



COMPARATIVE ACTUAL SPENDING REPORT FOR MINISTRY OF EDUCATION (EDUCATION AND HIGHER EDUCATION) 2022-2023

In accordance with the 2023 Ministry of Finance actual spending report, actual expenditures allocated to the Ministry of Education were ILS3,753.0 million of a total ILS17,870.5 million from overall actual spending in the 2023 budget, or 21.0% of overall expenditures. [1]

According to the 2022 annual actual spending report by the Ministry of Finance, actual spending allocated to the Ministry of Education was ILS 3,475.9 million of NIS16,197.6 million of the 2022 overall annual actual spending from the public budget, or 21.5% of overall expenditures. [2]

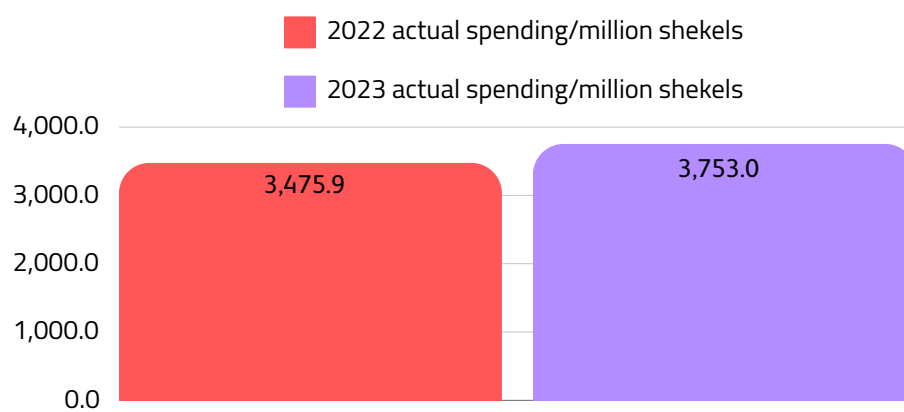
The table below illustrates comparative figures for annual actual spending items for 2022-2023 for the Ministry of Education:

Comparative annual actual spending for 2022-2023 for Ministry of Education, including higher education/million shekels

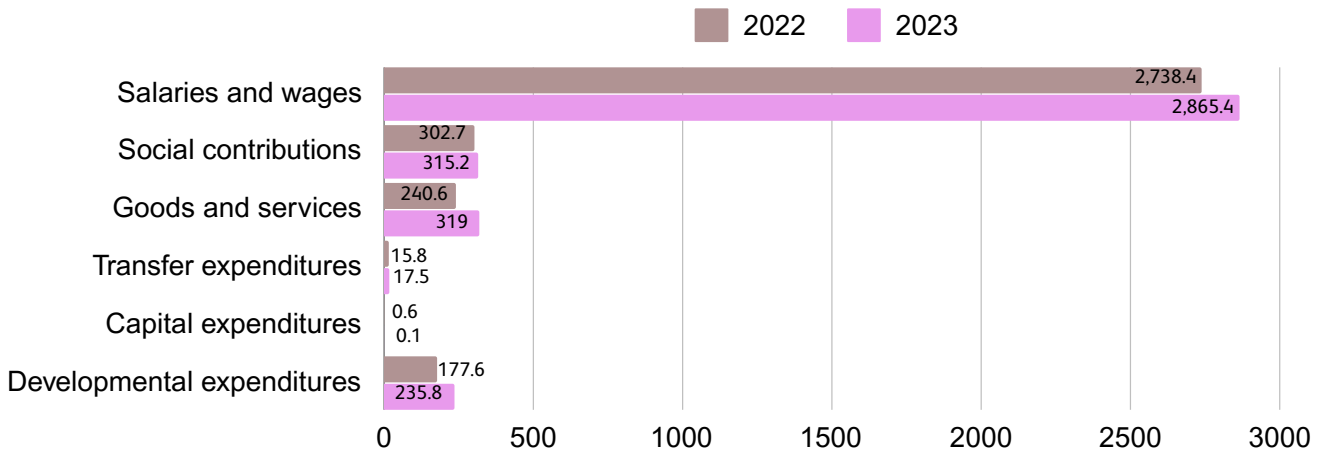
| Item | 2022 actual spending/million shekels | 2023 actual spending/million shekels | 2022/2023 comparison |
|----------------------------|--------------------------------------|--------------------------------------|----------------------|
| Salaries and wages | 2,738.4 | 2,865.4 | 104.6% |
| Social contributions | 302.7 | 315.2 | 104.1% |
| Goods and services | 240.6 | 319.0 | 132.6% |
| Transfer expenditures | 15.8 | 17.5 | 110.9% |
| Capital expenditures | 0.6 | 0.1 | 9.8% |
| Developmental expenditures | 177.6 | 235.8 | 132.8% |
| Total | 3,475.9 | 3,753.0 | 108.0% |

Note: the abovementioned figures are on an accrual basis

Comparative annual actual spending for 2022-2023 for Ministry of Education, including higher education/million shekels

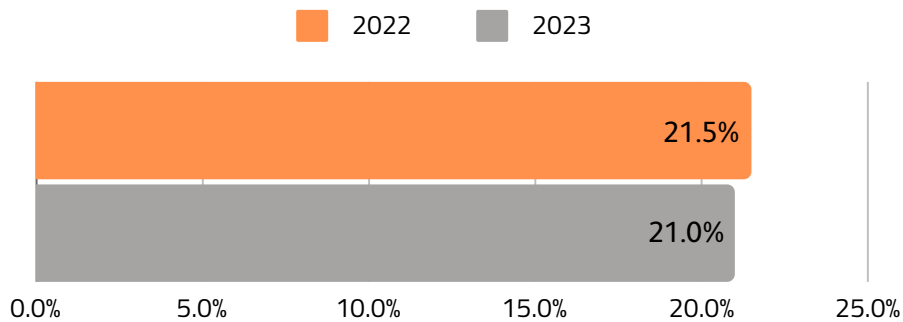


Comparative annual actual spending for 2022-2023 for Ministry of Education, including higher education according to item/million shekels

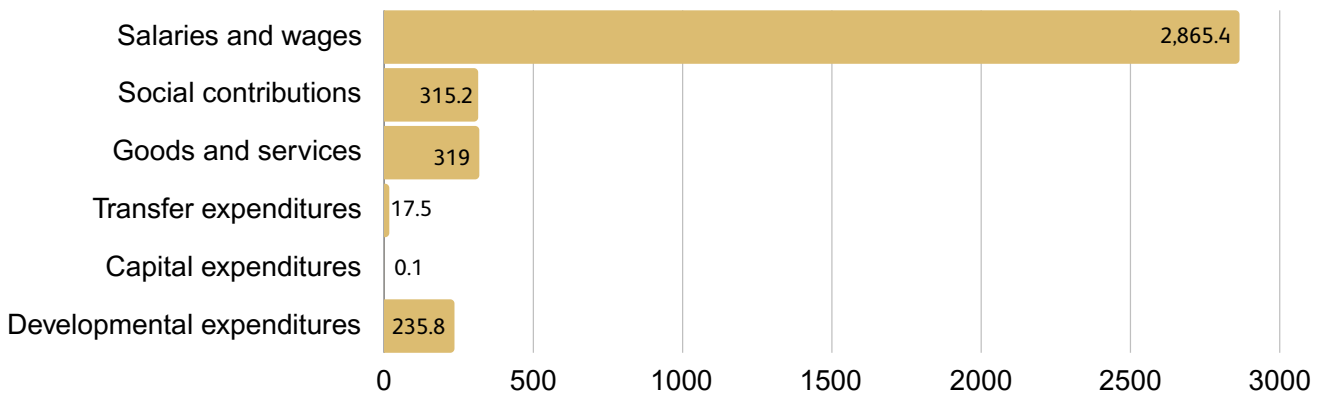


The above-mentioned figures represent the actual expenditures indicated by the Ministry of Finance’s official reports. These amounts do not include community-funded expenditures or projects that are funded through direct bilateral agreements between partners and targeted ministries and does not include spending on education from the education tax or through local authorities.

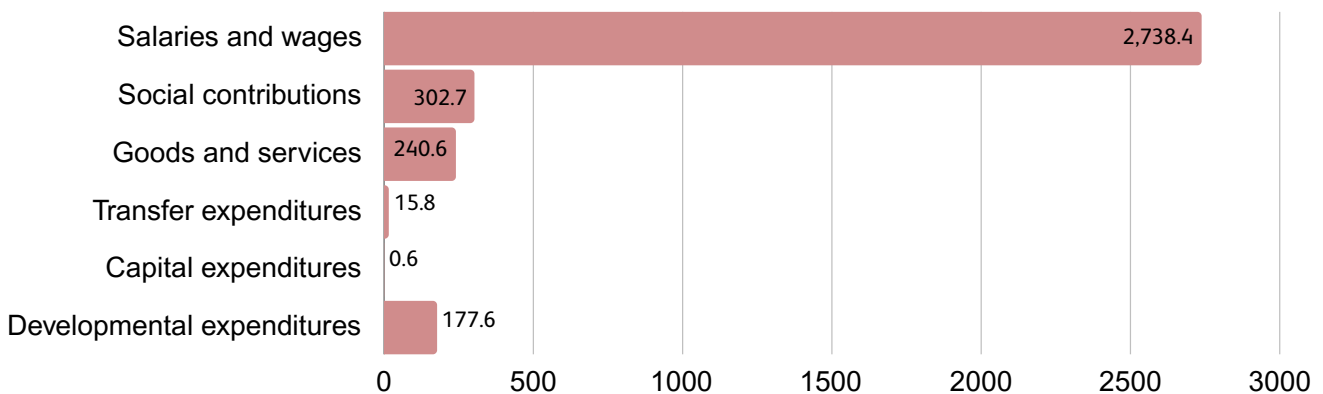
Percentage of annual actual spending for the Ministry of Education, including Higher Education, from the overall public expenditures for 2022/2023



Distribution of actual spending on the education sector for 2023/million shekels



Distribution of actual spending on the education sector for 2022/million shekels



Actual spending on the Ministry of Education, Higher Education and Scientific Research includes the Ministry of Education's six programs: kindergarten, elementary education, secondary education, vocational education, non-formal education and management and governance. It also includes the three Ministry of Higher Education and Scientific Research programs: higher education, scientific research, and management and government, which includes educational services for both males and females, including special needs persons, in all Palestinian areas. The number of public school students was 915,327, including 476,941 females and 438,386 males, while the overall number of school students in Palestine, according to various supervisory parties, was 1,408,152, including 711,876 females and 696,276 males.

Analysis of annual comparative actual spending figures for the Ministry of Education including higher education, 2022-2023:

1. Annual actual spending for the Ministry of Education, including higher education in 2023 was higher than 2022 by 8%, amounting to ILS277.2 million
2. The percentage of actual spending on the Ministry of Education, including higher education slightly decreased in 2023 within the overall public expenditures in Palestine from 2022, from 21.5% to 21%.
3. Actual spending on salaries and wages and on social contributions, which represents the government's contribution to the Palestine Pension Fund Authority, at the Ministry of Education including Higher Education, accounted for the lion's share of the Ministry's actual spending. Spending on the two items combined amounted to 84.7% of actual spending on the education sector in 2023, whereby it amounted to 87.5% in 2022. This can be attributed to the number of cadres at the Ministry of Education and Higher Education (teachers, lecturers, administrators).
4. The increase in spending on salaries and wages and therefore, on social contributions, is due to annual periodic administrative raises.
5. Operational expenditures increased in 2023 to ILS319.0. million, after they were ILS240.6 million in 2022.
6. Transfer expenditures (including university scholarships) increased in 2023, to ILS17.5 million, after they were ILS15.8 million in the same period in 2022.
7. Actual development expenditures were higher in 2023 than they were in 2022, reaching ILS235.8. million from ILS177.6 million, which is a statistically significantly increase.

Conclusion: It is clear from the analysis of the 2022-2023 comparative actual spending report that actual spending on the Ministry of Education, including Higher Education, increased as an absolute value and slightly dropped as a percentage of overall expenditures, in 2023 compared to 2022. There was an increase on all items except for capital expenditures, while the most significant increase was on developmental expenditures, which significantly increased in 2023 compared to 2022. This was in spite of the Ministry's sizeable actual spending, which was approximately 21% of overall expenditures and which was mainly spent on salaries and wages, in addition to a shift in developmental expenditures in 2023.

Important Terms:

Expenditures: Includes current as well as capital and developmental expenditures

Current expenditures: Includes salaries, wages, social contributions, operational and transfer expenditures

Salaries and wages: Salaries and wages of Ministry employees

Social contributions: Represents the government's contribution to the General Pension and Social Security Authority for pensioners

Operational costs for "commodities and services": the necessary expenditures for the operation of the public institution, i.e. the Ministry (building rentals, electricity, water, fuel, etc.). They include Medical referrals at the Ministry of Health and the purchase of medicines and are part of the current expenditures.

Transfer expenditures: are the expenditures paid by the government to different societal segments through a public institution for the benefit of a third party (such as payments to assist the poor or to martyrs' families) including university and higher education institution scholarships.

Capital expenditures: includes the possession of capital assets (buildings, land, equipment, vehicles, etc.)

Developmental expenditures: are expenditures which have a nature that is different from current expenditures in terms of their useful life and the return from expenditures, whereas their useful life and the return/yield extend beyond one year.

Cash-basis: The method which financial and accounting transactions are conducted upon cash payment of cash receipt, i.e. it focuses on cash flow activity whereby financial operations are not registered in the books until after collection or the cash payment of the due amount is paid.

Accrual basis: The method in which data and accounting in transactions are registered on the date of the occurrence irrespective of cash payment or receipt.

[1] Cumulative actual spending report for December 2023, released by the Ministry of Finance on January 27, 2024, Table (5b)

[1] Cumulative actual spending report for December 2022, released by the Ministry of Finance on January 29, 2023, Table (5b)