



## **Government Resolution 922** **Economic Development Plan for the Arab Sector**

### **Current Status, Government Workplans and Civil Society Involvement**

July 2016

On December 30<sup>th</sup> 2015, the Government of Israel approved Resolution No. 922, known as the "[Economic Development Plan for the Arab Sector](#)" (the "Plan").<sup>1</sup> This groundbreaking, five-year plan is the largest and most comprehensive ever advanced to close gaps for Israel's Arab society. It calls for allocations of NIS 10-15 billion to simultaneously address multiple barriers to economic development. The Plan is unprecedented not only in scale and scope, but in its call for proportional budgeting by government ministries (an acknowledgement of inequality in existing allocation mechanisms), in that funds allocated are almost entirely not conditioned on matching by Arab localities, and in the close consultation between Arab leadership and government officials in its development.

In the seven months since its approval, government, civil society and municipal leadership have shifted focus to implementation. The Plan articulates numerous targets for employment, education, transportation, zoning, housing, child-care, policing and more, but leaves specific budgeting and operational details up to individual government ministries to develop. While a couple of programs have launched, by and large, ministries have been working on rendering detailed workplans and preparing for their respective areas of execution. The major components of each ministry's plan as articulated to date is included in the [Ministry Workplans](#) section below.

Arab leadership, and municipal leadership in particular, which was key to development of the Plan, now needs mechanisms for continued involvement in its implementation. In this transitional period, systems are being put in place to enable consultation, transparency and coordination between Arab leadership and government officials, a sensitive and important task considering past disappointments, lack of trust, and skepticism about the Plan in Arab public discourse. In addition, both government and civil society organizations are working to build up the operational and administrative capacities of Arab localities so they can effectively implement programs essential to the Plan's success.

The following update outlines efforts to prepare for effective implementation and touches on the atmosphere in which it is taking place. It then provides summaries of government ministries' detailed workplans including goals, budgets, and specific programs when available. Finally, the last section describes the role of civil society organizations in implementation, and their additional possible involvement as the Plan unfolds.

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<sup>1</sup> [See the original Hebrew version of the Resolution here.](#)

## TRANSPARENCY AND COORDINATION

The scale and number of stakeholders involved in the Plan necessitate an extraordinary amount of coordination between government ministries, between government officials and Arab leadership, and with civil society organizations. One of the significant characteristics of the Plan has been the close consultation between Arab leadership and government officials thus far,<sup>2</sup> and the expectation that Arab localities will serve as a central framework for program implementation.

Sensitivities related to mistrust between Arab leadership and the national government, competing interests in specifying budget allocations, and the interdependent and controversial nature of some of the Plan's work areas (i.e. housing and land development), make transparency and collaboration an even greater priority.

At the top level, the Plan is overseen by a Steering Committee composed of the Director Generals of all the relevant Ministries, the Authority for Economic Development of the Arab Sector (in this section, "the Authority"), and the Head of the Arab Mayors Forum.<sup>3</sup> The Authority, responsible for ongoing monitoring and operational coordination, together with the Ministry of Finance (MOF) have worked towards unprecedented inclusion of all stakeholders:

- **Hosting major conferences with Arab municipal leadership:** On May 17-18, 2016 the Authority brought together government officials and 250 Arab mayors, heads of councils, and senior professionals to discuss the progress of the Plan, present each Ministry's workplans and open them for discussion. Efforts to convene mayors and professionals from Arab localities for consultation and learning seminars will be ongoing.
- **Creating a Hebrew/Arabic online collaboration platform:** Unveiled at the Nazareth conference in May, this website provides all primary stakeholders with ongoing access to Ministry workplans, up-to-date and reliable information about progress, specific projects, and upcoming tenders with opportunities for consultation and dialogue.
- **Publicly tracking implementation:** In partnership with the MOF, the Authority is tracking implementation and budgeting of each workplan. In June, an online table (Hebrew only)<sup>4</sup> with current status per workplan was made public, followed by a table in July (Hebrew and Arabic)<sup>5</sup> with total budgets and 2016 allocations.
- **Publishing budgetary distortions report:** In July, an MOF report (Hebrew)<sup>6</sup>, was made public at the request of the Arab Mayors Forum. This report was the conceptual backbone for the Plan and details government budgets that have been allocated "in a manner unaligned with policies and criterias for supporting weak communities" and may have exacerbated economic gaps between Jewish and Arab citizens.

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<sup>2</sup> The Plan was developed by the Authority for Economic Development of the Arab Sector and the Ministry of Finance along with Arab mayors, represented by Mayor of Sakhnin Mazen Ghanayem who is Head of the Arab Mayors Forum, and Arab Members of Knesset, led by Chair of the Joint List, MK Ayman Odeh.

<sup>3</sup> The Arab Mayors Forum, established in 1974 by 15 heads of Arab localities from the North, is an extra-parliamentary representative body for Arab society. Today the Forum represents all Arab mayors and heads of councils and focuses on socio-economic issues (i.e. construction, education and economic development) and issues of national and collective concern (e.g. calling for national strikes and issuing political statements). Source: The Abraham Fund Initiatives, Arab Society, Information Binder, second edition, 2013, [Chapter 8 – Arab Politics I Israel](#), pp. 60-61 (Hebrew)

<sup>4</sup> [Table tracking implementation](#)

<sup>5</sup> Hebrew table [available here](#); Arabic table, [here](#).

<sup>6</sup> [Link to the MOF report detailing budgetary distortions.](#)

- **Convening NGO roundtable:** On July 25, 2016, the Authority convened 20 leading Jewish, Arab and joint NGOs along with representatives of the Arab Mayors Forum and MK Ayman Odeh, Chair of the Joint Arab List to explore the role and establish coordination between relevant civil society actors. The Authority takes primary responsibility for monitoring, inter-ministerial cooperation, follow up and oversight of implementation and seeks NGOs' abilities to identify unaddressed needs and communicate feedback from the field.

Within Arab society, the Arab Mayors Forum is serving as a central coordinator. It established a representative working group in April to negotiate with government institutions on behalf of the Arab community. The Forum is also working together with the Authority to enhance coordination and division of labor between local councils, civil society organizations and Knesset members, and among civil society organizations assisting Arab localities. As discussed in the next section, local Arab administrations have a key role in implementation but face a host of challenges in establishing readiness to administer and reap the potential benefits of the Plan.

Civil society and philanthropic organizations, potentially instrumental in numerous aspects of implementation, are still working with both the Authority and the Arab Mayors Forum to assess specific needs and possible roles. This is discussed in a dedicated [Civil Society](#) section following Ministry Workplans.

## ARAB LOCALITIES

Local Arab councils and municipalities, with a few outstanding exceptions, are weak, poorly resourced<sup>7</sup> and themselves in need of significant development support.<sup>8</sup> Many are also inexperienced or harbor misgivings about working with the national government. Likewise, government institutions often lack adequate knowledge and experience in working with Arab localities.

Much of the success of the Plan hinges on the ability of Arab localities to build sufficient administrative capacity and on the interface between Arab localities and government officials. A few measures are built into the early stages of Plan implementation to address this:

- **Excelling Arab Localities:** This program, the first to officially launch as part of the Plan, invests NIS 330 Million over five years in enhancing managerial and financial capacities of 16 selected Arab localities and working with them to develop engines for local economic growth. The program was launched on March 6, 2016 by the Authority for Economic Development of the Arab Sector, the Ministry of the Interior and the Ministry of Finance. In the first year, the 16 localities will receive NIS 50 Million of the total budget. ([Read more in Ministry of Interior workplan](#))
- **Consultants:** The Plan includes a cadre of consultants to assist Arab localities in mapping needs, developing plans, submitting bids for government tenders, and interfacing with ministries.

Civil society organizations are also working closely with local Arab administrations and are involved in numerous aspects of the Plan. This is further elaborated in the [Civil Society](#) section following summaries of the workplans.

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<sup>7</sup> The vast majority of Arab localities are on the lowest three rungs of Israel's socio-economic municipal ratings scale.

<sup>8</sup> For more, see for example the following paper produced by Sikkuy and INJAZ: [From Deficits and Dependence to Balanced Budgets and Independence - The Arab Local Authorities' Revenue Sources](#), Michal Belikoff and Safa Agbaria Edited by Shirley Racah, April 2014.

## PUBLIC DISCOURSE

By and large, the Plan has been welcomed by government officials and by Arab leadership as an important development for Arab society and for Israel's economy as a whole. At the same time, there are concerns among Arab leadership about its implementation. Government plans, unlike laws, can be suspended without being subject to any legal enforcement. Though more government budgets have been going towards Arab economic development in recent years, a number of those commitments were suspended before being fully realized, leading to skepticism about the actualization of the Plan despite its approval. In addition, since the Plan's approval, it has been met by a number of efforts from within the government to make implementation conditional on compliance by Arab localities, often on sensitive and controversial matters.

A recent example is the attempt by the Cabinet to condition Plan funding to Arab towns on their demolition of illegal structures. Response from Arab society was strong, resisting not only the condition but the framing: Mayor Mazen Ghanayem, Head of the Arab Mayor's Forum, said illegal construction "is the result of years of discrimination with respect to planning and approval of master plans," and that the solution is to legitimize some of the illegal houses while working to find solutions for housing in Arab localities.<sup>9</sup> More generally, MK Yousef Jabareen has emphasized that Arab leadership insists allocations in the Plan be seen as the "rights of our community after decades of discrimination, not a privilege."<sup>10</sup>

So far, despite occasional efforts, no part of the plan has been made conditional on controversial compliance.

## MINISTRY WORKPLANS

The following tables summarize workplans developed by the ministries involved in the Economic Development Plan<sup>11</sup> focusing on major program areas and budgets. As this is a five-year plan, many of the budgets are incremental, assuming the first year will be dedicated to planning and launching programs and that full scale may only be reached in the second or third year. In addition, while some budgets are available as hard numbers, many are set as percentages of total Ministry spending on a particular area—part of establishing precedents for preferred or proportional budgeting for Arab society. Finally, some plans are not fully rendered, leaving entire areas either vague or not yet represented in the details below.

In terms of the status of budget allocations, these tables offer a snapshot from July 2016 of what is in reality a constantly changing process. Current estimates indicate the total budget for the entire Plan is approximately **NIS 9.7 billion**. In addition, the Ministry of Education will spend another **NIS 5.8 billion** for more teaching hours to the weakest communities in Israel (most of which are Arab).

In the first year of the program (fiscal year January to December 2016), many disbursement processes are just being put into place. In addition, allocations are subject to the policies and protocols of their respective governing ministries and many programs are only in planning stages, not yet ready to absorb funds. As a result, in the tables below, budgets indicated as allocated in 2016 may refer to funds committed, funds disbursed, or stages in between. That

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<sup>9</sup> [Israeli Arabs Cry Foul on Move to Tie Funding to Home Demolitions – Haaretz – Jack Houry – 6.20.16](#)

<sup>10</sup> [Arab budget deal to go ahead despite delay, ministry says – The Jerusalem Post – Ariel Ben Solomon – 6.15.16](#)

<sup>11</sup> The Development Plan's Steering Committee, composed of Director Generals of all ministers involved, the Authority for Economic Development of the Arab Sector and the Head of the Arab Mayors Forum, met on June 19 and approved the various workplans, including some of their specific budgets. Some of the budgets are still under negotiation.

said, as of July 2016, approximately **NIS 2 billion** have already been allocated for the first year of the Plan.

**For details on the status of particular allocations, or for updated status subsequent to July 2016, please make a request directly to the Task Force.**

MINISTRY OF ECONOMY
<p><b>PRINCIPLES</b></p> <ul style="list-style-type: none"> <li>• Arab citizens will be given higher priority in all Ministry's programs and budgets, in removal of barriers, and in development of targeted programs</li> <li>• Specialized targeted programs will be promoted (e.g. employment centers and developing industrial areas)</li> <li>• The workplan will be integrative and encourage both supply and demand.</li> </ul>
<p><b>BUDGETS</b></p> <p>Over the next five years, MOEs budgets will be allocated to Arab society as follows:*</p> <ul style="list-style-type: none"> <li>○ <b>50%</b> of all hiring incentives (approximately <b>NIS 163 million</b>)</li> <li>○ <b>17.5-20%</b> of all investments in small and medium size businesses (approximately <b>NIS 90 million</b>)</li> <li>○ <b>7.5-10%</b> of all investments in export advancement (approximately <b>NIS 24 million</b>)</li> <li>○ <b>32-45.5%</b> of the entire industrial area administration budget (total of approximately <b>NIS 290 million</b>)</li> <li>○ <b>25%</b> of all budgets for new early childhood facilities (total of approximately <b>NIS 231 million</b>)</li> </ul> <p>Total allocations approved for the MOE in 2016 are approximately <b>NIS 184 million</b></p> <p><i>*In some cases these percentages will remain in place also after the Plan's five years</i></p>
<p><b>PROGRAM AREAS</b></p>
<p><b>Employment</b></p> <p><u>Employment Targets</u> The MOE set employment targets for 2020 of <b>78% for Arab men</b> (currently 76.1%), and <b>41% for Arab women</b> (currently 32.3%)</p> <p><u>Access to employment – Riyan</u> Support for 21 <a href="#">Riyan employment centers</a> in Arab localities throughout the country, including in the Druze and Bedouin communities, budgeted at <b>NIS 50 million</b> per year<sup>12</sup> for a five-year total of approximately <b>NIS 250 million</b>.</p>

<sup>12</sup> Riyan Centers were established in cooperation with JDC-TEVET. During 2015 they served over 8,000 job seekers, of them around 60% women. Placement rate was around 60%.

#### Career and Higher Education Counseling – Imtiaz

*Imtiaz* works within Riyan centers to provide career counseling for Arab youngsters between 18-35 with 12 years of study, and for university graduates looking for career retraining. The program includes preparation for psychometric courses, assistance in choosing field of study, and with reaching out to potential employers in their field.

#### Employer incentives

*Subsidized salaries* - Employers who hire more than five new Arab employees will receive subsidies in a gradually decreasing amount over a period of 30 months, starting from **30%** of the salaries for Arab men and **37%** of the salaries for Arab women. Around **NIS 33 million** is allocated for 2016 and approximately **NIS 163 million** over the five years of the Plan.

*Subsidized internships* – Additional budgets are being allocated for a special internship track for Arab students and university graduates within 2 years from graduation. Subsidies to employers who take Arab interns in this track will be **30%** of the cost during the first year of internship, and **20%** during the second year. Around **NIS 7 million** is allocated for 2016.

### **Small and Medium Business Support**

#### MAOF Centers

Enhancing support through the 10 existing MAOF Centers in Arab society, providing training, technical assistance and business consulting for small and medium size businesses. **NIS 11.5 million** is allocated for 2016, and constitutes approximately 10% of the overall MAOF budget. This percentage will grow gradually until 2018 when it will reach and remain at 20% of the budget. The five-year allocation is estimated at **NIS 90 million**.

#### Business Hubs

Four "business hubs" located in Arab localities in northern Israel will provide long-term workspace assistance and networking opportunities for new businesses.

#### Government Tenders

A new program will assist Arab businesses to apply for government tenders, aiming to increase the number of small and medium size Arab businesses providing commodities and services to the public sector.

#### Startup accelerator – Hybrid

*Hybrid*, an accelerator located in Nazareth and operated by the "8200 Alumni Association," is providing mentorship and support for Arab entrepreneurs.

#### Loans to Arab businesswomen

In partnership with [Koret Israel Economic Development Fund \(KIEDF\)](#), loans between 50k-500k NIS will be given to Arab businesswomen over a period of 60 months.<sup>13</sup> In 2016 1,000 loans are planned to be given.

#### Advancing exports

**7.5%** (or **NIS 5 million**) of the Ministry's budget designated to support export companies will be invested in Arab companies in 2016. This support will include funds for a marketing representative abroad and for consultants. Arab companies will also enjoy expanded eligibility for subsidies and easier entry conditions to the program. From 2017 and onwards, 10% of the annual budget for export enhancement will be allocated to Arab society, for a five-year total of approximately **NIS 24 million**.

<sup>13</sup> During 2015, this Fund supported 1,215 businesses owned by Arab women, working in 40 localities and employing a staff of 17.

<p><b>Child Care</b></p> <p><u>Subsidies and eligibility for day care</u>  Arab mothers working over 24 hours per week will be considered "fully employed" (compared to 36 hours for Jewish women) for the purpose of receiving subsidies towards enrollment in daycare centers run by the Ministry of Economy (ages 0-3).</p> <p><u>New childcare facilities</u>  <b>NIS 31.5 million</b> in 2016 is allocated for building additional daycare centers in Arab localities. Also, Arab localities seeking to build new childcare facilities will be referred to a special application track at the Ministry, where suitable criteria for applying will be set and assistance given to overcome barriers (including establishment of a special administration to accompany Arab localities and assistance in planning processes enabling higher percentages of governmental investments in building and infrastructure development etc.) The total five-year budget is estimated at <b>NIS 231 million</b>.</p>
<p><b>Developing Industrial Areas</b></p> <p>This includes upgrading existing industrial areas; subsidizing development costs for entrepreneurs; training industrial area managers; and working with local authorities to plan, develop and manage industrial areas.</p> <p>Budgets for 2016 are estimated at <b>NIS 92 million (37.5%</b> of the total budget for this issue in the Ministry), although these are not new funds, but rather funds that have been allocated before but not yet realized. Once realized in full, an additional <b>NIS 30 million</b> will be invested in advancing this field. In the following four years, <b>42.5%</b> of the MOE's allocations to industrial area development will go to Arab localities.</p> <p>After completion of the five-year plan, budgets allocated to developing industrial areas in Arab society will be proportional at least to the Arab share of the population (~21%).</p>
<p><b>Occupational Safety</b></p> <p>More budgets will be allocated to prevention of occupational accidents whose rates are particularly high among Arabs as they are overrepresented in physical and manual labor. This will include mapping of needs and monitoring enforcement of safety regulations, especially in construction and light industry.</p>

<p><b>MINISTRY OF EDUCATION</b></p>
<p><b>The MOEd has plans in five major areas:</b></p> <ol style="list-style-type: none"> <li><b>1) Increasing Teaching Hours and Enhancing Academic Achievements</b>  Budgeted at around <b>NIS 1 billion</b> over the five year period (<b>NIS 350 million</b> annually when full implementation begins). This is part of a decision by the MOEd to direct <b>NIS 5.8 billion</b> from its overall budget over the next five years to give preference to more teaching hours to junior high schools in weaker communities around Israel.</li> <li><b>2) Quality of Teaching</b>  Budgeted at around <b>NIS 40 million</b> for 2016 and <b>NIS 315 million</b> over five years.</li> </ol>

<p><b>3) Informal Education</b> Budgeted at NIS 130 million per year for a five year total of approximately <b>NIS 650 million</b>.</p> <p><b>4) Access to Higher Education</b></p> <p><b>5) New Classrooms in Arab Localities</b> This program area is not yet developed in detail or budgeted in the MOEd workplan.</p>		
<p><b>1) EQUAL BUDGETING AND ENHANCING ACHIEVEMENTS</b></p>		
<b>TARGETS</b>	<b>Current (2014)</b>	<b>Expected (2022)</b>
Arab students in higher education	13.1%	18%
Arab students with full matriculation certificate	59%	73%
Improved matriculation scores – reaching higher education acceptance standard	45%	62.5%
Arab students with 5-point matriculation exam in math	7%	17%
<p><b>PROGRAM AREAS</b></p>		
<p><u>Additional teaching hours</u> An addition of 50,000 weekly teaching hours over the next five years to the Arab (including Bedouin) education system. These hours will add around <b>10%</b> teaching hours to Arab elementary schools and around <b>25%</b> teaching hours to junior high schools.</p> <p><u>Specialized Programs</u> "Hebrew K-12" - enhancing Hebrew proficiency for Arab children from kindergarten to high school. "Together to the Academia" - enhancing matriculation results, advanced math studies, and acceptance to higher education.</p>		
<p><b>2) QUALITY OF TEACHING</b></p>		
<p><b>PROGRAM AREAS</b></p>		
<p><u>Teacher education</u> - This refers to all colleges of education serving Arab society<sup>14</sup> and includes:</p> <ul style="list-style-type: none"> <li>• Setting higher college acceptance criteria (all existing students as well as graduates of other disciplines who wish to obtain a teaching certification will have to pass an entrance exam in Arabic language at a minimum score of 75)</li> <li>• Enhancing academic skills development in the first year of study</li> </ul>		

<sup>14</sup> Including 6 "general" teaching colleges throughout the country and three "Arab" teaching colleges in the north.



- Placing greater focus on the level of Arabic language and Arabic literature throughout training processes. This applies to both college staff and students, from future kindergarten teachers to future high school teachers
- Developing new community engagement courses
- Special preparatory courses for future teachers of Bedouin in the Negev

Hiring Excelling teachers – To improve selection and hiring of excelling teachers into Arab schools, a number of measures will be taken, including:

- Establishing a new Teacher Assessment Center for Arab teachers
- Regulating where new Arab graduates can intern
- Providing incentives to Arab schools to hire excelling teachers and providing them support through the hiring process

#### Career development for Arab teachers

- Developing educational leadership within Arab schools, including the empowerment of principals and senior educational staff to promote initiatives and act as role models in the schools, using a results-oriented approach
- Investing in teachers' professional development through PISGA Centers which offer courses and materials and are located throughout the country
- Identifying "leading teachers" in schools as focal points for professional development

### **3) INFORMAL EDUCATION**

#### **DEVELOPMENT OF INFRASTRUCTURE FOR INFORMAL EDUCATION**

The Society and Youth Administration, the body in charge of informal education at the MOEd, acknowledges the absence of necessary local and organizational infrastructures for informal education in Arab society, and identified the following needs:

- Changing regulations and subsidy criteria so they are easier for Arab localities to meet
- Investing in human resource development within the Society and Youth Administration and within Local Arab Councils
- Investing in local initiatives
- Incentivizing non-governmental organizations to work in the Arab community

The Administration is mapping the needs and capacities of each of the 67 participating Arab localities, focusing on human resources and capacities in schools, community centers and youth departments in the municipalities. Each of the Arab localities will operate under one of three operation models, based on its overall capacity:

**Model I - Low level of Administration involvement.** Suitable for stronger localities with better chance of success

**Model II - Greater level of Administration involvement.** Suitable for weaker localities with medium chance of success

**Model III - High level of Administration involvement.** Suitable for localities with low chance of success

<b>PROGRAM AREAS</b>		
<p><b>National programs:</b> plans and programs for all communities run through youth organizations and youth programs and youth movements</p> <p><b>Local programs:</b> tailored for specific localities and involving local organizations</p> <p>Types of programs:</p> <ul style="list-style-type: none"> <li>• <b>Culture and pastime:</b> sports, music, summer camps, large-crowds activities</li> <li>• <b>Youth empowerment:</b> youth leadership and youth guides, youth movements, student councils</li> <li>• <b>Community engagement:</b> parents-children activities, voluntarism field trips, strengthening connections between the Arab Locality and the community</li> <li>• <b>Skill development:</b> strengthening workforce related capabilities such as technology, language etc.</li> </ul>		
<b>INFORMAL EDUCATION BUDGET</b>		
<p><b>NIS 130 million</b> is budgeted annually for development of informal education for a five-year total of approximately <b>650 million</b>. In 2016, this amount is invested as follows:</p> <ul style="list-style-type: none"> <li>• <b>NIS 14 million</b> to developing administrative, management, monitoring and research capacities on the national and headquarters level as well as for human resource development</li> <li>• <b>NIS 40 million</b> to national activities including subsidizing Youth Departments, working with youth movements and other specialized bodies</li> <li>• <b>NIS 76 million</b> to developing and implementing specific models for each of the 67 localities, based on a thorough analysis of local needs and capacities</li> </ul> <p>Expected outcomes have not yet been specified, as they are pending analysis and mapping of the existing situation on the ground.</p>		
<b>4) ACCESS TO HIGHER EDUCATION</b>		
<b>TARGETS</b> Arabs comprising % of	<b>Current (2015)</b>	<b>Expected (2021)</b>
<b>BA</b> – Undergraduates	14%	17%
<b>MA</b> - Masters students	10%	12%
<b>PhD</b> - Doctoral candidates	6%	7%
<b>PROGRAM AREAS</b>		
<p>The Plan includes targets (above) for higher education without specified budgets. When presenting workplans, the MOEd referred to programs and budgets implemented as part of the final year of the <a href="#">Council for Higher Education's Six Year Plan to Enhance Arab access to Higher Education</a>. The CHE's Six Year Plan ends this year and a new and larger (approximately twofold) five year plan is pending approval. It is likely, though not yet officially confirmed, that funds for the CHE's new plan will come from both the Plan and CHE budgets.</p>		

Program areas under the new CHE Plan will include:

- Expansion of the RAWAD program in Arab high schools<sup>15</sup>
- Supporting institutions of higher education in becoming more accessible to and retentive of Arab students
- Investment in the [IRTEKA Scholarship Fund](#)<sup>16</sup>
- Enhancing support for students in advanced degrees

Additional goals include increasing the percentage of Arab men in higher education generally, and the number of Arab women (currently better represented in higher education than Arab men) studying advanced, in-demand fields.

MINISTRY OF TRANSPORTATION		
The MOT aims to close service gaps between Arab and Jewish communities by 2022.		
TARGETS	Current (2015)	Expected (2020)
Number of weekly rides of public transportation serving Arab localities	35,900	78,900
Average number of destinations outside the locality	8.5	18
Information in Arabic (bus stops, internet and call service)	None	All (by Aug 2016)
Qualified Arab women bus drivers	0	25
<b>BUDGET</b> The total budget estimated for the entire five years is approximately <b>NIS 1.5 billion</b> .		
<b>PROGRAM AREAS</b>		
<b>Transportation Routes</b>		
Creation and improvement of transportation routes, including roads that allow better traffic regulation and more public transportation. For 2016, <b>NIS 220 million</b> is allocated for inter-city transportation routes (45% of all budgets for new services), and <b>NIS 100 million</b> for intra-city routes, for a five-year total of approximately <b>NIS 1.3 billion</b> .		

<sup>15</sup> RAWAD ("Pioneers") is a program of the Council on Higher Education and the Rothschild Caesarea Foundation, to address barriers Arab youth face in accessing higher education in Israel. It is an extension to Arab society of the CHE's Hesegim ("Achievements") initiative.

<sup>16</sup> The Irteka Scholarship Fund for Arab Undergraduate Students is the first-ever governmental scholarship fund designated for Arab students. It is an initiative of the Council for Higher Education to provide scholarships for Arab undergraduates studying engineering, science and business.

<b>Enhancing Public Transportation</b>
<p>Enhancing transportation infrastructure includes new bus lines, parking lots, central bus stations and training Arab women as bus drivers. This also includes a strategic planning process for a "Masterplan for Public Transportation in Arab Localities" for 5 and 15 year periods (Ministry in consultation with the public). Lastly, this includes training of local public transportation officers in each locality to advance these issues (only partially implemented so far due to lack of adequate funding).</p> <p>Until service gaps are closed, the highest of either <b>NIS 100 million</b>, or <b>40%</b> of all new development budgets, (except for those allocated to the large metropolitan areas) will be allocated annually. For 2016, <b>NIS 100 million</b> was allocated (more than 40%) and will increase by <b>NIS 100 million</b> in each of the four consecutive years (NIS 200 million in 2017, NIS 300 million in 2017 and so forth) for a five-year total of approximately <b>NIS 1.5 billion</b>.</p>
<b>Road Safety</b>
<p>MOT committee plans to meet with representatives of each community to receive a report of needs and together develop a holistic plan for development. The actual detailed planning and implementation will be done by an external management company hired by the MOT, in cooperation with the local authority. The local authority is responsible for planning, arrangement of ownership issues and residents' objections, and removal of physical barriers (e.g. electricity infrastructure, illegal buildings). Implementation, however, will be done via contractors working for the management company with ministerial oversight until the project is completed and handed over to the local authority.<sup>17</sup> For 2016, <b>NIS 4 million</b> is allocated, with the total five-year estimated at <b>NIS 20 million</b>)</p>

<b>MINISTRY OF HOUSING</b>
<p>Approximately <b>NIS 1.7 billion</b> will be allocated over the next five years to address housing challenges in Arab localities<sup>18</sup> resulting in construction of 40,000 new housing units.<sup>19</sup></p>
<p><b>The MOH has plans in four major areas:</b></p>
<p><b>1) Strategic partnerships with 15 large and medium localities</b>  Budgeted at around <b>NIS 385 million</b> over 5 years with <b>NIS 85 million</b> in 2016</p>

<sup>17</sup> The use of external management companies by government ministries is more common with Arab localities than Jewish ones and has been criticized by some local Arab leadership for disempowering and further weakening the local administration. A recent Ministry of Finance declared that for the first time, in the current Plan, in areas other than transportation, strong Arab municipalities would be able to manage projects on their own. Weaker municipalities will receive assistance from a management company, but this time the company will work under the local authority, which will receive funding directly from the relevant Ministry (rather than from the management company working under the ministry).

<sup>18</sup> The issue of housing, namely land and construction development and regulation, is one of the most important areas for Arab society being addressed by the Plan. Its centrality to Arab society is not only due to the significant housing needs and challenges, but also because of its impact on additional spheres such as transportation routes, construction of informal education facilities, public buildings and open spaces. It is of great importance also because it touches on the very sensitive and controversial issue of land ownership. [Read about a recent government evaluation of housing issues in Arab society here.](#)

<sup>19</sup> The MOH workplan does not cover Bedouin or Druze as those housing issues are addressed in separate Plans.

**2) Housing development in the remaining localities**

Budgeted at **NIS 252 million** over 5 years.

**3) Public facilities and open spaces**

Budgeted at **NIS 750 million** for 5 years of which **NIS 200 million** is budgeted for 2016. An additional **NIS 27 million** is budgeted for 2016 for developing parks and playgrounds out of a five-year approximate total of an additional **NIS 133 million**.

**4) Capacity building for ending illegal construction**

**NIS 22 million** budgeted for 2016 for a five-year total of approximately **NIS 110 million**.

**5) Developing urban planning capacities**

The MOH is promoting detailed urban planning for all Arab localities and will be running a course for planners from Arab localities to strengthen their planning capabilities.

**PROGRAM AREAS**

**1) Strategic partnerships with 15 large and medium-sized localities**

This program's steering committee selected and met with leadership of 15 large and medium Arab localities<sup>20</sup> with whom they will partner to develop and implement special housing development plans. The selection of the localities was based on size. The 10 largest localities were selected with the remaining five being mid-size localities that exhibited the "maximum housing marketing potential." This is a combination, among other things, of socio-economic needs and availability of public and private land for construction. Over the next two years, planning, marketing and initial construction will begin on privately owned land in these localities, including development of the necessary infrastructure. Ministry funding will also be provided for detailed urban planning for state-owned and private lands, subsidizing development costs on state lands, and additional incentives. Participating localities will be measured according to their success in advancing urban, marketing and construction plans. This program is budgeted at **NIS 385 million** over 5 years with **NIS 85 million** allocated for 2016.

**2) Housing development in the remaining localities**

For the additional 52 Arab localities, the Ministry will provide assistance and funding for detailed urban planning, marketing and construction of houses mainly on private property. In most of these localities there is little or no public lands available for development, which is part of the reason why they are not among the 15 strategic partnerships listed in the program above. This program is budgeted at **NIS 252 million** over 5 years.

**3) Public facilities and open spaces**

**NIS 750 million** is budgeted over five years (**NIS 200 million** in 2016) with an optional **NIS 100 million** more in 2020 if all budgets have been utilized, for construction of public facilities that are today hardly present in Arab localities (i.e. community centers, libraries, theaters.) According to the MOH, the budget will be divided into 30% for new neighborhoods and 70% for existing neighborhoods. An additional **NIS 27 million** is allocated for 2016 to develop

<sup>20</sup> Nazareth, Um El Fahem, Taibeh, Shefar'am, Tamra, Sakhnin, Baqa El Gharbiya, Tira, Ara-Arara, Arabeh, Kfar Qassem, Kfar Kana, Jdeide-Maker, Kfar Manda, Yafiya. Not to be confused with a separate list of "[Excelling Arab localities](#)", although some overlap exists.

public open spaces and parks in Arab localities (according to the Arab community's share of the general population) out of a five-year total of approximately **NIS 133 million** additional funds.

#### **4) Capacity building and law enforcement**

As part of the governmental decision to enhance regulation and enforcement of illegal construction, **NIS 22 million** has been budgeted for 2016 to strengthen local planning committees and engineering departments in Arab localities as well as to enhance enforcement against illegal construction. In addition, whereas most Arab localities are under the jurisdiction of regional planning committees, support will go towards the establishment of additional local planning committees. (Two local planning committees will be established this year, one in Sakhnin and one in Shefar'am). The total five-year budget is estimated at **NIS 110 million**.

### **MINISTRY OF INTERIOR**

The Ministry's workplan aims to strengthen municipalities while also enhancing grants and development subsidies. The overall budget will be approximately **NIS 1.4 billion** over the course of five years.

#### **PROGRAM AREAS**

##### [Excelling Arab localities](#)

16 Arab localities<sup>21</sup> were selected for the Ministry's flagship program, budgeted at up to **NIS 350 million** over 5 years (**NIS 50 million** in 2016) and launched in March of this year. The selected localities will benefit from targeted investments to upgrade managerial capacities and enhance economic development. Each participating locality is required to hire a project director to lead and support program implementation. The project directors are contracted by the locality, approved by the program's steering committee, and subsidized by the MOI in annually decreasing amounts (NIS 500,000 in the first year to NIS 100,000 in the fifth year for a total of **NIS 1 million** per project director over the five years).

##### [Cadets for Local Government](#)

"Cadets for local government" is a joint initiative between the Ministry of Interior and [Atidim](#), an organization that places motivated young people studying in one of their academic tracks<sup>22</sup> at Ben Gurion, Haifa or the Technion in localities throughout Israel's periphery (Jewish and Arab) 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. At present, around 16% of existing cadets are Arabs. The new plan aims for Arabs to comprise 25% of all cadets and for Arab localities to be proportionally represented in the program (and take on Jewish cadets in the case that not enough Arab cadets are available). The 2016 trainee cohort already includes 20% Arab cadets.

<sup>21</sup> Nazareth\*, Tamra, Rahat, Sakhnin, Baqa El Gharbiya, Arabeh, , Kfar Qassem, Kfar Kana, Kfar Manda, Majd El Krum, Hura, Tur'an, Iblin, Dir El Asad, Jat, Bir El Maksur (\*the actual budget for Nazareth will come from an independent budget allocated to that city but follow the same criteria and program outline).

<sup>22</sup> Academic Tracks at Ben Gurion include a Bachelor's degree in economy, management, education, geography, politics and government, Mideast studies, history, and Israel national studies. At the University of Haifa tracks include Master's programs in public policy and administration, local government and management. At the Technion, the academic track is a Master's in urban planning.

#### Enhanced development grants for Arab localities

Every year the MOI approves development grants. As part of the Plan, over the next five years, an additional **NIS 800 million** in grants will be available to eligible Arab localities, with **NIS 400 million** provided before the end of 2016 as a single commitment, at the request of the Arab mayors forum, to allow localities to promote large scale projects. Criteria and mechanism for distribution of these funds is still being determined.

#### One time "balancing grant"

"Balancing grants," the largest grants regularly provided to municipalities, are given to many if not most localities in Israel to cover the gap between normative expenses and income. Through the Plan, an additional **NIS 200 million** is budgeted to cover ongoing expenses of Arab localities. Of these, **NIS 100 million** was already disbursed and the rest will be given in September 2016.

#### Emergency preparedness

A special budget of **NIS 50 million** over five years will be allocated to build capacities, currently scarce, for times of emergency. **NIS 20 million** has been approved for 2016.

#### Enhancing collaboration between municipalities

The MOI will include Arab localities in its regional cooperation structures so they can benefit from service provision, economic development and projects to promote economies of scale.

#### Licensing of small businesses

As part of enhancing the economic stability of Arab localities, the MOI will work to enhance licensing of local businesses and reduce the number of those operating without licenses. Licensing is important in terms of accurate planning for the locality, tax collection, safety regulations and more.

## MINISTRY OF INTERNAL SECURITY

### GOALS

The overarching goals of the MOIS workplan is to enhance its presence and that of the police force in Arab society, and to enhance the sense of security in Arab localities. Specific goals include:

- Enhanced personal security and upholding the rule of law
- Improved police services
- Reduced crime and violence<sup>23</sup>
- Use of an equality and multicultural-based approach
- Improved Police-Arab relations

<sup>23</sup> According to MOIS data from 2015, Arab society is overrepresented in all types of violent crimes compared to its percentage in society. Arab citizens are involved in 59% of murders, 58% of arson, 55% of attempted murders, 47% of robberies, and 27% of drug trafficking crimes. While these high rates are not only a result of inadequate policing or law enforcement, both are seen within Arab society and Israel at large as an important measure for both prevention and response.

## PROGRAM AREAS

Though the workplan lists goals related to multicultural policing throughout Israeli society, detailed plans and budgets have thus far been specified only for the new police administration, an **NIS 550 million** development over five years.

### NEW POLICE ADMINISTRATION

A new administration within the Israel Police for services in Arab society was recently established and placed under the leadership of Deputy Chief Jamal Hachrush, promoted to assume this role. The new administration is budgeted at **NIS 550 million** over five years, **NIS 150 million** of which were already allocated for 2016. Detailed plans for the new administration are still in development, but initial program areas include:

#### New police stations in Arab localities

Twelve new stations will be established in Arab towns (previously served by regional stations): six in northern Israel (most notably is a station in the city of Sakhnin), three in the coastal area, and three in major Arab towns in the central region (Kalansawa, Tira and Taibeh). In addition, eight existing police stations in or around Arab localities will be strengthened. Seven new police stations are planned to open by the end of 2016.

The establishment of new police stations will require enhanced dialogue and collaboration with respective mayors and municipalities, as well as selecting land and locations for the new stations that are culturally acceptable and accessible.

#### Recruiting Arab police officers

The plan aims to recruit 1,350 Arab officers to the Israeli police, 300 of whom are to be recruited in 2016. According to the work plan presented, this will require "bringing together" the police force and local communities as well as establishing dialogue and cooperation mechanisms to legitimize such recruitment.

## MINISTRY OF SPORTS AND CULTURE

After conducting a mapping the MOSC concluded that "there is scarcity of institutions in Arab localities." A detailed work plan has not yet been presented but the following program areas have been identified and budgeted:

#### Renovation of sports facilities

At least **25% of all budgets** building and renovating sports facilities will be allocated to Arab localities. **NIS 10 million** has been allocated for 2016 and **NIS 50 million** for the entire five years.

In addition, **NIS 75 million** is allocated for renovation of communal sports facilities in all localities rated 1-5 on a scale of 10 (with 1 being poorest and 10 wealthiest) to be distributed in 2016-17. In this case, the budget is disbursed based on socio-economic status, so both Jewish and Arab localities can apply, though most localities ranked 1-4 are Arab. For localities in clusters 1-4, these funds (a combination of government and Israel Lottery money) will be allocated as a match with 95% covered by the MOSC and 5% by the recipient locality.



#### Funding for cultural institutions

**NIS 6 million** is allocated in 2016 to Arab localities for the purpose of developing cultural institutions and for a systemic reassessment of existing government budgets for these purposes. Over five years the budget is estimated to amount to approximately **NIS 30 million**. A larger budget of **NIS 50 million** (timeframe unspecified) is allocated specifically for cultural institutions and activities in localities rated 1-6 (on the scale of 10).

#### MINISTRY FOR THE DEVELOPMENT OF THE NEGEV AND GALILEE

According to the Plan, the percentage of funds allocated by the Ministry to Arab society in the Negev and Galilee will not be less than its share of the general population in these regions. The budget for 2016 is intended to be approximately **NIS 30 million**, but has not yet been allocated, and the five-year total is estimated at approximately **NIS 188 million**.

#### MINISTRY OF TOURISM

Currently, the only reference to tourism in the Plan is a commitment to develop a workplan to promote the city of Nazareth as a touristic venue.

#### MINISTRY OF HEALTH

Currently, the only reference to health in the Plan is in the development of a plan to unify and upgrade the capacities of all existing hospitals in Nazareth.

#### **CIVIL SOCIETY AND PHILANTHROPY**

Like any government resolution, implementation of the Plan rests first and foremost on the government of Israel. At the same time, past experience shows that philanthropy and civil society organizations can play a significant role in ensuring its successful realization. Yet, as this is a plan of unprecedented scope and scale, what role civil society and philanthropy can and will ultimately play is still being tried and tested.

Civil society organizations are already involved as implementing partners to a number of ministry programs, as indicated in some of the workplans above. Other important supportive roles are being established or are in development:

#### **Capacity-building within local authorities**

Civil society organizations can and do play an important role in building professional capacities in Arab localities—essential for Plan implementation. Moreover, they are central to considering how capacity-building measures can have long-lasting effects so that by the end of the five-year period, Arab municipalities are better equipped to sustain programs and manage towards continued growth. Following are a number of aspects in which civil society organizations are already or can be further involved in support of local authorities:

**a) Professional development**

Increase the professional capacities of existing municipal personnel in the form of "on the job" training. The need for this kind of training is clear and has proven more effective for the purposes of Plan implementation than, for example, academic courses or seminars.

**b) Pairing external experts or qualified graduates with Arab municipalities**

"[Cadets for local government](#)" is a program run by the Ministry of Interior and *Atidim* organization and integrated into the Ministry of Interior's workplan. It supports motivated young people from the periphery in acquiring a relevant degree in return for a four-year employment period with a local administration. Additional support for such external experts or cadets can be provided to ensure they are adequately trained and then effectively integrated into the municipality and are able to take on meaningful work that will make a difference. ([Read more about this program in the Ministry of Interior's workplan.](#))

**c) Planning**

Most Arab local authorities lack planning capacities and experience. Implementation of the Plan, however, demands simultaneous and extensive planning in numerous areas (i.e. long term strategic plans, plans for urban development, transportation, informal education, and more). This could be achieved via outsourcing to external experts and NGOs familiar with the localities and needs of Arab society, or kept within the locality but supported by civil society organizations.

**d) Prioritization and coordination**

In some local authorities, existing personnel are under-qualified, over-overworked, and understaffed. One area where civil society organizations can provide support is how to ensure programs under the Plan remain a high priority given these conditions. A correlated dilemma is how to ensure civil society organizations are working in a supportive capacity and not adding to the pressure of too many tasks and commitments.

• **Civil society organizations currently involved:**

[INJAZ](#), [the Arab Center for Alternative Planning \(ACAP\)](#) and [Atidim](#)

**Supporting effective implementation**

Civil society organizations can act as an effective intermediary between ministry officials and local councils in the following capacities:

**a) Professional assistance:**

Civil society organizations have expertise in professional capacities and familiarity with Arab society applicable for program development (e.g. informal education in Arab society, which to date has been implemented in Arab society almost entirely by NGOs) or in building detailed urban plans that most Arab localities lack.

**b) Meeting requirements:**

Assisting municipal and other personnel in the field in gaining proper accreditations and meeting government requirements to implement programs.

**c) Accessing government opportunities:**

Support to Arab localities in accessing and fulfilling government tenders, opportunities, requirements and forms necessary for program implementation.

**d) Cultural compatibility**

Support to government ministries to ensure implementation is culturally appropriate and to avoid funds going to institutions, programs or methodologies that are incompatible with Arab society's needs and culture (i.e. avoiding attempts to "copy-paste" programs and methodologies from Jewish localities).

• **Civil society organizations currently involved in these efforts:**

[Sikkuy](#), [INJAZ](#), [Arab Center for Alternative Planning](#), [The Abraham Fund Initiatives](#), [Appleseeds](#) and [Kayan](#).

**Legitimization work within Arab society and in the public sphere**

Many in the field are concerned that discourse and perceptions about the Plan may jeopardize implementation. Skepticism about the Plan within Arab society, resistance by some elements within the government to the Plan's actualization, elevations in tensions in Jewish-Arab relations, and political tensions within Arab society are all factors that could negatively affect the processes.

Civil society organizations may have relationships and capacities in place that would allow them to do behind the scenes work, for example meeting with Arab mayors, political parties, and activists to understand and work through concerns and effectively relaying such concerns to government officials. They are also equipped to do public and promotional work such as convening seminars or town meetings for direct dialogue with government officials, dispelling misinformation and reducing suspicions about the plan; preparing public and online campaigns explaining the benefits of the Plan; and more generally promote the benefits of enhanced economic participation.

Working on receptivity to and trust in the legitimacy of the Plan within the Arab public sphere will enable Arab mayors and municipalities and the supporting civil society organizations to better roll out its programs and garner local support and cooperation.

To some extent, this kind of promotion is also necessary among the Jewish public, especially regarding the level of diversity expected on campuses and in workplaces as a result of higher education and employment programs. Public awareness and receptivity of the Plan would provide a strong basis for hiring Arab professionals and managing more integrated campus and workforce.

**Monitoring and Advocacy for Budget Disbursements**

Government resolutions are subject to delays or cutbacks for numerous reasons regardless of the target population. In this case, the vague nature of the Plan in some areas (i.e a lack of specific budgets and detailed plans), complex allocation mechanisms in others, undeveloped capacities of Arab localities, and the government's inexperience working with Arab localities lead to concerns that only a portion of the budgets allocated would be realized. These are in addition to overriding concerns that the Plan would be cut back for political reasons. Already, the Arab Mayors Forum has released statements critical of the government for cutting back budgets for informal education and early childhood services.

The Authority for Economic Development of the Arab Sector is closely monitoring overall implementation. Civil society organizations familiar with Arab society on the one hand and working with the government on the other, can add a layer of monitoring in some cases and localities, and can advocate for full disbursement of budgets and implementation of programs. They can also mitigate the impact of changes when they do occur. Effective monitoring and advocacy of this kind requires a skilled and measured professionalism vis-à-vis governmental agencies as well as coordination among civil society organizations so that work is not

duplicated, civil servants are not flooded by requests, and heavy-handed lobbying does not draw negative attention and a backlash against implementation.

- **Civil society organizations currently involved in these efforts:**  
[Sikkuy](#), [INJAZ](#), [Citizens' Empowerment Center in Israel](#), [Mossawa](#), [Adalah](#)

### **Challenges to effective civil society involvement**

Given the scale of the Plan and simultaneous implementation of numerous programs, civil society organizations face a number challenges. Most, related to current areas of involvement are included above, yet there are several additional overarching issues:

#### **a) Division of labor and coordination**

The Arab Mayors Forum has acted as a convener of some civil society organizations for the purpose of coordination and consultation. It is yet unclear, however, how division of labor and coordination will work and how much this may limit each organization's ability to function. While the Council of Arab Mayors is itself an NGO and has been central to the creation and advancement of the Plan, it is also a body of elected officials and has a political role that may in some cases lead to interests divergent from those of the other NGOs. Effective means and platform for collaboration, such that localities are not overburdened by 'help' and organizations are able to do their job, are still in development.

#### **b) The role and legitimacy of Arab NGOs**

Within Arab society there is some concern that substantial use of external supports (NGOs, consultants, management companies) will ultimately mean that a large portion of funds intended for Arab society will end up going to Jewish organizations. Experts and activists in the field stress the importance of ensuring a significant role for Arab and Jewish-Arab NGOs and professionals when possible as an important way of increasing capacities of Arab civil society, enhancing the legitimacy of the Plan, and keeping budgeted funds within Arab society. To date, Arab organizations tend to be smaller, more local and less networked within Israeli society and government. Changing their standing could be an additional ancillary benefit of Plan implementation.

#### **c) Capacity**

Regardless of levels of coordination and division of labor, the scope and complexity of the Plan puts it beyond the capacity of civil society organizations to cover and address all its needs and challenges. Most civil society professionals agree that to be effective, they will need to focus on few key aspects of implementation whose results are likely to have a ripple effect—positive if successful and potentially damaging if neglected.