



Foreword

This extensive follow-up report on national climate action by the government of Israel was completed two years after the release of the special report by the State Comptroller's Office on this matter in October 2021 in preparation for the global climate conference, COP28, held in late 2023. Due to Operation Swords of Iron, this report was not submitted to the Israeli Parliament (The Knesset) and not presented to the public until now.

The global scientific consensus is that current levels of greenhouse gas emissions have led to an increase in the concentration of greenhouse gases in the atmosphere and significant climate changes, and that this trend will continue unless immediate action is taken. Some of these changes are already evident and manifested in massive wildfires, severe and prolonged heatwaves, torrential rains and storms, flooding, and other climate related extreme wather, causing loss of life and property. Scientists estimate that even more severe impacts of climate change lie ahead. As a result, a crisis is unfolding that transcends borders and sectors, and is expected to cause global deterioration in the economy, social conditions, human health, and ecological systems. To prevent the realization of this scenario, comprehensive global action is required to transition to a carbon-neutral economy.

In various countries, a climate emergency has been declared, and actions have been taken at the national and local levels based on the understanding that climate change is a significant component of the national risk map. It is no longer perceived as solely an environmental issue with limited effects, but a systemic crisis. Public preparedness is a central component of the national strategy to strengthen public resilience and systemic readiness for multi-hazard crises. As part of the community of nations, Israel must actively participate in this global endeavor.

Having followed the government's progress on the topic of climate change since the last report was published, in early 2023 I decided to conduct a thorough follow-up audit. This audit aims to assess whether the government is taking steps to rectify the shortcomings outlined in the previous report, given the substantial risks facing Israel and in light of its international commitments.

This comprehensive follow-up report reveals a troubling picture: despite some improvements made by certain governmental bodies, the majority of the deficiencies have either not been addressed at all or have not been fully corrected. Governmental efforts to tackle climate change have so far suffered from several fundamental weaknesses, including the absence of effective government leadership on this matter, a legal framework that lacks the necessary foundation for implementing substantial changes, a lack of comprehensive government risk management, limited or ineffective government attention, and policy management through government decisions and statements without leading processes and actions that would enable real progress. All of this stands in stark contrast to the inherent risks posed by climate



change, which threaten our very existence. Therefore, the government's handling of this issue can be characterized as "functionally stagnant."

The absence of substantial corrective action by the Israeli government and head of government and its leader in addressing the climate crisis places current and future generations of Israeli citizens at risk. Without transformative, integrated, and reality-changing government action that includes the deployment of a comprehensive set of mitigation and adaptation tools with significant strategic weight to ensure achieving carbon neutrality by 2050, Israel might become an international outlier, especially in comparison to developed nations. It might even be labeled a "free rider," viewed as not contributing sufficiently to the global effort to mitigate and adapt to climate change.

Comprehensive, extensive actions in this field are imperative in light of the clear national interest: safeguarding the social, economic, and security resilience of the State of Israel. As a country situated in a climate hotspot, the changes in climate and weather that Israel is expected to experience due to global warming will be more significant than the global average, and could have severe repercussions on resilience:

In the economic and financial sphere, consequences are anticipated in two dimensions:

Physical damage: The physical impacts of climate change are expected to affect agricultural yields and lead to food and water shortages, as well as impacting commodities and energy supply, ultimately resulting in global price increases. This will have repercussions on the economy and the household budgets of disadvantaged populations. Additionally, expected damage to infrastructures in Israel that are already overloaded, including roads, desalination facilities, energy facilities, the water system, and sewage, from increasing numbers of extreme weather events could potentially lead to their collapse.

Risks of inadequate transition to a carbon-neutral economy in Israel: The worldwide shift toward a carbon-neutral economy creates transition risks. Inadequate preparedness of the Israeli economy for these risks and the incomplete national transition to a carbon-neutral economy by 2050 may affect the competitiveness of the Israeli economy.

For example, a carbon tax has been approved in the European Union but not in Israel. As a result, European countries may gradually impose a carbon tax on energy-intensive goods exported from Israel due to emissions during their production. This could raise the cost of these goods and potentially impact the competitiveness of Israeli manufacturers. Furthermore, the revenue from this tax will not go to the Israeli treasury but to the countries collecting it. The global transition to a carbon-neutral standard might also divert international investments in both the private and public sectors from Israel to countries with sustainable economic activities.

All of these factors could potentially impact social resilience in Israel. The effects of climate change and transition risks are expected to disproportionately affect disadvantaged



populations and may leave significant portions of the Israeli public behind, potentially leading to unrest or social conflicts.

In terms of security, regional climate changes that bring about extreme heatwaves and severe weather patterns could lead to geopolitical instability. This may result in regional conflicts over essential natural resources in short supply, particularly water and food, exacerbating regional tensions and potentially leading to wars and waves of refugees from neighboring countries where living conditions deteriorate.

Climate change thus poses a comprehensive threat to Israel, encompassing societal, economic, financial, health, and security dimensions. It should not be seen solely as an environmental issue but as a systemic crisis that threatens various aspects of life, necessitating a government-wide response.

Dealing with these long-term threats requires drastic action in the present, despite uncertainties, and a high-level government commitment that is reflected in widespread attention from government ministries and relevant bodies appointed by government decisions. These include the Ministries of Finance, MoEP, Energy, Transportation and Road Safety, Economy, Agriculture and Rural Development, Defense, the IDF, the Planning Administration in the Ministry of Interior (the Planning Administration), and others, in addition to public and professional institutions within and outside of the government. To achieve consistent and sustained progress at a sufficient pace, we must combine ongoing government efforts and involvement in this issue. This will ensure that Israel reaches its self-set goals and fulfills its international commitments, while maintaining its status as a developed nation within the OECD.

In addition to these challenges, it is essential to also examine the numerous opportunities and advantages that Israel has not yet fully exploited. These opportunities can strengthen Israel's international and regional standing, while enhancing its strategic relationships with neighboring countries. They can position Israel as a diplomatic and economic leader, an innovative and developed nation offering a comprehensive toolbox to address the crisis and its consequences.

To conclude, I emphasize that the government faces the challenge of managing national-level risks and the need to chart a course for a carbon-neutral economy, green growth, and the transition to green energy on one hand, while preparing comprehensively for the risks stemming from climate change to people, infrastructure, and nature on the other.

Before concluding this audit report, two government actions in the climate field deserve mention. First, the government has formulated a proposed climate law. If approved in the version endorsed by the Ministerial Committee for Legislation, this proposal could provide a limited and partial response to promoting the actions that the government and the country must undertake to address the alarming picture presented in this audit report. Second, Israel's representatives are preparing for the Global Climate Conference. The findings of this report



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reflect the gaps in Israel's actions compared to the goals and objectives set at the international level. Therefore, the recommendations in this report can serve as a work plan to narrow these gaps in a forward-looking perspective.

The government and all Audited Bodies are urged to take action to rectify the deficiencies and implement the recommendations detailed in this report.

On Saturday, October 7, 2023, the Jewish holiday of Simchat Torah, Israel faced an unprecedented multi-pronged terrorist attack. Since that day, Israel has been involved in Operation Swords of Iron, necessitating immediate short-term solutions for assisting citizens, rebuilding infrastructure, and repairing various heavily damaged systems. However, even as all state systems tackle this complex emergency, the government must remain committed to addressing the climate crisis. This involves ongoing, significant efforts to advance, budget and achieve the objectives that it has confirmed on this issue for the upcoming years. The climate crisis is a chronic, persistent, long-term issue that continues unabated by internal or external events. As this audit report details, it presents severe future risks for Israel across various sectors, demanding ongoing and long-term governmental intervention.

In conclusion, I would like to express my gratitude to the employees of the State Comptroller's Office, especially in the Department 12 for Government Ministries and Authorities Oversight, for their dedicated work in conducting a thorough, professional, and fair examination and for publishing a clear, effective, and relevant audit report.

A handwritten signature in blue ink, reading 'Matanyahu Engelman'.

Matanyahu Engelman
State Comptroller and
Ombudsman of Israel

Jerusalem, March 2024

