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**Sixtieth year****The situation in the Middle East****Question of Palestine****Peaceful settlement of the question of Palestine****Report of the Secretary-General\****Summary*

The present report is submitted in accordance with General Assembly resolution 59/31. It contains replies received from the President of the Security Council and the concerned parties to the notes verbales sent by the Secretary-General pursuant to the request contained in paragraph 13 of the resolution. The report also contains the observations of the Secretary-General on the current state of the Israeli-Palestinian conflict and on international efforts to move the peace process forward with a view to achieving a peaceful solution. The report covers the period from September 2004 through September 2005.

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\* The report was submitted after the established deadline in order to include as much updated information as possible.

## I. Introduction

1. The present report is submitted pursuant to General Assembly resolution 59/31 of 1 December 2004.

2. On 25 May 2005, pursuant to the request contained in paragraph 13 of the above-mentioned resolution, I addressed the following letter to the President of the Security Council:

“I have the honour to refer to resolution 59/31, which the General Assembly adopted on 1 December 2004, at its fifty-ninth session, under the agenda item ‘Question of Palestine’.

“Paragraph 13 of the resolution requests the Secretary-General to continue his efforts with the parties concerned, and in consultation with the Security Council, towards the attainment of a peaceful settlement of the question of Palestine and the promotion of peace in the region and to submit a report on these efforts and on developments on this matter.

“In order to fulfil my reporting responsibilities under this resolution, I should be grateful if you would kindly convey to me the views of the Security Council by 31 July 2005.”

3. On 26 July 2005, the following reply was received from the Security Council:

“The situation in the Middle East, including the Palestinian question, remains one of the most important items on the Security Council agenda. The Council continues to consider the situation in the Middle East, including the Palestinian question, on a regular basis, in particular with monthly briefings by the Under-Secretary-General for Political Affairs and senior Secretariat staff.

“On 31 August 2004, the President made a statement to the press, in which the members of the Council condemned the terrorist attacks in Israel that had resulted in the loss of innocent lives. They also condemned all other acts of terrorism, denounced the escalation in violence in the Middle East and called on the parties to continue the peace process in the region.

“The Council held an open debate on the situation in the Middle East on 4 October 2004, at which Algeria introduced a draft resolution on behalf of the Arab Group of States concerning Israeli military operations in Gaza. The Council voted on the draft resolution on 5 October 2004, but failed to adopt it.

“Following a regular briefing by Kieran Prendergast, Under-Secretary-General for Political Affairs, and subsequent informal consultations on 22 October 2004, the President, in a brief statement to the press, highlighted the concerns of the Council at the lack of progress on the Middle East peace process and urged both parties to begin to implement, as soon as possible, the provisions of the road map.

“On 13 January 2005, following a regular briefing by the Under-Secretary-General Kieran Prendergast, which focused on the Palestinian presidential elections held on 9 January 2005, and subsequent informal consultations, the Council adopted a presidential statement (S/PRST/2005/2) referring to the following issues: the Palestinian presidential elections; the future political process, in particular the Palestinian legislative elections,

reinforcement of the Palestinian institutions, international assistance to the people and the Palestinian Authority; and the necessity of implementing the road map for a viable, democratic and sovereign Palestinian State, in peaceful and secure coexistence with Israel.

“On February 16 2005, the Council adopted a presidential statement (S/PRST/2005/6) welcoming the Sharm el Sheikh Summit of 8 February 2005 and the resumption of direct talks between Israeli Prime Minister Ariel Sharon and Palestinian Authority President Mahmoud Abbas.

“On 9 March 2005, the Council adopted a presidential statement (S/PRST/2005/12) whereby it welcomed the conclusions of the London meeting on supporting the Palestinian Authority held on 1 March 2005.

“Responding to a request by the Arab Group for an immediate meeting of the Council to consider recent developments in the Occupied Palestinian Territory, including East Jerusalem, the Council held an open debate on the situation in the Middle East, including the Palestinian question, on 21 July 2005. The United Nations Special Coordinator for the Middle East Peace Process, Mr. Alvaro de Soto, briefed the Council on the latest developments in the region. No action was taken by the Council following this meeting.

“The Council continues to keep the evolving situation in the Middle East under active review through monthly briefings, open meetings and informal consultations. During these meetings, the Council members reiterate their support for a just and comprehensive settlement in the Middle East based on resolutions 242 (1967), 338 (1973), 1397 (2002) and 1515 (2003), the foundations of the Madrid Conference, the principle of land for peace, agreements previously reached by the parties and the initiative of Saudi Crown Prince Abdullah endorsed in Beirut at the summit-level Council of the League of Arab States.”

4. In a note verbale dated 31 May 2005 to the parties concerned, I sought the positions of the Governments of Egypt, Israel, Jordan, Lebanon and the Syrian Arab Republic, as well as of the Palestine Liberation Organization, regarding any steps taken by them to implement the relevant provisions of the resolution. As at 20 September 2005, the following replies had been received:

**Note verbale dated 4 August 2005 from the Permanent Representative of Israel to the United Nations addressed to the Secretary-General**

“As you are aware, Israel has voted against this resolution, as it has done time and time again against similar resolutions adopted by the General Assembly during previous sessions. Because the situation in the Middle East is at a delicate crossroads, Israel wishes to once again put on record its position on this matter.

“As I write this letter, Israel is making its final preparations to implement its disengagement from Gaza and part of the northern West Bank in the hope of restarting the peace process. Even as Israel is taking unilateral steps for the

sake of peace, Palestinian terrorism not only continues but also, as of late, has intensified.

“While Israel remains hopeful that new, positive developments in the region will bear fruit, no real progress can be made until the Palestinian Authority takes the necessary steps to end Palestinian terrorism.

“Israel views this General Assembly resolution as unbalanced and politically motivated. What is more pressing about this resolution is that it causes undue interference in issues that both parties agreed to resolve within the context of direct bilateral negotiations and, thus, risks derailing the peace process further.

“The violence in the region has been a result of a Palestinian decision to abandon peace negotiations and pursue their goals through violence and terrorism. The one-sided approach reflected in the resolution, which seeks to dictate the outcome of the negotiating process, effectively rewards violence at a time when the Palestinian side must discontinue all acts of violence and terrorism and boldly pursue the path of peaceful dialogue, as called for in the road map, which compels the Palestinian Authority to prevent ‘all acts of violence against Israelis anywhere’.

“Aside from being damaging to the Middle East peace process, this type of resolution contradicts the decisions to reform and reinvigorate the United Nations. Rather than promoting a vision that recognizes the rights and obligations of both sides, as articulated in the road map, these resolutions obscure the efforts of the parties to achieve a negotiated outcome. It is one-sided resolutions like this that put in jeopardy the efficacy of the United Nations and the efficiency of the General Assembly and that must be done away with.

“The damaging effects on future peace that these kinds of resolutions have require your immediate consideration. Israel calls upon the international community to use its voices to promote peace rather than misuse the United Nations to pass counterproductive, politically motivated resolutions.”

### **Note verbale dated 2 August 2005 from the Permanent Observer of Palestine to the United Nations addressed to the Secretary-General**

“General Assembly resolutions on the peaceful settlement of the question of Palestine have traditionally reaffirmed rules and principles of international law central and, in fact, deemed to be essential to the peaceful and just resolution of the long-standing question of Palestine. The overwhelming support received by those resolutions is reflective of the near consensus of the international community with regard to this issue, a consensus rooted in positions and convictions that are based on the primacy of international law in international relations and on the universal ideals of justice and peace. During the fifty-ninth session of the General Assembly, Member States once again adopted a resolution on this subject, resolution 59/31, by a huge majority of 161 votes in favour, with only 7 votes against and 10 abstentions.

“Moreover, the International Court of Justice, the principal judicial organ of the United Nations system and the highest authority in international law, in its advisory opinion of 9 July 2004 on the *Legal Consequences of the Construction of a Wall in the Occupied Palestinian Territory*, determined the applicable rules and principles of international law, including international humanitarian law and human rights law. The Court determined that the The Hague Regulations — considered to have become part of customary international law — and the Fourth Geneva Convention are indisputably applicable in the Occupied Palestinian Territory, including East Jerusalem. The Court also found that the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social and Cultural Rights and the Convention on the Rights of the Child are also applicable within the Occupied Palestinian Territory.

“The Court found that Israel had violated the customary rule regarding the inadmissibility of the acquisition of territory resulting from the threat or use of force, a principle enshrined in the Charter and reaffirmed in General Assembly resolution 2625 (XXV) of 1970. In this context, the Court found that the area east of the 1949 Armistice Line (the Green Line) and the former eastern boundary of Palestine under the mandate, including East Jerusalem, was occupied by Israel in 1967 and, under international law, considered to be occupied territory. The Court concluded that subsequent events have done nothing to alter this situation and that this territory remains occupied and that Israel continues to have the status of occupying Power. As to the specific violation of other relevant provisions of the law, the Court found that the obligations violated by Israel include certain obligations erga omnes, including the obligation to respect the right of the Palestinian people to self-determination and certain of its obligations under international humanitarian law.

“The General Assembly, in its resolution 59/31, reaffirmed these basic rules and principles of international law, which are deemed essential for achieving a just, lasting and comprehensive peace in the Middle East. Other rules recalled in the resolution are also embodied in other relevant Assembly resolutions, including those adopted by its tenth emergency special session, and in various Security Council resolutions, including resolutions 242 (1967), 338 (1973), 1397 (2002) and 1515 (2003). Accordingly, as it reaffirmed the necessity of achieving a peaceful settlement of the question of Palestine, the core of the Arab-Israeli conflict, in all its aspects, and of intensifying efforts towards that end, the Assembly, inter alia, stressed the need for the withdrawal of Israel from the Palestinian territory occupied since 1967 and the need for the realization of the inalienable rights of the Palestinian people, primarily the right to self-determination and the right to their independent State. In the resolution, the Assembly also stressed the need to resolve the problem of the Palestinian refugees in conformity with resolution 194 (III) of 11 December 1948.

“Since the adoption of resolution 59/31, the international community has been preoccupied with two critical issues vis-à-vis the situation in the Occupied Palestinian Territory, including East Jerusalem, namely, the critical issue of the continuing unlawful construction of the wall by Israel, the occupying Power; its impact on the humanitarian situation on the ground and

on the prospects for a just and lasting political settlement; and the issue of Israel's unilateral disengagement plan from Gaza and parts of the northern West Bank.

“The scope and significance of the ruling of the International Court of Justice were highlighted in our previous note to the Secretary-General of 16 August 2004 on the peaceful settlement of the question of Palestine (see A/59/574-S/2004/909). It is regrettable that Israel continues to defy the international community and engage in grave violations and breaches of international law and international humanitarian law in the Occupied Palestinian Territory, including East Jerusalem. One year after the advisory opinion of the International Court of Justice on the *Legal Consequences of a Wall in the Occupied Palestinian Territory*, Israel has announced accelerated plans for the completion of the construction of the wall in and around East Jerusalem, which will completely isolate Jerusalem from the rest of the Occupied Palestinian Territory and will leave more than 55,000 Palestinian Jerusalemites cut off from their city. Clearly, the continuing violation of international law and total disrespect for the advisory opinion and the Assembly's resolutions must continue to be a matter of serious concern for the United Nations. The direct and grave impact of this ongoing illegal situation on the efforts to achieve a peaceful settlement of the Israeli-Palestinian conflict is unquestionable and must be urgently addressed by both the Assembly and the Security Council — this is a duty that was affirmed by the International Court of Justice in clear and definitive terms. The international community must act and it must be made clear that Israel, the occupying Power, has a choice: either it can choose to comply with the advisory opinion and its legal obligations under international law or it can formally choose to become an outlaw State and be treated as such.

“The Court has determined beyond any doubt that Israel is under obligation to terminate its breaches of international law, to cease the construction of the wall being built in the Occupied Palestinian Territory, including in and around East Jerusalem, to dismantle the structure therein situated and to repeal or render ineffective all legislative and regulatory acts relating thereto; that Israel is under an obligation to make reparation for all damage caused by the construction of the wall in the Occupied Palestinian Territory, including in and around East Jerusalem; that all States are under an obligation not to recognize the illegal situation resulting from the construction of the wall and not to render aid or assistance in maintaining the situation created by such construction; and that all States parties to the Fourth Geneva Convention have an additional obligation of ensuring compliance by Israel with the Convention. The Court has also determined that the United Nations, especially the General Assembly and the Security Council, should consider what further action is required to bring to an end the illegal situation resulting from the construction of the wall and the associated regime, taking due account of the advisory opinion.

“The Assembly, at its tenth emergency special session, received and acknowledged the advisory opinion and adopted resolution ES-10/15, on 20 July 2004, in which it, inter alia, adopted specific measures and demands that need to be followed up by the United Nations Secretariat, the Security Council and all Member States. The Security Council held an open public

debate on the situation in the Middle East, including the Palestinian question, on 21 July 2005, in which Palestine clearly recalled the responsibilities of the different organs of the United Nations, including the Secretariat, the General Assembly and the Security Council, to step up the implementation of their obligations as contained in the advisory opinion and as contained in resolution ES-10/15. This includes the establishment by the Secretary-General of the register of damages and the necessary follow-up to the report submitted to the Assembly by Switzerland, in its capacity as depositary of the Geneva Conventions.

“With regard to Israel’s unilateral disengagement plan and the intended withdrawal from Gaza and certain parts of the northern West Bank, it is deplorable that, since Prime Minister Sharon’s declaration regarding the implementation of his unilateral plan, Israel, the occupying Power, has intensified its illegal colonization campaign, including the intensification of settlement activities, the completion of the construction of the wall and the complete isolation of East Jerusalem from the rest of the Occupied Palestinian Territory. The focused efforts of the international community to ensure that the Gaza withdrawal plan is a success and an opportunity to revive the peace process should not be manipulated and exploited by Israel in order to complete its colonization and de facto annexation of huge areas of the West Bank. The international community must be aware that the continuation of such illegal Israeli policies and measures will not only undermine the success of the Gaza withdrawal, but will also undermine the possibility of reaching a final settlement based on the two-State solution.

“The withdrawal of the Israeli occupying forces and the evacuation of illegal settlements from Gaza, on the one hand, and the intensification of the expansion of settlement activities, the construction of the wall and the isolation of East Jerusalem, on the other hand, regrettably indicate that the Gaza disengagement is a ploy by Israeli Prime Minister Sharon to preclude any serious resumption of final status negotiations leading to the establishment of the independent State of Palestine on the territory occupied by Israel in 1967. Therefore, the international community must exert serious efforts to ensure that the Gaza withdrawal is actually implemented in the context of the road map, wherein the Gaza withdrawal is a first step leading towards the implementation of the road map and the achievement of the two-State solution. The withdrawal from Gaza should be coupled with a total freeze of settlement activities in the rest of the Occupied Palestinian Territory, including in and around East Jerusalem, and Israel should immediately halt the construction of the wall and dismantle the parts already erected, as recommended by the International Court of Justice. These are preconditions that will facilitate the success of the Gaza withdrawal and a meaningful resumption of the long-overdue final status negotiations.

“In this context, it is essential that the international community, while focusing its efforts on making the Gaza withdrawal a success, adopt a serious position vis-à-vis Israel’s illegal policies and measures in the Occupied Palestinian Territory, including Jerusalem. Such efforts should include the provision of practical measures to ensure compliance by Israel with its legal obligations under international law, including those contained in the findings of the advisory opinion of the International Court of Justice. The international

community must also ensure that Israel terminates its illegal policies and measures, which are destroying the territorial contiguity and the national unity of the Occupied Palestinian Territory in an attempt to unilaterally draw de facto borders that totally undermine and preclude the establishment of a viable Palestinian State as envisaged in the road map.

“Thirty-eight years after Israel occupied the Palestinian territory, including East Jerusalem, and other Arab territories, the fundamental prerequisite for resolving the question of Palestine and achieving a peaceful settlement of the Israeli-Palestinian conflict based on the two-State solution remains Israel’s withdrawal from the Palestinian territory occupied since 1967, as called for in General Assembly resolution 59/31, Security Council resolutions 242 (1967) and 338 (1973) and numerous other resolutions.

“With regard to the efforts for achieving a peaceful settlement of the question of Palestine, the Assembly has significantly reaffirmed the permanent responsibility of the United Nations with regard to the question of Palestine until it is resolved in all its aspects; has also reaffirmed its full support for the Middle East peace process and the existing agreements between the Israeli and Palestinian sides; has welcomed the efforts of the Quartet aimed at the establishment of a comprehensive, just and lasting peace in the Middle East; has welcomed the Arab Peace Initiative adopted by the League of Arab States in Beirut in March 2002; and has called upon both parties to fulfil their obligations in the implementation of the road map, stressing in this regard the importance and urgency of establishing a credible and effective third-party monitoring mechanism including all members of the Quartet. Furthermore, the Assembly, in resolution 59/31, rightly stressed the necessity of a commitment to the two-State solution, the principle of land-for-peace, the implementation of the relevant Security Council resolutions, a speedy end to the reoccupation of Palestinian towns and cities and the complete cessation of all acts of violence, including military attacks, destruction and acts of terror, which in recent years have caused the grave deterioration of the situation on the ground and have severely debilitated the search for a peaceful resolution to the question of Palestine.

“In the resolution, the Assembly also addressed another aspect of the question of Palestine that constitutes an extremely relevant consideration for any efforts aimed at resolving this tragic and protracted conflict, namely the humanitarian aspect. The Assembly expressed its grave concern regarding the tragic events in the Occupied Palestinian Territory, including East Jerusalem, since 28 September 2000, including deaths and injuries, mostly among Palestinian civilians, the deepening humanitarian crisis facing the Palestinian people and the widespread destruction of Palestinian property and infrastructure, both private and public, including many institutions of the Palestinian Authority. In this regard, the Assembly emphasized the importance of the safety and well-being of all civilians in the whole Middle East region and condemned all acts of violence and terror against civilians on both sides, including suicide bombings and extrajudicial executions. Further, with regard to the dire humanitarian crisis being inflicted on the Palestinian people, the Assembly urged Member States to expedite the provision of economic, humanitarian and technical assistance to the Palestinian people and Palestinian Authority during this critical period to help alleviate their suffering, rebuild



the Palestinian economy and infrastructure and support the restructuring and reform of Palestinian institutions.

“In conclusion, the Palestinian leadership reaffirms its commitment to a negotiated, peaceful solution to the Israeli-Palestinian conflict based on international law. Furthermore, the Palestinian leadership, despite the difficulties that Israel is imposing with regard to its departure from Gaza and areas in the northern West Bank, is also keen to achieve the rapid success of this exercise so that we can immediately proceed thereafter to the implementation of the road map and the negotiations on the final settlement. Indeed, the issue of the withdrawal from Gaza should not be kept on the political agenda for much longer than the end of this year. We believe it is imperative that this be concluded by year’s end and that we begin final negotiations before the end of 2005, for time is truly of the essence and its continued passage, along with the continuation of violations in the Occupied Palestinian Territory, will only make the peace that is so desperately yearned for by the Palestinian people and by the international community as a whole ever more elusive.”

## II. Observations

5. I am glad to report that the “window of opportunity” to revitalize the Middle East peace process that emerged during the past year has, despite setbacks, remained open. We have witnessed the successful completion of the Israeli disengagement from the Gaza Strip and parts of the northern West Bank. On 7 August 2005, the Israeli Cabinet approved the evacuation of the first settlements under this initiative. In the early hours of 12 September 2005, Israel withdrew the last of its military personnel and installations from the Gaza Strip. Furthermore, as of 20 September 2005, and following the completion of the evacuation of civilian army infrastructure from four settlements in the northern West Bank, Israeli forces put an end to their permanent presence in the area of the evacuated settlements. As Israel’s first withdrawal from occupied Palestinian territory since the occupation began in 1967, it was a landmark in Israeli-Palestinian relations, setting an important precedent for the eventual realization of the two-State solution.

6. I would like to commend Prime Minister Sharon’s political courage and steady commitment to disengagement. I would also like to commend the Palestinian Authority for its responsible behaviour during this period, in facilitating a smooth and peaceful operation. The increased coordination between the parties as a result of this is a positive step, which must be built upon in the future. Nevertheless, the events in the aftermath of disengagement illustrated the problems of unilateral actions. For example, the Israel Defense Forces withdrew from Gaza without demolishing places of worship. The buildings were thus passed unexpectedly to the Palestinian Authority, which was not in a position to protect them.

7. I also commend James D. Wolfensohn, the Quartet’s Special Envoy for Gaza Disengagement, for his work since his appointment in April 2005. Mr. Wolfensohn helped to enhance crucial channels of coordination between the parties in the process of disengagement, the importance of which I emphasized during my own visit to Israel and the occupied Palestinian territory in March 2005. In the aftermath of the Israeli withdrawal, he continues his efforts to follow up on a six-point agenda:

border crossings and trade corridors; movement between the West Bank and Gaza; movement within the West Bank; the Gaza airport and seaport; the houses in the Israeli settlements; and their agricultural assets. As yet, many of these issues remain unresolved. Mr. Wolfensohn believes that the parties are close to an understanding on how the main border passages between Israel and the Palestinian Authority will operate. Rafah (on the Gaza-Egypt border) is likely to be operated by Palestinians and Egyptians, with a possible third-party presence. It is hoped that agreement on outstanding issues will be reached in the coming weeks.

8. Mr. Wolfensohn identified three key areas for the Palestinian Authority to address, with international support: the Palestinian Authority's fiscal crisis and development of a fiscal stabilization plan to be included in the 2006 budget; the creation of a general development plan related to a fiscally sound financial plan for 2006-2008; and the design of quick-impact economic programmes that would respond to pressures for short-term employment generation. These issues are important elements of the foundations for economic recovery, good governance and, eventually, statehood.

9. I would like to congratulate the Palestinian people for demonstrating their commitment to democracy during the Palestinian presidential election in January 2005. Although the elections were complicated by the continuing Israeli occupation and restrictions on freedom of movement imposed in the occupied Palestinian territory, turnout was nonetheless high. I would also like to congratulate Mahmoud Abbas, who won in the seven-candidate field with 62.5 per cent of the votes cast. The elections for the Palestinian Legislative Council will follow the presidential ballot. These elections were delayed on 3 June 2005, when President Abbas issued a decree stating the need for a new electoral law ensuring at least 50 per cent proportional representation. They are now scheduled to be held in January 2006. The Palestinian Authority leadership has sought to encourage groups that have engaged in terrorism to abandon this course and engage in the democratic process. This objective deserves the full support of the international community.

10. At the Sharm el Sheikh summit in February 2005, the parties pledged to end all violence with a ceasefire that has broadly survived. Israel agreed to release a number of Palestinian prisoners and transfer control of five West Bank cities to the Palestinian Authority. The security situation improved noticeably in the aftermath of the summit, a trend that was reflected in a marked decrease in the number of deaths and injuries recorded during the reporting period. Israel released a number of prisoners but transferred control of only two of the five cities agreed upon. It also resumed its policy of extrajudicial killings. Nevertheless, Israel exercised restraint in its military activities in the period prior to disengagement, despite incidents of Palestinian violence. In a welcome step, the Israel Defense Forces decided to halt their policy of demolishing Palestinian houses either as punishment for acts of violence or as deterrence.

11. Of particular concern to me are the incidents in which United Nations staff members and other international aid workers have been held hostage by Palestinian armed elements. The most recent of these incidents to date occurred on 8 August 2005, when two hostages were released amidst shooting. There remains significant concern for the safety of United Nations staff members and other international aid workers in the Gaza Strip.

12. The Palestinian Authority must push ahead with efforts to reform the Palestinian security services. Decisive action in this regard should help to restore law and order. The fragmented Palestinian security services are being consolidated into three main branches — the national forces, the intelligence forces and the police — under the supervision of the Ministry of Interior. New heads of the security services have been appointed and the security retirement law is being implemented. President Abbas has repeatedly emphasized his commitment to work towards the Palestinian Authority's monopoly on the use of force.

13. A recent independent report by Strategic Assessments Initiative, written in close collaboration with United States Security Coordinator General William Ward and in consultation with senior Palestinian security officials, stated that the Palestinian security services remained divided, weak, overstaffed, badly motivated and under-armed. A number of unintegrated forces, Palestinian clans and individual force commanders continue to wield undue influence. Other potentially troubling issues within the security services include corruption, institutional hierarchies, cults of personality and lack of cohesive training. The problems within the security services were also illustrated in the post-disengagement period, when law and order seemed to crumble.

14. Israel, in turn, has also failed to make progress on the implementation of its core commitments under the road map. Settlement expansion and lack of action on removing illegal settlement outposts erected since 2001 severely undermined trust in Israel's intentions. In the spring of 2005, Israel announced plans to construct 3,500 new housing units in Ma'ale Adumim and two other settlement blocs in the West Bank, and in early June it publicized tenders for the construction of 22 housing units in Ma'ale Adumim. Government-sponsored settlement activity may have a negative impact on the territorial contiguity of Palestinian territory and thus remains a source of serious concern. According to the road map, Israel has an obligation to freeze all settlement activity, including natural growth, and immediately dismantle outposts erected illegally since March 2001.

15. I also remain concerned about Israel's continued construction of the barrier in the West Bank, which encroaches on Palestinian land. Pursuant to General Assembly resolution ES-10/15 of 20 July 2004, I am in the process of establishing a register of damages incurred by Palestinians due to the construction of the wall. The construction of the barrier is a unilateral act not in keeping with the road map. Along with continued Israeli settlement activity, it constitutes a key challenge to the fulfilment of the road map's goal of a two-State solution. I urge the Government of Israel to address its security concerns in a manner that will not increase suffering among Palestinians, prejudge final status issues or threaten longer-term prospects for peace by making the creation of a viable and contiguous Palestinian State more difficult. I reiterate my call to Israel to abide by its legal obligations as set forth in the 9 July 2004 advisory opinion of the International Court of Justice and resolution ES-10/15.

16. The Secretariat continued to provide regular monthly briefings to the Security Council on the latest developments in the Middle East and efforts to achieve a full and comprehensive peace, security and stability for the entire region on the basis of Security Council resolutions 242 (1967) and 338 (1973).

17. The Quartet (the United Nations, the European Union, the United States of America and the Russian Federation) intensified its work, meeting in September,

March, May and June of the reporting period. On 20 September 2005, Quartet principals gathered at the margins of the High-level Plenary Meeting of the sixtieth session of the General Assembly in New York. They discussed three clusters of issues: improving the daily lives of Palestinians; Palestinian security sector reform; and the participation of armed groups in the political process. The Quartet concluded that, in principle, those who wish to be part of the political process should not engage in militia or armed group activities, as there is a fundamental contradiction between such activities and the building of a democratic State.

18. The wider international community also signalled a greater interest and engagement in the Israeli-Palestinian conflict, particularly as disengagement approached. On 25 May 2005, United States President George Bush and President Abbas met for the first time since Mr. Abbas's election in January. United States Security Coordinator General William Ward was active in assisting Palestinian security sector reform and turned his attention to security coordination in preparation for the Israeli withdrawal. On 23 June 2005, the Group of Eight offered strong support at its annual Summit, at Gleneagles, pledging \$3 billion in aid to the Palestinian Authority once disengagement was completed.

19. The humanitarian situation of the Palestinian people in 2004 remained grave. About half of the Palestinian population lived below the official poverty line of \$2.10 per day, compared to just 22 per cent in 2000. Furthermore, 16 per cent of Palestinians (approximately 560,000 people) were in deep poverty. Unemployment increased more than threefold since 2000, reaching a figure of 238,000 unemployed in 2004, largely as a result of internal and external roadblocks in and to the occupied Palestinian territory. Palestinians continued to face problems reaching their places of work, schools and hospitals, and standards of health and education continued to deteriorate. In some parts of the territory, Palestinians' needs for additional humanitarian assistance rose sharply as a consequence.

20. I call upon the international community to provide adequate funding for the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) so that it can continue to deliver the necessary services to the Palestinian refugees. So far this year, UNRWA has received pledges covering 53 per cent of its financial requirements for its emergency appeal for refugees in the West Bank and Gaza Strip. Only \$110 million of the \$209.4 million needed has been pledged. With insufficient financial resources, the quality and level of the Agency's emergency humanitarian assistance will suffer, making the already very difficult life of the Palestinian people even more miserable.

21. For its part, the United Nations will continue to work towards a renewal of the peace process and continue in its efforts to alleviate the severe social and economic hardships of the Palestinian people. To this end, I will continue to press for renewed action in parallel by both parties on their obligations under the road map, which provides both Israel and the Palestinians the best opportunity to move beyond the conflict and towards peace, security and prosperity. The international community must continue to assist the parties to address economic, humanitarian, security and political issues simultaneously. The United Nations reaffirms its commitment to an independent, democratic and viable Palestinian State living side by side with Israel, as well as its commitment to the broader achievement of peace, security and stability for the entire region on the basis of Security Council resolutions 242 (1967), 338 (1973), 1397 (2002) and 1515 (2003), and in accordance with the road

map and the Arab peace initiative, presented by Saudi Crown Prince Abdullah, which culminated in the Beirut Arab summit declaration of 2002. The coordinated efforts of the international community are needed to support this process, and I will continue to maintain close and regular contact with members of the Quartet, the parties involved, regional leaders and the broader international community to capitalize on the progress made in the past year.

22. I would like to pay tribute to the late Palestinian President Yasser Arafat, who passed away on 11 November 2004. For nearly four decades, he represented the national aspirations of the Palestinian people. In 1988, he led the Palestinians to accept the principle of peaceful coexistence between Israel and a future Palestinian State.

23. Finally, I would like to pay special tribute to Alvaro de Soto, recently appointed as United Nations Special Coordinator for the Middle East Peace Process and my Personal Representative to the Palestine Liberation Organization and the Palestinian Authority, to the staff of the Office of the United Nations Special Coordinator, to newly appointed Commissioner-General Karen Koning AbuZayd of UNRWA, the staff of the Agency and all other United Nations agencies, who continue to provide excellent services while working under the most demanding and difficult circumstances.

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