



State Comptroller of Israel | Annual Report 72a – Part Two | 2021

Systemic Issues

National Programs for Developing the North of Israel



National Programs for Developing the North of Israel

Background

The Northern District¹ featured disparities in most areas of life in comparison to other districts, including the areas of employment and wages, higher education and education, health and negative migration. Following is a description of the situation in the northern district as detailed in Government Decision 2262² (the data relates to the years 2013–2016): the average salary of employees in the northern district is the lowest compared to other districts. The rate of earners with salaries that do not exceed minimum wage, the unemployment rate, the poverty rate and the negative migration rate are the highest compared to all other districts, except the Jerusalem district. This data shows that the young population does not remain in the district. The northern district is characterized by the dominance of traditional and mixed traditional industries, suffering from low productivity. According to professionals in the Ministry of Tourism, the northern district has unrealized tourism potential. In the field of higher education and education there are also major differences in academic achievements, in the rate of matriculation graduates and in the number of graduates with 13 school years and over and in the number of higher education students compared to other districts. There are also disparities in the field of health: life expectancy in the northern district is two years lower than the national average, the number of doctors per 1,000 capita in the northern district is the lowest compared to other districts, the infants mortality rate is second highest after the south district and the number of beds per population size is the lowest, following the south district.

In January 2017 Government Decision 2262 regarding the "Economic development of the northern district and complementary steps for Haifa" (Government Decision 2262 or Decision 2262) was made, in which the government decided to activate a multi-year program for economic development of the northern district and to carry out complementary steps for Haifa.

The multi-year program was scheduled for years 2017–2021, where most of the program sections would be performed in 2017 and 2018. The program contains eight chapters: general, economic development, education and higher education, development of transportation

1 In the government decision "the Northern District" – as defined by the Ministry of the Interior.

2 Government decision 2262 "Economical development of the Northern District and complementary steps for the city of Haifa" (8.1.2016).



infrastructure and expanding transport accessibility, provision of social and public services, reinforcing local authorities, formulating strategic steps for economic development in the interim range and general development of Haifa. The program budget totaled NIS 19.3 billion of which NIS 17.3 billion were allocated to the northern district ranging from the Golan Heights and Upper Galilee in the north and to the Beit She'an Valley and Menashe Hills in the south.

Key figures

**NIS 17.3
billion**

The total budgets for the program allocated to the northern district by Government Decision for a multi-year program for years 2017–2021.

46%

The rate of northern residents who think that there has been no improvement in the field of employment over the past four years⁴.

**NIS 12
billion**

The budget allocated for transportation and public transport infrastructure projects in the northern district for 2017–2021.

59%

The work force participation rate in the northern district in 2019 (58% in 2016) – the lowest of all districts, except for the Jerusalem district.

**NIS 2.8
billion**

Total incremental budget for the program³ according to the government decision.

28.6

The average number of persons requiring medical treatment per 1,000 capita in the northern district from 2013–2017. The highest rate of all districts.

**NIS 842
million**

The budgets allocated for projects for general development of the northern district as part of the economic program.

1.5

The number of hospital beds per 1,000 capita in 2018. The lowest rate of all districts.

³ Incremental – additional budget compared to previous years.

⁴ From a public participation survey conducted for the State Comptroller's Office in February 2021.



Audit actions



From August 2020 to February 2021 the State Comptroller's Office examined the decision-making process of Government Decision 2262, its effects and its implementation in the areas of economy, tourism, energy, education, health and transportation. The State Comptroller's Office also examined the implementation of the strategic steps determined in the Decision. The audit was carried out at the Galilee Development Authority in the Ministry of Economy and Industry (the Ministry of Economy), at the ministries of Finance, Tourism, Health, and Energy, at the Ministry of Transport and Road Safety (the Ministry of Transport), the Jewish National Fund and at Netivei Israel – National transport Infrastructure Company Ltd. Supplementary examinations were carried out at the Ministry of Defense.

In February 2021 two focus groups were conducted for the State Comptroller's Office on the subjects of tourism and health attended by senior managers, as well as a public participation survey⁵ to learn about the standpoints and perceptions of northern district residents regarding the effectiveness of the State's investments in the district in terms of transportation, education, health, employment and personal security.

Key findings



Strategic work to formulate a multi-year program – the role of a strategic work is to examine the existing disparities and the appropriate steps to reduce them, to suggest possible alternatives and to consider them in terms of cost effectiveness. The audit found that no comprehensive strategic work was done prior to the government decision on the subject. Moreover, the multi-year program was not based on various works by government ministries and other entities. It was also found that the work was prepared according to budgets that had already been approved to the government ministries and therefore included only some of the solutions proposed in the previous works. In the absence of any documents indicating and supporting the process of the strategic work, it is impossible to figure why some of the solution proposed in the professional work were not expressed in the multi-year program, and whether any alternatives were considered or if it was examined in terms of cost effectiveness.

⁵ The survey conducted within the north communities was conducted through filling online questionnaires and telephone interviews. The sample included 1,033 northern district residents over age 18–526 from the Jewish society and 507 from the Arab society.



👎 The rate of incremental budget of the total program budget – it was found that of the NIS 17.3 billion budget for the multi-year program to develop the northern district, NIS 2.8 billion derived from incremental budgets. The remaining amounts originated from previous government decision, previous budget agreements and existing government ministries programs designated for the northern district. It was further found that over a billion NIS of the budget depends on fulfilling support tests and additional conditions, or it requires groundwork to exercise, and as such in order to exercise these budgets the relevant government ministries need to make changes in the directives and support tests.

👎 Monitoring the effectiveness of the multi-year program and the contingency program – Government Decision 2622 determined that the effectiveness of the programs receiving budgets as part of the decision will be examined, and the contingency program will be considered accordingly. The multi-year program did not set measurable goals that would enable examining the effect of the decision on various areas and no responsible entity was appointed to examine the effectiveness of the various programs. In fact, the effectiveness of many actions detailed in Government Decision 2262 was not examined⁶, nor was any contingency program formulated for the multi-year program.

👎 Implementation of the Government Decision in the field of Health

- **Incremental budget allocation** – the program allocated NIS 2.5 billion in the area of health for 2017–2020. Of this budget, 62.6% (NIS 1.5 billion) are allocated for the continuation of existing programs in the Ministry of Health base budget, and 37.4% (NIS 930 million) are an incremental budget as defined by the Ministry of Finance as part of a multi-year investment.
- **Health situation in the northern district compared to other districts** – data provided by the Ministry of Health and the Central Bureau of Statistics for 2016–2019 show that the life expectancy in the northern district (81.8 years) is lower than the other districts (except for the south district) and the rate of infant mortality per 1,000 capita in the northern district (2.6 infants per 1,000 capita) is among the highest in Israel. This data, together with the rate of professional personnel in the medical field, which is of the lowers in Israel, such as the rate of doctors per capita in the northern district, which is 2.2 doctors per 1,000 capita for 2017–2019, and which is less than 40% of the rate of doctors in the Tel Aviv district and 50% of the rate of doctors in the Haifa, Central Israel and Jerusalem districts, indicates that there is need to handle the situation in the fields of medicine and health in the northern district and improve it.

⁶ Except for evaluating the effectiveness of subsidizing development costs for land development in industrial areas lead by the Strategy and Policy Planning Department at the Ministry of Economy and Industry.



- **Constructing infrastructures** – Decision 2622 determined allocating a total of NIS 235 million for 2017–2020 during the life span of the multi-year program for constructing infrastructures or general, psychiatric and geriatric wards in the northern district and opening beds in required areas at the Ziv, Nahariya, Ha'emek and Poriya hospitals. The Ministry of Health allocated NIS 76.9 million for general hospitalization beds and NIS 72 million for geriatric beds. However, the differences between the northern district and other districts concerning hospitalization beds were not reduced. It was found that during 2015–2017 the areas where the rate of visits to the ER (average of 272–345 per 1,000 capita and an average of 111–115 per 1,000 capita) is the highest in the north, whereas in 2019 the rate of general hospitalization beds per 1,000 capita in the north is 1.5, which is the lowest in Israel. Despite Government Decision 2262 the bed rate in the north decreased.
- **Shortening waiting times for medical treatment** – Decision 2262 determined that as part of the national program to shorten waiting times NIS 520 million would be allocated for the benefit of shortening waiting times and increasing the number of surgical operations in the public health system in the northern district. As of the second quarter 2019 the northern district residents have to wait longer than Tel Aviv district residents for orthopedic treatments, gynecology, ophthalmology and dermatology – the waiting times ranges between 28.5 days to 38.6 days. As a result and as shown in the public participation, northern district residents are subject to prolonged waiting for receiving these services, or are obliged to travel to the central district to receive them.
- **Mental health** – as of 2018, the northern district, as well as the south district have the lowest rate of beds in the area of mental health compared to all other districts (0.28 per 1,000 capita). The audit found that regarding the Mazor Mental Health Center, which is the only one in the north, the hospital rooms are densely populated and that no plans have been prepared to relocate the mental health hospital and the alternative location has not yet been decided, despite that fact that due to the land designation, an alternative location must be found by 2026. Moreover, during 2017–2020 NIS 24.8 million – 10.6% of the budget allocated for constructing infrastructures at the Mazor Health Center was utilized.
- **Capitation** – the capitation mechanism⁷ did not determine that the budget allocated to the HMOs for geographical remoteness would be used to develop their services in the periphery. Government Decision 2262 determined that the Ministries of Finance and health should examine expanding periphery preference as part of establishing a new capitation formula. Until the audit completion date no new

7 Capitation is the name given to the formula used to determine the allocation of sources to the HMOs by virtue of the National Health Insurance Law.



capitation formula was established and no corrections or changes were made to the existing formula.

- **Public participation** – in regard to waiting times for appointments and availability of medical services in the northern district it appears that 33% of residents do not think there has been any improvements over recent years, and over 40% think that the change is mediocre. Moreover, 40% of responders stated they were referred to medical centers outside of the northern district, mostly to a medical center in Haifa.



Implementation of the government decision in the field of education

- **Matriculation entitlement data** – it was found that as of December 2019, although investments to the extent of NIS 859 million out of the NIS 945 million were utilized, this has not yet reduced the disparities in matriculation entitlement data between the northern district and all other districts. In 2019 the rate of the northern district matriculation entitlement totaled 76.1%, a lesser rate to the matriculation entitlement rate of the central district (86.1%), Haifa district (82.1%), Tel Aviv district (82%) and south district (77.8%) and higher only than the Jerusalem district (72.4%).
- **Education in the subjects of mathematics, sciences and English** – in the scientific subjects and in English the rate of pupils taking the matriculation exams at five learning unit levels (the highest level) in the northern district was in last place relative to the general rate in Israel. Moreover, there are significant disparities between the northern district and other districts, for example, in 2019 the rate of those who took the matriculation exam in five unit level computer sciences in the northern district was 5.3% compared to 13.1% in the central district.
- **Establishing a university in the north** – over 15 years have lapsed since Government Decision 3578 of 2015 was taken, the Ministry of Education, Culture and Sport and the Ministry of Water and Higher Education have not reported any progress on the matter, and the process for establishing a university in the Galilee has not been promoted.
- **Public participation** – over 40% of survey respondents think that in their settlement of residence there has been no improvement in the number of classes for studying sciences, in the number of new classes for other learning subjects, in the organized transportation to schools and extra curricular activities and in the diversity of these activities.



Implementation of the government decision in the fields of economic development and infrastructures.

- **Attracting the hi-tech industry** – Government Decision 2262 determined that the Ministry of Economy should act, among others, in the following areas in the northern district: attracting hi-tech industries and creating employment



opportunities, increasing productivity, promoting competitive and advanced industries, attracting investments and entrepreneurs, reinforcing small and medium size businesses and developing industrial areas. Following Government Decision 2262 the Ministry of Economy CEO directive 4.18 was changed⁸. The Decision stated that the change and budget in favor of Ministry of Economy CEO directive 4.18 were designated to encourage the move of hi-tech industry companies to the northern district. Despite the preference given by the directive to the northern district, the Ministry of Economy data shows that in 2017–2018 eight companies received assistance, 74% of the total NIS 90 million budget determined by the Government Decision were utilized, but in fact no companies moved to the northern district following the directive changes; it was found that the changes in the CEO directive 4.18 did not contribute to the transfer of companies to the northern district, including hi-tech companies.

- **Creating additional employment opportunities** – following Government Decision 2262 the Ministry of Economy CEO directive 4.17⁹ was changed so that in 2017–2018 an additional course of assistance was added (Course E) – “Assistance for hiring additional employees in the peripheral municipalities 1–4 of the northern district”, the course was designed to create quality places of employment characterized with high salaries. The audit found that in 2017–2018 two companies received assistance from the designated course for the northern district, and 20 additional employment places were added to the northern district because of this course (compared to 33 companies from the north that received assistance from the other courses published during these years). Therefore, the designated course did not achieve the objective of creating quality high paid employment opportunities.
- **Assistance to businesses in the north** – the audit found that during 2017–2018 the assistance to businesses in the northern district decreased according to the Ministry of Economy CEO directive 4.17 (from NIS 50 million in 2016 to NIS 9 million in 2018) and less applications were submitted compared to 2014–2016; this decreasing trend continued in 2019 where assistance totaled NIS 6 million. Therefore, the changes did not lead to increase the demand for assistance.
- **The assistance program for small and medium sized businesses** – in January 2017 the Ministry of Economy began formulating a program to increase productivity of small and medium sized businesses while integrating an evaluation and measurement mechanism (by random allocation to some of the applicants). The audit found that even though the Government Decision 2262 was published on 8.1.17 the program for small and medium sized businesses was published on

8 Ministry of Economy CEO directive 4.18 – “High salary program”.

9 Ministry of Economy CEO directive 4.17 – “Assistance aid program for recruiting additional employees for business in Israel”.



21.12.17, and the random allocation mechanism set in this program reduced the extent of the program's budget realization. The budget utilized for the program totaled NIS 10 million out of the NIS 30 million allocated, and the random allocation data was not used for any research.

- **Attracting investments and entrepreneurs to the northern district –** Decision 2262 determined that the Foreign Investments and Industrial Cooperation Authority at the Ministry of Economy (Rashpat) would act to market the northern district as an attractive target for investments, while locating the obstructions and providing recommendations for their removal. It was found that the Rashpat acts to attract investors to Israel with a broad overview and does not perform any designated marketing for the northern district.
- **The economic data of the northern district compared to the rest of Israel** – as of 2019 the northern district remains low on the economic indexes compared to other districts and for most indexes the improvement that occurred is similar to the average improvement in Israel. For example, in 2018 the income per capita for the northern district totaled NIS 5,744 compared to the national average of NIS 7,801 and the rate of change compared to 2016 was 10% in the northern district compared to the 11% national average. Therefore, the northern district development program and the allocation of designated budgets for a variety of economic areas according to Government Decision 2262 did not sufficiently contribute to any higher improvement in the north compared to the national average in all indexes.
- **Public participation** – 13% of respondents work outside the northern district. 69% of respondents earn less than the average salary, and 60% estimated that their salary is lower compared to the salary for similar jobs in other districts.



Implementation of the government decision in the field of tourism

Allocating budgets for developing public infrastructures – the budget for developing public infrastructures in the northern district set in the government decision, for the sum of NIS 50 million, was determined according to the Ministry of Tourism estimates based on budget utilization in previous years and did not reflect any preference of the northern district. The multi-year program did not reflect any preference for the northern district in 2017 and 2018 and the budget was lower than the actual assistance transferred for each of the years 2015 and 2016 (NIS 57 million and NIS 65 million, accordingly). In addition, the audit found that in 2017 and 2018 the total assistance for developing public tourism infrastructures in the north (NIS 56 and 20 million) and the assistance rates relative to the entire country (26% and 8%) are low and that in 2019 to which the Government Decision 2262 did not refer the assistance and its rate to the northern district increased compared to other districts. The audit



found that Government Decision 2622 for 2017 and 2018 did not increase the assistance to the northern district.

- **The policy of the Ministry of Tourism to develop infrastructures in the north** – the Ministry of Tourism procedure for the Development of Public Tourism Infrastructures (Appendix A to the procedure) does not include any reference for promoting tourism in the northern district in 2017–2018 and the audit found that the Ministry of Tourism policy for 2017–2018 was directed at promoting tourism in the south district and did not include promoting the northern district.
- **Public participation** – a meeting held as part of the public participation, with position holders from the private and public sectors in the northern district, presented the following major obstructions – absence of tourism leadership in the northern district, absence of any proper handling of tourism infrastructures, no growth in accommodations in central towns and inadequate supervision of tourism assets.



Implementation of the government decision in the field of energy –

- **Support of remote natural gas consumers** – in the calls for proposals published by the Ministry of Energy during 2017 and 2018 no preference was given to the northern district and no applications were submitted for connecting remote consumers in the Haifa and northern districts. Therefore, the NIS 35 million allocated in Government Decision 2262 for supporting remote gas users in the northern district were not utilized.
- **Establishing natural gas fueling stations** – in March 2018 the Ministry of Energy issued a call for proposals (51/2016) for the submission of proposals for a program that combines grants and a safety net for the establishment of compressed natural gas fueling stations; the call for proposals did not assign any preference to fueling stations in the northern district. Moreover, out of the 37 stations that were awarded grants by virtue of the call for proposals issued by the Ministry of Energy on March 2018 for establishing compressed natural gas fueling station, only one station in the Haifa district complied with the requirements and as of concluding this audit all other winners, including 5 stations in the Haifa and northern districts did not comply with requirements and therefore the agreements therewith are expected to be cancelled and the establishment of natural gas fueling stations will not be promoted.
- **Layout of a distribution network and connecting consumers** – a significant portion of the natural gas distribution outline north of the Tiberias – Safed – Kiriat Motzkin aerial line was not in fact established, despite the fact that the original schedules for its establishment were for 2015–2019. Moreover, the rate of connected consumers actually using natural gas in the north (10 out of a potential 168) is the lowest of all distribution regions (except for the Jerusalem district where



there was no consumption), as well as the accrued consumption as of 2020 in the north (36.6 million MC).

- **Budget allocation in favor of upgrading the natural gas distribution network** – as part of the calls for proposals a total budget of NIS 283 million was provided for all districts and milestones have been set to execute, where NIS 99 million were allocated in favor of upgrading the distribution network in the north (Haifa and the Galilee) – as of the audit completion date, NIS 42 million of the NIS 99 million attributed to the north were paid, according to the milestones set in the calls for proposals.



Implementation of the government decision in the field of transportation –

- **Developing transport infrastructures and increasing transportation accessibility** – developing transport infrastructures in the northern district is a subject with the highest budgetary extent – NIS 12 billion as set in Government Decision 2262. However, these projects were in various planning stages even before the government decision was made, and were even mentioned in the Ministry of Transport work plans and in the Netivei Israel five year plans, and partially in the State budget for 2017–2018. Moreover, the project for developing Metronit lines in the Haifa metropole, one extension out of the planned 6 extensions belongs to the northern district and the audit indicated that there are delays in completing 6 out of the 11 transportation projects.
- **Public participation** – the public participation process showed that residents have noticed great improvements in roads and transport infrastructures and in public transportation, yet at the same time most residents do not feel any significant improvement in arrival times to work, to major highways or to medical centers.



Strategic steps for developing the northern district – Government Decision 2262 determined the following steps as strategic steps for economic development in the northern district: examining relocating IDF bases to the northern district; examining relocating government companies with technological activities and extensive employment capacities to the northern district; formulating a multi-year program to expand existing industrial areas and establish new areas in the northern district; examining establishment of a complementary airport to Ben Gurion Airport in the northern district and recognizing NIS 400 million worth projects as “national projects”. The government decision did not include operative steps or budget allocations¹⁰ or determined schedules for execution. By the audit completion date, an examination of the option to relocate IDF bases to the northern district had not been completed, no actions were taken into examine relocating government companies with technological activities and large employment capacities to the northern district, no final decision had

¹⁰ Except for the budget for projects recognized as “national projects” by the JNF.



been made on the location of a complementary airport to the Ben Gurion Airport and projects recognized as “national projects” had hardly been promoted. For example, as of the audit completion date, only NIS 37.5 million of the NIS 400 million allocated by government decision for projects recognized as “national projects” had been used. These strategic steps could have been the generators of change and the growth engines required to significantly improve the situation in the northern district, and lead to improvement in all areas of life, but these steps were not sufficiently promoted.



The program to increase work productivity – the Ministry of Economy formulated a program to increase productivity, within during 2017 and 2018 39 assistance application in the northern district were approved for which grants totaling NIS 60 million were given.

Developing transport infrastructures – developing transportation infrastructures and increasing transportation accessibility in the northern district had the highest budget allocation in Government Decision 2262, for the total of NIS 12 billion.

Key recommendations



It is recommended that the Periphery, Negev and Galilee Development Ministry and the Ministry of Finance prepare goals and indexes for all of the actions derives from the program, and examine, with the assistance of all the relevant ministries, the need for formulating a contingency program and operate accordingly. It is further recommended that when submitting for government approval a multi-year program for the development of a region, and particularly the north, the decision should include measureable goals so that program effectiveness can be evaluated. The program should include appointing a responsible entity to evaluate the effectiveness and provide a reporting system to the steering committee and the government.



It is recommended that the Periphery, Negev and Galilee Development Ministry, the Ministry of Economy and the Ministry of Finance when preparing a multi-year program for the development of a region, and particularly the north, conduct a designated strategic work that includes a comprehensive view of the disparities, obstructions and solutions, while examining previous professional works formulated by the various ministries, cost analysis – compared to the effectiveness of the various alternatives and promotion of a holistic solution that will enable contending with all issues requiring remedy.



It is recommended that the Ministry of Health operate to improve and expand the medical services provided to residents of the north, examine the population requirements and the existing obstructions for residents, at medical centers and hospitals, that prevent receiving or providing proper and optimal medical care. Treatments availability and



accessibility should be provided, existing infrastructures improved and skilled and appropriate medical staff recruited. The Ministry of Health should verify that the budgets transferred to benefit medical services bring about the required change and it is recommended that the Health and Finance Ministries examine changing the capitation formula to improve medical services in the periphery.



It is recommended that the Ministry of Education review the existing education disparities in the northern district, and particularly the entitlement to five unit level matriculation in the subjects of mathematics, English and sciences, and devise a plan for their reduction. It is further recommended that the Ministers in charge of higher education and of Periphery, Negev and Galilee development complete their review of establishing a university in the Galilee, and report to the government on the subject, as determined by Government Decision 3578.



It is recommended that the Ministry of Tourism complete the preparation of the regional programs and assistance plans that will express the government policy of the reinforcing the north and take into consideration the obstructions indicated in the public participation process. It is also recommended that the Ministry of Tourism establish criteria for assistance adapted to relevant tourism events in the northern district in terms of size and extent.



It is recommended that the Gas Authority continue to examine the obstruction preventing development of gas infrastructures in the northern district and connection of north residents to the distribution network, and find the means for their removal in order to encourage consumers from the northern district to connect to the natural gas network and consume natural gas as part of economic efficiency, and to thereby reduce gaps between the northern district and all other districts.



The State Comptroller's Office recommends that the Ministry of Transport act to complete the six projects included in Government Decision 2262 with budgeting.



In order to reinforce the northern district, which was characterized for many years by a low socio-economic level, negative migration and disparities in most fields of life compared to all other districts, including employment and salaries, education and health, genuine transformation is necessary through generators of change and growth engines. The relevant government ministries should act to promote the strategic steps included in Decision 2262 in order to advance growth engines in the north, including:

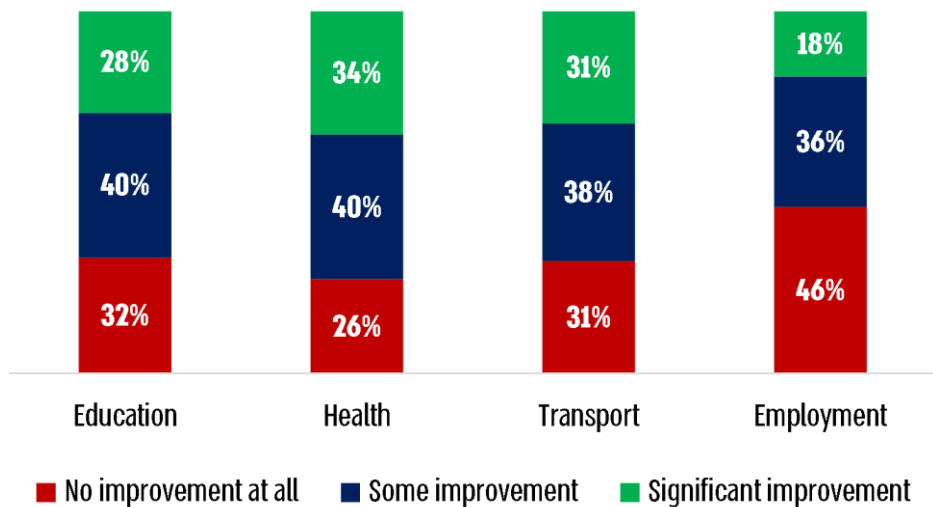
- The Ministries of Finance and Defense and the Israel Land Authority should complete the strategic work regarding the relocation of IDF bases to the northern district according to the government decision and formulate recommendations to promote the issue.
- It is recommended that the Ministry of Transport and the Planning Administration act, each under their vested authority, together with relevant entities, to complete the strategic work required and act to promote a final decision regarding the



location of the supplementary airport to Ben Gurion as well as the planning process, while relating to issues of safety, security and economy as raised by the professional entities, taking into consideration the effect of the decision on the north and south, and operate accordingly to establish a supplementary airport to Ben Gurion.

- The Budgets Commissioner at the Ministry of Finance and the Head of the Government Companies Authority or their representatives should establish a joint team to examine relocating the activities of government companies of technological nature and with large employment capacity to the northern district, as determined by Government Decision 2262.

The perception of the improvements done in the four years until February 2021 by the residents in the northern district



According to the public participation survey.

Summary

In 2016 the government decided on the formulation of a strategic multi-year program to develop the northern district. In 2017 the multi-year program for developing the north was



presented. The program included many government ministries that handle a variety of areas, significant government investment and change generating steps.

An examination of the implementation of the program by government ministries in the various areas indicated that the programs did not generate an actual change in the relevant fields of life, whereas for some projects included in the government decision, the obstructions impeding various areas in the northern district were not examined, and therefore the preference given to the northern district was not effective. Some of the budgets were not used and objectives determined in the decision were not achieved.

It was also found that the strategic steps for financial development in the interim range in the northern district, which may have become the necessary generators of change and growth engines to substantially improve the situation in the northern district and as a result lead to improvement in all areas of life, were not sufficiently promoted.

An examination of current poverty levels and disparities between the northern and other districts in various areas, including employment and salaries, education, higher education and health, indicated that since the government decision was taken there was no fundamental improvement in these disparities, and the metrics of the northern district are lower compared to all other districts on most of the examined indexes.

The State Comptroller's Office recommends that the government ministries conduct a review of the situation of the northern district in comparison to other districts and the effectiveness of the actions included in the government decision in order to study their effect and promote a contingency program to the program determined by Decision 2262 so that disparities between the northern district and all other districts are reduced.