

H.E. Khaled Osaily
Minister of National Economy
Palestine

Subject: The Jerusalem Light Railway Project (JLR) in the Occupied Palestinian Territory implemented by Spanish Multinational Companies

Madrid, October 2nd, 2023

Excellency,

In response to your letter sent on July 2023, I would like to take this opportunity to confirm our strong support for the Palestinian cause. Indeed, the European Union and its member states consider Israeli settlements to be illegal under international law, an obstacle to peace and a threat to the two-state solution to the conflict between Palestine and Israel.

In this vein, we regularly draw the attention of our citizens and businesses to the risks associated with economic and financial activities in the settlements. We remind them that financial transactions, investments, purchasing, contracting, as well as other economic activities in the Israeli settlements in or for the benefit of Israeli settlements may involve legal and economic risks, given that Israeli settlements, in accordance with international law, are built on occupied territory and are not recognized as legitimate part of the Israeli territory. In fact, they are advised that possible violations of international humanitarian law and human rights should then be taken into account.

Therefore, once we were informed of your complaints regarding the Jerusalem Light Railway Project, the Spanish National Contact Point (NPC) of the Ministry of Industry, Trade and Tourism confirmed that a non-judicial procedure regarding this matter was conducted in accordance to the 2011 OECD Guidelines for Multinational Enterprises. The NCP offered its good offices, proposing mediation, which was ultimately not accepted. Following this, the NCP had no choice but to close the case and proposed a series of recommendations to the respondent, in accordance with the OECD Guidelines for Multinational Enterprises.

In any case, although we understand and fully support your legitimate worries, Spanish NPC lacks the legal tools to interfere in the decisions taken by private firms in the execution of projects in third countries, which lie under their own responsibility. Even though we generally support Spanish companies in their internationalization process, let me assure you that we do not share their views in this particular case. This same message has been delivered to them throughout the whole procedure at the Spanish NPC.

Yours faithfully,