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**The situation in the Palestinian  
Territories**

*Check Against Delivery  
Seul le texte prononcé fait foi  
Es gilt das gesprochene Wort*

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Mr President,

Honourable Members,

We are all extremely concerned by the events unfolding in the Palestinian Territories. These are disturbing times: the insecurity, the inter-factional violence, the Kassam rockets, the shellings.

The attack by militant Palestinian factions on Karem Shalom and the abduction of an Israeli soldier, followed by the Israeli military incursion into Gaza, signal a worrying escalation. The EU, in its statement last week, strongly condemned these acts.

Last week I called on both sides to take a step back, to exercise restraint. I now repeat that call.

All sides need to consider their responsibilities extremely carefully. All parties must abstain from any actions that are in violation of international law.

We must insist that the Palestinian leadership do all in its power to end violence and terrorist activities. The EU has called for the immediate and unconditional release of Corporal Gilad Shalit. This kind of act can only make things worse for the Palestinian people.

But we must also look to the Israelis to act with prudence. We understand their outrage but diplomacy offers the best chance to address the immediate priority - not the destruction of essential infrastructure, detention of members of the Palestinian Legislative Council or shelling of the Prime Minister's Office.

Recent events have considerably worsened the situation of the Palestinian population. That is both a source of sorrow and, I must admit, some frustration.

The damage to Gaza's only power station has deprived hundreds of thousands of Palestinians of electricity and could have serious humanitarian consequences.

Everything must be done to prevent the humanitarian situation worsening.

Israel has to understand its responsibilities for the wellbeing of the Palestinian population. An immediate step has to be the restoration of electricity to the Palestinian territories. Both sides need to step back from the brink before this becomes a crisis that neither can control.

Honourable Members,

We must do all we can to avoid an unacceptable economic and humanitarian situation in the Palestinian Territories.

Even before the latest events we were looking at a 30% fall in income, unemployment at 40% and 67% poverty levels.

But responsible politicians cannot give in to frustration. I visited Israel and the Palestinian territories two weeks ago. The principal aim of my visit was to bring Israel and President Abbas up-to-speed with European Council and Quartet decisions on the Temporary International Mechanism.

The mechanism is designed to provide immediate relief to the Palestinian people and to ensure basic services are provided. Discussions were positive.

While there is no doubt that events in Gaza and the West Bank have greatly complicated this effort, now more than ever we need to press ahead with the mechanism to help meet the basic needs of ordinary Palestinians.

A number of donors have indicated their willingness to make funds available through the mechanism. But the needs will be great, and funds are limited. The Commission has therefore sought the budgetary authority's approval to transfer funds from the Emergency Reserve.

I am grateful for the support of the European Parliament in this difficult endeavour and I am especially grateful for the very valuable exchanges of views I have had with the relevant committee chairs and leaders, and my discussions with AFET, when setting up the Mechanism. It is our collective responsibility as Europeans to help the Palestinians and to give peace a chance. I look forward to your continued support.

Honourable Members,

Let's be clear: the mechanism cannot be a panacea for all the difficulties in the Palestinian territories.

Donors cannot substitute for the responsibilities of the Palestinian government, which must take real steps to meet the Quartet principles and end the violence that threatens the lives of Israelis and Palestinians alike.

Nor can donors substitute for the responsibilities of Israel under international law, for freeing up movement and access, for releasing Palestinian customs and tax revenues or for the recent damage caused to key civil infrastructure.

Honourable Members,

The events of the recent days have undermined a fragile process that had just begun with the meeting of President Abbas and Prime Minister Olmert in Amman.

These events also come at a time when progress was being made on a national consensus agreement between Hamas and Fatah based on the prisoners' initiative. It remains to be seen whether this tentative agreement for a government of national unity will produce a leadership better able to meet its responsibilities. I have commended President Abbas for taking this initiative.

But, at the same time, I have been clear that this is not an end in itself, but only the start of a process. The Palestinian Government must, ultimately, commit itself to renouncing violence, recognising Israel and respecting previous agreements as set out by the Quartet.

We are faced with a grave situation in the Middle East. We have to work together to de-escalate the tension and to give diplomacy a chance. Because in all the chaos and confusion of the current situation, one thing is clear: a negotiated two-state solution is the only way to guarantee the security that ordinary people – Israelis, Palestinians and others - desire.

### **Concluding remarks**

Mr President,

Honourable Members,

I sense and share your deep concern at the escalation of events in the Gaza Strip.

I also understand the reactions in Israel to the kidnapping of Corporal Shalit: he must be released unharmed. And the Kassam rocket attacks from northern Gaza into Israel must stop.

But the Israeli military incursion into the Gaza Strip and the destruction of civilian infrastructure there punishes Palestinians collectively and puts civilian lives at risk. It raises questions about the respect of international law.

Is it in Israel's long-term interest? Doesn't it threaten to reinforce the vicious circle of poverty and extremism? The restoration of electricity and water supplies must now take place quickly, and with Israeli assistance.

The arrest of elected lawmakers threatens the institutions of the Palestinian Authority that will be necessary for the creation of an independent, democratic and viable Palestinian state. The EU has expressed particular concerns about the detention of these elected members of the Palestinian Government and legislature. Those detained must be accorded their full legal rights.

All sides must exercise restraint.

Mr President,

Honourable Members,

I spoke last year of the need for hope, for perspective, in the Peace Process, in the wake of Israel's disengagement from Gaza and the G8 plan to revive the Palestinian economy.

How different the situation looks today. Yet it is possible to step back.

We remain committed to a negotiated two-state solution, and will not recognise any change to the pre-1967 borders other than those agreed to by both sides.

We welcome President Abbas' efforts to create the widest possible Palestinian consensus in support of the objectives of the roadmap.

We are ready to work with any Palestinian government that renounces violence, recognises Israel and respects previous agreements, as set out by the Quartet.

We have reiterated our commitment for a negotiated, comprehensive, just and lasting settlement in the Middle East. The G8 common goal remains the creation of a viable, democratic and sovereign Israel and Palestine living in peace and security, side-by-side within internationally recognised borders.

And we stand by the Palestinian people, as our efforts to help meet their basic needs testify.

Thank you.