

EU Heads of Mission Jerusalem Report 2012

Executive Summary

1. Jerusalem is amongst the most complex final status issues to resolve in the peace process. Whilst the city's status remains unresolved and with the Eastern part of the city under occupation, a sustainable and comprehensive peace between Israelis and Palestinians will not be possible. For the two-state solution to be realised, Jerusalem will need to become a future capital of two states, Israel and Palestine. If the implementation of the current Israeli policy regarding the city continues, particularly settlement activity, the prospect of Jerusalem as a future capital of two states, Israel and Palestine, becomes practically unworkable. This threatens to make a two-state solution impossible, as stated in the 14 May 2012 Council Conclusions.

2. Israel is actively perpetuating its illegal annexation of East Jerusalem by systematically undermining the Palestinian presence through restrictive zoning and planning, demolitions and evictions, discriminatory access to religious sites, an inequitable education policy, difficult access to health care, the inadequate provision of resources, the continued closure of Palestinian institutions and the restrictive residency permit system. In addition, archaeological activity around the Haram al-Sharif/Temple Mount exclusively stressing the historical connection of the Jewish people and strengthening Israeli control of the area, undermines the universal character of the city.

3. However, settlement construction remains the biggest single threat to the two-state solution. It is systematic, deliberate and provocative, as most recently exemplified by the official announcement of more than 3,000 settlement units and the subsequent approval of an unprecedented number of plans, primarily in and around East Jerusalem, as a direct response to the Palestinian upgrade in the UN. By its actions, Israel is in clear breach of International Humanitarian Law, specifically Art. 49 of the Fourth Geneva Convention. Settlement activity damages the peace process in three ways.

- a. First, it undermines trust between the parties and thus it has a corrosive effect on the credibility of the negotiating process itself.
- b. Second, it jeopardises the physical prospects for creating a viable and contiguous Palestinian state. Settlements and settlement infrastructure not only take the land on which the Palestinians are meant to build their state they are cutting East Jerusalem off from the rest of the West Bank.
- c. Third, it makes the compromises necessary for peace - in particular the evacuation of large numbers of settlers - harder as the settlement population increases.

4. The most significant and problematic plans being advanced in East Jerusalem today are along the southern border, including the:

- Expansion of Har Homa to the East (Har Homa B & C),
- expansion of Gilo to the West and South
- and building of Givat Hamatos.

Outside of East Jerusalem, along the eastern border, the advancement of the construction of the E1 settlement is equally problematic as it is set to cut off East Jerusalem from the rest of the West Bank.

5. Together these settlements will form an Israeli buffer that once complete will virtually cut off East Jerusalem's southern flank from Bethlehem and the southern West Bank (see UN OCHA map attached at the end of the report). The construction of these three settlements is part of a political strategy aiming at making it impossible for Jerusalem to

become the capital of two states. It will be difficult if not impossible to ensure territorial contiguity between East Jerusalem and the southern West Bank. As these settlements grow, it will require ever more political will and capital to either evacuate them or find alternatives.

SETTLEMENTS

6. Successive Israeli governments have pursued a policy of transferring Jewish population into the oPt including East-Jerusalem in violation of international humanitarian law, specifically the Fourth Geneva Convention. Today, over 800,000 people live within the Jerusalem municipal boundaries as unilaterally defined by Israel after 1967. Around 37 percent of the inhabitants are Palestinian. Out of a total of more than 500,000 Israeli settlers living in the oPt, around 200,000 now live in settlements inside East Jerusalem.

7. Following the surge in 2011 settlement activity there was a temporary dip at the beginning of 2012 during political talks taking place in Amman between the Palestinian and Israeli negotiators. In April 2012, however, settlement activity resumed and continued on a high level in particular at the critical southern flank of East-Jerusalem. Any settlement activity takes place almost invariably with the support of the government of Israel and the Municipality of Jerusalem. The short suspension of settlement activity from January until March 2012 shows that the Israeli state does have the ability to stop any settlement expansion. Similarly, the surge in settlement activity in late 2012 also was a matter of political choice as again demonstrated recently by the official announcement of 3000 settlement units and the subsequent approval of an unprecedented number of plans, mostly in and around East Jerusalem, following the Palestinian upgrade in the UN.

8. Next to settlement enclaves within the Old City and its surrounding Palestinian neighbourhoods there are two rings of settlements – inside and outside the Israeli-defined municipal boundaries – increasingly isolating East-Jerusalem from the rest of the West Bank and thereby eroding the prospect of a viable two-state solution.

Settlements in the Old City – Historic Basin

9. The Old City and its immediate environs are commonly referred to collectively as the Historic Basin. Settlement enclaves in the Historic Basin, which includes the majority of the historical and holy sites of Jerusalem, are predominantly inhabited by ideologically motivated settlers. By establishing these settlements in the midst of Palestinian neighbourhoods the settlers are attempting to preclude the possibility of Jerusalem becoming a capital of two states, Israel and Palestine, and to transform the Old City and its environs into an area dominated by their historical narrative.

10. 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 (often through intermediaries). As a consequence, land and property have gradually fallen under the control of various private settler organizations. At the same time, under Israeli law, Palestinians are precluded from reclaiming pre-1948 property in Israel or in West Jerusalem.

11. In the Old City private Israeli settler organisations continue to acquire property in between or on top of existing Palestinian dwellings. The close proximity between settlers and Palestinians in the Old City only adds to the considerable tension that already exists in the area.

12. In the surroundings of the Old City continued expansion of settlement activities creates a settlement continuum, comprised by a swathe of smaller settlements, public parks,

archaeological sites and tourist complexes. These settlement 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. Part of this is the "City of David" complex in Silwan which is adjacent to the Temple Mount / Haram al Sharif. Plans to add a new visitor center were approved by the District Planning Committee in February 2012. At the same time the Municipality continues to pursue its "Kings Garden" plan in Al Bustan in the lower part of Silwan. The realization of this plan includes several demolitions of Palestinian homes and other structures.

13. Equally concerning is a plan to build the Israeli National Defence College on the Mount of Olives. The plan, which calls for a several stories structure, was deposited for public review in October 2012. The location of the project, which is outside of the Israeli sector of the pre-1967 Mount Scopus enclave, is highly sensitive. By linking up with the adjacent Mount Scopus and Emek Tsurim national parks as well as the nearly completed settlement of Beit Orot the project would further isolate Palestinian neighbourhoods. Moreover, the permanent presence of military personnel in close proximity to Palestinian residential areas would likely have destabilizing implications.

The Inner Settlement Ring

14. The inner ring is comprised of the large government initiated settlement neighbourhoods within the Israeli-defined municipal boundary of Jerusalem. They are home to approximately 200,000 Israeli settlers. Built on lands that had been part of the West Bank and that were expropriated by Israel after 1967, these settlements, coupled with the separation barrier, increasingly isolates the Palestinian areas in East-Jerusalem from the rest of the West Bank.

15. 2012 witnessed a continuation of the East Jerusalem settlement surge during 2011. Indeed, more than twice the number of tenders were issued for construction of units in East Jerusalem during 2012 (2366 new units) than were issued in the previous three years put together (a total of 1145 units). The major part of these tenders is located on Jerusalem's southern flank, particularly in the settlement of Har Homa on the border of Bethlehem and Beit Sahur, significantly expanding the existing footprint of the settlement's built-up area.

16. Further settlement activity on the southern flank includes the final approval for Mordot Gilo West in October 2012 which allows for the construction of 797 units, and the approval of Mordot Gilo South (942 - 1242 units) in December. Of the four Givat Hamatos plans in the pipeline, which would allow for a total of 3972 new units and 1100 hotel rooms in the area between Har Homa and Gilo, Givat Hamatos A (2610 units) and B (549 units) were approved in December. If the current pace of settlement activity on Jerusalem's southern flank persists, an effective buffer between East Jerusalem and Bethlehem may be in place by the end of 2013 thus making the realisation of a viable two-state solution inordinately more difficult, if not impossible.

17. In addition, in northern Jerusalem, tenders for several hundred units were issued at the beginning of November 2012 for the settlements of Pisgat Ze'ev (607 units) and Ramot (606 units). A plan for 1500 units in Ramat Shlomo was approved in December.

18. Plans for two new national parks, both of which would significantly limit Palestinian development, were deposited for public review during 2012: the Mordot Gilo Slopes National Park on Jerusalem's eastern flank, and the Emek Refaim Park on the southern flank.

The Outer Settlement Ring

19. The outer ring consists of settlements outside Jerusalem's municipal boundary but largely on the west side of the barrier, which cuts deep into the West Bank in these areas. These settlements further isolate East Jerusalem from the rest of the West Bank. They include the three main "settlement blocks" in the Jerusalem periphery Giv'at Ze'ev, Ma'ale Adumim and the Gush Etzion block, home to approximately 100,000 settlers.

20. In 2012 settlement activity has continued in these areas: in Beitar Illit (Gush Etzion) tenders for 379 housing units and in Giv'at Ze'ev tenders for 180 housing units were issued. During a visit to the settlement of Efrat (Gush Etzion) in August 2012 Prime Minister Netanyahu supported this policy by underlining his notion of a larger metropolitan area around Jerusalem when he said: "Efrat and Gush Etzion are an integral, fundamental and evident part of Greater Jerusalem".

21. Concerns remain about areas that have been designated 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. These concerns have been substantiated by the most recent official announcement to advance the E1 planning process as a response to the Palestinian upgrade in the UN. This plan (3426 units) is now to be deposited for public review. The implementation of the E1 project, which threatens 2300 Bedouin with forcible transfer, would effectively divide the West Bank into separate northern and southern parts. Moreover, it would prevent Palestinians in East-Jerusalem from further urban development and cut off East Jerusalem from the rest of the West Bank.

ARCHAEOLOGY

22. GoI involvement in settlement activities in the Historic Basin includes the outsourcing of archaeological undertakings to private Israeli pro-settlement organisations. 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.

23. The Israeli authorities have entrusted the management of the various archaeological sites in Wadi Hilweh to El'ad, a private Jewish-Israeli settler organisation. El'ad has entered into a partnership with the Israel Antiquities Authority which is paid directly by El'ad to carry out the excavations. All this is taking place without any kind of Palestinian involvement or international oversight.

24. Recent archaeological activities in East Jerusalem have focused on the Old City and the areas around Wadi Hilweh and Mount of Olives to the immediate South and East of the Old City. Activities include archaeological excavations, preservation of primarily Jewish historical sites, digging of tunnels under the Old City and its surrounding Palestinian neighbourhoods, and projects that ease tourist access to sites of Israeli interest.

25. In Silwan, ongoing activities to construct a tourist centre adjacent to the Old City walls, will create a physical link between the existing archaeological park "City of David" and the Western Wall Plaza in the Old City. The tourist complex is to be extended to the bottom of Wadi Hilweh to Silwan Spring, a place of Jewish-Israeli importance, since it is considered to be the spring around which Jerusalem was founded. It is El'ad's stated aim to transform Wadi Hilweh/Silwan into an extension of the Old City's Jewish quarter. If completed, this plan will constitute another unilateral fact on the ground, affecting the character of the public space in this highly sensitive area.

26. The result has been a partisan historical narrative of Jerusalem, placing emphasis on biblical and Jewish connotations of the area while neglecting Christian/Muslim claims of

historic-archaeological ties to the 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 by the pro-settler groups to use archaeology to enhance an exclusively Jewish narrative on Jerusalem.

PLANNING, DEMOLITIONS, EVICTIONS and DISPLACEMENT

27. The planning regime of the Jerusalem Municipality remains a source of concern as it places severe restrictions on Palestinian building activities, thus creating a housing shortage for the Palestinian residents as well as development constraints. Around 57% of Palestinian areas in East Jerusalem remain unplanned and around 35% are defined as "open space general view", which restricts the possibility of building. As a result, less than 9% can be used for construction. Moreover, in this 9%, the permitted building density is much lower than in West Jerusalem.

28. The Jerusalem Municipality has already finished three plans for Palestinian neighbourhoods (Sawahre, Dir El Amud, and Dir El Muntar), but they have not yet been approved by the Committee of Urban Planning due to political considerations (some political groups demand that new settlements are approved in return). A fourth plan for the neighbourhood of Tel Adasa is under preparation, but taking into account the political constraints in the Municipality, it might not be approved before long.

29. In 2012 there was an increase (52%) in demolitions (64), but mainly of non-residential structures (40), so less inhabited structures were pulled down (out of 24 residential structures, only 5 were inhabited). 15 of the structures were demolished by their owners, and the others following orders from the Jerusalem Municipality, the Israeli Nature and Parks Authority, the Ministry of Interior, or the Ministry of Justice. In terms of impact, in 2012 there was a decrease (19%) of people displaced (71 persons, including 27 children), but a large increase (102%) of those affected (411)."

30. Recent figures also show a decrease in evictions: 3 evictions have taken place in 2012, affecting 22 people including 10 children. Still, it is estimated that some 85,000 Palestinians are at risk of demolitions and forced displacement in East Jerusalem.

RESIDENCY STATUS

31. Restrictive measures continue to apply in relation to the ID and residency status of Palestinians from East Jerusalem. This is linked to Israel's demographic policy. It has been a stated aim in official planning documents to prevent the Palestinian population in East-Jerusalem from becoming more than 30 percent of the municipality's total population. The revoking of residency rights of Palestinians in East Jerusalem is in violation of international law.

32. Unlike Israeli citizenship, permanent residency is not automatically passed on to Palestinian children. Furthermore, permanent residency is not automatically transferred through marriage and the spouse has to apply for family unification. The legal procedure for these cases is a long, expensive bureaucratic process. During that process, both they and their children reside in Jerusalem "illegally".

33. Between 1967 and 2011, Israel revoked the status of 14,561 Palestinians from East Jerusalem. In 2011, Israel has revoked the residency of 101 East Jerusalem Palestinians, including 51 women and 20 minors. At the same time, in 2011, Israel has "reinstated" the residency status of 31 East Jerusalem Palestinians.

ACCESS AND MOVEMENT

34. The route of the separation barrier and its associated permit regime continue to have a serious negative social, humanitarian and economic impact on East Jerusalem. The barrier disconnects East Jerusalem from the rest of the West Bank and physically separates Palestinian communities within East Jerusalem.

35. The construction of the separation barrier in East Jerusalem, which started in 2002, continued throughout 2012. In the Jerusalem area, the barrier is 168 Km long, of which only three 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.

36. Barrier construction has continued in the village of Al Walaja, at the south-eastern flank of Jerusalem. Here, despite ongoing legal proceedings, the barrier continues to be built along a route that will essentially encircle the village and its residents. This has led to the de facto confiscation of privately-owned Palestinian land. In October 2012, 10 new demolition orders were issued to make place for the barrier. The village council estimates at 50% the loss of income due to the loss of lands and restricted access.

37. 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 within the Jerusalem municipal boundary find themselves cut-off from the city by 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 situated outside the Jerusalem municipal area, cutting them off from the rest of the West Bank. The 2,500 residents in these communities face impeded access to basic services and the risk of displacement.

38. Palestinians who do not hold Israeli citizenship or a residency right 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.

39. Towards the end of 2012, Israeli authorities started issuing "Judea and Samaria only" visas. This practice restricts EU citizens' freedom of movement, including access to Jerusalem and EU consular services located there.

Education

40. Severe shortage of appropriate educational facilities remains the most pressing problem affecting the provision and quality of education in East Jerusalem in 2012. Restricted access, shortage of trained teachers as well as threats to legal status of existing institutions also continue to undermine the right to public education of the estimated 90,000 Palestinian children of school age in East Jerusalem. It is difficult to identify the needs of the sector because of the absence of any coordination or sharing of data between the various institutions providing education (Municipal, private, Waqf, UNRWA)

41. The Israeli authorities have made little or no progress in response to the ruling of the Israeli Supreme Court in February 2011 on providing adequate number of classrooms and classroom shortage remains critical. Only 33 new classrooms were built between August

2011 and August 2012, while 1,100 classrooms are now required. In addition, many children still attend school in overcrowded buildings, many of which are sub-standard.

42. These physical conditions together with shortage of trained teachers are seen as the main reason for the high and increasing dropout rate of students in East Jerusalem. The dropout rate in East Jerusalem reached about 30% in 2011, with similar forecasts this year, and that dropout occurs mostly at tenth, eleventh and twelfth grades. An estimated 5,000 children in East Jerusalem are not in school at all.

43. Many students and teachers cross at least one checkpoint every day on their way to and from school. The permits provision policy for teachers to enter East Jerusalem remains limited, with many reported cases of permits being revoked without warning in the middle of the school year.

44. With only two public kindergartens available and an estimated 90% 'plus' of 3/4 year olds not registered in any pre-school educational institution – public or private- it is highly unlikely that the recent decision by the Israeli government to apply the Free Education Law from the age of 3 (previously 5) in the coming school year, can be implemented in East Jerusalem.

45. The PA-developed curriculum and associated textbooks, in use throughout the oPt, are being steadily removed from East Jerusalem and replaced by a version of the curriculum edited by the Israeli authorities. Municipal schools have since March 2011 been obliged to use the edited version of the curriculum, or risk losing their funding. 2012 has seen increased efforts to pressurise Waqf schools to change to the edited version. The Israeli authorities are increasingly clamping down on efforts to bring copies of the PA textbooks through the checkpoints into East Jerusalem.

46. Despite the ongoing efforts of Al Quds University for the last 15 years, the issue of its status has not yet been resolved. The failure of the Israeli authorities to recognise Al Quds University degrees has resulted in thousands of graduates each year being unable to access the Jerusalem jobs market particularly in the fields of medicine and education. The increasing shortage of qualified teachers, particularly in maths and science, is fast becoming another major problem for the education sector in East Jerusalem which cannot benefit from West Bank teachers. Due to the construction of the separation barrier, Al Quds University campus was split into two separate campuses. In an effort to remedy the issue of status the university has applied for accreditation of its East Jerusalem campus as a separate institution under Israel's jurisdiction. However, a decision by the Israeli authorities on the application remains pending.

HEALTH

47. While all East-Jerusalemites are entitled to and pay for Israeli health insurance, those residing on the "West Bank side" of the barrier regularly have difficulties in accessing Jerusalem health care facilities. This is especially problematic as certain secondary and tertiary care is not available in the West Bank and Gaza. Patients holding West Bank ID-cards, who make up about half of all admissions to the East Jerusalem hospitals, require permits from Israeli authorities to access health care in East Jerusalem. They are required to cross pre-defined barrier checkpoints either on foot or in special hospital-provided shuttles. In 2012 almost 20% of permit requests were either denied on grounds of security or permits were not obtained in time to receive scheduled treatment. For certain categories of chronic patients Israel has started to issue longer-term permits.

48. Patients needing emergency treatment available only in Jerusalem are especially affected by the Israeli access restrictions. Entry of Palestinian-operated ambulances from the

West Bank to East Jerusalem continues to be very limited. In the first half of 2012 these ambulances were able to access East Jerusalem directly only in 7 % of emergency cases. At the same time, Israeli ambulance staff is allowed to enter Palestinian neighbourhoods in East Jerusalem only under police escort, even when residents are in critical condition. Requests for the dispatch of ambulances regularly result in unnecessary, and potentially life-threatening, delays.

49. The functioning of East Jerusalem hospitals depends on their ability to employ staff from the rest of the West Bank. More than two thirds of East Jerusalem hospital staff (approx. 1000 employees) require permits, which are issued for no longer than 6 months at a time, to access Jerusalem. The hospitals also have a permit related quota for the number of West Bank ID-holding staff they can employ: Whereas work permits for existing staff can be renewed, permits for new staff can only be obtained if they replace existing staff members. Permit-holding medical personnel, who live in the West Bank, are only allowed to cross on foot through three very congested checkpoints (Qalandiya, Gilo and Zaytoun).

50. All six East Jerusalem hospitals and the Four Homes of Mercy continue to be severely affected by the financial inability of the PA to pay the costs of treatment of the patients which are referred from the West Bank and Gaza. PA debts towards East Jerusalem hospitals are around 10 million EUR. There is growing concern that services provided by the hospitals could soon be jeopardised if debts continue to increase.

ECONOMY, TRANSPORT and INFRASTRUCTURE

51. The barrier has in effect isolated East Jerusalem from the rest of the West Bank. Due to the extremely limited access the city ceased to be the traditional Palestinian economic, urban and commercial centre. The current Israeli trade regulations severely hinder import of goods and services manufactured in the rest of the Palestinian territory, particularly for the agricultural products. Owing to the combined effect of the growing administrative burdens and the global financial crisis, rising food and commodity prices harm the competitiveness of the Palestinian businesses in East Jerusalem. As a result Palestinian businessmen move their investment to other West Bank urban centres. The viability of the only industrial area of East Jerusalem in Wadi Joz is in danger due to the increased fines and eviction orders after being categorized as a residential area by the Israeli Municipality of Jerusalem.

52. The loss of businesses results in lessened employment opportunities, leaving the choice for the Palestinians from East Jerusalem to find jobs elsewhere in the West Bank for lower salaries or face difficulties on the Israeli job market. Unemployment is highest within the young population, the poorly educated and women. Although GDP in East Jerusalem is higher than in the rest of the West Bank, East Jerusalem Palestinians must cope with higher prices and higher taxes. The number of Palestinians in East Jerusalem living under the Israeli-defined poverty line is constantly growing (from 64% in 2006 to 78% in 2012).

53. Although Palestinians constitute approximately 37% of the population in Jerusalem, the Municipality does not spend more than 10% of its total budget in Palestinian areas. 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).

54. A number of infrastructure/transport projects strengthen the Israeli control over East Jerusalem. The light rail which connects Israeli settlements in East Jerusalem with the centre in West Jerusalem including a few stops in the Palestinian neighbourhoods of Shu'afat and Beit Hanina began passenger service during summer 2011. A year and a half after its opening, this sensitive infrastructure remains a source of tensions. On July 4, 2012, the Local Planning Committee approved a plan extending its track to Jerusalem's southern

neighbourhoods (Ein Kerem), a third section between the northern settlements of Pisgat Zeev and Neveh Ya'acov being also contemplated. If it was implemented, this third section would significantly increase this light rail's contribution to the "unification" of Jerusalem.

55. In February, 2012, the Israeli Municipality of Jerusalem and the Israeli Government announced a 500 million ILS plan aiming at "modernizing" within five years the transportation infrastructure in East Jerusalem and closing "decades of gap" (Mayor Barkat) between East Jerusalem and the rest of the city. During recent years, a separate and inferior set of bypass roads for Palestinians has been set up around Jerusalem, in order to connect Palestinian neighbourhoods outside of the separation barrier north and south of Jerusalem. The declared purpose of the Israeli authorities for these roads is to secure a so-called "transport contiguity" for Palestinians living in the north and the south of the West Bank, who are denied travelling from Ramallah to Bethlehem through East Jerusalem without a permit.

56. At least three projects exemplify the Israeli authorities' intention to consolidate the connection between major settlements and Jerusalem. The first one, nearing completion, is Route 20, a lateral bypass road creating a direct link between Begin Highway (Jerusalem main traffic artery) and Pisgat Zeev settlement. The second is Route 21, a North-South road designed to connect Ramat Shlomo to the centre of Jerusalem in the framework of new housing plans in the northern settlements. The third one is an additional access road south of Ma'ale Adumim, reserved for Israeli use, facilitating traffic and access to Ma'ale Adumim.

PALESTINIAN INSTITUTIONS

57. The institutional and leadership vacuum in East Jerusalem created by the prolonged closure of Palestinian institutions, in particular that of the Orient House and the Chamber of Commerce, remains a key concern. This void continues to seriously affect all spheres of life of Palestinians in East Jerusalem (political, economic, social and cultural). It fosters a growing fragmentation of society at all levels, the isolation of communities and a weakened collective sense of identity.

RELIGION

58. Jerusalem is a city of paramount importance to the three monotheistic religions and the location of many of their most sacred sites. Relations between different religious groups have been increasingly tense, fuelled by historical grievances, as well as by cultural, religious and political differences. Religious leaders have publicly condemned recurrent episodes of interreligious intolerance such as harassment and defamation of religious symbols, but also anti-Christian and anti-Muslim animosity such as the so called "price tag" attacks on Christian and Muslim institutions. Christian and Muslim religious leaders argue that the GoI is consolidating implementation of policies aimed at fundamentally altering the character and status of the Holy City of Jerusalem by stressing the Jewish character and history of the city at the expense of the Christian and Muslim narratives reflecting the exclusivity of Jewish claims over Jerusalem.

59. The GoI selectively enforces legal and policy restrictions on religious freedoms and on access in particular for Christian and Muslim worshippers to their holy sites located in Jerusalem/Old City throughout the year. The separation barrier seriously impedes the work of religious organisations that provide education, healthcare, and other humanitarian relief and social services to Palestinians in and around East Jerusalem. While visa issuance rates for members of the Christian clergy have improved throughout the year, visa issuance rates remain low for volunteers working in religious institutions.

60. More than 98 percent of Palestinians in the oPt are Sunni Muslims, with an estimated 50,000 Christians of different confessions in Jerusalem and the rest of the West Bank and

1,000 to 3,000 in Gaza. Palestinian Christian emigration has been continuous but accelerated since 2001, reducing the number of Christians in Jerusalem and in the rest of the oPt resulting in the progressive erosion of the Christian presence and of the Christian character of the Holy City. Church leaders cite as reasons for increased emigration: Gol imposed family-reunification restrictions, the limited ability of Christian communities in the Jerusalem area to expand due to confiscation of church properties and building restrictions, taxation problems and difficulties in obtaining residency permits for Christian clergy. Moreover, lower birth rates among Palestinian Christians contribute to the decline in their numbers. The Christian Palestinian population is now estimated at less than 9,000, down from 34,000 in 1948.

61. The Gol makes some accommodations for Palestinian Christians in the West Bank, especially from the Bethlehem-area, to access Jerusalem on the occasion of the most important Christian religious festivities (Christmas and Easter). These accommodations, based on permits, are limited in time and selectively enforced (i.e. not all members of one family obtain the permit). In 2012, at Easter time, of the approximately 15,000 Palestinian Christians living in the West Bank who applied for permits to access their Holy Sites in Jerusalem to worship, only an estimated 2,500 received permits. Church leaders have complained that access restrictions to the Old City have increased throughout the year, by closing Jaffa Gate and only allowing entry based on permits.

62. During Ramadan, the Israeli authorities organise access to Jerusalem for Muslims with a West Bank ID. The age criteria used this year were slightly expanded to include both men and women above the age of 40. In practice, women of all ages were able to enter Jerusalem at most times. In addition, during the month and the concluding holiday (Eid Al Fitr), Israel issued an exceptionally high number of 'family visit' permits, allowing West Bank ID holders to enter Jerusalem. Overall, during Ramadan, some 820,000 Palestinians crossed East Jerusalem checkpoints, significantly above parallel figures in previous years.

THE HARAM AL-SHARIF/TEMPLE MOUNT

63. The Haram al-Sharif/ Temple Mount is a holy site for both Jews and Muslims. The site is under de facto Israeli control but administered by the Jordanian Islamic Waqf. Any perceived threat to its integrity and to the status quo not only raises tensions locally but has the potential to provoke extreme reactions regionally and globally.

64. Compared to previous years, 2012 has seen an increase of violent incidents at the Haram al-Sharif/Temple Mount triggered by a sharp rise in frequency and visibility of visits by Jewish radical political and religious groups, often in a provocative manner. These developments are a threat to the status quo and fuel fears of a "Hebronisation" of the Temple Mount/Haram al-Sharif, by modelling arrangements after the Ibrahimi Mosque/Tomb of the Patriarchs. Developments in and around the Haram al-Sharif/Temple Mount are occurring against the backdrop of intensive settler-related activities, emphasising the Jewish character and history of the Old City and its surroundings at the expense of the Christian and Muslim narratives. With the peace process at an impasse and the region in transition, this increases exponentially the risk of a new crisis erupting over the site.

REINFORCING THE EU POLICY ON EAST JERUSALEM

Recommendations have been drawn up with the objective 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 the Palestinian social fabric in East Jerusalem on a political, cultural and economic level, has for these reasons become increasingly urgent. The occupying power has the obligation to ensure adequate and non-discriminatory provision of services.

These recommendations build upon last year's recommendations as well as the work done in Brussels, including the MaMa Report (doc. 8418/12) of February 2012 and the conclusions of the PSC of April 2012.

These actions can be implemented by the EU or individual Member States as appropriate. The EU and its Member States should hereby aim for maximum coherence.

SETTLEMENTS

1. Intensify EU efforts to counter settlement activity in and around East Jerusalem that constitutes a particular threat to the two-state solution, including through an intensified engagement with Israel.
2. Coordinate EU monitoring and a strong EU response in order to prevent settlement construction in E1, including opposing forced transfer of the Bedouin communities in E1.
3. Ensure strict application of the EU-Israel Association Agreement, including that products manufactured in settlements do not benefit from preferential treatment.
4. Encourage current efforts to fully and effectively implement existing EU legislation and bilateral arrangements applicable to settlement products. With regard to rules of origin and labelling, ensure that imports of settlement products do not benefit from preferential tariffs and guarantee the consumers' right to an informed choice. Request the Commission to provide guidelines to MS on the existing legislation and labelling.
5. Ensure that no EU programs are used to support settlements and settlement related activity, including funding on research, education and technological cooperation.

6. Prevent, discourage and raise awareness about problematic implications of financial transactions, including foreign direct investments, from within the EU in support of settlement activities, infrastructure and services.
7. Inform EU citizens and companies of the financial and legal risks involved in purchasing property or providing services in settlements and recall the EU position that settlements are illegal under International Law.
8. Develop and promote voluntary guidelines for EU tour operators to prevent support for settlement businesses in East Jerusalem.
9. Increase monitoring of settler violence. Individual EU Member States could explore the possibility of denying entry to known violent settlers.

GENERAL RECOMMENDATIONS

10. Push to reopen, 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.
11. Support further engagement of the Palestinian leadership in the political, economic, social and cultural development of East Jerusalem.
12. Avoid having Israeli security and/or protocol accompanying high ranking officials from Member States when visiting the Old City/East Jerusalem.
13. Enhance EU coordination and develop a joint EU strategy for EJR. Continue to provide financial support to enhance the socio-economic development of Palestinians living in East Jerusalem in order to maintain the viability of the two-state solution with Jerusalem as the future capital of two states.
14. Provide assistance to ensure that Palestinians are included in the development of urban master plans in East Jerusalem to help meet Palestinian housing needs.
15. Continue providing support to improve housing conditions in East Jerusalem, including the Old City.
16. Stress the EU's concerns about the Israeli policy on East Jerusalem (such as residency and permit regime, restrictions on building and lack of services) which results in the ongoing forced transfer of Palestinians from East Jerusalem.
17. In statements and high level meetings stress the EU's serious concerns regarding inadequate infrastructure, emergency services, e.g ambulances, fire fighting and policing for all residents in East Jerusalem.

18. Support the health sectors as a way to improve basic social services to Palestinian residents in EJ (including support to EJ hospitals and the Four Homes of Mercy).
19. Monitor and report on the level of public expenditure in East Jerusalem neighbourhoods compared to the Israeli authorities' public expenditure in West Jerusalem.
20. Stress in high level meetings and in statements the importance of maintaining the Palestinian curricula in East Jerusalem schools. Stress the EU's serious concerns with regard to the lack of school infrastructure, the difficulties of the schools to obtain building permits, access difficulties and the shortage of trained teachers.
21. Support the provision of and access to Palestinian higher education in Jerusalem and raise the EU's concern about Israel's rejection of Al Quds University qualifications.
22. Support the regular, transparent and predictable transfer of clearance revenues from Israel to the Palestinian Authority, whose delays severely affect the EJ hospitals, and press Palestinian authorities to regularly proceed with the payments regarding the referrals from West Bank and Gaza Strip.
23. Stress the EU's serious concern about access to East-Jerusalem, including its holy sites, for Palestinians from the rest of the West Bank and Gaza.
24. Raise EU concern about discriminatory Israeli visa practise restricting freedom of movement of EU citizens, including access to Jerusalem and EU consular services located there.
25. Stress the EU's serious concern regarding the isolation of East Jerusalem from the rest of the West Bank and provide support for the movement of goods and services between the rest of the West Bank and East Jerusalem in high level meetings with Israeli representatives and in statements.
26. Highlight the need to facilitate tourism between the rest of the West Bank and East Jerusalem in high level meetings with Israeli representatives, as well as in Quartet discussions and statements.
27. Support to the Palestinian private sector in EJ through initiatives aimed at attracting investments in infrastructure, education, hotels and tourism.
28. Support to Palestinian artists and Palestinian cultural institutions in EJ. Maintain the offer of European cultural events to be hosted by such institutions.

29. Support preserving the rich cultural heritage of EJ, which is at risk of further degradation. Restoration of historical sites and artefacts help preserve the cultural diversity of Jerusalem and the Palestinian identity.
30. Promote and facilitate the development of new itineraries of cultural tourism with a view to highlighting the rich cultural heritage of EJ and the West Bank, thus diversifying the tourist offer beyond the usual tourist routes centred on West Jerusalem and Israel.
31. Encourage a speedy agreement between the parties to enable necessary repairs and maintenance as identified by the Waqf, and highlight the need to maintain the integrity of the Haram Al Sharif and preserve the status quo.

