

STOP THE WALL CAMPAIGN



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BRIEFING:

Veolia: Building the infrastructure of the occupation

1. Introduction

Veolia Environnement is a French multinational company that profits directly from the Israeli occupation of Palestinian territory. Veolia is a major partner in the Jerusalem Light Rail, a project that will help to cement Israel's hold on occupied East Jerusalem and tie the surrounding settlements even more firmly into the State of Israel. The JLR project has been declared unlawful by the UN. Veolia also operates a landfill and waste services for illegal Israeli settlements in Occupied Palestinian Territory. An increasing number of governments, unions and civil society organisations are taking action to end their complicity with Veolia's violations of international law.

2. Company profile

Veolia is a French multinational company with activities in four main areas: water, energy, environmental services and transport. The company employs 312,590 people in 74 countries and revenues of €34.55 billion in 2009.ⁱ Veolia is the world's largest water company, serving unit serves over 110 million customers in 84 countries.ⁱⁱ It is quoted on the Euronext Paris and the New York Stock Exchange. The company was formerly known as Vivendi Environnement, reflecting its controversial former corporate parent, Vivendi Universal. The company was sold off in 2002 and was subsequently renamed as Veolia Environnement. Wholly owned subsidiaries include General-Des-Eaux, Onyx Environmental, Dalkia and Connex. It remains one single commercial entity.

In 2005, corporate accountability NGO Public Citizen published a report accusing Veolia of having a track record of "corruption, broken promises, environmental degradation, price-gouging, obfuscation, misdirection and secrecy" and playing an important role in a damaging global wave of water privatisation. "In every corner of the globe, Veolia is part of the problem," the report concludes.ⁱⁱⁱ Campaigns against Veolia water contracts have emerged all over the world.

Veolia is a signatory to the UN Global Compact, a voluntary commitment to ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption.^{iv}

3. Jerusalem Light Rail

a. An infrastructure project of Israeli colonisation

The Jerusalem Light Rail (JLR) will link west Jerusalem to illegal Israeli settlements in Occupied East Jerusalem and will facilitate travel between West Jerusalem and the illegal Israeli settlements in the West Bank. The light rail is one of the Occupation's key infrastructure projects to literally cement Jerusalem's fate as a Jewish-only capital of Israel and will help to cement Israel's hold on occupied East Jerusalem and tie the settlements even more firmly into the State of Israel. Construction on the first of seven lines began in October in 2006 and is already complete. Testing is underway and the line will open for public operation by the end of 2010.

The path of the first light rail line in Jerusalem incorporates the main illegal Israeli settlements around East Jerusalem, built on stolen Palestinian land. The line will directly serve the settlements of Pisgat Ze'ev, Neve Yaakov and French Hill and will serve the settlements of Modi'in Illit, Ma'aleh Adumim and Ramat Eshkol and others that link to stations easily by road.^v More settlements will be served as more lines are built in the future. The JLR seeks normalise the status of illegal settlers in Jerusalem, make the settlements irreversible and make the settlements and their expansion more viable.

Large tracts of land belonging to Palestinians have been confiscated to make way for light rail project. In 2001, notice was given to confiscate 15,000 m² from five Palestinian families near the Pisgat Ze'ev settlement.^{vi} Speaking to an independent journalist in August 2010, one family confirmed that 2,000m² had been confiscated from them so that a parking lot next to a station could be built on their land.^{vii}

The construction of the JLR must be seen in the context of the broader Israeli plans for Jerusalem. The overarching policy framework for Jerusalem is illustrated most fully by the Master Plan 2020 document (2004), which outlines measures to prevent the growth of Palestinian communities and encourage the growth of Jewish settlements, with the goal of creating a 70:30 ratio of Jews to Palestinians, as stipulated by government decisions. Doing this involves ethnically cleansing Palestinian communities from Jerusalem through a variety of mechanisms, including the Wall and the revocation of identity papers.^{viii} In 2005 Ariel Sharon stated that "This [the JLR] should be done...to strengthen Jerusalem, construct it, expanded it and sustain it for eternity as the capital of the Jewish people and the united capital of the state of Israel." The JLR is a crucial infrastructure project to further colonise Jerusalem via consolidation and expansion of the settlements that encircle East Jerusalem, ensuring that they become a permanent fixture upon Palestinian land.

b. A violation of international law

Under the IV Geneva Convention, an Occupying Power cannot transfer parts of its own civilian population into territory it controls or make changes to this territory for non-military reasons. Numerous UN resolutions have detailed how this applies to the Israeli occupation of East Jerusalem.^{ix} In 2004, the International Court of Justice ruled that Israeli settlements are violations of international law.^x Infrastructure and other projects that serve these colonies or act in any way to perpetuate their existence are, by extension, illegal.

Citing the Hague Convention IV on Respecting the Laws and Customs of War on Land, 18 October 1907, the PLO's Negotiation Support Unit argues, "As an occupant, Israel has no sovereign rights or title to the Occupied Palestinian Territories, including East Jerusalem. Consequently, it may only undertake changes in East Jerusalem and the rest of the OPT for the benefit of the occupied Palestinian population or for military necessity. As the Light Rail neither caters to the needs of Palestinian civilians nor serves any genuine military purpose, the Light Rail constitutes an illegal change to East Jerusalem and neighbouring West Bank areas."^{xi}

In March 2010, the UN Human Rights Council expressed its "grave concern" at "The Israeli decision to establish and operate a tramway between West Jerusalem and the Israeli settlement of Pisgat Zeev, which is in clear violation of international law and relevant United Nations resolutions."^{xii}

At the end of October 2007, Veolia Transport and Alstom were taken to court by Association France Palestine Solidarite (AFPS) because of their involvement in the Israeli tramway project. The Palestinian Liberation Organization (PLO), as the legitimate representative of the Palestinian people, joined AFPS in the legal action. The case continues.^{xiii}

c. Veolia – a key partner in the Jerusalem Light Rail system

As a 5% shareholder in the CityPass consortium contracted to build and operate the first JLR line, Veolia is directly responsible for the legal situation to arise from its construction.^{xiv} Veolia will be the operator of the first line, taking responsibility for a wide range of tasks. The JLR project would not be possible without the involvement of Veolia – their involvement brings much needed injections of capital and international support. Veolia is lending its expertise to this project and profiting directly from it, thus actively supporting Israel's colonial ambitions in Jerusalem. It is an accomplice in Israel's violations of international law and alleged war crimes.

Veolia has also been involved in some of the ugliest parts of the JLR project:

- Veolia leads a PR campaign to justify the operation of the JLR in illegally occupied Palestinian territories.^{xv} Besides Veolia's complete disregard towards the Palestinian identity of the residents of East Jerusalem and the naked adoption of an Israeli colonialist discourse by legitimizing the "opinion" of the settlers, a survey they conducted contains methodological flaws that puts into question the validity of results that invariably indicate local "support". One being the targeting only of Palestinian residents from the small area in which tram will pass. This ignores the vast majority of Palestinians in East Jerusalem whose voice is being disregarded and whose elected representatives expressed unreserved opposition to the project.
- The CityPass consortium surveyed Jerusalem residents. One of the questions asked if people were bothered by both Jews and Arabs entering freely "without undergoing a security check." Officials from the Israeli Transportation Ministry called the questions as racist.^{xvi}
- As part of its role as line operator, Veolia has published a series of adverts for jobs on the JLR. These adverts, by specifying that candidates must serve in the military and speak English and Hebrew but not Arabic, are only open to Israelis.^{xvii}

4. Construction of illegal Israeli settlements on the West Bank

a. Background

The Israeli settlement project started in 1967, just after the occupation of the West Bank, the Gaza Strip and the Syrian Golan Heights. Israeli settlements are pockets of land for exclusive Jewish-Israeli use inside the West Bank, including East Jerusalem and the Golan Heights on occupied land from which the Palestinian population is expelled and barred access. There are now some 150 settlements in the occupied Palestinian territory in which more than 475,000 settlers are living. Settlements control over 40 percent of the territory of West Bank, including essential agricultural and water resources.^{xviii}

Expenditure of the Israeli government for the settlement includes low purchase prices, mortgage grants (up to 95% of the cost), Priority 'A' categorization (for state-subsidized benefits and incentives such as 7%-tax breaks, free schooling and school buses, and business grants), lost tax revenues. The civilian cost of the settlements is valued at about NIS 2.5 billion per year. The value of property built in the territories is estimated at over US\$14 billion.^{xix} The settlement project represent an attempt by Israel to illegally annex Palestinian land, expand the territory of the Jewish state and erode the chance of a viable and just peace.

b. Illegality of Israeli settlements on the West Bank

Under the IV Geneva Convention, an Occupying Power cannot transfer parts of its own civilian population into territory it controls or make changes to this territory for non-military reasons. Numerous UN resolutions have detailed how this applies to the Israeli occupation of the West Bank.^{xx} In 2004, the International Court of Justice ruled that Israeli settlements are violations of international law.^{xxi} Infrastructure and other projects that serve these colonies or act in any way to perpetuate their existence are, by extension, illegal.

c. Settler-only bus services

Through its subsidiary Connex, Veolia operates regular bus services to Israeli settlements in the West Bank. Services 109 and 110 link the settlements of Beit Horon, Giv'at Ze'ev, Mevo Horon and Ramot Alon to Israel.^{xxii} Part of the route is settler only road 443^{xxiii} on which Palestinians from the West Bank were, until June 2010, forbidden to travel.^{xxiv} Travel on the road by Palestinians remains severely restricted.

d. Tovlan Landfill and settlement waste collection

Through its subsidiary Veolia Environmental Services Israel, Veolia operates the Tovlan Landfill in the occupied Jordan Valley, using captured Palestinian natural and land resources for the needs of Israeli settlements.^{xxv} Veolia stands accused of exploiting and treating harshly its entirely Palestinian work force, who earn €15.50 per day, and for the environmental and public health problems caused by insanitary conditions at the landfill.^{xxvi}

Veolia companies have been observed and photographed collecting waste from the settlements of Massua and Tomer.^{xxvii}

5. Companies, governments and civil society take action

- **Holland: "ASN bank divests from VEOLIA". November 2006.**

United Civilians for Peace, a coalition of Dutch organizations advocating peace, human rights and development ran a successful campaign to isolate Veolia for its involvement in the JLR project. As a first step, the activists produced a well-researched document detailing the links between Dutch companies and the Israeli occupation of the Palestinian territories. The document was written in cooperation with Palestinian researchers on the ground.

Veolia came out as a priority target. Dutch companies working with Veolia, among them the ASN investment bank were approached with details of the project. A public debate about the legal and ethical responsibility of companies directly or indirectly involved in the project attracted wide media attention.

Veolia's argument that it was not aware that its involvement in the JLR was illegal rang hollow considering that Amnesty International had warned Veolia's management not to get involved in this project months earlier.

Public pressure led ASN bank to review its investment of the JLR and eventually pulling out its funds. The campaign was endorsed by influential civil society groups. ASN bank, which identifies itself as an "ethical bank", turned its words to deeds and divested in November 2006, inspiring activists to pursue similar campaigns elsewhere.

- **Sweden: "Give VEOLIA a red card". The National pension fund divests and VEOLIA loses its contract in Stockholom.**

The Swedish campaign used creative tactics to call the public into attention about Veolia's role in Israel's colonization of East Jerusalem. On November 15th 2008, passengers of the Stockholm subway were asked to "give the red card to Veolia", attaching a red card to their clothes, to protest Veolia's involvement in the Jerusalem tramway project. Swedish journalists grilled politicians about the issue.

Diakonia led a coalition of faith-based groups in pressuring municipalities to search for alternative service providers to Veolia. During the Gaza war, the Stockholm community council announced that Veolia, which had been the operator of the Stockholm County metro for the past ten years, lost the contract worth 3.5 billion euros for the coming eight years. The Council stated that the decision to exclude Veolia was based solely on commercial considerations, an argument often used to avoid political backlash. No doubt that public pressure was on the basis for this decision.

Weeks later, the Swedish national pension fund, AP7, announced the exclusion of Alstom from its investment portfolio. This time however, the \$15 billion fund owner explicitly justified its decision on Alstom's involvement in the JLR project. This move reflected widespread public discontent, in particular after Israel's war crimes in Gaza, and a general desire to make Israel accountable for its violations.

- **United Kingdom: "Do not process our waste water"**

Sandwell Metropolitan Borough Council excluded Veolia from a "Waste Improvement Plan" contract, worth about \$1.5 billion over 20 years. The council claims that the decision was commercial and nothing to do with politics. The Palestine Solidarity Campaign (PSC) in the West Midlands contends however that a pressure campaign they led forced the council to reconsider its ties with Veolia.

- **Ireland: City Council does not renew Veolia's contract.**

Galway City Council followed on the footsteps of Stockholm Community Council and decided not to renew the contract with Veolia to operate the city's underground system as a result of Veolia's involvement with JLR.

- **Australia: VEOLIA-Connex lost its contract in June, 2009.**

Artist Van Thanh Rudd created a stir in Melbourne, Australia with his installation "Economy of Movement - A Piece of Palestine." A panel hanging behind it reads: "The stone exhibited is from East Jerusalem. It was thrown at an Israeli Defense Force (IDF) tank by a Palestinian youth."

Another panel to the right reads: "IDF tanks are protecting French companies Veolia (Connex) and Alstom as they conduct illegal operations on occupied Palestinian territory." Rudd explained his motives saying, "I thought it would be a great opportunity to make artwork that would clearly outline Veolia's illegal operations on occupied Palestinian territory." Connex Melbourne was a wholly owned subsidiary of VEOLIA in Australia. In August 2007, Connex's contract was extended to 30 November 2009. However, Connex lost the bid to renew its contract with Victorian Government on the 25th of June, 2009. The campaign continues.

- **France: Legal Action**

At the end of October 2007, Association France Palestine Solidarite (AFPS) took Veolia Transport and Alstom to court because of their involvement in the Israeli tramway project. The Palestinian Liberation Organization (PLO) joined AFPS in the legal action against the two companies, invoking French Civil Code which states in its Articles 6, 1131 and 1133 that any agreement can be discharged of its powers when its aim is in contradiction with the public order or good morals. As they are in violation of international law, the contracts of Alstom and Veolia Transport are therefore also illegal under French law. The legal action undertaken by AFPS is based on this rule in French law and is seeking the cancellation of the contracts for the construction and running of the tramway in Palestine between Alstom, Veolia, and the Israeli government. At the same time the legal action is aimed to prohibit the companies from executing the contract.

- **France: Bordeaux local government excludes Veolia**

The Greater Bordeaux local government announced that it was awarding – on commercial grounds, of course – a \$1 billion contract for the biggest urban network in France to Veolia's

competitor, despite intense lobbying by Veolia. BDS platform in Bordeaux marked this achievement saying, "In fact, Veolia's involvement in the situation of [Israeli] apartheid has already led to its loss of several contracts, and this is just the beginning."³

These are only a few examples of a growing campaign.

Israeli newspaper Haaretz stated on June 9 2009 that "In a body-blow to the future Jerusalem light rail, the French company Veolia, which was supposed to run the train system after its construction, is abandoning the project" and also that "The political pressure on Veolia has been mounting in another direction. According to various reports abroad, the French firm had been losing major projects in Europe because of its involvement in the Jerusalem job. Observers claim that's the real reason Veolia opted out".^{xxviii} This report and others similar to it created the impression that Veolia's involvement in the project had come to a close. However, Veolia's contract with the Israeli authorities for the JLR stipulates that it can only pull out if a company with similar experience takes its place.^{xxix} No similarly large international firm has stepped up to take the place of Veolia, presumably because no firm wants to be so successfully targeted by solidarity activists in the same way. As things stand, Veolia's involvement in its Israeli project will continue.

ⁱ http://www.veolia.com/veolia/ressources/files/1/3376,veolia-donnees-sociales_EN.pdf

ⁱⁱ <http://www.citizen.org/documents/Vivendi-USFilter.pdf>

ⁱⁱⁱ <http://www.citizen.org/documents/Vivendi-USFilter.pdf>

^{iv} <http://www.unglobalcompact.org/participant/9933-Veolia-Environnement>

^v <http://www.citypass.co.il/english/FirstLine3E.aspx#http://www.guardian.co.uk/commentisfree/2009/nov/26/israel-occupation-jerusalem-light-railway>

^{vi} <http://www.orienthouse.org/press/Release/July11.01.html>

^{vii} <http://electronicintifada.net/v2/article11488.shtml>

^{viii} <http://www.stopthewall.org/downloads/pdf/briefing%20Alstom.pdf>

^{ix} <http://www.alhaq.org/etemplate.php?id=326>

^x In its Advisory Opinion titled *Legal Consequences of the Construction of a Wall in the Occupied Palestinian Territory*, the ICJ stated, "The Court concludes that the Israeli settlements in the Occupied Palestinian Territory (including East Jerusalem) have been established in breach of international law. <http://www.icj-cij.org/docket/files/131/1677.pdf>
^{xi} PLO Negotiation Support Unit. Jerusalem Light Rail Fact Sheet. March 2007

^{xii} <http://unispal.un.org/UNISPAL.NSF/0/262DD94458BA4CA2852576F000701580>

^{xiii} <http://electronicintifada.net/v2/article9104.shtml>

^{xiv} <http://www.railway-technology.com/projects/jerusalem/>

^{xv} http://www.sustainable-development.veolia.com/en/Articles/20090629_JLRT.aspx#c3d559GSa1

^{xvi} <http://www.haaretz.com/print-edition/news/officials-slam-racist-jerusalem-light-rail-survey-1.309620>

^{xvii} <http://www.connex.co.il/index.asp?num=5>

^{xviii} <http://www.alhaq.org/pdfs/q&a-settlements.pdf>

^{xix} http://www.passia.org/palestine_facts/pdf/pdf2009/LANDandSettlements.pdf

^{xx} <http://www.palestinemonitor.org/spip/spip.php?article7>

^{xxi} <http://www.icj-cij.org/docket/files/131/1677.pdf>

^{xxii} <http://whoprofits.org/Company%20Info.php?id=581>

^{xxiii} <http://whoprofits.org/Company%20Info.php?id=581>

^{xxiv} http://www.btselem.org/English/Freedom_of_Movement/Road_443.asp

^{xxv} <http://whoprofits.org/Company%20Info.php?id=581>

^{xxvi} <http://www.corporatewatch.org/?lid=3514>

^{xxvii} <http://corporateoccupation.wordpress.com/2010/03/31/veolia-taking-out-israels-trash/>

^{xxviii} <http://www.haaretz.com/hasen/spages/1091186.html>

^{xxix} <http://www.corporatewatch.org/?lid=3474>