

Corporate complicity with illegal Israeli settlements and Israeli violations of international law

1. **Private European businesses play a major role in funding, facilitating and supporting Israeli violations of international law and illegal Israeli settlements** including by providing equipment used in house demolitions and illegal construction and by trading with companies operating in illegal Israeli settlements. Governments have a legal and moral obligation to take steps to end business complicity with violations of international law.
2. Some European businesses **provide equipment and services that facilitate Israeli violations of international law**. For example, French multinational company Veolia provides infrastructure services to illegal Israeli settlements.¹ The British-Danish security company G4S provides security services to illegal Israeli settlements and checkpoints that form part of Israel's illegal Wall and to prisons at which Palestinian political prisoners are detained without charge and subjected to torture.²
3. European businesses also support illegal Israeli settlements by **importing and selling goods from companies operating in illegal Israeli settlements**. Many major European retailers import produce from companies operating in illegal Israeli settlements such as Mehadrin, SodaStream and Ahava. Israeli export companies such as Mehadrin and SodaStream play a key role in the appropriation of Palestinian land, water and other natural resources. Many illegal Israeli settlements are only economically viable because the businesses that operate in them are able to export to European markets.
4. Many European banks **provide loans and financial services to illegal Israeli settlements or hold investments in settlement companies**. European bank Dexia provides long-term loans and other financial services to municipalities of Israeli settlements in occupied Palestinian territory.³
5. While the recent guidelines prohibiting public EU funds from being allocated to projects and entities in illegal Israeli settlements should be welcomed and implemented fully, **the impact of these guidelines are being severely undermined by the large scale of economic relations between European businesses**.
6. According to a legal analysis presented by Palestinian human rights organisation and recently reaffirmed and expanded upon in an academic article published in the major peer reviewed journal *Journal of International Humanitarian Legal Studies*,⁴ **by allowing economic relations with settlements, states "implicitly recognise as legal a situation arising from a breach of peremptory norms of international law and thus violate their legal obligations of non-recognition" of illegal Israeli settlements and that "in addition, by engaging in the trade of settlement produce, States are failing to comply with their legal obligation to actively cooperate in order to put the Israeli settlement enterprise to an end"**.
7. The UN Guiding Principles on Business and Human Rights, supported by the EU and adopted by the UN Human Rights Council, explain that states must ensure businesses respect human rights and international humanitarian law.⁵ The **2012 EU Heads of Mission report, which is written by all the heads of diplomatic missions of EU member states in the OPT, urged the EU and member states to "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"**.⁶ In March 2013, UN Human Rights Council adopted the report of the Independent Fact Finding Mission on the Israeli settlements. Concluding that businesses have "enabled, facilitated and profited from the construction and growth of the settlements the **UN Mission urges states to take "appropriate measures" to prevent businesses contributing to human rights abuses related to the illegal Israeli settlements.**"⁷

8. In general, European governments are not taking sufficient steps to prevent risks and problems associated with financial and economic engagement in illegal Israeli settlement activities in the occupied Palestinian territory and other facets of Israel's occupation of Palestinian territory. There are however some **examples of good practice of European governments acting to discourage corporate complicity with Israeli violations of international law:**
- The Dutch government recently intervened to discourage engineering firm Royal Haskoning DHV from participating in a sewage treatment project with the Israeli municipality in occupied East Jerusalem. The company heeded the Dutch government's advice and withdrew from the project.
 - The Dutch government has also made public statements advising businesses to avoid business relationships with illegal Israeli settlements. In a written statement to Parliament in May 2013, the Dutch foreign minister Frans Timmermans indicated that the Dutch government discourages financial relationships with illegal Israeli settlements. He said: "Although not prohibited, economic relations between Dutch companies and companies in the settlements in the occupied territories are discouraged by the Dutch government."
 - In February 2011, the German transport minister wrote to Deutsche Bahn to express opposition to its involvement in an Israeli train project that cuts through the occupied West Bank. Deutsche Bahn ended its involvement in the project shortly after.⁸
 - In March 2013, German foreign ministry officials directly informed a representative of the a major Palestinian civil society organisation that the German government had issued guidance to all German universities discouraging them from having any relations with Ariel University, a colony-college built in the settlement of Ariel in the occupied Palestinian territory.
 - The UK government has met with representatives of security company G4S to communicate their concern about the company's role in the detention of Palestinian children in Israeli jails.
9. Until governments introduce legislation prohibiting economic relations with illegal Israeli settlements and the infrastructure of the Israeli occupation, the European Union should take other steps to prevent and discourage such relations. The **European Union should adopt the stance of active and public opposition to private economic relations with Israeli settlements and violations of international law.** The European Union should publish guidance discouraging such relations and work with member states to proactively discourage and prevent such relations, using the practises of the Dutch and German governments as examples of best practise.
10. The European Commission has the facility to conduct a human rights impact assessment of its trade policies with a particular country. Members of the European Parliament should work with civil society to **pressure the European Commission to conduct a human rights impact assessment of its current trade policy with Israel.**

¹ www.whoprofits.org/company/veolia

² www.whoprofits.org/company/g4s-israel-hashmira

³ <http://www.whoprofits.org/company/dexia-group>

⁴ <http://booksandjournals.brillonline.com/content/journals/10.1163/18781527-00302004>

⁵ <http://www.business-humanrights.org/UNGuidingPrinciplesPortal/TextUNGuidingPrinciples>

⁶ http://www.eccpalestine.org/wp-content/uploads/2013/02/EU_Homs_Jerusalem_Report_2012-1.pdf

⁷ <http://www.ohchr.org/Documents/HRBodies/HRCouncil/RegularSession/Session19/FFM/FFMSettlements.pdf>

⁸ <http://www.bdsmovement.net/2011/ramsauer-6986>