



Comparative report on actual annual spending for the Ministry of Labor 2021-2022

Published: 2023

According to the Ministry of Finance's 2022 actual spending report, the actual expenditures of the Ministry of Labor were ILS50.2 million from a total of ILS16,197.6 million of the overall actual expenditures in the 2022 general budget, or 0.31%. [1]

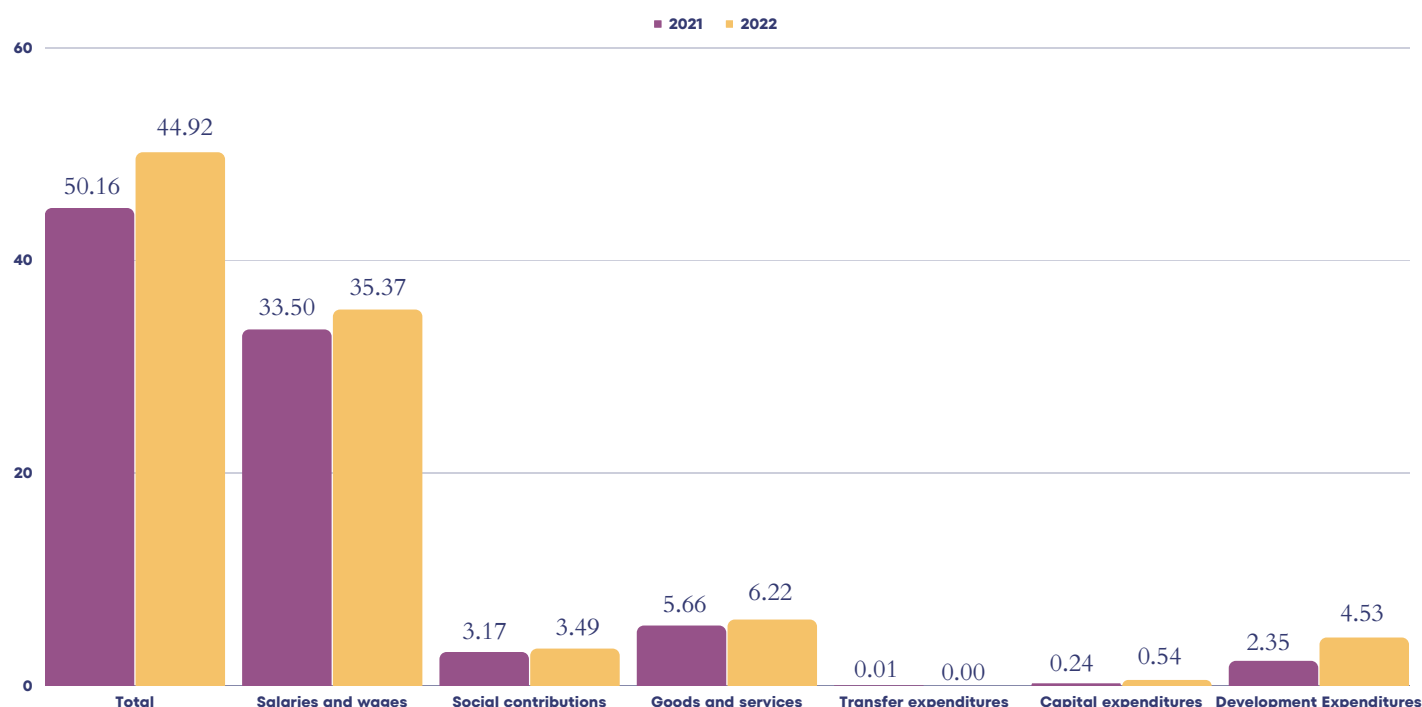
According to the Ministry of Finance's 2021 annual actual spending report, the actual spending earmarked for the Ministry of Labor was ILS44.9 million of a total ILS16,120.3 million of the overall actual expenditures in the 2021 general budget, or 0.28%. [2]

Comparative actual spending for 2021/2022 at the Ministry of Labor/million shekels

Item	2021 actual spending million shekels	2022 actual spending million shekels	Percentage between 2021/2022
Salaries and wages	33.50	35.37	%105.6
Social contributions	3.17	3.49	%110.3
Goods and services	5.66	6.22	%110.0
Transfer expenditures	0.01	0.00	%0.0
Capital expenditures	0.24	0.54	%223.9
Development Expenditures	2.35	4.53	%192.6
Total	44.92	50.16	%111.7

- Above data is accrual-based

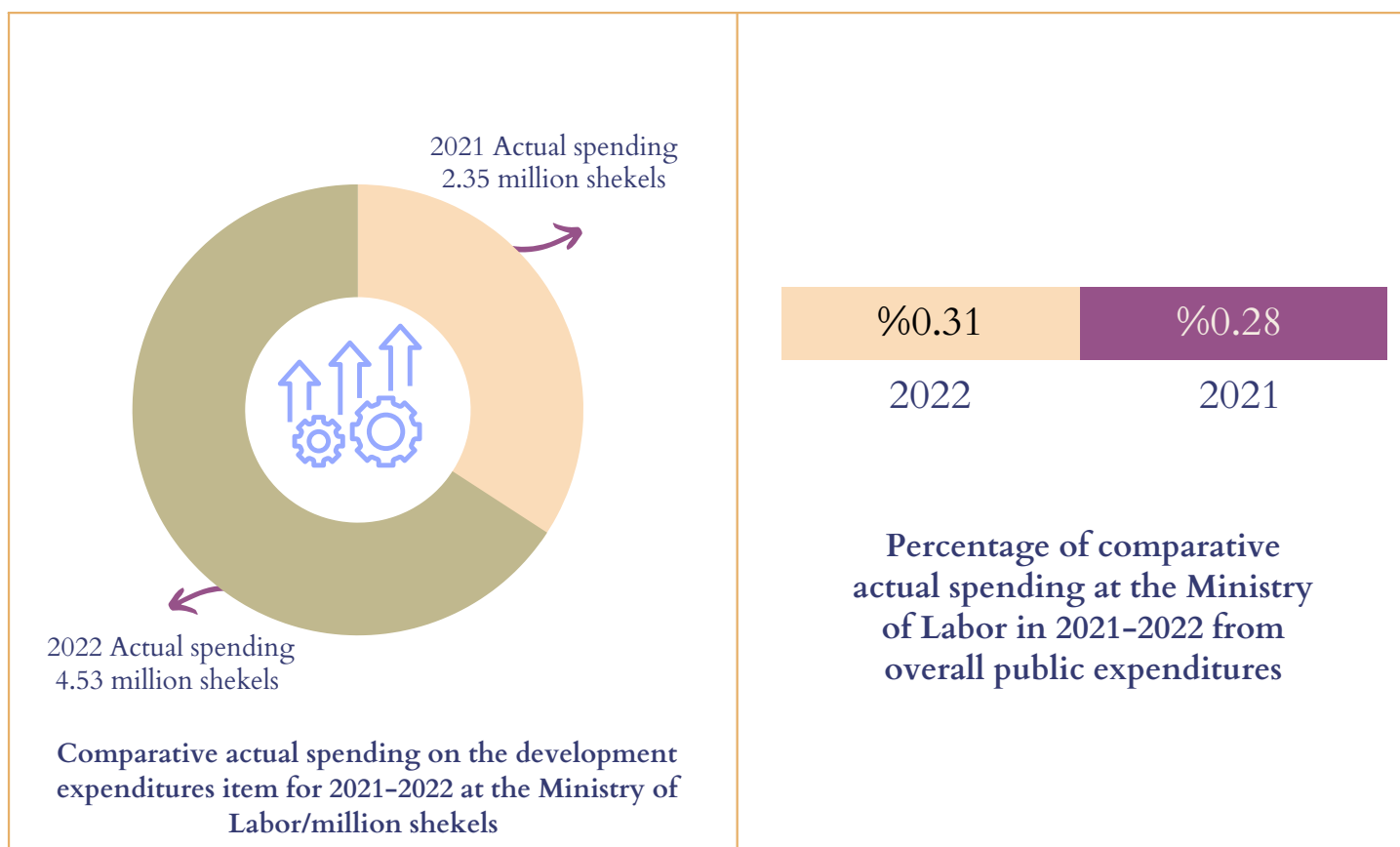
Comparative actual spending for 2021/2022 at the Ministry of Labor and according to items /per million shekels



• The above-mentioned figures are the actual spending from the Public Treasury, according to Ministry of Finance reports and which does not include community-fund expenditures or projects funded by direct bilateral agreements between the Ministry of Labor and partners.

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

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



Analysis of comparative annual actual spending at the Ministry of Labor for 2021-2022

First: The actual annual spending at the Ministry of Labor in 2022 was slightly higher than in 2021. In 2022, the semi-annual actual spending rose by ILS5.23 compared to the same period in 2021, or by 111.7%.

Second: The percentage of actual spending at the Ministry of Labor during 2022, rose from 2021 from 0.28% to 0.31% of the overall expenditures in Palestine, which is only a slight rise that does not coincide with the role of the Ministry of Labor in leading this sector in Palestine.

Third: Actual spending on the items of salaries and wages and social contributions, rose in 2022 compared to 2021 only slightly, due to annual raises in salaries, annual bonuses and employee grade promotions at the start of 2022.

Fourth: Development expenditures rose in 2022 from 2021, from ILS2.4 million to ILS4.5 million. While this is positive, it was still below expectations, especially since the estimated development expenditures for the Ministry of Labor in 2022 were ILS32 million.

Fifth: Spending on capital expenditures remained limited, even though it was higher than in 2021.

Sixth: Salaries and wages still account for the majority of actual spending at the Ministry of Labor. In 2021, it accounted for 75% of actual spending and 71% in 2022.

The low percentage of actual spending on development expenditures, casts a negative shadow on gender-related programs and projects, which were allocated considerable budgets from development expenditures. These included ILS10 million for creating sustainable opportunities for Palestinians working in settlements. However, the actual spending on development expenditures did not cover these programs and projects.

Conclusions:

Analysis of the comparative actual spending for 2021–2022 shows a slight rise in actual spending at the Ministry of Labor, whether at the level of disbursed actual expenditures or the percentage from the PA’s overall expenditures.

Salaries and wages still account for the majority of actual expenditures earmarked for the Ministry of Labor, while development expenditures, even though actual spending was slightly higher, still fell below estimated expenditures. This negatively impacted the level of implementation for development projects, including gender-responsive projects.

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.