

**The Intended Annexation Distances Israel from Europe**

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**Since Israel's occupation of the West Bank, the political future of this territory has cast a shadow over all other issues in Israel's relations with Europe. Discord with the EU intensifies particularly when the Israeli-Palestinian political process stalls, even when Israel is not necessarily to blame, and when Israeli settlement activity in the region increases. Large or small-scale Israeli annexation of territory in the West Bank will elicit negative responses from Europe, deepening the divide between Israel's senior political echelons and those of the EU member states. Internal processes within Europe that are undermining the political unity of the EU can be expected to make it difficult to impose heavy sanctions on Israel in response to Israeli decisions regarding annexation. Still, there is no doubt that severe criticism of Israel's intention to annex defines the mood in most European countries. Moreover, an Israeli decision to proceed with annexation would encounter the opposition of the bloc of states that tends to vote like the EU in international organizations.**

Given its historic, political, security, and economic interests in the region close to its borders, the European Union has set a goal of shaping its immediate geographical surroundings, including the Mediterranean Basin. The EU-Israel Association Agreement of 1995, which constitutes the formal framework of relations, speaks of an Israeli-Palestinian dialogue with the aim of "increasing convergence of positions on international issues, and in particular on those issues likely to have substantial effects on one or the other Party." The agreement also reflects the EU's desire to play a role in resolving the conflict. As in the case of other international political issues, the EU's approach to the conflict is guided by universal principles such as the rule of law, including international law; human rights; and minority rights. This approach, which has not changed for decades, has focused on promoting a solution of two states for two peoples, to be achieved through negotiations between the parties. The EU adheres to the position that 1967 borders would lay the basis for demarcating borders, opposes the Israeli settlements in the West Bank, and denies their legality. In light of the opposition of civilian bodies that oppose the settlements, it was decided that Israeli products produced in the occupied territories would not be eligible for customs exemption, and

that Israeli institutions operating in these territories would not be able to engage in cooperation with European bodies funded by the EU.

Over the past decade, the EU has ceased its political dialogue with Israel in light of the frozen Israeli-Palestinian political process and the continued expansion of settlements in the West Bank. The serious significance of this rift must also be assessed in light of the changes that in the Middle East in the course of the past decade: the “Arab Spring,” and especially the collapse of a number of Arab countries and the emergence of the Syrian refugee problem, which is a challenge at Europe’s doorstep; the United States withdrawal from the JCPOA and Iran’s failure to fulfill all its obligations under the nuclear agreement; increased Turkish aggression in the Eastern Mediterranean basin; and the “deal of the century,” President Trump’s plan to resolve the Israeli-Palestinian conflict. These regional developments and their various implications should be discussed within the framework of a strategic Israeli-European dialogue, which, however, will not resume in the event that the Israeli government decides to move forward with annexation.

The European Union has previously expressed its disagreement with measures taken by President Trump in the Israeli-Palestinian arena on issues such as the recognition of Jerusalem as the capital of Israel and the decision to move the US embassy from Tel Aviv to Jerusalem, and has pressured many member states to refrain from following Washington’s lead. Following the release of the two parts of the Trump plan in January 2020, Josep Borrell, the EU’s High Representative for Foreign Affairs and Security Policy, issued an almost immediate response that was relatively “soft” – it would be necessary to “study” the plan, he said. He was, however, firm with regard to Israel, stating that “steps towards annexation, if implemented, could not pass unchallenged.” That is to say, Borrell did not recommend to Israel to reconsider its actions or express a European willingness to discuss ways of promoting a political solution to the Israeli-Palestinian conflict, but rather employed threatening language. Israel’s response, also severe, was issued by a low-ranking official, perhaps to convey contempt, and promised that the deadlock in the senior-level political dialogue between Israel and the EU would continue precisely because Israel was at a crossroads facing a historic decision.

German Foreign Affairs Minister Heiko Maas attempted to contain the destructive tension between Israel and the EU during a brief visit to Israel and Jordan on June 10, 2020. According to Maas, he came to Israel to express the serious and sincere concern of his country and the European Union regarding annexation that is inconsistent with international law, but not to present Israel with threats or a price tag for such action. Moreover, while in Israel, Maas conveyed the EU’s willingness to engage in dialogue. While Borrell did not echo this willingness in his report on the discussions of the EU

Foreign Affairs Council (June 17), presumably the German Foreign Affairs Minister would not have raised this possibility without advance consultations.

Any possibility of renewing senior-level dialogue between Israel and the European Union must address a number of weighty questions. On the one hand, the EU cannot soften its principled position, which rejects unilateral measures, both large and small, even if they are taken by Israel after a failed attempt to renew negotiations with the Palestinians because the Palestinians reject Trump's plan as part of the platform for negotiations. On the other hand, the Israeli government is apparently determined to apply Israeli law in the West Bank, even if only in a relatively small area. At this stage, it appears that the German effort to dissuade Israel from measures that would exacerbate the tension between Israel and the EU has not borne fruit.

Possible EU reactions to annexation, including punitive measures, have been raised in public discussions in Europe and Israel as Israel's decision regarding annexation approaches. There is likely no consensus on this issue among the members of the European Union, and some member states are presumably demanding the adoption of a policy of collective punishment – a measure that requires a unanimous vote by all EU members. Germany's status and position in general are important – and particularly during the next half year, as it becomes the EU on duty president and maintains its membership in the UN Security Council – but an opposing vote by any other member state is enough to prevent a collective decision. In the absence of a collective decision, member states can decide on their own punitive actions, albeit with the knowledge that the open borders between EU member states dilutes the effectiveness of some of the sanctions that individual states will decide to impose on Israel.

Even if the European Union as whole – or individual member states – decides to impose sanctions on Israel, the measures will likely be applied mostly to Israeli economic activity east of the 1967 border, in an effort to reduce the economic damage it will cause to Europe itself. For example, the Open Skies agreement in the realm of civilian air travel was recently renewed, providing European airlines with substantial profits from their routes to Israel.

Annulment of Israel's participation in Europe's Horizon 2020 research and development program has also been mentioned as a possible punitive measure by the EU in response to Israeli annexation in the West Bank. However, Israel's participation in this program is decidedly a mutual interest. The new Horizon Europe R&D program, starting in 2021, may be less important to Israel, as, inter alia, the EU seeks to limit awarding research grants to the amount contributed by each state to the program's overall budget. Removing Israel from the Horizon Europe program will do some damage to the fabric of the

existing relations between Israeli R&D institutions and institutions in Europe, but it will not eliminate them altogether. The Israeli government will be able to transfer the funds that were designated for payment as participation fees for the European program directly to Israeli R&D bodies. Regarding the principles of punitive action that guide EU policy, noteworthy are the measures that were taken against Russia in response to its annexation of Ukraine. It was said that despite the sanctions, “selective relations” will be maintained regarding issues and in regions in which the EU has an interest, and the support of organizations in Russian civil society will be increased under the rubric of people-to-people relations.

In light of the anticipated response to annexation within the framework of the European Union, the Israeli government is advised to delay its decision on annexation, even if it is portrayed as solely symbolic in nature – especially during the six months in which Germany will hold the EU presidency, which coincides with the end of its term as a member of the UN Security Council (until the end of 2020). The European Union apparently has no ability to do economic damage to Israel that is substantial enough to dissuade the Israeli government from deciding on annexation. In addition, the subsequent erosion in Israel’s relations with Europe, and the lack of a political dialogue with the EU, is apparently not enough to prevent a decision to annex. On the other hand, the possibility that in 2021 the White House could be occupied by a Democratic president with whom the EU will have an interest in renewing the transatlantic dialogue regarding a number of issues, including the Israeli-Palestinian conflict, requires Israel to relate to the European side seriously and thoroughly, understanding the broader implications of the dynamic. In an American/Democratic-European dialogue, it can be assumed that both sides will criticize and denounce the Trump plan and even consider measures against unilateral annexation, in the event that Israel clings to its intention to annex in the West Bank in the spirit of the Trump plan.