



WEST BANK ANNEXATION AND DESTABILIZATION IN THE SHADOW OF THE ISRAEL-HAMAS WAR

Dr. Debra Shushan, Director of Policy | Avraham Spraragen, Policy Associate

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Since Hamas' attack on October 7 and with all eyes on the war in Gaza, the situation in the occupied West Bank has deteriorated dramatically, prompting fears of a major eruption of violence. The number of armed Palestinian groups in the West Bank had [proliferated](#) in the year prior to October 7, and Palestinian violence in the West Bank has [accelerated since then](#). The far-right coalition of Prime Minister Benjamin Netanyahu has fanned the flames, [moving](#) quickly since it assumed power to implement the agenda for functional annexation in the occupied West Bank that it explicitly set out in its coalition [guiding principles](#). This issue brief provides an overview of key Israeli annexationist policies and actions contributing to destabilization in the West Bank since October 7, notes policies adopted by the US and other countries in response, and provides recommendations for further action by the Biden Administration and Congress.

Annexation Moves by the Netanyahu Government

- **Annexation via Israeli civilian takeover of West Bank authority:** Israeli authorities have recently adopted measures that fundamentally alter the rules of the game that have underpinned Israel's occupation of the West Bank since 1967 – and it did so without a perceptible response from the US government or the international community. To be clear, these moves amount to a leap to Israeli [de jure annexation](#) in the West Bank in all but name. In May 2024, the IDF issued orders to [transfer](#) vast governing responsibilities in the West Bank from military to [civilian control](#) under the leadership of far-right Israeli Finance Minister Bezalel Smotrich and [Hillel Roth](#), a resident of the notoriously violent settlement of Yitzhar and a longtime leader of the settlement movement. Roth is set to take up the new position of Civilian Deputy to the Head of the Civil Administration but will, in effect, serve as the first "[Governor of the Settlements](#)" with control over most aspects of civilian life, as well as the ability to speed settlement approvals and [block enforcement](#) against illegal construction by settlers. The IDF orders implement an agreement made between Smotrich and Defense Minister Yoav Gallant in February 2023. At that time, the Biden Administration reportedly [warned](#) the Israeli government it would regard any shift of civilian authorities in the West Bank to Smotrich as a step toward annexation. Following the issuing of the IDF orders, Smotrich [heralded](#) the move as "mega-dramatic" and a change to the "DNA" of the Israeli occupation that will be "easier to swallow in the international and legal context" than an announcement of annexation. He [told](#) his supporters that Netanyahu is "with us full on."
- **Weakening the Palestinian Authority and debilitating the West Bank economy:** For Smotrich, forcing the Palestinian Authority (PA) to disintegrate is a key to annexation. As a veteran Israeli journalist [put it](#), that scenario would leave Israel with "no choice but to fill the vacuum and reassert control over the entire West Bank." Accordingly, Smotrich has used his position as Finance Minister to squeeze the PA economically, including by [withholding](#)

Palestinian tax revenues. He has also [threatened](#) to cut off Palestinian banks from the Israeli financial system by ending the practice of indemnifying Israeli banks against potential legal action for doing business with Palestinian financial institutions. This has caused substantial concern by the Biden Administration and other Western officials that the deprivation of funds will [exacerbate](#) the already deep financial crisis within the PA to the point of collapse. The Administration has long engaged the Israeli government including at the [highest level](#) on this issue, and reportedly, Smotrich has [agreed](#) to unfreeze some tax revenues and re-issue bank waivers for a limited period. In exchange, Smotrich has apparently secured substantial gains toward de facto annexation (see next section) and sanctions on PA officials. While this is an important development vis-a-vis the PA and Palestinian economy, Smotrich is likely to repeat this play in the future, demanding further annexationist concessions to release future revenues to the PA and again extend the bank waivers. In addition, revocation of work permits for the roughly 150,000 Palestinians who had been working in Israel before October 7 has deprived the Palestinian economy of income from those comparatively well-paying jobs. Drastic [restrictions](#) on Palestinian freedom of movement through new checkpoints and physical barriers have [prevented](#) 67,000 Palestinians from going to work, disrupting trade and production. Collectively, these measures have increased the [unemployment rate](#) to 32 percent, contributed to a [sharp decline](#) in GDP, and produced [widespread unrest](#) that top IDF brass have [warned](#) could spark “a third Intifada” in the West Bank.

- ***Strategic land grab and settlement expansion:*** Minister Smotrich announced the [largest seizure](#) of land in the West Bank since the 1993 Oslo Accords. The location of the appropriated land, in the Jordan Valley, is designed to make establishing a Palestinian state even more difficult. Smotrich provocatively announced the seizure during a visit to Israel by Secretary of State Antony Blinken in March. Furthermore, in exchange for limited concessions on transferring Palestinian tax revenues and re-issuing bank waivers (see previous section), Smotrich has reportedly [secured](#) agreement to establish five new settlements via retroactive legalization of five illegal West Bank outposts located deep in the West Bank and to advance plans for thousands of new settlement homes. In addition, Israeli authorities would take enforcement responsibilities for preventing unauthorized construction in a nature preserve in Area B of the West Bank – a violation of the Oslo Accords, under which the PA has civilian control there. Along with these developments, billions of dollars will be budgeted for [security and roads](#) serving the settlements. The government has also created a “[legalization bypass route](#)” for financing and providing services to 63 outposts, despite their illegality under both Israeli and international law.
- ***Demolitions and displacement:*** Israeli forces have [demolished or confiscated](#) structures resulting in the displacement of over 2,000 Palestinians, over 1,000 of whom are children. Roughly half of the demolitions were conducted due to the lack of building permits (which are virtually [impossible](#) to obtain) or on punitive grounds. Such demolitions, which displace Palestinian communities and can pave the way for settlers to take over more land, are a means of de facto annexation. The remaining displacements of Palestinians in the West Bank since October 7 resulted from home demolitions during military operations, largely in refugee camps.

Skyrocketing Settler Violence

- **Settler attacks:** The UN has [recorded](#) 968 Israeli settler attacks against West Bank Palestinians since October 7, killing 10 Palestinians and injuring 237 others. This [rising settler violence](#) – including “[pogroms](#),” “[price tag](#),” and “[revenge](#)” attacks, razing olive trees, arson, and destruction of property and grazing lands – has uprooted at least seven communities and [forcibly displaced](#) Palestinians from 20 more since October 7, enabling settlers to seize Palestinian land. Most settler crimes have gone [unpunished](#) and in some instances Israeli soldiers have been [documented](#) standing by and allowing violence to take place during settler attacks.
- **Drafting and arming settlers:** The IDF has [provided](#) quasi-military settler “[regional defense battalions](#)” with anti-tank missiles, M-16s, and machine guns. The 5,500 reservist settlers [drafted](#) by IDF Central Command into these battalions are tasked with defending West Bank settlements but, with limited IDF oversight, settler soldiers on reserve duty have engaged in violence against Palestinians. National Security Minister Itamar Ben-Gvir has [eased](#) firearm regulations, fast-tracked new gun licenses, and [distributed](#) rifles at political events – [prompting](#) concern by US officials that US-manufactured weapons could be used in settler attacks against Palestinians.

Actions by the US Government and International Community

- **Sanctions on persons undermining West Bank peace, security, and stability:** In February, President Biden issued [Executive Order 14115](#), which sets forth a process for countering settler violence and other destabilizing actions in the West Bank by sanctioning those responsible. Subsequently, the Administration has levied sanctions targeting both Israelis and Palestinians, including: [ringleaders](#) of settler violence, a top Ben-Gvir [ally](#) who leads an [anti-miscegenation group](#), a Palestinian [militant group](#), and an Israeli extremist organization that has attempted to [block](#) humanitarian aid from entering Gaza. The [European Union](#), the [United Kingdom](#), and [Canada](#) have also levied sanctions and additional countries (including Belgium, France, New Zealand, and Australia) have issued entry bans on violent settlers.
- **National Security Memorandum 20:** In February, President Biden issued [NSM-20](#), which [requires](#) foreign governments that receive US-supplied defense articles funded with Congressional appropriations to provide “credible and reliable written assurances” that they will, among other things, use covered defense articles “in accordance with international humanitarian law, and, as applicable, other international law.” Further, it requires the Administration to report to Congress periodically, assessing the credibility of the assurances provided and evaluating issues such as whether covered defense articles and services have been used in a manner inconsistent with “established practices for mitigating civilian harm.” While issued in the context of growing concerns over the use of US arms and aid in the Gaza war, NSM-20 also applies to Israeli conduct in the West Bank. In its first [report](#) to Congress required by NSM-20 in May, the Administration noted among its findings cases of “excessive force” by the IDF, including “killings and other incidents of violence” against West Bank Palestinians.

- **Reversal of the “Pompeo Doctrine”:** In February, Secretary of State Blinken reversed the “[Pompeo Doctrine](#)” and restored long standing, previously bipartisan US policy toward West Bank settlements by [announcing](#) that the US again considers them “inconsistent with international law.”

Recommendations for the Biden Administration and Congress

- **Maximize the effectiveness of the President’s Executive Order:** EO 14115 can and should serve as a powerful tool to combat annexation and destabilization of the West Bank. In [this issue brief on the EO](#), we specify five actions the Administration should take to maximize its effectiveness. To summarize, they include: 1) ensuring effective enforcement of all sanctions issued pursuant to the EO; 2) applying the EO to all relevant people – including elected officials and their associates – who design and implement policies that undermine West Bank peace, security, and stability; 3) sanctioning entities that provide land and funds to individuals and entities directly engaged in settler violence and displacement (such as the Settlement Division of the World Zionist Organization), designating some of these organizations as [Foreign Terrorist Organizations](#), and placing their leaders on the [Terrorist Screening Database](#); 4) sanctioning American and Israeli-registered nonprofits and charities that fundraise for, and disburse funds to, extremist settlers; and 5) ensuring transparency, oversight, and accountability for EO implementation through comprehensive reporting to Congress.
- **Enforce US laws governing US security assistance:** The Biden Administration should investigate whether any US-origin military equipment has been used in connection with acts of settler violence or other purposes that may constitute violations of US arms export control and/or foreign aid laws. It should also ensure that US-origin weapons, including rifles, are not transferred to those implicated in settler violence. As the Administration undertakes the “ongoing assessment” required under NSM-20, it [should insist](#) that Israel share all information necessary to assess its compliance and Members of Congress should push for enforcement of US laws regarding foreign assistance.
- **Strengthen the PA, push for an end to economic warfare, and enhance security coordination:** Take steps to strengthen the PA and urge the Israeli government to re-engage with it in good faith, including by transferring Palestinian funds as set out in bilateral agreements – while also working with the PA on crucial [reforms](#). At the same time, push the Israeli government to relax movement restrictions and reinstate Palestinians’ work permits. The US government should also adopt measures to bolster the work of the US Security Coordinator (USSC) in Jerusalem, which plays a key role in leading international coalition efforts supporting West Bank peace and stability. This should include increasing funding, as [requested](#) by bipartisan Senators in November.
- **Push the Israeli government to combat settler violence and uphold the rule of law:** The US government should call on the IDF to discharge any settlers with violent records toward Palestinian civilians and to bar key instigators of settler violence from entering or residing in the West Bank. It should also push for the Israeli government to uphold the rule of law by evacuating illegal settlement outposts, which are often used as bases for attacking Palestinian communities, and to impose accountability for violent settlers.