



Report of the State Comptroller of Israel | May 2025

The Defense Establishment

---

# **Evacuation and Rehabilitation of Israel Military Industries (IMI) Lands**





# Evacuation and Rehabilitation of Israel Military Industries (IMI) Lands

## Background

Following the establishment of the State of Israel, the Israel Military Industries (IMI) manufactured explosives, munitions and weapons, operating as an auxiliary unit<sup>1</sup> within the Ministry of Defense (MoD), and since 1990, it functioned as a government company known as the Israel Military Industries Corporation (IMI)<sup>2</sup>.

The agreements that facilitated the establishment<sup>3</sup> of IMI as a government corporation mandated that the Israel Land Authority (ILA) lease approximately 80,000 dunams to it. For decades, the Israel Military Industries (IMI) operated various complexes, encompassing approximately 6,060 dunams in Ramat HaSharon, Herzliya, and Hod HaSharon, as well as areas lacking jurisdiction, approximately 3,780 dunams in Yavne, approximately 470 dunams in Nof Yam (Apolonia) in Herzliya, and approximately 52,000 dunams in Ramat Beka (located south of Be'er Sheva), which the ILA allocated to IMI in 1978 to facilitate the relocation of its factories from populated areas to the Negev region, to mitigate risks to public safety, remediate soil and water pollution, and establish an urban center in the Sharon region<sup>4</sup>.

The majority of the IMI complexes, particularly in the Sharon area, are situated in close proximity to residential neighborhoods adjacent to the complex boundaries.

In December 2015, the majority of IMI's business activity were transferred to IMI Systems, at the exclusion of specific activities delegated to Tomer<sup>5</sup>, a government company, as part of the privatization of IMI.

1 A unit in the Ministry of Defense (MoD) that is usually an industrial-defense enterprise. The unit is funded from the MoD budget, is managed as a closed economy, and is supervised and audited by the MoD, but is independent in certain areas.

2 In this report, limited liability companies will be referred to without the word 'Ltd.'.

3 An arrangement between the Ministry of Finance, the MoD, IMI, and the Israel Land Authority (at that time: Israel Lands Administration) for the lease of land used by military industries to IMI dated November 28, 1989, and an agreement between the Government of Israel and IMI for the sale of the assets and the transfer of rights and obligations from Military Industries (the auxiliary unit) to IMI dated October 30, 1990.

4 State Comptroller, **Annual Report 55A** (2004), "IMI Land Management", p. 223.

5 A government defense company for the development and manufacturing of rocket propulsion systems for a variety of defense applications.



In 2016, the name of Israel Military Industries (IMI) was altered to "Netzer HaSharon"<sup>6</sup>, with the responsibility for managing the residual activities of IMI, which were not transferred to IMI Systems or Tomer, including environmental issues.

In November 2018, IMI Systems was acquired by Elbit Systems, thereby consummating the privatization of IMI.

At various times, significant contamination of soil, water<sup>7</sup>, and the presence of hazardous materials such as explosives and unexploded ordnance have been exposed at numerous IMI complexes<sup>8</sup>, including those in Nof Yam, Ramat HaSharon, Herzliya, and Ramla. Such contaminants pose threats to public safety, environmental integrity, and ecological health, with migration to the land and groundwater beyond the complexes' perimeters. Additionally, the presence of explosives constitutes a direct danger to human life.

In 1992, an explosion at the IMI facility in Nof Yam resulted in two fatalities and 34 injuries, and an explosion and fire occurred in 2023 within the complex.

During the 1990s, IMI vacated the Yavne complex and transferred its factories from Tel Aviv, Jerusalem, and Nof Yam predominantly to its facilities in Ramat HaSharon and Herzliya. Both IMI and IMI Systems subsequently closed certain factories located in Herzliya (the "Tzur" complex) and Ramat HaSharon (the "Eliyahu Thila" complex<sup>9</sup>). Furthermore, prior to the onset of the Iron Swords War in October 2023, plans were in place for the evacuation of IMI Systems factories from the Sharon region to be finalized by July 2024; However, this timeline has been postponed to the end of 2026 due to the conflict. As of the audit completion date in August 2024, no determination regarding the evacuation of the Tirat Carmel complex had been made. As for other operational complexes of IMI Systems, such as those in Ramla and Nof HaGalil, evacuation plans have yet to be established.

---

6 The reference in this report is to IMI regarding its activity up to December 31, 2015, and to Netzer HaSharon regarding its activity from January 1, 2016.

7 State Comptroller, **Annual Report 56A** (2005), "IMI Lands – Soil and Groundwater Contamination and Preparation of Outline Plans", p. 331; State Comptroller, **Annual Report 60A** (2010), "IMI Lands – Findings of Extended follow-up audit ", p. 273; State Comptroller, **Annual Report 63B** (2013), "Aspects of Environmental Protection in the Defense Industries", p. 233.

8 As of the audit completion date (August 2024), two legal proceedings are underway regarding pollution in the Nof Yam complex: Class Action No. 22706-06-20 of 2020 and High Court of Justice No. 6453/23. In addition, legal appeal proceedings are underway regarding the construction plans in the complex in the Sharon area and are being conducted jointly: Appeal of an Administrative decision 3602/22, Appeal of an Administrative decision 3632/22, Appeal of an Administrative decision 4231/22, Appeal of an Administrative decision 4490/22 and Appeal of an Administrative decision 5049/22.

9 Approximately 500 dunams, out of about 1,200 dunams in the Eliyahu complex.



Key Figures

**80,000  
dunams**

The area of land where IMI operated

**46 years**

Have passed since IMI was allocated 52,000 dunams in Ramat Beka (an area south of Be'er Sheva) in 1978, to move its factories from population centers to the Negev, to remove dangers to the public, to address soil and water pollution, and to establish urban centers in the lands it would vacate. However, the evacuation and relocation have not yet been completed

**5 years**

Have passed since August 2019, the date on which the state (Ministry of Finance, Ministry of Defense, Ministry of Environmental Protection, Israel Land Authority, the Israeli Water Authority) undertook in a legal proceeding to complete the purification and cleaning of the Nof Yam complex, but the complex was not cleaned

**2 fatalities,  
34 injured  
and financial  
damage of  
\$24.5  
million**

The results of the explosion at the IMI plant in Nof Yam in 1992

**One fatality**

The result of the explosion at the IMI Systems factory in the Sharon complex that occurred in 2023

**36,600  
housing units**

Are planned to be built in the Sharon complex and approximately 1.4 million square meters for employment and commerce, after the evacuation of IMI Systems and the land rehabilitation that has not yet been completed

**NIS 4 billion**


Assessment by the ILA Director from May 2024 regarding a delay in receiving revenue for the state from the marketing of the lands in the Sharon complex due to a possible delay in vacating the complex by about two and a half years

**NIS 153.5  
million**

The amount that the Ministry of Finance must provide to Netzer HaSharon for the purpose of surveying soil contamination and for soil rehabilitation in some of the IMI complexes




## Audit Actions

 From August 2023 to August 2024, the Office of the State Comptroller conducted an audit concerning the evacuation and rehabilitation of IMI land, with a particular focus on the IMI complexes located in the Sharon area (Ramat HaSharon, Herzliya, unincorporated area<sup>10</sup>, and Hod HaSharon) and in Nof Yam in Herzliya. Certain data pertaining to the audit has been updated to December 2024. The audit mainly examined the following issues: the legislative framework related to contaminated lands; The timelines for the evacuation of IMI Systems plants and their facilities, along with their relocation from the Sharon complex to the Ramat Beka complex; Activities associated with the demolition of structures, soil examination, and rehabilitation within the IMI complexes; And efforts directed towards the removal of public hazards and the decontamination of the Nof Yam complex. The audit was conducted in the Ministry of Environmental Protection (MoEP), the Ministry of Defense (MoD), the Ministry of Finance, the Ministry of Justice, the Israel Lands Authority (ILA), Netzer HaSharon, and the Israel Government Water and Sewage Authority (Water Authority). Supplementary examinations were performed at the Prime Minister's Office, the Joint District Planning and Construction Committee for the Tel Aviv and Central Districts of the Ministry of Interior, the Herzliya Municipality, the Mine and Unexploded Ordnance Clearance Authority under the MoD (RLPM), the Israel Police, the Government Companies Authority, the Environmental Services Company, the Ministry of Interior, the Ministry of Health, and the Nature and Parks Authority.

## Key Findings



 **The Threats to Public Safety Arising from IMI Complexes** – At different times, significant contamination of soil and water, along with the presence of hazardous materials, including explosives, has been identified in numerous IMI complexes such as Nof Yam, Ramat HaSharon, Herzliya, and Ramla. These contaminations pose a risk to public health, environmental integrity, and to both flora and fauna, and they continue to spread through the land and groundwater beyond the confines of the complexes<sup>11</sup>. The presence of explosives further endangers human life. It is pertinent to underscore that many IMI complexes, particularly those in the Sharon region, are situated in close proximity to residential areas adjacent to their perimeters. Over the years, safety


<sup>10</sup> An area not located under the jurisdiction of a local authority.


<sup>11</sup> Ministry of Environmental Protection, professional guidelines for conducting a soil survey from April 2016.



incidents have transpired at various IMI complexes, some operational and others inactive, including:

- In July 1992, an explosion occurred at the IMI facility in the Nof Yam complex, where the primary operation involved the production of propellant materials<sup>12</sup> for firearms and artillery ammunition. This explosion resulted in the deaths of two workers, injuries to 34 individuals, and extensive damage extending up to 15 kilometers from the site, totaling approximately \$24.5 million. Following this incident, the facility's operations within the complex were suspended.
- In June 2023, nearly 25 years after IMI had evacuated its plants from the complex, a subsequent explosion took place in the Nof Yam complex, leading to the discovery of explosive residues.
- In May 2001, a fire at the Yavne complex was followed by an explosion, resulting in unexploded ordnance being scattered both within and outside the complex, necessitating the temporary closure of Highway 4; In June 2001, the IDF undertook the destruction and removal of unexploded ordnance identified outside the Yavne complex.
- In August 2023, an explosion occurred at the IMI Systems facility in the Sharon complex due to a work-related accident, resulting in the death of one worker.

 **The Legislative Process Concerning Contaminated Land** – For a duration of 13 years, since 2011, during which the Ministry of Environmental Protection has sought to advance legislation aimed at regulating processes for preventing soil contamination and rehabilitating contaminated sites – the Ministry has not finalized the promotion of such legislation despite the imminent dangers posed to the public and the environment due to the lack of necessary regulations for the prevention and remediation of soil contamination, such as the risks associated with untreated contamination in the Nof Yam complex. According to an examination conducted by the Ministry of Environmental Protection, among member states of the Organization for Economic Co-operation and Development (OECD)<sup>13</sup>, Israel stands out as the sole member without appropriate regulations and direct authority to prohibit the contamination of soil with hazardous substances and to mandate soil remediation.

 **Linking Treatment of Contamination and Land Rehabilitation with the Advancement of Detailed plans for the land** – The state, including the Ministry of Finance and the ILA, has linked the treatment of contamination and land rehabilitation, for which it and its institutions are responsible, with the allocation of budgetary resources by

<sup>12</sup> Propellant explosive (PE) – a solid or liquid with a rapid combustion rate, which, when burned, creates a large amount of gases, **IDF Glossary**, General Staff Division – Doctrine and Training (1988).

<sup>13</sup> Organization for Economic Co-operation and Development



promoting a detailed plan<sup>14</sup> for that land, thereby facilitating its marketing. Consequently, in the absence of plans that facilitate the marketing of the land for construction, contaminated land, including that which contains explosives, remains so for extended periods. These contaminations pose direct threats to human life, public health, the environment, as well as to both flora and fauna.

### **Public Hazards in the Nof Yam Complex**

- **Environmental Risks** – Over time, breaches have occurred in the fence surrounding the Nof Yam complex, resulting in numerous breached structures, exposed wells, and buried tanks. Additionally, unauthorized individuals have accessed the complex, and parties and activities related to a paragliding school have transpired within the area. No party – including Netzer HaSharon, the ILA, and IMI Systems prior to its sale – has adequately addressed the breaches in the fence or installed requisite signage within the compound. These oversights have perpetuated risks within the compound, including soil contamination, soil gases, hazardous terrain with pits, open shafts, and a coastal cliff susceptible to collapse, as well as the risk of explosions or fires associated with explosive materials located in the vicinity, as evidenced by incidents in June and July 2023 that compromised public safety. Furthermore, activities by individuals present in the compound could potentially trigger the activation of explosives.
- **Construction of a Fence** – Between January 2024 and August 2024, the Environmental Services Company engaged in various activities to facilitate the construction of a new fence around the Nof Yam complex, which included planning the fence, identifying contractors for execution, and securing permits from the Herzliya Municipality and the Hof HaSharon Local Council; However, as of December 2024, the construction of the fence had not yet been completed.
- **Concern of Hazardous Substances in Seawater** – There is a concern regarding potential health risks to the public – including to individuals engaging in bathing, surfing, boating, and other activities – at undeclared beaches located near the yellow stain in the seawater, caused by materials produced by the military industry in the Nof Yam complex, such as Apollonia Beach in Herzliya.

 **Failure to Adhere to the State's Commitment to the Supreme Court for the Decontamination and Remediation of the Nof Yam Complex** – The Ministry of Finance, the Ministry of Defense, the Ministry of Environmental Protection, and the Water Authority have not performed their designated responsibilities to fulfill their commitment to the Supreme Court from September 2015, to undertake all necessary surveys in the Nof Yam complex and to complete the remediation by August 2019; Additionally, the

---

<sup>14</sup> A plan pursuant to the Planning and Building Law, 1965, from which building permits can be issued.





Ministry of Justice did not ensure effective oversight of the implementation of this commitment. Consequently, as of the audit end date in August 2024, the Nof Yam complex remains significantly contaminated with respect to both soil and water. Although the Ministry of Justice convened at least two meetings on this matter in 2021 and 2022, the commitments made by the state's representatives in the High Court of Justice were not realized.

**Timetables for the Evacuation of IMI Systems Plants and Facilities from the Sharon Complex and for their Relocation to the Ramat Beka Complex** – Prior to the outbreak of the Iron Swords War, there was a delay of approximately eighteen months in the evacuation of IMI Systems plants from the Sharon complex and their relocation to the Ramat Beka complex<sup>15</sup>. The timeline extended from the end of 2022, as outlined in the privatization decision from December 2013, to the end of June 2024. This postponement stemmed from delays associated with the privatization process of IMI and the approval of the outline plan for establishing IMI Systems plants at the Ramat Beka complex, compounded by ongoing legal proceedings in both the District and Supreme Courts regarding the plan. Furthermore, in light of the continuation of the Iron Swords War, the Ministry of Defense subsequently sought to postpone the evacuation by an additional two and a half years, extending the timeline to the end of 2026. According to the Director of the ILA as of May 2024, this delay is projected to result in a revenue loss for the state of approximately NIS 4 billion during the specified timeframe, attributable to delays in land marketing.

It is noteworthy that as of December 2024, a strategic plan has been developed to mitigate the effects of the delayed evacuation dates following an agreement between the Israel Land Authority and the Ministry of Defense aimed at expediting the evacuation of IDF camps.

**Agreements Concerning the Financing of Netzer HaSharon's Activities Related to the Surveying and Rehabilitation of Lands Within the IMI Complexes** – The Accountant General's Division at the Ministry of Finance, the Budget Division at the Ministry of Finance, along with Netzer HaSharon, failed to finalize a financing agreement for about a year and a half – from January 2021 to July 2022 – to continue the financing agreement signed in February 2019. This delay primarily arose because the Ministry of Finance stipulated the signing of the continuation financing agreement on Netzer HaSharon's commitment to an agreement delineating the work in HaSharon complex with the Environmental Services Company. Consequently, this condition hindered the timely transfer of the budget allocated for the soil surveying in the Eliyahu complex<sup>16</sup>, as

15 The Sharon complex without three sub-complexes within it: "Eliyahu Thila", "Tzur" and the "Management Building".

16 The Eliyahu complex covers an area of approximately 1,200 dunams out of approximately 6,060 dunams of IMI Systems' factories in the Sharon complex (approximately 20%).



well as the surveying and rehabilitation of explosive excavators<sup>17</sup> within the HaSharon complex. There are concerns that this delay has exacerbated soil and water contamination in the explosive excavators, which may harbor active pollutants.

**Activity of Committees and Teams Addressing Soil Surveying and Rehabilitation at IMI Complexes** – Representatives of the Accountant General's Division participated in only four meetings out of 25 meetings convened by a sub-team<sup>18</sup> (16%) responsible for overseeing the preparation of the construction, relocation and evacuation plan of IMI Systems plants from the Sharon complex to the Ramat Beka complex and its approval. Moreover, a representative from the Ministry of Finance did not attend any of the fourteen meetings of the team accompanying the Joint District Committee for Planning and Construction for the Tel Aviv and Central Districts over a five-year period – from April 2019 to June 2024 – concerning Netzer HaSharon's activities in soil surveying and rehabilitation within the Sharon complex. The absence of a Ministry of Finance representative in these meetings undermines the planning and approval processes for detailed plans and land clearance efforts. Furthermore, the Ministry of Finance has not engaged with an auditing firm to assess Netzer HaSharon's operations, thereby weakening the budgetary oversight that is supposed to be carried out by the professional committee established by the Accountant General's Division in the Ministry of Finance with the participation of the Budget Division in the Ministry of Finance.

**The Activity of Netzer HaSharon in Soil Surveying and Rehabilitation Within the Eliyahu, Kiryat Shmona, and Nof HaGalil Complexes** – As of June 2024, approximately two and a half years past the established deadline, the soil surveying in the Eliyahu complex, encompassing approximately 1,200 dunams, remains unfinished. This delay is primarily attributed to several factors: Netzer HaSharon did not contract a company to perform a limited soil survey until February 2020, nearly one year after the signing of the financing agreement in February 2019; Prolonged discussions between Netzer HaSharon, the Accountant General's Division and the Budget Division of the Ministry of Finance regarding budget approval persisted for about eighteen months, from January 2021 to July 2022; And the survey's inherent complexity and the scope of contamination identified in the complex have further compounded delays. Additionally, Netzer HaSharon has yet to finalize the soil survey in Kiryat Shmona and Nof HaGalil and has not commenced soil rehabilitation efforts.

**The Activity of Netzer HaSharon and the Mine and Unexploded Ordnance Clearance Authority (RLPM) in the Explosive Excavators Within the Eliyahu Complex** – Despite the fact that in the inter-ministerial agreement signed in November 2015 it was agreed that Netzer HaSharon conduct soil surveying and rehabilitation in two

<sup>17</sup> 150 dunams in the Sharon complex where unexploded ordnance and materials dangerous to humans and the environment were buried in pits, and there was a suspicion that explosive materials were found therein.

<sup>18</sup> The Accountant General's representative is a member of the sub-team.



explosive excavators by the end of November 2021, as of July 2024, approximately two years and eight months later, RLPM has only completed the removal of explosives from one explosive excavator (Excavator E). An agreement between Netzer HaSharon and the Ministry of Defense (RLPM) to remove explosives from the second excavator (Park Hanetzah excavator) was only finalized in August 2024. Moreover, as of December 2024, Netzer HaSharon has yet to finalize the disposal of metal waste extracted from Excavator E and the rehabilitation of the contaminated soil. These delays in the removal of explosives present significant risks to public safety and environmental integrity, as well as impede the planning and approval processes for detailed plans within the Sharon complex.

**👎 Awarding Exemptions from the Tender Process Based on the Grounds of Single Supplier in the ILA and Accountant General Tender Committees Concerning ILA's Contracting with IMI Systems for the Demolition of Buildings and infrastructures in the Sharon Complex** – ILA did not reach out to Netzer HaSharon, which could serve as an additional potential supplier to IMI Systems for the demolition and removal operations. In April and May 2023, the tender committees in ILA and the Accountant General, respectively, authorized the ILA to contract with IMI Systems, exempting the process from a tender based on a single supplier justification, for the evacuation of structures affixed to the ground in two complexes designated for evacuation<sup>19</sup> in the Sharon complex, based on the justifications of the relevant entities presented to them. This decision was made despite the existence of at least one additional potential supplier to IMI Systems (Netzer HaSharon), during the tender committee discussions, and even though the reasons are not unique to IMI Systems but are also relevant to Netzer HaSharon, thereby necessitating a competitive tender process compliant with the Mandatory Tenders Law and the associated regulations.

**👎 Estimates Submitted by Netzer HaSharon to the Israel Land Authority Regarding the Cost of Demolishing Buildings in the Eliyahu Complex** – Only in October 2024, approximately ten months after Netzer HaSharon provided the ILA with an updated estimate totaling around NIS 117 million for demolition activities at the Eliyahu complex, did ILA convene a meeting with Netzer HaSharon to address the matter. Consequently, demolition activities in the Eliyahu complex, which are essential for advancing land planning and marketing of approximately 7,500 housing units, have not yet commenced, raising concerns regarding a potential delay in generating at least NIS 8.5 billion in revenue for the state treasury.

**👎 The Yavneh Complex** – the Yavneh complex contains unexploded ordnance and explosive materials deposits that pose significant risks to public safety and security. The annual expenditure associated with the maintenance of the complex and property tax obligations, after deducting income from bunker rentals, is approximately NIS 1.8 million.

<sup>19</sup> Complexes no. 1 and 2 in the Sharon complex.



The Ministry of Defense currently lacks a plan for the removal of the unexploded ordnance and explosive materials from the complex.



**Malbin Excavators** – Netzer HaSharon successfully concluded the restoration of the Malbin Excavations<sup>20</sup> within the Eliyahu complex in October 2020, approximately 13 months prior to the set timeline, and at a cost approximately NIS 2.2 million below the initial allocation of approximately NIS 26 million.

**Security and Signage Within the Nof Yam Complex** – Following the deliberations of an inter-ministerial professional committee established by the Prime Minister's Office<sup>21</sup> in October 2023, security measures commenced in May 2024. Additionally, in July 2024, warning signs were installed throughout the complex prohibiting unauthorized entry.

---

## Key Recommendations








It is recommended that the Ministry of Environmental Protection, in conjunction with the Ministry of Finance, the Israel Land Authority, and the Planning Administration of the Ministry of Interior, pursue the advancement of legislation to regulate the remediation of contaminated land, including land affected by state activities and areas lacking any building plans. This initiative aims to safeguard state lands and water resources, as well as flora and fauna, thereby preventing land contamination, facilitating restoration, preserving these areas as public and environmental resources, and promoting public health. In this manner, Israel will align itself with other OECD member states that have established direct regulations concerning land contamination and remediation. Furthermore, it is advised that, pending the enactment of the aforementioned legislation, the Israel Land Authority conduct an analysis of the existing risks associated with lands contaminated by state activities. Based on these findings, the Ministry of Finance and the ILA should devise a financing arrangement or a budget-supported plan to enable the rehabilitation of these lands, including the IMI complexes, without associating the remediation efforts with the advancement of a detailed plan that would facilitate the marketing of the land for construction purposes.

---



20 Excavators in the Eliyahu complex where waste and hazardous waste from certain production processes were buried.

21 A committee headed by the Prime Minister's Office with the participation of representatives from the Ministry of Justice, the Ministry of Environmental Protection, the Fire and Rescue Authority, the Israel Police, the Israel Lands Authority, the Nature and National Parks Authority, and the Israel Antiquities Authority. As of December 2024, the committee's activities have not yet been completed.



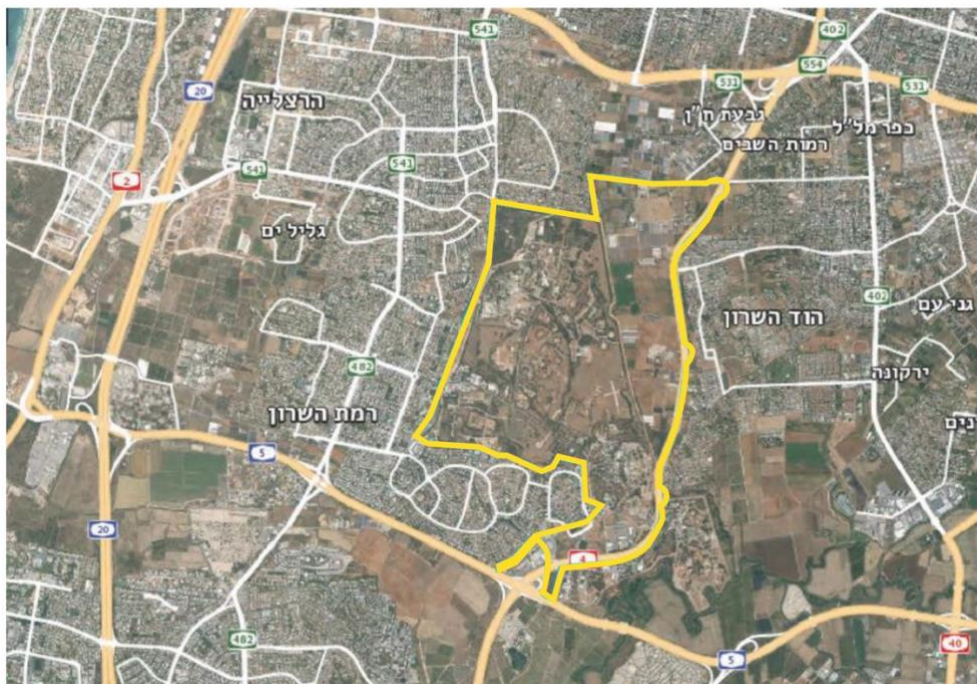
-  It is recommended that the inter-ministerial professional committee, headed by the Prime Minister's Office, urgently advance the implementation of the recommendations proposed by the inter-ministerial professional team, which were adopted in August 2023 by the pertinent government entities regarding the construction of a new fence in the Nof Yam complex. Furthermore, the entities responding to the Herzliya Municipality's petition to the High Court of Justice regarding the Nof Yam complex (HCJ 6453/23) – namely, the Prime Minister's Office, the Ministry of Defense, the Ministry of Finance, the Ministry of Environmental Protection, the ILA, and the Water Authority – should expedite the execution of the planned actions as detailed in the updates submitted to the Supreme Court in relation to the petition.
-  The Ministry of Finance, the Ministry of Defense, the Ministry of Environmental Protection, the Israel Land Authority, and the Water Authority must adhere to their commitment made to the Supreme Court in September 2015 to undertake the purification and remediation of the Nof Yam complex, with each agency operating within its respective domain and in collaborative manner with the other entities to promote prompt action. This should include reaching agreements concerning the funding of these activities, unconditionally and without linking the execution of the commitment to the approval of a master plan for the complex. If necessary, these agencies should engage with the relevant ministers to further the implementation of the stated commitment and seek assistance from the Prime Minister's Office and the Ministry of Justice, if required.
-  It is recommended that the Attorney General ensure that the commitments made by the Ministry of Finance, the Ministry of Defense, the Ministry of Environmental Protection, the Israel Land Authority, and the Water Authority to the petitioners and the Supreme Court on behalf of the state are fulfilled, particularly in light of the public safety and health risks associated with soil and water contamination in the Nof Yam complex, including contamination of the seawater at Apollonia Beach.
-  The Ministry of Defense and the Israel Land Authority should take measures to mitigate significant potential consequences for the Israeli economy arising from the postponement of the evacuation date concerning the rehabilitation efforts for lands in the Sharon complex and the revenue anticipated from their marketing, while simultaneously considering the urgent need for increased ammunition production at the IMI Systems factories within the complex to satisfy the IDF's needs during the Iron Sword War.
-  It is recommended that the Director of the Budget Department within the Ministry of Finance, the Accountant General's Division, the Government Companies Authority, and the Ministry of Environmental Protection work collaboratively to ensure that Netzer HaSharon progresses with the surveying and rehabilitation of the lands in the Kiryat Shmona and Nof HaGalil complexes. Additionally, it is proposed that Netzer HaSharon conduct this surveying and rehabilitation with careful consideration of the security situation and the implications of the Iron Sword War on the areas where these complexes are located (northern Israel).



-  The Israel Land Authority and the Accountant General's Division should act in accordance with the provisions of the Mandatory Tenders Law and the Mandatory Tenders Regulations, ensuring the publication of tenders necessary for the demolition and evacuation of structures affixed to the ground in the Sharon complex. This is in light of the existence of at least two suppliers capable of executing the aforementioned activities. Conducting the tender process will facilitate an evaluation of the relative merits of each supplier for these demolition and evacuation tasks. The Israel Land Authority must adequately document its inquiries with companies to verify their capacity to undertake the demolition and evacuation of structures.
-  The Israel Land Authority must take immediate action to advance the demolition of structures within the Eliyahu complex. Additionally, it is recommended that, as necessary, the ILA raise the issue of the entity that will execute this activity with the accompanying team, in order to facilitate the evacuation and remediation of the Eliyahu complex, which is recognized as one of the most polluted and hazardous sites for human health and the environment within the Sharon complex, so as to further the detailed plan for this complex and to prepare the land within the Eliyahu complex for the construction of 7,500 housing units, thereby generating an estimated revenue of approximately NIS 8.5 billion for the state treasury. This is particularly pertinent in light of the financial repercussions of the Iron Sword War, which have led to an increase in the budget deficit and a significant decrease in construction starts throughout the country.



**The Complex in the Sharon Area Where IMI Systems Plants are Located in Close Proximity to Residential Neighborhoods in Ramat HaSharon, Herzliya and Hod HaSharon (2024)**



The area demarcated in yellow, according to a presentation by the Joint District Committee for Planning and Construction for the Tel Aviv and Central Districts at the Ministry of Interior from March 2024, processed by the Office of the State Comptroller.



## The Yellow Stain in the Sea Water Near the Nof Yam Complex (2023)



Source: Report of the inter-ministerial professional team from October 2023, Photo: Commander of the Israel Police Gilot Station.





## Summary

The military industry has functioned for several decades across various complexes within the country as a producer of explosives, ammunition, weapons, and associated systems. It initially operated as an auxiliary entity within the Ministry of Defense, subsequently transitioning to a government enterprise, which underwent privatization concluding in November 2018, now known as IMI Systems. Predominantly located in the Sharon region, IMI's complexes are situated in close proximity to residential neighborhoods, thereby posing a risk to public safety due to the presence of explosives.

Over the years, significant soil and water contamination, as well as hazardous materials, including explosives, have been identified in the complexes formerly managed by IMI, endangering public welfare, the environment, and local flora and fauna. Furthermore, incidents of explosions and fires have transpired at several factories and complexes; Notably, in July 1992, an explosion at the IMI factory in the Nof Yam complex resulted in two fatalities and 34 injuries. More recently, in June and July 2023, explosions and fires occurred in the Nof Yam complex, which had remained inactive since the early 1990s.

The audit highlighted deficiencies, such as the absence of regulated norms in primary legislation for assigning responsibility and addressing contaminated land. Netzer HaSharon and the Israel Land Authority have not acted as required to safeguard public safety concerning the hazards presented by the Nof Yam complex. Furthermore, the Ministry of Finance, the Ministry of Defense, the Ministry of Environmental Protection, the Israel Land Authority, and the Water Authority have failed to fulfill their commitment made in September 2015 before the Supreme Court to evacuate and remediate the Nof Yam complex. Following the onset of the Iron Swords War, there has been a delay of approximately one and a half years in evacuating IMI Systems complexes from the Sharon region, with an additional anticipated delay of around two and a half years, which could result in a projected revenue loss of approximately NIS 4 billion for the state, according to Israel Land Authority Director, as of May 2024. As of December 2024, a plan has been developed to mitigate the impact of the evacuation delays, following an agreement between the Israel Land Authority and the Ministry of Defense to expedite the evacuation dates of IDF camps. However, approximately two and a half years after the designated timeline, Netzer HaSharon has yet to complete soil surveys in the Eliyahu complex within the Sharon complex. The tender committees of the Israel Land Authority and the Accountant General's Division have allowed the Israel Land Authority to enter into contracts with IMI Systems, exempting them from tender processes under the justification of being a sole supplier for the evacuation of facilities linked to the evacuation areas in the Sharon region, despite the presence of at least one other potential supplier, Netzer HaSharon, at the time of committee deliberations. The deficiencies raised in the audit underscore the persistent incompetence of the involved parties in the evacuation of IMI complexes and the remediation of associated contamination, thereby exacerbating risks to public safety, health, the environment, the flora and fauna.



The Ministry of Finance, alongside the Ministry of Defense and the Israel Land Authority, must address the deficiencies identified in the audit, taking decisive actions to advance the evacuation of IMI Systems from its complexes in the Sharon and Tirat Carmel regions, while considering the implications of the Iron Swords War. This includes assessing the necessary balance between ongoing production during wartime and evacuation efforts to mitigate public hazards, facilitating the development of approximately 36,600 housing units in the Sharon region, yielding approximately NIS 33 billion in revenues for the state treasury, and enhancing employment opportunities in the Negev. Additionally, the Ministry of Finance and the Israel Land Authority must collaborate with the Ministry of Defense, aided by the Ministry of Justice and the Prime Minister's Office, to remediate all IMI complexes – both active and inactive – of soil and groundwater contamination, thereby fulfilling the state's September 2015 commitment to the Supreme Court regarding the purification and remediation of the Nof Yam complex. The Ministry of Environmental Protection must take decisive action to promote legislation aimed at addressing contaminated land. Simultaneously, until such legislation is enacted, the Israel Land Authority must conduct a thorough risk analysis of lands contaminated by the state and its entities, and based on the findings, work towards establishing a financing arrangement or budget-supported initiative, together with the Ministry of Finance, to facilitate the rehabilitation of these lands, including IMI complexes, for which no land marketing plans currently exist.