



Date: 17/11/2008

Re: Curbing foreign involvement in Israeli settlement activity

As the first anniversary of the Annapolis Conference approaches, we are no closer to securing a genuine freeze of Israeli settlement activity in the Occupied Palestinian Territory, in accordance with the Road Map and international law. On the contrary, Israeli settlement activity has accelerated in the year since Annapolis in virtually all areas—from planning to authorization to construction—particularly in and around East Jerusalem.

Regrettably, third states and their nationals may be contributing, unwittingly or otherwise, to Israeli settlement activity. Some foreign companies are involved in developing and constructing settlements and related infrastructure, such as bypass roads and the Wall, while others have operations within settlements. Companies in other countries also import, distribute and sell settlement goods.

Such companies exploit, or profit from the exploitation of, land and water resources that have been illegally confiscated from Palestinians and that otherwise could have been productively utilized by Palestinian enterprises. They also promote settlement expansion, some by direct involvement in settlement construction, others by creating a demand for infrastructure, such as water, electricity and roads, for production and distribution of settlement goods.

For these reasons, we urge all states to consider taking concrete measures to ensure that neither they nor their nationals, corporate or otherwise, contribute to Israeli settlement activity. Such measures should be consistent with the International Court of Justice's 2004 advisory opinion on the *Legal Consequences of the Construction of a Wall in the Occupied Palestinian Territory*, which held that the Wall and the settlements are illegal and that third states have obligations not to recognize or assist the illegal situation created by the Wall's construction, to end any impediments to the Palestinian right of self-determination and to ensure respect of the Fourth Geneva Convention.

To this end, I enclose herewith two documents for your consideration. The first paper, entitled "The Business of Colonization", provides further detail on this matter and recommends possible measures. The second paper, entitled "Property Transactions in the Occupied Palestinian Territory", addresses the issue of property transactions within settlements.

We would, of course, be happy to discuss these issues further with you or provide you with further information as needed.

Sincerely yours,

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