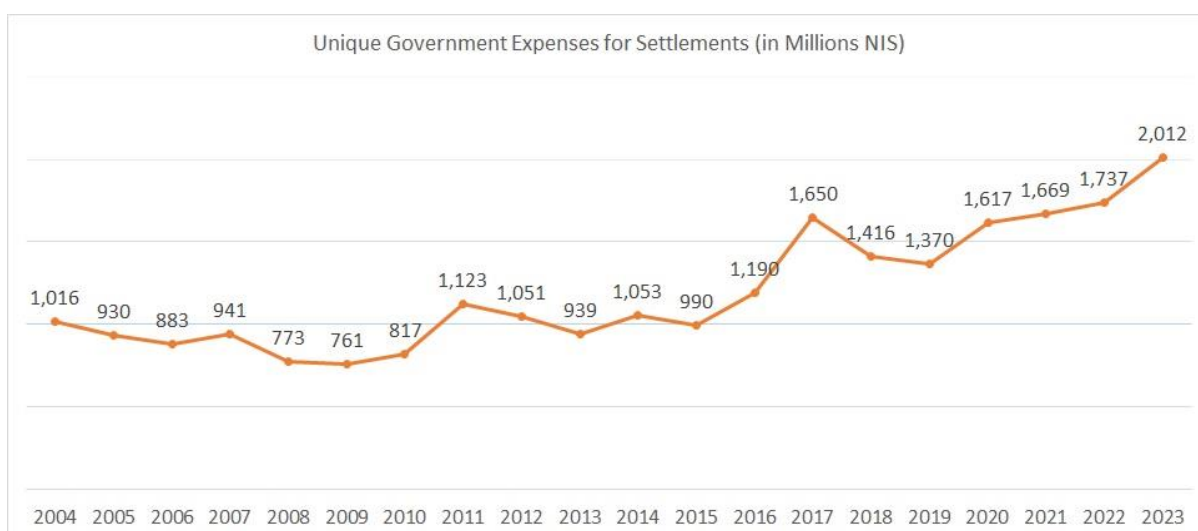


## Over NIS 2 billion a year!

Surplus government expenditures for settlements broke an all-time record in 2023

According to data of the Israeli Central Bureau of Statistics obtained by Peace Now, the scope of development and construction expenses and the unique government expenses for settlements in 2023 reached an unprecedented peak of over NIS 2 billion. This amount does not include security expenses nor most of the road construction expenses (which are budgeted [approximately NIS 3.6 billion](#)). The amount also does not include the current budget for the services provided to the settlers that are provided to any Israeli citizen regardless of place of residence (such as the cost of teachers' salaries in the settlements or the cost of welfare services, etc.).



### Main findings from the expenditure data in the settlements:

- **An unprecedented record** - in 2023 government spending on settlements was **NIS 2.012 billion** (US \$ 542 million), compared to **NIS 1.737 billion** (US \$ 513.1 million) in 2022 and **NIS 1.669 billion** (US \$ 518.6 million) in 2021.
- **About NIS 24 billion (US \$ 6.585 billion) in twenty years** - the total surplus government expenditures in the settlements from 2004 to 2023 was 23.939 billion NIS.
- **An increase of 52% after the outbreak of the war** - in the last quarter of the year, the amount of expenses for the settlements increased **from NIS 490 million** (US \$

131 million) in the third quarter, **to NIS 747 million** (US \$ 195.7 million) in the fourth quarter of the year. Although every year in the last quarter there is a significant increase in government spending in the settlements, it turns out that even during the war the government continued the surplus investments in the settlements and even increased them significantly.

- **Settlers receive much more than Israelis** - in many areas, the settlers received twice or more than their share of the population. While the number of settlers is **under 5% of Israel's population**, they received in 2023:
  - about 11% of all planning and construction expenses of the Ministry of Housing (budget section no. 70);
  - about 10% of all transfers to local authorities (budget section no. 18);
  - about 9% of the total construction and development budget of the Ministry of Education (budget section no. 60);
  - About 30% of the Settlement Division's operations (budget section no. 4521315).
  - About 15% of the internal roads budget (budget items no. 795102 and 795103).

(The calculation was made against [the budget execution data for 2023](#) published by the Ministry of Finance).

- **A 60% increase in the current decade compared to the previous decade** - in the previous decade (from 2004 to 2013) the annual average was NIS 923 million, while in the current decade (2014 to 2023) the average was NIS 1.470 billion. In 2023, the expenses were close to 40% above the average in the last decade.
- **The biggest increase is in the expenses of the Ministry of Housing** (planning and construction) in the settlements - the expenses of the Ministry of Housing in the settlements increased by 150% compared to the year 2022, from NIS 136 million (US \$ 40.1 million) to NIS 346 million (US \$ 92.8 million) Compared to the annual average of the Ministry of Housing's expenses in the decade preceding 2023 (between the years 2013 - 2022), the increase was close to 200% from an average of NIS 109 million (US \$ 31.1 million) per year to NIS 346 million (US \$ 92.8 million) in 2023.

## **The source of the Data: official government reports to the Americans**

In the early 1990s, the American administration led by George Bush Sr. conditioned the [provision of guarantees to Israel](#) on **offsetting the amount that Israel invests in the settlements**. The American guarantees made it possible for Israel to receive loans under the terms of US credit. Following this condition, the Ministry of Finance forwards to the Americans every quarter a calculation of the unique government expenditures for the settlements. The Central Bureau of Statistics coordinates and prepares the information and the Ministry of Finance reports to the Americans.

The Americans, for their part, deduct from the guarantees given to Israel a certain amount against the government's expenses in the settlements according to estimates and corrections made by the American government itself. It should be noted that in [a reply](#) given on March 21, 2024 to [the Movement for Freedom of Information](#) that requested to receive the expenditure data in the settlements, the Ministry of Finance announced that in the years 2021-2022 the data was not transferred to the Americans. Therefore, according to the Ministry of Finance, "[we have no data to provide](#)". However the truth is that the data still exists, and the Ministry of Finance used it as an excuse to prevent the disclosure of the information. The Central Bureau of Statistics continues to collect the data (from representatives of the Ministry of Finance) and compile it.

Indeed, in 2003, [the American Congress approved](#) the provision of guarantees to Israel in the amount of 9 billion dollars. Over the years, the deadline for providing the guarantees has been extended until 2023 and the State of Israel has used some of these guarantees. Out of the 9 billion, the Americans cut a total of \$1.085 billion in 2003 and 2007 and probably cut another \$1.3 billion in 2009, and it is possible that additional amounts were cut as well. That is, **Israel lost at least a quarter of the guarantees it was approved for** because of the investments in the settlements.

From 1992 to 2019, the calculation of expenses in the settlements also included government expenses **in the Golan Heights**. However after the Trump administration's recognition of the Golan Heights as part of Israel, the data calculation only includes the settlements in the West Bank. It should be noted that although in 2019 all Golan settlements **were excluded** from the calculation, **there was still an increase** in the total amount of expenses.

## How the data is calculated

The Central Bureau of Statistics has prepared [a document explaining how the data is calculated](#). The document states that in the government's budget and financial reports, the expenses for the settlements are not directly detailed, and there is no division of the budget according to geographic distribution. Therefore, in order to collect the information, the work of the accountants in the various government ministries is required, who separate from the total expenses of the ministry the expenses spent on the settlements.

Not all investment in settlements is included in the calculation. The attempt is to calculate the surplus expenses, those that are given to the settlements only for the purpose of development and construction, or services that are given to them only by virtue of being settlers. Current services provided to all citizens of the country, as well as to settlers, are not included in the calculation.

### Expenses included in the calculation:

- Government investments in **all types of construction**: infrastructure and construction of residential buildings, commercial buildings, industry, offices, shopping centers, factories, agricultural buildings, educational and cultural buildings, etc. Development of land for agriculture, plantations, vineyards and orchards. Construction of electricity and telephone lines, etc.
- Government investments in **internal roads only**: local road expenditures within the settlements.
- Subsidies and capital grants for local authorities and projects located in his settlements.
- Benefits through **tax discounts**, mortgage subsidies, housing grants, transportation, etc. given to settlers under special conditions.
- Government transfers to **the Settlement Division** of the Zionist Organization intended for spending in the settlements.

### **Expenses not included in the calculation:**

- **Security expenses** - the expenses do not include all security expenses, the costs of maintaining the army to protect the settlements, the means of protection, roads, infrastructure and construction related to security.
- **Interurban roads** - according to the CBS, the expenses for the construction of the interurban roads are not included in the calculation of the expenses for the settlements **because the Palestinian population also uses them**. It should be noted that at the beginning of 2024, after the budget cuts following the war, the government approved a budget of [approximately NIS 3.6 billion for five years](#) for development of interurban roads for settlements in the West Bank.
- **Current services for settlers** - the expenses do not include government services or transfers provided to the entire population of Israel, as well as services provided to every citizen regardless of place of residence. For example, the costs of teachers' salaries, health and welfare services provided to the settlements are not calculated because there is no special component for the settlers. It can be worded so that the calculation of expenses for the settlements does not include expenses that would have been given to the settlers if they had lived within the borders of Israel.

[Download the full data \(excel\)](#)

## Government expenditures on the Israeli settlements beyond the green line\*

NIS Million

Ministries	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Housing	202.3	196.5	115.0	76.4	95.8	67.8	67.5	57.6	89.8	81.9	-18.4	-22.7	226.2	263.1	102.2	86.4	125.4	117.1	136.2	345.8
Interior	369.9	365.6	399.3	416.0	330.2	366.3	404.6	465.7	421.9	397.8	524.5	492.3	463.0	613.8	648.0	680.5	675.4	676.9	690.6	767.1
Agriculture	11.7	19.3	21.8	21.7	20.4	12.2	7.4	6.9	13.2	10.3	11.7	6.5	15.1	20.4	13.9	13.7	11.6	8.3	6.1	6.2
The Settlement Division	47.4	43.7	31.7	39.5	8.7	16.9	25.8	41.9	84.1	84.6	73.5	62.5	9.9	10.8	31.6	27.1	19.4	20.2	15.3	20.4
Economy	25.8	8.6	8.3	16.3	26.6	8.9	4.9	10.9	12.8	6.6	9.0	24.4	13.1	16.5	13.5	6.8	9.8	14.4	18.3	13.6
Education	59.2	62.0	46.7	33.4	45.4	62.7	98.4	146.6	143.8	144.9	217.6	168.7	148.7	250.1	208.1	229.5	285.2	360.7	304.5	207.9
Water Plants	25.3	49.6	38.5	78.9	41.0	87.5	46.6	70.0	88.7	58.4	69.7	91.3	82.1	137.1	118.1	128.5	174.3	147.4	138.4	146.5
Transport	17.1	14.0	13.1	21.5	19.4	19.8	20.1	41.8	53.5	42.6	19.9	19.7	34.0	33.9	33.6	25.6	24.6	22.0	43.3	22.0
NATI (roads)**	257.2	171.0	208.6	236.9	185.9	118.6	142.2	281.9	143.1	111.9	145.8	147.5	197.5	304.5	246.8	171.8	291.8	301.6	384.7	482.3
<b>Total</b>	<b>1015.9</b>	<b>930.3</b>	<b>883.0</b>	<b>940.6</b>	<b>773.3</b>	<b>760.7</b>	<b>817.5</b>	<b>1123.4</b>	<b>1050.8</b>	<b>939.0</b>	<b>1053.3</b>	<b>990.4</b>	<b>1189.6</b>	<b>1650.3</b>	<b>1415.8</b>	<b>1369.8</b>	<b>1617.5</b>	<b>1668.7</b>	<b>1737.4</b>	<b>2011.8</b>

US \$ Million

Ministries	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Housing	45.1	44.0	25.7	19.0	27.0	17.0	18.1	16.6	22.8	22.4	-4.0	-5.9	59.0	73.3	28.7	24.7	36.3	36.1	40.1	92.8
Interior	82.6	81.2	90.5	101.1	91.3	94.9	108.9	129.7	109.5	110.8	145.8	126.8	120.6	170.4	180.1	191.8	196.9	211.0	204.0	205.7
Agriculture	2.6	4.3	4.8	5.3	5.8	3.1	2.0	1.9	3.4	2.9	3.3	1.7	4.0	5.7	3.9	3.9	3.4	2.6	1.8	1.7
The Settlement Division	10.7	9.7	7.1	9.6	2.3	4.3	7.0	11.7	21.6	23.5	20.7	16.1	2.6	3.0	8.7	7.7	5.6	6.3	4.5	5.5
Economy	5.7	1.9	1.9	4.0	7.4	2.3	1.3	3.0	3.3	1.9	2.6	6.3	3.4	4.6	3.8	1.9	2.9	4.5	5.4	3.8
Education	13.2	14.0	10.5	8.3	12.4	16.0	26.6	41.1	37.1	40.2	60.4	43.5	38.6	69.7	58.5	64.0	83.1	111.8	90.6	56.7
Water Plants	8.5	11.0	8.7	19.4	11.5	22.4	12.5	19.3	23.0	16.2	19.5	23.5	21.4	38.0	32.7	36.1	51.1	45.6	41.0	39.9
Transport	3.9	3.1	3.0	5.3	5.3	5.0	5.4	11.5	13.8	11.7	5.6	5.1	8.8	9.5	9.4	7.2	7.1	6.9	12.9	6.0
NATI (roads)**	57.4	38.2	47.1	57.7	52.0	30.3	38.2	79.3	37.2	31.0	39.6	37.9	51.5	85.5	68.4	47.7	84.8	93.9	112.8	130.0
<b>Total</b>	<b>229.8</b>	<b>207.4</b>	<b>199.3</b>	<b>229.7</b>	<b>215.0</b>	<b>195.3</b>	<b>220.0</b>	<b>314.3</b>	<b>271.6</b>	<b>260.6</b>	<b>293.4</b>	<b>255.0</b>	<b>309.9</b>	<b>459.8</b>	<b>394.1</b>	<b>384.9</b>	<b>471.3</b>	<b>518.6</b>	<b>513.1</b>	<b>542.0</b>

\* East Jerusalem excluded; Until 2005 - including Settlements in Gaza; Until 2018 - including the Golan Heights; From 2019 - only the West Bank

\*\* NATI – National Transport Infrastructure Company LTD