

headquarters on 12 February. (A third internal EU document, on Israel's Arab minority, was prepared by the European embassies in Israel during the quarter, but not leaked in full. For a description, see Barak Ravid, "Secret EU paper aims to tackle Israel's treatment of Arab minority" in the "Selections from the Press" section.)

The document consists of a cover note (in effect a Preamble followed by brief recommendations) and two annexes: the report itself and a restatement of EU policy on East Jerusalem. Only one of the five rubrics in Annex 2 concerned East Jerusalem as the future Palestinian capital, and is excerpted below. The footnotes have been omitted for space. The complete document can be obtained at <http://www.ipk-bonn.de/politik/news/2012021100.html>.

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 that the developments in East Jerusalem, in particular the systematic increase in settlement activity as demonstrated by the Jerusalem report, increasingly undermine the two-state solution;

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 2 December 2009;

The Heads of Mission in Jerusalem and Ramallah herewith submit to the Political and Security Committee (PSC) the Jerusalem Report 2011 (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.

A3. EU HEADS OF MISSION, REPORT ON EAST JERUSALEM, JERUSALEM, 10 FEBRUARY 2012 (EXCERPTS)

Like the European Union (EU) report on Area C (Doc A2 above), this report was prepared for internal EU use and leaked, in this case to the British newspaper The Guardian. Prepared by the heads of mission of the EU member states in Jerusalem, it was approved by Brussels

- Using meetings with Israeli authorities to call for urgent policy change on East Jerusalem.
- Appropriate follow-up to the submissions.
- In view of the deteriorating situation on the ground, mandating HoMs [Heads of Mission] 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. Without Jerusalem as the future capital of two states, a sustainable peace agreement between Israel and the Palestinians will not be possible. If current trends continue, the prospect of Jerusalem as the future capital of two states becomes increasingly unlikely and unworkable, undermining the two-state solution.

2. Jerusalem is a strongly emotive subject for both Palestinians and Israelis and incorporates both national and religious interests. It will be amongst the most complex final status issues to resolve in the peace process. Since the occupation and illegal annexation of East Jerusalem by Israel, the Palestinian part of the city has become ever more detached, both in terms of physical links as well as political and cultural ties, from the rest of the West Bank.

3. Israel is actively perpetuating its annexation by systematically undermining the Palestinian presence in the city through 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. The interlinked Israeli policies and measures continue to negatively affect East Jerusalem's crucial role in Palestinian political, economic, social, and cultural life. In 2011 a surge in settlement planning has taken place especially at the southern flank of Jerusalem. This is increasingly undermining the feasibility of Jerusalem as the future capital of two states.

4. Over the past few years, Israel's actions in East Jerusalem have run counter to its stated commitment to a sustainable peace with the Palestinians through the two-state solution. Attempts to emphasize the Jewish identity of the city, at the expense of its Muslim and Christian residents, threaten its religious diversity and provide fuel to those who want to further radicalize the conflict, with potential regional and global repercussions.

EU POLICY

5. EU policy regarding East Jerusalem is based on the principles set out in UN Security Council (UNSC) 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 recognized 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 recognize this basic law and such other actions by Israel that, as a result of this law, seek to alter the character and status of Jerusalem." The EU considers Jerusalem as a final status issue in the Israeli-Palestinian conflict and therefore opposes any measures that prejudice the outcome of peace negotiations.

6. 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 (oPt), including East Jerusalem, and reiterated the need for full respect of the provisions of the Convention in that territory.

7. In 2004, the EU acknowledged the Advisory Opinion of the International Court of Justice on the "Legal Consequences of the Construction of a Wall in the Occupied Palestinian Territory." While the EU recognizes Israel's security concerns and its right to act in self-defense, it considers the construction of the separation barrier illegal under international law where it is built on occupied territory, including East Jerusalem.

8. The Council conclusions of 8 December 2009 (reiterated in December 2010) reaffirm the long-standing EU policy. According to the conclusions, the EU will not recognize any changes to the pre-1967 borders, including with regard to Jerusalem, other than those agreed by the parties. The EU has never recognized 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 (GoI) to immediately end all settlement activities in East Jerusalem which the EU considers illegal under international law and calls on the GoI to cease all discriminatory treatment of Palestinians in East Jerusalem.

9. Under the terms of the Oslo Accords, the Palestinian Authority is not permitted to operate in East Jerusalem and so the Palestinian leadership can only work there under the political umbrella of the PLO. In an effort to support the official Palestinian presence in East-Jerusalem, the EU funded the “Strategic Multisector Development Plan for East Jerusalem 2011–13.”

SETTLEMENTS

10. The demographic factor is a central element in Israeli policy. In 1967, Israel annexed East Jerusalem. Moreover, by adding some 70 km² it redefined the municipal boundaries of Jerusalem. Today, some 790,000 people live within these municipal boundaries, of which around 37 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 oPt in violation of the Fourth Geneva Convention and international humanitarian law. In East Jerusalem 35 percent of the land has been expropriated, thus facilitating settlement construction. Out of a total of 507,000 Israeli settlers living in the oPt, 196,000 now live in settlements inside East Jerusalem.

11. 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 GoI reaffirmed its Roadmap commitment to a settlement freeze at the Annapolis conference in 2007. In November 2009, the GoI announced a ten-month settlement moratorium. Although the GoI did not interpret the commitment to stop settlement activity as pertaining to East Jerusalem (based on claims that the Jerusalem municipality constitutes Israeli territory), a de facto settlement freeze occurred in East Jerusalem after the visit of U.S. Vice President Joe Biden in March 2010 until the end of the moratorium in September 2010. Since then, however, systematic settlement activity has resumed. In 2011 a surge in settlement planning has taken place especially at the southern flank of Jerusalem.

12. There are two kinds of settlements in Jerusalem:

- a. Settlement enclaves within Palestinian neighborhoods established by ideologically motivated settlers predominantly in the Old City and the Historic Basin. These settlers aim at creating facts on the ground that prevent the division of the city by establishing settlements within Palestinian neighborhoods, transforming the Old City and its environs into an area dominated by their historical narrative. Although formally being private initiatives, these settlements could not take place without government support.
- b. GoI-initiated Jewish “neighborhoods” built on land occupied by Israel in 1967. These settlements can be divided into an outer and an inner ring, isolating East Jerusalem.

Settlements in the Old City— Historic Basin

13. 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 neighborhoods 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. With the exception of the Jewish Quarter of the Old City, these are Palestinian residential areas, but since the occupation of East Jerusalem in 1967, parts of the land have progressively been transferred to the control of various pro-settlement Jewish organizations. Today, there are around 4,700 settlers living in the area. The focus of the settler organizations has included excavation of archaeological sites, services for tourists, and recreational facilities. In spite of the fact that these activities are often being implemented by private organizations, such as Ataret Cohanim and El'ad (see archaeology section), they still form part of an overall pro-settlement strategy, the realization of which is facilitated by the GoI as well as the Jerusalem municipality.

14. 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 neighborhoods of East Jerusalem and the Old City, and separate the Muslim and Christian holy places from the rest of East Jerusalem.

15. 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, almost invariably with state support. This raises concerns over the extent of influence settlement organizations 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.

16. Moreover, private Israeli settler organizations have continued to take over property within the Old City where today the number of Jewish settlers is around 3,500. 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. Settlers have increased the focus on the periphery of the Old City and its surroundings, leading to increased pressure on the nearby Palestinian neighborhoods such as Sheikh Jarrah, Mount of Olives, and Silwan. In Sheikh Jarrah, the construction of a new settlement is ongoing at the Shepherd's Hotel site. The demolition of the building in January 2011 led to strong protest by Palestinians and the international community. The initial plan to build 20 housing units at the site will be expanded with an additional plan comprising 90 housing units, a synagogue, a kindergarten, and dormitories.

17. Following the municipality's approval of construction permits in 2010, settlers have started the construction of 24 new apartments in four buildings in the private settlement of Beit Orot on the Mount of Olives. In the neighborhood of Ras al-Amud, renovation and construction work for 14 new apartments in the old police station is nearing completion. Now called Ma'ale David, the station itself was vacated by the police after settlers funded the construction of the new police headquarters located in the E-1 area (see below). It was subsequently turned over to the settlers as part of a plan to expand the nearby settlement of Ma'ale Zeitim from 60 housing units to more than 200 by incorporating this new site. The plan aims at connecting Ma'ale Zeitim and Ma'ale David with a pedestrian bridge, thereby creating a settlement of more than 1,000 settlers at the entrance to Ras al-Almud.

18. Concerns remain about the Open Spaces project, which foresees, inter alia, the establishment of a sequence of national parks around the Old City, which are often related to archeological excavations. By cutting through Palestinian neighborhoods and linking up settlements in East Jerusalem,

the establishment of these national parks risks to further isolate Palestinian neighborhoods and limit Palestinian construction and living space in East Jerusalem. In November 2011 a plan for a new national park at the Mount Scopus slopes has been deposited for public review. The park, which would extend to a large part on private Palestinian land, is located between the Palestinian neighborhoods of Isawiyya and A-Tur. If implemented it would prevent the urban development of these neighborhoods.

The Inner Settlement Ring

19. The inner ring comprises large government-initiated settlements within the Israeli-defined municipal boundary of Jerusalem. They are home to approximately 194,000 Israeli settlers. Wedged in between East Jerusalem and the rest of the West Bank, these settlements in combination with the barrier effectively cut East Jerusalem off from the rest of the West Bank.

20. Settlement activity in East Jerusalem has accelerated in 2011. Four new town plan schemes have been approved for public review, altogether comprising at least 5,840 new housing units in the settlements of Gilo (South and West), Ramat Shlomo, and Givat Hamatos. The expansion of Gilo attracted significant international concern and condemnation as the decision was taken only a few days after the Quartet issued a statement on 23 September calling on Israelis and Palestinians to refrain from provocative actions. While the Givat Hamatos plan does provide for some construction for Palestinians from Beit Safafa, it constitutes the creation of the first major new Israeli settlement in Jerusalem since Har Homa and significantly contributes to severing East Jerusalem from Bethlehem. Furthermore, as a response to the Palestinian membership of UNESCO in late 2011, the Israeli authorities have advanced East Jerusalem settlement construction by announcing the issuance of tenders for the construction of approximately 2,000 housing units in the settlements of Har Homa, Ramot, and Pisgat Ze'ev. In effect, just before the Jordanian-sponsored direct talks between the Israeli and the Palestinian negotiators on 3 January 2012, the first for 16 months,

tenders for 312 units in Har Homa and Pisgat Zeev were publicized by the Israel Lands Authority.

The Outer Settlement Ring

21. 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. Also in these large settlements tenders were announced in November 2011 as a retaliatory response to the Palestinian membership of UNESCO.

22. 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 also includes an industrial park, large-scale infrastructure, commercial development, and recreational facilities. The police headquarters of "Judea and Samaria" has already been moved to E1 (see above). Construction of infrastructure in E1 began in 2004 and was subsequently halted as a result of strong U.S. objections. It has not resumed since then, nor has it appeared likely to resume until recently. However, recent announcements by the Israeli Finance Minister that the time to build E1 has come and the approaching implementation of plans to displace the Bedouins living in the E1 area (see "Planning, Demolitions, Evictions, and Displacement" section) all indicate that the prospect of the GoI implementing the E1 plan in the near future is greater than it has been since 2004. The implementation of the E1 project would effectively divide the West Bank into separate northern and southern parts. Moreover, by establishing contiguity between the settlements and Jerusalem, it would be the final step to geographically cutting off East Jerusalem from the rest of the West Bank.

ARCHAEOLOGY

23. GoI involvement in settlement activities in the Historic Basin includes the

outsourcing of archaeological undertakings to private Israeli pro-settlement organizations. The use of archaeology as a political and ideological tool in the Wadi Hilweh area just south of the Temple Mount/Haram Al-Sharif is a source of increasing concern. According to historic accounts, biblical Jerusalem originated in this area some 3,000 years ago and so the place has been the subject of numerous archaeological excavations throughout the last century.

24. The management of the various archaeological sites in Wadi Hilweh, the northern part of Silwan, has now largely been placed in the hands of El'ad, a Jewish settler organization. The organization has entered into a partnership with the Israel Antiquities Authority, which is paid directly by El'ad to 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 the "City of David" archaeological visitors' park in Wadi Hilweh, a contract which is currently being contested in the Supreme Court. Consequently, not only the excavation but also the presentation of important parts of the Jerusalem archaeology has been outsourced to El'ad. On 28 December, Jerusalem Local Planning and Building Committee approved an El'ad-sponsored plan for building a vast Israeli tourist complex in the highly sensitive area of Silwan. This plan includes a bridge over the road that will create a direct connection between the "City of David" tourist site and the Dung Gate entrance to the Western Wall plaza. It is El'ad's stated aim to transform Wadi Hilweh/Silwan into an extension of the Old City's Jewish quarter. If implemented, this plan will constitute another unilateral fact on the ground, affecting the character of the public space in this highly sensitive area.

25. The result has been a biased official historical narrative of Jerusalem, placing emphasis on biblical and Jewish-Israeli connotations of the area while neglecting Arab Muslim claims of historic-archaeological ties to the same place. The overarching purpose of such a preprogrammed 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 the sense of a historic justification for the establishment of Jerusalem as the eternal and undivided capital of Israel.

*PLANNING, DEMOLITIONS,
EVICTIONS, and DISPLACEMENT*

26. 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. While Israeli planning legislation does not explicitly discriminate against the Palestinian population, in its implementation it leads to de facto discrimination on the ground, as the following examples show:

- A very small proportion (less than 9 percent) of Palestinian privately owned land in East Jerusalem can be used for building. This is due to the fact that around 57 percent of Palestinian privately owned land remains unplanned and therefore not eligible for building permits. In addition, around 35 percent of the total land in the Palestinian suburbs has been defined by Israel as "open space," which further restricts the possibility of building.
- Where allowed, the building density permitted in certain areas of East Jerusalem is significantly lower than in West Jerusalem. Besides, the relatively higher density allowed in Palestinian neighborhoods close to Palestinian built-up areas on the "West Bank" side of the separation barrier pushes the Palestinian population toward specific areas of East Jerusalem.
- In order to be able to get a building permit, it is necessary to prove ownership of the land, which is problematic as most land in East Jerusalem, due to historic reasons, is not officially registered with the Israeli authorities.
- For Palestinians, the cost of getting the licenses still remains high and the process is complicated and lengthy. Because of the lower

building density in Palestinian areas, the costs, which are based on the buildings footprint, are shared amongst fewer people.

27. As a consequence of the restrictive planning regime, there is an acute housing shortage in East Jerusalem. 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 in East Jerusalem. Consequently, Palestinian houses are overcrowded and in a bad condition.

28. 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) and building without the necessary building permit. Thirty-two percent of Palestinian structures in East Jerusalem lack such a permit, and as a result 85,000 Palestinians are at risk of demolitions and forced displacement in East Jerusalem.

29. Buildings that are constructed without a permit are considered illegal by the Israeli authorities. Up to 1,500 “illegally” built residential buildings in East Jerusalem currently have demolition orders against them; in 2011, Israel has demolished 28 structures. Moreover, 10 demolitions have been executed by the owners themselves after receiving a demolition order, under the threat of heavy fines. As a result, 91 people (of which 48 are children) have been displaced. This compares favorably to 84 structures demolished by Israel in 2009 and 82 in 2010. While the municipality, within the Israeli system, is responsible for demolitions, the GoI can stop these from taking place by refusing to provide police protection. This occurred for several months in 2011, until early December when the police again began to provide security, thus allowing demolitions to take place.

30. Alongside the threat of demolitions, a number of Palestinians face the risk of eviction. This is usually associated with the takeover of Palestinian property by settler organizations. Recent years have seen the forced evictions of over 200 Palestinians from their

homes in several neighborhoods in East Jerusalem, typically based on claims of Jewish land ownership prior to 1948 or based on the historical, religious, or archaeological importance of the area, as in the case of the “City of David”/Silwan (see Archaeology section). Similarly to demolitions, evictions require police presence.

31. In the E1 area, around 2,300 Bedouin are threatened with forced transfer. Plans include the relocation of some of these communities to the site of the Abu Dis waste dump. Reports indicate that the implementation of the first stage of this relocation plan may begin in early 2012. (For concerns on E1, see para. 22 of the Settlements section.)

RESIDENCY STATUS

32. Residency rights in East Jerusalem are linked to Israeli demographic policy. Restrictive measures continue to apply in relation to the ID and residency status of Palestinians from East Jerusalem. Since 1967, Palestinian residents of the city were given the status of “permanent residents” of Israel, giving 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, according to a strict criteria, that Jerusalem is the center of their life. If they fail to convince the Israeli authorities, they lose their right to reside in the city. Permanent residency is also revoked if they obtain citizenship or residency of another country. Latest data acquired from the Israeli Ministry of Interior shows that since 1967, around 14,500 Palestinian residents of Jerusalem have had their status revoked.

33. Unlike Israeli citizenship, permanent residency is not automatically passed on to Palestinian 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 the rest of the West Bank or the Gaza Strip. There are as many as 10,000 unregistered children in East Jerusalem, which impacts on their ability to access basic education, health, and other social services.

34. As permanent residency is not automatically transferred through

marriage, an East Jerusalemite who marries a Palestinian from the rest of the West Bank or the Gaza Strip and wishes to reside in the city with his/her spouse must apply for family unification, a long, expensive bureaucratic process. In 2003, Israel introduced the "Nationality and Entry into Israel Law (Temporary Order)" under which not only the spouses of permanent residents of East Jerusalem but also their children are prohibited from living with them in the city.

35. In June 2010, the Israeli authorities invoked a "breach of loyalty to the state of Israel" in order to expel from Jerusalem three members of the Palestinian Legislative Council as well as a former PA minister. Out of these, two have now been forcibly transferred from the city, while two others remain in the ICRC [International Committee of the Red Cross] compound, where they have sought refuge. In early 2011, the Israeli authorities also invoked emergency regulations from the British mandate period to expel a Silwan activist from Jerusalem for four months.

36. At least 45,000 East Jerusalem residents live on the "West Bank" side of the separation barrier (Kufr Aqab, Anata, Semiramis) but within the Israeli-declared boundaries of the Jerusalem municipality. Jerusalem residents have been attracted by lower costs of living and the ability to live with West Bank ID-holding family members. Following Israeli statements, most recently by the Jerusalem mayor, there is growing concern that Israel could redraw the city's municipal boundaries along the route of the barrier, excluding these areas from Jerusalem. The decision would require a majority in the Knesset.

ACCESS AND MOVEMENT

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38. The construction of the separation barrier in East Jerusalem, which started in 2002, continued throughout 2011. In the Jerusalem area, the barrier is 168 kilometers long, of which only 3 percent runs along the 1967 Green Line. The main reason behind this deviation was the integration of 12 Israeli settlements (and space for their future expansion) and the future integration

of settlements beyond the municipal boundary such as Ma'ale Adumim.

39. The route of the barrier changes the de facto boundaries of Jerusalem and, in some cases, runs through the middle of densely populated Palestinian neighborhoods. As a consequence, a number of Palestinian communities 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 (and pay taxes for) as residents of Jerusalem. The barrier also affects at least 16 West Bank localities outside of the Jerusalem Municipality but now situated on the "Jerusalem" side of the barrier. The 2,500 residents in these communities face uncertain residency, impeded access to basic services, and fear of displacement.

40. In December 2011, the Israeli authorities completed the construction of the barrier around Shu'afat refugee camp and opened a new checkpoint. This further consolidates the geographical and physical separation of East Jerusalem from the rest of the West Bank. Moreover, the barrier and the new checkpoint are further isolating Shu'afat refugee camp, already a particularly neglected area in terms of services provided, from the rest of East Jerusalem.

41. The village of Al Walaja, at the southeastern flank of Jerusalem, offers another concrete example of the impact of the barrier. Here, despite ongoing legal proceedings, the barrier continues to be built along a route that will essentially encircle the village and its residents and has led to the de facto confiscation of privately owned Palestinian land. Once the barrier is complete, much of the remaining land will be on the other side of the barrier and only be accessible by the Palestinian residents through a system of gates and permits.

42. Palestinians who do not have Israeli citizenship or residency rights in Jerusalem need a permit to enter the city. The permit is difficult to obtain and is subject to a number of conditions (e.g., time limited, a ban on driving a car or staying overnight). For those Palestinians who are granted permits, access is restricted to four out of 14 barrier checkpoints: Gilo, Qalandiya,

Shu'afat, and Zaytoun. Permits are suspended during security closures and often during Jewish holidays.

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PALESTINIAN INSTITUTIONS

61. 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, reiterated in December 2010, also called for the reopening of Palestinian institutions.

62. Nonetheless, Israeli authorities continue to renew the order of closure of numerous institutions every six months, basing its decision on claims that the institutions are affiliated to the Palestinian Authority and, therefore, in violation of the Oslo Accords.

63. 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. In August 2011, EU HoMs in Jerusalem and Ramallah called for its reopening on the tenth anniversary of its closure. 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 of concern is the general sense of neglect felt by many Palestinian East Jerusalemites and the absence of Palestinian state-sponsored institutions and secular organizations, as they allow more space for Islamic extremist organizations to extend their influence.

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Annex 2: Reinforcing the EU policy on East Jerusalem

The 2011 recommendations made by Heads of Mission in Jerusalem and Ramallah are largely congruent with those

of 2010. Keeping in mind the deterioration on the ground and 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. Their implementation, which aims to preserve a Palestinian social fabric in East Jerusalem on a political, cultural, and economic level, has for these reasons become increasingly urgent. These actions can be implemented by the EU or individual Member States as appropriate.

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 Member States actors supporting settlement activity in East Jerusalem.
7. Invite the Commission to consider proposing appropriate EU legislation to prevent/discourage financial transactions in support of settlement activity.
8. Compile voluntary guidelines for EU tour operators to prevent support for settlement business in East Jerusalem.
9. Ensure that products manufactured in settlements in East Jerusalem do not benefit from preferential treatment under the EU-Israel Association Agreement.

10. Raise public awareness about settlement products, for instance by providing guidance on origin labeling for settlement products to major EU retailers.
11. Inform EU citizens of financial risks involved in purchasing property in occupied East Jerusalem.