

Annexation by Design: How Israel's New West Bank Policies Are Reshaping the Conflict and Testing U.S. Strategy

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Brief Analysis

In addition to weakening the Palestinian Authority, reducing the feasibility of a two-state solution, and heightening the risk of escalation, continued implementation of Israel's latest West Bank decisions could undermine Saudi normalization and other major Trump administration goals for stabilizing the Middle East.

In the past month, the Israeli government has adopted another series of controversial decisions on the management of civil and land-related issues in the West Bank. These moves will not only accelerate Israel's de facto annexation of West Bank territory—a process that Prime Minister Binyamin Netanyahu's government **has been advancing in various ways** (<https://www.washingtoninstitute.org/policy-analysis/israels-west-bank-pincer-squeezing-palestinians>) for more than three years—but also expedite the extension of Israeli law there.

The most significant change is the transfer of administrative powers from the Israel Defense Forces (IDF) and the Civil Administration (a military body subordinate to the Ministry of Defense) to civilian authorities such as the Ministry of Justice (whose budgets were increased for this purpose). In Area C—the portion of the West Bank fully controlled by Israel under the terms of the Oslo Accords—these powers will cover efforts such as identifying land for which there is no proof of Palestinian ownership and registering it as Israeli state land.

Additional decisions of note include the renewal of a governmental mechanism for purchasing West Bank land and the removal of legal barriers to such purchases by Jewish Israelis. These measures are intended to support the central objective of altering the reality on the ground in a way that disrupts any future possibility of implementing a two-state solution. The emphasis is on expanding Jewish control over open areas, most of which are located in Area C, though the policy also encompasses the outskirts of certain Palestinian villages located in Area B (the Oslo-defined zone of mixed Palestinian and Israeli control). To advance this effort, the government has relied on various methods

aimed at reducing the Palestinian presence in these areas, particularly “[farm outposts](https://www.timesofisrael.com/katz-says-he-and-netanyahu-working-to-legalize-140-west-bank-farming-outposts/) (<https://www.timesofisrael.com/katz-says-he-and-netanyahu-working-to-legalize-140-west-bank-farming-outposts/>)”—small, often unauthorized agricultural outposts erected with minimal infrastructure in order to establish a continuous Jewish presence on large tracts of land and limit Palestinian access there.

The government has presented its decisions as an attempt to counter unilateral Palestinian Authority efforts to establish control in these areas. Within this framework, it adopted additional decisions aimed at weakening the PA—another central objective of Netanyahu’s Likud Party and its far-right coalition partners. Most notably:

- Enforcement powers were granted to Israeli authorities on civil matters in Areas A and B (e.g., water, environmental protection, archaeology), despite Oslo granting these powers to the PA.
- Municipal powers were transferred from Palestinian to Israeli authorities in certain localities, including construction permits and operational regulations in Hebron and the Tomb of the Patriarchs (contrary to the 1997 Hebron Agreement) and in Rachel’s Tomb (which lies within the municipal boundaries of Bethlehem).

Annexation supporters argue they are simply trying to correct longstanding legal discrimination against Jews in the West Bank stemming from the continued application of old Jordanian laws, including restrictions on their access to land. What they mean, however, is creating equality between Jews in the West Bank and Jews in Israel, not between Jews and Palestinians in the West Bank. Their efforts to “correct discrimination” are intended to entrench a single territorial space for two peoples who do not share an equal system of rights, moving the local situation yet another step away from any potential two-state arrangement.

Smotrich Accelerating the Strategy Ahead of Elections

These policies are being enabled by a combination of external and internal factors. Externally, Netanyahu and his far-right partners are exploiting the ongoing diversion of U.S. and international attention to other regional issues (e.g., Iran, Lebanon, the Gaza Strip) in order to advance controversial West Bank moves. Internally, their efforts are driven by deep convictions among politicians with broad executive powers, chief among them Bezalel Smotrich. Through a gradual series of measured but determined steps—many of them already completed—they believe they can bring about a “decision” in the conflict with the Palestinians on their terms, echoing the official English name of the strategy Smotrich first formulated in 2017: the “[Decisive Plan](https://hashiloach.org.il/israels-decisive-plan/) (<https://hashiloach.org.il/israels-decisive-plan/>).”

As in the past, Smotrich has used his dual roles as both finance minister and the Civil Administration official responsible for the West Bank to push adoption of the latest decisions, presenting them as part of the “settlement and territorial consolidation revolution” that his “Religious Zionism” party is leading. He also referenced the upcoming parliamentary election in October, declaring that if his party enters the next government, its goal would be to complete this “revolution”—that is, “to eliminate the idea of an Arab terror state, cancel the Oslo Accords, and move onto the path of sovereignty,” while simultaneously “encouraging voluntary emigration” in the West Bank and Gaza. “There is no other solution,” he claimed. Defense Minister Israel Katz essentially bolstered Smotrich’s views by claiming that the government’s new decisions will create “operational and legal certainty” and help the security forces counter the threat of terrorism.

Indeed, far-right parties are anxious to present tangible achievements in the West Bank as the election season heats up. This need is especially evident within Smotrich’s party, which is most closely identified with the settler movement but is currently lagging in the polls.

Regional and International Criticism—But No Action So Far

In response to Israel’s announcements, a White House statement [reiterated U.S. opposition](#)

[\(https://www.timesofisrael.com/us-stresses-opposition-to-annexation-after-israeli-steps-to-expand-west-bank-grip/\)](https://www.timesofisrael.com/us-stresses-opposition-to-annexation-after-israeli-steps-to-expand-west-bank-grip/) to any measures advancing annexation in the West Bank and emphasized the importance of maintaining stability there as a precondition for both Israeli security and the Trump administration's regional initiatives. Tellingly, however, the president's own remarks signaled his preference to avoid the issue entirely if possible: "We have enough things to think about now. We don't need to be dealing with the West Bank."

Elsewhere, more than a hundred nations—including the European Union and individual states friendly to Israel such as Cyprus, Germany, and Greece—issued [a joint statement on February 17](https://www.diplomatie.gouv.fr/en/country-files/israel-palestine/news/article/israel-palestine-joint-statement-on-latest-israeli-decisions-regarding-the)

[\(https://www.diplomatie.gouv.fr/en/country-files/israel-palestine/news/article/israel-palestine-joint-statement-on-latest-israeli-decisions-regarding-the\)](https://www.diplomatie.gouv.fr/en/country-files/israel-palestine/news/article/israel-palestine-joint-statement-on-latest-israeli-decisions-regarding-the) condemning efforts to expand Israel's "unlawful presence in the West Bank" and emphasizing their opposition to any form of annexation. Likewise, the eight Arab and Muslim governments participating in Trump's Board of Peace [issued a separate statement](https://x.com/ForeignMinistry/status/2020798543884075316) [\(https://x.com/ForeignMinistry/status/2020798543884075316\)](https://x.com/ForeignMinistry/status/2020798543884075316) arguing that Israel's new policies harm the legitimate rights of the Palestinian people, undermine prospects for a two-state solution, and threaten regional stability.

So far, however, this declarative criticism has not led to any concrete repercussions, and Jerusalem does not appear to view such condemnations as a deterrent. Given Israel's already weakened international standing, the current government believes that the diplomatic risks of continuing these steps are low.

Israel's problematic policies are also enabled by the deep deterioration in its relations with two key actors during and since the Gaza war: Jordan (the regional actor with the most direct stake in the West Bank) and the EU (the principal international actor supporting the PA and Palestinian communities in Area C). Moreover, neither Amman nor Brussels appears to be deeply involved in the Trump administration's [recent initiatives on Gaza](https://www.washingtoninstitute.org/policy-analysis/establishing-security-conditions-further-progress-gaza) [\(https://www.washingtoninstitute.org/policy-analysis/establishing-security-conditions-further-progress-gaza\)](https://www.washingtoninstitute.org/policy-analysis/establishing-security-conditions-further-progress-gaza) and the broader regional arena, further reducing Israel's perceived political costs for West Bank actions that might anger these two players.

Risk of Escalating Violence

A central factor shaping the reality on the ground in the West Bank is the growing wave of violence carried out by Israeli settlers, particularly young people from "farm outposts" and formally unauthorized settlements. Most—though not all—of this violence has taken the form of arson and property damage aimed at terrorizing Palestinians and driving them off their land. Israeli security authorities have responded to this wave of Jewish terrorism with increasingly hesitant enforcement and prevention efforts.

In January, monthly tracking of violence in the West Bank reached a sobering milestone: for the first time since 1967, more Palestinians were harmed by Jewish terrorism than Israelis harmed by Palestinian terrorism. Specifically, data from Israeli security agencies shows that seven Jews were injured and required evacuation for medical treatment as a result of Palestinian violence, compared to 22 Palestinians injured and evacuated due to Jewish violence.

Inevitably, the new West Bank decisions taken by Netanyahu's government—whatever their stated intent—will wind up bolstering the extremists carrying out such violence. In fact, officials seem well aware of the local volatility that their decisions may cause, especially when combined with other risk factors, most notably: Israel's ongoing economic pressure on the West Bank population (e.g., halting the transfer of tax revenues to the PA, reducing entry and work permits for Palestinians in Israel, and slowing approval of local projects); the increase in clashes between Jews and Palestinians; and the possibility of religiously tinged escalation during the monthlong observation of Ramadan.

Yet these factors alone are unlikely to restrain the government from continuing its policies. And if wider violence erupts in the West Bank as a result, it could give the government a pretext to further accelerate these policies under the banner of “security needs.” This dynamic may intensify as the election approaches, since projecting security resolve tends to carry heightened political value during campaign season, and the public is deeply fearful of a major West Bank eruption.

Policy Implications

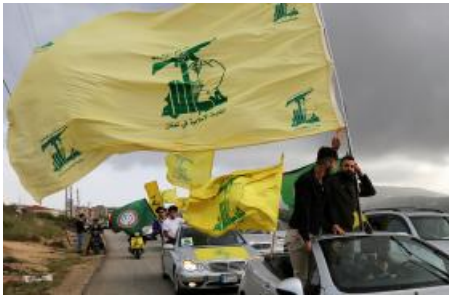
Under the current circumstances, the Trump administration appears to be the only actor capable of convincing Israel to halt its de facto annexation policies in the West Bank. So far, however, the White House has shown relative indifference to the situation there, due to both its reservations about the Palestinian Authority and its assessment that West Bank concerns do not constitute an obstacle to advancing short-term U.S. plans in the region. The administration understands that it will have to address these concerns at some point in order to achieve longer-term goals like normalization between Saudi Arabia and Israel. Yet it does not seem to fully appreciate the growing risk that West Bank territorial issues may become a lost cause by then if Israel’s current approach is permitted to continue unchecked.

The most effective lever for getting the Trump administration to take action on this issue is **coordinated pressure by Arab governments (<https://www.washingtoninstitute.org/policy-analysis/when-uae-says-no-israeli-annexation-what-does-it-mean>)**, particularly Saudi Arabia and the United Arab Emirates. As key members of the Board of Peace and major donors to its upcoming security, reconstruction, and development projects, they can communicate better than anyone why further West Bank annexation moves would both tarnish the president’s recent achievements in Gaza and obstruct **his future agenda there (<https://www.washingtoninstitute.org/policy-analysis/what-new-gaza-administrative-committee-needs-succeed>)**. If necessary, they and other board members could even condition further implementation of Trump’s twenty-point Gaza plan on addressing the problems with Israel’s new West Bank policies.

Indeed, the connection between developments in the West Bank and Gaza is expected to sharpen as the reality of direct Israeli postwar control in the Strip takes hold, however limited and temporary that control may be. Israel’s official policy is that it has no territorial ambitions in Gaza, but some factions may push the government to apply West Bank models in the Strip—for instance, the establishment of outposts “for security needs” that could later evolve into civilian settlements. This concern is not merely theoretical: Defense Minister Katz **proposed such a move (<https://www.timesofisrael.com/katz-vows-israel-will-build-settlements-in-northern-gaza-later-walks-back-comments/>)** in December, and the idea is supported by those settlers who view control over Gaza as part of their “Greater Israel” vision. This issue bears close watching, since applying these or other West Bank models to Gaza could exacerbate international tensions with Israel, wreck U.S. diplomacy, and reinforce the notion that the two territories are converging into an unsustainable one-state reality for two peoples.

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