

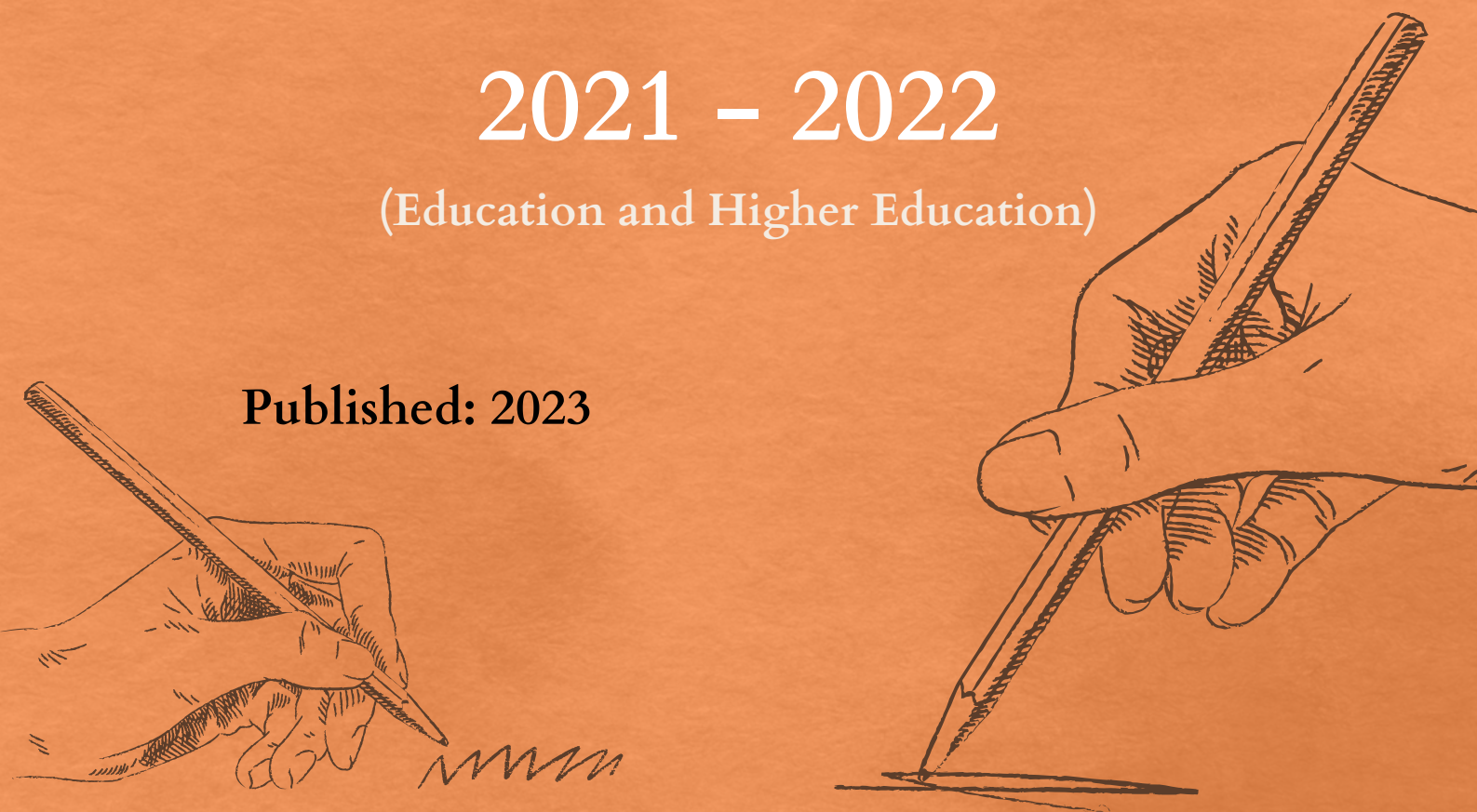


Comparative report on annual actual spending for the education Sector

2021 - 2022

(Education and Higher Education)

Published: 2023



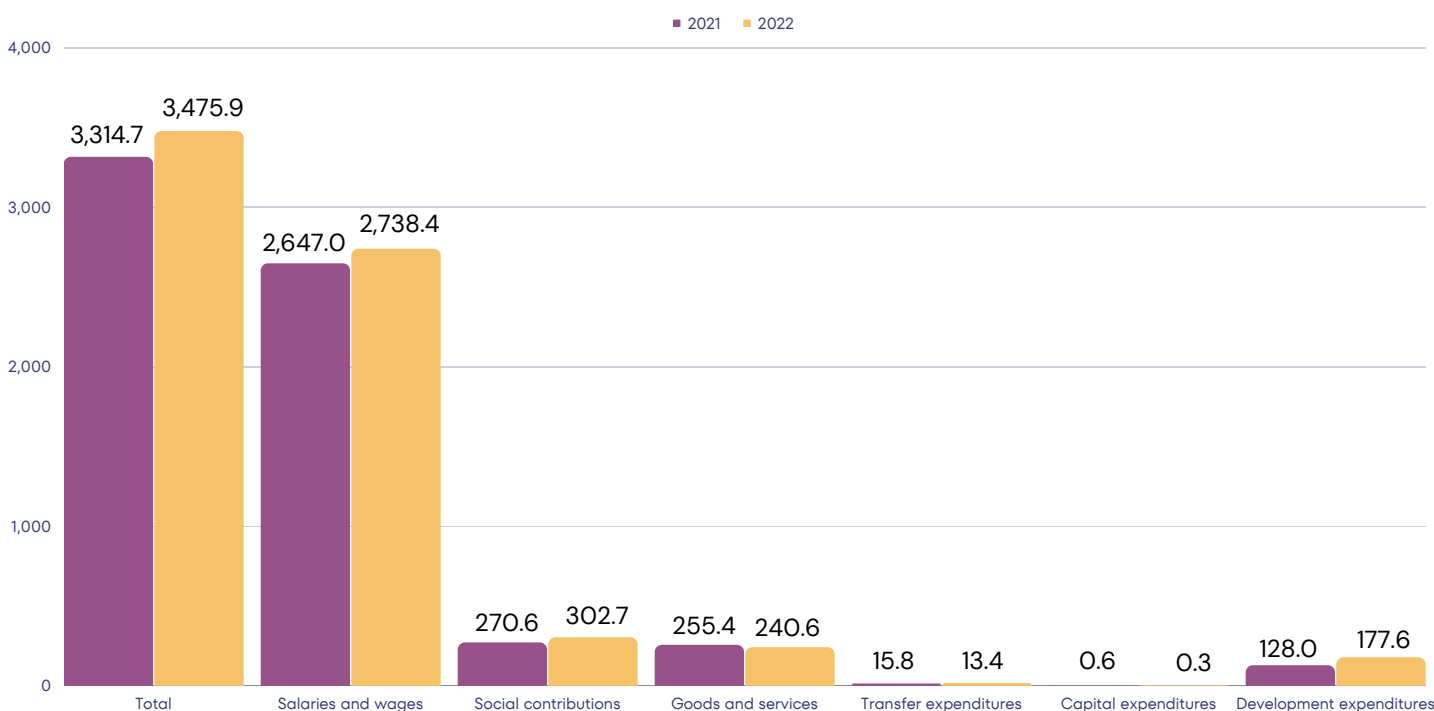
According to the 2022 actual spending report for the Ministry of Finance, actual spending earmarked for the Ministry of Education, including Higher Education, was ILS3,475.9 million, of a total ILS16,197.6 million from the overall annual actual spending from the 2022 general budget, or 21.5% of overall expenditures. [1]

According to the Ministry of Finance's 2021 actual spending report, actual spending earmarked for the Ministry of Education, including Higher Education was ILS3,314.7 million, of a total ILS16,120.3 million of the overall annual actual spending from the 2021 general budget, or 20.6% of overall expenditures.

Comparative actual spending of the Ministry of Education, including Higher Education, 2021/2022 /per million shekels

Item	2021 actual spending per million shekels	2022 actual spending per million shekels	Percentage between 2021/2022
Salaries and wages	2,647.0	2,738.4	%103.5
Social contributions	270.6	302.7	%111.9
Goods and services	255.4	240.6	%94.2
Transfer expenditures	13.4	15.8	%117.7
Capital expenditures	0.3	0.6	%243.4
Development expenditures	128.0	177.6	%138.8
Total	3,314.7	3,475.9	%104.9

Comparative actual annual spending for 2021/2022 at Ministry of Education, including Higher Education, and according to item /per million shekels



The above-mentioned figures represent the actual spending from the Public Treasury and according to official Finance Ministry reports. They do not include community-funded expenditures or projects funded through direct bilateral agreements between the Ministry of Education and Higher Education and partners.

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

[2] Cumulative actual spending report, December, 2021, Ministry of Finance, February 2, 2022, Table (5b)



Comparative spending of the Ministry of Education including Higher Education for 2021-2022 of the overall public expenditures

Analysis of comparative actual spending figures for the Ministry of Education including Higher Education for 2021-2022:

First: The annual actual spending of the Ministry of Education, including Higher Education was higher in 2022 than actual spending in 2021. However, the increase was minimal, at approximately 5% of the overall amount of ILS161 million.

Second: The rate of actual spending at the Ministry of Education, including Higher Education was higher in 2022 among overall expenditures in general, than in 2021, going from 20.6% to 21.5%. While this is a limited increase, its cash value is indicative.

Third: Actual spending on salaries and wages and social contributions, which are 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. The two items combined accounted for 87.5% of actual spending on the education sector in 2022 and 88% in 2021. This can be attributed to the number of cadres at the Ministry of Education and Higher Education (teachers, lecturers, administrators...).

Fourth: The increase in spending on salaries and wages and therefore, on social contributions, is due to annual periodic administrative raises.

Fifth: Operational expenditures dropped in 2022 to ILS240.6 million, after they were ILS255.4 million in the same period in 2021.

Sixth: Transfer expenditures (including university scholarships) increased in 2022, to ILS15.8 million, after they were ILS13.4 million in the same period in 2021.

Seventh: Actual development expenditures were higher in 2022 than they were in 2021, going from ILS128.0 million to ILS177.6 million.

Conclusion: It is clear from the analysis of the 2021-2022 comparative actual spending report that actual spending on the Ministry of Education, including Higher Education, increased on most items, as an actual value and as a percentage of total expenditures in 2022 compared to 2021. Meanwhile, capital expenditures were very limited and there was a decrease in operational expenditures, while development expenditures were higher in 2022 than in 2021. This was in spite of the Ministry's sizeable actual spending, which was approximately 21.5% of overall expenditures and which was mainly spent on salaries and wages.

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.) and they are part of the current expenditures. Medical referrals at the Ministry of Health and the purchase of medicines are classified under the item "Goods and Services"
- **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).
- **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.