

# REPORT ON ISRAELI SETTLEMENT IN THE OCCUPIED TERRITORIES

A Bimonthly Publication of the Foundation for Middle East Peace

Volume 22 Number 5

September-October 2012

## THE NEXT PRESIDENT AND THE ILLUSION OF DELUXE OCCUPATION

By Geoffrey Aronson

As the end of the first term of the administration of President Barack Obama approaches, expectations of a successful American effort to end Israel's occupation of the West Bank, East Jerusalem, and the Gaza Strip that greeted the president in January 2009 have evaporated. This is the dismal legacy that the next American administration will confront.

The president's selection soon after his election in 2008 of former senator George Mitchell as special envoy and the articulate and forceful focus on the need for a "freeze" in Israeli settlement activity in the West Bank and East Jerusalem were widely viewed as clear indications of Obama's commitment to lead the parties to an agreement that reflected the vital national security interests of the parties as well as the United States—the creation of two states, Israel and Palestine, at peace with each other and secure within recognized borders.

Secretary of State Hillary Rodham

**Today, policymakers and the public alike have surrendered in the face of dysfunctional domestic politics and the passions that drive the conflict. They are bored with its grinding hopelessness, distracted by the more hopeful and dramatic narratives of the Arab Spring, strangely complacent about the strategic costs to be paid by all for failure to end the occupation and settlement, and all but resigned to the victory of the settlers.**

Clinton set the aggressive tone for this initiative in May 2009, when she said, "[President Obama] wants to see a stop to settlements—not some settlements, not outposts, not 'natural growth' exceptions. That is our position. That is what we have communicated very clearly."

Notwithstanding American objections, settlements today are flourishing. Senior Israeli columnist Nahum Barnea commented recently that,

"[Israel's] goal was to prevent the establishment of an Arab state between the Jordan River and the Mediterranean Sea. Today, with 300,000 settlers living in Judea and Samaria, with a powerful lobby and compensation arrangements from Gush Katif [Gaza] that would

amount to hundreds of billions of shekels if they were to be applied to the West Bank, you could say that the mission has been accomplished."

This breakdown in Washington's diplomatic effort is unprecedented. Jeffrey Feltman, a former assistant secretary of state for Near Eastern affairs, and currently UN undersecretary for political affairs, acknowledged the diplomatic retreat of the international community at an August 22 briefing before the Security Council, noting that "in the short term the international community may not be in a position to succeed in helping the parties bridge their political differences."

U.S. interest in and leadership of the effort to end the conflict has atrophied to a point not seen since the abortive Rogers Plan in 1970, which created a policy vacuum that would lead to the October 1973 war. Today, policymakers and the public alike have surrendered in the face of dysfunctional domestic politics and the passions that drive the conflict. They are bored with its grinding hopelessness, distracted by the more hopeful and dramatic narratives of the Arab Spring, strangely complacent about the strategic costs to be paid by all for failure to end the occupation and settlement, and all but resigned to the victory of the settlers.

If Barnea's observation is tinged with regret, National Union chairman and MK Ya'akov Katz is representative of

OCCUPATION, *continued on page 6*

### IN THIS ISSUE

Settlement Increase Charts	2
Settlement Budget Update	3
Time Line March-June 2012	4
Abu Mazen at the UN	5
UN Report on Settlement Expansion	7
Morsi UN Speech Highlights	
Palestine	7
EU on Settlement Boycott	8

## TO OUR READERS

Palestinian President Abbas has informed the UN Secretary General that Palestine will pursue its bid for full UN membership through the Security Council, which was previously blocked by U.S. pressure. He said the Palestinian Authority would first seek support later this year for “non-member state” status in the General Assembly where the U.S. has no veto. Again the Obama administration is adamantly opposed, claiming such “unilateral” action undermines negotiations which are the only legitimate route to Palestinian statehood. Washington has circulated a tough paper calling the Palestinian move “extremely counterproductive,” and threatening financial sanctions against the PA.

Washington’s policy reflects pre-election year politics and Israel’s historic opposition to the UN. The Palestinians know that elevating their UN status would not, alone, end Israel’s occupation. They have acknowledged that peace ultimately requires negotiations, which Abbas says he will resume if Israel freezes settlements.

Abbas is playing the UN card in the absence of other options. The Palestinian view that talks alone will continue to fail, given the huge disparity in negotiating power, the US move to the sidelines of an already

uneven playing field, and Israel’s aggressive - and unilateral - push to complete its occupation and settlement project to preclude a real Palestinian state, is widely shared. The U.S. claim that the Palestinians can only seek Israel’s agreement to statehood through talks, while Israel rushes to prevent this with new facts on the ground, lacks credibility. Absent a new U.S.-led international diplomatic approach to rescue a two state peace, hopes for this outcome, already vanishing among Israelis, Palestinians, and many serious analysts, will disappear.

The Palestinian UN initiative could be turned to everyone’s advantage. UN sanction for a two-state peace called for in the Palestinian bid would elevate and further legitimize this goal at a time it is in danger of dying. It would reinforce Palestinian *bona fides*, and, in the best case, accompany a strong new U.S.-led peace initiative. The next American president should reconsider US policy and engage with the Palestinians on a constructive UN resolution that could help revive the prospect for a two state peace that desperately needs new support.

## SETTLEMENTS EAST OF THE BARRIER INCREASE FASTER THAN SETTLEMENTS WEST OF THE BARRIER

### Fastest Growing West Bank Settlements, in Relation to Separation Barrier

By Population Increase, 2000–2011				Ten Largest Settlements, 2011			
1	Modi'in Illit	35,660	West	1	Modi'in Illit	52,060	West
2	Kokhav Ya'aqov	4,700	East	2	Betar Illit	39,710	West
3	Geva Binyamin	3,467	East	3	Ma'ale Adummim	36,089	West
4	Kefar Haoranim (Menora)	1,774	West	4	Ariel	17,849	West
5	Mevo Horon	1,432	West	5	Giv'at Ze'ev	12,632	West
6	Na'ale	957	East	6	Efrat	7,685	West
7	Yizhar	777	East	7	Qiryat Arba	7,433	East
8	Kefar Tappuah	723	East	8	Alfe Menashe	7,423	West
9	Eshkolot	490	West	9	Oranit	6,600	West
10	Gittit	202	East	10	Qarne Shomron	6,449	East

Source: *List of Localities: Their Population and Codes*, Central Bureau of Statistics, 2001–2012.

### FOUNDATION FOR MIDDLE EAST PEACE

*Merle Thorpe, Jr.*

Founder  
(1917–1994)

*Philip C. Wilcox, Jr.*

President

*Geoffrey Aronson*

Director, Research and Publications, Editor, *Report on Israeli Settlement in the Occupied Territories*

*Nitzan Goldberger*

*Christopher Gooch*

Editorial Assistants

*Philip Sweigart*

Intern

#### IN MEMORIAM

*Stephen Hartwell*  
(1915–2011)

#### DIRECTORS

*Landrum R. Bolling*

*Calvin H. Cobb, Jr.*

*Arthur H. Hughes*

*Richard S. T. Marsh*

*Richard W. Murphy*

*Jean C. Newsom*

*Gail Pressberg*

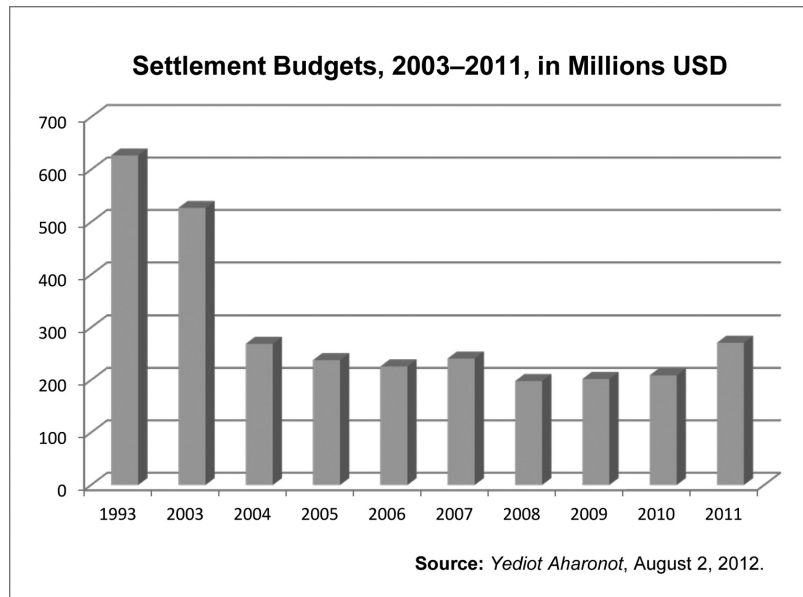
*William B. Quandt*

*Nicholas A. Veliotis*

*Philip C. Wilcox, Jr.*

The Foundation for Middle East Peace has prepared a presentation of maps illustrating the evolution of the conflict from the UN Partition Plan in 1947, and depicting the growth of Israel’s occupation and settlement project from the 1967 War to the present. To download the presentation visit: <http://www.fmep.org/resources/publications-1/map-progression-1948-1967>.

Copyright © 2012



## SETTLEMENT BUDGETS ON THE RISE

During the Oslo era, successive Israeli governments have invested almost \$7 billion to encourage and expand settlement in the West Bank and, until 2005, in the Gaza Strip.

After the signing of the Oslo accords in 1993, the government of Yitzhak Rabin inaugurated huge infrastructure projects favoring settlement in the West Bank, most notably the new system of bypass roads linking settlements to Israel. In 1993, governmental investment in the territories peaked at more than \$627 million, \$605 million of which was earmarked for construction, housing, and development. From 1994 to 1997, investment averaged \$376 million annually, while in 2003, it reached about \$527 million. According to data compiled by Israel's Central Bureau of Statistics, from 1992 to 2011 the Israeli government invested more than \$6.77 billion (in 2011 dollars) in the territories. (Official figures reported by the various government agencies are not always internally consistent.)

The completion of large-scale infrastructure projects, a national slowdown in construction, and the effects of the intifada that erupted in 2002 combined to reduce government investment, in some years dramatically. From 2003 onward, governmental investment in the territories declined in real terms. In 2009, for example, \$202 million (805 million shekels) was invested by government agencies, even as the settler population continued to grow at around 5 percent annually.

Beginning in 2009, following the establishment of the second Netanyahu government, governmental investment in the territories increased. In 2010, the government allocated about \$212 million for the territories, and in 2011, a time of increasing budget austerity, governmental investment skyrocketed by almost 38 percent, to nearly \$276 million. Even with this large increase, the 2011 figure was still below the years of peak expenditure in the 1990s.

From 2003 through 2011, Israeli governments invested more than \$2.5 billion in the settlements. All expenditures, excluding defense and security costs, are included in this figure and cover services to which all citizens are entitled, including transfers from the central government in support of the settlements' local authorities, investment in infrastructure and public facilities, and tax benefits, grants, and subsidies, including mortgage subsidies that represent losses in state revenue. Together these allocations can be said to illustrate the state's extraordinary investment in the settlement enterprise.

The *Calcalist* reported on August 2 that the share of overall government investment in settlements allocated for the Ministry of Construction and Housing has been reduced over the years. The reductions, however, have been offset by increases in other settlement-related spheres. Until 2008, the three governmental bodies that accounted for 70 to 80 percent of governmental investment in the territories were the Interior Ministry (grants to local settlement authorities), the Ministry of Construction and Housing, and the National Roads Company of Israel. These three agencies invested \$426.5 million in 2003 alone.

The investment budget of the Ministry of Construction and Housing reached a low of some \$14.5 million in 2011, accounting for a mere 8 percent of the ministry's national investments. The investment of the National Roads Company, in contrast, has averaged \$58.5 million annually, totaling 20 percent of the company's total road maintenance budget. Meanwhile, the education budgets allocated to settlements have consistently grown, including by a whopping 272 percent between 2003 and 2011, a graphic example of the government's extraordinary support for the changing composition of settler needs in an era of continuing growth. ♦

## SETTLEMENT TIME LINE

**March 2** *Kol Ha'Ir* reports plans by the Jerusalem Municipality to invest USD125,000 over five years for roads in East Jerusalem.

*Yediot Yerushalaim* reports that 2011 was the first year in which demolitions of illegal housing in West Jerusalem (67 units) exceeded those in East Jerusalem (10 units). There are 23,000 buildings and a total of 56,000 housing units in East Jerusalem out of which only 51,000 had construction permits.

**March 7** A judge in the Jerusalem Court supports the contention of two settler youths in a marijuana smuggling case. The defense argued that since the drugs were brought into West Bank settlements beyond the Green Line, the defendants were not subject to the same laws governing drug smuggling in Israel. (*Ha'aretz*)

**March 8** *Yediot Abaronot* reports that the Palestinian Authority has stationed cameras in an around Joseph's Tomb near Nablus and erected a fence in an effort to prevent incidents of Hasidic Jews entering the compound at night without authorization or coordination with the IDF and Palestinian security forces.

**March 14** Settlers from the Ramat Gilad outpost begin the relocation of their caravans according to a compromise with the Israeli government under which alternative land was allotted for four of their eleven buildings in the West Bank and a permanent settlement is to be built with 180 housing units for outpost residents. (*Ma'ariv*)

**March 16** *Yediot Yerushalaim* reports on the Jerusalem Municipality's approval of the construction of a Jewish restaurant in Silwan, in East Jerusalem, in a building purchased by the settlement foundation Elad.

**March 17** Five settlers from the Havat Ma'on outpost attack a Palestinian shepherd grazing his herd on Meshaha Hill. (*Ma'an News*)

**March 22** The Knesset Finance Committee approves a request to allocate USD 15 million to the settlements, of which USD 6 million will go to efforts by the Jewish Agency to increase settlements beyond the Green Line.

**March 23** *Yediot Yerushalaim* reports the Jerusalem Municipality's approval to expand the East Jerusalem settlement Nof Tzion, near Jabal Mukabar.

The escalation of settler attacks should not surprise anyone, for it is the inherent byproduct of the continuation of occupation and a government policy that deliberately fosters the settlements and settlers and deems their satisfaction to be an absolute priority. . . .

PLO Chairman Mahmoud Abbas

**March 25** *Ha'aretz* reports that 1,000 academics have signed a petition against efforts to grant university status to Ariel College in the West Bank. The upgrade of the college's status is seen as a political affirmation of Israel's settlement project, which is illegal under international law.

**March 26** Israel severs all contact with the UN Human Rights Council after the committee decides to open an international investigation into settlements. (*Ha'aretz*)

**March 29** Fifteen settler families seize and claim ownership of a property near the Cave of the Patriarchs, in Hebron. (*Yediot Abaronot*)

**April 6** *Ze'man Yerushalaim* reports the publication of tenders for construction of 850 units in the Har Homa settlement.

**April 15** *Ha'aretz* reports on findings that over a two-year period, the Israel Defense Forces had prevented Palestinian farmers in Beit Furik, near Nablus, from reaching their land, which is located close to a number of outposts.

**May 1** The Jerusalem Municipality issues seven demolition orders for buildings in Bustan and Silwan, in East Jerusalem.

**May 8** The Knesset Finance Committee approves a bill providing tax breaks of up to USD 500,000 for donations that advance Jewish settlement, with a total price tag of about USD 212 million per year. The bill is expected to pass the second and third reading by the full Knesset. (*Ha'aretz*)

**May 11** *Yediot Yerushalaim* reports on plans by the Foundation for the Land of Israel to convert a building in Sheikh Jarrah, in East Jerusalem, into a 14-unit apartment building.

**May 20** *Ha'aretz* reports that a study by the Association for Civil Rights in Israel had found that in 2011, 84 percent of Palestinian

children and 78 percent of all Palestinians in Jerusalem lived below the poverty line. It put the Palestinian population at 360,000 (38 percent of residents).

*Yediot Abaronot* reports on plans in South Africa and Denmark to identify and label settlement products as such, rather than as made in Israel.

**May 25** *Yediot Yerushalaim* reports on plans by the settlement organization Ateret Cohanim to construct a synagogue in Silwan, in East Jerusalem. The house had been contested and occupied by Palestinians until a court ordered their eviction.

**May 28** *Kol Ha'Ir* and *Ha'aretz* report on the Jerusalem Municipality Finance Committee's approval of a budget of USD 1 million for expansion and development of the City of David.

**June 6** Israel orders the construction of 551 housing units in the West Bank to accommodate settlers removed from outposts. Among them are 117 in Ariel, 92 in Ma'ale Adumim, 144 in Adam, and 84 in Kiryat Arba. (*Ha'aretz*)

**June 8** *Ha'aretz* reports on the arrest of four settlers suspected of sabotaging the water supplies of the Bedouin community in Khan al-Akhmar, east of Jerusalem.

**June 12** Settlers spray paint and puncture tires on seven cars in Shuafat, in East Jerusalem, as part of the "price tag" campaign. (*Yediot Abaronot*)

Israeli civil authorities issue 52 demolition orders for buildings in the West Bank village of Susiya, including a children's daycare, medical center, and a power-generating facility.

**June 15** *Ha'aretz* reports that aerial photos show that part of a sixth house in the Ulpana outpost is on private land belonging to villagers from the Palestinian village of Durah al-Kara. Five such houses had been marked for demolition.

**June 20** *Ma'ariv* reports that a deal has been struck between the Israeli government and Ulpana outpost residents in which the government will build 300 housing units for them in Beit El if they agree to evacuate their outpost without resistance.

**June 22** *Kol Ha'Ir* reports the approval of 2,000 new housing units in the Gilo settlement.

---

## ABBAS CHALLENGES THE INTERNATIONAL COMMUNITY ON SETTLEMENTS

Developments over the past year have confirmed what we have persistently drawn attention to and warned of: the catastrophic danger of the racist Israeli settlement of our country, Palestine.

During the past months, attacks by terrorist militias of Israeli settlers have become a daily reality, with at least 535 attacks perpetrated since the beginning of this year. We are facing relentless waves of attacks against our people, our mosques, churches and monasteries, and our homes and schools; they are unleashing their venom against our trees, fields, crops and properties, and our people have become fixed targets for acts of killing and abuse with the complete collusion of the occupying forces and the Israeli Government.

The escalation of settler attacks should not surprise anyone, for it is the inherent byproduct of the continuation of occupation and a government policy that deliberately fosters the settlements and settlers and deems their satisfaction to be an absolute priority. . . .

Over the past year, since the convening of the General Assembly's previous session, Israel, the occupying Power, has persisted with its settlement campaign, focusing on Jerusalem and its environs. It is a campaign clearly and deliberately aimed at altering the City's historic character and the glorious image of the Holy City etched in the minds of humankind. It is a campaign of ethnic cleansing against the Palestinian people via the demolition of their homes and prevention of their construction; the revocation of residency rights; the denial of basic services, especially with regard to construction of school; the closure of institutions; and the impoverishment of Jerusalem's community via a siege of walls and checkpoints that are choking the City and preventing millions of Palestinians from freely accessing its mosques, churches, schools, hospitals and markets. . . .

At the same time, the occupying Power continues to tighten the siege and impose severe restrictions on movement, preventing the Palestinian National Authority (PNA) from implementing vital infrastructure projects and providing services to its citizens, who are also being prevented from cultivating their land and deprived of water for irrigation. It is also obstructing the establishment of agricultural, industrial, tourism and housing projects by the private sector in vast areas of the Occupied Palestinian Authority, which are classified as areas subject to the absolute control of the occupation, which encompasses approximately 60 percent of the West Bank. The occupying Power continues to deliberately demolish what the PNA is building, projects funded by donor brethren and friends, and destroying PNA projects involving the building of roads, simple homes for its citizens and agricultural facilities. In fact, over the past 12 months, the Israeli occupying forces demolished 510 Palestinian structures in these areas and displaced 770 Palestinians from their homes. These illegal measures have caused great damage to our economy and impeded our development programs and private sector activity,

compounding the socio-economic difficulties being endured by our people under occupation, a fact confirmed by international institutions.

Israel's overall policy is ultimately leading to the weakening of the Palestinian National Authority, undermining its ability to carry out its functions and to implement its obligations, which threatens to undermine its very existence and threatens its collapse. . . .

The final map and borders that can be drawn in accordance with Israel's official positions reveal to us the following: small Palestinian enclaves surrounded by large Israeli settlement blocs and walls, checkpoints and vast security zones and roads devoted to the settlers. Thus, the enclaves would remain subject to the full dominance of military, colonial occupation, only packaged under new names, such as the unilateral plan for a so-called State with provisional borders. . . .

Mr. President, Ladies and Gentlemen,

Israel refuses to end the occupation and refuses to allow the Palestinian people to attain their rights and freedom and rejects the independence of the State of Palestine.

Israel is promising the Palestinian people a new catastrophe, a new Nakba. . . .

Mr. President, Ladies and Gentlemen,

I speak on behalf of an angry people, a people that feels that, at the same time that they continue with their calls for their right to freedom and their adoption of a culture of peace and adherence to the principles and rules of international law and resolutions of international legitimacy, rewards continue to be illogically bestowed upon Israel, whose Government pursues a policy of war, occupation and settlement colonization. And Israel continues to be permitted to evade accountability and punishment and some continue to obstruct the undertaking of decisive positions regarding its violations of international law and covenants. This, in fact, represents a license for the occupation to continue its policy of dispossession and ethnic cleansing and encourages it to entrench its system of apartheid against the Palestinian people. . . .

The core components of a just solution to the Palestinian-Israeli conflict do not require effort to discover, but rather what is needed is the will to implement them. And marathon negotiations are not required to determine them, but rather what is needed is the sincere intention reach peace. And those components are by no means a mysterious puzzle or intractable riddle, but rather are the clearest and most logical in the world. This includes the realization of the independence of the State of Palestine, with East Jerusalem as its capital, over the entire territory occupied by Israel since 1967, and the realization of a just, agreed solution to the Palestine refugee issue in accordance with resolution 194 (III), as prescribed in the Arab Peace Initiative.

PLO chairman Mahmoud Abbas in a speech before the  
UN General Assembly, September 27, 2012

settlers who smell victory. “Despite the freeze, settlement in Judea and Samaria increased this past year,” he noted recently. “With the current rate of growth, we will be about 400,000 Jews before the next election campaign, and within four years, we will be about half a million Jews in Judea and Samaria. If you include East Jerusalem, we will number more than a million Jews, at which point the revolution will have been completed.”

### Deluxe Occupation

Many Israelis applaud this failure to end the occupation as much as Palestinians condemn it. Dov Weisglas, Prime Minister Ariel Sharon’s top negotiator, wrote recently in candid praise of the Oslo accords, which have regulated the occupation for almost twenty years: “A Palestinian once told me that ‘Oslo’ was ‘a brilliant Israeli arrangement.’ ‘How?’ I asked. ‘It is the only prison in the world where the prisoners are responsible for their own support, without any participation from the management.’” “Israel,” continued Weisglas, “enjoys all the privileges of sovereignty over the Palestinian territories, without the sovereign’s obligations; that is what ‘Oslo’ means today.”

This Israeli objective is not new. Nor, as Weisglas’ remarks suggest, is confidence in the advantages that it offers Israel.

The building blocks of a permanent Israeli presence in the West Bank and other territories occupied by Israel in June 1967 were put in place by a coalition of the Israeli security and political establishments well before the settlement movement went into overdrive. Settlement is motivated by religion and ideology. But the settlement drive is also a consequence of the still popular view that Israel’s security is enhanced by territorial expansion and the deployment of its forces and citizens beyond the June 1967 borders. This notion is at the heart of the settlement enterprise and the continuing support for occupation offered by Israel’s key institutions.

However, this Israeli strategy is not immutable. It did not survive a costly war with Egypt and an intifada in Gaza that erupted in December 1987 and never really ceased until Israel withdrew in September 2005.

In both cases, Israeli leaders concluded that national security would improve by withdrawing military forces and settlers from Sinai and Gaza—in the case of Egypt, by the signing of

a peace treaty, and in Gaza, by adopting a strategy of deterrence.

This history holds out some slender hope that Israel, notwithstanding the real differences between these areas and the West Bank, is still capable of deciding that its future will be more secure if it jettisons rejectionism, negotiates a mutually acceptable border with the Palestinians and makes peace.

### The U.S. in an Era of Transition

President Obama has defined the contemporary scene in the Middle East as an “era of transition.” The current malaise among policymakers and the diplomatic “freeze” that defines the U.S. view of the conflict on the eve of the November election is not simply a product of domestic American politics.

It also reflects a crippled strategic vision. Occupation and settlement undermine Israel’s character and security. The status quo defeats Palestinians’ internationally recognized right to freedom and self-determination. It engenders a pervasive sense of Palestinian insecurity, particularly in the rural parts of the West Bank contested by settlers and the vigilante elements of the “hilltop youth,” even as the absence of violent Palestinian opposition to the status quo currently breeds complacency among Israelis.

As Israel’s settlement population continues to grow at a pace twice as fast as the growth of Israel’s population as a whole, so too does the threat to Palestinian lands that are critical to the community’s national and even existential survival. This is particularly the case in Area C, comprising 60 percent of the West Bank, where the Palestinian Authority has no recognized presence. [see report of Robert Serry

on page 7] and where, in the spirit of the recommendations of the Levy Report (see *Settlement Report*, August 2012), Israel’s Ministry of Interior is quietly expanding its authority. Conceding the success of the settlers and effectively closing the door to a two-state solution will not end this dangerous conflict, nor insulate the next American president from its corrosive effects on America’s national security. ◆

**Jerusalem officials fear that [the Palestine Authority’s economic woes] will accelerate the decline in the PA’s stability to the point that it will affect the Palestinian security organizations, will start a third intifada against Israel and greatly undermine the stability of Fatah’s control over the West Bank, to the point that it might collapse. It is feared that if an intifada does indeed start, the Palestinians will try to infiltrate settlements and that violent and bloody incidents will take place, that stones and firebombs will be thrown at cars on the roads, which will then lead to counter reactions by the settlers.**

*Ma’ariv*, September 11, 2012

---

## UN REPORT TRACKS SETTLEMENT EXPANSION

A fundamental rolling back of the occupation, which is the essential complement to the state-building agenda, has not been realised.

Measures taken by Israel which help the Palestinian private sector, such as issuing permits for Palestinian businessmen traveling through Israel, the replacement of certain roadblocks with road gates that are normally kept open and commercial crossing upgrades, are welcome. Yet these measures have not had a significant effect on the performance of producers, exporters, importers, suppliers and traders in general, given the magnitude of restrictions that Israel still keeps in place citing security concerns. The result of years of restrictions has been the diminished competitiveness of Palestinian goods in local and international markets, low productive investment, and the shift over time of economic activity away from tradable, productive sectors towards those sectors that are less affected by these restrictions, e.g., public administration and services. A reversal of these trends and an expansion of the productive base and the tradable goods sector will be the basis for sustainable private sector-led growth, but this will only be feasible with a significant easing by Israel of the restrictions on the movement of people and goods, and access to land and other resources that it still keeps in place, including in Area C.

The UN recorded close to 200 settler-related incidents resulting in Palestinian casualties or damage to Palestinian property during the reporting period. These attacks included physical assaults, damage to private property, and attacks on livestock and agricultural land, among others, and resulted in the injury of about 90 persons, including many children, and damage to more than 2,400 fruit-bearing trees. Israel must prevent and provide adequate law enforcement for acts of settler violence in line with its obligations towards the Palestinian civilian population under occupation. Desecrations of reli-

gious sites also continued to occur, including a mosque on 19 June near Ramallah, one near Hebron on 11 September, and a monastery in Latrun on 4 September. While the Government of Israel has strongly and consistently condemned these attacks and made several arrests, more must be done to prevent such violence and provide adequate law enforcement for acts of settler violence, in line with its obligations towards the Palestinian civilian population under occupation.

Approximately 62 percent of the Barrier route is now complete, with very few new sections constructed during the reporting period but 80 percent of the existing Barrier route built inside the West Bank. As a result of the Barrier's significant deviation from the Green Line, in contravention of the International Court of Justice advisory opinion of 2004 which called for those portions of the Barrier built inside the West Bank to be dismantled, large areas of agricultural land and water resources are located in the so-called Seam Zone (which represents 9.4 percent of the West Bank) between the Barrier and the Green Line. The negative humanitarian impact of the constructed Barrier on Palestinian communities thus continues, raising serious concerns for the livelihoods of farmers living in 150 villages that own land located on the 'Israeli side' of the Barrier.

During the reporting period, the Israeli authorities demolished close to 235 residential and non-residential structures in the West Bank (including East Jerusalem), displacing 273 Palestinians, and reducing the livelihoods or otherwise affecting over 2,400 others.

Office of the United Nations Special Coordinator for the Middle East Peace Process, "Palestinian State-Building at Stake: Preserving the Two-State Solution," Ad Hoc Liaison Committee Meeting, New York, September 23, 2012

---

## EGYPT'S FIRST DEMOCRATICALLY ELECTED PRESIDENT HIGHLIGHTS PALESTINE

Mr. President,

Coming here today and addressing the General Assembly carry meanings reflected in the fact that I am the first Egyptian civilian President elected democratically and freely, following a great peaceful revolution hailed by the world. This revolution established a genuine legitimacy, through the efforts of all Egyptians, inside and outside Egypt and with the Grace of God. . . .

The first issue which the world must exert all its efforts in resolving, on the basis of justice and dignity, is the Palestinian cause. Long decades have passed since the Palestinian People expressed their longing for restoring their full rights and for building their independent state, with Jerusalem as its capital. Despite their continued struggle, through all legitimate means to attain their rights, and despite the acceptance by their representatives of the resolutions adopted by the international

community as a basis for resolving its problems, this international legitimacy remains unable until now to realize the hopes and aspirations of the Palestinian people. The resolutions remain far from being implemented.

Our brothers and sisters in Palestine must also taste the fruits of freedom and dignity. It is shameful that the free world accepts, regardless of the justifications provided, that a member of the international community continues to deny the rights of a nation that has been longing for decades for independence. It is also disgraceful that settlement activities continue on the territories of these people, along with the delay in implementing the decisions of international legitimacy.

Egyptian President Mohamed Morsi  
in a speech before the UN General Assembly,  
September 26, 2012

---

## EU ADVISORY OPINION ON SANCTIONING SETTLER EXPORTS

In an advisory opinion recently provided to the European Union, James Crawford, professor of international law at Cambridge University, asserted that Great Britain and the EU have the right, but not the obligation, to ban the import of goods produced in Israeli settlements in the occupied territories.

While states are legally prohibited from recognizing, aiding, or assisting illegal settlement activity, Crawford rejected the notion that EU governments are required to regulate Israel's compliance with international law. Although states must not recognize an unlawful situation and must refrain from lending any support to the perpetrating state, not every action of that state is unlawful. Acts that are "of immediate benefit to the population, should be regarded as 'untainted by the illegality of the administration.'" In Crawford's view, this caveat enables Britain and the EU to trade with settlers and settlements as long as doing so could benefit the local Palestinian population. Crawford also asserts nonetheless that Britain and its fellow EU member states have the authority to place restrictions on

the trade of goods originating in the settlements.

He argues that "there do not appear to be any EC laws which would be breaches by a member state taking the decision to ban the import of settlement produce on public policy grounds." In fact, the European Communities Association Agreement with Israel states that "relations between the parties, as well as all the provisions of the Agreement itself, shall be based on respect for human rights and democratic principles." Britain and the EU would not be breaking their commitments to Israel under the World Trade Organization's most-favored nation status, which applies to "products originating in the 'territory' of another WTO Member." Since neither the EU nor international law recognizes Israel's occupation of the West Bank and Gaza, goods produced there do not fall under the jurisdiction of any WTO agreement.

For the full report, see "Opinion: Third Party Obligations with Respect to Israeli Settlements in the Occupied Palestinians Territories," <http://www.tuc.org.uk/tucfiles/342/LegalOpinionIsraeliSettlements.pdf>.

**By the end of this year yet another timeline set by the Quartet for reaching a comprehensive, negotiated settlement will have lapsed. In circumstances of prolonged political stalemate and an increasingly fragile situation on the ground, the time has come for the international community to seriously reassess its role in resolving the conflict. In this regard, the Secretary General sincerely hopes that Quartet partners, in consultation with the parties, will look beyond prescriptive timelines to chart a credible political way ahead in the coming months. Both parties will suffer the consequences of failure to act responsibly and of sliding further away from the two state solution and regional peace as envisaged in the relevant Security Council resolutions and the Arab peace initiative.**

**Robert H. Serry, UN Special Coordinator for the Middle East Peace Process, Briefing to the Security Council on the Situation in the Middle East, September 17 , 2012**

Foundation for Middle East Peace  
1761 N Street, N.W.  
Washington, DC 20036  
Telephone: 202-835-3650  
Fax: 202-835-3651  
E-mail: [info@fmep.org](mailto:info@fmep.org)  
Internet: <http://www.fmep.org>

FIRST CLASS  
US POSTAGE  
PAID  
MERRIFIELD, VA  
PERMIT #2333