



Inter-Agency Task Force on Israeli Arab Issues

GOVERNMENT RESOLUTION 922: FIVE-YEAR ECONOMIC DEVELOPMENT PLAN FOR ARAB SOCIETY

Fourth Year Progress Report

July 2020

In January 2020, as Government Resolution 922 (GR-922) entered its fifth and final year,¹ its steering committee convened to review implementation data **through mid-2019** as collected and analyzed by the Authority for Economic Development of the Arab Sector together with the government's contracted evaluators, TASC Consulting & Capital. With the Coronavirus pandemic limiting subsequent meetings, the findings in this report remain the most up-to-date official data on overall plan implementation.

This update is a summary of the data shared with the committee, including discussion of overall progress and details from individual ministries' reports. It is supplemented with additional insights by government and local authority officials and civil society organizations involved in implementation. An introduction to GR-922 from 2016 can be found [here](#) and a detailed description of original Ministry workplans, [here](#). A mid-2018 implementation update, reporting on progress 2.5 years into the plan, can be found [here](#).

OVERALL IMPLEMENTATION STATUS

The main measures used to report on overall GR-922 progress are (i) the allocation and use of budgeted funds, and (ii) the status of individual tasks as enumerated by TASC. Between mid-2018 and mid-2019, the total rate of budget implementation increased, more tasks have been enumerated due to more detailed reporting, and more tasks are either in progress or completed.

GR-922 has a **core budget of NIS 10.7 billion** and a complementary **differential² budget of NIS 4.3 Billion** by the Ministry of Education to fund extra teaching hours and enrichment activities for Arab schools.³ Realization of these budgets has two stages: an initial allocation (transfer) of budgeted funds by the Ministry of Finance to relevant government ministries per project ready for implementation, and use (spending) of these funds by implementing bodies (most often local

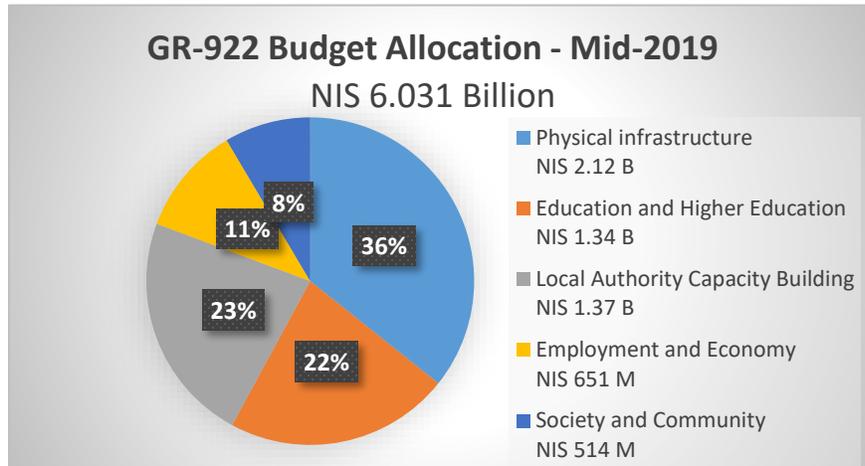
¹ GR-922, approved in December 2015, is a NIS 10-15 Billion economic development plan for Arab society, unprecedented not only in scale and scope, but in its emphasis on proportional budgeting in general government allocations; in making Arab local government responsible for financial and project management for most of the Plan's programs; and in the close consultation and coordination between Arab leadership and national government officials in its development and implementation.

² "Differential" is the term used by the government to describe preferential budgeting to correct discrepancies in government allocations that had been to the disadvantage of Arab schools

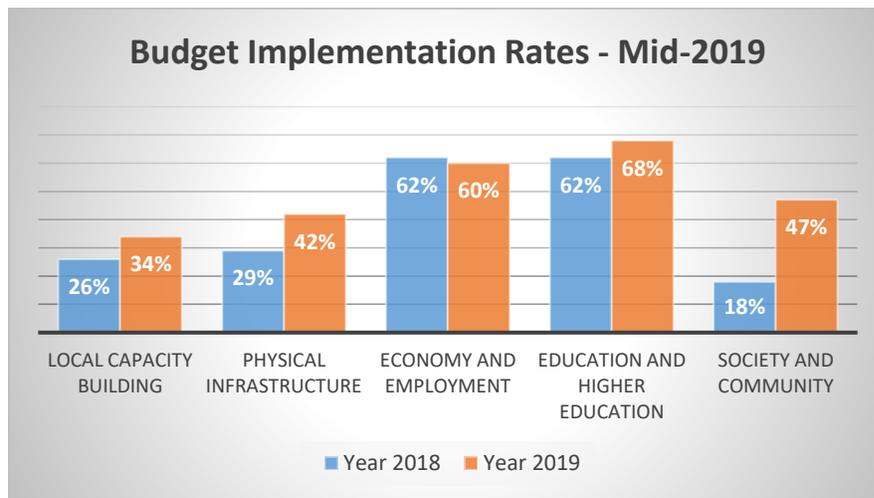
³ Over time, the term "GR-922" has become a "catch-all" for government investments in socio-economic development in Arab society, therefore the reports shared with the committee include programs complementary to but not actually budgeted as part of core or differential GR-922 framework (i.e. budgets for high-tech industrial parks and business centers, and Mawared resource integrator positions) These are included in the detailed summaries below. The overall status summary refers strictly to budgets within the scope of the plan.

authorities, but also contracted companies, schools and universities, and so forth). As of mid-2019:

- **NIS 6.031 billion (56% of the total core budget) has been allocated** by the Ministry of Finance to government ministries and authorities overseeing parts of the plan, of which **NIS 1.2 billion** was transferred between mid-2018 and mid-2019. This is above the NIS 5.772 billion anticipated for this time.



- **48% of the total funds allocated by the Ministry of Finance (roughly NIS 2.918 billion) have been spent⁴** by implementors (local authorities, contracted firms) to advance GR-922 projects and initiatives. Given the increase in budget allocations, the rate of implementation between mid-2018 and 2019 was nearly twice that of previous years.



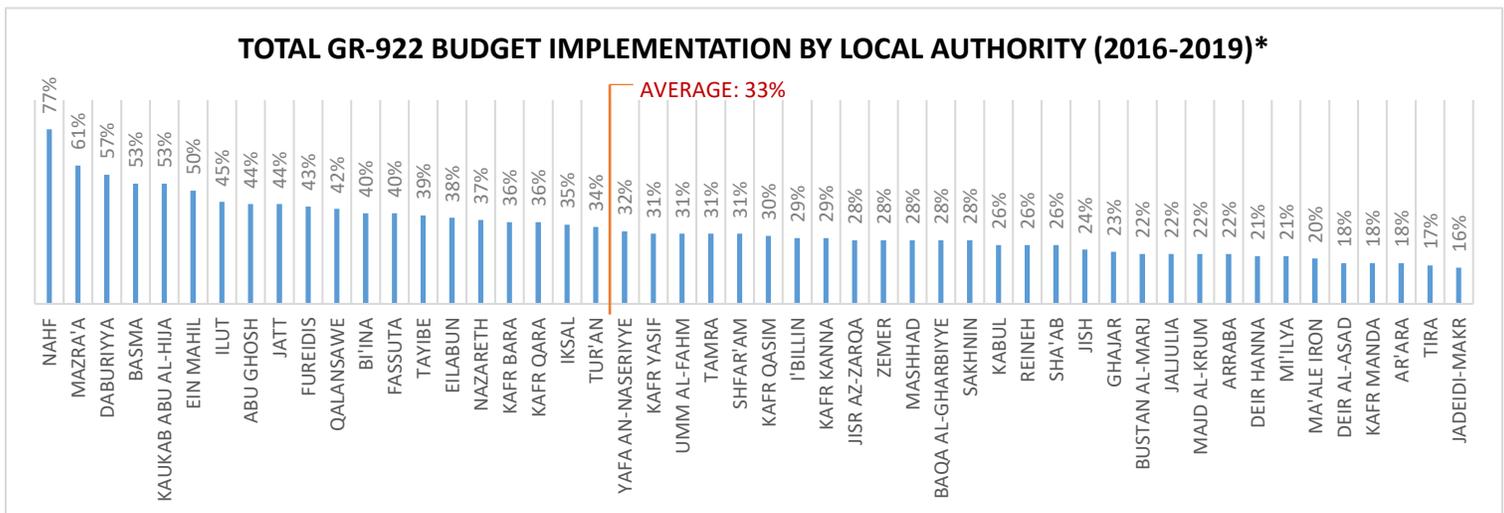
By comparison, the [mid-2018 progress report](#), covering implementation 2.5 years into the plan, showed allocations of NIS 4.839 billion (45% of the core budget), of which 23% (NIS 1.1 B), was reported implemented at the time.

⁴ Budget implementation might exceed 48% because (i) it reflects only payments completed by the government accounting system, while there may be significantly more submitted by implementing bodies that were in process, and (ii) many projects, especially complex infrastructure development, progress gradually and the payment (budget implementation) is usually done once they are complete.

Informal estimates since the mid-2019 progress report suggest that, despite ongoing difficulties created by lack of a national budget due to elections, budget allocation continued to grow by at least another NIS 1 Billion in 2019, though there are no projections regarding budget implementation rates. This would place the total allocation at roughly 65% of the core budget at the beginning of the plan's fifth year.

By Local Authority

Budget implementation by Arab local authorities also increased to an average of 33%, up from 27% in 2018, with 40% of local authorities above average. The overall increase is moderate predominantly due to dependence on project budgets from the Ministry of Interior and Ministry of Housing which take longer to execute.



* Excludes urban road construction, industrial areas and Master Planning, which are not carried out by local authorities. In addition, 2019 informal education spending is not included for lack of data. The graph does account for public institution budgets though they are not carried out by local authorities.

By Task

By mid-2019, **out of a total 1,617 tasks** identified by TASC, representing the full implementation of GR-922 (i.e. approval of work plans, publishing tenders, submitting RFPs, hiring professionals, construction projects, etc.), **50%** were reported as progressing as planned, **29%** completed, **11%** not yet begun, and **10%** delayed.

PROGRESS AND BARRIERS SUMMARY

The overall increase in budget implementation between 2018 and 2019 is largely attributed to the fact that many projects that required lengthy and complex planning processes in the first years of the plan completed significant stages and began operations in the third and fourth year. This includes infrastructure and construction projects like [inter-urban roads](#) (3 were completed in 2019), [urban renewal pilots](#) (advanced in 6 Arab communities), and construction of [17 new soccer fields and 22 new sports halls](#) in 2019.

That said, the complexity of planning for infrastructure and construction projects in Arab communities remains by far the most significant barrier to overall implementation. Years of unplanned development and lack of available land (state-land in particular) in Arab communities has made such redevelopment a sensitive and difficult political, legal, engineering, and

bureaucratic process.⁵ Efforts to establish [industrial zones](#), [residential complexes](#), [daycare centers](#), public transportation infrastructure, public parks and the like in Arab communities have proven more costly and time consuming than initially estimated, and are often beyond the professional and financial capacities of most local authorities.

Important advances have been made within the GR-922 framework to bring Arab communities into land and planning compliance—a prerequisite for all construction. Master Planning is now complete for [20 or 43 Arab local authorities](#) with populations of 5000 or more (though only 2 were completed in 2019). In 2019, the Ministry of Justice more than doubled the number of private land plots whose registrations were updated, bringing the total number to 10,395—another prerequisite to redevelopment. This while continuing to raise awareness and deepen engagement with Arab leadership and public due to the issue’s sensitivity. These advances are addressing vital underlying barriers, but most communities are still many steps away from actual construction.

Since projects like industrial zones and residential complexes are intended to generate much needed local revenues (as well as wider economic stimulus and solutions) the delays and additional costs have consequences beyond the designated projects. Overall, local authorities report that planning challenges and delays in government funding are the two top barriers to implementing tasks. Government ministries, meanwhile, frequently reference local authorities’ inability to meet matching funding requirements.

Likewise, enhancing the professional and financial capacities of local authorities is one of the five major areas of GR-922, including organizational development, municipal revenue generating projects and specialized positions. Important headway has been made in a number of authorities (for example, 13 of 16 excelling authorities prepared and are now implementing their organizational development plan; [10 weak authorities](#) now benefit from regional income distribution agreements; [52% of all Arab local authorities](#) are now part of regional clusters). In addition, professional positions such as [transportation coordinators](#), more [cadets for local government](#) now serve in Arab authorities, and notably [Mawared \(Resources\) integrators](#) were recruited in 2019 and placed in January 2020. As with planning barriers mentioned above, many of these efforts only completed planning stages in 2018 or 2019, and their impact on implementation capacities is still in early stages.

In contrast, as reported in the [GR-922 mid-term report](#), issues like education and employment that do not require physical infrastructure nor complex planning by local authorities continue to progress. As of mid-2019, Arab representation in higher education [meets or exceeds GR-922’s 2021 target](#). Riyan employment centers served [12,175 jobseekers in 2019](#) and have a placement rate of 46%, with overall Arab employment rates on the rise. Similarly, the Ministry of Economy implemented 100% of its budget in support of [16,000 small businesses as of mid-2019](#).

Finally, the report presented to the GR-922 Steering Committee in mid-2019 is the most detailed one yet, following intensive monitoring and evaluation work by the Authority for Economic Development and accompanied by TASC Consulting & Capital. This reflects continued strengthening of communication and transparency between and among government ministries and local authorities as part of implementation.

⁵ These barriers are covered in depth in the Task Force briefing paper: [Urban Planning in Israel’s Arab Communities: Essential and Complex Challenge for Economic and Residential Development](#) | February 2020.

PROGRESS REPORTS BY AREA OF DEVELOPMENT

AREA OF INVESTMENT	Mid-2019		Total Planned Budget	
	Allocated (NIS and % of total)		NIS	% of Total Budgeted
Physical Infrastructure	2.155 B	36%	5.346 B	50%
Local Authority Capacity Building	1.374 B	23%	1.400 B	13%
Education and Higher Education	1.338 B	22%	2.115 B	20%
Employment and Economy	651 M	11%	1.048 B	10%
Society and Community	514 M	8%	818 M	7%
TOTAL	6.031 B	100%	10.727 B	100%

PHYSICAL INFRASTRUCTURE	5
Ministry of Justice • Water and Sewage Authority • Planning Administration • Ministry of Construction and Housing • Israel Land Authority • Ministry of Transport and Road Safety	
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Council of Higher Education • Ministry of Education	
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Ministry of Labor and Social Welfare • Ministry of Economy • Ministry of Tourism	
COMMUNITY AND SOCIETY	17
Ministry of Culture and Sport • Authority for National-Civil Service • Ministry of Internal Security • Ministry of Health	

PHYSICAL INFRASTRUCTURE

Efforts to close physical infrastructure gaps range from ensuring Arab communities have updated Master Plans (the first step for all construction) to improving public services (sewers, public roads and transportation), construction of housing to resolve shortages and long-term planning for urban economic development, open spaces, public institutions, and more.

Government Authorities:

Ministry of Justice • Water and Sewage Authority • Planning Administration • Ministry of Construction and Housing • Israel Land Authority • Ministry of Transport and Road Safety

Total Budgeted: NIS 5.346 B | 50% of GR-922 core budget

Allocated to date: NIS 2.155 B | 36% of total allocations

Percent of allocated budget utilized: 42%

MINISTRY OF JUSTICE		
GOALS / ALLOCATION	PROGRESS	REPORTED CHALLENGES
<p>Goal Updating registration of privately-owned land in Arab communities⁶</p> <p>Allocated: NIS 3.5 B for the entire 5- year period</p>	<ul style="list-style-type: none"> • In the first years of the plan the Ministry established a department for registering and parcellation for national infrastructure • Regulated a total of 10,395 land registration records out of a 2021 target of 27,000 (38.5%). This is up from roughly 4000 in 2018. The target was also increased from 23,000 on the condition that registration barriers can be overcome. 	<ul style="list-style-type: none"> • Lack of cooperation by local residents for fear of losing land, collaboration with the government, and change of status • Specifically, tax obligations related to updating land registration are a major cause of delays
<p>Looking forward: Enhance investment in conferences and meetings with local community leaders and residents; enhance engagement with religious leaders, dignitaries, municipal leadership and other stakeholders. This for the purpose of deepening awareness of the procedures, their importance for overall planning and benefit to the community.</p>		

WATER AND SEWAGE AUTHORITY		
GOALS / ALLOCATION	PROGRESS	REPORTED CHALLENGES
<p>Goals</p> <ul style="list-style-type: none"> • Reach 90% sewer connectivity in Arab communities by 2021 (from 30-40% baseline). • Improve sewage infrastructure and assist Arab localities in establishing and joining Water and Sewage Corporations. • Allocation: NIS 427 M 	<p>Progress is the same as reported in mid-2018:</p> <ul style="list-style-type: none"> • Raised the percent of sewage connections to 85% • Implementation of 30 sewage construction and upgrading projects in 20 local authorities • Adding the Municipality of Taibeh to the "I'ron Water" corporation. 	<ul style="list-style-type: none"> • Establishing cooperation between local authorities in part due to local authorities' concerns about costs and bureaucracy

⁶ Inaccurate land registration is a sensitive and time-consuming barrier to all construction projects. Read more in the Task Force Briefing paper: [Urban Planning in Israel's Arab Communities: Essential and Complex Challenge for Economic and Residential Development](#) | February 2020.

PLANNING ADMINISTRATION		
GOALS / ALLOCATION	PROGRESS	REPORTED CHALLENGES
<p>Goals Improve long-term planning in areas of economy, housing, infrastructures, and public services; increase housing supply.</p> <p>Main Processes</p> <ul style="list-style-type: none"> • Complete Master Plans for all localities of 5000+ residents. • Strengthening and restructuring planning committees • Enhancing professional planning capacities in Arab society <p>Budget Allocated: NIS 40.7 M</p>	<ul style="list-style-type: none"> • 20 out of 43 Arab localities with 5,000+ residents now have an approved Master Plan. (Up from 18 in 2018 and 13 in 2016). • 21 other localities with 5000+ are in approval process, and another 2 are in development. • Strategic Planners, budgeted and approved in 2018, were placed and trained in 2019. • Amended planning policy to enable restructuring of planning committees to meet Arab community needs. • By mid-2019 detailed plans reflecting a total of 5000 housing units in Fureidis and Tur'an were advanced in the VATMAL (fast-track process), including parcellation and unification processes. • Additional trainings on planning and parcellation processes in Arab society are in development and dependent on release of national budget restrictions 	<ul style="list-style-type: none"> • Master plans: challenges generating agreement with local authorities about development needs • Difficulties establishing planning committees for cases of overlapping jurisdiction between local authorities. • Difficulties overcoming conflicts between local authorities and regional planning committees • Local challenges advancing land parcellation and unification processes.
<p>Looking forward: Complete remaining master plans; reevaluation in the first quarter of 2020 the issue of local and interlocal planning committees in order to be able to respond to local authorities; Running the course on land parcellation (as soon as national budget is approved)</p>		

**MINISTRY OF CONSTRUCTION AND HOUSING
(and Israel Land Authority)**

GOALS / ALLOCATION	PROGRESS	REPORTED CHALLENGES
<p>Goals: Building new modern neighborhoods and marketing housing on state and private land, building public facilities in existing and in new neighborhoods, and developing open spaces and green areas.</p>	<ul style="list-style-type: none"> • 123 public institutions budgeted, 10 completed⁷ (up from 97 budgeted and 9 completed by mid-2018); project directors and consultants engaged to advance in 2019 and 2020. • By 2018, 14 large-scale development agreements were signed with strategic localities and 43 other local authorities • Significant surveys, research, public and professional awareness-raising through training, conferences and PR completed • By 2018, 30% of the Israeli Open Spaces Conservation Fund was directed to minority towns (NIS 46.1 M). 42 projects were funded in 2016-2018. • Since 2018, urban renewal pilots have been advanced in 6 localities 	<ul style="list-style-type: none"> • Lack of state land in Arab authorities • Difficulties marketing land for residential complexes: cultural resistance, difficulty organizing purchasing groups, priority for local buyers, • High and underestimated costs of planning and development in Arab communities • Lengthy planning and bureaucratic processes at the local and national levels (i.e. applying budgets to private rather than state land) • Difficulties working with management companies (i.e. delays and monitoring quality) • Conditioning the advancement of strategic agreements on land registration, and conditioning the transfer of budgets for public institutions and grants for regulating infrastructure on marketing of residential complexes • Difficulty processing private land registrations with multiple owners • Lack of awareness in Arab public about how to purchase housing • Lack of engineering capacities in Arab local authorities • Ongoing difficulties with construction permits, unauthorized construction, timely signing of contracts, invoices, and submitting tenders
<ul style="list-style-type: none"> • Looking forward: Publication of an RFP to complete the public institutions; recruit external consultants to the headquarters and to districts to support completion of public institutions within local authorities; continuing advancing all stages of planning, master plans in parallel with other planning 		

⁷ In Iksal, Tur'an, Um Al-Fahem, Msahhad, Mizra'a, Basma, Nahaf, Jatt, Fureidis, Abu Ghosh

MINISTRY OF TRANSPORTATION

GOALS / ALLOCATION	PROGRESS	REPORTED CHALLENGES
<p>Goals</p> <ul style="list-style-type: none"> • Develop major roads to and within Arab communities • Enhance public transportation infrastructure and access • Increasing road safety <p>Budget:</p> <ul style="list-style-type: none"> • Infrastructure: NIS 725 M allocated, 59% utilized • Public transportation: NIS 329 M. allocated, 88.7% utilized • Road Safety: Approx NIS 21 M allocated and 62% utilized <p>Total: NIS 1.075 B allocated</p>	<p>Transportation Infrastructure</p> <ul style="list-style-type: none"> • 24 roads within Arab communities were completed between 2016-2018; 18 additional are in progress; 9 are delayed and 10 have not begun • 3 new inter-urban roads were upgraded in 2019 <p>Public Transportation</p> <ul style="list-style-type: none"> • 124 Arab communities now have public transportation (up from 116 baseline). 2020 target is 127 • The annual number of public transportation kilometers serving the Arab population is now 72.58 million. This is up from a baseline of 42.4 million. The 2020 target is 105m km. • In 2019, 18 coordinators were hired and began to work with municipalities to map and define local transportation needs <p>Road Safety</p> <ul style="list-style-type: none"> • The proportion of lethal car accidents in Arab society went down between 2016 and 2018 (33%-30%) but went up again in 2019 to 32%. The 2021 target is 21%. • Implemented road sign plans in 36 Arab localities. • Established 22 training complexes. • Distributed informational guide to religious leaders 	<ul style="list-style-type: none"> • Dissatisfaction of the localities with private management companies and their subcontractors. • Existing infrastructure and topography of Arab towns sometimes impedes construction progress • Lack of suitable infrastructure for public transportation • Delays created due to dependence on external bodies (such as the electricity company). • The annual budget allocation (instead of per project) makes it difficult sustain long-term planning. • Delays in annual budgets due to transfer from the Ministry of Finance. • The rate of fatal car accidents among Arab citizens remains disproportionately high

EDUCATION AND HIGHER EDUCATION

Efforts to close educational gaps are the second largest part of the GR-922 core budget and the focus of its NIS 4.3 billion in differential budgeting.

Government Authorities: Ministry of Education • Council for Higher Education

Total Budgeted: NIS 2.155 B* | 20% of GR-922 core budget

Allocated to date: NIS 1.338 B* | 22% of total allocations

Percent of allocated budget utilized: 68%*

MINISTRY OF EDUCATION		
GOALS / ALLOCATION	PROGRESS	REPORTED CHALLENGES
<p style="text-align: center;"><u>Formal Education</u></p> <ul style="list-style-type: none"> • Reduce high school dropout rates • Improve scores on standardized tests taken in the 5th and 8th grades • Increase the number of graduating high school students taking matriculation exams, and the number scores eligible for higher education, • Increase the number of 12th graders taking the highest level math matriculation exam. 	<ul style="list-style-type: none"> • The Ministry achieved 98% of the goals set for the Meitzav exams in the fields of mathematics, English, Arabic and technology, ages 11 and 14 (5th and 8th grades). • Dropout rates reduced to 3.2% in 2019 compared with 2016 baseline of 5.5%. • The rate of those entitled to a high school diploma is 64.8%, an increase of 6.2% from three years ago. • Finally, the rate of Arab students attending 5 units of study mathematics matriculations was 11% (compared with 8.4% in 2016). 	<ul style="list-style-type: none"> • PISA scores in science, math and reading went down significantly
<p style="text-align: center;"><u>Differential Budgeting</u></p> <ul style="list-style-type: none"> • Beyond GR-922's core budget, an estimated NIS 4.3 billion was allocated to adjust annual state education budgets in favor of Arab elementary and middle schools 	<p>No new data since the end of 2018. At that time, a total of NIS 960 M had been spent on additional teaching hours and training.</p>	

MINISTRY OF EDUCATION (CONTINUED)

GOALS / ALLOCATION	PROGRESS	REPORTED CHALLENGES
<p><u>Informal Education</u></p> <ul style="list-style-type: none"> • Goal: to develop, promote, and establish an informal education system in local Arab authorities according to the needs of children, youth and the community as a whole • Budget: The program, unified as a single initiative called 'Etgarim' has a NIS 130 M annual budget 	<ul style="list-style-type: none"> • Implementation continues in 76 municipalities. This is the fourth year since these projects started operating. • 91,348 teens participating in programs as of 2019, surpassing the 2021 target of 50,000 teens. A new target (90,000) has been set. • 14,298 participants in school scouts • 67 youth department managers have been appointed (fewer than 45 Arab localities had Youth Departments in 2016) • 184 schools established as after-school 'anchors' in the community • 240 informal education coordinators hired and trained (35% turnover rate) • 7 Social-Community Leadership Institutes for Young People (18-21) were established, serving 426 participants to date. • 3,500 students participated in a unique Ministry of Education experiential identity shaping program that has been adapted for Arab society. • 17 new community centers opened since 2016, 3 more in development • Infrastructure is being renovated or constructed in 100 local authorities 	<ul style="list-style-type: none"> • Lack of flexibility in Etgarim budgets • Local difficulties matching funds; budgeting for costs beyond supplier costs; • Delays in transferring budgets from the Ministry of Education • Failure to transfer NIS 17.5 million to youth organizations; • Lack of adequate infrastructure for activities demanded by Arab local authorities • Increases in activity costs after starting the Etgarim program

MINISTRY OF EDUCATION (CONTINUED)		
GOALS / ALLOCATION	PROGRESS	REPORTED CHALLENGES
<p><u>Teacher Training</u></p> <p>Goals: Improve professional capacities, hands-on experience, Arabic language skills and social involvement</p> <p>Budget Allocation: Approx NIS 200 M 100% implemented.</p>	<p>Between 2016-2019:</p> <ul style="list-style-type: none"> • The Ministry implemented this year's NIS 80.4 million in teacher training - including improved hands-on teaching experience, Arabic language proficiency, increased social involvement, and faculty development. • NIS 86.7 million were invested in professional development of teachers in minority populations, and • NIS 33.26 million were invested in apprenticeships and integration in the teaching field. 	<ul style="list-style-type: none"> • High rate of turnover in the profession • Oversupply of teachers in general, but improving the overall quality of educators

COUNCIL FOR HIGHER EDUCATION		
GOALS / ALLOCATION	PROGRESS	REPORTED CHALLENGES
<p>Goals: enhance access, matriculation and retention of Arab students in Israeli higher education institutions</p> <p>2021 targets for Arab students:</p> <ul style="list-style-type: none"> • 17% of undergraduates • 12% of graduate students • 7% of phds 	<p>As of mid-2019, Arab representation in higher education in Israel meets or exceeds 2021 goals. Current rates are:</p> <ul style="list-style-type: none"> • 17.7% of undergraduates • 14.6% of graduates • 7.2% of phds 	<ul style="list-style-type: none"> • The number of undergraduate scholarships provided through Irteka does not meet the needs of Arab society • The program to increase the number of Arab psychologists in Israel covers a limited number of higher education institutes.
<p>Looking forward: The CHE Planning and Budgeting Committee will research the Rowad and Gateway to the Academy programs in 2019/2020.</p>		

LOCAL AUTHORITY CAPACITY BUILDING

The main goals are to enhance organizational development and raise the level of managerial and professional capacities of local authorities while increasing sources of municipal revenue. Additional goals include economic development, emergency preparedness and providing licenses to local businesses.

Government Authorities: Ministry of Interior; **Total Budgeted:** NIS 1.400 B | 13% of GR-922 core budget

MINISTRY OF INTERIOR		
GOALS / ALLOCATION	PROGRESS	REPORTED CHALLENGES
<p>GOALS</p> <ul style="list-style-type: none"> • Organizational development • Economic development and strengthening • Increase municipal revenues via (i) regional clusters and revenue sharing (ii) business licensing (iii) economic development projects • Enhancing geographic committees' ability to change municipal borders, redistribute regional revenues and unincorporated areas. • Enhance digital capacities and services of local authorities • Improve emergency preparedness <p>Allocated to date: NIS 1.374 B* 23% of total allocations</p> <p>Percent of allocated budget implemented: 34%</p>	<ul style="list-style-type: none"> • Economic Projects Approved: All economic projects have been approved and allocated, totaling NIS 800M. This is up from NIS 550M approved in 2018. • 16 Excelling Arab Authorities: All 16 economic plans were approved (NIS 160 million). 13 completed and began implementation on their strategic org dev workplans; 13 submitted digital workplans. • Regional Clusters: 5 new clusters have been established and all include non-Jewish authorities thus 45 Arab localities are now in clusters, or 52% compared with 32 in 2018; 2021 target is 61). • Revenue Sharing: 10 weak local authorities have increased their income as a result of revenue redistribution (up from 5 in 2015; 2021 target of 25) • Border changes: In 2019 approximately 130 border change and revenue sharing applications were handled • Digitization: 10 authorities have obtained approval for the digital work plan and started their implementation. • Cadets for Local Government⁸: 56 cadets serving in Arab localities (22%) up from 21 in 2018. 45 Arab cadets have graduated the program (17%) • Emergency Preparedness: Procedures were updated in 46 authorities; the rest in progress. In 2019, NIS 28M was invested in strengthening local emergency operating centers in partnership with the Home Front Command 	<ul style="list-style-type: none"> • Budget: Delays in budget approval by the Ministry; Budgets are often Inadequate and local authorities have difficulties in obtaining matching; Projects too often become irrelevant between the time of approval and implementation. • Land: lack of state land and multi-ownership of private lands delay and limit local authorities from advancing construction projects; • Local Capacities: Many authorities still lack implementation capacities • Digital Gaps: lack of information systems in local authorities continues to limit digitization plans • Border and Tax Revenue Redistribution: A lack of government throughout 2019 meant the Minister of Interior could not sign and approve tax redistribution agreements or border changes

⁸ "Cadets for local government" is a joint initiative between the Ministry of Interior, Atidim and Edmund De Rothschild Partnerships, which places young people in a study-and-public employment track. The initiative subsidizes their studies at Ben Gurion University, University of Haifa or the Technion, and places them in Jewish and Arab localities throughout Israel's periphery for a four-year employment period. The cost of employing these cadets is subsidized by the Ministry with only a small match by the local council. Current placements of all cadets can be viewed [here \(Hebrew\)](#).

<p><u>MAWARED</u>⁹</p> <p>Goal: To establish 44 resource 'integrator' positions to work with and within Arab local authorities and support economic development, enhance capacities, and realize government resources, tenders and opportunities.</p>	<ul style="list-style-type: none"> • Recruitment took place in 2019. • As of Jan 1, 34 integrators were hired and placed in 34 local authorities 	
<p>Looking forward: Advance emergency preparedness by establishing operation centers, continue cooperation with the Home Front Command and Ministry of Defense, additional funding of NIS 10 million from the Ministry of Defense. Stage B – mapping and training relevant municipal staff to deal with emergency situation in all Arab local authorities.</p>		

ECONOMY AND EMPLOYMENT

Government Authorities: Ministry of Tourism, Ministry of Labor, Social Affairs, and Social Services, Ministry of Economy

Total Budgeted: NIS 1.048 B | 10% of GR-922 core budget, **Allocated to date:** NIS 651 M | 11% of total allocations, **Percent of allocated budget utilized:** 60% (down from 62% in 2018)

MINISTRY OF TOURISM		
GOALS / ALLOCATION	PROGRESS	REPORTED CHALLENGES
<p>The issue of tourism was mostly left out of GR-922. The only initiative included was a NIS 200,000 budget to restore the old Saraya building in Nazareth and create a strategic tourism plan for the city.</p> <p>Allocation: NIS 93,000 out of a budgeted 200,000 Budget utilization: 32% of NIS 93,000</p>	<p>No progress reported since 2018</p>	<p>Both initiatives have been delayed due to insufficient matching funds that the Municipality of Nazareth needs to provide</p>
<p>Looking forward: Submit request to approve a tourism incubator; Identifying an implementing body to submit projects to the Ministry of Tourism</p>		

⁹ The "Mawared (Resources) Initiative for Resource Utilization and Economic Development in Arab Local Authorities" is a collaboration between JDC Institute for Leadership and Governance, the Ministry of Social Equality, the Authority for Economic Development of the Arab Sector, and the Ministry of Interior. While budgeted outside the framework of GR-922, the program defines and budgets 44 positions of "Integrators" – experts who will work within Arab localities to help realize GR-922 resources, tenders and economic development opportunities.

**MINISTRY OF LABOR,
SOCIAL AFFAIRS, AND SOCIAL SERVICES**

GOALS / ALLOCATION	PROGRESS	REPORTED CHALLENGES												
<ul style="list-style-type: none"> • Goals: to enhance the integration of Arab citizens into the labor market, with emphasis on degree holders, women, "non-abusive employment" (payment above minimum wage) for women, and monthly wages of NIS 8,000 (USD 2,160) and above for men • Allocation: NIS 332,157,000 • Budget Utilization: 69% 	<p>Men's Employment</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 33%;">2016</th> <th style="width: 33%;">mid-2019</th> <th style="width: 33%;">Target (2020)</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">75.4%</td> <td style="text-align: center;">77.3%</td> <td style="text-align: center;">78%</td> </tr> </tbody> </table> <p>Women's Employment</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 33%;">2016</th> <th style="width: 33%;">mid-2019</th> <th style="width: 33%;">Target (2020)</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">31.5%</td> <td style="text-align: center;">38.2%¹⁰</td> <td style="text-align: center;">41%</td> </tr> </tbody> </table> <p>Riyan Employment Centers</p> <ul style="list-style-type: none"> • Two new centers est. in 2019 • 12,175 new Riyan participants in 2019 • A 46% placement rate among active participants <p>Early Childhood Daycare Centers</p> <ul style="list-style-type: none"> • 43% of construction budgets have been allocated as of mid-2019 (compared with 25% in mid-2018). • Two centers out of 35 budgeted have been constructed. 	2016	mid-2019	Target (2020)	75.4%	77.3%	78%	2016	mid-2019	Target (2020)	31.5%	38.2% ¹⁰	41%	<p>Daycare Centers</p> <ul style="list-style-type: none"> • Lack of available land, local authorities' difficulties producing matching funds and delays implementing allocated budgets, lack of requests by local authorities for funding • Daycare centers are funded through the national budgets rather than additive funding. Until a national budget is passed, no funding is available nor is there knowledge of how much funding will be available for this purpose.
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¹⁰ This is a decline from the 40% that was reported by the end of 2018.

MINISTRY OF ECONOMY		
GOALS / ALLOCATION	PROGRESS	REPORTED CHALLENGES
<p>GOALS</p> <ul style="list-style-type: none"> Establishing new industrial parks in Arab localities and districts, Increasing the employment percentage of Arab professionals (with emphasis on the more prestigious industries) Support for small and medium businesses, and exporters Encouraging engagement in high-tech industry <p>Allocated: NIS 318 M; Budget utilization: 64%</p>	<ul style="list-style-type: none"> Industrial Parks/Zones: NIS 89.5 M were allocated for creation of industrial parks. While only 12% of this budget was used, marketing for construction of 4 new industrial zones (Kfar Kana, Deir Hanna, Sakhnin, and Umm al-Fahm) has begun. Job subsidies: Approx. 2000 jobs created by subsidies and incentives for diversity employment (201 jobs created in 2019) <p>Business support:</p> <ul style="list-style-type: none"> Support provided by MAOF to 16,000 small businesses since 2016, including 5000 since 2018 (this is above the 2021 target of 15,868.) 57 Arab exporters approved for smart money plan since 2016. 8 in 2019 (Baseline was 17; 2021 target is 59) <p>High Tech:</p> <ul style="list-style-type: none"> 6 high-tech business centers established¹¹ 2 high tech commercial rental spaces set for development in 2019/2020 	<p>Industrial Zones:</p> <ul style="list-style-type: none"> Due to stipulations related to other government plans, the budgets remaining from this allocation for most Arab local authorities are too small to advance the project. Heavy dependence on Jewish localities that usually control the land. Local authorities lack tools to deal with disagreement with partner localities. As of the end of 2018, this component has been unrealized, and most planned funds were on hold.
<p>Looking forward: Budget planning for industrial zones and preparations for next steps; continuing functioning of the 6 high-tech business centers; supporting the establishment of the 2 high tech commercial spaces; continuing implementation of the employment track along with adjustments for changing realities and developing other tracks to enhance employment and advanced employment integration.</p>		

¹¹ Baqa al-Gharbiyye, Sakhnin, Nazareth, Shfaram, Majdal Shams, and Yarka

COMMUNITY AND SOCIETY

Government Authorities: Ministry of Culture and Sport, Authority for National-Civil Service, Ministry of Internal Security, Ministry of Health

Total Budgeted: NIS 818 M | 7% of GR-922 core budget

Allocated to date: NIS 514 M | 8% of total allocations

Percent of allocated budget utilized: 47% (up from 18% in 2018)

MINISTRY OF CULTURE AND SPORT		
GOALS / ALLOCATION	PROGRESS	REPORTED CHALLENGES
<p>Goals: Build physical infrastructure, mostly for sports activities.¹²</p> <p>Allocated: NIS 338 M Budget Utilized: 33%</p>	<ul style="list-style-type: none"> • 43 new synthetic playing fields of 64 budgeted have been built (up from 3 in 2018) • 21 new soccer fields are under construction and 3 additional now have construction permits (up from 4 constructed in 2018) • Lighting installed in 23 existing fields • 24 sports halls are under construction and 9 additional have construction permits (up from 2 in 2018 and 16 with permits) • No progress on renovating existing sports facilities 	<ul style="list-style-type: none"> • Difficulty meeting matching requirements • Lack of available land • Project plans not suitable for Arab towns creating higher than anticipated cost and engineering challenges • Lack of coordination between government ministries
<p>Looking forward: Evaluation plan for completed facilities and development of next plan; increased emphasis on following up on delayed projects; develop a plan that will help identify and express local needs for establishing sport facilities</p>		

¹² Budgets for cultural development for Arab society are not part of GR-922.

Ministry of Public Security ¹³		
GOALS / ALLOCATION	PROGRESS	REPORTED CHALLENGES
<p>Goals: To reduce violence in Arab communities by enhancing police activities, including recruiting Arab police officers, establishing police stations in Arab localities and via education and prevention programs</p>	<p>No 2019 progress report submitted</p> <ul style="list-style-type: none"> • 388 Arab police officers, including 42 women • Est. 11 new police stations and enhanced 2 <p>Authority for Prevention of Drug and Alcohol-Related Violence</p> <ul style="list-style-type: none"> • Training and awareness-raising in all Arab local authorities • Urban policing plans are operating in several localities • Local technological systems established and connected to regional centers. • As of 2019, the Police Social Service Program should be operating at 15 police stations serving Arab communities 	<ul style="list-style-type: none"> • Difficulty finding available land for establishing stations • Difficulty recruiting Arab officers

Ministry of Health		
GOALS / ALLOCATION	PROGRESS	REPORTED CHALLENGES
<p>Goals: Promote collaboration between the hospitals. This is in place of efforts to unite the hospitals serving the Nazareth area, which was unsuccessful</p>	<p>No 2019 progress report submitted</p> <ul style="list-style-type: none"> • The Ministry provided the hospitals with an outline for cooperation; no response to the outline from the hospitals as of 2018. 	

¹³ The Ministry of Internal Security's plan is reported within the GR-922 Steering Committee report, but is budgeted via a [separate government decision from May 2016](#).

CIVIL SERVICE AUTHORITY ¹⁴		
GOALS / ALLOCATION	PROGRESS	REPORTED CHALLENGES
<p>Goal: Increase the number of volunteers; integrate quality institutions and expand service to new locations. Provide volunteers with better training and prepare them for integration into higher education and the job market.</p> <p>Allocated (non-GR-922): NIS 32 M Budget Utilized: 60%</p>	<p>There were 4,400 Arab civil service volunteers in 2019, out of a 2021 target of 5365</p> <ul style="list-style-type: none"> • 5 new local authorities joined the national civil service program in 2019 • Added 80 civil service slots in each youth movement • Established “the Universal Volunteer” plan • Est and launched professional training for volunteer roles with Ministry of Education –3800 participants as of 2019 • Funded Hebrew course for Arab volunteers, served 3,243 participants 	<ul style="list-style-type: none"> • Difficulty opening civil service frameworks in Arab society • Lack of awareness in Arab local authorities about activities of the civil / community service • Many Arab local authorities do not see enhancing participation in the civil service as part of GR-922 implementation and therefore did not prioritize it • Need to increase coordination between the Director-General of the Ministry of Education and administrators of educational institutions

¹⁴ Budgets for increasing Arab participation in the civil service are not part of GR-922