
EU HOMS REPORT ON JERUSALEM

2016

COVER NOTE

The Heads of Mission in Jerusalem and Ramallah herewith submit to the Political and Security Committee an updated Jerusalem Report for 2016 (Annex 1) and the set of recommendations formulated in the context of last year's report, still considered to constitute a relevant basis for discussions to reinforce EU policy on East Jerusalem (Annex 2). Annex 3 contains additional facts and figures on Jerusalem.

Developments in 2016 seriously jeopardise the viability of the two-state solution. Despite the fact that violence subsided during the latter half of 2016 the trends observed and described by EU HOMs for a number of years, worsened. The isolation of Palestinians from ordinary political, economic and social life in the city went largely unabated. Settlement activity continued.

The EU Foreign Affairs Council of 20 July 2015 reiterated the EU's longstanding position: "The preservation of the viability of the two-state solution is at the core of EU policy and will remain a priority." This includes the preservation of "the possibility of Jerusalem serving as the future capital of both states." On 18 January 2016 it reiterated the EU's commitment to achieving a two-state solution, based on parameters set out in the Council Conclusions of July 2014, warned that settlement activity in East Jerusalem seriously jeopardised the possibility of Jerusalem serving as the future capital of both States, and also called for upholding the status quo put in place in 1967 for the Haram al- Sharif / Temple Mount in line with previous understandings and with respect to Jordan's special role.

Considering the EU's long-standing commitment to the two-state solution with an independent, democratic, contiguous and viable Palestinian state, comprising Gaza and the West Bank including East Jerusalem, 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, record numbers of demolitions, evictions, tensions over the Haram al- Sharif / Temple Mount and rising levels of tensions and acts of violence on both sides, are increasingly undermining the two-state solution;

Considering the urgent need to address the situation in conformity with the EU's established position including all relevant EU Council Conclusions, most recently those of 22nd July and 17th November 2014, and in accordance with relevant UNSC resolutions (in particular UNSC Resolution 476 (1980), as well as in accordance with international law saying that the acquisition of territory by force or the threat of the use of force is inadmissible;

In 2015 the EU HoMs have formulated a set of common messages to be used as part of the EU's political position on East Jerusalem, inter alia in future FAC Conclusions, and when calling on Israel to change its policy on Jerusalem. These common messages are still considered relevant. EU HoMs also consider that the recommendations contained in the 2015 report retain their relevance and are an important input designed to assist the EU in addressing the issues of concern set out in the report. In fact, tensions are likely to increase even further, not least due to the 50th anniversary of the annexation of East Jerusalem in 2017 and events planned by Israeli authorities in this context.

Common Messages:

- *We firmly condemn attacks which have resulted in the deaths and injuries of Israeli and Palestinian civilians in Jerusalem,*
- *We are deeply concerned by any incidents involving apparent excessive use of force by Israeli forces in response to protests and security incidents.*
- *We continue to encourage both sides to urge restraint and call for calm. Israeli authorities must demonstrate proportionate use of force in their response to violent incidents, and open investigations following each fatality.*
- *We stress the importance of the integrity of the Haram al- Sharif / Temple Mount protected by the status quo valid between 1967 and 2000 and reaffirmed in the Wadi Araba Peace Agreement of 1994 between Israel and the Hashemite Kingdom of Jordan. Furthermore, call for the restoration of this status quo, with support of the international community if deemed appropriate.*
- *We call for mutual respect of cultural and historical ties of all Abrahamic religions to Jerusalem and its holy sites.*
- *Israel must stop its settlement policy in East Jerusalem (and the rest of the West Bank). Illegal under International Law, this policy not only threatens the viability of the two-state solution but also seriously calls into question its commitment to a negotiated agreement with the Palestinians. The EU will not recognise any changes to the pre-1967 borders, including with regard to Jerusalem, other than those agreed by the parties.*
- *Israel should refrain from using archaeology and tourism development as a political tool to modify the historical narrative and support, legitimise and expand settlements.*
- *Israel must ensure the rule of law and provide services according to its obligations under IHL for Palestinians living in Jerusalem.*
- *Israel should allow a Palestinian representative leadership and institutions to operate in East-Jerusalem, to address the political, security, economic, social and cultural needs of the Palestinian residents of East Jerusalem.*

INTRODUCTION: JERUSALEM IN THE CONTEXT OF THE TWO-STATE SOLUTION

1. Jerusalem commands enormous symbolic value both for Israelis and Palestinians and beyond. The issue of the future status of the city is also at the heart of the Middle East Peace Process. So long as this question is unresolved there cannot be a lasting peace agreement based on the two-state solution.
2. Since 2005 EU Heads of Mission (EU HoMs) in Jerusalem and Ramallah have provided regular reports on developments in Jerusalem. In the course of their reporting the EU HoMs have traced a number of trends which are having a profound negative impact on the city including the expansion of settlements and increasing political, economic and social exclusion of Palestinians living there. The growing polarisation and violence in the city increasingly threaten the viability of the two-state solution with Jerusalem as future capital of both states.
3. Violence which significantly worsened in the second half of 2015 lasted well into 2016, but started to recede later in the spring. While it is positive that, apart from some serious incidents also during the latter part of year, violence started to subside late spring, the root causes of the violence remain unchanged. Nothing reduced or even reversed the isolation of Palestinians from ordinary political, economic and social life in the city and a volatile atmosphere prevails. The new reality described in last year's report is now firmly established, a reality marked by ever increasing Palestinian alienation and marginalisation, a loss of hope in the possibility of positive change, deep mutual mistrust and a sense of loss of security among both communities.
4. This report provides an update of developments since the beginning of 2016 on all issues covered by the previous report, documenting the further deepening and accelerating negative trends in the city. These are: the political, economic and social exclusion of Palestinians in Jerusalem – the heart of the matter - which engenders among Palestinians both despair and anger and a loss of hope in the future; the growth and impact of settlements and settler-related activity; the growing polarisation and violence in the city which is a consequence of the above and, last of all; the Haram al- Sharif / Temple Mount both because of its symbolic importance and the fact that it has served as a flashpoint for religious tensions.

The conclusions on all these issues remain very similar to the ones drawn in last year's report:

The Political framework and the resulting economic and social exclusion

5. At the root of the negative trends outlined above is the occupation since 1967 and a long-standing policy of political, economic and social marginalisation of Palestinians in Jerusalem, in violation of Israel's obligations under International Humanitarian Law. Highly restrictive policies regarding Palestinian construction in Jerusalem have continued in force; demolitions and evictions in fact accelerated in 2016, more than doubling the number in 2015; education for Palestinians is still inequitable; Palestinians continue to face difficulties in accessing health care; East Jerusalem's economy shows no signs of improving. Palestinian political organisation in East Jerusalem is largely absent and Palestinian institutions are still prevented from playing a role. Pressure on the few remaining cultural institutions has increased in 2016. Furthermore, Palestinian communities in Jerusalem are fragmented and are confronted with numerous economic and social difficulties including drug abuse, division and displacement of families, domestic violence, loss of cultural identity, and high levels of stress and depression.

Settlements and settler activities

6. The unabated continuation of the settlement policy only serves to increase tensions on the ground and undermines the prospects for achieving a just and lasting peace based on the two-state solution. Israeli settlement activity has continued in and around East Jerusalem, and the settler population in Jerusalem keeps growing at a rate above the overall growth rate of the city. More than one third of all Israeli settlers in occupied Palestinian territory live in East Jerusalem. Settlement plans were advanced, the number of newly issued building permits has increased, and 'recovery' of property in East Jerusalem that had belonged to Jews prior to 1948 accelerated, threatening to create more settlement enclaves in Palestinian neighbourhoods. In particular in the Old City itself, more Palestinians were evicted from their homes in favour of settler organisations, increasing the Jewish presence in Palestinian neighbourhoods inside, and in the immediate vicinity of, the Old City. This was accompanied by continuing attempts, through the use of archaeology, to establish a narrative based on historic continuity of Jewish presence in the area to the detriment of other religions and cultures.

Polarisation and violence

7. The vicious cycle of violence which dominated the second half of 2015, lasted well into 2016., Violent deaths of both Israelis and Palestinians both in West Jerusalem, and East Jerusalem and the rest of the West Bank, fuelled tensions, increased fear, and mutual mistrust in all communities living in the city. Violence started to subside from May onwards. While most of the measures taken by Israeli authorities in the autumn of 2015 in response to the upsurge in violence, in particular checkpoints and closures of neighbourhoods, were taken back, Israeli punitive measures such as demolitions of the properties of Palestinians involved in violent attacks and their families have continued. Four alleged attackers, currently awaiting trial, have had their residency revoked in 2016. Though less frequent, there were a number of violent incidents occurring also in the second half of 2016, including some incidents where the use of force by the Israeli security forces led to 'accidental' deaths.

Haram al- Sharif / Temple Mount

8. The one positive difference between 2015 and 2016 which can be noted is that tensions on and around the Haram al- Sharif / Temple Mount which had played a major role in the upsurge of violence in Jerusalem in 2015, subsided. The fact that this time there were much fewer restrictions on Palestinians to enter and pray on the site during Fridays, and in particular Ramadan, helped reduce tensions and restore relative calm. In addition, the ban on Israeli cabinet members and members of Knesset to visit the site was enforced. However, record numbers of Jewish visitors were allowed onto the site during the Jewish holiday season and statements from Israeli right-wing politicians continue to raise concern and fuel fear among Palestinians that Israel is seeking to change the status quo at the Haram al- Sharif / Temple Mount. Palestinians remain sensitive to any risk of what they see as the potential "Hebronisation" of the Haram al- Sharif¹.
9. This year's report is accompanied by the same set of common messages and recommendations contained in last year's report. Heads of Mission still consider these relevant, and in particular the recommendations still provide important input to assist the EU in addressing the issues of concern set out in the report.

¹ Referring to the physical division of the Ibrahimi mosque in Hebron in place since 1994 and which has been viewed as a catalyst for wider settler activity in Hebron city

1.1 RESIDENCY STATUS

10. Palestinian residents of East Jerusalem are issued a special Israeli Identity Card (ID), which confers a different status from other Palestinians. Apart from the right to reside in East Jerusalem, this ID confers upon its holder the right to travel and to drive beyond the separation barrier and throughout Israel without the need to obtain a permit. It entitles them to receive social security benefits to which they make compulsory contributions. They are subject to paying Israeli taxes. Holders of an east Jerusalem ID are also allowed to make use of Israel's international airport. They are also allowed to vote in municipal elections but by and large boycott them as they consider that a vote would entail recognition of Israel's annexation of East-Jerusalem. They are not allowed to vote in national Israeli elections.
11. Nevertheless, the situation of Jerusalem ID-holders is precarious as their ID may be revoked by the Israeli authorities if, when challenged, its holder fails to prove that Jerusalem continues to be his/her "centre of life"². According to the Ministry of Interior's figures supplied over the years, between 1967 and 2015, Israel revoked the status of 14,500 Palestinians from East Jerusalem. 107 Palestinian IDs were revoked in 2014 and, according to the data supplied by the Ministry of Interior on February 28, 2016, in 2015 Israel revoked the residency of 84 East Jerusalem Palestinians, including 33 women and two minors. Additionally, Israel "reinstated" the status of 23 East Jerusalem Palestinians in 2015. Upon losing their residency these people become stateless unless they have citizenship from another country, since the PA, as a matter of principle, does not issue them with West Bank IDs in order not to be complicit in the revocation of their residency. It should be recalled that the policy of revoking residency rights of Palestinians is a violation of international law. Often as an insurance policy against possible revocation of residency rights, over 1,000 East-Jerusalemites per year apply for Israeli citizenship. While around half of the applications for citizenship were accepted between 2003 and 2013, these figures have dropped dramatically since 2014. Between 2014 and September 2016, of 4,152 East Jerusalemites who applied for citizenship, only 84 were approved and 161 were rejected. The rest of the applications are pending — formally, still being processed.
12. The policy of revocation of residency rights is linked to Israel's demographic policy, as stated in official planning documents such as the Jerusalem Master Plan 2000 ratified by the Jerusalem Municipality in 2007, which aims at preventing the Palestinian population in East Jerusalem from exceeding 40% of the Municipality's total population.
13. In addition to the precarious nature of Jerusalemite ID-holder status, such residents have more limited rights than those enjoyed by an Israeli citizen. One notable example concerns the situation where a spouse of a Jerusalem ID-holder is not a permanent resident. In such a situation permanent residency will not automatically pass on to Palestinian children. Furthermore, permanent residency is not automatically transferred through marriage. The legal procedure for family unification entails a long and expensive bureaucratic process, during which

² The concept of Centre of Life is generally used in European countries to determine the right of immigrants to obtain a residency permit. Since 1995 Israel has applied this concept to Palestinian residents of East Jerusalem. The concept is applied strictly, using three non-cumulative formal criteria: a person loses his residency status for (1) having stayed outside of Jerusalem municipal borders as unilaterally defined by Israel for a period of at least seven years; (2) having a permit for permanent residency in another country; (3) having citizenship of another country by way of naturalisation. Other criteria generally linked to the concept such as having a family, employment and general integration into society are not taken into account. Documentation such as landline phone bills, electricity bills, and proof of payment of municipal property tax bills are frequently requested by the Israeli Ministry of Interior upon renewal of identity cards or request for travel documents. Failure to produce those documents may ultimately result in the revocation of the Jerusalem ID.

children of the couple and non-resident spouses are vulnerable as they can at any time be refused permission to live as a family in East-Jerusalem. The Citizenship and Entry Law has compelled many couples either to separate or, if they choose to live together in Jerusalem illegally, in constant fear that the West Bank spouse might be deported. According to figures supplied by the State of Israel in June 2015, some 8,000 Palestinians are living in Jerusalem under the family unification process with temporary stay permits only. This number includes many children who have one parent who is a permanent Jerusalem resident and another who is a resident of the West Bank. The Law denies such children the possibility of receiving residency status in Israel if over age 14 at the time of the parent's request to have the child registered in Israel. Thus, they must continue living into adulthood with just stay permits and without social security rights; some are left stateless. Since 2012, a total of 2632 requests for family reunification had been filed in East Jerusalem: 1458 of them were filed by men and 1174 by women. 1248 of the requests were approved and 526 refused. An amendment to the Criminal Code stated that a parent of a minor who has been convicted and imprisoned for a security offence will be denied all National Insurance payments for that child, including child allowance and subsistence payments such as maintenance and income support, during the child's imprisonment. Moreover the amendment establishes an arbitrary distinction between convicted minors: those convicted of security offences and those convicted of criminal offences.

14. Following Israeli Prime Minister Benjamin Netanyahu's message on 18th October 2015 citing residency revocation as one of the possible measures to be taken in the context of the escalation of violence, the Israeli Minister of Interior, Silvan Shalom, revoked the residency status of four East Jerusalem residents accused of attacks against Israelis. In addition, an East Jerusalem temporary stay permit, granted on the grounds of family reunification, was revoked from a Palestinian woman whose son was shot dead when carrying out a stabbing attack in October 2015. The woman has appealed against the decision and there is currently an injunction on her deportation.

I.2 ACCESS AND MOVEMENT

15. The separation barrier and its associated permit regime continue to have a serious negative social, humanitarian and economic impact on East Jerusalem and its Palestinian hinterland. The barrier disconnects East Jerusalem from the rest of the West Bank and physically separates Palestinian communities within East Jerusalem. At the same time it incorporates Israeli settlements from beyond the 1967 Green Line into the city.
16. The barrier changes the de facto boundaries of the city. It cuts off densely populated Palestinian neighbourhoods that consequently find themselves on the "West Bank" side of the barrier, but within the (unilaterally declared and internationally unrecognized) municipal boundary. The Palestinian residents of these communities, estimated to be at least 70.000, need to cross checkpoints to access work places, as well as health, education and other services to which they are entitled (and pay taxes for) as residents of Jerusalem.
17. The barrier also affects approximately 1400 West Bank ID holders in some 17 localities outside of the Jerusalem municipal boundaries (as unilaterally defined by Israel after 1967) but situated on the "Jerusalem" side of the barrier. The residents in these communities are subject to a special "seam zone" permit regime with uncertain residency rights. They also experience difficulties in accessing basic services and are at risk of displacement.
18. 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 16 barrier checkpoints: Gilo, Qalandiya, Shu'afat and Zaytoun.

19. Permits are suspended during security closures and often during Israeli national and Jewish holidays. On those occasions, the Israeli authorities usually declare a general closure of the West Bank (and the Gaza Strip) for 48 hours (or longer), preventing permit holders to access East Jerusalem (and Israel), except for urgent humanitarian and lifesaving cases, entry permits for the purpose of "legal needs". (e.g. participation in court proceedings) and a few other exceptions (like the Palestinians holders of ID's workers for international community), Commercial crossings are shut down. In 2016, such measures were taken on 11-12 May 2016 (Israel's Commemoration and Independence Day) and during Jewish holidays: from 10 to 12 June (Shavuot), 2-4 October (Rosh Hashana), 16-17 October (Sukkot) and 11-12 October (Yom Kippur).
20. Work permits have also been suspended by the Israeli authorities following security incidents: in February, following a stabbing and shooting incident against the ISF (Israeli Security Forces) in East Jerusalem, 300 work permits of residents from Qabatiya village (Jenin), where the perpetrators were originated from, were revoked; after the 8 June shooting attack in Tel Aviv, 204 work permits held by individuals in the extended families of the alleged attackers were suspended.
21. However, during Ramadan, the need to obtain permits to enter Jerusalem for West Bank ID holders is temporarily suspended for certain categories of Palestinians that are not deemed a security risk by the Israeli authorities. Criteria are generally age-based. In 2016, all Palestinian women, irrespective of age, were allowed to enter Jerusalem for Friday prayers. In 2016, access for men was limited to males under 12 and above 45 years of age. According to ICA (Israel Civil Administration) figures, 296,000 West Bank ID holders meeting the access criteria entered Jerusalem for Ramadan, a decrease compared to 2015 figures (329,000). In addition, Ramadan-related family visitation permits are also issued to allow West Bank ID holders to access Jerusalem during Ramadan and Eid Al Fitr; these permits are generally valid on all days except Fridays and Saturdays. However, often such permits are only given to individual members of a family, not to a family as a whole. This leads in practice to situations in which permits end up not being used. West Bank Palestinians outside the declared age limit have also been able to apply for Friday prayer permits during Ramadan. An estimated 83,000 of those permits were granted in 2016. However, they were revoked after the 8 June shooting attack in Tel Aviv (during which four Israelis died), while the Ramadan had begun on 6 June.
22. In April 2016, for the first time in seven years, the Israeli authorities began opening a Barrier gate in East Jerusalem (Dahiyat al Barid) for several hours a day, allowing Jerusalem ID holders to use a shorter route to Ramallah and nearby communities.
23. As part of the 2014 ceasefire, 200 people per week aged over 60 are allowed to receive permits to exit Gaza for the Friday's prayer at Haram al- Sharif. A separate quota of 100 is also set aside for UNRWA employees. In 2016, this quota of approximately 300 people from Gaza was maintained. These permits were suspended on two more occasions in 2016: in March during four weeks and on 11 December until further notice, on the ground that worshippers were not returning the same day as they travel (these permits are for one day only). UNRWA employees were not affected by these suspensions. The total number of exits of worshippers for al-Aqsa Friday prayer from January to November 2016 has been 9,241 (monthly average: 840, compared with a monthly average of 935 exits in 2015).
24. A number of relaxation measures during Ramadan were also announced for Gaza residents, including 500 permits for those over 50 years of age, 300 permits for prayer in Al Aqsa Mosque

from Sundays to Thursdays, and an additional 800 permits with the same age criteria for the night of Laylat al-Qadr. Following the fatal attack in Tel Aviv on 8 June, these measures were suspended.

25. For Easter, 800 permits and for Christmas holidays, 700 permits were announced for Christian Palestinian from Gaza to travel to East-Jerusalem (and the West Bank). For Easter, 847 have eventually received a permit (95% of the applications)

During 2016, 92 access incidents were reported by UN/INGO personnel at Jerusalem periphery checkpoints, affecting 795 humanitarian personnel. Access incidents occur for many reasons, some of which include UN vehicle (including buses and shuttles) and personal searches, in violation of the Convention on UN Privileges and Immunities, to which Israel is a signatory, as well as closures and extended delays.

I.3 EDUCATION

26. There are a number of significant issues with the provision of education for Palestinian children in East Jerusalem. These include a chronic shortage of classrooms, planning restrictions on building schools which thwart efforts to correct this; threats to the legal status of some extant institutions (see below on demolitions); access and movement restrictions for teachers and students; a shortage of trained teachers; and a lack of coordination between the various education providers in East Jerusalem.
27. Statistics for the 2016-2017 school year show that there were 105,211 students in Arab education, with 41% of these in official schools operated by the Jerusalem Municipality. The remaining 59% attended the other three types of schools in operation in East Jerusalem: private, Awqaf³ and UNRWA. For the first time, the number of students attending schools run and operated by private bodies under a licence from the Israeli Ministry of Education exceeded the numbers in official Jerusalem Municipality education. This rising number of students in non-municipal schools carries substantial financial consequences for the family budget. There is little coordination between these providers and wide discrepancies in the quality of education offered are reported.
28. Research suggests that the status of 23,500 Palestinian children in East Jerusalem is unknown (it could be assumed that some of these study outside Jerusalem). Of those enrolled, there is a cumulative dropout rate of 36%, i.e. more than one third of children do not complete all twelve years of school. Dropout is especially common among boys and the higher grades of the secondary cycle. The poverty rate among the Palestinian population in Jerusalem is 79.5%, with 84% of children living in poverty.
29. There is an ongoing chronic shortage of classrooms and a large number of substandard and/or overcrowded facilities in use. The deadline for the implementation of the Israeli Supreme Court's decision of 2011 which stipulated that the State should, by February 2016, provide the physical infrastructure necessary to allow all East Jerusalem students the option of attending municipal schools, has now passed. In that time, the classroom shortage has in fact doubled. 42 classrooms constructed by the Municipality were due to open in September 2016. The Municipality rented

³ A Waqf (plural: Awqaf) is an Islamic religious endowment (trust). The term is often used as synonymous with the organisation which administers them, as is the case here.

675 classrooms in 2015/2016, including 92 rooms for the first time. For the 2016/2017 educational year, the Municipality estimates that it will need to rent 820 classrooms in East Jerusalem. It should be noted that rented classrooms are located in residential buildings and are often inappropriate for their educational purpose.

30. In addition, 415 classrooms are either being constructed or are in the pre-planning/planning stages. These figures constitute a significant decrease over last year's figure of 509 classrooms either opened or in planning/construction. Latest research indicates that the total shortage of classrooms in East Jerusalem is 2,672. The average classroom size is just 20m². Due to population growth it is estimated that 70 new classrooms will be required each year.
31. One direct cause of the classroom shortage is Israeli planning policies, which have limited the area of land in East Jerusalem zoned for public buildings to 2.6% of the total land in the area. However, in June 2015, the Local Planning and Building Committee approved a plan to establish an education campus in the neighbourhood of Jabel Mukabber. The plan, which was eventually deposited in May 2016, allows for the construction of 12 kindergarten classrooms, 18 primary school classrooms and 54 additional classrooms in three schools.
32. Awqaf schools cannot for the most part expand or adapt existing schools as needed, nor build/purchase new buildings, due to planning and zoning restrictions. Six Awqaf schools are under full or partial demolition orders, the same number as in 2015.
33. Given the growing isolation of East Jerusalem from the rest of the West Bank, students and teachers who hold West Bank IDs and therefore who need a permit to travel to their school (or those holding Jerusalem ID cards but living on the eastern side of the barrier) can face a number of difficulties including delays, harassment, and non-renewal or revocation of permits. Due to difficulties in obtaining access permits for teachers, there are shortages in teachers for core subjects such as English, Arabic, Maths and Science. Both permit issues and accreditation issues (related to Al Quds University, below) contribute to the shortage of maths and science teachers in particular.
34. Since March 2011 municipal schools in East Jerusalem have been obliged to use the Israeli-edited version of the PA curriculum or risk losing their funding. Since private schools tend to receive some funding from the Israeli authorities, most now use the Israeli-edited version of the PA curriculum as well, which omits material related to Palestinian identity, heritage and history as well as the settlements and the occupation. The Municipality also offers incentives to schools to introduce the Israeli curriculum in Arabic. The total number of municipal or private schools in East Jerusalem offering the Israeli curriculum as an optional alternative has risen from 10 to 14. Approximately 1,900 Palestinian students took the Israeli matriculation exams in 2016 and 2,200 are expected to sit them next year. This number has been rising steadily annually. In 2016, it was reported that the Israeli Ministry of Education and the Ministry for Jerusalem Affairs and Heritage had developed plans to award extra resources to schools in East Jerusalem which teach the Israeli curriculum. Israeli Minister for Education Naftali Bennett announced that he wished *"to provide a strong tailwind to any school that chooses the Israeli curriculum. My policy is clear: I want to aid the process of Israelisation."*
35. Under the Free Education Law of Israel, children under three years of age in East Jerusalem are entitled to attend kindergarten; however facilities available are severely lacking to meet the needs of the growing population.
36. Despite efforts over many years by Al Quds University (AQU), the most important third level institution for Palestinians in Jerusalem, the issue of the university's status has not been

resolved. Until it is, degrees granted by AQU are not recognised in Israel, and cannot serve its students looking for work in the Israeli market. Graduates of the faculties of medicine and education are the principal victims of this situation, which in turn is directly related to the shortages of doctors and teachers in East Jerusalem. In 2014 the Israeli courts ruled in favour of 55 AQU medical graduates who petitioned the court, and entitled them to sit the certification exams to be able to practise in Israel. However, as is the case with a similar ruling in 2011, this is an interim resolution pending the outcome of the bigger issue of the status of the University. Therefore it will not set a precedent, and each year graduates will face the same situation. Education graduates continue to struggle to gain employment, or to be paid appropriately for their work.

37. 32 students were injured by live ammunition in 2015/2016 and 212 were placed under arrest or house arrest. In October 2016, Israeli security forces arrested ten students in the Dar Al Aytam school in the Old City. The school principal was also held and later prohibited from entering the Old City for 45 days. The effect of these developments on the pupils has been drastic, with 70 pupils dropping out in the wake of the events. Due to its proximity to the separation barrier, AQU's Abu Dis campus is the site of frequent clashes with the ISF. In recent years these clashes have become more frequent. During the months of October and November 2015 there were two incursions of Israeli forces into the campus of the university, and in October 2016, ISF also entered the university premises and raided a number of buildings.

I.4 HEALTH

38. All Jerusalem ID holders have access to and pay for Israeli health insurance and they can receive treatment by Israeli-run structures or by the six East Jerusalem hospitals, which are the main Palestinian-run institutions in East-Jerusalem. More than half of the patients treated at these hospitals are West Bank or Gaza residents who have been referred by the Palestinian Ministry of Health. This is because high-specialty care is not available in other parts of the West Bank and Gaza due to lack of infrastructure, equipment or capacity. Even where secondary and tertiary services are in place in the West Bank, the quality and safety of treatment is better in the East Jerusalem hospitals, because of long term experience and international accreditation programmes not available in the rest of the West Bank, such as Joint Commission International (JCI), that is now mandatory for all Jerusalem hospitals. The financial ability of the PA to pay for the treatment of referred patients is limited, severely affecting the financial situation of the six East Jerusalem hospitals. During the first nine months of 2016, a total of 30,270 medical referrals were performed by the Palestinian Ministry of Health in East Jerusalem hospitals, accounting for almost half of the total referrals and showing an increasing trend compared to the previous year. Details on causes and destinations of referrals are available from the first half-year report of the Ministry of Health, showing that oncology cases were the most frequent cause of referrals, and Augusta Victoria Hospital received most of such cases, with 8,148 oncology referrals in the period January-June 2016.
39. Palestinian patients from the rest of the West Bank and Gaza regularly have difficulties in accessing East Jerusalem (or Israeli run) health care facilities, which prevents the realisation of their entitlements. West Bank ID holders require permits from Israeli authorities to access healthcare in East Jerusalem. They are required to cross pre-defined barrier checkpoints either on foot or, only in a limited number of cases, by car, public transportation or special hospital-provided shuttle. Permit requests can be denied on grounds of security or permits may not be obtained in time to receive scheduled treatment. The percentage of denials varies, and it is difficult to obtain accurate information on the denial ratio from the Israeli authorities. According to WHO reports on medical referrals from Gaza, in September 2016 only 64% of the 2,026 patient permit applications to exit through Erez checkpoint were approved. For certain

categories of chronic patients Israel issues longer-term permits, which can be valid for up to a year (for dialysis patients) with a possibility of a renewal followed by a request by the hospital concerned.

40. Patients needing emergency treatment available only in East Jerusalem are affected by the Israeli access restrictions. Entry of Palestinian-operated ambulances from the West Bank to East Jerusalem is not allowed. While some ambulances were previously able to enter, this has been prohibited, since the new restrictions were put in place in October 2015. At the same time, with the exception of a few main streets, Israeli ambulance staff enters Palestinian neighbourhoods in East Jerusalem only under police escort, thus delaying delivery of emergency care even when residents are in a critical condition.
41. The functioning of East Jerusalem hospitals depends on their ability to employ staff from the rest of the West Bank. Depending on the hospital, 70-80% of East Jerusalem hospital staff requires permits, which are issued for no longer than six months at a time, to access Jerusalem. While there is no longer a clear permit related quota for the number of West Bank ID-holding staff they can employ, the hospitals still receive verbal notifications that they are reaching their quota. When these notifications are being challenged, more permits have been obtained. Medical personnel have two types of permits, "Medical doctor on duty" and "Hospital Medical Staff". These permits should have equal privileges, but staff holding the latter permits are not, as a main rule, able to cross all checkpoints and are required to cross checkpoints on foot. The hospitals have tried to end this discrimination between doctors and other staff such as nurses but so far failed. Recently around 100 doctors have received a special permit to enter Jerusalem with their own cars.

I.5 ECONOMY

42. Palestinians constitute approximately 37% (316,000) of the population of the whole of the Jerusalem Municipality. Despite the equally imposed tax burden, the municipal budget spent on Palestinian neighbourhoods is disproportionately lower, not reaching 10%. This translates into insufficient public services such as shortage of classrooms, limited emergency, postal, banking and waste collection services, absence of urban planning and public spaces, denial of rights from the Israeli National Insurance and Israeli Employment Bureau income-security services.
43. Moreover, the separation barrier has isolated East Jerusalem from the rest of the West Bank, and more than 30% of the Palestinian residents are now disconnected from the rest of the city. The severing of economic, commercial, religious, familial and touristic ties has worsened the socioeconomic situation. Due to the physical isolation and the strict Israeli permit regime, the city has largely ceased to be a traditional Palestinian economic, urban and commercial centre. The Israeli separation barrier's adverse impact in terms of lost trade and employment opportunities is estimated at around US\$200 million per year.
44. The Palestinian economic actors in east Jerusalem, which are mainly composed of small and micro enterprises, have been struggling with numerous challenges for years. The combined effect of Israeli administrative and fiscal requirements, legal limitations created by the precarious residency status of Palestinians in Jerusalem, Israeli trade regulations hindering the import of goods and services from the rest of the Palestinian territory, unavailability of Israeli laws in Arabic, high commodity prices and no access to land, have all further undermined the competitiveness of Palestinian entrepreneurs in East Jerusalem in both the Palestinian and Israeli markets. In addition, economic development in the city is hampered by the Israeli tax policies targeting economic activities and the unstable political situation, which deters foreign and private investments and severely limits access to loans. The resulting difficult economic

environment and the absence of any economic development policy and institutions (such as the headquarters of the Arab Chamber of Commerce of Jerusalem, which were closed in 2001) have contributed to economic deterioration. These severe impacts on the East Jerusalem economy further intensified during the second half of 2015 and beginning of 2016 due to the resumption of violence within Jerusalem boundaries. Overall the contribution of East Jerusalem to the total Palestinian GDP has declined from 15% before the Oslo Accords to less than 7% today.

45. A major consequence of this situation has been the structural shift from entrepreneurship to wage employment. The East Jerusalem labour market is increasingly focused on either the rest of the West Bank or the Israeli labour market, where Palestinian employees work under difficult conditions, minimum wage and mostly in unskilled jobs. Unemployment is continuously very high, especially among young people (approx. 35%), uneducated (7-9 years of schooling) (approx. 22.4%) and women (approx. 19.9%). The Palestinian productivity is higher in East Jerusalem than in the rest of the West Bank and Gaza (respectively \$23,000 per worker, against \$15,000 and \$11,800), but remains much weaker than in Israel (\$86,000). Although the per capita GDP in East Jerusalem is higher than in the rest of the West Bank, East Jerusalem Palestinians must cope with higher prices and taxes. The poverty rate in East Jerusalem has reached alarming dimensions. In recent years, the poverty levels have become further exacerbated reaching 75% (compared to 64% in 2006) of the total East Jerusalem Palestinian population and 84% among children compared to approximately 45 per cent of Israeli children living in Jerusalem. Due to their loss of income, the local population has to cut back on its consumption, which dampens the economy's growth potential even more. This downgrade spiral leads to an unavoidable impoverishment.
46. Tourism has traditionally played a key role in East Jerusalem. Religious pilgrims and other tourists come to visit the unique historical sites, and use the city as a base to explore the Holy Land. According to some studies, tourism and related activities account for more than one-third of the economic output. However, much of East Jerusalem's tourist infrastructure is severely underdeveloped and the Palestinian tourism sector only receives a very limited part of the revenues generated by foreign tourism. The only touristic infrastructure in East Jerusalem which is in a position to develop is that managed by settler organizations, such as El'ad in Silwan, which offer an exclusively Jewish narrative of the history of the city. Moreover, violent security incidents have resulted in declining numbers of foreign visitors and revenues from tourism, which provides livelihood for many Palestinian families.
47. Labour-intensive construction industry could be a key part of the East Jerusalem economy in terms of creating jobs and contributing to growth. Accelerated housing construction in East Jerusalem would clearly improve labour market outcomes and quality of life for its residents. The housing market has been constrained by a lack of access to land, absence of planning, regulatory impediments, lack of access to financing, and a costly, complex, and time-consuming permit process. Due to a combination of commercial and political risks, Palestinian banks (absent from East-Jerusalem) have not provided housing loans to Palestinian residents of East Jerusalem. The resulting mismatch between supply and demand has led to a shortage of housing units and proper commercial infrastructure in East Jerusalem.

I.6 TRANSPORT AND INFRASTRUCTURE

48. Infrastructure and transport projects serve to strengthen Israeli control over East Jerusalem. The light rail illustrates the Israeli policy of connecting Israeli settlements in East Jerusalem with the centre in West Jerusalem. Except for a few stops in Shu'afat and Beit Hanina, the light rail does not serve the Palestinian neighbourhoods. The Israeli Municipality of Jerusalem is planning to extend by about double the length of the existing light rail in the coming years, up to the settlement of Neve Yaakov, linking further settlements (i.e. Gilo, Ramot and Neve Ya'akov) to

West Jerusalem. Moreover, the planning process for two additional lines is underway; one linking the settlement of Gilo to Mount Scopus and one linking the settlements of Ramot and Gilo, passing through West Jerusalem.

49. Increasingly perceived by Palestinian residents as instruments of “occupation”, the infrastructure that contributes to settlement policy (or unification schemes) is more and more considered as a legitimate target whose symbolic value is equivalent to settlements themselves. Despite the decrease of the number of acts of violence since mid-2016, the light rail has remained a flashpoint of tensions, as illustrated by the shooting attack near the Ammunition Hill light rail station on 9 October, in which two persons were shot dead.
50. Further infrastructure projects include the development of a cable car system that would bring visitors from German colony/Abu Tor in the South to Mount of Olives via the Western wall (the terminal would be located outside the ramparts of the Old City, next to the Al Aqsa Mosque). The Mayor of Jerusalem expressed his commitment to go ahead and extend the initial plan by locating an additional stop in the Palestinian neighbourhood of Silwan where tensions are high due to settlement activity. The cable car project, if realised, would infringe upon the World Heritage status of the Old City, and – being part of settlement infrastructure – will exacerbate tensions in the city.
51. Other infrastructure links further exemplify the Israeli authorities’ intention to consolidate the connection between major Israeli settlements and Jerusalem. The first one is Route 20, a mile-long bypass road aiming at connecting the north-eastern settlements of Pisgat Zeev and Neve Yaakov with the north-south Begin Highway (Jerusalem main traffic artery). Despite the opposition of the residents of the Palestinian neighborhood of Beit Hanina (which it bisects), the road went into service in 2013. The second one is route 21, a north-south road designed to connect Ramat Shlomo settlement to the centre of Jerusalem in the framework of new housing plans in the northern settlements (under construction since early 2013). Aiming at connecting Begin Highway with the Gush Etzion “settlement bloc”, the extension of a six-lane highway through the center of the residential East Jerusalem community of Beit Safafa is still under construction despite concerns over the damage the project will cause to the community as well as its broader political implications (disconnection of this Palestinian neighborhood from a future Palestinian capital).

I.7 PALESTINIAN INSTITUTIONS

52. The institutional and leadership vacuum in East Jerusalem remains a key concern. This resulted from the prolonged closure of Palestinian institutions, in particular that of the Orient House, closed since 2001 through temporary orders continuously renewed every 6 months. As PLO Headquarters in Jerusalem, the Orient House used to be the focal point of Palestinian presence in the city. It also served as the headquarters of the late Faisal Husseini, Palestinian Authority Minister for Jerusalem Affairs, until his death in May 2001. Three months later the Orient House was ordered closed. Similarly, the Arab Chamber of Commerce has remained closed throughout 2016.
53. Particularly since 2000, Israeli authorities have exercised a consistent crack-down on organised Palestinian political life in East-Jerusalem, while banning any connection to the Palestinian leadership. During violent episodes in East Jerusalem, the absence of Palestinian institutions in Jerusalem has made it particularly difficult for the Palestinian political leadership to exercise an effective restraining role. In addition the leadership vacuum has continued to seriously affect all spheres of life of Palestinians in East Jerusalem (political, economic, social and cultural) contributing to a growing fragmentation of society at all levels, the isolation of local Palestinian

communities and a weakening of collective sense of identity. As a result, absent an institutional Palestinian leadership, civil society in Jerusalem has played a vital role, as have local community leaders in the different neighbourhoods. Organisations like parents' councils and school principals, business representatives have served as important interlocutors with Israeli forces in times of tension.

54. As some of the last Palestinian institutions in East Jerusalem, the six East Jerusalem hospitals have an importance, over and above their value as vital providers of medical services to Palestinians. Similarly, the importance of Al-Quds University goes beyond the purely academic realm. The same applies to the cultural institutions, which face political, fiscal and legal pressures from the Israeli authorities. On several occasions in 2016, cultural events in East-Jerusalem were prohibited by the Israeli authorities due to the alleged involvement of the PA. In January and December for example, events scheduled to take place in the Hakawati Palestinian National Theatre were banned.

II. SETTLEMENT EXPANSION AND POLICY

II.1 SETTLEMENT ACTIVITIES IN AND AROUND JERUSALEM

55. The EU has the long-standing position that settlements are illegal under international law and constitute an obstacle to the two-state solution and peace. The EU will not recognize any changes to the pre-1967 borders including with regard to Jerusalem, other than those agreed to by the parties. Today, approximately 850,000 people live within the Jerusalem municipal boundaries (as unilaterally defined by Israel after 1967). An estimated 211,000 out of 596,000 Israeli settlers currently live in East Jerusalem, alongside around 316,000 Palestinians. The latest official figures reveal a 3% annual growth rate in the number of residents in the settlement neighborhoods of East Jerusalem.
56. Over the course of 2016 old plans have been revised and re-approved, old tenders have been re-published and wait for bids, and infrastructural preconditions have been met for settlement expansions. However, the number of newly issued building permits has increased and construction of approved housing units continues in settlements all over East Jerusalem, focusing on Gilo in the south-western part of East Jerusalem in 2016. In addition, the "recovery" of property in East Jerusalem that had belonged to Jews prior to 1948 has accelerated in 2016, thus creating more settlement enclaves in Palestinian neighbourhoods. It should be noted that no such law exists for Palestinians to reclaim property owned by them prior to 1948.
57. In the second half of 2016 several of these existing plans regained momentum. On July 3, the Israeli authorities advanced 560 units in Maale Adumim 140 units in Ramot, 100 units in Har Homa. It was followed by advancements in Gilo, including the granting of 90 construction permits in Mordot Gilo West on July 13, the deposit of plans for public review of 770 units in Mordot Gilo South on July 24. In addition 323 tenders were opened in Pisgat Ze'ev, Har Homa, Gilo and Neve Ya'akov.
58. A second wave of advancements came in November, with 181 building permits granted by the Jerusalem Municipal Licensing sub-Committee for Mordot Gilo West and a relaunch of the planning process of 500 units in Ramat Shlomo, the approval of which would require the expropriation of private Palestinian land. The units are planned in a sensitive location between the city centre and the Palestinian neighbourhoods of Shuafat and Beit Hanina in the north-east of Jerusalem. The 2015 EU-HoMs-report cautioned against the development of this settlement as having the potential to undermine the territorial contiguity between East Jerusalem and the

Palestinian hinterland. Also in 2016, the EU, as well as several Member States individually issued statements expressing their concern over the relaunch of the planning process.

59. At the same time, areas such as Givat Hamatos and Har Homa C have been highlighted in EU Council Conclusions as particularly sensitive. During 2016, no significant action was taken regarding Givat Hamatos. However, virtually all planning for Har Homa C has been completed, all tenders published, and construction is proceeding. Some replications are to be expected with tenders that failed or were not yet awarded, and additional building permits are likely forthcoming. There are four different plans for Givat Hamatos that have not yet been tendered, one of which includes 1,500 units in Givat Hamatos A.

Settlement activities by settler organisations

60. In addition to the expansion of the large settlement neighbourhoods, settlement enclaves in Palestinian neighbourhoods in and around the Old City are accelerating. A number of legal mechanisms have facilitated the establishment of East Jerusalem settlements. The most prominent of these are land expropriations, the use of Absentee Property Legislation, and the "recovery" of property that belonged to Jews prior to 1948. Settler organisations focus increasingly on the latter mechanism to evict Palestinians. There are currently around 2,600 settlers living in different enclaves around East Jerusalem.
61. In recent years, there have been continued evictions of Palestinians from properties in the Silwan-Batn al Hawa neighbourhood of East Jerusalem, where the settler population has tripled to 100 over the last two years. According to UN-OCHA reports, 180 households in East Jerusalem have eviction cases filed against them, mostly by settler organisations such as El'ad and Ateret Cohanim (See Chapter II.3). Most of these cases were initiated by Israeli settler organizations based on pre-1948 ownership claims, as well as claims that some of these residents are no longer 'protected tenants' (a status which is subject to a number of conditions and expires after the third generation). Carrying out these evictions would lead to more settlement enclaves in East Jerusalem, with more than one third of these Palestinian households in Silwan-Batn al Hawa at risk. These developments spread fears among Palestinians in the Silwan neighbourhood of Batan Al-Hawa that they are to be evicted from their properties in the coming years.
62. The establishment of settlement enclaves in Silwan remains a particularly sensitive and controversial matter. Located to the south of the Old City's ramparts, it is in the vicinity of the Al Aqsa Mosque. Settlement activities and expansion within an existing Palestinian neighbourhood create particular tension, mainly through evictions of Palestinian families, demolitions, and increased presence of security forces. The accelerated expansion of the Batan al Hawa enclave increasingly links the Jewish Quarter of the Old City and Wadi Hilweh/'City of David' to Batan al Hawa and the 126 settler units in Ras El Amud. There are currently approximately 500 settlers living under heavy protection in different quarters of Silwan, alongside almost 10,000 Palestinians. Between October 2014 and May 2016 the settlers have quadrupled the number of housing units in their possession, having taken over a total of some 27 units in six buildings.(See Chapter II.3).
63. On October 9 2016, the settler organisation El'ad met the statutory approval for its plan for a four-story 'visitors' centre' (Kedem Compound) at the entrance to Silwan. It would serve as the entry point to the City of David National Park, daily management of which has already been contracted out to El'ad by the Israel Nature and Parks Authority. After the Appeals Committee of the National Planning Council issued a decision in June 2015 to significantly reduce the area of the plan, the decision was overturned by the National Planning Council. Full statutory approval –

which is now a technicality - can take place forthwith, after which a building permit may be granted and construction can commence.

64. In Sheikh Jarrah, another settlement enclave is the “Shepherd Hotel”, which will be ready for occupancy in early 2017. Additionally, construction work for an office building of the Amana Association's (started in 2016 after an administrative petition by the landowners was rejected by the District court in Jerusalem in March 2016. The Amana Association is a private entity operating toward establishing and expanding settlements.

Settlement activities in the Jerusalem periphery

65. No formal planning has been advanced so far regarding the E1 area (between Jerusalem and the Israeli settlement Ma'ale Adumim). In December 2012, under orders from Prime Minister Netanyahu, the West Bank Civil Administration Higher Planning Committee decided to publish the statutory plan for the first stage of E1 for public review. The plan was never published. Developments in 2015 suggest that the Israeli authorities are still planning for settlement expansion in the area, but there are no indications that these plans have been advanced during 2016. Nevertheless, demolitions of Palestinian owned structures in the same area have reached unprecedented levels in 2016. A bypass road intended to link the northern and southern halves of the West Bank has been finalised yet is not open for traffic.
66. In addition, further steps have been taken to transfer Bedouins currently residing in and adjacent to E1 from the area. Among others, the Jabal al Baba community first had three structures demolished on January 21, and thereafter 12 demolitions orders were issued on February 16. Shortly after, on February 23 and on May 16, 10 EU-funded structures (homes for 49 people) were demolished again in Jabal al Baba, drawing condemnation from the EEAS Spokesperson and others within international community. The Abu Nuwar community has also been affected. Between January until the end of October, in ten separate incidents, residential structures, as well as structures and tents serving as primary school, and water tanks serving the community and the kindergarten, were confiscated or demolished. Attempts at forced transfer of the Abu Nuwar Bedouin community to Al Jabal West continued as well. Out of 37 granted construction permits for Palestinian use in Area C in 2016, 36 were granted (at the request of the ICA) in Al Jabal West (the re-location site identified by the ICA).
67. If the E1 plan is carried out, it would effectively cut off East Jerusalem from the rest of the West Bank and divide it into separate northern and southern parts, thus impacting severely on the contiguity of a future Palestinian state and Jerusalem's potential as a future capital of both states.

II.2 NATIONAL PARKS AND ARCHAEOLOGY

68. The above-mentioned developments must be seen in a context of other non-residential settlement activities in the area which are part of a wider Israeli effort to strengthen the Jewish historical narrative of Jerusalem.
69. The process of creating a belt of so-called national parks in East Jerusalem around the so-called Holy Basin began almost 40 years ago. This prevents Palestinians from expanding and building on their own private land, without any form of compensation. By establishing a national park, the authority over the land in question is transferred from the Jerusalem Municipality to the Israeli Nature and Parks Authority, which has no obligations towards the resident population. In the last few decades the Nature and Parks Authority and the Israel Antiquities Authority (IAA) have advanced the development, preservation and excavation of the antiquities located on park lands.

Through tourism and archaeology they have sought to establish a narrative based on historic continuity of Jewish presence in the area to the detriment of other religions and cultures. The Israeli government has continuously invested in the development of the parks, both directly and indirectly. Most of the financing has gone to the archaeological sites.

70. The latest step on national parks, which would extend the geographical contiguity of parks from Abu Tor to Ma'ale Adumim and the E1 area, was the adoption of the plan for the Mount Scopus Slopes National Park in November 2013. Israeli Environment Minister Amir Peretz at the time acknowledged that the area was of no particular environmental or archaeological value, thereby suggesting that the rationale behind the park was purely political. The implementation of this plan, which would prevent the Palestinian population of A-Tur and Issawiyah from carrying out badly needed expansion and put up to 150 houses at risk of demolition, has suffered a delay since the National Planning Council, while affirming the need for the Park, required the Municipality and the National Parks Authority to carry out a community needs assessment. In July 2015, residents of Issawiyah received notices signed by the mayor stating that the area reserved for the national park had been put under a "vacant lot landscaping order," signifying the Municipality's intention to landscape and build facilities. According to residents, at the same time the Municipality also uprooted an orchard containing mature fruit trees, citing the trees as a building violation. This strongly indicates a municipal bypass strategy to – at least for the time being - downgrade the plan for a National Park to an area of "public gardens and pathways" status, which could be implemented without approval from higher planning authorities.
71. The main archaeological project is the 'City of David', part of the Jerusalem Walls National Park, in the Palestinian neighbourhood of Silwan right outside the Old City walls, next to the Western Wall Plaza and Haram al- Sharif / Temple Mount. It receives around 350,000 visitors per year. The archaeological site is operated by the settlers' organisation El'ad, which is also promoting settlements in Silwan. At the City of David tourism site, El'ad is promoting an exclusively Jewish narrative, while detaching the place from its Palestinian surroundings. Since 2012, the Government of Israel's budget for these projects has increased, with El'ad as one of the main beneficiaries. According to the latest available figures, the Government of Israel's contribution to El'ad, covering El'ad debts to the Israeli Antiquities Authority, was at least 26.3 million ILS (approximately EUR 6 million), for the period from December 2011 to February 2014.
72. The large investments and archaeological excavations, together with the presentation of a selection of antiquities as proof of the historical right of Israel to these sites, create a new historical narrative. Parts of the neighbourhood of Silwan are thus increasingly being referred to as "City of David". The recently dug tunnels that connect Silwan with the Old City create a physical contiguity and promote a uniform historical narrative that ignores the Palestinian one. In July 2015, the Israeli National Academy of Sciences published a report criticising the political use of archaeology and the far-reaching cooperation between the right-wing El'ad association and the Nature and Parks Authority. It found that it was inappropriate to give an organization with a political character a senior position in financing the excavations, determining tourism routes, designing the site and exhibiting it to the public, while ignoring the Palestinian residents. In November 2016, Israel's State Comptroller issued a report criticising the State's close cooperation with El'ad, citing a lack of oversight and transparency.
73. The main project promoted by El'ad over the past years is the Kedem Compound, which was originally approved by the Regional Planning Committee in April 2014. If constructed as planned, the Kedem Compound will alter the skyline of the Old City, the walls of which have been recognised as UNESCO World Heritage. Moreover, archaeologists fear the construction risks damage to the archaeological site over which the compound is to be built. Responding to the

appeals against the plan, the Appeals Committee of the National Council for Planning and Construction in May 2015 made substantial modifications inter alia by significantly reducing the scope of the plan and restricting the types of activities which can be conducted within the proposed visitor centre. However, the Justice Ministry ordered a re-hearing by the National Council for Planning and Construction, after which the original plan was approved in March 2016.

74. In October 2015, the Jerusalem District Court accepted El'ad's appeal against a lower court's decision to disqualify an agreement signed between El'ad and the Jewish Quarter Development Company (a Government agency), which entrusted El'ad with the management of the Davidson Centre (an archaeological park at the foot of the Haram al- Sharif / Temple Mount, facing Silwan). The case is currently pending before the Israeli Supreme Court. The Davidson Centre, Kedem Compound and City of David may thus end up as one big, contiguous archaeological park controlled by the settler organisations, facing Al-Aqsa Mosque. This risks exacerbating tensions around the Haram al- Sharif / Temple Mount even more.
75. During 2016 El'ad sponsored a new tunnel excavation in Silwan. The excavation is conducted by the IAA and goes under the main street of Wadi-Hilwe and the residents' houses. The route of this tunnel is similar to the previous tunnel, which El'ad excavated in 2007-2009. This tunnel is above the previous one and much wider. The tunnel is about 8 to 10 m wide and 100 to 150 m long. The tunnel is partly revealing a street from the Roman period (according to the excavators). The plan is to continue excavating the tunnel to the North up until the Givati parking lot excavation (where the Kedem Compound is being planned). In October 2016 Netanyahu announced that the government will fund the Temple Mount Sifting project run by El'Ad. The project takes place in Emek Tzurim national park, sifting through debris that was removed from the Haram al- Sharif / Temple Mount in a 1999 archaeological dig by the Waqf that took place in Emek Tzurim national park and sponsored by El'ad.
76. Bab al-Rahme cemetery is located to the east of the Haram al- Sharif / Temple Mount, next to the Old City walls. This cemetery is the second most important Muslim cemetery in Jerusalem. The cemetery is part of the Jerusalem Walls National Park. During 2016 the INPA destroyed empty tombs (with no corpses in them) on the edge of the Muslim cemetery. The INPA also tried to fence in the cemetery in order to prevent its extension.

II. 3 PLANNING, DEMOLITIONS, EVICTIONS AND DISPLACEMENT

77. The planning and zoning regime of the Jerusalem Municipality remains a source of concern for the EU. It serves to prevent Palestinian urban development by means of placing restrictions and barriers on building activities and ignoring the needs stemming from the natural population growth, thereby creating a severe basic infrastructure and housing shortage for Palestinian residents. It creates a situation where many Palestinians build without obtaining the due permits from the Municipality. Moreover, the Israeli policy has led to basic infrastructure shortage for Palestinian residents as well as development constraints (lack of schools, kindergartens, youth facilities, public places, educational frameworks, hospitals and health, social and development centres).
78. Over a five year period (2010-2014), only 14% of all building permits in Jerusalem went to Palestinian neighbourhoods. According to the Israeli State Comptroller's Annual Report 2016, one of the main reasons for this disproportionate figure is the absence of an orderly registration of land ownership in this part of the city.

79. According to the current municipal planning scheme, between 13% and 14.5% of the land is dedicated for Palestinian development and this might rise to 18%. The remaining between 47% and 52% is zoned as "green space" on which construction is not permitted. Nevertheless; settlements such as Har Homa and Armon HaNatziv have been expanded on land that was originally designated as green area.
80. Furthermore, 35% of the land has been designated by the Municipality for settlement use and settlement expansion at the expense of the Palestinian space. The remaining land designated for Palestinian housing has already been built-up to a large extent. Moreover, the permitted construction density in these areas is significantly limited. Mention should also be made that the terms and standards of obtaining a permit are hard to apply, making the application process difficult and expensive, as the cost of issuing a permit to build a house of 120 m² is more than EUR 80.000 and more than 22.000 Palestinian houses are threatened with administrative, judicial and military demolition orders, under the pretext of building without permit. This places more than 144,000 Palestinians at risk of displacement today.
81. 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. Five plans are currently under preparation to be soon submitted (Aqabe, Wadi Kadum, affecting 4 neighbourhoods, Al-Tur, Ras el Amud, and parts of Beit Hanina, all of these prepared with funds of the EU). Of all the plans mentioned, the only one that has been approved is the Sawahre plan. In order for actual construction to be permitted, more detailed statutory plans still need to be submitted and approved.
82. Demolitions by the occupying power in occupied territory, unless out of military necessity, are illegal under International Law (Art 53, IV Geneva Convention). During the last ten years, the Israeli authorities demolished more than 900 residential and non-residential buildings. These demolitions in East Jerusalem are implemented by a number of Israeli authorities, including the Jerusalem Municipality, the Israeli Ministry of Interior and the Israeli Nature and Parks authority. Around 15 demolition orders issued in 2015 were implemented by the owners of the affected houses themselves, after receiving the demolition orders issued by the Israeli authorities. The affected areas include Beit Hanina, Sheikh Jarrah, Wadi el Joz and Ras Al' Amud. The number of demolitions in 2016 in East-Jerusalem between January and mid-December, e.g. 172 structures, displacing 239 persons, are more than twice as high compared to 2015 (79 structures, displacing 114 people). Around 19 structures were demolished by the owners in 2016, in order to avoid paying large fines. The number of Palestinian houses threatened with demolitions orders, under the pretext of building without permit, is 24,000, putting 144,000 Palestinians at risk of displacement. The demolition of homes and other property due to a lack of Israeli building permits is one of the primary causes for the displacement of Palestinians in East Jerusalem.
83. For the second consecutive year, several punitive demolitions were carried out by Israeli authorities in East Jerusalem. These demolitions are a source of deep concern because no evidence has been presented to suggest that they were carried out on the grounds of military necessity. In addition, collective punishment measures, regardless of the administrative cover that these may have, are also prohibited under IHL⁴. The practice of punitive demolitions had

⁴ The Fourth Geneva Convention provides that any destruction by the Occupying Power of real or personal property belonging individually or collectively to private persons, or to the State, or to other public authorities, or to social or cooperative organisations, is prohibited, except where such destruction is rendered absolutely necessary by military operations". In addition, collective punishments are also prohibited under the Fourth Geneva Convention, which provides that "No protected person may be punished for an offence he or she has not personally committed"

been largely abandoned in 2005, when security services had concluded that it was ineffective as a deterrent, until July 2014 when it was resumed. Since then, 34 homes have been demolished, of which five in East Jerusalem. Moreover, seven homes have been sealed, of which four in East-Jerusalem. Two homes in East Jerusalem have a punitive demolition order pending. As for 2016 in East Jerusalem, one home was sealed and one demolished, both in Jabal Mukabber. These demolitions are carried out without consideration for other residents living in the same structure and neighbours who may suffer collateral damage.

84. East Jerusalemites are also at risk of displacement due to forced evictions. These are mainly a consequence of settlers' intention to expand their neighbouring areas. At least 180 households, comprising 818 persons including 372 children currently have eviction cases filed against them. These eviction cases launched by Israeli settlers represent a major factor of unrest among Palestinian residents in their own neighbourhoods. In 2016, 31 persons including 15 children were evicted from their homes in the Old City, in three separate incidents, two of which involved forceful intervention by the Israeli police. The case of the Sub Laban family at risk of being evicted from their home in the Old City gained a lot of international media and diplomatic attention, but is by no means unique. Their home was acquired by settlers from the General Custodian, and the family's status as "protected tenants" is being challenged in court. A High Court injunction prevents the family from being evicted for the duration of the court proceedings. Around 100 similar court cases are currently pending.

III. POLARISATION AND VIOLENCE

85. Across the West Bank, Jerusalem and Israel from October 2015 onwards, the first half of 2016 saw continued high levels of violence in Jerusalem. This violence resulted in the deaths and injuries of Palestinians and Israelis, arrests and punitive demolitions. From May onwards, the general level of violence subsided. Since the beginning of the year until the beginning of December, three Israelis and 26 Palestinians and one Jordanian national were killed in Jerusalem. Unrest and clashes continued into 2016 and some of the key incidents were:

- On 3 February, three Palestinians killed an Israeli police officer and wounded another in an armed attack near Damascus Gate in Jerusalem. Israeli Police shot dead the three attackers. Makeshift automatic weapons, knives and pipe bombs were found at the scene.
- On 14 February, two Palestinians armed with guns were shot dead by Israeli forces near Damascus Gate in Jerusalem.
- On 19 February, a Palestinian stabbed and injured two Israeli police officers outside Damascus Gate in Jerusalem. Police shot dead the attacker.
- On 29 February, the ISF shot dead a Palestinian during clashes that broke out when the ISF raided Qalandia refugee camp to extricate two soldiers. 12 other Palestinians were injured after being shot with live ammunition and rubber-coated steel bullets. One died two weeks later of his injuries.
- On 8 March, Israeli forces shot dead a Palestinian woman in the Old City of Jerusalem, after she allegedly attempted to stab an Israeli police officer.
- On 8 March, a Palestinian shot and injured two Israeli police officers in East Jerusalem. Israeli police shot dead the attacker.

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- On 9 March, two Palestinians opened fire on an Israeli bus in the settlement of Ramot in Jerusalem, causing no injuries. Israeli police shot dead the two Palestinians outside Jerusalem's Old City in a shoot-out, which also resulted in the injury of an Arab-Israeli bystander in the cross-fire.
 - On 4 April, an Israeli soldier shot and seriously injured a 13- year-old Palestinian boy with a rubber-coated steel bullet to the head during clashes in al-Issawiya neighbourhood of East Jerusalem.
 - On 18 April, a Palestinian from Aida refugee camp in Bethlehem detonated a bomb on a bus in Jerusalem. 21 people were injured, including the perpetrator, who later died of his injuries.
 - On 27 April, Israeli forces shot and killed a 24-year-old Palestinian woman and her 16-year-old brother, following a stabbing attempt at Qalandiya checkpoint between Jerusalem and Ramallah.
 - On 23 May, Israeli forces shot dead a 17 year-old Palestinian girl, following an attempted stabbing of an Israeli border policewoman at a checkpoint north of Jerusalem.
 - On 1 July, an elderly Palestinian man died at Qalandia checkpoint due to tear gas inhalation.
 - On 12 July Israeli forces entered Al-Ram, northeast of Jerusalem, and stripped a metal forger workshop which was reportedly manufacturing weapons. Israeli forces opened fire at a vehicle which entered the town during the raid, shooting and killing one Palestinian man and injuring two others.
 - On 19 July, a 12 year-old Palestinian boy was shot and killed by a rubber-coated steel bullet during clashes with Israeli forces in Al-Ram, north of Jerusalem.
 - On 5 September, Israeli forces shot and killed a Palestinian driving through Shuafat in Jerusalem. It was reported that Israeli intelligence informed the Palestinian's family that they had killed their son "by mistake".
 - On 16 September, Israeli forces shot and killed a Jordanian national after he allegedly attempted to stab a police officer near Damascus Gate.
 - On 30 September, a Palestinian man stabbed and wounded an Israeli security guard at Qalandia checkpoint. Israeli forces shot dead the attacker.
 - On 9 October, a Palestinian man opened fire at Ammunition Hill light rail station in Jerusalem. Israeli police pursued him through Sheikh Jarrah neighbourhood in East Jerusalem. The assailant killed two Israelis and injured six others before Israeli Police shot him dead.
 - On 11 October, Israeli police shot and killed a Palestinian teenager in Silwan during clashes.
 - On 22 November, Israeli forces shot and killed a Palestinian man at Qalandia checkpoint after an alleged stabbing attempt.
 - On 25 November, Israeli forces shot and killed a Palestinian at a roadblock near Shuafat after an alleged stabbing attempt.

- On 14 December, Israeli forces shot and killed a Palestinian after he carried out a stabbing attack that left one Israeli officer and one Israeli civilian injured in the Old City, Al-Wad Street.
86. The upsurge in violence in October 2015 that continued into the first half of 2016 was partially triggered by renewed Palestinian fears that Israel was seeking to change the Status Quo at the Haram al- Sharif / Temple Mount (chapter IV). However, it also came against a backdrop of deep frustration amongst Palestinians over the effects of the occupation, and a lack of hope that a negotiated solution can bring it to an end. Most notable has been the spontaneous nature of much of the violence, primarily involving young Palestinian men and women, and acting without the apparent direction of political factions or militant groups. This element makes the violence in Jerusalem more difficult to predict, and harder for political leaders from both sides to quell, also considering the lack of Palestinian institutional presence in East Jerusalem (See Chapter I.7). In addition, inflammatory rhetoric and false accusations by both sides contributed to fanning tensions.
87. In addition to concerns over excessive use of force by Israeli forces, including the possibility to use live ammunition⁵ during demonstrations and crowd control, some Palestinians perpetrators of individual attacks have apparently been shot and killed in situations where they were no longer posing a threat. This has led Palestinian and Israeli human rights NGOs to voice concerns about potential 'extrajudicial killings' and call for systematic investigations into alleged impunity amongst Israeli forces.
88. The role of social media continues to be one of the features of the violence. Throughout the height of the tensions, social media streams were filled with graphic pictures, videos and eye-witness testimony of individual attacks and clashes between Palestinians and Israeli forces. As well as Israelis circulating videos of Palestinian attacks against Israelis and anti-Israeli social media pages, Palestinians were also circulating videos exposing settler violence against Palestinians, excessive force deployed by Israeli security forces against Palestinian protesters and racist taunts against Palestinians.
89. In response to the violence, the Israeli Security Cabinet approved a series of measures aiming to reduce the number of Palestinian attacks, including the deployment of additional police forces throughout the city; additional security guards on public transport; widespread arrests of Palestinians including minors; expediting punitive demolitions of the houses of Palestinians accused of perpetrating attacks; revoking the residency rights of Palestinian perpetrators holding Jerusalem ID; closing shops in areas where attacks have taken place; and granting the Israeli police authority "to impose closure on, or to surround" Palestinian residential areas in East Jerusalem using flying checkpoints and concrete blocks.
90. As further elaborated in Chapter II.3, Israeli authorities have reinstated the practice of punitive home demolitions, as an attempt to deter Palestinians from violent acts. Approved by the Israeli Supreme Court, this policy has generated Palestinian accusations of "double-standards" as such a measure was not used following the murder of a Palestinian teenager by three Israeli citizens on 2 July 2014. The policy of punitive demolitions has also been condemned by the UN and Israeli and Palestinian Human Rights NGOs as being, along with measures such as partial closure of Palestinian neighbourhoods, part of a broader "collective punishment" policy targeting Palestinian residents of East Jerusalem.

⁵ In September 2015, the Israeli Government approved the use of .22 live ammunition as a crowd control tool, despite its lethal potential. Previously, its use had been confined to the West Bank.

91. As already emphasised in reports during the last two years, one of the consequences of heightened tension is the deepening spatial and social polarisation of the city. Whilst mutual suspicion has been a longstanding characteristic of Jerusalem, the resumption of violence exacerbated mutual fears and hatred. This trend is borne out in both East and West Jerusalem with growing hostility between both sides. This has been manifested through clashes between Palestinian youth and Israeli Police, stabbing, shooting and car-ramming attacks against Israelis, stone-throwing incidents, growing hostility towards Palestinians in the Western part of the city and members of each community increasingly refraining from entering each other's neighbourhoods.

IV. RADICALISATION AROUND THE HARAM AL-SHARIF/TEMPLE MOUNT

92. The Haram al- Sharif / Temple Mount is one of the most significant religious sites in the Old City of Jerusalem (See map in Annex 4) and a holy site for both Muslims and Jews. The Muslim world considers the terms "Haram al-Sharif" and "al-Aqsa" to be interchangeable, while members of the Israeli political and religious establishment often refer to the al-Aqsa Mosque as only the southernmost building of the site, known also as the Qibli Mosque.

93. The site is managed according to a longstanding *status quo*, going back to the middle of the 19th century⁶. However, only with the Israeli occupation of East-Jerusalem, including the Old City, in 1967 has the question of the *status quo* become a central, and disputed, element of the Israeli-Palestinian conflict, in particular in relation to Jerusalem. The *status quo* sets out the rights of access, administration and worship at the site, granting access to all and prayer only for Muslims. Until 1967, The Jordanian Waqf controlled access, oversaw correct behaviour on the site itself and administered all aspects relating to the management of the site.

94.

The transformation of the 1967 Status Quo

Since the Israeli annexation of East-Jerusalem, including the Old City, in 1967, Israel has effectively administered security control over the Haram al- Sharif / Temple Mount. However, regarding all other issues, Israel has broadly maintained the *status quo*, granting access to all visitors but the right to pray only to Muslims, and upholding the role of Jordan as its custodian and administrator (a role the Hashemite dynasty has held since 1924). This role was formally enshrined in Article 9 of the Wadi Araba Peace Agreement (1994) between Israel and Jordan, which restates that "*Israel respects the present special role of the Hashemite Kingdom of Jordan in Muslim holy shrines in Jerusalem*". Moreover, on 31 March 2013, King Abdallah II of Jordan and President

⁶ The *status quo*, formally mentioned for the first time in 1852, was set out in a decree issued by Ottoman Sultan Abdul Majid that froze all claims of possession by religious communities in the Holy Places of Christendom, forbidding any construction or alterations. The decree granted the various religious communities shared rights in the holy places, demarcating which areas came under whose control and establishing time schedules for officiating in areas shared by more than one religious group. The Treaty of Berlin (1878), in its article 62, proclaimed the 1852 decree to be inviolable and declared it the "*status quo* of the holy places", extending it to other, non-Christian holy sites. The successive governments of Palestine, the British Mandate, Jordan and the Israeli military occupation maintained, to differing degrees, the regulations set by the *status quo* arrangement of 1852. Under the British Mandate (1920-1947), Jewish access to the Western Wall (the British authorities considered it as part of the Haram al- Sharif / Temple Mount yet with the acknowledgement of the right of Jews to pray there) was allowed, but with some restrictions, whereas Muslim access to Haram al- Sharif / Temple Mount was free. In the Jordanian Era (1948-1967), although the Armistice Agreement between Jordan and Israel provided for arrangements to be made with regard to "*free access to the holy places*", Jewish access to the Western Wall became possible only via a cumbersome coordination system.

Abbas signed an agreement reaffirming the role of the King of Jordan as Custodian of the Islamic holy sites in Jerusalem and his responsibility for safeguarding and preserving them.

Even if the essence of the *status quo*, granting access to all and prayer only for Muslims, remained unchanged, its implementation underwent several alterations from 1967 until today, especially concerning the respective prerogatives of Israel and Jordan over the site. In the period from 1967 to 2000, before the beginning of the Second Intifada, access to the site for non-Muslims was coordinated between the Jordanian Islamic Authorities (Waqf) and Israel, whereas only the former administered the esplanade including maintenance and restoration works and regulated the prayer regime. The visit of then Israeli Prime Minister Ariel Sharon in September 2000 triggered the Second Intifada. Between 2000 and 2003, during the peak of the Second Intifada, Israel and Jordan prohibited access for non-Muslims. After Israeli PM Ariel Sharon's re-election in 2003, access to the site for non-Muslims has been unilaterally restored and controlled solely by Israel. While the Waqf continues to receive notification of visits, it lost the power to veto access it had pre-2000. By contrast, administration of the site has remained with the Waqf, but subject to an Israeli veto. The unilateral decision of Israeli authorities in 2003 to re-instate access for non-Muslims but under Israeli control only has substantially altered the *status quo*, and reduced the role of the Waqf, including by shifting Israeli police presence from outside the compound into it.

95. Given the importance of the Haram al- Sharif / Temple Mount for Jews and for Muslims, including as a national symbol for many Palestinians, any threat or perceived threat to its integrity and to the *status quo* not only risks undermining a resumption of the peace process, but also has the potential to further destabilise the region and provoke widespread global reactions, as well as to enhance the religious dimension of the conflict.
96. 2016 marked a year of relative calm at the Haram al- Sharif / Temple Mount. The understandings reached between Israeli Prime Minister Netanyahu and Jordan's King Abdullah during 2014, reaffirmed at the end of 2015, were largely respected, reducing the violence at the site as compared to 2015. Specifically, during 2016 no categorical age or gender restrictions were imposed by Israel on Muslim access; no Knesset members entered the site and the Waqf succeeded in severely restricting the number of overnight stays by Palestinians at the site, thereby reducing the risk of incidents of stone-throwing. Except for the Jewish holidays, when a record number of Jews (around 3000, far more than in previous years, with the maximum size of groups being doubled from 15 to 30 persons) ascended to the site, the entry of religious Jewish groups was controlled by Israel in line with agreements. However, the high number of Jewish groups, including Temple Mount activists, allowed on the site by the police is a worrying development which can potentially lead to more tension again in the future if maintained. Restoration works were finalized in 2016 in the Qibli Mosque and in the Dome of the Rock, with more restoration announced to take place by the Jordanian Waqf. In general, there seems to be regular communication between Israel and the Jordanian Waqf both at operational and political level.
97. Some violence remained. Clashes between Israeli police and Waqf employees occurred repeatedly, especially around days of importance in Judaism when higher numbers of Temple activists visit, leading on several occasions to arrests of Waqf employees. On June 26, at the start of the most sacred and sensitive part of Ramadan during which the Waqf does not prevent any Palestinian from spending the night at Haram al- Sharif / Temple Mount, violence broke out following Israel's decision to allow non-Muslim entry to the site. In the previous five years, in a unilateral move aimed at reducing the risk of escalation, Israel had prevented the entry of non-

Muslims during this sensitive period. Whereas Israel saw the renewal of non-Muslim entry during this period as correcting a temporary and self-imposed constraint, Jordanians and Palestinians saw it as a violation of what had become an established norm. Three days of violence at the site followed, with the Mufti of Jerusalem calling on all Palestinians to rally at the Al Aqsa Mosque to defend it. On June 28, Israeli police announced a reinstatement of the ban on non-Muslim entry until the end of Ramadan.

98. The relative calm at the Haram al- Sharif / Temple Mount during 2016 does not reflect the tensions in the underlying religious and political attitudes towards the site both in Israel and in Palestine, as shown by the reactions to and public discourse around the UNESCO resolutions of October 2016. On the Palestinian side, the sense of threat over its rights to the site did not decrease, primarily due to the continued Palestinian perception of an Israeli policy towards changing the status quo, with the aim of creating a situation similar to the one at the Ibrahimi Mosque/Tomb of the Patriarchs in Hebron, with separate time and space for Jewish and Muslim worshippers. The sense of threat was reinforced by the lack of public acknowledgement of the respect for the commitments between Israel and Jordan. The widespread worry was ultimately strengthened by the Israeli draft law for the ban of muezzin loudspeakers in Israel that would theoretically apply also to the mosques on the Haram al- Sharif / Temple Mount. The sense of threat grew further when in December Israel asked to extend opening times for non-Muslims and even though the request was rejected by the Waqf, the Israel Police allowed non-Muslims visits 15 to 30 minutes earlier and later than had been the norm.
99. On the Israeli side, activism by certain Israeli right-wing politicians as well as national-religious groups, such as the Temple Mount Movement, has become increasingly vocal, notably in the Knesset. For example, the Speaker of the Knesset allowed for the establishment of a Knesset caucus by MK Yehuda Glick aimed at strengthening the link of the Jewish people to the site. Moreover, for the first time, the annual conference of the Temple Movement on Jewish prayer at the Temple Mount was held in the Knesset. Attending Israeli ministers openly called for changes to the status quo, including permission for Jewish prayer on the site and entry of Knesset members and Government Ministers. Notwithstanding Netanyahu's current commitment to implementing the understandings with Jordan, as witnessed during 2016, these events signal an increased tolerance from the Israeli Prime Minister to be publicly challenged from the religiously inspired political right on issues pertaining to the Haram al- Sharif / Temple Mount.

V. RELIGION

100. 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. Violent attacks on Muslim, Christian and Jewish holy sites and religious communities' representatives take place across the city. Christian and Muslim religious leaders argue that the Israeli authorities are consolidating the implementation of policies aimed at fundamentally altering the character and status of Jerusalem by stressing the Jewish character and history of the city at the expense of the Christian and Muslim narratives. Conversely, Israeli leaders point out a lack of Palestinian recognition of Judaism's historical ties to Jerusalem and in particular the Temple Mount.
101. In the Jerusalem area, out of a total population of close to 1 million, Jews make up approximately two thirds and Muslims one third, while Christians are less than 2%. The Jewish and the Christian communities in the Holy City are manifold, while as good as all Muslims are Sunni. Religiously motivated hate crimes and provocations against holy sites of the three Abrahamic religions have decreased during 2016, compared to the previous year, but still occur,

despite the protection of religious practices and holy sites enshrined in Israeli law. Most noteworthy has been the demolition, in October, of several graves inside the Bab al Rahma cemetery which runs along the eastern wall of the Old City, on orders of the Israeli Nature and Parks Authority, following claims that the destroyed graves and crumbling tombstones had been constructed on "confiscated land", even though official documents produced by the director of the Al Aqsa mosque indicate that they were the property of two prominent Palestinian families (al-Husseini and al-Ansari). Moreover, in February, an incident of arson of Torah scrolls and Jewish holy books was documented in Givat Sorek outpost, on the outskirts of Jerusalem. It should be noted that religiously motivated crimes in Jerusalem represent only a minor portion of such incidents in Israel and Palestine.

102. The three principal communities (Greek-Orthodox, Latin and Armenian) who bear the exclusive responsibility for the maintenance of the Holy Sepulchre according to the 19th century Status quo, started an extensive restoration of the Edicule. This project, which involved the temporary removal of two tombstones (one ancient and one mediaeval) placed above the tomb of Jesus Christ, was closely followed by the international press, resulting in significant increase of visitors to the holy site.
103. On the 8th of November, Israeli settlers, members of the extreme right organisation Ateret Cohanim, seized property of the Dependency of Gethsemane which belongs to the Greek Orthodox Patriarchate, erecting an iron fence and breaking the roof of a structure, situated exactly opposite the Church of the Resurrection. The settlers had gained access to the Dependency via a window of another property of the Patriarchate, namely the Hostel of St John, which they have occupied illegally since 1991. The Patriarchate strongly protested to the Israeli Police the breach of a temporary court decision to preserve the situation in the hostel, as well as the violation of the status quo in the Church of the Resurrection, given that the aforesaid Dependency stands within its area. Following yet another court order, the Israeli Police removed the settlers from the area on the following day. However, five days later, the settlers returned.
104. Rights of access, freedom of worship and freedom of pilgrimage to the Holy City remain a matter of great concern to both Muslims and Christians. The separation barrier, apart from splitting congregations, seriously impedes the work of religious organisations that provide education, healthcare, other humanitarian relief and social services to Palestinians in and around East Jerusalem. Construction work on a section of the separation barrier which had started in August 2015 in the Cremisan Valley, south of Jerusalem, cutting off 58 Palestinian families from their land but sparing the local monastery and convent, continued. Severe lack of freedom of movement and worship continues to affect Palestinian Muslims and Christians from the West Bank, as they cannot reach Jerusalem without Israeli-issued permits. These permits are of limited duration and are granted selectively (e.g. not all members of one family obtain the permit).
105. Access to the Holy Sepulchre on the occasion of the "Holy Fire", a major event in Jerusalem, was improved in comparison to previous years. According to a report by the Status Quo Committee on the Holy Light, cooperation with the Israeli Police was adequate, with the latter heeding the former's suggestions and thus security measures, such as barricades and access restrictions, were seen as proportional to the volume of people attending the ceremonies. According to the same report, no restrictions were imposed on the Arabic-speaking community.
106. Palestinian Christian emigration continues to play an important part in the steady erosion of the historical presence of Christians in the Holy Land including Jerusalem. This trend is a process going back in time: during the British mandate Christians made up eight percent of the Palestinians; in 1948, this figure decreased to four percent; at present, it is less than two percent. Reasons for increased emigration are: worsening Palestinian economic trends; the limited ability

of Christian communities in Jerusalem to expand due to confiscation of church properties and building restrictions; taxation problems and difficulties in obtaining residency permits for Christian clergy; and Israeli-imposed family-reunification restrictions imposed on Jerusalem residents (which have a proportionally bigger impact on the Christian community, given its small numbers). What is more, lower birth rates among Palestinian Christians have contributed to the decline in their numbers. The progressive erosion of the Christian presence in the Holy City has resulted in the weakening of its Christian character. Recent years have seen an augmentation of the, hitherto more or less dormant, religious element of the Palestinian – Israeli conflict, its epicentre being the city of Jerusalem. Along with many others, local religious leaders have been stressing that as religion increasingly becomes part of this conflict; interfaith dialogue could and should play a role in its resolution. Yet, politicians concerned and mediators have so far been unwilling to involve religious leaders, partly because some of them have seemingly maximalist aspirations. On October, however, Israeli President Reuven Rivlin hosted a meeting between Israeli Jewish religious leaders and Palestinian Muslim clerics to issue a call against religiously inspired violence. Among the attendants were Israel's Sephardic Chief Rabbi Yitzhak Yosef and Palestinian Supreme Sharia Court Judge Sheikh Mahmoud Habbash. The common statement denounced the killing of innocents as terrorism, whether committed by Muslims, Jews or others. In this spirit, Palestinians and Israelis were encouraged to work for a just peace, show mutual respect for human life, observe the status quo on the holy sites and eradicate religious hatred.

Annex II: RECOMMENDATIONS of the 2015 Jerusalem Report

The EU Foreign Affairs Council of 20.07.2015 reiterated the EU's longstanding position: *"The preservation of the viability of the two-state solution is at the core of EU policy and will remain a priority."* This includes the preservation of *"the possibility of Jerusalem serving as the future capital of both states."*

To that end, EU and MS should aim to:

1. Reiterate and specify as far as possible, in view of current worrying developments, the EU's principled political position on East Jerusalem in future FAC Conclusions;
2. EU to ensure that the issue of East Jerusalem and the core challenges outlined in this report are addressed in a comprehensive manner in its dialogue with Israel, with the aim of strengthening the Palestinian presence in, and character of, East Jerusalem;
3. Update and fully implement the *Guidance on Consular and Diplomatic Best Practice in line with relevant UNSC resolutions and the EU's long-standing position on Jerusalem.*

Palestinian presence in Jerusalem in the context of the two-state solution

4. Take steps to support the restoration of Palestinian institutions in East Jerusalem.
 - *EU and MS to engage with the Governor of Jerusalem and/or the relevant Palestinian officials and institutions inter alia through meetings with HoMs and during official visits in East Jerusalem;*
 - *EU and MS to support the re-opening of the Orient House and the Arab Chamber of Commerce, through statements and events in East Jerusalem that highlight the closure;*
 - *EU to continue to support the viability of the EJ hospitals and the EJ Hospital Network. This could include financial support to the PA via the dedicated mechanism, technical support, political support to ensure access of Palestinian medical staff and also to Palestinian hospitals, public diplomacy and awareness-building;*
 - *EU to support Palestinian civil society institutions in Jerusalem through project and institutional funding, also stimulating their networking potential.*
5. Engage to safeguard the diversity and plurality of Jerusalem including through safeguarding Palestinian identity and heritage in Jerusalem.

- *EU to develop a close dialogue with relevant actors including the Waqf regarding the Haram al- Sharif / Temple Mount to be supported by public diplomacy as deemed appropriate.*
- *EU to continue to develop relations with religious institutions and faith-based communities and to promote inter-faith dialogue regarding Jerusalem and its privileged position as a holy site for the three Abrahamic religions;*
- *EU to support the development and implementation of a Palestinian tourism strategy in Jerusalem (notably through the EU tourism cluster), including by advancing voluntary guidelines for EU tour operators and support the access rights of Palestinian tour guides and operators in Jerusalem;*
- *EU and MS, to discuss with UNESCO the diverse cultural identity and heritage in Jerusalem and support the World Heritage status of Jerusalem and the development of the Old City;*
- *EU to continue to support cultural institutions, cultural and heritage-oriented community-based initiatives in order to reinforce and safeguard Palestinian identity and heritage in Jerusalem.*

6. Promote political participation and organisation.

- *EU to continue to support the empowerment of civil society and youth community structures/leadership structures in East Jerusalem through financial assistance and regular meeting with and attendance at events involving such actors;*
- *EU to reach out to, and support, local leadership and faith-based communities against radicalisation exploring concrete opportunities to fund relevant interventions.*

Protection of the Palestinian population and countering threats to the two-state solution

7. Strengthen rule of law and combat impunity in line with International Humanitarian Law.

- *EU to strengthen financial and political support for legal actions on public interest cases and legal assistance to Palestinian residents facing confiscations, demolition and eviction orders;*
- *EU to monitor cases and engage with the Israeli authorities, on case by case basis when Palestinians are arrested or intimidated by the Israeli authorities for cultural, social or non-violent political activities in Jerusalem; Explore possibilities to fund dedicated initiatives in line with EU Guidelines on Human Rights defenders and EU Human Rights Guidelines on Freedom of Expression;*

- *EU to systematically monitor, and raise with the Israeli authorities when appropriate, in cases of the arrest and detention of children in consultation with civil society and UN-mandated partners; In addition to dialogue with Israeli authorities, concrete actions might take the form of legal support, awareness raising and public diplomacy on arrest and detention of children;*
- *On the basis of IHL, EU to support efforts to counter the practice of Israeli authorities on revocation of residency rights of Palestinians living in Jerusalem;*
- *EU and MS to consider and agree on possible measures against known violent settlers and those calling for acts of violence, as regards immigration regulations in EU member states;*
- *In accordance with the principle of reciprocity, EU Member States to consider a response to Israeli discriminatory visa practices restricting freedom of movement of EU citizens, including access to Jerusalem and EU consular services located there.*

8. In line with European and international long standing position regarding the illegality of Israeli settlements, and differentiating between Israel and Israeli settlements in the West Bank including East Jerusalem, the EU and Member States to further develop their policies to counter settlement activities and expansion.

- *MS to ensure the full and effective implementation of the Interpretative Notice on indication of origin of goods from the territories occupied by Israel since June 1967;*
- *Examine the development of further EU guidelines on differentiating between Israel and Israeli settlements in other relevant fields;*
- *Develop a comprehensive communication strategy to enhance understanding of the EU's policy regarding settlements (including the EU's opposition to boycotting Israel);*
- *Strengthen efforts to raise awareness amongst EU citizens and businesses on the risks related to economic and financial activities in the settlements, including financial transactions, investments, purchases, procurements and services.*

Palestinian economic and social cohesion – combatting exclusion and seclusion

9. Promote economic and social development in Palestinian neighbourhoods in East-Jerusalem.

- *EU to continue to promote private sector development in Jerusalem and the capacity of the Arab Chamber of Commerce in Jerusalem. EU to promote alternative sources of financing for private sector operators and to support the fostering of an environment conducive to business and enterprise.*

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- *EU to increase support to improvement of housing conditions. Related concrete actions might include restoration/renovation projects as well as actions in support to property and housing rights.*

10. **Support an integrated economic and social space in East-Jerusalem, the rest of the West Bank and Gaza.**

- *EU to continue to advocate for the adoption of Palestinian-developed urban plans already submitted to the authorities (including community plans funded by the EU and Member States);*
- *EU to continue to advocate for a quality and accessible Palestinian schooling system including by maintaining the integrity of the Palestinian curriculum in East Jerusalem schools and improving infrastructure including municipal schools;*
- *EU to develop a special focus on communities affected by the Separation Barrier and to advocate for their access to social and economic services. , EU-funded activities aiming at overcoming the isolation of these communities should include support to family reunification rights and access to employment.*

