



State Comptroller | Annual Report 71B | 2021

National-Strategic Spheres of Activity

Relocation of the IDF's Intelligence Directorate and C4I Directorate to the Negev

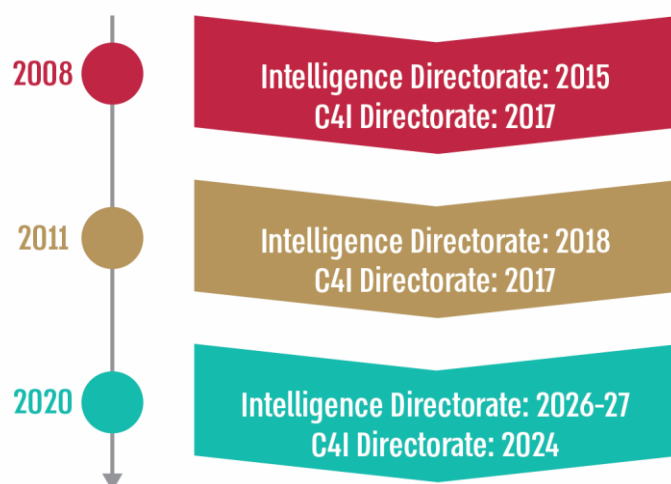


Relocation of the IDF's Intelligence Directorate and C4I Directorate to the Negev

Background

The relocation of the IDF's Intelligence Directorate and IT and Cyber Defense Directorate (C4I Directorate) to the Negev is a national initiative that fulfills the vision of Israel's first Prime Minister, David Ben-Gurion, for the development of this desert region, and epitomizes a congruence of political, defense and economic interests. This report addresses key issues requiring resolution by all entities involved in order to facilitate the successful relocation of the Intelligence and C4I Directorates to the Negev.

The following diagram depicts the updates to the timing of the directorates' relocation over the years according to the various government decisions:





Key figures

**ILS 19
billion**

Total budget approved by the government in 2011 for relocating the Intelligence Directorate (ILS 12 billion) and the C4I Directorate (ILS 7 billion) to the Negev

ILS 1.3 billion

Budget framework for the program to incentivize IDF career soldiers to relocate and serve in the Negev

2024

Forecasted year for occupancy of the C4I Complex in Be'er Sheva

2026-2027

Forecasted period for occupancy of the Intelligence Complex in the Lakiya region in the Negev

**14,000-
16,200**

Number of housing units that may be built on lands to be vacated in central Israel once the Intelligence and C4I Directorates relocate to the Negev

93%

Ratio of soldiers serving in the Intelligence and C4I Directorates who are not currently living in southern Israel

**Thousands
of career
soldiers**


from the Intelligence and C4I Directorates are expected to serve in the Negev

**Thousands
of career
soldiers
and
soldiers
under
compulsory
service**



are expected to serve in the Intelligence Complex and in the C4I Complex in the Negev



Audit Actions

 From October 2019 to May 2020, the Office of the State Comptroller performed an audit of the activities of the Defense Establishment, the Ministry of Finance and the Ministry of Transport and Road Safety towards resolving the obstacles and disagreements pertaining to the relocation of the Intelligence and C4I Directorates to the Negev. Supplementary examinations were performed in July and August 2020. The audit was performed in the IDF, in the Ministry of Defense, in the Ministry of Transport and Road Safety, in the Ministry of Finance and in the National Security Council in the Office of the Prime Minister.

Key findings

-  **Activities of the path clearing committee** –The purpose of this committee, which was formed pursuant to a government resolution dating back to 2008, is to remove obstacles and resolve disagreements between the Defense Establishment and government ministries about the transportation solution and about benefits and incentives to IDF career soldiers. In fact, this committee and its subcommittee have not convened since January 2016.
-  **Activities of the National Security Council** – About a year and a half have passed since the Prime Minister instructed the National Security Council in March 2019 to analyze the disagreements relating to the relocation of the directorates to the Negev. The National Security Council has held consultations and discussions, but they have not resolved the disagreements between the Defense Establishment, the Ministry of Transport and Road Safety and the Ministry of Finance.
-  **Transportation solution for the IDF Intelligence Complex** – A memorandum of understandings was signed between the Ministry of Defense, the Office of the Prime Minister, the Ministry of Finance and the Ministry of Transport and Road Safety in April 2016, under which a mass transport system would be established based on an economic analysis. Since then, alternatives have been examined, data have been presented, discussions have been held, but the ministries have not yet reached final agreements about how soldiers would commute to and from the Intelligence Complex.
-  **Retention of high-caliber manpower for the relocation to the Negev** – In May 2016, the Ministry of Finance and the Ministry of Defense reached agreement on a budgetary framework of ILS 1.3 billion for the retention of high-caliber manpower during the relocation to the Negev. Between 2015 and 2018, discussions were held about the composition of the benefits and incentives for career soldiers. No



agreements were reached – not about the definition of the eligible population or the sum of the grant to be given within the said budgetary framework, and not about an additional budgetary framework that the Defense Establishment demands in order to provide alternative housing for career soldiers moving to the Negev.



Relocation of the Intelligence and C4I Directorates to the Negev as part of a national initiative - This course of action is expected to strengthen Israel's outlying southern region and transform the Negev into a technology hub. It will result in the vacating of lands in central Israel and the construction of thousands of housing units; and enhancing the IDF's operational effectiveness by improving its infrastructures.

The higher education system's preparations – Ben-Gurion University of the Negev has taken preliminary actions in preparation for the directorates' relocation to the Negev. The memorandum of understandings regarding Ben-Gurion University's preparations for the directorates' relocation to the Negev, which was signed by the Ministry of Finance, the Council of Higher Education's Planning and Budget Committee, the Ministry of Defense and Ben-Gurion University, has been implemented. Nineteen new faculty members have been hired and 450 students have been admitted, new laboratories have been set up and initial plans have been prepared for the construction of three new buildings.

Key recommendations



It is recommended that the National Security Council should collaborate with the Defense Establishment, the Ministry of Finance and the Ministry of Transport and Road Safety in order to formulate agreements and make decisions about their implementation. Both in relation to the solution for transportation to and from the Negev and in relation to the composition of the benefits and incentives to IDF career soldiers; in order to facilitate the successful relocation of the Intelligence Directorate to the Negev in 2026-2027.



It is recommended that a clear and credible benefit and incentives program should be presented to the career soldiers serving in the Intelligence and C4I Directorates sufficiently in advance.



Once the transportation solution and the benefits and incentives program have been agreed upon, it is recommended that the IDF should proceed to launch an opinion survey about the relocation to the Negev among the career soldiers serving in the Intelligence and C4I Directorates. It is also recommended that the IDF should consider the risk that soldiers in compulsory service may not be motivated to serve in the Negev complexes due to the long daily commute to and from central and northern Israel.

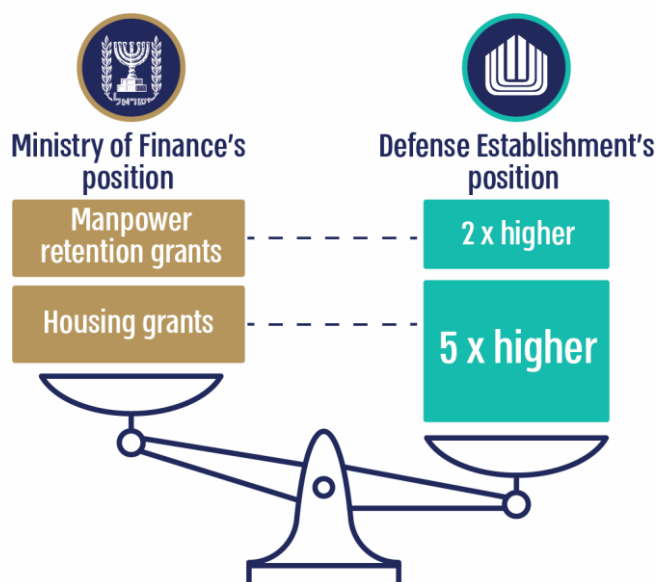


Ninety three% of the soldiers do not live in southern Israel, while lodging solutions are planned for about 64% of all soldiers in compulsory service.



It is recommended to continue taking actions needed to adapt infrastructures of the higher education system in the Negev in order to accommodate the numbers of students expected to be admitted when the Intelligence and C4I Directorates relocate to the Negev between 2024 and 2027.

Main disparities during the discussions between the Ministry of Finance and the Defense Establishment about benefits and incentives to career soldiers that are still unresolved



Total support required according to the positions of the Defense Establishment and the Ministry of Finance:





Summary

The disputes and disagreements between the Defense Establishment, the Ministry of Finance and the Ministry of Transport and Road Safety are a barrier to the process of relocating the Intelligence and C4I Directorates to the Negev. The relocation of these directorates to the Negev is part of a wide-scale national initiative that epitomizes a congruence of political, defense and economic interests. It is of utmost importance that the parties continue their negotiations in order to reach agreements with the assistance of the National Security Council, and make decisions about implementing them in order to pave the way for the successful relocation of the directorates to the Negev.