



Inter-Agency Task Force on Israeli Arab Issues

**Government Resolution 550 (Takadum):
NIS 30 Billion for Socio-Economic Development of Arab Society**

November 2021

On November 4th the Government of Israel approved [Government Resolution 550](#),¹ the second multibillion shekel, 5-year economic development plan for Arab society in Israel. GR-550 was approved as part of Israel's new NIS 573 billion (USD 183 billion) annual state budget, the first passed in over three years.

Totalling approximately NIS 30 billion (USD 9.6 billion), GR-550 is more than double the size of its predecessor, [GR-922](#) (the groundbreaking five year plan for Arab society approved in 2015).² Like the first plan, GR-550 is an aggregate of numerous workplans across dozens of government ministries aiming to narrow gaps and remove barriers to growth across key areas of economic activity. Beyond larger budgets, GR-550 expanded on GR-922s footprint, introducing new areas, and integrated many lessons learned from the first plan's implementation.

Publicly, GR-550 was given the name “*Takadum*” (‘progress’ or ‘advancement’ in Arabic), reflecting its size and scope, as well as the increased recognition of the need to narrow gaps for Arab society and the prominence of Arab citizen’ issues on the national agenda. Planning for GR-550 began in 2018, midway through GR-922, with the goal of building it in closer coordination with Arab local leadership and civil society so that it would be better adapted to realities on the ground. [Israel's political crisis](#) (spanning four general elections), the [COVID-19 pandemic](#), [events of May 2021](#), and an ongoing [violent crime epidemic in Arab communities](#) further influenced the new resolution.

This short update provides a brief overview of how GR-550 builds and expands on GR-922, outlines its content and structure, and points to areas for further learning in the months ahead. It also touches on the greater visibility of these budgets in Israeli public discourse.

Building on GR-922

GR-550 expands on GR-922 in both substance and method. Promoting a more holistic approach to socio-economic development for Arab society, it expands on the social areas of investment while continuing to boost employment, education, and infrastructure for economic activity. GR-550 also aims to improve implementation via better coordination, monitoring, evaluation, and accountability. Some of the main areas of expansion and innovation are:

New Funding Areas

- **Quality of Life:** In addition to areas that directly reduce poverty and improve economic activity in Arab communities, GR-55 includes new funding in areas of **health, welfare and social services**, and **environmental protection**. Along with continued funding of sports, culture, and

¹See the full resolution in Hebrew here: [מספר | 2026 לשנת עד בחברה הערבית פערים לצמצום | התוכנית הכלכלית למצומם](#)
[התוכנית הכלכלית למצומם פערים בחברה הערבית עד לשנת 2026 | מספר | משרד ראש הממשלה | החלטה 550 \(www.gov.il\)](#)

² Find a series of updates on GR-922 implementation on [IATF's publication resource center](#).

- municipal services, these expansions reflect a broader assessment of how quality of life issues correlate to socio-economic development.
- **New Priorities:** Other new areas, like **financial inclusion**, **young adults**, and **digital access**, are based on more insights into the consequences of underlying barriers to economic participation and mobility such as lack of mortgages, the high proportion of “NEETS” (young adults not employed or in an educational or vocation training setting), and digital exclusion.
- **Mixed Cities:** Because much of GR-922 was implemented via Arab municipalities, Arab residents of mixed cities were largely excluded. Though a plan for mixed cities had long been in discussion, the issues became urgent after the events of May 2021. GR-550 now includes an NIS 300 million workplan for mixed cities to promote shared society and narrow gaps between Jewish and Arab residents.

Implementation, Monitoring and Evaluation. GR-550 includes several mechanisms for reinforcing better implementation and use of budgets:

- **Coordination and Feasibility:** GR-550 was designed in close coordination between local Arab leadership,³ civil society organizations, and government officials⁴, enabling workplans that are more finely tuned to real conditions and implementation capacities on the ground rather than based on needs that may not have attainable solutions yet.
- **Accountability:** Coordination, transparency and data sharing are woven into many of the workplans, many of which stipulate cross-ministerial steering committees accountable to convene and report regularly on progress, as opposed to leaving implementation and budgeting up to each ministry independently.
- **Data, Monitoring, and Evaluation:** Many of the workplans in GR-550 benefit from increased availability of data about Arab social and economic indicators due to GR-922. Continued collection and use of data as well as milestones and schedules for measurement and evaluation are written into and budgeted for in many of the workplans.
- **Budget Flexibility:** Along with better ongoing evaluation, GR-550 allows for changes in budget allocations based on proven successful implementation, capacity for future implementation, and program effectiveness. Government bodies lagging on implementation or rolling out poor programs will be at risk of losing their funding, while those working well will benefit from these diverted resources—creating incentives and competition among implementors.

GR-550 Workplans and Budgets

GR-550 is made up of 32 sections, each representing a separate workplan (or workplans) in a major area of activity. Like GR-922 most GR-550 workplans allocate budgets for Arab society in general. However, plans designated for sub-populations like Negev Bedouin, Druze, Bedouin in the North (all previously standalone) were included within the GR-550 framework even though some required separate approval.

³ The National Council of Arab Mayors sat on the GR-922 Steering Committee and was a leading partner in developing and coordinating proposals for the 32 workplans in GR-550.

⁴ The Authority for Economic Development within the Ministry of Social Equality within the Ministry for Social Equality is responsible for developing, oversight, coordination, monitoring, and evaluation of GR-550. It convened 13 issue-focused inter-ministerial committees each assessing needs and outlining solutions the areas included in GR-550.

Notably, while budgets for East Jerusalem and the government plan to combat violent crime in Arab society are *not* part of GR-550, they are listed below because *Takadum*, like GR-922 before it, has become an umbrella term for government funding in Arab society in general.

The charts below provide a snapshot of the major areas and key aspects of their workplans.⁵

GR-550 Workplans for General Funding in Arab Society		
Funding Area	Budget (NIS) ⁶	Description
Education and Higher Education	9.4 billion	<ul style="list-style-type: none"> Expand differential budgeting to Arab high schools; continue for lower grades Improve Arab academic matriculation rates and PISA⁷ scores Reduce dropouts Digital literacy, language studies (Hebrew and Arabic), early STEM exposure Teacher training Construct classrooms Promote social values and leadership through informal education Scholarships for higher education
Transportation	3 billion	<ul style="list-style-type: none"> Upgrade roads, sidewalks, public transportation, and road safety Connect central Arab towns to Israel's railroad system
Housing	2.8 billion	<ul style="list-style-type: none"> Reduce physical, regulatory, land registration and availability barriers to planning, approving master plans, Expand housing infrastructure in cities
Local Authorities	1.7 billion	<ul style="list-style-type: none"> Improve local services and effective independent functioning Increase revenue streams and regional cooperation Improve access to state budgets and bank loans Grow quantity and quality of professional staff and managerial reserves through budgets, training, and leadership development
Employment	1.4 billion	<ul style="list-style-type: none"> Provide guidance, training, and placement in higher-wage professions Promote diversity and inclusion in private and public sectors through recruiting, incentives, monitoring, and regulations Ensure effectiveness of programs and employment services for young adults Focus on tech and STEM fields and job creation in Arab society
Sewerage	1.25 billion	<ul style="list-style-type: none"> Improve systems and connect more homes and buildings
Sports and Culture	1.05 billion	<ul style="list-style-type: none"> Develop sport clubs and stadiums Promote Arab representation in international sports competitions Develop an Arab municipal 'sport package' adapted to society's needs Promote cultural activities, institutions, infrastructure, and site preservation
Health	650 million	<ul style="list-style-type: none"> Narrow gaps in health with a focus on diabetes, obesity, and chronic illnesses Reduce infant mortality rates and improving maternal health Develop mental health capacities (training, access to services)
Industrial Areas	475 million	<ul style="list-style-type: none"> Establish new industrial zones and expansion of existing ones Raise income to local authorities from industrial zones (rent, taxes)
Business Development and Productivity	236 million	<ul style="list-style-type: none"> Support small and medium business, including access to credit, with a specific focus on women Support Arab business exports Promote productivity through technological and business innovation

⁵ Some GR-550 sections are combined in this summary for simplification.

⁶ Budget amounts listed in the chart are near approximations because while most amounts listed below are additive budgets specified by GR-550, others reflect percent changes to a given Ministry's annual budget that are stipulated by the plan. Finally, several sections refer to budgeting decisions still to come.

⁷ An international test measuring 15-year old students' performance across a range of subjects.

Hi-Tech and STEM Development	600 million	<ul style="list-style-type: none"> • Assist students with entering high-tech industry • Increase Arab professionals in Hi-Tech and STEM through Riyan centers • Establish dedicated task force of government, NGOs, academy, and industry.
Environmental Protection	550 million	<ul style="list-style-type: none"> • Reduce illegal garbage incineration, improve waste management and recycling • Increase environmental education and green building • Promote solar power facilities and renewable energy
Welfare and Social Security	665 million	<ul style="list-style-type: none"> • Expand services and capacity building efforts for welfare departments • Significant increase in Arab social workers • Establish regional resilience centers for Arab society • Establish a unique welfare fund for Arab society • Capacity building for prevention and services for victims of domestic violence • Programs for elderly vulnerable to loneliness and social isolation
Youth and Young Adults (15-25)	200 million	<p>Programs for NEETs on two tracks:</p> <ul style="list-style-type: none"> • Employment: training and access to labor market, quality employment, retraining graduates as teachers • Academy and leadership: access to academic studies, leadership programs, research programs in various fields
Financial Inclusion and Rehabilitation	85 million	<ul style="list-style-type: none"> • Double rate of Arab mortgage recipients • Improve financial literacy • Enhance access to credit and reduce dependence on cash
Internal Security	85 million	<ul style="list-style-type: none"> • Develop firefighting capacities: stations, recruitment, training, awareness • Security cameras in 'hotspots'
Digital Access and Literacy	65 million	<ul style="list-style-type: none"> • Monitor expansion of internet infrastructure to 80% of Arab households • Reach 40,000 individuals with digital literacy programs by 2026 • Translate all government services and websites to Arabic • Adapt key government services to Arabic (i.e. postal service and road safety)
Tourism	14 million	<ul style="list-style-type: none"> • Develop infrastructure and offer training that supports tourism in Arab society

GR-550: Budgets for Sub-Populations within Arab Society		
Funding Area	Budget (NIS)	Description
Negev Bedouin	5.1 billion	Currently in planning phase under the Division of Socio-Economic Development of Bedouin Society in the Ministry of Welfare and Social Security
Mixed Cities	300 million	Currently in planning phase under the Ministry for Development of the Negev and the Galilee
Druze and Circassian	3 billion	Currently in planning phase under the Prime Minister's Office and The Ministry of Finance
Northern Bedouin	1.4 billion	Currently in planning phase under the Authority for Economic Development within the Ministry for Social Equality

Adjacent Plans for Arab society (Approved in overall Government Budget but outside GR-550)		
Funding Area	Budget (NIS)	Description
East Jerusalem (GR 581)	2 billion	Entering planning phase under the Ministry for Jerusalem affairs, the Ministry of Finance and the Jerusalem Municipality
Crime and Violence (GR 549)	2.5 billion	Holistic plan, in collaboration with Israel's police, Ministry of Justice, and local authorities.

Summary and Looking Ahead: Challenges and Opportunities

Overall, GR-550 is a robust economic development package for Arab society that builds on the foundations created by GR-922. Though GR-922 met numerous implementation barriers and only began to narrow gaps in Arab communities, some of its deepest impact was in broadening recognition of the severity of gaps between Jewish and Arab citizens, fostering professionalization of related civil society and municipal arenas, and strengthening cooperation between the state and Arab communities.

GR-550's more holistic approach to economic development, depth of partnership with Arab leaders on its design, reliance on more available data, and incorporation of better monitoring and evaluation mechanisms can be directly attributed to the momentum, better capacities, and higher receptivity generated by the previous plan.

In addition, whereas GR-922 was well-known mostly in professional and philanthropic circles, the new plan has been subject to intense public scrutiny, closely tied to Mansour Abbas' pivotal and controversial role in Israeli national politics.⁸ GR-550's ability to withstand unprecedented visibility reinforces that these issues have gained widespread acknowledgment.

That said, GR-550 is still relatively little funding compared to the size and complexity of the gaps involved, averaging at NIS 6 billion (USD 1.93 billion) per plan year. While better mechanisms may be in place, challenges to effective use of budgets also cannot be underestimated. Its greater visibility also increases the risk that failure to meet goals and reduce gaps will deepen frustrations.

The first year of GR-550 will continue to shed light into workplans that are still in development and the discourse surrounding its implementation. Looking ahead, the Ministry for Social Equality, its Authority for Economic Development, and the other government ministries involved will have the compound responsibility of managing and promoting the higher measurement, accountability, and evaluation mechanisms, while steering implementation and cooperation towards efficient and tangible results on the ground. The latter depends heavily on continuing to develop local authorities' implementation and management capabilities, and the ability to bring the related data, mapping, and research components to bear.

⁸ See IATF updates: [Coalition Approves Billions for Arab Society, Assigns Arab Chairs to Influential Committees](#) | Aug 17, 2021 and [Ra'am Joins the Coalition: A New Era in Israeli Politics?](#) | June 11, 2021