



Inter-Agency Task Force on Israeli Arab Issues

**Government Resolution 922**  
**Five Year Economic Development Plan for Arab Society:**  
**Update on First Year Implementation**

As of January of 2017, [Government Resolution 922](#), the unprecedented NIS 12-15 billion, five-year economic development plan for Arab society, entered its second year. In a February steering committee meeting and March press conference, government officials reported on accomplishments in year one, and the current status of plan implementation. Most government ministries used the first year primarily to create detailed workplans and establish systems for implementation. Still, a total of NIS 2.93 billion was allocated (NIS 900 million of which went directly to Arab localities for core and development budgets) setting in motion a significant number of programs and development supports.

According to reports by the Ministry for Social Equality and the Authority for Economic Development of the Arab Sector (“the Authority”), noteworthy progress took place in the Ministry of Housing, the Youth and Society Administration at the Ministry of Education, the Ministry of Interior, the Ministry of Transportation and the Ministry of Welfare (details below). Two ministries were noted for not adequately using 922 resources and lagging behind, the Ministry of Negev and Galilee and Ministry of Tourism, and are now working with the Authority to trouble-shoot and catch up.

The level of transparency, coordination and cooperation between the central government and Arab mayors continues to be a highpoint of plan implementation. With the Authority taking the lead, all stakeholders have unprecedented access to GR-922 workplans, updates and resources through a centralized website and conferences. The Arab Mayors Forum has been playing an important intermediary role ensuring close consultation and coordination between the government and Arab mayors.

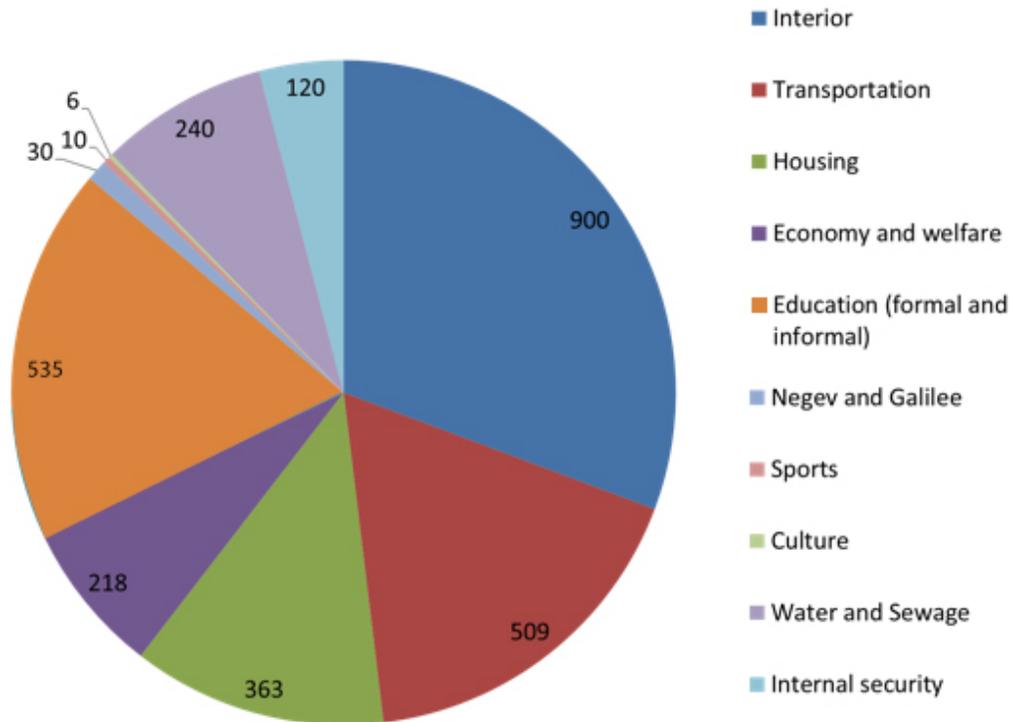
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*We would like to thank Mr. Aiman Saif, Director of the Authority for the Economic Development of the Arab Sector at the Ministry for Social Equality, the Authority staff and staff of Sikkuy for their generosity in providing information and insights.*

Following is a brief summary of major areas of progress by government ministries over the first year of GR-922 as reported in the Steering Committee Meeting of February 15, 2017 and a Nazareth press conference on March 21, 2017.<sup>2</sup>

### GR-922 budgets for 2016\*

Around NIS 2.93 billion have been invested in the Arab communities in 2016



\*Graph courtesy of Authority for Economic Development at the Ministry of Social Equality

### MINISTRY OF EDUCATION and COUNCIL FOR HIGHER EDUCATION

**Total allocated NIS 535 million (NIS 130 for informal education and NIS 405 for formal)**

The main goals under 922 for education in Arab society were to boost informal education, improve the quality of teaching and student achievement in the formal public school stream, and close cumulative funding gaps through preferential—or as it is called by the government of Israel, “differential,” budgeting. Higher education is included in the overall scope and goals of the plan through a second five-year plan of the Council for Higher Education, based on the first five-year plan and incorporating additional budgets.

<sup>2</sup> For details regarding the spheres of responsibility and initial budgets across all involved ministries see the Task Force paper: [Economic Development Plan for the Arab Sector: Current Status, Government Workplans and Civil Society Involvement](#) from July 2016.

The ministry reported significant progress in all these areas, including close to 100% allocation of the planned budgets.

### **Informal Education**

In 2016, major developments in informal education for Arab society included building up the department for Arab society in the Ministry of Education's Youth and Society Administration (the 'Administration'). The Administration oversees informal education throughout Israel, and previously only had a handful of people dedicated to Arab society. It now has a headquarters for Arab society with regional inspectors to oversee implementation and enforcement of the multi-year plan and related regulations. Additionally, the Administration developed a standardized planning tool through which Arab localities will build a master plan for informal education on the local level, and received initial plans from all 67 Arab localities. In recent months, the Administration entered a partnership with JDC-Ashalim to assist in developing strategies, mapping needs and monitoring the impact of enhancing informal education in Arab society.

NIS 70 million was allocated to the localities for the first year of informal education activities according to their plans, out of the NIS 130 million budgeted for informal education in 2016, with 20% of that sum already disbursed to all eligible localities and the rest to be paid upon completion of the workplans and presentation of results in August 2017. The other NIS 60 million went towards establishing the headquarters, upgrading existing informal education facilities in Arab localities (renovation, roofing etc. – around NIS 500,000 to each locality) and developing nationwide initiatives, including the following:

- **Budget Matching Cap:** The "Youth Law" was adjusted regarding the government-locality matching scheme for the costs of local Youth Departments. Youth Departments have been obligatory in all local councils in Israel since 2011, and are responsible for all informal education activities in their localities. Following this change, localities in the lowest three socio-economic clusters (on a scale of 10 clusters) are required to match only 10% of the costs of the Youth Department, with government matching the other 90% (previously matching of 30% was required). Since the vast majority of Arab localities are in these three lowest clusters, lower matching enabled additional localities to institute Youth Departments, and today 60 of the 67 localities have staffed Youth Departments.
- **Community Centers Opened:** Six new community centers were opened in Arab localities (Iksal, Shefaram, Zemer, Zur Baher, Shibli and Kaboul) in partnership with the [Association of Community Centers](#) (Ha'hevra LeMatnasim).
- **Civil Society Partnerships:** The Administration signed cooperation agreements with civil society organizations, one with [Mifalot Sport](#) for 45 groups in 24 localities, and one with the [Society for the Protection of Nature](#) for three new Eco-Community Centers<sup>3</sup>—the first ever in Arab localities.

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<sup>3</sup> [Eco-Community Centers](#) are special bodies in some of Israel's peripheral localities, developed in cooperation between the Society for the Protection of Nature in Israel (SPNI) and the local authority. They aim to enhance

- **Summer Day Camp:** Budgets for summer day camps for 3<sup>rd</sup> graders were made available to all Arab localities (and 75% submitted requests) for 2016. Previously, low-cost summer day camp was available to 1<sup>st</sup> and 2<sup>nd</sup> graders through the formal education system, and partially also for 4<sup>th</sup> to 6<sup>th</sup> graders through the Administration. As of 2017, 3<sup>rd</sup> graders will be included in formal education summer programs and no longer need to be funded through GR-922.

**Plans for 2017:** Collecting and approving strategic workplans from all localities and allocating an additional NIS 70 million for informal education activities on the local level; Opening 7 new Community Centers (NIS 9.7 million); Transforming 220 schools to centers for afternoon activities (within the NIS 70 million budget); Opening 7 new Eco-Community Centers (NIS 3.1 million).

## Formal Education

- **Enhanced Student Achievement Through Differential Budgeting:** NIS 350 million was budgeted for an additional 27,000 teaching hours in math, Hebrew and Arabic in Arab schools. These hours are part of differential budgeting efforts to close existing budget and achievement gaps (Arab students previously received between 22% less in elementary schools to 43% less in high schools than Jewish students from comparably weak communities<sup>4</sup>) and ensure weak Arab localities receive additional hours on top of existing measures to favor weak communities. As a result, the following took place or is in progress: addition of teaching hours in math for grades 9-12; launch of the “Hebrew K-12” program (2 additional weekly hours of spoken Hebrew throughout Arab public schools); reading and extra support programs to strengthen Arabic language proficiency.
- **Quality of Teaching:** Progress includes a new Arabic language proficiency exam that sets higher standards for future teachers, pre-academic training for future Bedouin teachers including training for their trainers, enhancement of Arabic language training, pedagogy, academic support and additional training components for teachers of all subjects and all grade levels.

**Plans for 2017:** enhance training of existing teachers; build leadership tracks; supporting school principals; wider differential budgeting for Arab schools.

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environmental education among children and the wider public, create better awareness and pride in each locality and its surroundings, and to empower weaker communities and youth. They work both within the formal and the informal education systems.

<sup>4</sup> According to the Ministry of Finance’s report from July 2016: [Systemic Program for Economic Integration of Arab Society by Correcting Distortions in Government Allocations \(Full Hebrew Text\)](#), p. 41

## Higher Education

The Council for Higher Education's new five-year plan will be an expansion of the [prior five-year plan](#) and is expected to be complete in May 2017.

## MINISTRY OF ECONOMY AND MINISTRY OF WELFARE AND EMPLOYMENT<sup>5</sup>

### Total allocated: NIS 218 million

Under GR-922, these two ministries are responsible for increasing employment (especially of Arab women), developing industrial areas, small and medium business support, access to day care and occupational safety. The Ministries reported significant progress in most of these areas, as detailed below, but not enough in (i) boosting women employment, where rates of 32-34% fall short of the government targets of 41% in 2020, and (ii) development of new industrial parks, as none were opened in 2016. Still, 2016 allocations of NIS 218 million, more than initial estimates, was invested in:

- **Employment Subsidies:** NIS 45 million was allocated for employment subsidies (to employers hiring new Arab workers) and the government estimates that 900 new Arab employees will be hired over the course of 2016-2017 as a result.
- **Overseas Marketing of Arab Exports:** More than NIS 7 million was allocated (initial budget planned for 2016 was around NIS 4 million) to enhance Arab businesses' marketing capacities overseas through subsidies for professional consultants, overseas representatives, and support for marketing plans and campaigns. A number of conferences and round tables for Arab companies were held to raise awareness about this assistance.
- **Small and Medium Business Assistance:** 2,500 small and medium businesses received assistance from MAOF Centers<sup>6</sup> and around 1,000 Arab women received micro-loans (in cooperation with the KORET Fund<sup>7</sup>) at a total of NIS 11.4 million.
- **Development of Industrial Areas:** The budget for new industrial areas was increased from NIS 60 million to NIS 97 million to help address the numerous barriers to construction, with additional funds available upon successful implementation. Still, no new industrial parks were opened in 2016.

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<sup>5</sup> The sphere of employment was moved from the Ministry of Economy to the Ministry of Welfare (that became Welfare and Employment) during 2016. The two ministries presented their achievements together.

<sup>6</sup> [MAOF Centers](#) are capacity-building centers for small and medium-size businesses around the country, established and budgeted through the Ministry of Economy. They offer professional consultations, training courses, assistance in marketing, connection to funding bodies etc. There are 39 such centers, 10 of them serving specifically the Arab population.

<sup>7</sup> Koret Israel Economic Development Funds (KIEDF) was established in Israel in 1994 upon the initiative of the Koret Foundation of San Francisco. It provides various revolving loans programs and financial assistance to small and medium-size businesses. [The SAWA Program](#), which runs in partnership with the Israeli government, provides direct non-bank loans to thousands of Arab women, to allow them to open a micro enterprise.

- **Riyan Employment Centers:**<sup>8</sup> NIS 50 million was allocated to operate and increase the capacity of all 21 Riyan Employment Centers. More than 9,800 new job seekers used Riyan Centers in 2016, 60% of them women, with an overall placement rate of 79% (69% for women).
- **Daycare Centers:** NIS 24 million (or 25% of the Ministry's budget for day care) was allocated to subsidize and operate existing day care centers in Arab localities and NIS 31 million was allocated for construction of new centers, though finding available land and appropriate facilities is proving to be a challenge.

**Plans for 2017:** Allocate NIS 5 million for student internships; NIS 0.6 million in start-up support through Hybrid accelerator<sup>9</sup> for 8-10 new businesses; a goal of 14,000 new job seekers for the Riyan Employment Centers of whom 70% will be women; open two new Riyan centers; and provide an additional NIS 12 million for daycare centers (over the minimum requirement that 25% of the ministry's budget for daycares goes to Arab society.)

## MINISTRY OF HOUSING

**Total allocated: NIS 363 million**

GR-922 aims to begin resolving the major housing shortage in Arab society, which is related to a shortage of available land, a lack of planning and planning capacities in Arab localities, issues of zoning, and barriers to construction of homes and neighborhoods. Major goals under GR-922 are to complete urban plans in all 42 Arab localities with more than 5000 residents; as well as establish new neighborhoods, fund construction of public facilities and develop planning capacities of 58 eligible Arab municipalities (not including Bedouin, Druze or Circassian localities that are covered by other budgets). In 2016 cooperation agreements were signed between the government and 56 of the 58 localities eligible for government investment in housing, planning and public facilities, with the remaining two agreements pending. These cooperation agreements distinguish between 15 localities with land available for large-scale development of new neighborhoods with apartment buildings, and those where smaller, targeted development

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<sup>8</sup> There are 21 [Riyan Employment Centers](#) throughout Arab society in Israel that were established by the government in cooperation with JDC-TEVET and are operated through a standalone organization, Al Fanar ("lighthouse"). These centers provide employment preparation, training and placement services in Arab localities in an effort to increase integration of Arab citizens into the workforce.

<sup>9</sup> [Hybrid](#) is an accelerator operated by the Nazareth Business Incubator Center. It is a Ministry of Economy and Industry-supported program aimed at bringing startups from Israel's Arab community to the next level. The program is being run in coordination with the [8200 Alumni Association](#), representing the veterans of the Israel Defense Forces' elite intelligence and technology unit.

projects are being planned (NIS 50.4 million is allocated for planning with both groups). Specific achievements in these areas in 2016 include:

- **Urban Plans:** In 2016, of the 42 Arab localities with more than 5000 residents, 14 had plans approved, 17 are in planning stages, and 8 more began the planning process in early 2017.
- **Planning Training:** Three training courses were held (in Ar'ara, Daliat El Carmel and Sakhnin) for Arab municipal personnel reaching approximately 90 planning professionals.
- **Planning Committees:** The Ministry is in the process of strengthening planning capacities of Arab towns by establishing Local Planning Committees for large Arab localities that have so far been dependent on their participation in Regional Planning Committees to advance their own development. This process is in an advanced phase for Sakhnin and Shefara'm and initial phases for Kalansawe, Kfar Qassim and Jaljuliya.
- **Public Facilities:** All planned NIS 192 million was allocated for the construction of public facilities in Arab localities. While most of these funds were initially planned for public facilities in new neighborhoods, in 2016, 80% of this budget is going to existing rather than new neighborhoods (as these have yet to be constructed).

**Plans for 2017:** 3 additional training courses for Arab planners; establishing an additional 4-5 Local Planning Committees and strengthening 4 Regional Committees; funding 25 Strategic Planners to work in those Arab localities with over 10,000 residents that do not have a Local Planning Committee (NIS 17 million); Investment of NIS 126 million in planning, and investment of NIS 142 million for the construction of public facilities.

## MINISTRY OF INTERIOR

**Total allocated: NIS 900 million**

The vast majority of Arab localities are significantly under resourced and lacking professional and governing capacities needed to advance their communities and provide municipal services. Under GR-922, the Ministry of Interior is working to strengthen Arab localities, enhance their economic independence and their ability to provide services by: creating a cadre of 16 excelling Arab localities (in terms of planning, governance and economic growth); closing accumulated budgeting gaps through larger balancing and development grants;<sup>10</sup> creating emergency preparedness capacities in Arab localities; and enhancing organizational and personnel capacities in Arab municipal bodies.

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<sup>10</sup> **Development grants** are allocated to municipalities by the Ministry of Interior every year. As part of the Plan, additional development grants are available to eligible Arab localities to allow localities to promote large scale projects. **Balancing grants** are the largest grants regularly provided to municipalities to cover the gap between expenses and income. Through the Plan, additional balancing grants are budgeted to cover ongoing expenses of Arab localities.

- **Excelling Arab Localities Program<sup>11</sup>:** 16 localities were selected to participate in the program and 16 project directors approved and hired. All 16 localities prepared and submitted a draft for economic and organizational development plans. NIS 800 thousand was allocated to each locality to cover the costs.
- **Balancing Grants:<sup>12</sup>** NIS 150 million was distributed (out of NIS 250 million budgeted for the five years) to Arab localities in 2016 on top of existing balancing grants the government provides most localities to cover gaps between expenses and income.
- **Development Grants:<sup>13</sup>** Of the NIS 650 million budgeted for development grants for the 5 years of GR-922, NIS 100 million was already distributed to Arab municipalities in 2016. The remaining NIS 550 million has also been approved and is pending submission and approval of detailed development plans by each locality. As of March 2017, fully 87% of Arab localities submitted plans with the remaining expected by May 2017.
- **Emergency Preparedness:** A call for applications was issued to Arab localities for the purpose of mapping needs and preparing actions plans. NIS 15.4 million was approved for this purpose.
- **Personnel:** The Ministry, in cooperation with Atidim, provided specialized personnel to Arab municipalities through "[Cadets for Local Government](#)," a program that subsidizes relevant academic studies for excelling students and then places them in weaker localities in Israel's periphery. In addition, the Ministry is working to approve a new "integrator" position in Arab localities, through a model developed by the Authority for Economic Development for the Arab Sector and JDC-ELKA.

**Plans for 2017:** To approve and begin implementation of economic development and organizational development plans of all 16 excelling localities (NIS 264 million); to approve and implement the distribution of emergency preparedness equipment to Arab localities (NIS 85 million); to continue the integration of Arab students in the Cadets for Local Government program.

## MINISTRY OF TRANSPORTATION

**Total allocated: NIS 509 million**

Major goals under GR-922 are to (i) develop major transportation routes in and between Arab localities to mitigate traffic and promote public transportation services, (ii) "close all service gaps"

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<sup>11</sup> The "[Excelling Arab Localities Program](#)" is one of the backbone initiatives of GR-922 and aims to strengthen the capacity of 16 Arab localities that met participation criteria. It includes two major components – enhancing the managerial and financial capacities of the localities, and creating "engines of economic growth" within each locality.

<sup>12</sup> See footnote 10

<sup>13</sup> See footnote 10

between Jewish and Arab localities in terms public transportation (the Ministry estimates gaps will close by 2022), and (iii) enhance road and pedestrian safety.

- **Roads:** Approximately NIS 300 million was invested in building roads in Arab localities (more than what was initially budgeted) and around NIS 100 million in inter-city roads.
- **Bus Lines:** Approximately NIS 100 million was allocated to create 44 new bus lines and extend and expand 153 existing ones.
- **Information in Arabic:** The ministry also invested in Arabic language information and services for public transportation services.
- **Increase in Usage:** According to the Ministry's report, following these developments, there has been a 15% rise in the number of public transportation rides in Arab localities (compared with a 3% increase in the general population).

## **MINISTRY OF INTERNAL SECURITY**

**Total allocated: NIS 120 million**

Major goals under GR-922 include enhancing police presence in Arab society and the sense of security in Arab localities. Specific goals include improving personal security and upholding the rule of law; improving police services; reducing crime and violence; and improving Police-Arab relations. Major efforts in 2016 included recruiting Arab policemen and women, developing Arabic language media capacities, and strengthening police presence through upgrading existing police stations and establishing new ones in Arab localities. This last effort is proving to be challenging due to some resistance among Arab mayors.

- **Social Media:** Expansion of Israel Police's capacities to use social media in Arabic (i.e. for PSAs, forums for public participation and feedback, ensure police statements are posted in Arabic as well as Hebrew). Implementation planned for 2017 at NIS 1.4 million.
- **Recruitment of Arab police officers:** IN 2016, 2,200 people applied and 47 were accepted. The first training course of 25 policemen is currently in progress out of a planned 150 recruits for 2016 (17% implementation). Goal for five years is 600 new Arab recruits.
- **New Police Stations Stalled:** Israel Police aimed to open new stations in Arab localities but "due to lack of cooperation of Arab localities, no available buildings or locations were found". Israel Police is calling for "greater cooperation from the side of the mayors".

## **MINISTRY OF NEGEV AND GALILEE**

**Total allocated: NIS 30 million**

According to their report, the Ministry has been pooling all incoming budgets from various programs and resolutions and therefore not keeping separate track of how 922 budgets, nor any other budgets, are allocated. Therefore, though the ministry serving the Arab population in these regions (approximately 30% of Negev residents and 50% of Galilee residents are Arabs), it has

been unable to report which specific activities stem from budgets related to GR-922. Following criticism voiced in the February Steering Committee Meeting, ministry representatives promised to reexamine their numbers and come back with more accurate accounts.

- **Mapping and Naming Streets in Arab localities:** 22 localities were mapped (15 in the Galilee and 7 in the Negev) and 15 received approval to assign street names. Budget allocated NIS 11.25 million.
- **Renovation of Public Buildings:** Existing community centers, sport facilities, football fields, old age homes – NIS 18 million spent in 2016.
- **Enhancing Tourism in the Negev and Galilee:** NIS 3 million was spent in 2016 on funding various tourism festivals in the Negev and Galilee in cooperation with the hosting Arab localities, for example throughout the month of Ramadan, during Christmas and around the olive tree harvest.
- **Druze and Bedouin Informal Education Centers:** 15 [Neurim](#) informal education centers were opened in Druze and Bedouin localities in cooperation with JDC and Maase<sup>14</sup>.

*Plans for 2017:* Mapping 20 additional Arab localities in the Galilee (NIS 200,000); assigning street names in 13 additional localities, 10 in the Galilee and 3 in the Negev (NIS 5 million); enhancing tourism- NIS 3 million; establishing controls to allow better monitoring of budgets from GR-922 and other government resolutions.

## MINISTRY OF HEALTH

### Total allocated: NIS 16 million

The sole item mentioned under GR-922 in terms of health services in Arab society is to unify the hospitals in the city of Nazareth.

- **Unification of Nazareth Hospitals:** No agreement was reached in 2016. If no unification occurs, the hospitals might lose their operating licenses. The Arab Mayors Forum promised to assist in the process.

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<sup>14</sup> The Neurim Program is partially budgeted by the government, in cooperation with JDC-Ashalim, [the Lautman Fund](#) and a consortium of philanthropic partners. It operates in 12 (out of the 19) Druze localities in northern Israel to develop and promote leadership, volunteering, excellence and equal opportunity within the Druze society, through youth centers. The program provides young people between the ages of 13-25 from varying social backgrounds (from at-risk youth through to exceptional students) with a variety of quality activities that focus on promoting volunteering, leadership development, education enrichment and excellence. The youth centers are operated by [Maase Center](#) volunteers.

## MINISTRY OF CULTURE AND SPORTS

The Ministry of Culture and Sports also reported that it has not been keeping track of 922 budget allocations separately from other budgets and ministry income, nor has it set any specific targets for 922 allocations. Therefore, the ministry was not able to report on specific 922 progress. According to the Ministry's reports, budgets for Arab society have been enhanced in 2016, and according to the Authority's reports, NIS 16 million of those budgets came from GR-922.

- **Budget Growth:** Arab society's culture budget within the ministry grew from NIS 20.6 in 2015 to NIS 23 million in 2016.
- **Facilities and Infrastructure:** At least 32 sports facilities and 4 soccer fields were planned and/or constructed/renovated in 2016 as part of various facilities and infrastructure projects.
- **Festivals and Local Initiatives:** A separate budget line for festivals and local initiatives allocated around NIS 14.6 million to Arab society, 32% of the ministry's budget for festivals.
- **Not Implemented:** The ministry detailed projects planned for 2016 that were not implemented, including large-scale initiatives (e.g. establishing the first Arab Cinematheque and first Arab museum) and smaller initiatives (such as scholarships to art students). Some of these projects have been approved in early 2017. The Ministry also noted they are not receiving enough requests from Arab localities.

## WATER AND SEWAGE AUTHORITY:

- **Total allocated:** NIS 244 million was distributed in 2016 to build water and sewage infrastructure in Arab localities – especially sewage purification plants. This budget also covered subsidies for Arab localities to connect to Regional Water Corporations (ranging from 50% to 80% of the cost). A major achievement was finalizing infrastructure for the city of Taybeh and connecting it to the Regional Corporation.
- **Plans for 2017:** Allocate an additional NIS 250 million to continue these processes, focusing especially on purification plants, and connect 6 Arab localities that are not connected to Regional Corporations.