

Settlements & the Netanyahu Government: A Deliberate Policy of Undermining the Two-State Solution

The current government, led by Benjamin Netanyahu, took office on March 31, 2009. In the period since, its policies and actions in the West Bank and East Jerusalem disclose a clear intention to use settlements to systematically undermine and render impossible a realistic, viable two-state solution to the Israeli-Palestinian conflict.

These policies and actions include:

- Construction, tenders, approval of future construction, and planning for future construction in settlements located deep inside the West Bank, east of the approved route of Israel's separation barrier;
- A record level of tenders, approval of future construction, and planning for future construction in settlements in East Jerusalem;
- Construction, tenders, approval of future construction, and planning for future construction in settlements in both the West Bank and East Jerusalem whose location renders their expansion especially problematic if not devastating to a future peace agreement;
- Adopting a formal policy that favors "legalizing" illegal settlement construction – leading both to additional illegal construction and new illegal outposts, and to the establishment of new settlements for the first time in decades.
- Preferential funding for settlers and settlements, including funding projects intended to build support among Israelis for keeping settlements – including settlements deep inside the West Bank – as a permanent part of Israel.

Part I: Construction Starts in Settlements

Location of settlement construction tells a lot about the intentions of the Israeli government. Contrary to popular belief, under the Netanyahu government **almost 40% of new construction starts were in isolated settlements**, located east of the approved route of Israel's separation barrier – as opposed to in "settlement blocs." **This is in stark contrast to previous years**, when only 20% of construction in the settlements took place in settlements east of the barrier.

Overall, under the Netanyahu government, **construction started on 6867 new units in settlements**. Of these,

- 2622 (38.2%) are in isolated settlements located east of the planned route of Israel's separation barrier,
- 2217 (32.3%) are in settlements west of the constructed route of the fence, and
- 2028 (29.5%) are between the actually built fence and the planned route of the fence.

Some of this construction was approved under previous governments. However, this does not absolve the Netanyahu government of responsibility. Many of these starts were linked to 2009-2010 10-month settlement “moratorium,” as the Netanyahu government tacitly encouraged new settlement starts in advance of the moratorium (starts on which construction was then permitted to continue during the moratorium). From the beginning of Netanyahu’s term, and especially ahead of the 10-month “moratorium” on settlement construction, initiatives began to flourish in the isolated settlements, as private settler companies, with the approval and de facto encouragement of the government, exploited previously-approved plans and permits (some moribund for years) to establish facts on the ground, in the form of extensive construction in isolated settlements. In many cases they even acted without any approved plans or permits, with the tacit approval of the Netanyahu government.

See [map here](#)

Part II: Issuance of Construction Tenders for Settlements

Longer term intentions of the government can be understood, in no small part, from tenders – calls for bids on government-backed construction projects that will come to fruition in the short- and medium-term. The Netanyahu government issued almost no tenders during its first two years in office – due mainly to outside pressure at the beginning of President Obama’s first administration and the resulting 10-month settlement “moratorium.” However, in the past two years the Netanyahu government abandoned any pretense of restraint, leading to **a record number of tenders – a number that effectively erased the effects of the moratorium and paves the way for an explosion of construction in settlements in the coming years.** In total, between March 31, 2009 and January 2013 the Netanyahu government issued tenders for the construction of **5302 housing units** in settlements and East Jerusalem. Many of these tenders are focused on settlements – like Efrat and Ariel – whose expansion directly undermines the possibility of achieving a two-state solution.

During its first two years in office, the Netanyahu government largely refrained from issuing tenders for construction in settlements in the West Bank, and issued only a few tenders for construction in settlements in East Jerusalem (for a total of 833 housing units). This reflected the Obama Administration’s pressure during 2009 for a settlement freeze, and the subsequent adoption of the [10-month settlement “moratorium,”](#) which expired on September 26, 2010.

New tenders: Following the expiration of the “moratorium,” the Netanyahu government opened the floodgates on settlement tenders:

- Over the past two years, **the Netanyahu government has issued tenders for 4469 housing units in settlements in the West Bank and East Jerusalem.**
- In addition, in recent weeks, the Netanyahu government has announced its intention

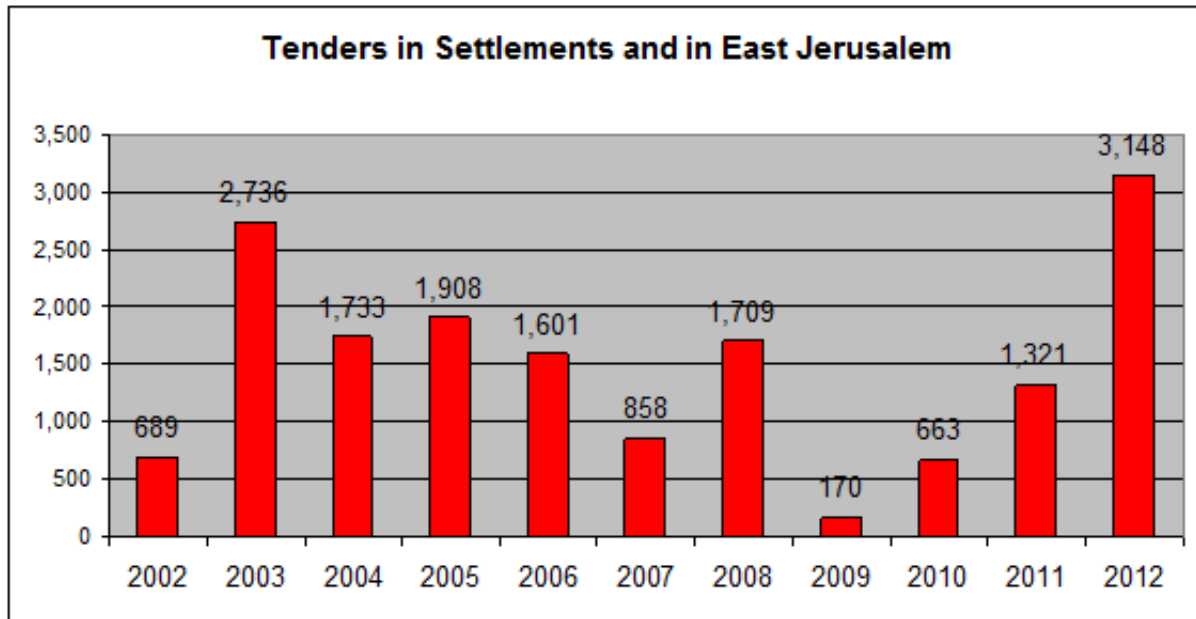
to issue [tenders for 3000 additional settlement housing units](#).

- In addition, the Israeli Ministry of Housing and Construction has published a list of tenders that will be issued shortly – including [1216 additional housing units](#) in settlements in the West Bank and East Jerusalem.

Tenders in sensitive locations: The Netanyahu government's use of settlements to undermine the two-state solution was evident not only in the number of tenders, but in their location. Special efforts were invested to expedite tenders in especially sensitive sites, like Ariel and Efrat, whose expansion is particularly problematic for any two-state agreement:

- In Ariel, tenders for 363 units were issued, and [another 750](#) are reportedly planned to be tendered as part of the [3,000 units announced](#) by the government following the vote in the UN in November 2012. These are very high numbers for Ariel – a settlement that hasn't grown much in the last decade (from 16,000 residents in year 2000 to 17,000 in 2010). Ariel is an especially controversial settlement because it is located almost exactly in the middle of the northern West Bank. Annexing it to Israel will effectively divide the northern West Bank into discontinuous Bantustans.
- In Efrat, tenders for 287 units were issued, and another 167 are expected to be issued in the coming weeks. The tenders include the expansion of Efrat to the north and construction of permanent homes in two outposts that will become new neighborhoods of Efrat ([Givat Hadagan](#) and Givat Hatamar). Also in Efrat the Minister of Defense approved the establishment of a new farm north east of Efrat in "[Givat Eitam](#)". The expansion of Efrat is a serious threat to the two states solution. Efrat is located east of the only major transportation route leading south from Bethlehem. Annexation of Efrat to Israel will sever Bethlehem and Jerusalem from the rest of the southern West Bank and leave Bethlehem isolated, hemmed in on three sides – north, south, and east – by settlements.

For the full list of tenders – [click here](#).



Part III: Approval of Settlement Construction & Planning

Longer term intentions of an Israeli government are evident in its policy regarding the advancement of plans for settlement construction for the medium- and longer-term. In the category, the record of the Netanyahu government is damning. The Netanyahu government has advanced the planning for at least **8730 housing units in settlements** (East Jerusalem excluded), **including thousands of units in isolated and remote settlements**. These approvals pave the way for a huge increase in settlement construction in the coming years. **The Netanyahu government has also advanced plans, and announced the intention to expedite plans, for massive settlement construction in East Jerusalem, including E-1.**

Of the 8730 housing units (at least) that were advanced and approved at different stages under the Netanyahu government,

- 2753 units (31.5%) are in settlements located east of the planned route of Israel's separation barrier,
- 4757 units (54.5%) are in settlements located between the built-up sections of the barrier and the barrier's planned route,
- 1220 units (only 14%) are in settlements located west of the separation barrier, as currently constructed.

In addition, there are reports that the Netanyahu government has approved the expansion of the settlement in Beit Romano, in the heart of the city of Hebron.

Note: Since the Defense Minister's approvals for planning are not made public, our information is based on the monitoring of official notices and publications in different places and at different stages.

Part IV: Approval of New Settlements

For decades, when asked to show evidence of their seriousness about peace, successive Israeli governments have pointed to the longstanding Israeli commitment to no establish new settlements. The Netanyahu government, in contrast, is the first government since the time of Yitzhak Shamir (1988-1990) to break this commitment and establish new settlements in the West Bank and East Jerusalem. The Netanyahu government also announced plans to expedite the establishment of the [controversial settlement of E-1](#), on the periphery of East Jerusalem – a settlement that previous governments had in the past promised not to build.

New settlements through legalization of outposts: The Netanyahu government established **10 new West Bank settlements** through its policy of “legalizing” illegal outposts. 4 outposts were officially declared as settlements ([Sansana](#), [Bruchin](#), [Rehelim and Nofei Nehemya](#)) and another 6 outposts were approved as “neighborhoods” of existing settlements (Tal Menashe, Shvut Rachel, Mitzpe Eshtamoa, Givat Salit, Elmatan, and the [new site for Migron](#)). These outposts were established in contravention of Israeli law, most of them east of Israel’s separation barrier and previous Israeli governments committed, repeatedly, to removing them.

A new settlement through approval of a new “neighborhood”: The Netanyahu government permitted the establishment of a new settlement, called “Leshem,” as a neighborhood of the existing settlement of Alei Zahav, located near the Palestinian city of Salfit. Alei Zahav is home to secular settlers; Leshem, located 500 meters from a secular settlement, will be a religious settlement. 85 units are in advanced stages of construction in the new settlement.

A new settlement through acquiescing to settlers’ actions in Hebron: The Netanyahu government for all intents and purposes approved the establishment of a new settlement in the city of Hebron, by granting the settlers a permit to purchase a [contested property](#) in the city (for the moment, the court is preventing settlers from moving into the house until the Palestinians' appeal is heard). This house, if inhabited, will represent the first new settlement in Hebron since the 1980’s.

New settlements by acquiescing to illegal construction: By taking no action to stop settlers, the Netanyahu government gave de facto approval for the establishment of four new illegal outposts – proto-settlements – the first new outposts established since 2005. These are: [Nahalei Tal](#) (northwest of Ramallah), [Tzufin North](#) (north of Qalqiliya), Nahalat Yosef (in the Nablus area) and Hill 573 (east of Itamar, 1.5 km east of the outpost of Hill 777). Except from Tzufim North, all of these new outposts are located deep inside the West Bank, east of Israel’s separation barrier. In addition, settlers re-established a presence at the site of the settlement of Homesh, a settlement north of Nablus that was evacuated as part of the July 2005 “disengagement.” That site is now

permanently inhabited by yeshiva students, and the Netanyahu government, by not enforcing the law, is effectively allowing the establishment of a new settlement at the site – located deep inside the West Bank, east of Israel’s separation barrier.

New settlements in and around Jerusalem: In late 2012, the Netanyahu government announced that it would expedite planning and [approval of E-1](#), a massive new settlement ([at least 3426 units](#)), to be located northeast of Jerusalem’s municipal border. Also, for the first time since Har Homa was built in 1997 under the first Netanyahu government, the construction of a new settlement in East Jerusalem, [Givat Hamatos](#), was approved.

Part V: Illegal Settler Construction

Another key measure of the Israeli government’s intentions regarding settlements is its attitude toward illegal settler construction, especially construction outside of the “settlement blocs” and beyond Israel’s separation barrier. For years, successive governments have repeated their commitment to the rule of law and their intention to live up to their obligations (including under the Roadmap) to remove illegal outposts and stop illegal construction by settlers. Once again, the Netanyahu government brazenly adopted a different approach, adopting a new official policy explicitly supportive of illegal construction. In announcing [this policy](#), the government in effect declared that it had no intention to enforce the law on the settlers unless forced to by the courts. It also gave settlers a green light to establish facts on the ground as they saw fit, without government permits, without any oversight, and in violation of the laws adopted democratically by the state of Israel.

On February 28, 2011, the Netanyahu government [announced](#) a new official approach regarding illegal settler construction. According to this decision, it is the official policy of the government of Israel to seek to legalize, wherever possible and by any means available, all illegal settler construction, rather than to act to impose the law against such construction or intervene to prevent it. Under this policy, the only illegal settlement construction immune from legalization is construction that is on land that Israeli courts recognize as privately owned by Palestinians. Construction on land that is designated as “state land,” or that can be post-facto designated as “state land,” will be legalized retroactively.

In the context of this policy, illegal construction by settlers has flourished. Under the Netanyahu government:

- 911 housing units (13.3% of the construction in settlements) were built in illegal outposts. Half of these (456 units) were permanent buildings; the rest were pre-fabricated and mobile units.
- About three quarters (77%) of this illegal construction in outposts took place in illegal outposts located east of the planned route of the separation barrier.

- Settlers even continued to build in outposts whose futures are under consideration Israel's High Court of Justice, and the government has refrained from law enforcement against them (for example, in Ma'ale Rehavam, Amona and Mitzpe Kramim).

Part VI: East Jerusalem Settlement Planning and Construction

Settlement construction in East Jerusalem is a sensitive issue for any Israeli government. **The actions of the Netanyahu government in terms of support for East Jerusalem settlement expansion, however, outstrip previous governments by every measure.** In recent months, the Netanyahu government has opened the floodgates with respect to the approval of construction and planning for construction in East Jerusalem, resulting in a flood of approvals that dwarfs the number of settlement approvals issued over the course of the past two decades. Moreover, the location of much of the approved construction – in areas that are acutely sensitive, given their impact on the possibility of achieving any viable two-state peace agreement in the future – sends a message that the Netanyahu government is deliberately using East Jerusalem settlement approvals as a weapon to undermine the two-state solution.

The Netanyahu government has advanced construction plans for East Jerusalem settlement expansion on an unprecedented scale:

- **Approval of plans: Under the Netanyahu government, 10,031 housing units in East Jerusalem were approved for validation in 27 different plans.** Approval for validation is the last approval required in order to complete the planning of a project, after which the plan is published as valid and the implementation stage can start. [More details on the planning and construction process in East Jerusalem are available [here](#)].
- **Tenders: The Netanyahu Government has issued tenders for 3531 units** in Har Homa, Ramot, Pisgat Ze'ev and Neve Yaacov.
- The full list of plans and tenders in East Jerusalem is available [here](#).

The Netanyahu government has advanced construction plans for East Jerusalem settlement expansion in areas of particular sensitivity – areas where settlement construction will make a future two-state agreement that resolves the question of Jerusalem's borders exponentially more difficult, if not impossible.

- **A new settlement – Givat Hamatos:** The Netanyahu government approved the construction of a new settlement in East Jerusalem, [Givat Hamatos](#), with 2610 housing units. This will be the first new settlement established in East Jerusalem since Har Homa was established in 1997, under the first Netanyahu government. Due to its location, construction of Givat Hamatos will make any future two-state peace agreement much more difficult in terms

of Jerusalem's borders.

- Expansion of Har Homa: The Netanyahu government approved the construction of the new settlement neighborhood of [Har Homa C](#), with 983 housing units on a hill southeast of Har Homa. Tenders for the construction of the entire neighborhood were issued directly after the plan was validated (i.e., clearly expedited by the Netanyahu government). Har Homa C represents a major expansion of Har Homa – a settlement whose explicit purpose is to block East Jerusalem off from the southern West Bank. [Har Homa C furthers this goal](#), by expands the settlement toward the southeast, to block the last potential corridor of Palestinian contiguity that remains. In all past negotiations, the Palestinians refused to agree to Israel retaining Har Homa, both because the settlement destroys the future development of a Palestinian capital in East Jerusalem, and because it was established after the peace process started.

The Netanyahu government cooperated with Jerusalem-focused settler organizations to permit the expansion of the settlers' presence inside Palestinian neighborhoods of East Jerusalem. Unlike most previous settlement activity inside Palestinian neighborhoods, which generally consists of an existing house that several settler families move into, under the Netanyahu government settlers managed to build new compounds with dozens of units in Palestinian neighborhoods. These are:

- [Beit Orot](#), on the Mount of Olives – 24 units (almost completed)
- [Shepherds Hotel](#), in Sheikh Jarrah – 22 units (under construction)
- [Ras El-Amud](#) – 62 units, in addition to the 50 units that were built there in 2003.
- [Ras El-Amud](#) – 17 units that were built in the old police station and is ready to be settled (some of the apartments were already sold to settlers that are expected to move in soon).
- In addition, settlers moved into two homes in [Beit Hanina](#), 2 homes in [Jabel Mukaber](#), a [big house](#) in the Old City's Muslim Quarter, and [a house in A-Tur](#).
- While these were all private initiatives, the Netanyahu government had the ability to prevent the settlers' actions, but chose not to do so.

The Netanyahu government cooperated with Jerusalem-focused settler organizations to permit the [deepening of settlers' control inside Palestinian neighborhoods of East Jerusalem](#).

- The Netanyahu government intensified the project of establishing Israeli national parks around the Old City, and placing these parks under the control of the settler organizations and their supporters.
- In May 2012 (on Jerusalem Day) extended an existing [government plan to bolster "Jewish character" of Jerusalem](#) – a plan that has focused especially on settler-related tourism and parks projects in East Jerusalem – and allocated another NIS 350 million for the extension of the project till 2019. On the

ground, the project is continuing and we see a slow change in the public domain in East Jerusalem neighborhoods.

- Under the Netanyahu government, there has been extensive digging in Silwan/City of David, with new tunnels opened.
- Under the Netanyahu government, planning advanced for the reconstruction/expansion of the Mughrabi Gate ramp.
- Under the Netanyahu government, plans of touristic sites in Silwan were promoted and approved for depositing: the “Givati Parking” at the entrance to Silwan (30 meters from the Old City wall and 50 meters from Al-Aqsaa mosque) and “The Spring House” visitor center at the Silwan spring.
- Under the Netanyahu government, the planning was promoted for a new National Park at the Mt. Scopus slopes, intended to connect the East Jerusalem national parks with the E-1 plan, creating an Israeli-controlled corridor from the Old City eastward to Maale Adumim, in order to block the potential Palestinian corridor from north to south.

Part VII – Funding for Settlements

The Netanyahu government has presided over a period of intense upheaval inside Israel, focused on complaints social justice and socio-economic issues. During this period, the government has demonstrated little sympathy for the demands of its citizens living inside the Green Line, coupled with extraordinary generosity toward the settlers. According to the Finance Ministry for the Central Bureau Statistics, **the Netanyahu government provided at least NIS 3.7 billion in surplus funding to settlements – funding that would not have been spent if the settlers were living inside Israel proper.**

Overall Funding for settlements: According to the Israeli Central Bureau of Statistics (CBS), between 2009 and 2011, investment in settlements **grew by at least 38%:**

- 2009 – NIS 760.7 million
- 2010 – NIS 817.5 million
- 2011 – NIS 1.1 billion
- 2012 – NIS 1.1 billion (minimal estimate based on 2011 expenses and government statements)
- **Total, 2009-2012: NIS 3.74 billion**

Surplus funding to settlements is comprised of various grants given to the settlers by different ministries, most of which do not appear explicitly in any budget as funding specifically designated for settlements. This is why it is very hard to track and calculate the total amount that is granted to settlements. Some of the benefits that can be tracked are special grants designated for settlements by the Ministry of Interior and funding for major infrastructure in settlement. These include:

Special grants: Local authorities in the settlements received from government ministries **twice as much** as local authorities inside Israel. In order to favor the settlements, the government invented a series of grants given by the Interior Ministry only to the settlements:

- **"Security grants due to the moratorium on construction"** – NIS 36 million a year (this was the name the government chose to give a grant to the settlers as "compensation" for the moratorium);
- **"Unique grants for Judea and Samaria councils"** – NIS 35 million a year;
- **"Unique grants for young settlement"** – NIS 48.271 million a year;
- **"Bonus due to the Oslo accord"** – NIS 4.849 million a year.

Major infrastructure projects: The Netanyahu government funded several large-scale infrastructure projects in the West Bank for the exclusive benefit (current and future) of settlers:

- **Inter-settlement roads: NIS 750 million.** Altogether, the Netanyahu government invested at least NIS 750 million in the construction of inter-city roads for the settlements in the West Bank, through the Public Works Department (not including projects executed through the local authorities).
- **A tunnel in the Ramallah bypass road – NIS 100 million.** In December 2012, the Netanyahu government reportedly approved the construction of a tunnel that will permit Ramallah-area settlers to avoid traffic jams on the bypass road.
- **The interchange to nowhere.** The government spent millions of shekels on the construction of the **"Good Samaritan"** interchange that leads nowhere. The explanation for the interchange is a future intention (that is not on the agenda at this point) to build the separation fence deep inside the West Bank, which would require the construction of a new road for Palestinians, which the interchange would serve.

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Special projects and "gifts": In addition to the NIS 3.7 billion, the Netanyahu government also used public funds to underwrite special projects and grants for the settlements as part of various political machinations:

- **Compensation for the Migron settlers – NIS 70 million.** The government planned and built **two alternative sites** for the outpost of Migron at the cost of NIS 70 million (a cost of NIS 1.5 million for each family that lived in the illegal outpost). One site, Givat Hayakev, a new settlement that serves the settlers of Migron, cost at least NIS 34 million. Meanwhile, the Housing Ministry built extensive infrastructures for a new neighborhood next to the settlement of Adam for settlers from Migron, at the cost of at least NIS 33 million (the settlers ultimately decided to live in Givat Hayakev instead).
- **Compensation for the Ulpana settlers – NIS 80 million.** In order **to buy the quiet** evacuation of the settlers from **Givat Ulpana**, the government built an alternative site for the evacuated families and undertook a grandiose sawing

project costing tens of millions of shekels. Furthermore, the government agreed to exaggerated bonuses for the Beit El yeshiva, also estimated at tens of millions of shekels.

Normalizing the settlements: The Netanyahu government used public funds to underwrite programs and actions designed to promote public acceptance of the settlements as a permanent part of Israel.

- The Netanyahu government formally recognized the college in the settlement of Ariel as a full-fledged Israeli university, and subsequently transferred a budgetary supplement of NIS 50 million to the school.
- The Netanyahu government funded a plan for student visits to Hebron and the occupied territories.
- The Netanyahu allocated NIS 17 million for the development of "**heritage sites**" in the territories: Tel Shilo – NIS 5 million, Herodian – NIS 9 million, and the “heritage site for the Haredi public in Modiin Illit” – NIS 3 million.

Part VIII – Settler Violence

Under the Netanyahu government, violence and lawlessness by settlers in the West Bank and East Jerusalem – often part of a self-declared “price tag” campaign – has reached unprecedented heights. It has included challenges by settlers to the rule of law, with attacks not only against Palestinians and their property but also against IDF soldiers, Israeli police, and IDF military facilities. These attacks also began taking place inside Israel, with attacks on Palestinians in West Jerusalem and sporadic targeting of mosques and churches throughout the country. This issue, including death threats and attacks targeting Peace Now, has been covered well in the Israeli and international media– as has the fact that the Netanyahu government’s response has been ineffectual at best.

A timeline of so-called Price Tag attacks from just the past two years [is available here](#).