

The EU's funding of companies listed on the UN BLACKLIST

JC Bamford Excavators Ltd (JCB)

Motorola Solutions Israel Ltd

Bank Leumi

Mekorot Water Company Ltd

Alstom and Alstom Transport

Egis, Egis Rail



EUROPEAN COORDINATION OF COMMITTEES
AND ASSOCIATIONS FOR PALESTINE

Context

Since years Israel has been forcing thousands of Palestinians off their land, occupying and illegally using it to create **illegal settlements** that exclusively house Jewish Israeli settlers.

Entire Palestinian communities have been displaced by those settlements, their homes and livelihoods have been destroyed and restrictions have been imposed on their movements, access to their own water, land and other natural resources. The communities have also been violently attacked by the Israeli military and illegal settlers. International community, including the UN and the EU, have repeatedly condemned those activities.

On February 12, 2020, the UN Human Rights Council published the annual report of the United Nations High Commissioner for Human Rights, releasing a database of **112 companies involved in business activities in illegal Israeli settlements**¹. The mandate covers different types of activities: exploitation of natural resources, provision of construction material, provision of transportation, etc. The UN Special Rapporteur on the situation of human rights in the Palestinian Territories occupied since 1967 welcomed the release of the UNHRC database, while highlighting its limits concerning the restrictive mandate, narrow focus and absence of an adjudicative mechanism².



EU's funding of companies listed on the UN blacklist

The ECCP found out that **four companies** listed for their **direct complicity with illegal Israeli settlements** received European **taxpayers' money** through two research programs: the 7th Framework Programme (FP7) from 2007 to 2013, and the Horizon 2020 programme from 2014 to 2020.

The first company is **JC Bamford Excavators Ltd**, known as **JCB**, a British firm which mostly distributes construction and agricultural engines. JCB supplies pieces of equipment facilitating the building and the expansion of settlements and the wall, and associated infrastructures. The company received a grant of **six thousand and six hundred euros (6 600€)** through **FP7** between 2013 and 2015 for an innovation project on vehicle components³.

Another company, **Motorola Solutions Israel Ltd**, took part in two projects funded under FP7, representing **more than one million euros (1 010 957, 00 €)** in grants, and four projects funded under Horizon 2020, for a total of almost **three million euros and a half (3 380 321, 25 €)**. Despite its complicity in supplying surveillance and identification equipment to illegal settlements, and to the wall and checkpoints directly linked with settlements⁴, Motorola Solutions Israel Ltd. received almost **four million and a half euros (4 391 305, 25 €)** from the European Union⁵.

In 2019, European Investment Fund and **Bank Leumi** expanded a loan program for tech companies in Israel. Called LeumiTech, the program was launched in 2016 with an initial **\$100 million**. Under the expanded partnership, the **EU's European Investment Fund** provides guarantees for up to **\$620 million of LeumiTech loans** as part of Horizon 2020, the EU science program. **Bank Leumi** finances illegal Israeli settlements and their infrastructure across the occupied West Bank⁶.

Finally, **Mekorot Water Company Ltd**, the Israeli national water supplier, responsible for using water sources situated on Palestinian land and supplying it to illegal settlements, received a cumulated grant of **almost two million euros (1. 795 763,48€)** under both European research programs. Thanks to those fundings, the company conducted eight different projects in water engineering and was able to make technical advances⁷.

Funding of companies listed as parent companies of firms complicit with settlements

The UNHRC database also highlights the responsibility of firms complicit with illegal business activities through their status as parent companies of firms with direct complicity in constructing and maintaining settlements.

The ECCP notes that two listed French groups, **Alstom** and **Egis**, benefited from extensive European research grants.

Alstom and **Alstom Transport** have been at the centre of a court case led by Association France Palestine Solidarité (AFPS) with other French human rights organisations regarding the construction and operation of a tramway in East Jerusalem. Under the pressure, the firm decided to pull out of the project⁸.

However, it is still complicit by the provision of services and utilities supporting the maintenance and existence of settlements, including transport, and by the use of natural resources, in particular water and land, for business purposes, according to the UN High Commissioner for Human Rights⁹. Despite its history of complicity with war crimes and international law violations, Alstom Transport SA received **46 research grants** under both FP7 and Horizon 2020, amounting to **twenty eight million and a half euros (28 400 933, 07 €)**.

Egis is complicit with the activities of its subsidiary **Egis Rail**. In 2007, Egis Rail won an **11.9 million euros** contract with the Jerusalem Transportation Master Plan Team (JTMT) to assist in the construction and expansion of the light rail project in Jerusalem. The company continues to serve as the general consultant in the expansion project¹⁰. While Egis Rail never received European money, the Egis Group and its different branches benefitted from more than **seven hundred thousand euros (717 387, 55€)** since 2013, distributed over 8 different research projects¹¹.

Why is it problematic?

Israel's persistent policies to confiscate Palestinian land to build illegal settlements has created unilateral facts on the ground and resulted in a situation of de facto annexation.

While the European Union does not recognize Israel's sovereignty over the oPT¹² and condemns the Israeli politics of annexation¹³, it funds the very companies that help building and maintaining illegal settlements. Through this money, the EU becomes complicit with those firms' **war crimes and serious breaches of international law.**



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Recommendations

It is unacceptable to see European taxpayers' money channeled to enterprises trampling all of the union's core values: human dignity, freedom, democracy, equality, rule of law and human rights.

The European Union should:

- ▶ **Exclude companies** listed in the UNHRC database from participating in European research programs, (e.g Horizon 2020, Horizon Europe);
- ▶ **Make the UNHRC database a living tool to monitor companies'** complicity with Israeli violations of international law and exclude complicit ones from all kinds of European fundings;
- ▶ **Introduce more restrictive eligibility and ethics criteria** in accordance with the principles of the UN Human Rights Commission;
- ▶ Align itself with **duties of non-recognition and non-assistance laid out in Art. 41(2) of the International Law Commission Articles on State Responsibility;**

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