removal of road blocks, easing of restrictions on the movement of people, capital and goods, as well as facilitation of Palestinian exports. Greater economic potential can be achieved when access is assured for Palestinian activity in area C. A significant reform of the current trade regime is essential.

Quartet Representative Tony Blair briefed the AHLC on the Economic Initiative for Palestine which aims at transforming the Palestinian economy by stimulating private investments. The AHLC welcomed the initiative and called for cooperation to maximise the combined effectiveness of public aid and private initiatives. A revival of the Palestinian economy is important for buttressing the political process and further preparing the way for statehood.

The AHLC welcomed the prior announcement by the Government of Israel of economic gestures to stimulate the Palestinian economy, and commended its efforts to implement these measures. It recalled that the World Bank, the IMF and the UN emphasised that a significant easing of restrictions is a key to redressing the fiscal difficulties of the PA.

The AHLC welcomed the resumption of direct meetings between the finance ministries to improve their collaboration in collecting Palestinian tax and clearance revenue, and suggested they also discuss how to remove trade obstacles.

The AHLC expressed concern over the deteriorating humanitarian situation in the Gaza Strip and reiterated its full commitment to UN Security Council resolution 1860 in all its elements, including the need for security for all civilian populations.

On this basis the AHLC:

- Welcomes the resumption of the negotiations and reaffirms its readiness to support the political process by continuing its mobilization of necessary assistance to fund the Palestinian Authority through the current transition to independence;
- Welcomes the Economic Initiative developed by the Quartet Representative and calls on the parties to enable its success;
- Calls on donors to increase their assistance above the level of their current commitments this year to help cover the financing gap, and to provide timely and predictable assistance to meet the budget needs of the PA for 2014 – with due regard to burden sharing;
- Calls on the PA to further strengthen its fiscal restraint and reforms, and to align

expenses with the revenues, as well as to further enhance the business environment in line with the recommendations given by the World Bank and the IMF;

- Calls on the parties to continue direct meetings between the finance ministries, and to further identify and implement measures to enhance collection and transfer of taxes and clearance revenues;
- Calls on the Government of Israel to facilitate sustainable growth of the Palestinian economy through the further

removal of obstacles on the movement of people and goods, as well as obstacles on development, trade and exports in the West Bank and Gaza, including in Area C and East Jerusalem; and

- Calls on the Local Development Forum to resume local coordination efforts in cooperation with the Quartet Representative, and to revive the Joint Liaison Committee, in order to maximise the combined effectiveness of public aid and private initiatives to strengthening growth of the Palestinian economy.

XII. QUARTET PRINCIPALS MEET ISRAELI AND PALESTINIAN NEGOTIATORS IN NEW YORK

The following statement was issued by the Quartet on 27 September (SG/2202):

Representatives of the Quartet; United Nations Secretary-General Ban Ki-moon, Russian Foreign Minister Sergey Lavrov, United States Secretary of State John Kerry, High Representative for Common Foreign and Security Policy of the European Union Catherine Ashton, met in New York on 27 September 2013. They were joined by Quartet Representative Tony Blair and by Israeli chief negotiator Justice Minister Tzipi Livni and Palestinian chief negotiator Saeb Erekat.

Secretary of State Kerry updated the Quartet on the progress in the Israeli-Palestinian negotiations since the resumption of talks on 29 July 2013. The Quartet received a joint briefing on the negotiations by the Israeli and Palestinian chief negotiators, and expressed appreciation to them for their efforts. The Quartet reaffirmed its determination to lend effective support to the efforts of the parties and their shared commitment to reach a permanent status agreement within the agreed goal of nine months. In this regard, the Quartet recalled its previous statements

and relevant United Nations Security Council resolutions and reaffirmed its determination to actively support the pursuit of a comprehensive resolution of the Palestinian-Israeli conflict.

The Quartet commended the leadership of Israeli Prime Minister Benjamin Netanyahu and Palestinian President Mahmoud Abbas and their commitment to remaining engaged in sustained and continuous negotiations to address all of the core issues. The Quartet called on all parties to take every possible step to promote conditions conducive to the success of the negotiating process and to refrain from actions that undermine trust or prejudice final status issues.

Representative Blair also provided a briefing on the Quartet's Economic Initiative to bring transformative economic growth to the Palestinian economy. The Quartet expressed its support for the Initiative and for the important mission of Palestinian institution-building that will complement, support and run in parallel

with the renewed negotiations. It applauded the commitments made by the international community at the Ad Hoc Liaison Committee meeting of 25 September to provide further support to the Palestinian economy.

The Quartet reviewed the situation in Gaza and underscored the importance of addressing the humanitarian situation and including Gaza in the efforts to support the Palestinian economy. The Quartet discussed the humanitarian needs of Gaza's residents and emphasized the importance of increased access into Gaza through legal crossings, welcoming recent steps taken by Israel in this regard and urges the parties to maintain the ceasefire reached on 21 November 2012.

The Quartet noted the importance of both sides demonstrating a commitment to improving the atmosphere for the

negotiations, including through positive messages by the leaders.

The Quartet also discussed the importance of international support for the negotiations and commended the Arab League for its constructive role and recognized that many others in the international community have made important contributions. The Quartet expressed hope that such efforts will continue.

The Quartet agreed to continue meeting regularly, including through monthly meetings of Quartet envoys who will report on progress on the ground and work towards initiatives to support the parties in building a climate for peace. The envoys will remain in constant communication to provide maximum support for on-going negotiations.