



# PROJECTS BOOKLET ▶

Infrastructure and Projects division



Ministry of Finance



# The Stock of Infrastructure in Israel

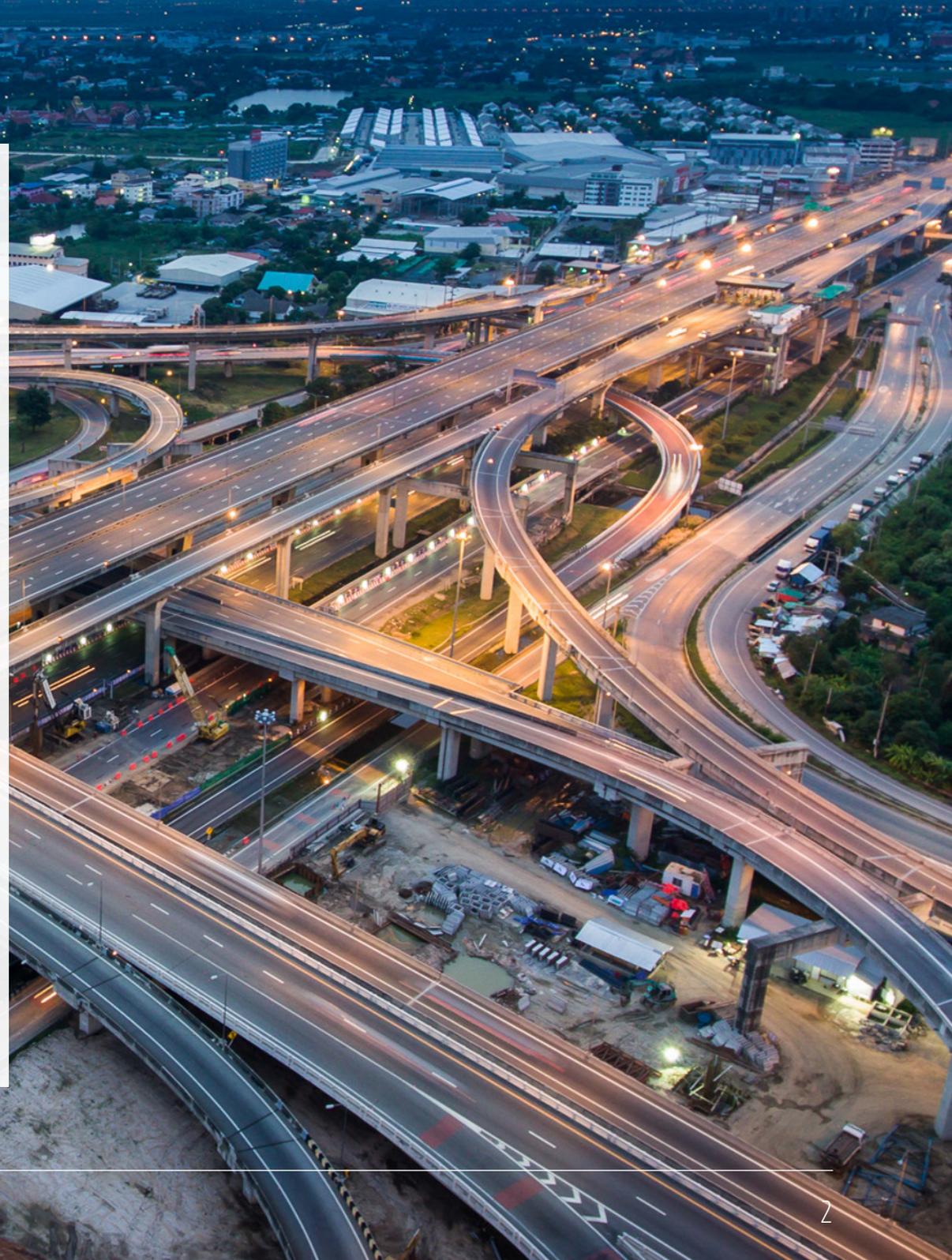
Israel currently faces a significant gap in infrastructure investment compared to similar countries. This gap manifests in heavy traffic, limited use of renewable energy, and the reliance on outdated digital infrastructure. A review of Israel's economy conducted in early 2023 revealed that the country's infrastructure stock, as a percentage of its GDP, is relatively low, standing at just 45%, compared to 66% in OECD<sup>1</sup> countries.

To close this gap in public infrastructure, an annual investment of approximately 4-5% of GDP is required until 2035, a significant increase from the current 2.5-3% invested. In response, the State of Israel is accelerating its infrastructure investment, particularly in key sectors such as transportation, energy, water, and waste management. Many projects in these areas are already underway, while additional projects are in the planning phase and will be initiated in the coming years.

These initiatives are being driven by a comprehensive environmental vision, aligned with the government's climate objectives. Israel's infrastructure projects are not only aimed at bridging the existing gap but also at ensuring a sustainable, climate-resilient future for the country.

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<sup>1</sup> Israel's Economy: Pathways to Prosperity and Accelerating Growth, McKinsey & Company, January 2023



# Activity of the Infrastructure and Projects Division

The Infrastructure and Projects Division in the Accountant General's Department of the Ministry of Finance initiates and promotes projects in collaboration with the private sector through the **PPP (Public-Private Partnership)** model. The projects currently carried out by the division focus mainly on the fields of **transportation, water, energy, construction, and the environment.**

The PPP projects led by the division involve long-term agreements between the state and the concessionaire, under which the private sector assumes responsibility for providing infrastructure, products, or public services, including construction, purchase, renovation, financing, operation, and maintenance, in exchange for payments based on pre-defined criteria. At the end of the concession agreement period (typically 25-30 years), the projects are transferred to the state free of charge.



**The PPP model** allows for the correct distribution of risks between the private and public sectors, with each party assuming the risks it is best able to manage. According to this model, the state's role shifts from that of an owner to a service purchaser, ensuring efficient, cost-effective planning, execution, and operation of the projects it leads.

## The PPP model

- ✓ Collaboration between the private and public sectors
- ✓ Full integration by the private sector at the concession stage
- ✓ The state's shift from owner to service purchaser
- ✓ Utilization of innovative technologies and knowledge
- ✓ Efficient allocation of risk distribution
- ✓ Creation of maximum value for the public in Israel



# Transportation

## The Division's Activity in the Field

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Promotion of transportation infrastructure through the PPP mechanism



Initiation of transportation projects



Collaboration with the Ministry of Transport to improve public transportation

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In recent decades, the State of Israel has experienced accelerated economic growth, accompanied by a significant increase in population, which has led to the expansion of cities and an increased demand for transportation solutions. Israel's transportation infrastructure does not meet the growing demand for public transport, resulting in a serious negative impact on the economy and residents' quality of life.

Several OECD publications have noted that the density of roads in Israel is much higher than that in other OECD countries. To address the transportation crisis in Israel, in recent years, the Israeli government has made several decisions to promote a mass transit system aimed at improving the accessibility and availability of public transportation, with the Metro project being the most prominent decision.



# Projects at the Initiation Stage

## The Metro Project

The Metro project is the largest infrastructure project currently being promoted in the State of Israel. The project represents an additional component in the transportation network currently being built throughout the Tel Aviv metropolitan area. The three metro lines will form a network of tracks approximately 150 km in length.

**ILS 150 billion**  
expected costs

**2034-2037**  
initial operation  
of Phase 1

**2 million**  
passengers per day

**ILS 40 billion**  
in economic  
benefits

**30%**  
increase in public  
transportation  
usage



## Complementary Airport to Ben Gurion Airport

The complementary airport is expected to serve approximately 20 million passengers annually and will provide a solution to the continuous growth in passenger traffic in Israel. Currently, a planning process is underway for the leading locations: Negev and Ramat David. Once the final decision is made regarding the location, the pre-tender phase will begin, leading to the establishment of a modern aviation infrastructure that will significantly enhance the country's air travel capacity.



## The High-Speed Lanes Project

The High-Speed Lanes project in the Gush Dan metropolitan area will include a network of high-speed lanes with a total length of 110 km, from Rishon Lezion through Tel Aviv to Netanya and back, as well as from Rosh Ha'ayin via Highway 5 to Tel Aviv and back. As part of the project, five "Park and Ride" parking lots will be established, providing approximately 20,000 parking spaces. These parking lots will allow thousands of people to leave their private vehicles and enter employment areas via fast, free shuttles with high frequency during peak hours. The park-and-ride hubs will connect various transportation modes, including Israel Railways, light rail lines, and bicycle lanes. The lanes will also be used for shared rides, public transportation, and as toll lanes open to road users under certain conditions.





# PPP Transportation Projects

“In recent years, the Israeli governments have made several decisions aimed at improving the accessibility of public transportation

## Public Transportation Projects

**Jerusalem Light Rail (J-Net)**

|                          |                 |
|--------------------------|-----------------|
| Franchisee               | Shapir, CAF     |
| In operation since       | 2011            |
| Franchise period ends in | 2036            |
| Estimated costs          | ILS 2.2 billion |

**In Operation**

**Jerusalem Light Rail Green Line and Red Line Extension**

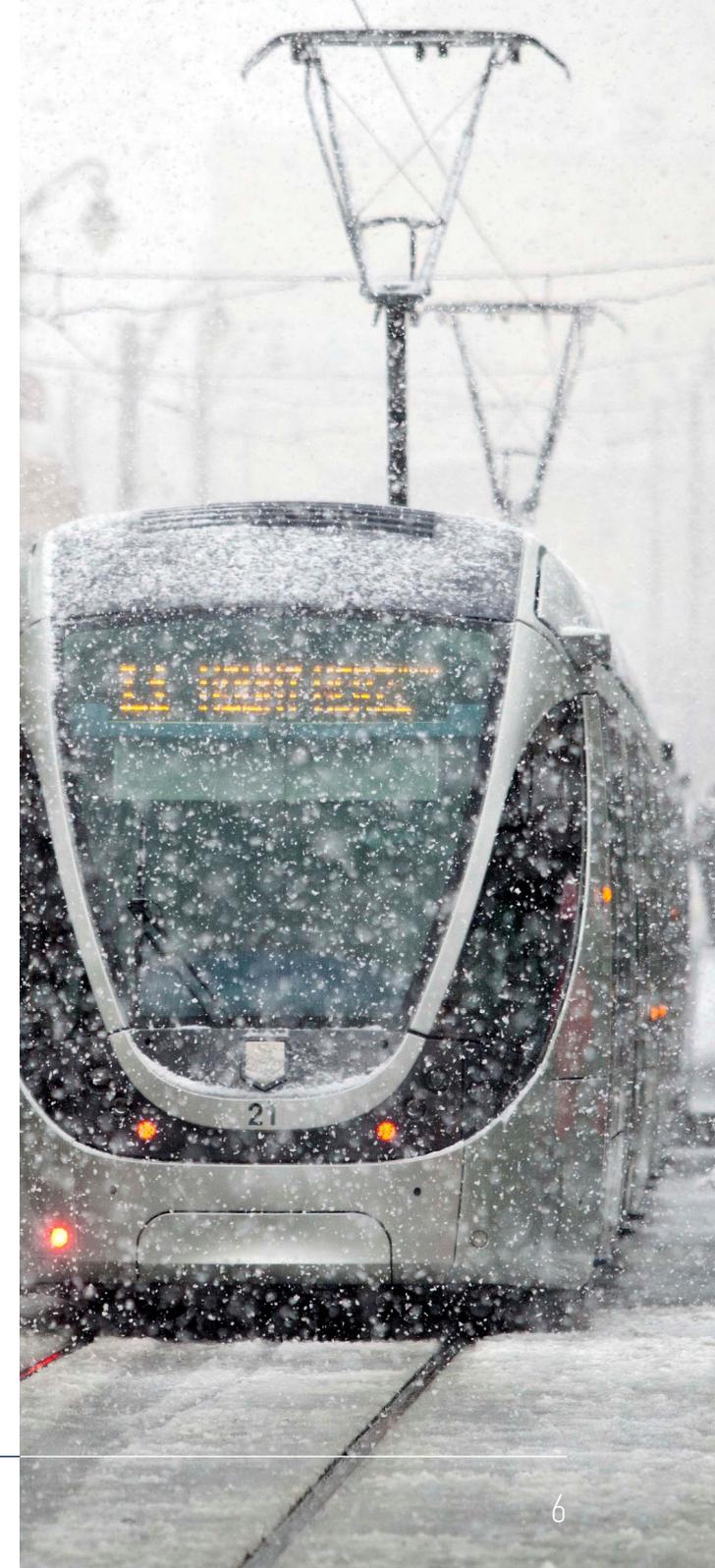
|                             |             |
|-----------------------------|-------------|
| Franchisee                  | Shapir, CAF |
| Construction started in     | 2020        |
| Green line estimated launch | 2026        |

**Under Construction**

**Jerusalem Light Rail Blue Line**

|                          |                      |
|--------------------------|----------------------|
| Franchisee               | Denia Sibus, Dan     |
| <b>Current milestone</b> | Financial closure    |
| <b>Next milestone</b>    | Construction Q2/2025 |
| <b>Estimated launch</b>  | 2029                 |

**In Tender**





# PPP Transportation Projects

“Road congestion in Israel is significantly higher than in other OECD countries

## Road Projects (excluding Highway 6)

**Highway 16**

**Franchisee** Derech Nof – Highway 16 Inc.

**In operation since** 2022

**Franchisee period ends in** 2044

**Establishment cost** ILS 1.1 billion

**In Operation**

**High speed lane to Tel Aviv**

**Franchisee** Fast Lanes Inc. of Shapir Engineering group

**In operation since** 2011

**Franchisee period ends in** 2036

**Establishment cost** ILS 0.5 billion

**In Operation**

**Carmel Tunnels**

**Franchisee** Carmelton – Shikun & Binui, Allied Holdings Ltd.

**In operation since** 2010

**Franchisee period ends in** 2040

**Establishment cost** ILS 1.25 billion

**In Operation**

**Highway 431**

**Franchisee** Netivei Hayovel

**In operation since** 2009

**Franchisee period ends in** 2031

**Establishment cost** ILS 2.0 billion

**In Operation**

**Phase 1 High-Speed Lanes**

**Franchisee** Nativ La'ir Inc.

**Construction started in** 2022

**Estimated launch date** 2025

**Under Construction**

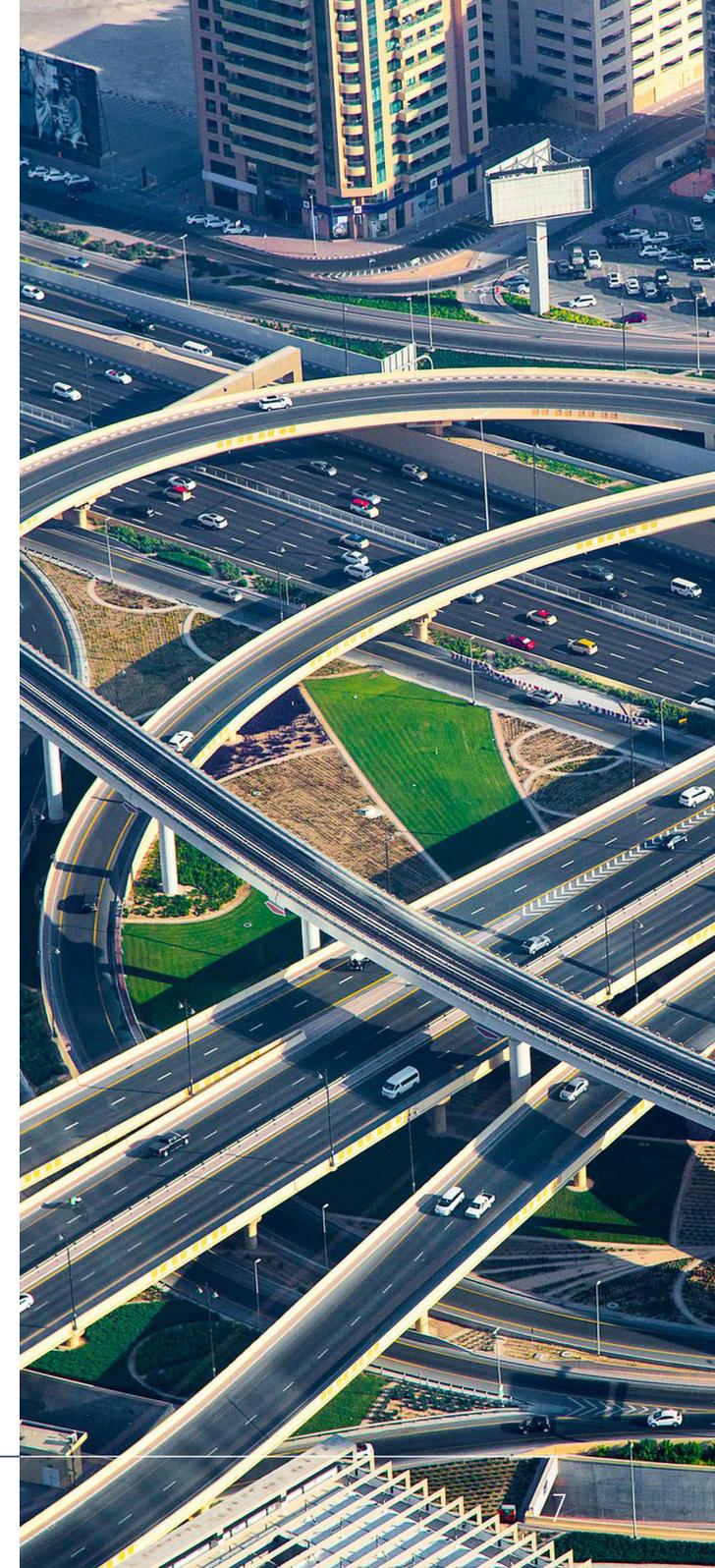
**Phase 2 High-Speed Lanes**

**Current stage** Tender stage

**Next stage** Bid review and winner announcement Q1/2026

**Estimated launch** 2030

**In Tender**





# PPP Transportation Projects

“Highway 6, also known as "Cross-Israel Highway," is the first toll road in Israel. It transformed transportation in the country and marked a milestone in the development of national infrastructure. The long north-south route connected the center with the periphery, significantly reduced travel times, and led to economic and regional growth along the highway's route. The project, which is still undergoing continuous expansion, keeps adding new segments and upgrades, and today reaches new populations across the country, from north to south.

## Highway 6 Projects

**In Operation**

**Highway 6 - Main Section**

|                          |                       |
|--------------------------|-----------------------|
| Franchisee               | Derech Eretz Highways |
| In operation since       | 2002-2004             |
| Franchise period ends in | 2031                  |
| Estimated costs          | ILS 5.5 billion       |

**In Operation**

**High 6 - Cross-North**

|                          |                            |
|--------------------------|----------------------------|
| Franchisee               | Route 6 - Hotze Zafon Inc. |
| In operation since       | 2018-2019                  |
| Franchise period ends in | 2049                       |
| Estimated costs          | ILS 2.5 billion            |

**In Tender**

**Highway 6 Extension - Sections 8A+9**

- Current stage**  
Tender stage
- Next stage**  
Bid review and winner announcement
- Estimated launch**  
2030



## Division's Activity in the Field

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Promoting energy facilities through the PPP mechanism for the benefit of the economy



Oversight and control of the electricity sector



Collaboration with the Ministry of Energy and the electric grid to promote innovation in the energy field and achieve renewable energy goals

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In the State of Israel, as in the rest of the world, there is growing awareness of the importance of transitioning to renewable energy – energy sourced from solar radiation, wind, biomass, and other non-fossil, non-depleting sources. The core understanding behind these trends is that finite energy reserves will not last forever, and we must already prepare by diversifying sources. The main technologies currently known to be feasible for implementation in Israel's electricity sector are those that rely on renewable sources: solar energy, wind energy, and waste. Additionally, the division participates in strategic discussions regarding the integration of hydrogen into Israel's energy market. Given the rise in electricity consumption due to population growth, the shift to electric vehicles, the electrification of other industries, and consumption centers located far from available land reserves for electricity production in the coming years, the division is actively initiating energy storage projects as part of the solution to the load on the transmission network.



# Energy

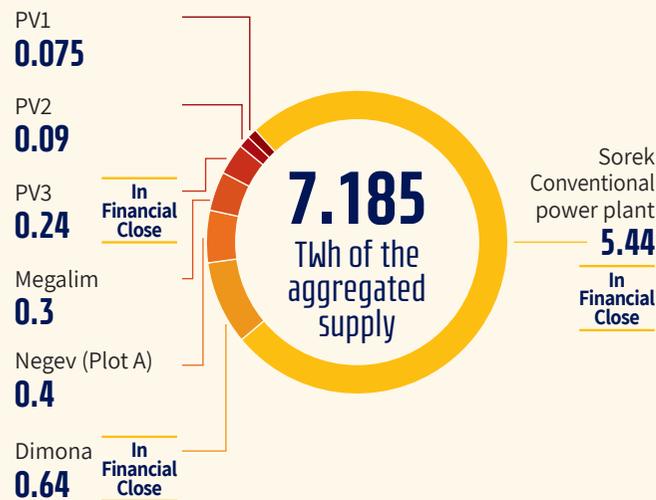


# Energy Efficiency in Israel

In April 2016, the government passed Resolution 1403, which outlined the steps to achieve the objectives of reducing greenhouse gas emissions, improving energy efficiency, and producing electricity from renewable energy sources. The steps include, among others, granting tax incentives to facilities that generate electricity from renewable energy, advancing green building projects, exploring the reduction of coal use and replacing it with natural gas to decrease greenhouse gas emissions, and promoting Israeli technologies in the fields of energy efficiency and renewable energy. In October 2020, the government passed Resolution 465 to update the targets for electricity generation from renewable energy sources. According to the resolution, by 2030, 30% of electricity will be produced from renewable sources, mainly solar and wind energy.

In March 2022, the government passed Resolution 1231 to cease the polluting petrochemical activities in Haifa Bay and to redesign the area as a residential, high-quality employment, and green space zone. To close the petrochemical industry, it is necessary to establish infrastructure such as import ports, transmission pipelines, and storage facilities, which will replace the current refining capacity in the bay. As part of this process, the division is advancing the construction of an LPG storage facility, which is part of the sector's preparation for the closure of the petrochemical industry.

## The annual output of the division's projects (TWh)



**2023**  
the aggregated demand was **77.4** TWh

**2030**  
the aggregated demand is expected to exceed **94.6** TWh  
Approximately **10%** of Israel's electricity supply in 2030 is projected to be generated by the division's projects

# Energy Project in Development

## The Sorek Power Plant

### A new anchor for the reliability and efficiency of Israel's electricity sector

The Sorek Power Plant is one of the largest and most significant energy projects currently being advanced in Israel. The plant will be established through a Public-Private Partnership (PPP) model, by a private developer who will finance, construct, and operate it for the duration of the agreement, after which ownership will be transferred to the state. The plant will be powered by natural gas and is expected to generate between 600 and 900 megawatts, utilizing advanced technology and exceptionally high energy efficiency.

The project is integrated into the long-term planning of Israel's electricity sector, as part of the transition to a competitive and sophisticated electricity market model, and is expected to strengthen supply reliability and stability while meeting the anticipated growth in demand over the coming decades.





# PPP Energy Projects

By 2030,  
**30%**  
of electricity  
generation  
will come from  
renewable energy,  
primarily solar-  
based, with a  
smaller share  
from wind

**In Operation**

**PLOT-A (Negev)**

Franchisee Shikun & Binui Energy, Noy Fund

In operation since 2019

Franchise period ends in 2043

Establishment cost ILS 4.3 billion

**In Operation**

**PLOT-B (Megalim)**

Franchisee GE, Noy Fund

In operation since 2019

Franchise period ends in 2043

Establishment cost ILS 2.9 billion

**In Operation**

**PV1**

Franchisee EDF

In operation since 2017

Franchise period ends in 2041

Establishment cost ILS 0.276 billion

**In Operation**

**PV2**

Franchisee EDF

In operation since 2023

Franchise period ends in 2048

Establishment cost ILS 0.11 billion

**Under Construction**

**PV Dimona**

Franchisee EDF

- Current milestone: Financial closure
- Next milestone: Construction Q4/2025
- Estimated launch 2026

**Under Construction**

**PV3**

Franchisee EDF

- Current milestone: Financial closure
- Next milestone: Construction Q1/2026
- Estimated launch 2026

**In Tender**

**Sorek Conventional Power Station**

- Current milestone: Financial closure
- Next milestone: Construction Q2/2026
- Estimated launch 2029

**In Tender**

**Yavor LPG Storage Facility**

- Current milestone: Preparation for PQ publication
- Next milestone: PQ publication in Q3/2025
- Estimated launch 2029





# Construction

## Division's Activity in the Field

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Promoting Construction through PPP for the Benefit of the Economy

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The PPP Division of the Accountant General promotes construction projects using this method, enabling the provision of high-quality service over time and efficient risk distribution. The division facilitated the establishment of the Assuta Ashdod Medical Center and the National Police Academy in Beit Shemesh.



# Construction project in initiation

## Megiddo Imprisonment Complex

### Establishment of Megiddo Complex – An Advanced Solution for Israel's Incarceration Needs:

According to Government Resolution 1903, the plan for the establishment of the Megiddo Complex aims to streamline Israel's incarceration system and address future needs and legal requirements. The complex will be designed to accommodate 2,600 inmates, with the possibility of expansion to 4,000 places, gradually replacing outdated incarceration facilities. To this end, resources will be allocated for the development of advanced infrastructure, including a power station, water infrastructure, and drainage systems. The project is expected to be completed and the complex occupied by the end of 2031.

-  **Current milestone**    Preperation for PQ publication
-  **Next milestone**        PQ publication in Q3/2025
-  **Estimated launch**      2031

## PPP Construction Projects

 **National Police Academy**

**In Operation**

|                          |                     |
|--------------------------|---------------------|
| Franchisee               | GES, Shikun & Binui |
| In operation since       | 2015                |
| Franchise period ends in | 2037                |
| Establishment cost       | ILS 0.6 billion     |

 **Ashdod Hospital**

**In Operation**

|                          |                 |
|--------------------------|-----------------|
| Franchisee               | Assuta          |
| In operation since       | 2017            |
| Franchise period ends in | 2022            |
| Establishment cost       | ILS 1.2 billion |





# Waste

## The Division's Activities in the Field

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Advancing waste facilities through the PPP mechanism to reduce landfill use in Israel



Cooperation with the Ministry of Environmental Protection to promote the government's waste management goals

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Most of the municipal and commercial waste produced in Israel is transferred to landfill sites. Landfilling has significant environmental impacts, including air pollution, greenhouse gas emissions, soil and groundwater contamination, and taking up land space. To prevent these consequences, the Ministry of Environmental Protection is aiming to create a waste market based on technologies such as recycling separated waste and energy recovery.

To implement advanced waste treatment policies, an inter-ministerial tender committee was established for BOT (Build-Operate-Transfer) projects in the waste management field, which oversees tenders for establishing advanced waste treatment facilities. In 2023, the construction of the Shafdan facility for anaerobic digestion of waste began, and additional tenders for new facilities are expected in the coming years.



# PPP Waste Projects



Under Construction

## Shafdan Waste Treatment Facility

|                         |                     |
|-------------------------|---------------------|
| Franchisee              | GES, Shikun & Binui |
| Construction started in | 2023                |
| Estimated launch date   | 2026                |
| Estimated cost          | ILS 0.7 billion     |

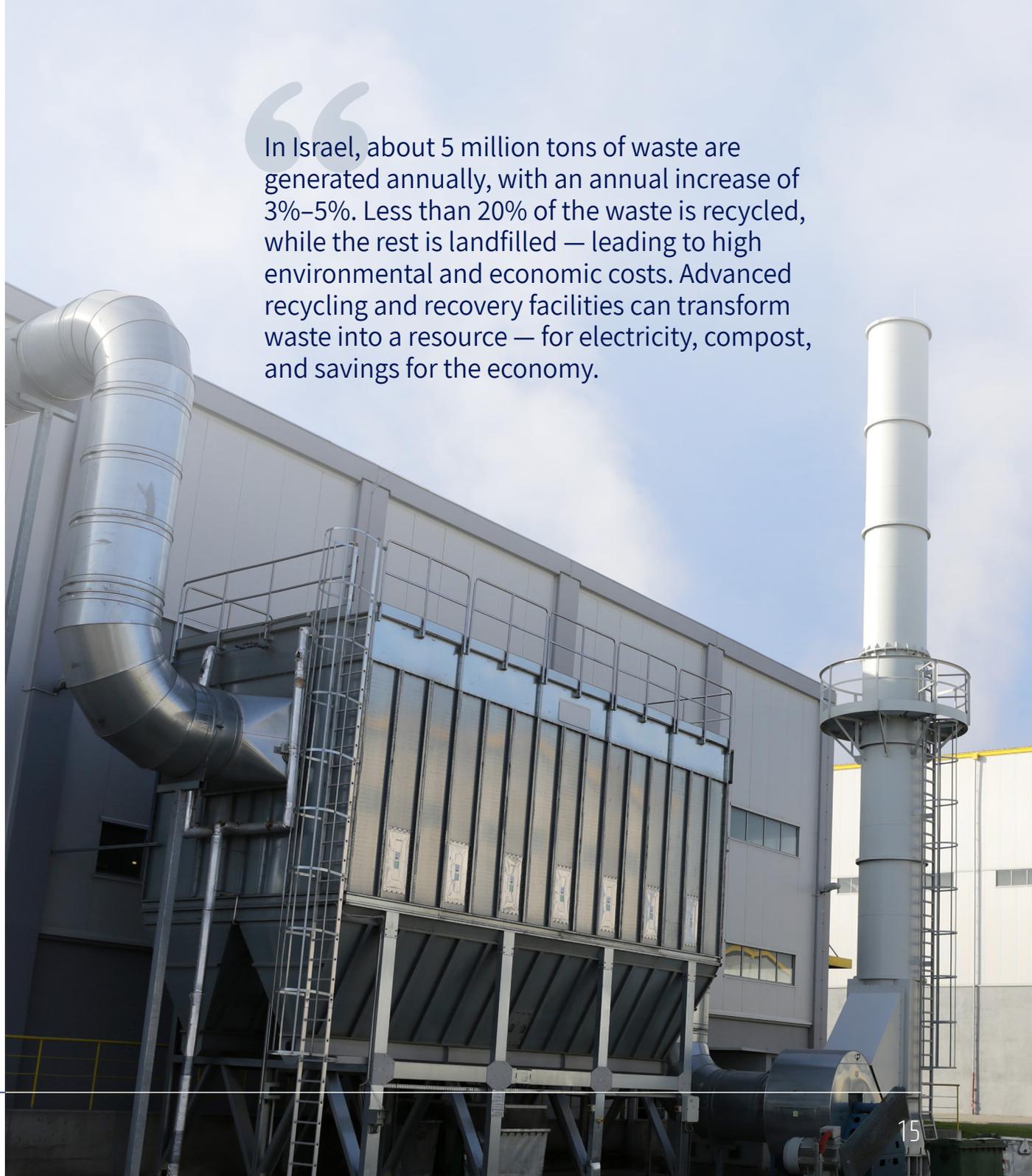


In Tender

## Neot Hovav Waste

- Current milestone**  
Tender publication
- Next milestone**  
Announcement of winner Q4/2025
- Start of operation** 2029

“ In Israel, about 5 million tons of waste are generated annually, with an annual increase of 3%–5%. Less than 20% of the waste is recycled, while the rest is landfilled — leading to high environmental and economic costs. Advanced recycling and recovery facilities can transform waste into a resource — for electricity, compost, and savings for the economy.





## Division Activities in the Field



Advancement of desalination facilities in Israel



Advancement of wastewater treatment projects



Supervision and monitoring of the water sector



Collaboration with the Water Authority to promote water treatment and desalination projects using the PPP method

## The Water Market in Israel

The demand for water in Israel is continuously increasing due to population growth, higher living standards, and the diverse needs of various sectors. However, the amount of rainfall in Israel varies dramatically from year to year, and sometimes there are several consecutive years with rainfall below the long-term average. In order to address this need and to avoid overuse of natural water resources and prevent irreversible damage, a goal was set in 2000: to increase the water supply and ensure that Israel's water sector is no longer dependent on climatic factors. The way to achieve this is through seawater desalination, as seawater is available in unlimited quantities and is not dependent on climatic or political factors.



# Water



# Israel as a Desalination Power: From Scarcity to Global Success

Seawater desalination in Israel is a global success story. The collaboration between the public and private sectors within PPP projects has led to a transformation: from a situation of continuous drought and constant concern about severe water shortages, Israel is expected to reach the point by 2027 where 90% of its potable water consumption will be desalinated. In the coming years, this trend is expected to continue, with the amount of desalinated water anticipated to increase further due to rising demand and climate changes, which are expected to worsen drought years and reduce rainfall. Today, the State of Israel is a desalination powerhouse. All countries around the world look to Israel, and many nations come to learn from us in this field.



Hadera Desalination Facility

## Israeli Desalination Timeline

Ashkelon  
Desalination Plant

2005

Palmachim  
Desalination Plant

2007

Hadera  
Desalination Plant

2009

Sorek A  
Desalination Plant

2013

Ashdod  
Desalination Plant

2015

Sorek B  
Desalination Plant

2025

Ashkelon Desalination Plant –  
End of concession period and  
tender for a new concession

Start of operation of Western  
Galilee Desalination Plant

2027



# PPP Water Projects

“  
Seawater  
desalination  
is the most  
reliable source  
among the  
sources for  
increasing the  
water supply



## Ashkelon Desalination Facility

**Franchisee**  
Keystone, Veridis

**In operation since**  
2005

**Franchise period ends in**  
2027

**Construction cost**  
ILS 1.1 billion

In Operation



## Palmahim Desalination Facility

**Franchisee**  
BlueGen, Migdal

**In operation since**  
2007

**Franchise period ends in**  
2029

**Construction cost**  
ILS 1.0 billion

In Operation



## Hadera Desalination Facility

**Franchisee**  
Allied, IDE

**In operation since**  
2009

**Franchise period ends in**  
2032

**Construction cost**  
ILS 1.7 billion

In Operation



## Sorek A Desalination Facility

**Franchisee**  
Dan Capital

**In operation since**  
2013

**Franchise period ends in**  
2037

**Construction cost**  
ILS 1.7 billion

In Operation



## Ashdod Desalination Facility

**Franchisee**  
Shapir, BlueGen

**In operation since**  
2015

**Franchise period ends in**  
2044

**Construction cost**  
ILS 1.5 billion

In Operation





# PPP Water Projects

As of today, about 585 million cubic meters of desalinated water are supplied annually in Israel. With the completion of the Sorek B (2025) and Western Galilee (2026) plants, desalination is expected to provide up to 90% of domestic and municipal consumption.

**Sorek B Desalination Facility**

Franchisee  
IDE

Construction started  
2020

Expected start of operation  
2025

**Western Galilee Desalination Facility**

Franchisee  
IDE

Construction started  
2023

Expected start of operation  
2027

**IMI Ramat HaSharon Project**

Franchisee  
BlueGen

- Current milestone  
Financial closure
- Next milestone  
Construction Q4/2025
- Expected start of operation  
Q4/2027

**Ashkelon Desalination Facility**

- Current milestone  
PQ publication
- Next milestone  
Tender Q3/2025
- Expected start of operation  
Q3/2027

**Shafdan Effluent Enhanced Treatment Facility**

- Current milestone  
PQ publication
- Next milestone  
Tender Q3/2025
- Expected start of operation  
Q3/2027

**Emek Hefer Desalination Facility**

- Current milestone  
PQ publication
- Next milestone  
Tender Q2/2026
- Expected start of operation  
2032



# Projects Pipeline

## Projects under Evaluation

| Project                                   | PQ Date | Description  |
|---|---------|--|
| Supplementary Airport                     | 2026    |  20M travellers per annum   |
| LPG Storage Facility in Yavor             | 2025    |  20,000 ton capacity  |
| “Emek Hefer” Desalination Plant           | 2025    |  400 MCM per annum  |
| Anaerobic Digestion Plant in Ashdod       | 2025    |  400K tons per annum in sorting<br> 150K tons per annum in AD |
| Tamar region Waste-to-Energy Facility     | 2025    |  650K tons per annum  |
| Jerusalem Region Waste-to-Energy Facility | 2026    |  650K tons per annum  |
| “Megido” Imprisonment Facility            | 2025    |  4,000 prisoner facility  |

## Projects in Market

| Project   | Tender Date | Description  |
|---|-------------|--|
| Congestion Tax – Dan Metropolitan Area            | 2025        |  Planning and operation of Congestion Taxing System   |
| Highway 6, Sections 8+9                           | 2025        |  Northern and Southern Expansion of Highway 6   |
| Fast Lanes on Highway 5                           | 2025        |  Fast Lanes System Expansion  |
| “Ashkelon” Desalination Plant                     | 2025        |  220 MCM per annum  |
| “Shafdan” Secondary Wastewater Treatment Facility | 2025        |  50 MCM per annum (to be increased)   |
| “Neot Hovav” Waste-to-Energy Treatment Facility   | 2025        |  300K tons per annum in sorting<br> 300K tons per annum in WtE |

# Infrastructure and Projects Division



## Division Management

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**Oshrat David Dakar**  
Senior Deputy to the AG  
[oshratd@mof.gov.il](mailto:oshratd@mof.gov.il)

---

**Liat Elmalem**  
Office manager  
[liate@mof.gov.il](mailto:liate@mof.gov.il)

---

**Gal Lando**  
PPP Projects Unit Manager  
[gall@mof.gov.il](mailto:gall@mof.gov.il)



## Energy Team

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**David Cohavi**  
Team Manager  
[davidcohavi@mof.gov.il](mailto:davidcohavi@mof.gov.il)

---

**Yarden Even**  
Referent  
[yardenev@mof.gov.il](mailto:yardenev@mof.gov.il)

---

**Ziv Gilinski**  
Referent  
[zivg@mof.gov.il](mailto:zivg@mof.gov.il)



## Light Rail and Waste Team

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**Harel Meir**  
Team Manager  
[harelme@mof.gov.il](mailto:harelme@mof.gov.il)

---

**Omri Borkow**  
Referent  
[omribo@mof.gov.il](mailto:omribo@mof.gov.il)

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## Water Team

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**Jemima Schwartz Kenigsbuch**  
Team Manager  
[jemimas@mof.gov.il](mailto:jemimas@mof.gov.il)

---

**Gal lerner**  
Referent  
[galle@mof.gov.il](mailto:galle@mof.gov.il)

---

**Ido Grossman**  
Referent  
[idoqr@mof.gov.il](mailto:idoqr@mof.gov.il)



## Transportation Team

---

**Assaf Barzilay**  
Team Manager  
[asafba@mof.gov.il](mailto:asafba@mof.gov.il)

---

**Heli Edri Shabat**  
Referent  
[helie@mof.gov.il](mailto:helie@mof.gov.il)

---

**Itay Gat**  
Referent  
[itayg@mof.gov.il](mailto:itayg@mof.gov.il)



Ministry of Finance