



EU Trade with Israeli Settlements

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1. Background information on Israeli settlements in the OPT

Israeli settlements are areas in which Israeli and Jewish civilians have established homes, communities and new towns on occupied Palestinian land. There are over 200 Israeli settlements and settlement outposts in the West Bank and East Jerusalem with a combined population of half a million people.¹ 200,000 of these settlers are living in East Jerusalem.² The total area controlled by settlements is around 43 per cent of the West Bank (See Appendix B).³

Settlement construction first began in 1967 and, despite their illegality and international condemnation, settlements have grown and prospered over the past 50 years, significantly changing the facts on the ground. The annual growth rate of the settler population in the West Bank is significantly higher than population growth inside Israel at 3.7 per cent⁴ and as these new towns grow, more of the land falls under Israeli control. There are different motivations for Israelis to move to the occupied territories. Some move for economic reasons while others are ideological settlers, who make up the majority of settlement outposts.

¹ QPSW briefing paper (July 2011) 'Trade with Israeli Settlements' <http://www.quaker.org.uk/files/Trade-with-Israeli-Settlements-Background-Briefing-July-2011-FINAL.pdf>

² Al Haq position paper (2010) 'Unmasking the "Freeze": Israel's Alleged Moratorium on Settlement Construction Whitewashes Egregious Violations of International Law'

³ While fenced or patrolled areas of settlements cover three per cent of the West Bank, 43 per cent of the West Bank is off-limits for Palestinian use because of its allocation to the settlements' local and regional councils, according to UN OCHA OPT (January 2012) factsheet 'The Humanitarian Impact of Israeli Settlement Policies'

⁴ cf. population growth in Israel proper at 1.9 per cent in 2010

Settlement outposts differ from settlements in that they are not officially approved by the Israeli Government and are therefore illegal under Israeli law. Yet a 2005 inquiry revealed that state and public institutions support these settlement outposts through funding, land allocation, infrastructure and the protection of the Israeli Army. Although settlement outposts are not officially sanctioned by Israel, the government can approve them retroactively. In 2011 Israel recognised eleven settlement outposts.⁵

Settlement communities benefit from services provided by the Israeli Civil Administration and private investors, while the Israeli Army spends much of its time patrolling and protecting the settlements. A dual legal system discriminates against Palestinians in the West Bank with Israelis subject to Israel's civilian law and Palestinians living under military rule.

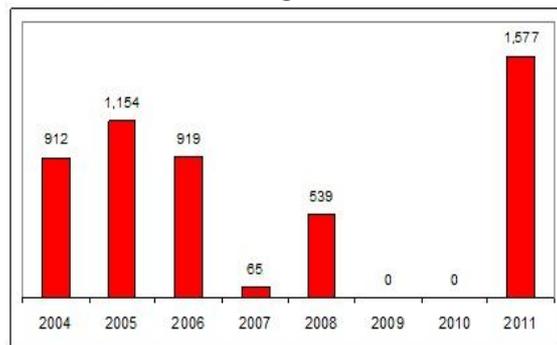


More than 9000 Israeli live in Har Homa settlement in the West Bank cc Marisa Johnson

Settlement construction is seen as one of the major obstacles to bringing about peace. It changes the facts on the ground and makes a two-state solution more difficult. Palestinian President Mahmoud Abbas has repeatedly stated that there can be no negotiations without a freeze on settlement expansion. Israel has at times issued moratoria on settlement construction and in 2005 it dismantled all settlements in Gaza as part of the disengagement plan. Binyamin Netanyahu's Government issued a ten-month moratorium on settlement expansion on 26 November 2009 (excluding in East Jerusalem) but he refused to extend this freeze in 2010.

Settlement Construction in the West Bank

Tenders in Settlements 2004-2011
(not including East Jerusalem)



From Peace Now's report "Torpedoing the Two State Solution: Summary of 2011 in the settlements"

Since the end of the freeze in September 2010, settlement construction has continued at an alarming rate. The table to the right shows how 2011 saw a dramatic increase on previous years in the construction of new settlement units

⁵ Peace Now (January 2012) 'Torpedoing the Two State Solution: Summary of 2011 in the Settlements'

in the West Bank. Not included in this table are the 4,000 new settler housing units that were approved in East Jerusalem, which is the highest number since 2006. Moreover, Israel announced in November 2011 that it would speed up construction of 2,000 new units in the West Bank, including in East Jerusalem.

Settlements in East Jerusalem

- 200,000 settlers reside in East Jerusalem as well as 270,000 Palestinians.
- 35 per cent of East Jerusalem's land has been confiscated for the development of Israeli settlements.
- Thousands of new settlement units were approved for construction in East Jerusalem in 2011, putting Palestinians at risk of forced displacement. The Old City, Silwan and Sheikh Jarrah neighbourhoods are particularly affected.
- At least 32 per cent of Palestinian homes in East Jerusalem lack permits, placing them under threat of demolition and 86,000 residents at risk of displacement.
- Since 1967, 14,000 Palestinians have had their Jerusalem residency revoked.

Adapted from UN OCHA OPT (Dec 2011) factsheet 'East Jerusalem: Key Humanitarian Concerns'

Settlements and the Palestinians

Settlements restrict the availability of limited natural resources such as land and water to the 2.4 million Palestinians living in the West Bank. Settlements consume 75 per cent of the water in the West Bank and much of this water consumption is used to produce agricultural items for export. In times of drought settlers are given priority of access to water over Palestinians.

Roads reserved for settlers only are built to connect the new towns and settlement outposts to Israel and to each other and more than 500

internal checkpoints, roadblocks and other physical obstacles impede Palestinian movement, including access of children to schools, pregnant women to hospitals and farmers to their fields. The checkpoints and roads exist primarily to protect settlers and facilitate their movement, but they further fragment the West Bank and inhibit freedom of movement for Palestinians. As settlements expand, more and more Palestinian homes and infrastructure are being demolished. In 2011 over 500 Palestinian homes, wells, rainwater harvesting cisterns and other essential structures were destroyed in the West Bank and East Jerusalem. More than 1,000 Palestinians were displaced, which is double the 2010 figure. Over half of the displaced were children.⁶

The expansion of new towns, settlement outposts and their connecting infrastructure undermines the peace process and threatens the two-state solution by changing the facts on the ground, fragmenting Palestinian lands and limiting the options for the creation of a viable and contiguous future Palestinian state.

⁶ Press Release by 20 international human rights and aid agencies (13th December 2011) 'Record numbers of Palestinians displaced by demolitions as Quartet continues to talk'



Palestinian olive trees chopped down by settlers in the West Bank cc Phillip Spencer

As settlements expand in the West Bank, tensions and conflict between the communities increase. Violent attacks by both Israeli settlers and Palestinians have risen dramatically in recent years.

Palestinians have increasingly been subjected to violent attacks by hard-line settlers. This violence includes physical assault, harassment, takeover of land, damage to private property, obstructed access to grazing and agricultural land, attacks on livestock and the burning of crops and olive trees. According to UN figures, the weekly average of settler attacks resulting in Palestinian casualties and property damage increased by 4 per cent in 2011 compared to 2010, and by over 165 per cent compared to 2009. Nearly 10,000 Palestinian-owned trees, primarily olive trees, have been damaged or destroyed, significantly undermining the livelihoods of hundreds of families. In July 2011, a community of 127 people was displaced en masse due to repeated settler attacks, with some affected families relocating to Areas A and B.⁷

Settlers are able to carry out attacks with impunity while settlements are guarded by the Israeli army and private security firms. Israel repeatedly fails to enforce the law in bringing settlers who attack Palestinian homes or property to justice. Over 90 per cent of monitored complaints regarding settler violence filed by Palestinians with the Israeli police in recent years have been closed without indictment.⁸

⁷ UN OCHA OPT (November 2011) factsheet 'Israeli settler violence in the West Bank'

http://www.ochaopt.org/documents/ocha_opt_settler_violence_FactSheet_October_2011_english.pdf

⁸ *ibid.*

Case Study - One Example of Settler Violence - An Eyewitness Report

We agreed to accompany our local contact and residents of the village after he received a call that settlers were attacking the village. We arrived on a ploughed field in the adjacent valley to the village entrance at around 18h25. Our local contact had asked the police for help phoning from the car in which we were all travelling. The police's response over the 'phone was to suggest he take photos.

When we arrived, around twelve male adults, and two boys under 18 accompanying them, who appeared to be settlers, and were recognised as such by local residents, wearing white shirts and black trousers were shouting at three women and two men accompanied by eight children under 18, five girls and three boys. Our contact then joined the Palestinian group trying to engage the settlers in a calm conversation. We (the internationals) held back in the middle of the ploughed field, taking a video and still photos, and observing the altercation from various vantage points to get a broad picture of what was happening. We spoke to other local residents on the hillside.

Within a minute an estimated 25 sheep appeared down the hillside approaching the group of settlers at the bottom of the valley led by another settler. The villagers protested. According to them the settlers did not usually bring the sheep to the bottom of the valley. When a settler threatened our contact person with a wooden stick a villager grabbed the stick from behind the settler; she then received a blow to her head. The situation rapidly escalated with an Israeli throwing a rock at another (male) villager. He was hit by the rock on the side of his ribcage. Our contact person was kicked in the stomach. Several other settlers threw rocks and stones at villagers. Our contact person appealed several times for the settlers to stop. Settlers threw rocks which hit a four year old boy on his hand; an older female of around 70 years was hit on her hand while protecting her head from a stone. I was hit by a rock on my arm. I moved away again leading the older woman who was agitated and screaming at the soldiers. Throughout the events a settler was taking video footage too.

Within five minutes soldiers, who were watching the sequence from their outpost on the hilltop arrived at the scene. One policeman arrived within 15 minutes of our arrival. We continued to observe the scene once they arrived, and I liaised with several soldiers. When the policeman arrived our local contact person went to speak to him and I stayed with the villagers standing with the soldiers. We agreed that I should accompany those villagers who were wounded to the Kiryat Arba police station outside Hebron and that others from our group would stay with the other villagers.

At the Kiryat Arba police station I was interviewed in English and asked the police officer to ensure that the statement was written in English so that I could sign it and that a copy be made for me of my statement. The police officer said that there were no forms in English, and that Israel did not provide copies of statements. I signed the Hebrew statement with a disclaimer stating that I did not understand Hebrew but was willing to bear witness in court to the attack on the village. I found pro forma English statements in the waiting area of the police station and renewed my request for a copy of the statement and the complaint file numbers for statements made by myself and the villagers. The police officer handling the villagers' statements finally handed everyone receipts in Hebrew of their statements with file numbers, although not copies. I had to ask three times for the statement receipt, once in the presence of an official from the Hebron UN OHCHR who had met us outside the police station.

These events took place in July 2011, as told to QCEA by an international observer who asked not to be named

International law

Settlements are illegal under international law and the international community has repeatedly condemned them. Settlement outposts are also illegal under Israeli law but the hard-line settlers who construct these communities deep in the West Bank act with impunity from Israel.

- o Settlements are illegal under Article 49 of the Fourth Geneva Convention, which forbids an occupying power from transferring its population onto occupied land: “The Occupying Power shall not deport or transfer parts of its own civilian population into the territory it occupies.”
- o United Nations Security Council resolutions 446, 452, 465, 471 and 476 all state that Israeli settlements in occupied territories are illegal.⁹ Resolution 465, for example, “Determines...that Israel’s policy and practices of settling parts of its population and new immigrants in those territories...constitute a serious obstruction to achieving a comprehensive, just and lasting peace in the Middle East.”
- o In February 2010 the International Court of Justice (ICJ) advised that the Israeli settlements are in breach of international law.
- o Vice President of the EU and High Representative for Foreign Affairs Catherine Ashton has repeatedly stated that settlements are illegal.¹⁰ For example, in December 2011 she said “The EU’s position is clear: settlement construction is illegal under international law and further complicates efforts to find a solution to end the Israeli-Palestinian conflict.”
- o The German Government has also criticised settlement expansion. German Chancellor Angela Merkel told Prime Minister Netanyahu in September 2011 that she lacked “any sympathy” with the East Jerusalem settlement expansion plans and that both conflict parties “must abstain from provocative actions.”¹¹
- o The UK Government has repeatedly criticised the Israeli policy of settlement expansion and highlighted their illegality. In December 2011 the British Foreign Secretary described Israel’s announcement that it will expand settlements in the West Bank and Jerusalem as “wrong and deeply counter-productive.”¹²

⁹ UN <http://www.un.org/documents/sc/res/1980/scres80.htm>

¹⁰ See <http://qceablog.wordpress.com/2012/01/12/action-needed-to-follow-the-words/>

¹¹ Der Spiegel (30 September 2011) <http://www.spiegel.de/politik/deutschland/0,1518,789487,00.html>

¹² British Foreign and Commonwealth Office statement (20th December 2011) <http://www.fco.gov.uk/en/news/latest-news/?view=News&id=708019682>

2. EU trade with Israeli settlements

Despite recognising their illegality, the EU continues to trade with Israeli settlements. Fruit and vegetables constitute the main part of settlement exports, but they also produce processed foods, wine, flowers, toiletries and cosmetics, textiles, plastic products, metal products and chemicals. These goods, produced on illegally occupied land, are sold into households throughout Europe, and the profits return to the settlements. In recent years in Europe there has been growing concern that such economic links exacerbate the situation created by settlements.

Official export and import statistics do not reveal the value of settlement trade with the EU. However there are figures for EU imports from Israel, which include imports from Israeli settlements. In 2009 Israel exported €8.8 billion worth of goods to the EU, which is its largest trading partner.¹³ An estimated one third of Israeli goods are made in the settlements.¹⁴

A research paper for the University of London identified 68 British companies with direct or indirect links to Israeli settlements in the OPT.¹⁵



Trade boosts the settlement producers and economy, solidifying the position of these new towns in the West Bank. EU trade with Israeli settlements is inconsistent with EU policy as the EU is very clear that settlements are an obstacle to peace.

Mature trees and shrubs outside a home in an East Jerusalem cc Penny Heymans. EU trade pumps money into illegal settlements and enables them to grow into permanent towns.

¹³ European Commission (2011) http://ec.europa.eu/trade/creating-opportunities/bilateral-relations/countries/israel/index_en.htm

¹⁴ Spiegel Online (25 February 2010) 'EU Court Allows Duties on Products from the Settlements' <http://www.spiegel.de/international/europe/0,1518,680380,00.html>

¹⁵ Profundo research paper ((February 2009) 'UK economic links with Israeli settlements in occupied Palestinian territory' (A research paper prepared for the Sir Joseph Hotung Programme for Law, Human Rights and Peace Building in the Middle East, SOAS, University of London)

3. Product labelling rules

The EU-Israel Association Agreement in 2000 abolished import duties on Israeli goods entering the EU market. There was a lengthy discussion between the EU and Israel over the "rules of origin" or labelling procedure for goods imported from Israeli settlements, which the EU does not recognise as part of Israel. In 2005, Israel and the EU agreed that the customs documents for goods imported into the EU will bear the name of the city, village or industrial zone where production took place and that products from those areas brought under Israeli Administration since 1967 will not receive preferential treatment.¹⁶ This was backed up by a European Court of Justice (ECJ) ruling in 2010.

The UK issued a guideline in December 2009 saying that retailers could label fruit and vegetables from the West Bank more specifically. The labels 'West Bank (Israeli settlement)' and 'West Bank (Palestinian)' are recommended. The few major UK supermarkets that continue to source settlement goods do label them in this way, but this labelling differentiation is entirely voluntary.

EU labelling directives for fresh fruit, vegetables and foodstuffs

The main export of Israeli settlements is agricultural produce. EU legislation is very clear on the labelling of fruit and vegetables sold in Europe, including that which is imported into the common market. The EU says that the country of origin must be clearly marked on fresh fruit and vegetables.

There also exists more general EU legislation which prohibits unfair commercial practices and the misleading of consumers. These regulations are not restricted to fruit, vegetables and foodstuffs and concern all products sold in the EU.

EU legislation is very clear. Fresh fruit and vegetables (the main Israeli exports) should be marked with the place of origin. Misleading customers, by falsification or omission, is

Council Regulation No 1182/2007 of 26 September 2007

" [Most fresh fruits and vegetables] which are intended to be sold fresh to the consumer, may only be marketed if they are sound, fair and of marketable quality and *if the country of origin is indicated.*"

Commission Regulation No 1580/2007 of 21 December 2007

Information particulars (including country of origin) " must be shown legibly and obviously on one side of the packaging, either indelibly printed directly onto the package or on a label which is an integral part of the package or affixed to it...Products may be presented unpackaged, provided that the retailer displays with the goods offered for sale a card showing prominently and legibly the information particulars...relating to variety, *country of origin of the product*, and class."

¹⁶ EU DG for External Policies of the Union (May 2011) Policy Briefing: Customs issues involving the Occupied Palestinian Territories

prohibited. If this legislation were correctly applied and respected in all EU Member States, exports from Israeli settlements would be correctly labelled as "Israeli settlement."

The EU also has strict phyto-sanitary standards (pertaining to the health of plant products and pest control across national borders). Certification of phyto-sanitary standards for Israeli settlement produce is carried out by the Israeli authorities. However as the EU does not recognise the settlements as part of Israel, Israel has no legal right to verify these standards for settlement produce. The EU undermines its own position on Israel's borders by allowing Israel to carry out this certification. Settlement produce imported into the EU should be subjected to phyto-sanitary certification either by the EU or an independent auditing body.

Directive 2005/29/EC of the European Parliament and the Council of 11 May 2005

Commercial practices shall be regarded as misleading and unfair if the product, by *offering misleading information or omission*, including with regard to *"geographical or commercial origin"* causes a customer "to take an informed transactional decision and thereby causes or is likely to *cause the average consumer to take a transactional decision that he would not have taken otherwise*" Such unfair and misleading commercial practices are prohibited.

Consumer campaigns have seen settlement products taken off the shelves in a number of European countries. British, Norwegian and Swedish Quakers have taken corporate decisions to boycott produce from Israeli settlements, while many individual Quakers across Europe refrain from buying settlement goods.¹⁷ However, being able to boycott settlement produce requires that goods from Israeli settlements and from Israel within its pre-1967 borders are clearly differentiated. The European Parliament has said that "clear labelling to differentiate between goods from Israeli settlements in the OPT and Palestinian products is an important element of consumer choice."¹⁸

Goods imported into the EU from Israel are marked with the postcode of the place of origin so that tax authorities may check that the correct customs duties are being paid. However, the list that identifies which of these postcodes is, in fact, an Israeli settlement in the West Bank, is currently not in the public domain. This prohibits NGOs from independently verifying that this list is correct and comprehensive and prevents individual consumers from using postcodes to distinguish between goods from Israel and settlement produce. However, we have very recently heard from the Commission that they intend to publish this list on the Commission's website in the spring of 2012.

¹⁷ See QCEA's discussion paper 'Responses to the Call for BDS' <http://www.qcea.org/wp-content/uploads/2011/04/dp-mideast-bdsv5-en-apr-2011.pdf>

¹⁸ European Parliament (6th September 2010) Written Declaration 0064/2010 On the labelling of goods from the Occupied Palestinian Territories

4. Settlements - flouting the trade rules?

It has been reported that exporters mislead European consumers and taxation authorities by mislabelling settlement produce as goods originating from within Israel's pre-1967 borders.

There is evidence to suggest that some Israeli exporters are circumventing EU trade rules by using the name and postcodes of an Israeli site on customs declarations rather than the actual production location.¹⁹ A Member of Parliament brought this to the attention of the UK House of Commons in 2010 when she described how an article in Israeli business magazine *Globes* advised that Israeli companies could use addresses located in Israel proper to avoid paying customs duties: "The method is easy: you invent an address within the Green Line and operate using this address. In this way you do not have to pay the customs fees that apply to products exported from across the Green Line. The method works, but not for those whose company carries a name that gives away the true location - such as Golan Height Wineries."²⁰



Loose grapefruits in Israel. Debs (CC BY-NC-SA 2.0)]

Similarly, it has been reported that some Israeli exporters routinely mix settlement produce with that from Israeli farms in order to avoid paying import duty.²¹

Not only are these practices tax evasion but they mislead consumers in direct contravention of the EU legislation on unfair commercial practices. Such practices mean that settlement produce can be sold at lower prices to European consumers, encouraging the sale of illegal

settlement goods. NGO Gush Shalom has identified companies that engage in this practice: Cosmetics producer Ahava, fruit exporter Agrexco, and food producer Achva are just a few companies that have been found to mislabel their produce for the EU market.

¹⁹ Directive 2005/29/EC of the European Parliament and of the Council of 11 May 2005 concerning unfair business-to-consumer commercial practices in the internal market ('Unfair Commercial Practices Directive')

²⁰ Phyllis Starkey MP in the UK House of Commons (27th January 2010) See Hansard <http://www.publications.parliament.uk/pa/cm200910/cmhansrd/cm100127/halltext/100127h0009.htm>

²¹ *ibid.*

OCEA carried out research across 17 supermarkets in five European countries.²² Dead Sea bath salts in one supermarket in Germany were found with the label “Made in Germany” and a German address on the packaging, despite clearly having been produced at the Dead Sea. Production is highly likely to have been by an Israeli company as the Israelis control access to the Sea and the surrounding area. This labelling contravenes EU trade rules by misleading consumers as to the product’s place of origin.

Dead Sea salts in three other German supermarkets offered no place of origin at all. While sea salts are not required to display their place of origin, this prevents consumers from making an informed decision as to whether to buy the product based on whether it is Palestinian produce or Israeli settlement produce.

It is interesting to note that of the 17 supermarkets surveyed, 15 stocked Israeli produce while none stocked goods originating in Palestine (of the products surveyed). In addition, several supermarkets did not offer alternatives to Israeli produce with regards to some fruit and vegetables:

Country	Supermarket	Product
Germany	WEZ	Topinambur (Jerusalem Artichoke)
Germany	Lidl	Avocado
Ireland	SuperValu	Avocado (organic), Sea Salt (for cooking)
Ireland	Tesco	Red Peppers

Auditing the rules of origin

EU Member States are responsible for ensuring that imports are taxed at the correct rate but they have limited powers and resources with which to do so. The Israeli Government has the ultimate responsibility for ensuring that Israeli settlement produce is not marked as originating within Israel’s pre-1967 borders so that it does not receive preferential tax rates. Clearly there is little incentive for the Israeli authorities to ensure that settlement produce is labelled correctly.

EU Member States each have slightly different policies for verifying consignments of goods imported from Israel. The UK Government issued the following guidance in 2009:

“Any claim to Israeli preference which is accompanied by a proof of preferential origin indicating that the production/process conferring originating status has taken place in a city, village or industrial zone

²² Belgium, Germany, Ireland, Sweden and the Netherlands

brought under Israeli Administration since 1967 will be immediately refused, without a verification enquiry being undertaken, either at the time of importation or following a routine audit. The full rate of customs duty will be payable on the products concerned."²³

It is evident that some Israeli settlement goods are entering the EU unlawfully; as of January 2009 the UK customs authorities had rejected 529 'proofs of origin' for consignments of settlement goods claiming to be from Israel as a result of random consignment checks. The UK customs authorities issued a demand for a further 338,000 GBP payable duties.²⁴

On the other hand, the Irish customs and taxation authorities told QCEA:

"We have not discovered any consignments from Israel during our random check of import documents claiming preferential treatment on goods that originated in illegal settlements... all of the goods accompanied by preference certificates have been verified by Israeli Authorities as originating in Israel."

When asked about the proportion of consignments from Israel that are subject to auditing procedures, the German customs authorities said "statistics are not being recorded," while the Swedish customs authorities said "for security reasons the extent of our controls cannot be revealed."

Even though all EU states are subject to the same rules regarding the treatment of Israeli settlement imports, it is clear that there is no consistent mechanism for checking Israeli consignments and ensuring that these rules are being implemented across all Member States.

5. Conclusions

Over half a million settlers have established communities and new towns in the West Bank and East Jerusalem since 1967 and in recent years settlement building has increased at a rapid rate. Settlements receive direct and indirect support from the Israeli Government, despite being illegal under international law. The international community has repeatedly condemned settlements, which have been the subject of several UN Security Council resolutions. The EU maintains that Israeli settlements in the Occupied Palestinian Territories are illegal and constitute an obstacle to peace.

Nevertheless, the EU continues to trade with Israeli settlements. This supports the settlement economies and communities and contributes to making

²³ HMRC customs information paper (09) 19

²⁴ QPSW (July 2011) Briefing Paper: 'Trade with Israeli Settlements' <http://www.quaker.org.uk/files/Trade-with-Israeli-Settlements-Background-Briefing-July-2011-FINAL.pdf>

settlements a permanent feature in the Occupied Palestinian Territories. While the EU does not allow settlement produce to be imported under the reduced taxation rates which Israel receives, the EU does not require that goods from Israel within its pre-1967 borders and goods from Israeli settlements are able to be distinguished from one another by consumers. The EU allows the Israeli Government to verify customs documentation and phyto-sanitary standards of settlement produce. This undermines the EU's own position that Israel has no jurisdiction over Israeli settlements in the West Bank.

Quakers in Europe have differing views on Israeli settlement boycott. However many Quakers have taken individual decisions to boycott settlement produce and Britain Yearly Meeting, Sweden Yearly Meeting and Norway Yearly Meeting have taken corporate decisions to boycott. In addition, many non-Quaker organisations and individuals have decided to boycott Israeli settlement produce. Yet ethical consumers are unable to carry out this boycott unless settlement goods and produce from within Israel's pre-1967 borders are clearly differentiated on the packaging.

The EU has clear and strict guidelines for labelling, particularly of agricultural produce which is the main settlement export, however this is not being applied consistently in all EU countries. There is also evidence to suggest that some companies routinely mislabel their products as originating within Israel's pre-1967 borders in order to avoid paying the higher taxation rates and mislead consumers. This is illegal under EU law and constitutes tax fraud.

The EU needs a consistent approach to how it handles Israeli settlement produce. Continuing to trade with settlements whilst stating that they are illegal undermines the EU's own position and its efforts to achieve peace in the region.

6. Policy recommendations for the EU

- o All EU trade with Israeli settlements, including financial services, should cease. It is EU policy that settlements are illegal and an obstacle to peace and it is not rational to keep stating this and at the same time supporting the settlements by continuing to import their goods.
- o So long as imports from settlements continue, the EU and the relevant MS authorities should ensure that:
 - The place of origin should be clearly marked on all goods (and not just limited to fresh fruit, vegetables and foodstuffs) originating in Israel, the OPT or Israeli settlements.
 - Goods originating in the West Bank should be clearly marked as to whether they are Israeli settlement produce or Palestinian produce. This should be a mandatory requirement, not simply recommended as in the UK.
 - An independent auditing authority should be set up to verify whether consignments entering the EU are correctly certified with their place of origin.
 - An independent auditing authority should be set up to monitor phytosanitary standards on produce from Israeli settlements.
 - The EU should impose fines on any exporters or companies that are found to be flouting the rules of origin. If there is any doubt as to the origin of an entire consignment (say in the case of loose fruit and vegetables) then the whole consignment should be taxed at the higher rate.
 - Official figures should differentiate trade between the EU and Israel within its pre-1967 borders and trade between the EU and Israeli settlements.

APPENDIX A Settler Violence in the West Bank



UNITED NATIONS
Office for the Coordination of Humanitarian Affairs
occupied Palestinian territory

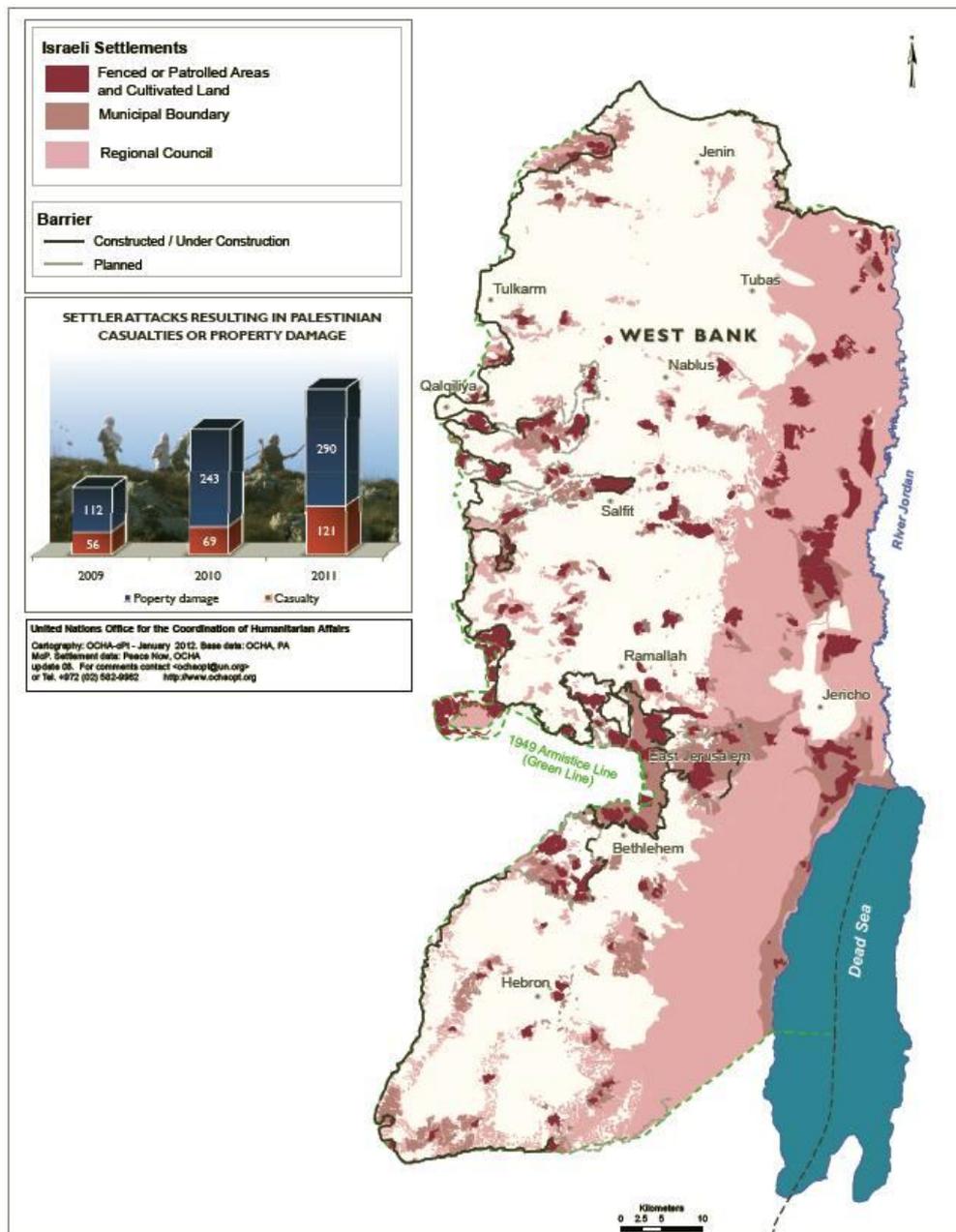
ISRAELI SETTLER VIOLENCE IN THE WEST BANK NOVEMBER 2011

FAST FACTS

- The weekly average of settler attacks resulting in Palestinian casualties and property damage has increased by 40% in 2011 compared to 2010, and by over 165% compared to 2009.
- In 2011, three Palestinians have been killed and 167 injured by Israeli settlers. In addition, one Palestinian has been killed, and 101 others injured, by Israeli soldiers during clashes between Israeli settlers and Palestinians.
- Eight Israeli settlers have been killed and 30 others injured by Palestinians in 2011, compared to five killed and 43 injured, during the same period in 2010.
- In 2011, nearly 10,000 Palestinian-owned trees, primarily olive trees, have been damaged or destroyed by Israeli settlers, significantly undermining the livelihoods of hundreds of families.
- In July 2011, a community of 127 people was displaced en masse due to repeated settler attacks, with some affected families re-locating to Areas A and B.
- Over 90% of monitored complaints regarding settler violence filed by Palestinians with the Israeli police in recent years have been closed without indictment.
- OCHA has identified over 80 communities with a combined population of nearly 250,000 Palestinians vulnerable to settler violence, including 76,000 who are at high-risk.

From a UN OCHA OPT (November 2011) factsheet 'Israeli Settler Violence in the West Bank'
http://www.ochaopt.org/documents/ocha_opt_settler_violence_FactSheet_October_2011_english.pdf

APPENDIX B Map showing land allocated to Israeli settlements



From a UN OCHA OPT (January 2012) factsheet 'The Humanitarian Impact of Israeli Settlement Policies'
http://www.ochaopt.org/documents/ocha_opt_settlements_FactSheet_January_2012_english.pdf