



Report of the State Comptroller of Israel | November 2024

Local Government

Advancing Master and Detailed Planning in Non-Jewish Sector Communities in the North of Israel



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Background

At the beginning of 2023, Israel's population stood at approximately 9.7 million, of which approximately 2.04 million (21%) belonged to the Arab, Bedouin, Druze, and Circassian sectors (the non-Jewish sector). The majority of the non-Jewish sector resides in 85 local authorities: 13 municipalities, 68 local councils, four regional councils that include 19 villages, and 26 villages within mixed regional councils where the majority of the population is Jewish. A significant portion, 69 (81%) of the local authorities in the non-Jewish sector are in socio-economic clusters 1–4. Additionally, 68 (80%) of these local authorities are located in northern Israel, home to approximately 973,000 residents. In Israel, 93% of the land is owned by the state, the Development Authority, and the Jewish National Fund (JNF), while the remaining 7% is owned either by local authorities or privately. That is, less than 7% of the land in Israel is privately owned, with half owned by Jewish individuals and the other half owned by the non-Jewish sector. Private ownership in the non-Jewish sector is historically based on family or clan structures, with plots often registered in the land registry under the name of the head of the extended family. To ensure adequate functionality and quality of life, land-use planning and the organization of physical spaces are essential. The purpose of planning processes is to enable optimal decision-making through a comprehensive perspective that considers the impacts of planning interventions in various domains, including social, environmental, and economic aspects.



Key Figures

**2.04 million
(21%)**

The number of residents belonging to the Arab, Bedouin, Druze, and Circassian sectors and their percentage of Israel's population

**NIS 39.2
million only**

The amount utilized (49%) of the NIS 80 million budget allocated under Government Resolution 922 to the Planning Administration and local authorities for master and detailed planning in the non-Jewish sector 2016–2020

**NIS 41
million only**

The amount utilized (20%) of the NIS 206 million authorizations transferred by the Ministry of Construction and Housing for planning strategic settlements in the non-Jewish sector, 2016–2020, as part of the implementation of Government Resolution 922

3,000

Number of buildings constructed without permits on agricultural land in the neighborhoods of Ein Jarrar and Al-Ara'ish in **Umm al-Fahm**

**268,282
(approx. 24%)**

Number of housing units designated for the non-Jewish sector out of the 1,135,310 housing units approved by planning authorities between 2013 and 2022

20 months

Deviation from timelines for handling Preferred Housing Plans (TAMAL 1077) in **Umm al-Fahm** compared to the schedules set by law (over 44 months in practice compared to 24 months stipulated in legislation)

Audit Actions


From May to November 2023, the State Comptroller's office examined the advancement of master and detailed planning in non-Jewish sector communities in northern Israel. The audit was conducted in four local authorities: the municipalities of **Umm al-Fahm** and **Shfar'am** and the local councils of **I'billin** and **Yarka** (the reviewed local authorities). The audit was also conducted in three local planning and building committees to which these local authorities belong: **Gva'ot Alonim**, **Central Galilee**, and **Iron**. Additionally, the audit examined the Planning Administration within the Ministry of Interior (the Planning Administration), as well as the district planning offices and district committees of **Haifa** and the **North**. Complementary examinations were conducted at the Ministry of Construction and Housing (the Housing Ministry), the **Shfar'am** Water and Sewage Corporation (**Shfar'am** Corporation), and the **Kiryat Ata** Local Planning and Building Committee.



Key Findings


Implementation of Government Resolutions to Promote Planning and Construction Programs in the Non-Jewish Sector


– of the NIS 80 million allocated under Government Resolution 922 for master and detailed planning, the Planning Administration and local authorities utilized only NIS 39.2 million (49%). Additionally, out of the NIS 100 million allocated in the same resolution for splitting regional committees and strengthening local committees, the Planning Administration allocated NIS 28 million for employing strategic planners. However, the local authorities were only granted authorizations totaling NIS 15.8 million (56% of the allocated budget). Under Government Resolution 959, addressing planning for the Druze, Circassian, and Bedouin sectors for 2016–2020, following Resolution 2332—NIS 50 million was allocated for master and detailed planning, in addition to NIS 8 previously allocated by the Planning Administration under Resolution 2332. Of this budget, NIS 18.2 million (31%) was utilized in that period for master planning and planning consultancy, while NIS 37 million (64%) was authorized by the Planning Administration for detailed planning to benefit local authorities in these sectors. From the NIS 252 million allocated for infrastructure planning in built areas and the employment of strategic consultants under Resolution 922, the Ministry of Construction and Housing authorized NIS 206 million for planning strategic settlements. Of this, local authorities utilized approximately NIS 41 million (20%). Additionally, authorizations of NIS 2.33 million were allocated for employing strategic consultants, of which local authorities utilized only NIS 0.85 million (36%). Government resolutions over the past decade highlight the housing crisis and the lack of planning solutions for expanding construction in this sector. They emphasize the necessity and importance of promoting systemic plans and advancing master and detailed planning. The six resolutions adopted in the years 2016–2021, along with the partial utilization of budgets by local authorities, point to significant barriers to advancing planning. These barriers include the need for land consolidation and subdivision, improving mechanisms for allocating land for public use, and a lack of public awareness and engagement. Although inter-ministerial teams have mapped these barriers, formulated recommendations, and begun implementation, the conditions for extensive residential construction have not yet materialized.

 **Advancing Comprehensive Master Plans** – the comprehensive master plan for **Umm al-Fahm**, initiated in 2016, was intended to establish a framework for detailed planning, thereby enabling the city's long-term development through the addition of approximately 23,320 housing units and assisting in the prevention of construction violations. However, the seven years that have passed since the plan was submitted by the inter-ministerial steering committee (in 2016) and the ongoing delay in its approval process (which had not been completed as of the audit completion date) could affect the planning solutions provided to residents. The preparation of a comprehensive master



plan for **I'billin** began in 2017, involving the **Northern District Planning Office** and representatives from various government ministries; however, as of the audit completion date, it had not yet been deposited. Due to the local council of **I'billin's** decision in August 2023 to withdraw the plan, there is concern that its advancement will come to an abrupt halt, potentially hindering the community's development and wasting the resources invested in its preparation.

 **Advancing Land Consolidation and Subdivision Plans in the Reviewed Local Authorities – Umm al-Fahm** – for six out of 12 (50%) areas in **Umm al-Fahm** included in detailed plans approved over a decade ago – in which thousands of housing units could potentially be built – land consolidation and subdivision plans, which are a prerequisite for issuing building permits, have not yet been prepared. This prevents the issuance of building permits in these areas and consequently hinders residents from realizing the construction potential established by law in the detailed plans. **Shfar'am:** in nine areas with acreages ranging from 17 to 92 dunams, where detailed plans approved 6 to 28 years prior to the audit completion date indicate the potential for approximately 1,560 housing units, the required land consolidation and subdivision procedures have yet to be completed. This prevents the issuance of building permits and, consequently, the realization of the construction potential in these areas. **Yarka:** during public participation meetings held by the Planning Administration in November 2021 to finalize the plan for the Al-Rujab neighborhood, designated to include approximately 950 housing units, issues emerged that delayed planning progress. The latter included the inability to allocate land for public use due to unauthorized construction already present in the planned neighborhood, objections from some landowners to the consolidation and subdivision plan, and resistance to the proposed percentages of land allocation for public purposes.

 **Unauthorized Construction** – in the local authorities of **Umm al-Fahm, I'billin, Yarka,** and **Shfar'am,** as well as in the local planning and building committees of **Gva'ot Alonim, Central Galilee,** and **Iron,** there was no information on the number of constructions built without permits within the four authorities' jurisdiction. Moreover, they have not taken sufficient action to identify, enforce, or prevent unauthorized construction. One of the objectives of two detailed plans in Umm al-Fahm (currently being advanced in the planning institutions but not yet approved) was to regularize existing unauthorized construction. For example, Preferred Housing Plans (TAMAL 1077) in **Umm al-Fahm** address unauthorized construction in the neighborhoods of Ein Jarrar and Al-Araish, where approximately 3,000 buildings were constructed without permits, most of them on agricultural land, and the El-Ayun Suweisa neighborhood, which aims to regulate around 600 existing unauthorized buildings. Since 2018, when planning for the Al-Rujab neighborhood in **Yarka** (an area already dense with unauthorized construction) began, new unauthorized buildings have been added. This ongoing construction undermines the planning process and diminishes the likelihood of completing and approving the neighborhood's plan.



Delays in Advancing a Wastewater Endpoint Solution – in order to facilitate new construction plans in **I'billin** and **Shfar'am**, work began over a decade ago, in 2011, on the construction of a new sewer line for the city of **Shfar'am**, designed to connect to the Haifa wastewater treatment facility. This line is designed to serve both **I'billin** and **Shfar'am** and is planned to replace the existing line. As of the audit completion date, the wastewater endpoint solution had yet to be completed, despite significant resources invested in the project, including its statutory regulation as part of several plans. The primary reason for this delay is the reluctance of the **Kiryat Ata** Local Planning and Building Committee to advance the issuance of permits for constructing the main pumping station and transferring portions of the transmission lines within its jurisdiction, in alignment with approved plans. This stands in contrast to the 2011 directive from the **Haifa** District Planning and Building Committee to the planning institutions within its jurisdiction to expedite the processes for establishing the new sewer line for **Shfar'am** and **I'billin**, given its considerable public importance. Nevertheless, the proceedings at the **Kiryat Ata** Local Committee have stretched over seven years, during which it imposed unnecessary obstacles rather than seeking to resolve the matter. This conduct by the Local Committee contradicts its public duty to act with loyalty and fairness, hinders progress in resolving the housing crisis in **Shfar'am**, and creates a substantial risk of a public health hazard in nearby communities.

Advancement of Detailed Planning by the Ministry of Housing in the Yarka Local Council – the Ministry of Housing supports and funds the planning of seven complexes within the **Yarka** Local Council's jurisdiction. The Northern District of the Ministry of Housing, which leads planning processes in northern communities, including **Yarka**, has not appointed a management company to assist in advancing the planning of the complexes it oversees within the council. As a result, the detailed planning of five out of the seven complexes it has been managing for over three years has not progressed in the planning institutions to the stage of being integrated into the Planning Administration systems.

Advancing Preferred Housing Plans (TAMAL 1077) in Umm al-Fahm – during April and May 2022, an investigator appointed by the National Committee for Preferred Housing Plans (VATMAL) held five hearings to address objections to TAMAL 1077. In March 2023, the investigator submitted his recommendations. However, as of the audit completion date, the Subcommittee for Objections had not made a decision in this matter. While the VATMAL Law stipulates a timeframe of 75 working days (approximately three to four months) for hearing objections and making decisions regarding them, the objection phase for TAMAL 1077 has continued for over 21 months (approximately 450 working days), and as of the audit completion date, the process had not been concluded by VATMAL. Additionally, despite an investment of approximately NIS 3.44 million for planning the Rabin Neighborhood in **Yarka** (designed to provide 3,800 housing units to address homelessness) the Local Council of **Yarka** and the Ministry of Housing have been unable to advance the plan for nearly nine years. The plan aimed to regularize








unauthorized construction carried out over the years by private landowners and build additional housing units to alleviate the housing shortage in the community.



Providing an Explanation to the Public on Private Land Planning Through Consolidation and Subdivision Processes – in August 2021, the Planning Administration published on its website a booklet detailing the process for preparing a consolidation and subdivision plan in the non-Jewish sector. This booklet was distributed to all local authorities and local planning and building committees. In March 2023, the Planning Administration produced an animated video explaining, in both Hebrew and Arabic, the importance of planning private lands through consolidation and subdivision processes and published it online.

Key Recommendations

-  It is recommended that the Planning Administration and the Ministry of Housing work in collaboration with local authorities in the non-Jewish sector to complete outline planning, advance detailed planning, and utilize the budgets allocated for these purposes. This should include accelerated efforts to remove the unique barriers in each locality, such as recruiting specialized professionals – planners, surveyors, lawyers, and mediators – to develop practical solutions.
-  It is recommended that the **Haifa** District Committee map out the reasons for the prolonged processes required to approve **Umm al-Fahm's** comprehensive plan. Following the completion of appeal procedures and in accordance with their resolution, the committee should bring the plan for final approval.
-  The Local Council of **I'billin** and the **Northern** District Planning Bureau should work to resolve the issues delaying the advancement of **I'billin's** comprehensive plan, in order to secure its approval.
-  It is recommended that the Municipality of **Umm al-Fahm** and the **Iron** Local Committee, as well as the Municipality of **Shfar'am** and the **Gva'ot Alonim** Local Committee, work to advance consolidation and subdivision plans based on detailed plans approved, near the time of their approval. They should also promote consolidation and subdivision plans within detailed plans approved in the past, enabling residents to realize the construction potential inherent in the approved planning.
-  The Planning Administration, the **Northern** District Committee, the **Central Galilee** Local Committee, and the Local Council of **Yarka** should cooperate without delay to resolve the issues hindering the advancement of planning in **Yarka** as soon as possible,

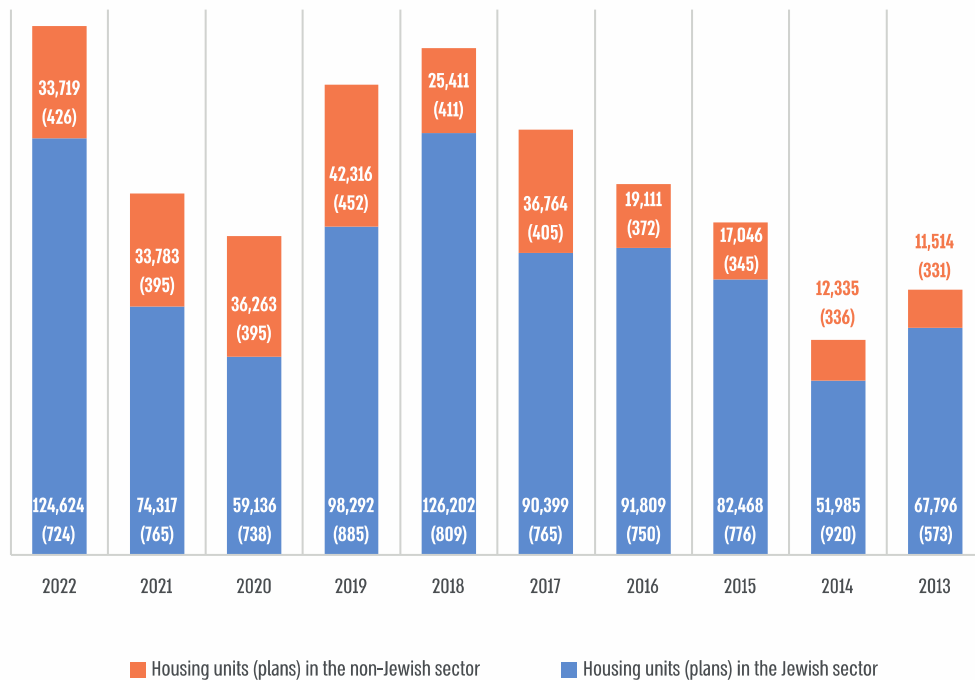


in order to release land for construction and increase the supply of housing units in the locality.

- 💡 The local authorities of **Umm al-Fahm, I'billin, Yarka, and Shfar'am** should collaborate with the local committees of **Gva'ot Alonim, Central Galilee, and Iron** to locate and map all structures built without permits and ensure that all available enforcement measures are taken to halt unauthorized construction.
- 💡 The **Kiryat Ata** Local Planning Committee should immediately take all necessary action to issue construction permits for completing the new sewer line and pumping station in **Shfar'am**. The **Haifa** District Committee should exercise its authority under Section 28 of the Planning and Building Law to impose a timeline on the **Kiryat Ata** Local Planning Committee for completing the process and act in its place if those timelines are not met. Since proceedings have also commenced with the National Infrastructure Committee (VATAL), it is recommended that VATAL assess how it can contribute to completing the wastewater endpoint solution.
- 💡 The Ministry of Housing should closely monitor the planning it oversees and funds in **Yarka** and appoint a management company to help advance it. This is particularly crucial given the three-year delay in progressing the detailed planning under its supervision and the deficiencies in the planning of four complexes, as noted by the Northern District Planning Bureau.
- 💡 The VATMAL should intensify its efforts to advance the approval process for TAMAL 1077 in **Umm al-Fahm**, including completing discussions on the investigator's recommendations regarding the objections to the plan and making a decision regarding them. This would address the construction crisis in **Umm al-Fahm** and regularize unauthorized construction in the neighborhoods of Ein Jarrar and Al-Ara'ish.



The Number of Potential Housing Units (and the Number of Detailed Plans) Approved by Planning Institutions, Including the Number of Plans and Housing Units Approved in the Non-Jewish Sector, 2013–2022



According to data published annually in the Planning Administration's yearbook and data provided to the State Comptroller's Office by the Planning Administration, as processed by the State Comptroller's Office.



Summary

In the non-Jewish sector, there has been a longstanding shortage of outline plans and detailed plans. This issue has been addressed in government decisions made in the years 2016–2021 aimed at reducing disparities, including advancing comprehensive and detailed planning and allocating dedicated resources for this purpose.

It was found that despite the resources allocated in recent years to promote planning in the non-Jewish sector, planning institutions, local authorities, and local planning committees have not succeeded in closing the gap in preparing the necessary plans to address the housing crisis in this sector. This is partly due to the need for amendments to local outline plans, and in one case, even to a national outline plan, requiring the approval of the National Council for Planning and Building as part of the planning advancement process. Additional challenges include legal issues regarding private land ownership, issues related to consolidation and subdivision, unauthorized construction hindering planning progress, and the degree of cooperation between local authorities and planning institutions. The lack of detailed planning precludes the issuance of building permits.

Given the importance of regularizing the development of communities in the non-Jewish sector, including addressing the housing shortage, the Minister of Interior should instruct the relevant planning authorities to find solutions for advancing planning in the non-Jewish sector, focus their efforts on this critical issue, and monitor the progress of housing solutions in the sector. This should be accompanied by intensified enforcement to prevent unauthorized construction. The Planning Administration, the Ministry of Housing, local authorities, and local planning and building committees should work collaboratively and concentrate efforts on overcoming the barriers delaying planning in communities within the non-Jewish sector.

