

DATE DEC. 28, 1987 TIME \_\_\_\_\_

1. NAME YONA KAHANA

2. POSITION HEAD ; WATER ECONOMY DEPT. WATER COMMISSION  
MANAGER ; EQUALIZATION FUND

3. OCCUPIED SINCE CHAIRMAN ; WATER SCHEME EVALUATION COMMITTEE

4. PREVIOUS POSITION \_\_\_\_\_

5. OCCUPIED SINCE \_\_\_\_\_

6. PROFESSIONAL EXPERIENCE \_\_\_\_\_

3. Y. Kahana Interview (28/12/87)

- Q. You are known to have opposed the demand of the Ministry of Finance (MOF) to price waters in Israel according to their costs. Are you still in that stand?
- A. In principle the MOF is right but their demand cannot be implemented because it contradicts government obligations to water users that are located far away and/or high off the water sources. I think that the MOF idea could work only if the water subsidy is transferred to another product - a one that it is desired to promote its use (in contrary to water).
- Q. What changes would you recommend to be put in the equal rate policy?
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- A. One important one is to rate differently the supply to big towns and small ones. The situation now is that the big towns - due to their economy of scale - sell the water to their consumers higher than they buy it from Mekorot and use the gain to finance other activities (not related to water). This is an absurd that the water industry subsidizes the big cities activities.
- Q. Does this relate to the small towns as well?
- A. No. Their supply expenses are high (per cubic meter of water) so that they have to support the water supply from other sources.
- Q. Do the above problems suggest organizational changes in the national water industry management?
- A. One thing that should be considered is to shift the Water Commissioner from the Agriculture Ministry to another Ministry.

TN Interview - 3/14/88 in Tel Aviv  
with Yona Kahana at Tahal.

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Chairman, Water Commission Review Board for Regional and National Planning.

1. The present Water Commissioner is a purely political nominee. The previous Commissioner was a technocrat/bureaucrat from the Ministry of Agriculture, who left the Commission to become the Director General of the Ministry of Agriculture. Previously, the Commissioner had been an engineer and a politician. In the 1950s, the Commissioners were engineers out of the Technion. The appointment of the Commissioners requires approval of the Cabinet. At present, political factors (i.e., party membership) are important.
2. Policy formulation:
  - a. The Commission has an important role in the budget process. In fights for the budget, political affiliation and influence are decisive in asserting the sector's needs.
  - b. Water Commissioner plays a decisive role in pricing. He prepares the pricing structures, promotes them, and pushes them through the bureaucracy. The process is political. The Finance Minister always pushes for a free market policy; the Agriculture Minister and lobby supports subsidies. The Commissioner finds a workable compromise between the two that will enhance the power of the Commission.
  - c. Water quality standards are set by the Ministry of Health and implemented by the Water Commission.
  - d. Water Commissioner has some responsibility for development of water resources in Israel, however mainly as a flag-carrier. He exercises influence rather than authority.
  - e. The military government has responsibility for development of water resources in the Territories. Military Governor may consult the Water Commissioner, but has his own staff of experts.
  - f. Water Commissioner is a principal actor in questions of regional conflict over water. Coordinates with Minister of Foreign Affairs and Cabinet.
  - g. Commissioner is responsible for long range planning and is continuously involved at all stages. He appoints commission members and assigns them to prepare plans, they report to him.
7. Water Commissioner does not function officially in the Territories except when consulted. Arab water in the Territories is regulated, but Kahana does not know if it is licensed; he does not know about pricing policies in the Territories.

8. Kahana believes that the Johnston Plan allocations are not yet fully exploited. He believes Israel is concerned about the proposed Wahdeh Dam because the potential changes might reduce the availability of water to Israel under the Johnston Plan. He sees it as a possible threat to Israel's water rights.
9. Kahana believe it unlikely that Israel would seek to use water from the Litani. It would be too expensive. A remote possibility only.
10. The Med-Dead Canal is not a live issue, especially among policy makers. There is no action toward implementation; it is a dead issue because it is uneconomical and there are no funds. It was renewed probably because of the last oil crisis, and might be revived in another oil crisis.

West Bank aquifers: western and eastern watersheds, the eastern has much less water. Eastern aquifer is mildly overexploited but in no danger of drying up, some local salinity. Western aquifer is definitely overexploited; they are working to bring back a situation where over-exploitation ends. Recovery will be regulated so that, with no excess use, it should recover in 5-10 years. The western aquifer recovers very quickly. Eastern aquifer would not replace and make up losses of western aquifer.

April workshop: with representatives of ECC on legal and administrative aspects of water in Israel, review of institutional structures for managing water in Israel.

INTERVIEW FORM

DATE APRIL 18, 1988 TIME \_\_\_\_\_

1. NAME YONA KAHANA

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MANAGER ; EQUALIZATION FUND

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6. Water policy positions do not split along party lines but rather along user lines: agriculture vs. other users. Agriculture uses by far the most water; other users represent a small percentage of use. Productive uses of water (industry, hotels, resorts) enjoy subsidies similar to those enjoyed by agriculture. It is domestic users who pay full fare. It is true that the agricultural sector has stronger influence in Labor than in Likud, but this is not reflected by any significant difference in policy between the two, and the smaller parties follow the major parties' lead on water. The settler groups in the territories, although right-wing, favor agriculture's position on water.

Virtually all users now buy water from the water authority. Because of increasing salt and nitrate pollution, fewer and fewer municipalities are able to operate their own wells and must buy from Mekorot. Local authorities (municipalities, etc.) have organized on a national basis into a Center for Local Governments. They propose their own water projects and bargain collectively with the water authority and the government on major issues involving water rights.

7. The Water Commissioner has no authority or mandate in the territories, only inside the Green Line. The water commission will sometimes serve as a consulting advisor to the military government/civilian administration to review water supplies, but only on invitation.

The legal water situation differs between the West Bank and Gaza.

In the West Bank, there was a pre-occupation Jordanian water law that vested authority in the deputy prime minister to license water use. A member of the civilian administration is designated to exercise that function under the Jordanian law.

In Gaza, there had been no water law under Egyptian rule. Since the Gaza aquifer was even then heavily overpumped, the civilian administration has adopted its own regulations.

Water pricing in the territories is according to cost. Israel offers no subsidy, although he does not know whether any subsidy comes from Jordan. For the settlements, Mekorot buys water from the local authorities at cost; he does not know whether Mekorot sells to the settlers at a subsidized price.

There have been a few projects to transfer water from Israel to the territories, and some wells sunk to utilize more water from aquifers that would otherwise flow to the Dead Sea. Regarding reclaimed sewage water from Jerusalem: what flows west is all used, what goes east is only partly used.

4. Towns pay almost the full cost of water. Agriculture and other "productive uses" get subsidy. There has been much recent discussion about water subsidies. YK says the Water Commission will not remove the subsidies, but will try to reassess them to make them more proportionate to the cost.

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It is generally felt that major projects costs should not be passed on to users. This applies to most agricultural infrastructure. However, in towns the smaller projects do have costs passed on to rate-payers. For this, smaller towns need help; a special fund has been created by adding a small amount to the rates to help out smaller towns (pop. less than 40,000).

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Regarding wastage, about 13% of urban-domestic use is "unaccounted for." This is by international standards (advanced countries consider 10% a very good figure), but more than Israel can afford. They are trying to deal with this; it is feasible because only ten towns account for half of the waste.

By changing habits (e.g., using less water to flush toilets) they could save an estimated 30-40 Mcm/year.

Talks and planning is ongoing between the Water Commissioner and Agricultural planners. Look at forecasts for population growth, and it's a zero-sum game; as domestic requirements increase, agricultural use must decrease. The whole structure of agriculture is changing toward more intensive uses that require less water. Cotton is the first crop to be affected -- last year, only half the area compared to previous years.

5. Discussion about moving the Water Commission to another ministry and out of agriculture. The Commissioner opposes this because of his political affiliations. Hence no likelihood of a move in the near future. Debate will continue at a low level, it is not currently an intensive issue.

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Knesset Water Committee. He is not sure what its relationship is even though he has testified before it many times.

Water Drilling Control Law. This applies only in Israel, not in the territories. The West Bank uses Jordanian law.

Re water in territories: Zeev Golani, now with Tahal, was in charge.