

To Norges Bank

30.08.2024

UNOFFICIAL ENGLISH TRANSLATION

Recommendation to exclude Bezeq The
Israeli Telecommunication Corp Ltd from
investment by the Norwegian Government
Pension Fund Global (GPFG)

Summary

The Council on Ethics recommends that Bezeq The Israeli Telecommunications Corp (Bezeq) be excluded from investment by the Norwegian Government Pension Fund Global (GPF) due to an unacceptable risk that the company is contributing to serious violation of the rights of individuals in situations of war or conflict.

Bezeq is an Israeli company that supplies telecommunications services to businesses and private individuals in Israel and the Israeli settlements in the West Bank.

At the close of June 2024, the GPF owned 0.76 per cent of the company's shares, worth NOK 252 million. The company is listed on the Tel Aviv Stock Exchange.

The Council notes the company's assertion that it also provides telecom services to Palestinian areas in the West Bank. However, the Council does not consider this to outweigh the fact that the company, through its physical presence and provision of telecom services to Israeli settlements in the West Bank, is helping to facilitate the maintenance and expansion of these settlements, which are illegal under international law. By doing so, the company is itself contributing to the violation of international law.

With respect to future risk, Bezeq has confirmed to the Council that it has no possibility of terminating its provision of telecom services to the Israeli settlements in the West Bank. It must therefore be considered certain that this part of Bezeq's operations will continue for the foreseeable future. The company will thereby continue to help support the violation of international law that these settlements constitute.

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1 Introduction

The Council on Ethics for the Norwegian Government Pension Fund Global (GPF) has assessed the Fund's investment in Bezeq The Israeli Telecommunication Corp¹ (Bezeq) against the Guidelines for Observation and Exclusion of Companies from the Government Pension Fund Global (the ethical guidelines).²

At the close of June 2024, the GPF owned 0.76 per cent of the company's shares, worth NOK 252 million. Bezeq is an Israeli company that owns physical telecommunications infrastructure and provides telecom services to end users.³ The company is listed on the Tel Aviv Stock Exchange.

1.1 Matters considered by the Council

The Council has considered whether there is an unacceptable risk that the company is contributing to or is itself responsible for serious violations of the rights of individuals in situations of war or conflict under section 4(b) of the ethical guidelines, according to which:

Companies may be excluded or placed under observation if there is an unacceptable risk that the company contributes to or is responsible for:

[...]

b) serious violations of the rights of individuals in situations of war or conflict

[...]

This assessment relates to Bezeq's provision of telecom services to Israeli settlements in the West Bank.

¹ Issuer ID: 135644

² Guidelines for Observation and Exclusion of Companies from the Government Pension Fund Global (GPF):
https://www.regjeringen.no/contentassets/9d68c55c272c41e99f0bf45d24397d8c/2022.09.05_gpfg_guidelines_observation_exclusion.pdf

³ The company's website: <https://ir.bezeq.co.il/investor-relations>

1.2 Sources

Information about the company's operations has been drawn from the company's annual report and website, and from Bezeq's letters to the Council. The Council has also met with representatives of the company's management.

With regard to the legal status of Israel's West Bank settlements, the Council relies on statements issued by various UN bodies, the International Court of Justice in the Hague, and the International Committee of the Red Cross.

2 Background

2.1 Israeli settlements in the West Bank

The *West Bank* is the term used for the area of land that lies west of the River Jordan and east of the 1949 demarcation line. The territory was occupied by Israel during the Six-Day War in 1967. Before that, the area was occupied by Kingdom of Jordan. Following the signing of the Oslo Accords, authority for parts of the West Bank, the so-called A and B areas, was transferred to a Palestinian self-governing authority.

A large part of the West Bank is designated as Area C and remains under Israeli civilian and military authority. Bezeq's operations in the West Bank are located in Area C. It has been reported that more than 500,000 Israelis currently live in settlements in Area C, in addition to those living in East Jerusalem.⁴ The current Israeli government aims to further increase this number.⁵ In 2022, the Palestinian population in the West Bank totalled around 3.2 million, with some 300,000 living in Area C.⁶

⁴ Times of Israel, 12 February 2024: *West Bank settler population grew by nearly 3% in 2023*: <https://www.timesofisrael.com/west-bank-settler-population-grew-by-nearly-3-in-2023-report/>.

⁵ *Israel approves plans for 3,400 new homes in West Bank settlements*, BBC, 6 March 2024: <https://www.bbc.com/news/world-middle-east-68490034>.

⁶ Palestinian Central Bureau of Statistics: https://www.pcbs.gov.ps/portals/_pcbs/PressRelease/Press_En_InterPopDay2022E.pdf.

2.2 Legality of Israeli settlements in the West Bank

2.2.1 Fourth Geneva Convention

The point of departure for assessing the legality of the West Bank settlements is the Fourth Geneva Convention (Geneva Convention (IV) Relative to the Protection of Civilian Persons in Time of War). The Convention establishes, *inter alia*, the rights and duties that an occupying state has in an occupied territory. The Convention came into effect in 1950, and Israel became a signatory to it, without reservations, in 1951.

The Convention's Article 4 sets out who it is intended to protect: "*Persons protected by the Convention are those who, at a given moment and in any manner whatsoever, find themselves, in case of a conflict or occupation, in the hands of a Party to the conflict or Occupying Power of which they are not nationals. [...]*"

Article 49(1) of the Convention states that: "*Individual or mass forcible transfers, as well as deportations of protected persons from occupied territory to the territory of the Occupying Power or to that of any other country, occupied or not, are prohibited, regardless of their motive.*"

The legality of the settlements may be assessed against the provisions of Article 49(6), which states: "*[...] The Occupying Power shall not deport or transfer parts of its own civilian population into the territory it occupies.*"⁷ The purpose of this provision is to prevent an occupying power from absorbing occupied areas and to protect local populations from any worsening of their economic situation.⁸ Any such action is deemed a gross violation of the Fourth Geneva Convention⁹ and a war crime under the Rome Statute of the International Criminal Court.¹⁰

After the Six-Day War, Israel disclaimed its legal obligation to abide by all the Convention's provisions on the grounds that the West Bank was already occupied by Jordan before it was occupied by Israel. Although this reservation was rejected by other

⁷ Geneva Convention (IV) Relative to the Protection of Civilian Persons in Time of War: <https://ihl-databases.icrc.org/applic/ihl/ihl.nsf/INTRO/380>

⁸ International Committee of the Red Cross, Commentary on the Fourth Geneva Convention (1958), Article 49, p. 283.

⁹ Protocol 1 (1977) to the four Geneva Conventions, Article 85(4)(a).

¹⁰ Rome Statute of the International Criminal Court of 1998, Article 8(2)(b)viii.

states and by the UN, it resulted, *inter alia*, in Israel permitting the construction of settlements in the occupied areas. In 2004, Israel's Supreme Court found that the Fourth Geneva Convention applied in full to the occupied areas and that construction of settlements therein was illegal. However, it further specified that the ban applied only to the establishment of new settlements, not the expansion of existing settlements.

2.2.2 International bodies' views on the legality of the settlements

There is broad international consensus that the Israeli settlements in the West Bank violate international law.

UN Security Council

The UN Security Council has passed a number of resolutions on the settlements. Security Council Resolution 465, which was passed unanimously on 1 March 1980, states, *inter alia*, that Israel's policy and practice with respect to building settlements in occupied areas are without legal validity and "*constitute a flagrant violation*" of the Fourth Geneva Convention.¹¹ Most recently, this was repeated in Resolution 2334 from 2016:

*[...] the establishment by Israel of settlements in the Palestinian territory occupied since 1967, including East Jerusalem, has no legal validity and constitutes a flagrant violation under international law and a major obstacle to the achievement of the two-State solution and a just, lasting and comprehensive peace; [...]*¹²

International Court of Justice (ICJ)

In 2022, the UN General Assembly asked the ICJ to assess the implications under international law of Israel's occupation of the Palestinian Territory, including the question of whether the Israeli occupation in and of itself must be deemed to violate international law. In this connection, the General Assembly expressed

[...] grave concern about the continuing systematic violation of the human rights of the Palestinian people by Israel, the occupying Power, including that arising from the excessive use of force and military operations causing death

¹¹ Security Council Resolution 465:

<https://unispal.un.org/UNISPAL.NSF/0/5AA254A1C8F8B1CB852560E50075D7D5>

¹² Security Council Resolution 2334: <https://www.un.org/webcast/pdfs/SRES2334-2016.pdf>.

*and injury to Palestinian civilians, including children, women and non-violent, peaceful demonstrators, as well as journalists, medical personnel and humanitarian personnel; the arbitrary imprisonment and detention of Palestinians, some of whom have been imprisoned for decades; the use of collective punishment; the closure of areas; the confiscation of land; the establishment and expansion of settlements; the construction of a wall in the Occupied Palestinian Territory in departure from the Armistice Line of 1949; the destruction of property and infrastructure; the forced displacement of civilians, including attempts at forced transfers of Bedouin communities; and all other actions by it designed to change the legal status, geographical nature and demographic composition of the Occupied Palestinian Territory, including East Jerusalem, and demanding the cessation of all such unlawful actions, [...]*¹³

On 19 July this year, the ICJ issued its opinion. The ICJ found that the occupation of Palestinian areas must be considered a violation of the rules governing the use of force and a violation of the Palestinian people's right to self-determination. As a result, the occupation is illegal.¹⁴

The Court further found that Israel's settlement policy and the way Israel exploits the territory's natural resources violate international law. The Court points to the expansion of Israel's settlements in the West Bank and in East Jerusalem as resulting in the confiscation or requisitioning of large areas of land, with associated natural resources. The Court took the view that Israel's use of the OPT's natural resources, including the redistribution of a substantial part of those resources to its own population, and the inadequate securing of water supplies of sufficient volume and quality for the Palestinian population, violate the country's obligations under international law. According to the Court, the widespread confiscation of land and natural resources is not the only factor that takes away the local population's livelihood and drives them out of their homes. It also pointed to the fact that the Israeli Defence Force (IDF) has implemented measures that intensify the pressure on the Palestinian population to leave certain

¹³ ICJ, Request for Advisory Opinion, 30 December 2022:

<https://www.icj-cij.org/sites/default/files/case-related/186/186-20230117-REQ-01-00-EN.pdf>

¹⁴ ICJ, Advisory Opinion, 19 July 2024, para. 261: <https://www.icj-cij.org/sites/default/files/case-related/186/186-20240719-adv-01-00-en.pdf>.

areas. The Court found that the nature of Israel's actions indicate that the measures are not of a temporary nature, and can therefore not be deemed to constitute a lawful evacuation under the terms of the Fourth Geneva Convention. The Court concluded that Israel's policies and practices must be considered a violation of the prohibition on forcible transfers set out in Article 49 of the Fourth Geneva Convention.

The Court further concluded that the restrictions that Israel imposes on the Palestinians in the West Bank and East Jerusalem constitute systematic discrimination on the grounds of race, religion or ethnic origin, in violation of Article 2 and Article 3 of the International Convention on the Elimination of All Forms of Racial Discrimination (ICERD).¹⁵

International Committee of the Red Cross (ICRC)

On several occasions, the International Committee of the Red Cross (ICRC), which has a treaty-based mandate under the Geneva Conventions, has issued statements on the legality of the Israeli settlements in the West Bank. A statement from 2001 says:

*The participating High Contracting Parties call upon the Occupying Power to fully and effectively respect the Fourth Geneva Convention in the Occupied Palestinian Territory, including East Jerusalem, and to refrain from perpetrating any violation of the Convention. They reaffirm the illegality of the settlements in the said territories and of the extension thereof.*¹⁶

2.2.3 Norway's position on the legality of the settlements

Norway's official position with respect to the settlements has always been that they violate international law. This is rooted in the resolutions passed by the UN Security Council and the opinions published by the ICJ. Norway's statement to the ICJ in February

¹⁵ ICJ, Advisory Opinion, 19 July 2024, paras. 213, 222 and 229: <https://www.icj-cij.org/sites/default/files/case-related/186/186-20240719-adv-01-00-en.pdf>.

¹⁶ Conference of High Contracting Parties to the Fourth Geneva Convention Declaration, Geneva, 5 December 2001: <https://www.icrc.org/en/doc/resources/documents/article/other/5fldpj.htm>.

2024 reaffirmed this view.¹⁷ The Norwegian government further reiterated its position in a press release published in March this year.¹⁸

2.2.4 Israel's view of the settlements' legality

In Israel, the various branches of government have differing opinions on the settlements' legality. The Israeli Foreign Ministry claims that the settlements are not illegal and that claims to this effect are politically motivated. Israel refers, *inter alia*, to the fact that the relocation of Israelis to the settlements is voluntary and that the settlements do not displace other population groups in the area. Moreover, Israel points out that several of the settlements have been established in areas where Jewish communities were located in ancient times.¹⁹ As mentioned above, the current Israeli government plans to establish new settlements, while the Israeli Supreme Court largely maintains the position that the settlements violate the Fourth Geneva Convention.

2.3 The settlements' humanitarian impact

In previous recommendations, the Council has referred to statements by the United Nations Office for the Coordination of Humanitarian Affairs (OCHA),²⁰ which has repeatedly highlighted the negative impact on social and economic conditions that the settlements and their associated infrastructure have on the population in the occupied territory.²¹ In 2023, the existence was reported of several hundred road blocks and

¹⁷ Norway's statement to the Court, ICJ, Public Proceedings, Verbatim, 23 February 2023, p. 21: <https://icj-cij.org/sites/default/files/case-related/186/186-20240223-ora-01-00-bi.pdf>

¹⁸ Norwegian government, Press release, 14 March 2024: <https://www.regjeringen.no/no/aktuelt/regjeringen-frarader-handel-og-naringsvirksomhet-med-israelske-bosettinger/id3028680/>

¹⁹ Israel Ministry of Foreign Affairs: Israeli Settlements and International Law: <https://mfa.gov.il/mfa/foreignpolicy/peace/guide/pages/israeli%20settlements%20and%20international%20law.aspx>

²⁰ United Nations Office for the Coordination of Humanitarian Affairs: <https://www.unocha.org/>

²¹ See, for example, the Council on Ethics' 2021 recommendation to exclude the companies Elco Ltd and Electra Ltd: <https://etikkradet.no/elco-ltd-og-electra-ltd/>

checkpoints that prevented free movement and access to farmland.²² A large proportion of these measures have been established to protect the Israeli settlements. OCHA has previously documented how the expansion of Israeli settlements in the West Bank has obstructed the Palestinian population's access to scarce water resources.²³

The term *settler violence* is used to describe the violence perpetrated by Israeli settlers on the Palestinian population. Israelis are rarely prosecuted for such actions. On 19 June 2024, the UN's Independent International Commission of Inquiry on the Occupied Palestinian Territory presented a report on the Israel-Hamas War to the UN Human Rights Council. The report was the UN's first in-depth investigation of the conflict and mainly covered the period 7 October to 31 December 2023.²⁴

The report primarily covers Hamas' terrorist attack on Israel in 2023 and the subsequent war in Gaza. However, it also touches on conditions in the West Bank and East Jerusalem. The report states that there has been an increase in settler violence in local Palestinian communities after 7 October 2023. The number of people killed in the West Bank in the period from 7 October to 31 December 2023 exceeded all annually reported deaths since 2005. In the period 7 October 2023 to 30 April 2024, 457 Palestinians were killed by Israeli forces, while 10 were killed by settlers, in the West Bank and East Jerusalem. According to the report, there are several factors which may have contributed to the increased level of violence in the West Bank. This includes:

- The enlistment of thousands of settlers in the Israeli security forces.
- The fact that settlers have been armed and mobilized for military service in separate battalions in the West Bank.

²² *Movement and Access in the West Bank*, OCHA, August 2023:

<https://www.unocha.org/publications/report/occupied-palestinian-territory/fact-sheet-movement-and-access-west-bank-august-2023>

²³ *The Humanitarian Impact of the Takeover of Palestinian Water Springs by Israel Settlers*, OCHA, March 2012:

https://www.ochaopt.org/sites/default/files/ocha_opt_springs_factSheet_march_2012_english.pdf

²⁴ The Commission's report to the UN Human Rights Council (A/HRC/56/26):

<https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fwww.ohchr.org%2Fsites%2Fdefault%2Ffiles%2Fdocuments%2Fhrbodies%2Fhrcouncil%2Fsessions-regular%2Fsession56%2Fa-hrc-56-26-auv.docx&wdOrigin=BROWSELINK>.

- The creation of armed militias in the Israeli settlements.
- The easing of rules governing the issue of firearms licenses in Israel.

Similarly, the OCHA has reported that around 4,000 Palestinians were driven from their homes in the West Bank in 2023, over 1,500 of these as a result of settler violence after 7 October of that year:

At least 1,539 Palestinians were displaced during 2023, citing Israeli settlers' violence and shrinking access to grazing land as the main reasons, compared with 774 people in 2022. Of them, 1,208 (81 per cent) were displaced in the aftermath of 7 October, amid a significant increase in violence by Israeli settlers against Palestinians, including physical attacks and death threats. [...] At least fourteen Palestinian communities were completely displaced during 2023 and now stand empty. In some of these communities, Israeli forces demolished the remaining structures, including at least two schools.²⁵

In February 2024, the UN High Commissioner for Human Rights published a report on the human rights situation in the OPT. Among other things, the report discusses how the Israeli authorities are failing to provide the Palestinian population with adequate legal protection against abuses by Israeli settlers:

The absence of accountability for settler violence is a key factor in the ongoing coercive environment, raising continued concerns about the forcible transfer of Palestinians. The lack of accountability is a manifestation of a dual system of criminal justice that has discriminatory effects on Palestinians. Policing and judicial bodies administered by the Israeli military in the Occupied Palestinian Territory for more than 56 years have steadily entrenched systematic patterns of violation of Palestinians' due process and fair trial rights. Israel, as the occupying Power, has adopted laws and policies enabling a discriminatory system of administering justice – based on grounds of race and religion – providing Jewish Israelis in the occupied West Bank with access to civilian-administered justice with greater human

²⁵ *About 4,000 Palestinians displaced in the West Bank in 2023*, OCHA, 24 February 2024: <https://www.unocha.org/publications/report/occupied-palestinian-territory/over-4000-palestinians-displaced-west-bank-2023>.

*rights protections compared with the military justice administered to Palestinians.*²⁶

2.4 The occupying power's rights and obligations

An occupying power has a duty under international law to administer the territory it occupies.²⁷ This may entail the construction and maintenance of infrastructure, including that relating to telecommunications. However, an occupying power's right of use to land and real property in the occupied territory is severely limited.²⁸

The crucial factor is whether the infrastructure is necessary for military purposes or, alternatively, whether it is being constructed to meet the basic needs of the occupied population.²⁹ The establishment in occupied territories of infrastructure that primarily serves the commercial interests of the occupying power or is intended to maintain illegal civilian settlements in the occupied territory, without benefiting the occupied population, falls outside the occupying power's right of use.

In its Advisory Opinion from 2024, the ICJ found that Israel's occupation being of long duration does not exempt it from its obligations as the occupying power under the law of occupation. Nor does long-term occupation increase the occupying power's rights over the occupied territory.³⁰ An occupying power cannot acquire for itself increased rights to operate in or regulate an occupied territory simply by maintaining its occupation over a long period of time. The ICJ also took the position that the Oslo

²⁶ Report of the United Nations High Commissioner for Human Rights: Israeli Settlements in the Occupied Palestinian Territory, including East Jerusalem, and in the Occupied Syrian Golan, <https://un.org/unispal/document/israeli-settlements-in-the-occupied-palestinian-territory-including-east-jerusalem-and-in-the-occupied-syrian-golan/>.

²⁷ Articles 42–56 of the Hague Convention (IV) Respecting the Laws and Customs of War on Land and Its Annex: Regulations Concerning the Laws and Customs of War on Land. These regulations are deemed to constitute customary international law and are binding on all States.

²⁸ Hague Convention (IV) of 1907, Article 55.

²⁹ International Committee of the Red Cross, Commentary on the Fourth Geneva Convention (1958), Article 49, p. 283.

³⁰ Footnote 14, para 108.

Accords cannot be understood to place any restrictions on Israel's obligations under international law.³¹

2.5 Telecommunications in Area C of the West Bank

With respect to telecommunications, the Israeli settlements in Area C of the West Bank are fully integrated with Israel proper. Israelis who live in the settlements have access to the same telecommunications services as people located in Israel. Bezeq supplies the same services to the settlements in these areas as to customers in Israel.

3 Bezeq's operations

Bezeq provides telecom services to private and commercial customers in Israel. The company's operations were originally under the control of the state. In 1984, it became an independent state-owned enterprise, which was privatized in 2005. Bezeq owns and operates physical infrastructure, including that relating to internet communication, as well as landline and mobile telephony. Its wholly owned subsidiary Pelephone Communications Ltd is Bezeq's mobile phone company.

4 Information provided by the company

4.1 Letter from Bezeq to the Council, February 2024

The Council wrote to Bezeq in February this year, requesting information about the company's operations in the West Bank.³²

In its reply to the Council, Bezeq asserted:

First, we wish to emphasize that as part of its activities, Bezeq The Israeli Telecommunications Corp. Ltd. and its subsidiaries ("Bezeq") collaborate with Palestinian telecommunications companies and provide them interconnection services for the benefit of all of the population residing in the West Bank.

³¹ Footnote 14, para 102: "For all these reasons, the Court considers that the Oslo Accords cannot be understood to detract from Israel's obligations under the pertinent rules of international law applicable in the Occupied Palestinian Territory."

³² Letter from the Council on Ethics to Bezeq, dated 27 February 2024.

Currently Bezeq provides the Palestinian telecommunications companies services that allows them to connect to the internet as well as connections between Palestinian cities within themselves, and between Palestinian cities and Israel and other countries. These services are crucial for meeting the telecommunications needs of the Palestinian Authority and the Palestinian population, and in recent years, there has been a significant increase in the volume of data being transferred through Bezeq for these means.³³

The company further confirmed that it provides telecommunications services to Israeli settlements in the West Bank (in Area C), and that it owns and operates physical infrastructure for this purpose.

4.2 The Council's meeting with Bezeq, May 2024

In May 2024, Bezeq was presented with a draft version of a recommendation to exclude it from investment by the GPF. ³⁴ The company subsequently requested a meeting with the Council.

The Council met with representatives of company management on 30 May. At this meeting, Bezeq confirmed that it supplies telecom services to the settlements in the West Bank. At the same time, however, it underlined that it does not supply so-called *unauthorized outposts*, i.e. settlements established without the approval of the Israeli authorities.

Furthermore, the company asserted that it does not operate in violation of international law. On the contrary, it runs its operations in the West Bank in compliance with and as part of the Oslo Accords, by facilitating telecom services to the population in Area C. The company has no operations in Areas A and B of the West Bank.

Bezeq's main argument was that it is not doing anything blameworthy, since the company supplies telecom services to both Israeli settlements in the West Bank and to the Palestinian population in Area C.

The company confirmed that it has no possibility of terminating the provision of telecom services to Israeli settlements. It also has an obligation to provide such services to

³³ Letter from Bezeq to the Council on Ethics, dated 21 March 2024.

³⁴ Letter from the Council on Ethics to Bezeq, dated 14 May 2024.

Palestinian telecommunications companies in Area C, under agreements entered into as a consequence of the Oslo Accords.

The company also underlined that it is an entirely private company, without any state ownership, and that it is not the extended arm of the Israeli authorities.

4.3 Letter from Bezeq to the Council, June 2024

In a new letter to the Council, dated 4 June 2024, Bezeq once again refuted the grounds for exclusion set out in the draft recommendation. Several of the arguments that had been put forward at the Council's meeting with the company were reiterated and expanded upon in this letter.

Among other things, Bezeq wrote that the company supplies telecom services to Israeli settlements and the Israeli security forces in Area C, but does not supply such services to so-called unauthorized outposts.

Bezeq denied that the company is contributing to human rights abuses or the violation of the rights of individuals in situations of war or conflict. The company stated that it operates in accordance with and as part of an agreement entered into between the parties to the conflict. Specifically, the company referred to the Oslo Accords' Annex III to Interim Agreement: Protocol Concerning Civil Affairs. Bezeq is mentioned by name in Article 36 of the Protocol as the company that is to supply telecom services to the Palestinian telecommunications companies in the West Bank and Gaza. It further states that: *"The supply of telecommunications services in Area C to the Settlements and military locations, and the activities regarding the supply of such services, shall be under the powers and responsibilities of the Israeli side."*

Bezeq confirmed the supposition in the draft recommendation that the company has a statutory obligation to supply telecom services to Israelis in settlements located in Area C, and that the company has no opportunity to refrain from doing so. The company further stated that it is similarly obliged to supply such services to the Israeli security forces in the West Bank, although this was not mentioned in the Council's draft recommendation.

5 The Council's assessment

The Council on Ethics has previously assessed the GPF's investments in several companies operating in the West Bank. The starting point for such assessments has always been that the Israeli settlements in the West Bank are a violation of international law. This view remains unchanged. In 2024, the ICJ found that the occupation itself must

be deemed to violate international law and determined that the settlements are a crucial tool with which to cement the occupation and extend its duration. It is, moreover, evident to the Council that the Israeli settlements, both directly and indirectly, cause considerable harm to the Palestinian population of the West Bank.

In the period since the terrorist attack on Israel on 7 October last year, there has been a sharp increase in the extent of settler violence, forced relocation and arrest of Palestinians in the West Bank. Much of this may be linked to the Israeli settlements. The Israeli government has also announced plans to expand the settlements and further increase the influx of settlers to the West Bank. The humanitarian impact of this on the Palestinian population will probably also intensify. All this forms the backdrop for the Council's assessment of companies operating in the West Bank.

Modern societies cannot function without telecommunications, which must therefore be defined as critical infrastructures on an equal footing with road links and the supply of water and electricity.

That Bezeq owns and operates physical telecommunications infrastructure in the occupied areas of the West Bank, and that the company provides such services to the Israeli settlements there, is uncontested. The company further discloses that it provides such services to Israel's security forces in the West Bank. The Council therefore considers that Bezeq, through its physical presence and provision of telecommunications services to Israeli settlements in the West Bank, is helping to maintain the existence of the illegal Israeli settlements in Area C, and is thereby contributing to the violation of international law.

Bezeq asserts that, in addition to providing telecommunications services to the Israeli settlements in Area C of the West Bank, it is also providing such services to the Palestinian areas there, in compliance with a supplementary protocol under the Oslo Accords.

The Council is aware of this but points out that the situation in the area has developed in the opposite direction to that presumed by the Oslo Accords. In this respect, the Council applies the same interpretation as the ICJ. The Oslo Accords grant no special rights to the occupying power that do not follow from the law of occupation. To the extent that practices and activities authorized by the Oslo Accords are deemed to violate the rules governing occupation in international law, it is the latter which take precedence. As shown above, the settlements are constantly being expanded, Palestinians are constantly being driven from their homes and land areas are de facto being annexed.

Furthermore, qualified discrimination and violent abuse of the Palestinian population in Area C is also taking place.

The Oslo Accords did not change the legality of the Israeli settlements in the West Bank. The Council considers that Bezeq's provision of telecom services to these settlements is a material contribution to violation of the Fourth Geneva Convention. The Council therefore attaches no decisive weight to the fact that the company also provides services to the Palestinian population in Area C. This is particularly applicable in light of recent developments in Area C, where the serious and systematic discrimination of Palestinians is now considered by the ICJ to violate the International Convention on the Elimination of All Forms of Racial Discrimination. In the Council's view, the provision of these services does not outweigh the fact that the company is providing critical infrastructure to illegal Israeli settlements.

The Council has further noted the company's limited latitude. It is clear that the Israeli settlements in the West Bank have been established in accordance with Israeli law and that the Israeli authorities facilitate and promote its citizens' relocation to them. In connection with previous cases, the Council has been made aware that a company may be violating Israeli law if it treats customers differently on the grounds that they live in Israeli settlements in the West Bank.

The Council attaches no weight to this. Instead, it takes as its starting point that Israel is violating the Fourth Geneva Convention by permitting and facilitating the settlement of its own citizens in an occupied territory. The Council considers that Bezeq's operations relating to the settlements constitute the kind of contribution to the violation of international law which, pursuant to section 4(b) of the ethical guidelines, is grounds for recommending that the company be excluded from investment by the GPF. G.

With respect to future risk, Bezeq has confirmed to the Council that it has no possibility of terminating its provision of telecom services to the Israeli settlements in the West Bank. It must therefore be considered certain that this part of Bezeq's operations will continue for the foreseeable future. The company will thereby continue to help support the violation of international law that these settlements constitute. The scale of the company's operations in the settlements will probably also increase in line with their expansion.

On the basis of the above, the Council considers that there is an unacceptable risk that Bezeq is contributing to serious violations of the rights of individuals in situations of war or conflict, thereby meeting the criterion for exclusion set out in section 4(b) of the ethical guidelines.

6 Recommendation

The Council on Ethics recommends that Bezeq The Israeli Telecommunication Corp be excluded from investment by the Norwegian Government Pension Fund Global.

*

Svein Richard
Brandtzæg
Chair

(Sign.)

Siv Helen Rygh
Torstensen

(Sign.)

Cecilie
Hellestveit

(Sign.)

Vigdis Vandvik

(Sign.)

Egil Matsen

(Sign.)