



OFFICE OF THE STATE COMPTROLLER  
AND OMBUDSMAN OF ISRAEL



2024

Summary

# National Climate Action by the Government of Israel Extended Follow-up Audit





## Summary

The understanding that the risk arising from the global climate crisis constitutes a significant threat at the national level, posing a real danger to the way of life in the State of Israel in the coming decades, and the fact that Israel's geographical location further exacerbates this risk, led the State Comptroller to conduct a comprehensive audit regarding the state's preparedness on this issue from 2020 to 2021 and to publish its findings in October 2021 as part of a special report (the previous report). The findings of the previous report from 2021 pointed to deep and fundamental gaps in the Israeli climate change response and the country's failure to meet its commitments.

After observing the government's progress on the issue since the publication of the previous report, the State Comptroller decided at the beginning of 2023 to conduct a comprehensive follow-up audit. This audit was designed to examine whether the Israeli government is acting to correct the deficiencies identified in the previous report and whether it is advancing actions that will ensure its preparation for the crisis, in alignment with the significant risk it faces and its international obligations.

**This report once again reveals, through detailed tracking of the status of more than 100 audit findings raised in the previous report, a concerning picture. The majority of the deficiencies have not been rectified at all or have not been fully addressed. The State of Israel has made many declarations, mainly implemented through a long series of government resolutions regarding its commitment to climate action, yet it has not led processes or taken enough actions that would enable tangible progress. The government's conduct in this matter can therefore be characterized as "functional stagnation." An improvement was recorded in setting an absolute national target for reducing greenhouse gas emissions instead of the per capita target that existed before, and the audit also found improved preparedness for climate change within the defense system and the Bank of Israel's guidelines for the banking system.**

The situation is alarming regarding the government's progress in adaptation across all four dimensions examined: (a) government actions to reduce GHG emissions into the atmosphere to prevent an increase in Earth's temperature (mitigation); (b) the government's multi-sectoral advance preparedness for the risks associated with climate change resulting from global warming (adaptation); (c) the economic and financial aspects of the crisis; (d) aspects of climate governance concerning the institutional, normative, and functional framework of addressing climate issues.



Addressing climate change requires comprehensive governmental attention that involves most government offices and relevant bodies mentioned in government decisions, including the Ministries of Finance, Environmental Protection, Energy, Transportation, Economy, Agriculture, Defense, and the IDF, as well as the Planning Administration within the Ministry of Interior, alongside other public and professional bodies within and outside the government. Combined efforts and sustained political focus on the issue are necessary to generate consistent and continuous progress at a satisfactory pace, which will ensure that Israel achieves its self-set targets and meets its international commitments in a manner befitting its status as a developed country and a member of the OECD.

As mentioned, the foundation of this follow-up report is rooted in a detailed examination of the government's actions concerning more than 100 deficiencies highlighted in the previous report. However, it is possible to identify six fundamental failures that explain the government's slow progress over recent years, which in some aspects has been even slower in the two years since the last report was published:

- 1. Absence of a leading governmental entity** – The lack of a leading governmental body that is committed to achieving the state's targets, working to implement a coordinated and holistic governmental plan, and decisive in ministerial disputes. Continued operation based on the dispersed governmental arrangement, without addressing the functional difficulties identified in this follow-up audit, fails to tackle these obstacles in the government offices' preparation and response to climate change.
- 2. Delay in binding regulation (legal anchoring)** – There has been minimal implementation of the numerous government decisions made in recent years, along with delays in advancing a climate law.

The audit notes that towards the end of the audit, the government began actions to promote a climate law. However, the new proposed law does not include binding targets that would enable effective leadership and integration of the issue across all government actions.

- 3. Failure to promote carbon tax** – The absence of a financial instrument that would internalize the external costs caused by economic activities emitting GHGs and prevent the imposition of a carbon tax on Israeli goods exported abroad. This is part of a package of tax reforms and incentives aimed at mitigating and offsetting the rise in the cost of living and compensating underprivileged populations and local industry in case they are affected. Such a scenario could occur if the carbon tax is promoted in isolation.
- 4. Insufficient response to needs in the electricity network** – Israel lacks investment in upgrading and constructing technical capabilities along the electricity grid, including diversifying its energy sources.



- 5. Absence of comprehensive government risk management** – Israel lacks a government-wide national "attribution scenario" that could serve ministries as a real compass for formulating detailed work plans to address the climate threat.
- 6. Absence of a budgetary framework for climate** – The Ministry of Finance's segmented budgeting approach does not suit the complexity and scope of the issue. Coupled with a lack of oversight, this leads to low utilization of budgets allocated for climate-related issues. This is even more problematic given the stark disparities between the amounts actually spent on climate issues since 2015 and the significantly larger sums the state invests in fossil fuels through various subsidies.

**Thus, the findings of this follow-up audit serve as an additional red flag for the government and the Prime Minister. Collaborative international action to address the climate crisis is particularly important, and the State of Israel must actively participate in this global effort. The absence of substantive corrective action regarding Israel's conduct on climate change under the leadership of the government and its head poses a risk that is relevant both to the current generation and those to come.**

