

EU HEADS OF MISSION Cover Note

Considering the EU's commitment to the two-state solution with an independent, democratic, contiguous and viable Palestinian state, comprising the West Bank, including East Jerusalem, and Gaza, living side by side in peace and security with the State of Israel;

Considering the developments in East Jerusalem and in particular the progressive separation of East Jerusalem from the rest of the West Bank, as demonstrated by the Jerusalem Report;

Considering the urgent need to address the situation in conformity with the EU position, in accordance with international law, that the acquisition of territory by force or the threat of the use of force is inadmissible;

Considering the EU Council Conclusions of 8 December 2009;

The Heads of Mission in Jerusalem and Ramallah herewith submit to the PSC the Jerusalem Report 2010 (Annex 1) and for discussion a series of recommendations to reinforce EU policy on East Jerusalem (Annex 2):

The Heads of Mission in Jerusalem and Ramallah recommend:

- A more active and visible implementation of EU policy on East Jerusalem.
 - Using meetings with Israeli authorities to give a clear and consistent message on East Jerusalem.
- Appropriate follow-up to the submissions.
 - Mandating HoMs in Jerusalem and Ramallah to continue the work to reinforce the EU policy on East Jerusalem.

[Annex 1]

EU HEADS OF MISSION REPORT ON EAST JERUSALEM

JERUSALEM AND THE PEACE PROCESS

1. Jerusalem is one of the most complex issues to be addressed in any peace process. The city embodies the essence of the conflict: territory, nationhood and religion. Since its occupation and annexation by Israel (illegal under international law and not accepted by the international community), the increasing integration of East Jerusalem into Israel has left Palestinian neighbourhoods ever more isolated. Israel is, by legal and practical means, actively pursuing its annexation by systematically undermining the Palestinian presence in the city. A recent Israeli law requires a two-thirds majority in the Knesset or approval in a referendum for withdrawal from occupied East Jerusalem. Moreover, the past year has again seen a further deterioration of the overall situation in East Jerusalem. If current trends are not stopped as a matter of urgency, the prospect of East Jerusalem as the future capital of a Palestinian state becomes increasingly unlikely and unworkable. This, in turn, seriously endangers the chances of a sustainable peace on the basis of two states, with Jerusalem as their future capital.

2. The continued expansion of settlements, restrictive zoning and planning, ongoing demolitions and evictions, an inequitable education policy, difficult access to health care, the inadequate provision of resources and investment and the precarious residency issue have not only serious humanitarian consequences, they undermine the Palestinian presence in East Jerusalem. The interlinked Israeli policies and measures continue to negatively affect East Jerusalem's crucial role in Palestinian political, economic, social and cultural life. This has contributed to the increasing separation between

East Jerusalem and the rest of the West Bank and Gaza. The wider political consequences of the above measures are of great concern. Over the past few years the changes to the city have run counter to the peace process. Attempts to exclusively emphasize the Jewish identity of the city threaten its religious diversity and radicalise the conflict, with potential regional and global repercussions. The interest of safeguarding the religious, historical and symbolic values of Jerusalem goes beyond the Israeli-Palestinian conflict. This EU HOMs Report on East Jerusalem aims to provide an update on the situation in the city and policy recommendations.

EU POLICY

3. EU policy regarding East Jerusalem is based on the principles set out in UN Security Council Resolution 242, notably the inadmissibility of acquisition of territory by force. In accordance with international law, the EU regards East Jerusalem as occupied territory and has never recognised the Israeli 1980 Basic Law (Jerusalem, Capital of Israel) which annexed Jerusalem as Israel's "complete and united" capital and modified the city's municipal borders. This is in line with UNSC Resolution 478 in which the Security Council decided not to recognise this Basic Law and other actions that "seek to alter the character and status of Jerusalem". The resolution also calls upon all UN Members that had established diplomatic missions in Jerusalem "to withdraw such missions from the Holy city". The EU considers Jerusalem as a final status issue in the Israeli-Palestinian conflict and opposes any measures that would prejudice the outcome of peace negotiations, such as actions aimed at changing the status of East Jerusalem.

4. In conferences held in 1999 and 2001, the High Contracting Parties to the Fourth Geneva Convention reaffirmed the applicability of the Convention to the Occupied Palestinian Territory, including East Jerusalem, and reiterated the need for full respect for the provisions of the said Convention in that territory.

5. In 2004, the EU acknowledged the Advisory Opinion of the International Court of Justice (ICJ) on the "Legal Consequences of the Construction of a Wall in the Occupied Palestinian Territory". While the EU recognises Israel's security concerns and its right to act in self-defence, its position coincides with the ICJ Advisory Opinion according to which the sections of the barrier route which run inside the West Bank, including East Jerusalem, together with the associated gate and permit regime, violate Israel's obligations under international law.

6. The Council conclusions of 8 December 2009 reaffirm the longstanding EU policy. According to the Conclusions, the EU will not recognise any changes to the pre-1967 borders including with regard to Jerusalem, other than those agreed by the parties. The EU has never recognised the annexation of East Jerusalem and states that "*if there is to be a genuine peace, a way must be found through negotiations to resolve the status of Jerusalem as the future capital of two states*". The EU has repeatedly urged the Government of Israel to immediately end all settlement activities in East Jerusalem which the EU considers illegal under international law and calls on the Israeli government to cease all discriminatory treatment of Palestinians in East Jerusalem

SETTLEMENTS

7. The demographic factor is a central element in Israeli policy. In 1967, Israel extended its jurisdiction over East Jerusalem. At the same time, by adding some 70 km² it redefined the municipal boundaries of Jerusalem. Today, some 924 000 people live within these municipal boundaries, of which around 30 percent are Palestinian. It has been a stated aim in official planning documents to prevent the Palestinian population from becoming more than 30 percent of the municipality's total population. Successive Israeli governments have pursued a policy of transferring Jewish population into the occupied Palestinian territory (oPt) in violation of the Fourth Geneva Convention and international humanitarian law. In East Jerusalem 35 percent of the land has been expropriated for "state land". Only citizens of Israel or those legally entitled to claim Israeli citizenship (i.e. Jewish) can buy property built on state land. As a consequence, out of a total of more than 500 000 settlers in occupied Palestinian land some 190 000 Israeli settlers today live in settlements inside East Jerusalem. Between 2001 and 2009, 37 percent of all settlement housing units in the occupied Palestinian territory were located in East Jerusalem.

8. In 2003, Israel committed under the Roadmap to reach a permanent agreement that would include a negotiated solution on the status of Jerusalem and to freeze all settlement activity, including “natural growth”. The Israeli government reaffirmed its Roadmap commitment to a settlement freeze at the Annapolis conference in 2007. In November 2009, the Israeli government announced a 10-month settlement moratorium (expiring at the end of September 2010) which resulted in a partial freeze of construction of new settlement housing units in occupied Palestinian territory. However, based on Israeli claims that the Jerusalem municipality constitutes Israeli territory, the commitment to stop settlement activity has never been interpreted by the Israeli government as applying to East Jerusalem. For several months during the first half of 2010, a decrease of settlement activity in East Jerusalem has been noted. Since the end of the moratorium, however, renewed settlement activity has taken place.

9. There are two kinds of settlements in Jerusalem:

a) Small settlement buildings or compounds established by ideologically motivated settlers predominantly in the Old City and the Historic Basin. By establishing these settlements in the midst of Palestinian neighbourhoods the settlers are creating new facts on the ground by attempting to prevent a division of the city, taking advantage of the so called Clinton parameters (i.e. an understanding that neighbourhoods that are Jewish will become Israel and those that are inhabited by Palestinians will become part of a Palestinian state).

b) Israeli Government initiated Jewish “neighbourhoods” built on land occupied by Israel in 1967. These settlements can be divided into two rings - outer and inner - which squeeze East Jerusalem and separate Palestinians from the city.

Settlements in the Old City – Historic Basin

10. The Old City and its immediate environs to the south and east are commonly referred to collectively as the Historic Basin. This area includes the Palestinian neighbourhoods of Silwan, Ras al-Amud, At-Tur, Wadi al-Joz and Sheikh Jarrah and contains the majority of the historical and holy sites of Jerusalem. These are Palestinian residential areas, but since the occupation of East Jerusalem in 1967, the land has progressively fallen under the control of various pro-settlement Jewish organisations. Today, it is estimated that around 5000 settlers live in the area. The focus of the settler organisations has included settlement activity related to excavation of archaeological sites, services for tourists and recreational facilities. In spite of the fact that these activities are often being implemented by private organisations, such as Ataret Cohanim and El’ad (see archaeology section), they still form part of an overall pro-settlement strategy, the realisation of which is facilitated by the Government of Israel as well as the Jerusalem municipality.

11. The strategic settlement push is made evident through the continued expansion of settlement activities around and within the Historic Basin. This creates a settlement continuum, comprised by a swath of smaller settlements, public parks, archaeological sites and tourist complexes along the eastern and southern wall of the Old City. These activities effectively encircle and contain the Historic Basin, cut off the territorial contiguity between the Palestinian neighbourhoods of East Jerusalem and the Old City and separate the Muslim and Christian holy places from the rest of East Jerusalem.

12. Various methods are used to strategically gain control of Palestinian properties: through the Absentee Property Law, on the basis of claimed Jewish ownership (pre-1948), or through the purchase from the owners. As a consequence, land and property have gradually fallen under the control of various private settler organizations, often with state support. Documents released in early November 2010 point to irregularities in the way that Israeli state-seized land was passed to settlement organisations without the proper tender processes and due diligence. This raises questions over the extent of influence settlement organisations enjoy inside the relevant authorities. At the same time, under Israeli law Palestinians are precluded from reclaiming pre-1948 property in Israel or in West Jerusalem.

13. Moreover, private Israeli settler organisations have continued to take over property within the Old City where today the number of Jewish settlers is estimated at around 4000. These settlers presently occupy property in all quarters of the Old City. Often these properties are wedged tightly in between existing Palestinian dwellings (sometimes settlers will occupy individual apartments in buildings also inhabited by Palestinian families). The close proximity between settlers and Palestinians in the Old

City only adds to the considerable tension that already exists in the area. In July 2010, settlers seized a two-storey house in the Muslim quarter, thereby displacing several Palestinian families. In Sheikh Jarrah, preparations for building activity are in place on the Shepherd's Hotel site. In March 2010, building permits were issued for 20 new housing units on the site.

14. In January 2010, the Municipality approved construction permits for 24 new apartments in four buildings in the private settlement of Beit Orot on the Mount of Olives. There are currently 14 families and 80 yeshiva students living in the settlement which is in the middle of a Palestinian neighbourhood. In the neighbourhood of Ras al-Amud, renovation and construction work started for 14 new apartments in the old Police Station, although the permits have not yet been issued. The plan is to expand the nearby settlement of Ma'ale Zeitim from 60 housing units to more than 200 by incorporating this new site.

15. Concerns remain about the Open Spaces project, which foresees, inter alia, in the establishment of a sequence of gardens and parks around the Old City, running through Palestinian neighbourhoods. The plan risks furthering limit Palestinian construction and living space in East Jerusalem.

The Inner Settlement Ring

16. The inner ring comprises large government-initiated settlements within the Israeli-defined municipal boundary of Jerusalem. They are home to approximately 190 000 Israeli settlers. Wedged in between East Jerusalem and the rest of the West Bank, these settlements in combination with the barrier effectively cut Jerusalem off from the rest of the West Bank.

17. As from November 2010, administrative planning procedures for settlement activity in East Jerusalem have resumed very intensively. Four new town plan schemes (the first since March) have been approved for public review, altogether for 1 275 new housing units in the settlements Ramot and Har Homa and 625 in Pisgat Ze'ev. The expansion of Har Homa, in particular, implies the further completion of the inner ring as it foresees housing units outside the already built-up area. Also in November 2010, the Israeli authorities advanced East Jerusalem settlement construction by issuing tenders for the construction of 238 housing units in the settlements of Ramot and Pisgat Zeev. An additional 479 tenders were issued for construction in Har Homa, Gilo, Pisgat Ze'ev and East Talpiot (on the basis of plans approved prior to 2010). Finally, the implementation of a controversial construction project to build four new hotels, with 1 400 rooms in No-Man's Land near Talpiot was revived in early July (but has been temporarily shelved following international protest).

The Outer Settlement Ring

18. The outer ring consists of settlements outside Jerusalem's municipal boundary but largely on the west side of the barrier. These settlements further isolate Jerusalem from the rest of the West Bank. They include the three main "settlement blocks": Giv'at Ze'ev, Ma'ale Adumim and the Gush Etzion bloc, home to approximately 100 000 settlers.

19. Concerns remain about areas that have been designed for further settlement expansion, such as the E1 area (situated between Jerusalem and the Ma'ale Adumim settlement). In this area, there is a long-standing plan to build a new settlement with 3 500 units for around 14 500 settlers. The plan includes an industrial park, a police station, large-scale infrastructure, commercial development and recreational facilities. In 2008, the police headquarters of "Judea and Samaria" moved to E1. The implementation of the E1 project would not only divide the West Bank into a northern and a southern part but also, by establishing contiguity between the settlements and Jerusalem, be the final step to geographically cutting off East Jerusalem from the rest of the West Bank.

ARCHAEOLOGY

20. A clear example of government involvement in settlement activities in the Historic Basin is the outsourcing of archaeological undertakings to private Israeli pro-settlement organisations. The use of archaeology as a politico-ideological tool in the Wadi Hilweh area just south of the Temple Mount/Haram Al-Sharif (often referred to as the "City of David" area) is a source of increasing concern. According to historic accounts, biblical Jerusalem originated in this area some 3 000 years

ago and the place has been the subject of numerous archaeological excavations throughout the last century.

21. The management of the various archaeological sites in Wadi Hilweh/City of David has now been largely placed in the hands of a pro-settlement Jewish NGO by the name of El'ad. Over the years this organisation has successfully obtained an increasing amount of government funding for its archaeological undertakings. The organisation has entered into a partnership with the Israel Antiquities Authority which is paid directly by El'ad to physically carry out the excavations without Palestinian involvement or international oversight. Furthermore, with the support of the Jerusalem municipality, El'ad has been successful in securing a contract from the Israel Nature and Parks authority to manage an archaeological visitors' park in Wadi Hilweh/City of David. Consequently, not only the excavation, but also the presentation of the archaeology of ancient Jerusalem has been outsourced to El'ad.

22. This has resulted in a strong monopolisation of the historical narrative, exploiting the biblical and Jewish-Israeli connotations of the area while effectively disenfranchising Arab/Muslim claims of historic-archaeological ties to the very same place. The overarching purpose of such a pre-programmed approach to the presentation of archaeological evidence in the area seems to be a concerted effort to utilize archaeology to enhance a claimed historic Jewish continuity in Jerusalem, thereby creating a historic justification for the establishment of Jerusalem as the eternal and undivided capital of Israel.

PLANNING, DEMOLITIONS AND EVICTIONS

23. The planning regime of the Jerusalem municipality remains a source of concern as it places severe restrictions on the building of Palestinian housing in East Jerusalem. Many Palestinians live under the threat of having their house demolished and being evicted, adding to the existing tensions. These restrictions result in a housing shortage in East Jerusalem and regular demolitions of Palestinian-owned structures.

24. According to the planning regime, 13 percent of the land in East Jerusalem is currently zoned for Palestinian construction (compared to 35 percent which is allocated for Israeli settlements). Only within this 13 percent, which is already densely built upon, Palestinians have the possibility of obtaining an Israeli-issued permit to build, repair or maintain their homes and livelihood-related structures. Administrative requirements, however, make it extremely difficult for Palestinian residents in East Jerusalem to obtain such permits. In addition, the procedures take several years and usually entail a prohibitive cost.

25. Over the past years Palestinians have received fewer than 200 building permits per year. Based on the population growth, permits for 1 500 housing units annually would be necessary to cover the housing needs.

26. As a consequence of the restrictive planning regime, there is an acute housing shortage in East Jerusalem. In addition, Palestinian houses are overcrowded and in a bad condition. The planning regime poses a difficult dilemma for Palestinian families: they have the choice between migrating outside the municipal area of Jerusalem (and losing their residency status) or building without the necessary building permit. According to UN OCHA, at least 32% of Palestinian structures in East Jerusalem lack such a permit, putting approximately 88 000 Palestinians at risk.

27. Buildings constructed without a permit are considered illegal by the Israeli authorities who issue demolition orders against them. Unofficial sources estimate that up to 1 500 'illegally' built residential buildings in East Jerusalem currently have demolition orders against them. In the course of this year, UN OCHA recorded the demolition of 50 Palestinian-owned structures in East Jerusalem, thereby affecting over 250 people (half of whom are children). Families are not only fined for having constructed their houses without a permit, they can also be charged for the costs of the demolition. As a means to avoid such fines, some Palestinian families are carrying out so-called self-demolitions (estimated at 6 this year).

28. The Jerusalem municipality acknowledges the planning crisis in East Jerusalem. The city's new planning policy for East Jerusalem, presented in December 2009, aims at a "significant expansion of the number of floors and of the building ratio with regard to the approved plan, many solutions for adding residential units in the area, and a response to the existing hardship". According to some

planning experts, however, the new policy will not cause any significant progress in the densely populated and poorly-maintained Palestinian neighbourhoods.

29. The take-over of Palestinian property is often associated with the eviction of Palestinian residents. Throughout 2010 there have been 3 cases where Palestinians have been forcibly evicted, two in the old city, one in Jabal Mukabber. In these cases, the properties have been taken over by Israeli settlers or settler organisations under police protection. These evictions have affected approximately 70 people this year. In Sheikh Jarrah, over 60 Palestinians lost their homes over the past years and an estimated 500 remain at risk of forced eviction, dispossession and displacement in the near future.

RESIDENCY STATUS

30. Restrictive measures continue to apply in relation to the ID and residency status of Palestinians from East Jerusalem. Following the Israeli occupation of East Jerusalem in 1967, Palestinian residents of the city have been given the civil status of “permanent residents” of Israel. This status gives them the right to live in Jerusalem and work in Israel without the need for a special permit. To retain this status residents are forced to regularly prove that they adhere to the strict criteria that demonstrates Jerusalem is the centre of their life. If they fail to convince the Israeli authorities their status is revoked and they lose their right to reside in the city. Between 1967 and mid-2010, some 14 000 Palestinian residents of Jerusalem have had their status revoked. Unlike Israeli citizenship, permanent residency is not automatically passed on to non-Jewish children, who only receive permanent residence under certain conditions. This leads to difficulties in the registration of children - where one parent is a Jerusalem resident and the other is from rest of the West Bank or Gaza Strip - with the Jerusalem Centre for Socio-Economic Rights estimating that there are as many as 10 000 unregistered children in East Jerusalem. The inability to become registered makes it very difficult for these children to access basic education, health and other social services. Around 5 500 children in school age are not registered and therefore do not attend school.

31. As permanent residency is not automatically transferred through marriage, a Palestinian resident of East Jerusalem who marries a Palestinian from the West Bank or Gaza Strip, and wishes to reside in the city with his/her spouse must apply for family unification. Applications for family reunification and ID cards and identification for children and spouses involve a long, expensive bureaucratic process. In 2003, Israel introduced the Nationality and Entry into Israel Law which disproportionately impacts residents of East Jerusalem, under which they are forbidden from family unification not only with their spouses, but also with their children.

32. In June this year, the Israeli authorities invoked “breach of loyalty to the state of Israel” in order to withdraw the residency rights for three members of the Palestinian Legislative Council as well as for a former Palestinian Minister of Jerusalem Affairs.

ACCESS AND MOVEMENT

33. The route of the separation barrier and its associated permit regime continue to have a serious humanitarian, social and economic impact on Palestinian life. It continues to sever the connection between East Jerusalem and the wider West Bank and between Palestinian communities in East Jerusalem itself.

34. The construction of the separation barrier in East Jerusalem, which started in 2002, continued throughout 2010. In the area around the Jerusalem municipality, the barrier measures around 168 kilometres, of which only 3 percent runs along the 1967 Green Line. The main reason behind this deviation is the integration of 12 Israeli settlements (and space for their future expansion).

35. The route of the barrier changes the de facto boundaries of Jerusalem and, in some cases, runs through the middle of densely populated Palestinian neighbourhoods. As a consequence, a number of Palestinian communities (such as Kafr ‘Aqab and Shu’fat) within the Jerusalem municipal boundary find themselves on the ‘West Bank’ side of the barrier. These communities need to cross checkpoints to access the health, education and other services to which they are entitled as residents of Jerusalem. The barrier also affects 16 West Bank localities which are trapped on the ‘Jerusalem’ side of the Barrier. These communities face uncertain residency status, impeded access to basic services and fear of displacement.

36. In April this year construction of the barrier around the Palestinian village of Al Walaja resumed. The construction works have led to the confiscation of land and the uprooting of trees. Once completed, the barrier will completely encircle the village (which will only be accessible through a tunnel) and cut off farmers from much of their agricultural land.

37. Palestinians who do not have residency rights in East Jerusalem or do not have Israeli citizenship need a permit to enter Jerusalem. Access for those Palestinians granted permits is restricted to three out of the 14 barrier checkpoints: Qalandiya, Gilo and Zaytoun. The permit is difficult and time consuming to obtain and is subject to a number of conditions, e.g. a time limit or a ban on driving a car or staying overnight. West Bank ID holders with permits for Jerusalem or Israel must enter and exit through the same checkpoint and risk having their permits revoked if this is not complied with. Permits are suspended during security closures and often during Jewish holidays.

EDUCATION

38. Inadequate numbers of classrooms, the substandard condition of existing facilities and several access restrictions have a severe impact on the educational sector in East Jerusalem. Many students fail to complete the secondary cycle and the drop-out rate is much higher than in West Jerusalem. Palestinian students face serious difficulties in reaching educational services, reporting longer journeys and delays in getting to educational facilities. The same holds true for students from Jerusalem who wish to attend a school on the other side of the separation barrier.

39. The East Jerusalem school system continues to have a shortage of approximately 1 000 classrooms; only 39 new classrooms have been built recently. Planning restrictions hinder the construction of new school facilities and some schools are threatened by demolition and sealing orders. Due to this shortage, children often study in overcrowded, makeshift classrooms in facilities that are not built for educational purposes and that lack libraries or even playgrounds. The Israeli NGO ACRI estimates that 50 percent of East Jerusalem classrooms were unsuitable or substandard in 2009. East Jerusalem students are also disadvantaged with regard to financing of education. According to the Jerusalem municipality, students attending primary schools in East Jerusalem receive only one fourth of the budget that students in other parts of the city receive. Only some 20 percent of the general municipal education budget is spent in East Jerusalem.

HEALTH

40. While East Jerusalemites on the Jerusalem side of the separation barrier have the possibility to enjoy Israeli health insurance and access to adequate health care, those Jerusalem residents caught on the "West Bank" side of the barrier regularly have their right to appropriate healthcare denied.

41. Furthermore, key secondary and tertiary care which is not available in the West Bank or Gaza, including treatment for diabetes, cancer and cardiovascular disease, are only provided for by East Jerusalem's hospitals (non-governmental). West Bank Palestinians, who make up about 60 percent of all admissions to these hospitals, require permits to enter Jerusalem for treatment. Patients needing emergency treatment available only in Jerusalem are especially affected by the delays caused by the Israeli access restrictions. General closures of checkpoints by Israeli authorities further impede access to the East Jerusalem hospitals for treatment as, except for emergency cases, other medical access permits become temporarily invalid; there were a total of 50 days of general closure in the 12-month period ending in March 2010.

42. Since 2008 all permit-holding medical personnel, excluding doctors, who live in the West Bank are only allowed to cross through the three main checkpoints (Qalandiya, Gilo and Zaytoun). Only doctors continue to have a special stamp on their permits allowing them to use any checkpoint to reach East Jerusalem. These further access restrictions result in long delays and impede the efficient functioning of hospitals and the delivery of quality health-care services.

43. East Jerusalem hospitals are prohibited by the Israeli Ministry of Health from importing medical equipment and medicine from the West Bank creating supply and logistical problems for the hospitals and resulting in higher costs. Furthermore each hospital has a quota for the number of new staff they can employ from the West Bank. Trainee medical personnel also require access to the hospitals in

order to complete their studies (and therefore meet the future needs of health sector staffing) and some 90 percent of these students are from the West Bank. In June 2010 a number of these students were denied renewal of their permits by the Israeli authorities.

44. Though East Jerusalemites are included in and contribute to the Israeli health system their access to health care is also restricted by the security requirement for Israeli ambulance staff to enter Palestinian neighbourhoods in East Jerusalem only under police escort. Requests for the dispatch of ambulances regularly result in unnecessary, and potentially life-threatening, delays for Palestinian residents in East Jerusalem.

ECONOMY

45. The economic situation in East Jerusalem remains a major source of concern. The barrier continues to have a particularly adverse impact on the traditionally strong trade links between the West Bank and East Jerusalem. There are, for instance, restrictions on the import of dairy products and vegetables from the West Bank to East Jerusalem. A recent draft law aims at forbidding Palestinians to work as tour guides. This would not only deprive visitors of a Palestinian perspective on Jerusalem but also represent a significant cut in income for Palestinians in East Jerusalem.

46. While Palestinians constitute approximately 30 percent of the population in Jerusalem, approximately 10 percent of the municipal budget is spent in Palestinian areas. The provision of services in East Jerusalem by the Jerusalem Municipality is inadequate. Palestinian areas are characterised by poor roads, little or no street cleaning, limited sewage systems and an absence of well-maintained public spaces, in sharp contrast to areas where Israelis live (in both West Jerusalem and East Jerusalem settlements).

47. Poverty figures in East Jerusalem are far higher than in other areas of the city. According to data published by the National Insurance Institute, 75,3 percent of Palestinian adults and 83,1 percent of Palestinian children in East Jerusalem live below the poverty line. Over 95 000 children in East Jerusalem are estimated to live in a permanent state of poverty.

TRANSPORT INFRASTRUCTURE

48. A number of completed or ongoing infrastructure projects contribute to the Israeli control over occupied East Jerusalem. A tramway/light rail will connect Israeli settlements in East Jerusalem with the centre in West Jerusalem. Its construction has continued throughout 2010 and is scheduled to be completed within the coming months. The first line of this tramway will pass through the Palestinian neighbourhood of Shu'fat and touch the southern border of Beit Hanina.

49. A separated and inferior set of roads for Palestinians is being set up around Jerusalem. A series of bypass roads, to the east of Jerusalem, are currently being built and will connect Palestinian neighbourhoods outside of the separation barrier north and south of Jerusalem. The apparent purpose of the Israeli authorities for these roads is to secure so-called "transport contiguity" for Palestinians living in the north and the south of the West Bank, who are in fact already denied travelling from Ramallah to Bethlehem through East-Jerusalem. It is intended that one of the main roads linking Hizma to Az Zayyem will have restricted access by a further Israeli checkpoint in Anata (north of Ma'ale Adumim). It is separated by a wall from a parallel road reserved for Israeli vehicular use only, which connects the settlement of Ma'ale Adumim to Jerusalem.

50. At least two other roads are currently under construction: the first one is Route 20, a lateral bypass road that will create a direct link between road 443 (west of Ramallah) and Pisgat Zeev. It will be reserved for Israelis and Palestinian residents of Jerusalem. The second one is an additional access road south of Ma'ale Adumim, reserved for Israeli use only and aiming at facilitating traffic and access to Ma'ale Adumim. Land confiscations for another bypass road for Palestinian traffic have taken place south of the Ma'ale Adumim/E1 area. The cumulative effect of this new road grid will further restrict Palestinian traffic in the Ma'ale Adumim/E1 area. Bedouin communities, who are disregarded in the planning process, have already been displaced from this area.

PALESTINIAN INSTITUTIONS

51. In 1993 the then Foreign Minister of Israel in a letter to his Norwegian counterpart acknowledged the importance of Palestinian institutions in East Jerusalem, adding that their activities would not be hampered. In 2001, however, Israel decided to close most of these institutions. The Roadmap required Israel to reopen the institutions whilst the EU, in its December 2009 Council conclusions, also called for the reopening of Palestinian institutions.

52. Nonetheless, Israeli authorities continue to renew the order of closure of numerous institutions every six months (the latest on the 25 July, extending the closure for another six months as of the 9 August 2010), basing its decision on claims that the institutions are affiliated to the Palestinian Authority and, therefore, in violation of the Oslo Agreements. This development contributes to undermining the role of Jerusalem as an engine and centre of Palestinian society.

53. The institutional and leadership vacuum in East Jerusalem created by the prolonged closure of those institutions, in particular that of the Orient House, which functioned as the PLO focal point in East Jerusalem, remains a key concern. Palestinian politicians active in Jerusalem are subject to repressive measures by Israel. This void continues to seriously affect all spheres of life of Palestinians in East Jerusalem (political, economic, social and cultural) and foster a growing fragmentation of society at all levels, the isolation of communities and a weakened collective sense of identity. Equally worrisome is the general sense of neglect felt by many Palestinian East Jerusalemites and the absence of Palestinian state-sponsored institutions and secular organisations, as they allow more space for Islamic extremist organisations to extend their influence.

ACCESS TO RELIGIOUS SITES

54. Jerusalem is a city of significant importance to the three monotheistic religions and the location of many of their most sacred sites. Access restrictions and closure regimes, however continue to impede visits by Christian and Muslim religious worshippers to some of their holy sites, located in Jerusalem/the Old City, throughout the year. The restrictions are typically tightened during religious holidays. During the month of Ramadan, many Muslims cannot observe their prayers at the mosque of their choice, notably at the Al Aqsa Mosque. This was again the case in 2010, when access for Palestinians with West Bank IDs was restricted to men over 50 and women over 45 and boys and girls under 12. Men between 45 and 50 and women between 30 and 45 had to apply for special permits. This implies that 40 percent of the West Bank population was denied access to Friday prayers. However, it should also be noted that the functioning of checkpoints around Jerusalem during the Ramadan period was more orderly than in the past.

55. In 2010 Israeli authorities again invoked security reasons to intensify the restrictions on the access of Christian pilgrims to the Old City during the Holy Fire Ceremony of Christian Orthodox Easter and Palm Sunday. Similar restrictions are not put in place for the Jewish population during their religious holidays. Furthermore, many believers of the Christian and Muslim faiths, for various reasons, face difficulties in obtaining or extending visas, including for visiting clergy. Members of churches and religious communities as well as volunteers working for them requesting long term visas are typically subject to long, complicated and opaque procedures.

THE HARAM AL-SHARIF/TEMPLE MOUNT

56. Developments at the Haram al-Sharif, or Temple Mount, are significant in several respects - they are a cause of tension locally between the various communities, but also receive attention globally, such as the large demonstrations by Muslims whenever they perceive the Muslim position in Jerusalem to be undercut. For this reason, this site is one of the most sensitive in Jerusalem and therefore, any event happening on it or around it is likely to have serious repercussions.

57. In 2010, the Haram al-Sharif/Temple Mount area continued to see heightened tension and inflammatory actions which led to riots and demonstrations in Palestinian neighbourhoods. Repeated provocative visits of the Haram area by Jewish radical political and religious groups, which continue to occur during 2010, are highly problematic. On several occasions Israeli forces entered Al Aqsa Mosque and confronted stone-throwing Muslims. The perceived threat to religious places promotes rumours which in turn can lead to violent encounters between the various groups.

58. The disputes regarding various construction projects (e.g. “archeological tunnels”, recent plans to alter of the Western Wall plaza) serve as examples of a lack of consensus-building by Israel around those projects in sensitive areas of the city. Work on the Mughrabi Gate has proven a particular example of this in 2010. The Waqf, the Islamic body responsible for the Haram al-Sharif compound, has expressed concern regarding the construction by the Israeli Authorities, without their agreement, of a new bridge to replace the collapsed ramp leading to the Mughrabi Gate. Work on the Mughrabi Gate, the passageway between the Wailing Wall Plaza and the Temple Mount / Haram al Sharif, started again in September after the Jerusalem District Court's decision to authorize the work. The Waqf believe that the damage caused to the ramp is negligible and could be fixed without replacing the whole structure. They suspect this may be used as an opportunity to undertake new excavations under the ramp or as seemed to be originally planned (prior to the Court’s ruling against it) to expand the area of the Wailing Wall Plaza. A new plan for the Mughrabi Gate, revealed in November this year, seems to be less far-reaching in the sense that it does not include any expansion of the Plaza. The Waqf, however, was again not consulted in the process.

[Annex 2]

Reinforcing the EU policy on East Jerusalem

The submissions made by Heads of Mission in Jerusalem and Ramallah 2010 are largely congruent with those of 2009. Keeping in mind the sensitivity of the situation in Jerusalem, they have been drawn up in a spirit that aims to maintain the possibility of a two-state solution as set out in numerous statements by the EU, not least the Council Conclusions of 8 December 2009. They thus remain valid, but have been adapted and updated reflecting the situation as set out in this year’s report – highlighting specific actions aiming to maintain the Palestinian social fabric in East Jerusalem on a political, cultural and economic level.

A. East Jerusalem as the future Palestinian capital

- 1) In conformity with the objectives of the Strategic Multi-sector Development Plan for East Jerusalem, promote a coordinated approach and a coherent Palestinian strategy towards East Jerusalem.
- 2) Promote the establishment of a PLO focal point/representative in East Jerusalem.
- 3) National or Europe Day events to be held in East Jerusalem (when suitable at Palestinian institutions).
- 4) EU missions with offices or residences in East Jerusalem to regularly host Palestinian officials with senior EU visitors.
- 5) Avoid having Israeli security and/or protocol accompanying high ranking officials from Member States when visiting the Old City/East Jerusalem.
- 6) Prevent/discourage financial transactions from EU MS actors supporting settlement activity in East Jerusalem, by adopting appropriate EU legislation.
- 7) Compile non-binding guidelines for EU tour operators to prevent support for settlement business in East Jerusalem (e.g. hotels, bus operators, archaeological sites controlled by pro-settler organisations etc).
- 8) Ensure that the EU-Israel Association Agreement is not used to allow the export to the EU of products manufactured in settlements in East Jerusalem.
- 9) Raise public awareness about settlement products, for instance by providing guidance on origin labelling for settlement products to major EU retailers.
- 10) Inform EU citizens of financial risks involved in purchasing property in occupied East Jerusalem.

B. Reopening of Palestinian institutions in East Jerusalem

- 1) Highlight the reopening, as stipulated in the Road Map, of Palestinian institutions in high level meetings with Israeli representatives, as well as in the EU and Quartet discussions and statements.

- 2) Host Palestinian Jerusalem civil society events in cultural offices, consulates and diplomatic residences until institutions are reopened.
- 3) Explore the use of Palestinian institutions to promote joint EU-PLO interests.

C. Economic and social rights of the Palestinian population

- 1) Provide assistance to ensure that Palestinians are included in the development of urban masterplans in East Jerusalem in order for i.e. Palestinian housing needs to be met.
- 2) In high level meetings, stress the EU's serious concerns regarding inadequate emergency services, e.g. ambulances, fire fighting and policing for all residents in East Jerusalem.
- 3) Coordinate, fund and support projects in East Jerusalem.

D. Religious and cultural dimension of the city

- 1) Support and encourage inter-faith dialogue in Jerusalem.
- 2) Encourage Arab countries to acknowledge the multicultural dimension of Jerusalem, including its Jewish and Christian heritage.
- 3) Engage in informing (e.g. web sites etc) EU citizens undertaking visits on the political situation in East Jerusalem.

E. Strengthen the role of the European Union

- 1) Enhance local coordination between Quartet actors for input into policy making and decisions.
- 2) Ensure EU presence when there is a risk of demolitions or evictions of Palestinian families.
- 3) Ensure EU presence at Israeli courts cases on house demolitions or evictions of Palestinian families.
- 4) Ensure EU intervention when Palestinians are arrested or intimidated by Israeli authorities for peaceful cultural, social or political activities in East Jerusalem.
- 5) Operationalise the EU policy on bringing high level visitors to sensitive sites (e.g. separation barrier etc).

- on logistics for high level visitors (e.g. choice of hotel, change of transport East/West)

- on contacts with the Jerusalem Mayor and on refraining from meeting Israeli officials in their East Jerusalem offices (e.g. in the Israeli Ministry of Justice etc)

- on information sharing on violent settlers in East Jerusalem to assess whether to grant entry into the EU.