

E1 Tender Quietly Opened Amid Ongoing Court Proceedings**Settlement Construction Threatens the Territorial Contiguity Required
for a Viable Palestinian State****Human Rights Watch:****Companies Bidding for the Tender May Face Complicity
Risks and Legal Consequences**

24 August 2026
Report

Executive Summary

Israeli newspaper Haaretz revealed today that a government tender for the construction of approximately 1,200 settlement housing units in the E1 area was published unexpectedly last week, without the prior knowledge of the State Attorney's Office/prosecution authorities representing the government before the court.

The disclosure is particularly significant because, in the context of the ongoing legal proceedings challenging the project, the Israeli authorities had undertaken to notify the petitioners in advance before opening any tenders, so that they would have an opportunity to approach the court and seek an interim injunction preventing implementation.

What Happened Exactly?

On 18 August 2026, the Israeli Ministry of Construction and Housing opened a new tender for the construction of 1,234 settlement housing units in the E1 area east of Jerusalem. The tender covers seven residential compounds and set 19 October 2026 as the deadline for submitting bids, approximately one week before the Israeli elections scheduled for 27 October 2026.

The 1,234 units do not constitute the entirety of the E1 project. They represent roughly one-third of the 3,401 housing units approved under the broader project.

According to Peace Now, instead of reopening the previous tender, Tender No. 460/2025, which covered the full number of units, the government issued a separate new tender for part of the project and immediately opened it to bidders.

The Palestinian news agency WAFA identified the new tender as Tender No. 186/2026, based on detailed plan 420/4/7, and covering seven compounds.

The New Revelation by Haaretz

The new development is not merely the publication of the tender, which had already been known since 18–19 August. What emerged today concerns what happened inside Israeli state institutions before the tender was issued.

According to the information published, lawyers in the Israeli State Attorney's Office who represent the government in legal proceedings concerning E1 were not informed in advance that the tender was going to be opened.

As a result, they did not notify the petitioners prior to publication, despite the earlier commitment to do so.

This is a significant procedural issue. Government ministries and authorities involved in pending litigation are expected to keep the State Attorney's Office, which represents them before the courts, informed of material developments relevant to the case.

The information currently available does not conclusively identify which government body failed to inform the State Attorney's Office, or why.

A More Sensitive Detail: The 19 July Letter

According to a joint statement by Israeli organizations opposing the project, the State Attorney's Office informed the petitioners on 19 July 2026 that no E1-related tender was expected to be published during the following two or three months, and that they would receive advance notice if a decision was made to open one.

Yet roughly one month later, the tender was opened without such notice.

The organizations said that the petitioners learned about the development from the official public announcement celebrating the tender's publication, rather than through the legal notification that had previously been promised.

This makes the matter more serious than a simple failure to provide notice. The information available to the state's own legal team only weeks earlier did not correspond with what the executive authority subsequently did.

The Case Is Already Before the Courts

There is already an ongoing case before the Jerusalem District Court challenging the E1 plans.

The petition was filed by Palestinians from affected Bedouin communities, together with three Israeli organizations:

- Peace Now
- Ir Amim
- Bimkom

The petitioners are represented by attorney Michael Sfard.

On 15 June 2026, the court rejected the state's request to dismiss the petition and ordered the state to submit a detailed response by 1 September 2026.

The procedural contradiction is therefore striking: the tender was opened before the state submitted the detailed response ordered by the court in the underlying case.

Urgent Legal Action After Publication of the Tender

Following the opening of the tender, the Palestinian petitioners and the three Israeli organizations returned to court and requested an interim injunction suspending the tender.

Their application reportedly goes beyond freezing the tender for the 1,234 units. They also asked the court to prohibit the publication of additional tenders or the taking of further steps to implement the E1 project until a judicial decision is issued in the underlying petition.

As of 20 August, according to the information published at the time, no date had yet been set for consideration of the request.

Why 1,234 Units Rather Than 3,401?

This is one of the most important details.

The government had previously issued a tender covering all 3,401 units. The new tender opened on 18 August, however, covers only 1,234 units.

Peace Now believes that separating this portion of the project and opening it immediately may have been designed to allow the tender to close and contracts to be awarded before the Israeli elections, thereby making it more difficult for a future government to reverse the project.

This remains Peace Now's assessment and has not been established as a judicial finding.

The organization described the move as an attempt, in the final period before the elections, to create facts on the ground that would be difficult for a future government to undo.

Why Is E1 So Significant?

The E1 area occupies a strategically sensitive location between East Jerusalem and the settlement of Ma'ale Adumim.

The project is not simply the construction of an isolated settlement neighborhood.

Its residential plans include 3,401 housing units, primarily divided between two plans:

1,228 units under Plan 420/4/7
2,173 units under Plan 420/4/10

Organizations opposing the project warn that construction in E1 would strengthen settlement continuity between Ma'ale Adumim and Jerusalem while disrupting the central Palestinian territorial corridor connecting Ramallah, East Jerusalem and Bethlehem.

They argue that this would severely undermine the territorial contiguity considered essential for the establishment of a viable Palestinian state.

Another Less-Discussed Element: A Large Employment and Commercial Zone

The government is also advancing a major employment and commercial zone in E1 covering approximately 1,355 dunams, east of Anata and al-Za'im, with access oriented toward Jerusalem.

Peace Now argues that this project would complement the process of linking Ma'ale Adu-mim more closely with Jerusalem.

The "Sovereignty Road"

Alongside settlement construction, authorities are also advancing a road project previously referred to as the "Sovereignty Road", intended to divert Palestinian traffic away from the E1 area.

Peace Now warns that the combination of road infrastructure, construction and related measures could separate Palestinian movement from the settlement road network and facilitate the closure of an area estimated at approximately 3% of the West Bank to Palestinians.

Understanding E1 therefore requires viewing several elements together:

housing construction + road infrastructure + the employment zone + displacement pressures on Palestinian communities

These are interconnected components rather than isolated development projects.

Khan al-Ahmar and the Bedouin Communities

E1 is also closely connected to the future of Palestinian Bedouin communities in the area, most prominently Khan al-Ahmar.

Peace Now has warned that the potential evacuation of Khan al-Ahmar is linked to the re-shaping of the geographic space surrounding E1 and to facilitating settlement expansion in the area.

This helps explain why Palestinians from Bedouin communities are among the petitioners challenging the project in court, alongside the three Israeli organizations.

Human Rights Watch Enters the Debate

On 19 August, Human Rights Watch issued an important statement concerning the tender and described the E1 project as unlawful settlement activity in the occupied West Bank.

Of particular importance for the private sector, Human Rights Watch warned that companies bidding in the tender may face risks of complicity and possible legal consequences associated with participation in settlement construction.

This introduces a significant additional dimension.



The case is no longer only about the responsibility of the Israeli government. It also raises questions concerning the potential responsibility of:

- companies, contractors, financial institutions and other commercial actors that may become involved in implementation.
- Human Rights Assessment of the 24 August Revelation
- The 24 August disclosure adds a new layer of concern to the E1 file.

Until now, the controversy had largely focused on three dimensions:

- the illegality of settlements under international law;
- the geographic impact of the project on the prospects for a Palestinian state;
- widespread international opposition to the project.

A fourth issue has now emerged:

whether the Israeli government itself complied with the procedural undertakings it had made in the context of litigation before the Israeli courts.

Key Timeline

15 June: The court rejects the state's request to dismiss the petition and orders a detailed response by 1 September.

19 July: The State Attorney's Office informs the petitioners that no tender is expected within the following two or three months and promises advance notice if a tender is opened.

18 August: The government unexpectedly opens a tender for 1,234 units without the promised notice.

Around 20 August: The petitioners urgently seek an interim injunction freezing the tender and preventing additional implementation measures.

24 August: Haaretz reveals that the State Attorney's Office lawyers representing the government were themselves not informed in advance that the tender would be opened.

Conclusion

This is the central significance of the latest disclosure:

The question is no longer only why the Israeli government is advancing the E1 project despite broad international opposition.

It is also:

How was a government authority able to open a strategically significant settlement tender of this scale while the state was actively litigating the same project before the courts, without the legal team representing the government being informed in advance?

That question now warrants close scrutiny, particularly as 1 September 2026 approaches—the deadline set by the court for the state to submit its detailed response in the underlying case.

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