



Comparative Actual Spending at the Ministry of Health in 2021–2022

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In accordance with the 2022 annual actual spending report, issued by the Ministry of Finance, the actual spending allocated to the Ministry of Health was ILS 2,432.4 from an overall ILS16,197.6 of overall annual actual spending in the 2022 general budget , or 15.0% of overall expenditures. [1]

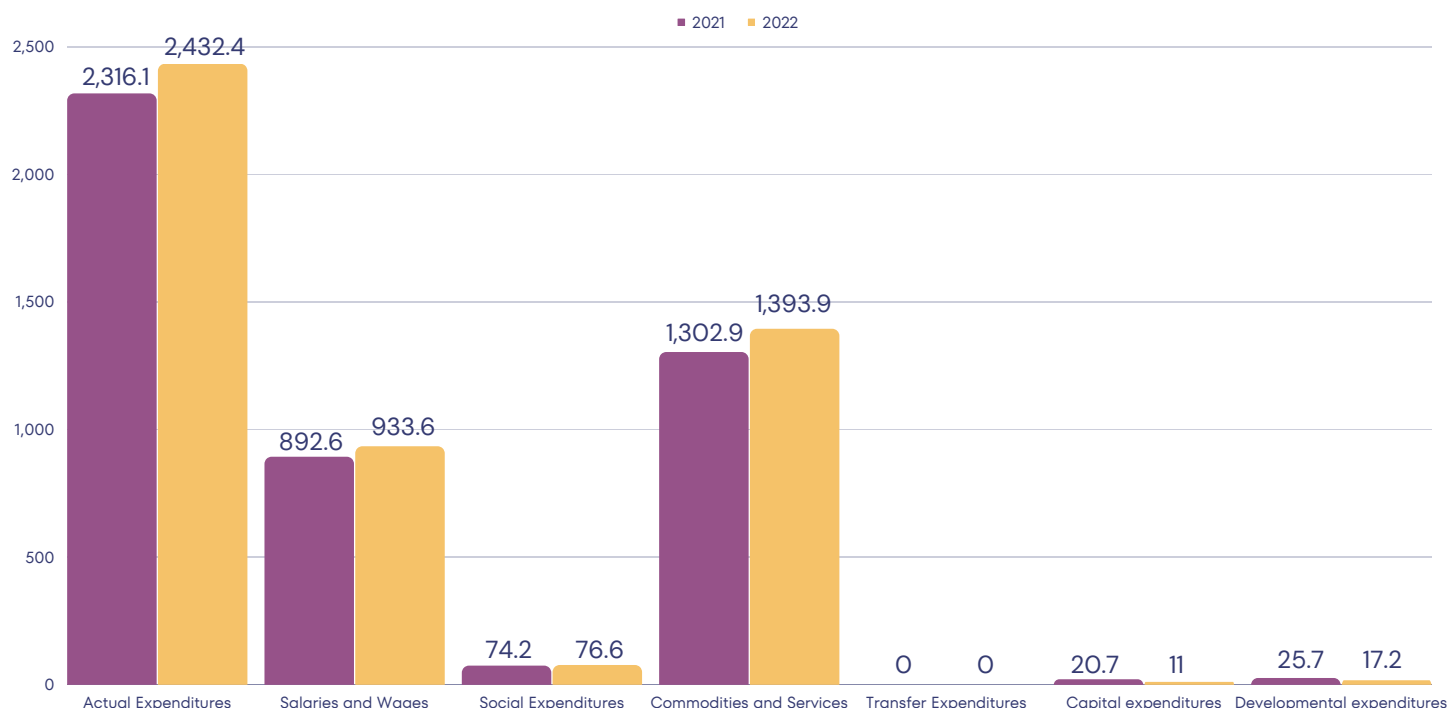
In accordance with the 2021 annual actual spending report, issued by the Ministry of Finance, the actual spending allocated to the Ministry of Health was ILS 2,316.1 from an overall ILS16,120.3 of annual actual spending from the 2021 budget, or 14.1% of overall expenditures. [2]

Comparative actual annual spending for 2021-2022 for the Ministry of Health/per million shekels

Article	Actual spending 2021/ per million shekels	Actual spending 2021/ per million shekels	Percentage between 2021/2022
Wages and salaries	892.6	933.6	%104.60
Social contributions	74.2	76.6	%103.19
Commodities and services	1,302.9	1,393.9	%106.99
Referral expenses	0.0	0.0	%0.00
Capital expenses	20.7	11.0	%53.42
Developmental expenses	25.7	17.2	%66.88
Total	2,316.1	2,432.4	%105.02

Note: The above figures are on a basis of commitment; i.e. the value of salaries and wages are those adhered to by the Ministry of Finance to employees and not those spent on a cash-basis given that employee dues are a government responsibility in 2022.

2021-2022 annual comparative actual spending for the Ministry of Health/per million shekels and according to items



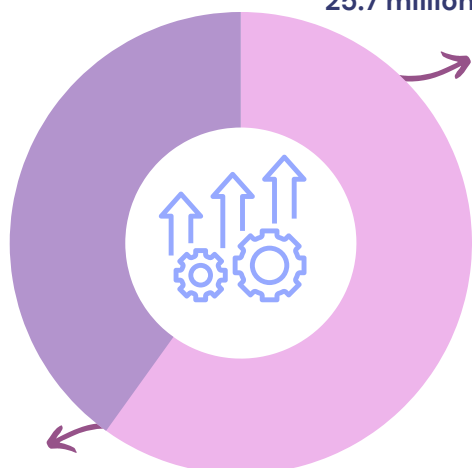
The above-mentioned figures represent the actual spending from the Public Treasury and according to official Finance Ministry reports. They do not include community-funded expenditures or projects funded through direct bilateral agreements between the Ministry of Health and partners.

[1] Report on actual cumulative spending for December, 2022, Ministry of Finance, January, 29, 2023. Table (5b)

[2] Report on actual cumulative spending for December, 2021, Ministry of Finance, February, 2, 2022. Table (5b)

Comparative annual actual spending for 2021-2022 for the developmental expenditures item at the Ministry of Health/per million shekels

2021 Actual spending
25.7 million shekels

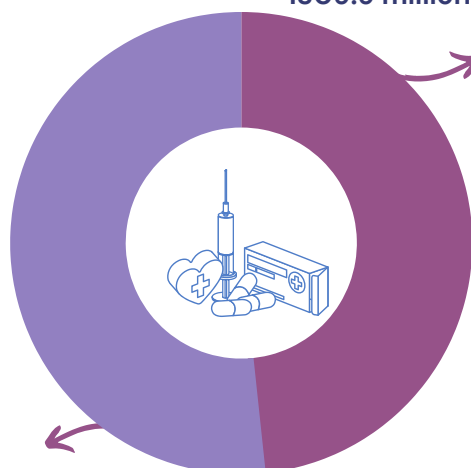


2022 Actual spending
17 million shekels

Item on developmental expenditures includes running costs whose useful life and the return/yield extend beyond one year

Item on commodities and services include medical referrals/purchase of medicines and sanitary supplies/operational expenditures

2021 Actual spending
1309.9 million shekels



2022 Actual spending
1393.9 million shekels

Comparative annual actual spending for 2021-2022 for the item of commodities and services at the Ministry of Health/per million shekels



Percentage of comparative actual spending of the Ministry of Health from overall general expenditures for 2021-2022

Analysis of comparative actual spending for the Ministry of Health, 2021-2022

First: The annual actual spending of the Ministry of Health in 2022 was higher than its actual spending for 2021 by 5%, at an increase of ILS116.3 million from the overall expenditures allocated to the Ministry of Health.

Second: The percentage of the Ministry of Health's actual spending in 2022 was 15.0% of the overall public expenditures in Palestine, while in 2021 it was 14.4%. This is a high level of spending in comparison to previous years.

Third: The increase in actual spending in 2022 was mostly in the salaries and wages and commodities and services items. Meanwhile, this number was lower on the capital and developmental items compared to 2021.

Fourth: The actual spending on the salaries and wages and social contributions items was high in 2022 in comparison with 2021, mainly due to the periodic annual increase in salaries.

Fifth: Actual spending on the item of commodities and services was higher in 2022 compared to 2021, increasing from ILS1,302.9 in 2021 to ILS1,393.3 in 2022 at an increase of 7%. It should be noted that this item includes: medical referrals, purchase of medicines and vaccines, employees on contract and the operational expenditures of the Ministry of Health.

Sixth: In spite of the elevated actual spending of the Ministry of Health in 2022 compared to 2021, this still did not include developmental expenditures, which went down in 2022 from 2021, from ILS25.7 million to ILS17.2 million.

Seventh: Capital expenditures also went down in 2022 from 2021, dropping from ILS20.7 million to ILS 11.0 million.

It is worth noting that from the 2021-2022 analysis of comparative actual spending that the Health Ministry's actual spending increased in 2022 compared to 2021, whether at the level of the actual amount spent or the 'share' of the Ministry of Health from overall expenditures. For the first time, the percentage of the Ministry of Health's actual spending was 15% of overall public expenditures. However, this increase was primarily on the items of salaries and wages and commodities and services, while actual spending was less on the capital and developmental items.

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.