



**Evaluation of new methods to reduce the cross subsidies
in the agricultural water tariff in Israel**

**Information Note and Agenda
Stakeholders' Consultation Workshop**

**Activity n°: N-W-IL-1
26 July 2023, Jerusalem, Israel**

“Water and Environment Support” (WES) Project

I. CONTEXT

As part of the water component of the EU funded ‘Water and Environment Support (WES) project in the ENI Southern Neighbourhood region’ project, an activity entitled “Evaluation of new methods to reduce the cross subsidies in the agricultural water tariff in Israel”. This follows a major reform, whereby the Israel Water Authority is in the process of evaluation, examination and search of new methods to reduce the cross-subsidies in the agricultural sector.

The activity which falls under Component 2 of the WES project “Water Use Efficiency” **aims** to improve ‘Water Resources Valuation, Cost Recovery, Affordability of water services’ corresponding to Topic 3.1: Tariffs. The **general objective** of the activity is to assist Israel in the implementation of its water reform emanating from the 2017 “Amendment 27” to the Water Law, with regards to the planned reduction of cross-subsidies in the water tariff of the agricultural sector.

The specific objectives of the activity are:

- a) Broad review of agricultural water tariffs and subsidies, methods and practices in leading OECD countries – successes and failures analysis.
- b) Profound 2-3 case studies of countries with major efficient reforms in the agricultural sector related to subsidies through water tariffs or alternative mechanisms.
- c) Recommend new methods for supporting the agricultural sector (such as government budget, and other methods of direct subsidies) and sustaining farming based on the review and the case studies.

II. TARGET ZONE

Though the water management in Israel, including economic regulation, is at national level, the emphasis of this specific study will be on the Northern part of Israel. In this area, agriculture is based on potable water sources only (with no alternatives of sufficient treated effluents or brackish water for irrigation or because of a hydrologically sensitive area where the irrigation with effluents is prohibited). As such, the agriculture in the area must pay a higher tariff than previously for the same crops.





III. WORKSHOP OBJECTIVES

The workshop aims to:

1. Present an overview of the national activity in Israel.
2. Present the results of the activity and introduce the methods and practices that were investigated in the case studies.

IV. EXPLORE THE APPLICABILITY OF THE PRACTICES AND SELECTED METHODS TO ISRAEL PARTICIPATION

This workshop will involve representatives from relevant authorities and ministries in charge of Water, Agriculture, and Finance, and representatives from the agricultural sector in Israel, water utilities, municipalities.

Specifically, below is the list of the stakeholders:

- a) Representative organs of the Agricultural sector in Israel
- b) Water Suppliers for irrigation
- c) Governmental Authority for Water and Sewage
- d) Relevant authorities including Ministry of Agriculture and Ministry of Finance

V. MODERATION & RESOURCE PERSONS

- Dr Kerusha Lutchmiah – Financial Economist (International Expert) (WES)
- Olga Slepner - Advisor to the Director General and Head of International Relations Unit (The Governmental Authority for Water and Sewage)
- Amir Shakarov - Director of Economics Department (The Governmental Authority for Water and Sewage)
- Gilad Fernandez - Deputy Director General for Economics (The Governmental Authority for Water and Sewage)
- Michael Scoullous, WES Team leader
- Eng. Suzan TAHA – Water Key Expert (WES) – online

VI. INTEPRETATION

Interpretation English/Hebrew/Hebrew/ English will be provided.

VII. DATE AND VENUE

The workshop will take place in Jerusalem on 26 July 2023 between 10:00 and 14.10 local time followed by a light lunch. Venue: **Vert Jerusalem Hotel**, Room: Arad Ein Gedi.





VIII. AGENDA

See next page for the agenda.





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Stakeholders Consultation Workshop

Vert Jerusalem Hotel, Room: Arad Ein Gedi, Jerusalem, Israel

26 July 2023 (From 10:00 to 14:10)

AGENDA

10:00-10:20	WELCOME & GENERAL INTRODUCTION
	<ul style="list-style-type: none"> - Welcome and Introductory notes <i>Prof. Michael SCOULLOS, WES Team Leader</i> <i>Mr. Eduardo FERNANDEZ-ZINCKE, Head of Operations Section</i> <i>Delegation of the European Union to Israel</i> <i>Ms. Olga SLEPNER - Advisor to the Director General and Head of International Relations Unit (The Governmental Authority for Water and Sewage (GAWS)), WES Focal Point</i> <i>Gilad FERNANDEZ - Deputy Director General for Economics (GAWS)</i>
10:20-11:45	PRESENTATION OF THE ACTIVITY AND GENERAL DISCUSSION
	<ul style="list-style-type: none"> - Introducing the WES activity in Israel (5 min) <i>WES (TBD)</i> - Review of the water tariffs for agriculture in Israel (20 min) <i>Amir Shakarov or Gilad Fernandes- Economics Division (The Governmental Authority for Water and Sewage)</i> - Review of water tariffs and subsidies methods and practices in selected countries (30 min) <i>Dr. Kerusha LUTCHMIAH: Non-Key Expert (NKE)</i> - Q&A (10 min) - Applicability to agriculture in Israel (30 min) <i>Dr. Kerusha LUTCHMIAH: Non-Key Expert (NKE)</i>
11:45-12:00	COFFEE BREAK
12:00-12:45	APPLICABILITY TO AGRICULTURE IN ISRAEL AND CONCLUSIONS
	<ul style="list-style-type: none"> - Discussion of the applicability of the models in Israel and conclusions on the financing mechanisms to be stimulated (30 min). <i>Facilitated by: Dr. Kerusha LUTCHMIAH: Non-Key Expert (NKE), WES (TBD) and/or Ms. Olga SLEPNER, GAWS</i> - Feedback on the selected methods (15 min) <i>All participants</i>
12:45-13:45	WRAP UP
	<ul style="list-style-type: none"> - Wrap-up with online survey (20 min) <i>Dr. Kerusha LUTCHMIAH: Non-Key Expert (NKE)</i> - Discussion (30 min) - Conclusions <i>Prof. Michael SCOULLOS: WES Team Leader (10 min)</i>
13:45-14:10	CLOSURE AND WORKSHOP EVALUATION
	<ul style="list-style-type: none"> - Closure (5 min) <i>Ms. Olga SLEPNER, WES Focal Point and Prof. Michael SCOULLOS, WES Team Leader</i> - Meeting evaluation form (10 min) <i>All participants</i>
14:10	LIGHT (VEGAN) LUNCH

