



# Comparative report on actual annual spending for the Ministry of Social Development 2021–2022

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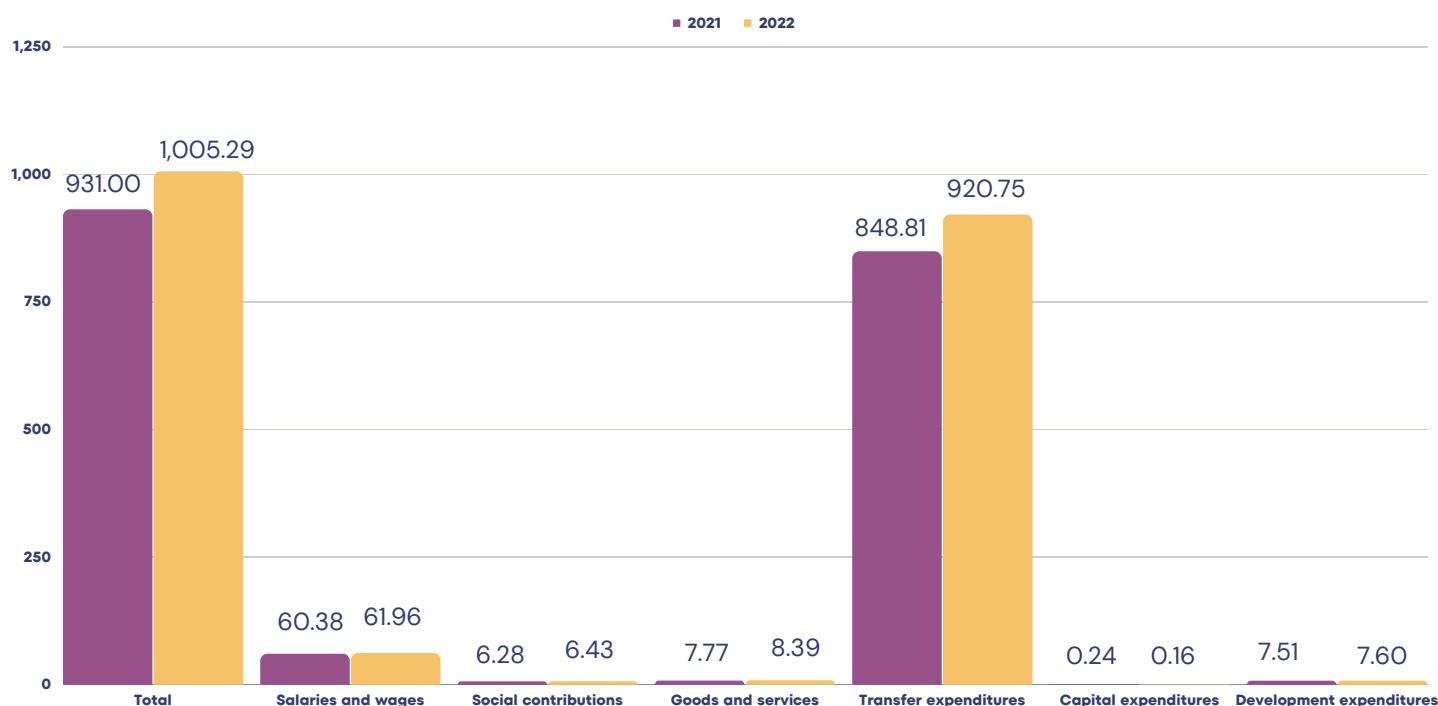
According to the Ministry of Finance's 2022 actual spending report, the actual expenditures of the Ministry of Social Development (including the Palestinian Martyrs' Fund) was ILS 1,005.3 million of a total ILS 16,197.6 million of the overall actual expenditures in the 2022 general budget, or 6.2%. [1]  
According to the Ministry of Finance's 2021 annual actual spending report, the actual spending for senior positions at the Ministry of Social Development (including the Palestinian Martyrs' Fund) was ILS 931.0 million of a total ILS 16,120.3 million of the overall total actual expenditures in the 2021 general budget, or 8%. [2]

### Comparative actual spending for 2021/2022 at the Ministry of Social Development/per million shekels

Item	2021 actual spending million shekels	2022 actual spending million shekels	Percentage between 2021/2022
Salaries and wages	60.38	61.96	%102.60
Social contributions	6.28	6.43	%102.53
Goods and services	7.77	8.39	%107.99
Transfer expenditures	848.81	920.75	%108.47
Capital expenditures	0.24	0.16	%65.00
Development expenditures	7.51	7.60	%101.26
Total	931.00	1,005.29	%107.98

•Data above is accrual-based

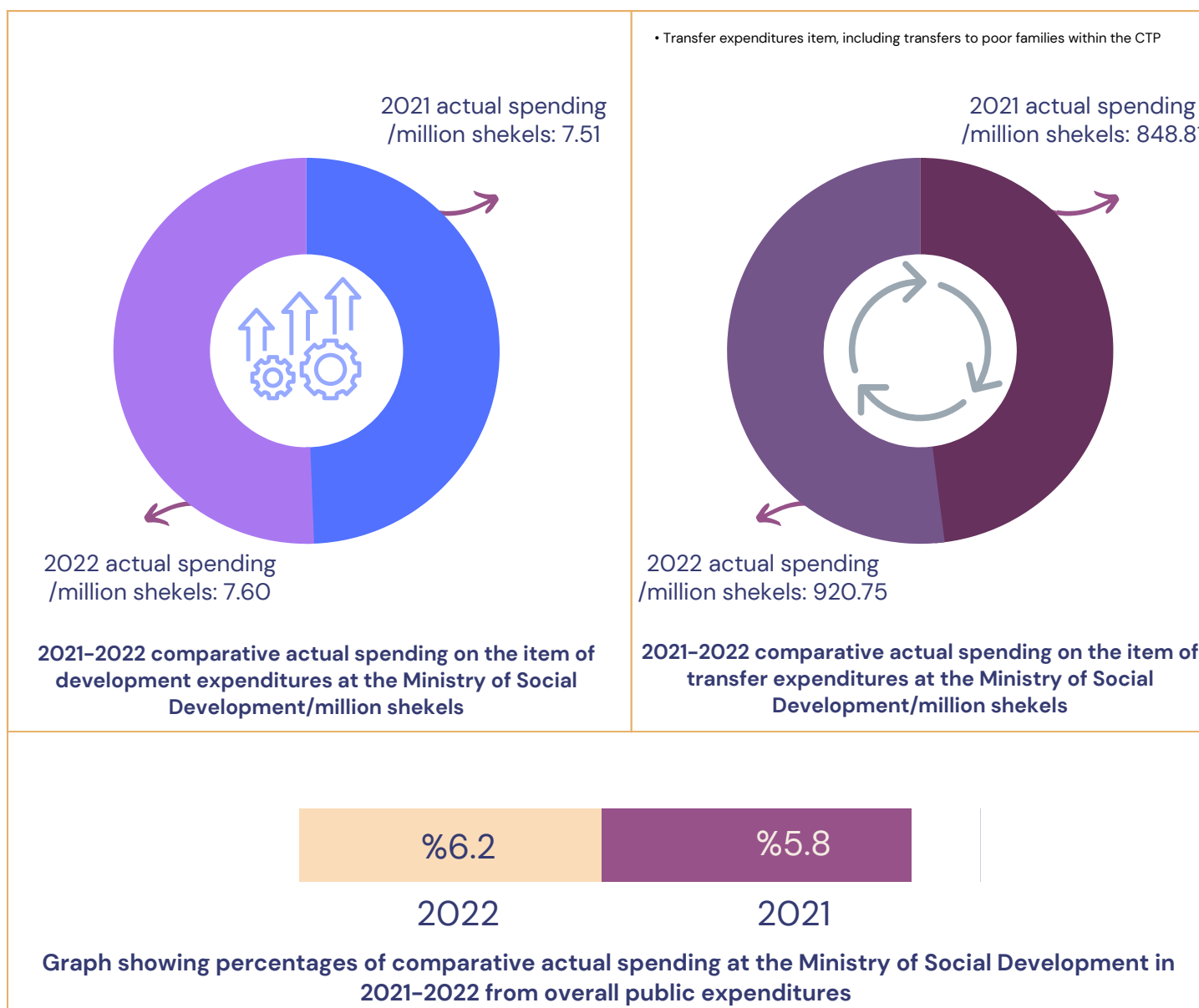
### Comparative actual annual spending for 2021/2022 at the Ministry of Social Development and according to item/per million shekels.



•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 Social Development 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)



The Ministry of Social Development is a leader of social action in Palestine and the party mandated by law to implement the rights of vulnerable and marginalized sectors (women/children/the elderly/people with disabilities). Nevertheless, its budget is still low and its actual spending beneath the budget earmarked for the Ministry of Social Development, whether for its protection program for vulnerable and marginalized sectors, which does not exceed 5.8% of the Ministry's budget, or its combatting poverty program, for which the value and number of cash payments to poor families has continued to drop since 2018. Likewise, development expenditures are still inadequate, negatively affecting the Ministry's programs for the protection of poor and marginalized sectors.

### Analysis of comparative annual actual spending at the Ministry of Social Development

**First:** Annual actual spending at the Ministry of Social Development in 2022 was higher than the actual spending in 2021 by an increase of 8% and an amount of ILS74.29 million.

**Second:** The percentage of actual spending on the Ministry of Social Development in 2022 was 6.2% of the overall public expenditures in Palestine, as compared to 5.8% in 2021. In spite of the improvement in the Ministry's actual spending from the overall public expenditures in 2022, it is still below the actual spending percentages in years prior to 2021.

**Third:** The main item in the Ministry of Social Development's budget is transfer expenditures, which includes cash assistance. The actual spending on this item was ILS920.75 million in 2022, compared to ILS848.81 million in 2021, with a slight increase of 8.5% from 2021.

**Fourth:** The actual spending on the item of salaries and wages and operational expenditures in 2022 was higher than in 2021, but only slightly.

**Fifth:** The Ministry's development expenditures remained low, ILS7.60 million in 2022 and also in 2021. These limited development expenditures are not compatible with the Ministry of Social Affairs' shift to Social Development, which requires developmental programs to improve the services offered to targeted sectors (women, children, the elderly, special needs).

**Result:** It is clear from the analysis of the 2021-2022 comparative actual spending that actual spending on the Ministry of Social Development was higher in 2022 than in 2021. Nonetheless, spending was still less than in the years prior to 2021, especially with the CTP payment cuts to poor families. This has affected the financial and social security of these families, which suffer from considerable marginalization in Palestinian society, 76% of which are concentrated in the Gaza Strip. Furthermore, the wide scope of the Ministry of Social Development's work and its responsibility for the social protection program in Palestine, especially for vulnerable and marginalized sectors (women, children, the elderly and people with disabilities) requires higher budgets and increased actual expenditures.

### 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.