



THE SECRETARY-GENERAL

UK
Middle East Q

8 May 2009

Excellency,

I wish to thank you for your letter of 15 April 2009 addressed to all Quartet Principals in which you reported on your recent activity. I am grateful, in particular, for your frank assessment of the situation in Israel and the occupied Palestinian territory, and for the interesting ideas you put forward in your letter.

I am looking forward to a meeting of the Quartet in the near future. This would provide a chance to take stock of recent developments pertaining to the situation in the Middle East and the peace process.

Let me take this opportunity to express my gratitude for your tireless efforts in supporting the work of the Quartet. I am convinced that the cause of peace in the Middle East will continue to greatly benefit from your contribution in the period ahead.

Please accept, Excellency, the assurances of my highest consideration.

Ban Ki-moon
BAN Ki-moon

His Excellency
Mr. Tony Blair
Quartet Representative
London

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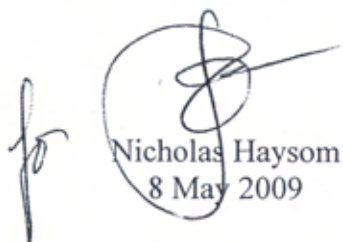
NEW YORK

EXECUTIVE OFFICE OF THE SECRETARY-GENERAL
CABINET DU SECRETAIRE GENERAL

! URGENT

To: Mr. Nambiar

Please find attached for your approval and SG's
signature a reply letter addressed to Quartet
Representative Tony Blair, on his assessment of the
situation in Israel and the oPt.


Nicholas Haysom
8 May 2009

Cc: KWS

29-04868

ACTION
COPY

MAY - 8 2009

29-04268

ROUTING SLIP

FICHE DE TRANSMISSION

TO: Mr. Nambiar, Chef de Cabinet, EOSG

THROUGH: Mr. Pascoe, USG, DPA

FROM: Lisa Buttenheim, Director, MEWAD/DPA

Room No. - No de bureau:
S-3341A

Ext:
3-2415

Date:
6 May 2009

FOR ACTION

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POUR SUITE A DONNER

FOR APPROVAL

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POUR APPROBATION

FOR SIGNATURE

POUR SIGNATURE

FOR COMMENTS

POUR OBSERVATIONS

MAY WE DISCUSS?

POURRIONS-NOUS EN PARLER?

YOUR ATTENTION

VOTRE ATTENTION

AS DISCUSSED

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RETURN

RETOURNER

FOR INFORMATION

POUR INFORMATION

MESSAGE:

Please find attached a letter to Quartet Representative Tony Blair on his assessment of the situation in Israel and the oPt.

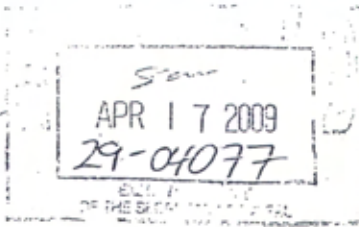
Drafter: Michael Contet (7-7025)

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Mr. Pascoe
NH



OFFICE OF THE
QUARTET
REPRESENTATIVE
RT HON TONY BLAIR

From Quartet Representative Tony Blair

DPA/OUSG

Wednesday 15 April 2009

Rec'd 20/4/09

Log# 09-1279

ACTION MEWARD

AS APPROPRIATE

BLP/SS/F ; ASG1

Dear Ki-moon ssi

It's a cliché to assert that any particular year is a critical year for progress to be made on the MEPP. In the case of 2009, it happens to be true.

To help inform debate among the Quartet on what needs to be done this year, I thought it would be useful, now we have a new Israeli government in place, to write to Quartet Principals to report on my most recent visit to the Middle East, on the situation on the ground as I see it and to set out some ideas on next steps.

My last visit to Israel

I have just finished a visit to Israel and the West Bank, where I had good discussions on next steps.

I found Prime Minister Netanyahu ready and willing to move forward quickly to effect transformative change in the West Bank. He claims to want this to be ambitious and far reaching. Above all, he says he wants to move quickly. I also tackled him on the need for a new approach on Gaza. He's still thinking this through. On the political process, he has yet to determine how he will engage. But we should not discount the possibility that this government will commit to a serious and credible political negotiation.

Palestinian unity talks are in limbo. It's likely that President Abbas will re-appoint Fayyad and a new (further improved) government. Understandably, Abu Mazen and Fayyad are keeping their own counsel on engagement with the new Government, until they have a better sense of what and how Netanyahu might deliver politically. But they're clear that they're ready to engage on a programme of transformative change in the West Bank.

So, as an early priority, we should hold both the Netanyahu Government and the PA to a commitment to delivering change on the ground in the West Bank. While the conditions have yet to ripen for fruitful political engagement, we have an opportunity now to start

locking in place substantive steps forward in terms of building the Palestinian economy and state.

I remain worried about Gaza. While Gilad Shalit is not free, I see little prospect for an early shift in the dynamic. Left as it is, however, there is a real chance that Gaza will re-erupt, and with far more devastating consequences than previously. For now, all parties appear ready for the relative calm to endure for a few more months. But the risks remain: rocket firing continues, albeit at a low frequency; and there has not been a substantive change in the regime at the crossings. It is Hamas that benefits, able to re-group, re-stock on weapons and maintain control over a burgeoning tunnel trade. So I believe it is worth making a concerted effort to persuade the Israelis to take a different approach for Gaza, at least opening it up for extended humanitarian help. If we cannot solve Gaza for now, we should manage it so as to prevent it overwhelming our work elsewhere. Needless to say, we should encourage all reasonable attempts to get Gilad Shalit free.

The way forward

We are emerging from a period of transition and hiatus, within Palestinian and Israeli politics and the broader international community. There's now a chance to move the peace process forward. I see an opportunity to build the context for a Palestinian statehood, building a new reality in the West Bank and, ideally, Gaza as well. We need to progress steadily to a point where Palestinians feel that the benefits of statehood – and particularly economic benefits – are within their grasp, and where Israelis feel Palestinian statehood can afford them sufficient security.

I believe – and I have discussed this intensively with Abu Mazen, Fayyad and Netanyahu – the following must happen:

1. We need the prospect of a credible negotiation towards a political agreement. Without this, there is a risk that the parties will look back on Annapolis as a high-water mark, rather than a key milestone on the way towards a settlement;
2. We need to implement an ambitious programme of truly transformative change in the West Bank. It needs to happen in the year ahead, and in advance of Palestinian elections slated for January next year. This calls for rapid and substantive development of the West Bank economy, achieving significant growth. But clearly this can't happen in isolation. To be meaningful, we will need the right enabling environment, with real improvements

in access and movement, reform and capacity building of Palestinian security and Rule of Law. We also need to take a hard look at Area C, where – setting aside the political arguments for now – there are strong economic reasons to develop a new and effective system by which Palestinians can build sustainable livelihoods;

3.

There must be a new and

better approach to Gaza. Large-scale humanitarian assistance needs to be allowed in. The crossings need to be opened. Goods need to flow through, with only a narrowly defined set of exceptions being barred from entry. A new policy will not boost Hamas, so long as the PA can demonstrate (a) that it's playing its role in rebuilding Gaza (including by getting cash in) and (b) prospects for real change in the West Bank.

Settlements, settlement outposts and their associated infrastructure are a key factor when we consider how to open up the West Bank to effect transformative economic change. Tackling the issue of settlements will be hugely challenging within the political process and will take time. But I and the OQR team in Jerusalem can in the meantime set to work with the PA and the Government of Israel to take bold steps on economic change and Palestinian state building which can be achieved. And there is no alternative but for us to seize the initiative, early.

So there's a great deal of work to do. My team is busy putting flesh on the ideas set out in the package of concept papers I shared with you last month. The team will be testing out practical proposals with Quartet partners immediately after the Easter break, in readiness for agreeing a solid, operational plan of change with the PA and the GoI as soon as possible. We look forward to consulting with you and coming to common conclusions on the best way forward.

Meanwhile, we mustn't lose sight of a few immediate tasks that we need to tackle, in support of Salam Fayyad's government:

The PA is desperate for

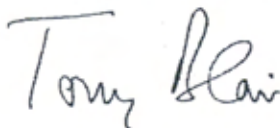
budget support, notwithstanding truly impressive pledges made at the latest Sharm Conference, much of them explicitly earmarked for the PA. The PA faces a US\$100 million recurrent gap in its finances, every month. Without this money, they struggle to pay salaries, social safety net payments, pensions, and so on. As I visited, the PA had succeeded – just – in securing further bridging finance from the banks. But we need to be clear; this situation cannot continue indefinitely;

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REPRESENTATIVE
RT HON TONY BLAIR

We cannot leave Gaza untended. Other so far unworkable plans aside, we need specifically to help the PA get cash into Gaza. While we all struggle to conceive of how the PA can establish itself on the ground in Gaza, getting cash in is one way in which the PA can continue to show that it provides a needed safety net for Gazans. During my last visit, the GoI approved the transfer of a further NIS 50 million to Gaza. This is a welcome and overdue step, but by no means enough. The Palestinian Monetary Authority needs to transfer urgently some NIS 200 million and \$28 million to provide enough liquidity for the private banks to service account holders. We need to get the GoI to the point where cash is going into Gaza, on a regular, predictable basis.

These are some ideas from me, which I hope you find useful. It would be good to discuss our overall strategy further, in an early meeting of Quartet Principals. When we have clarity on the next AHLC meeting, we should also aim to have a Quartet meeting in the margins. In the meantime, my team stand ready to discuss the ideas contained within this letter, and will be in touch with your officials to consult on a set of proposals for change in the West Bank.

Yours ever,



Ban Ki-moon
United Nations Secretary General

Sergei Lavrov
Foreign Ministry of the Russian Federation

Hillary Clinton
United States Secretary of State

Karel Schwarzenberg
Ministry of Foreign Affairs

Benita Ferrero-Waldner
Member of the European Commission

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Javier Solana
High Representative of the European Union
Brussels, Belgium