



Facts and Figures Sheet

Concerning

The Social Sector Budgets in Palestine and its Actual Expenditure for the Years 2016, 2017 and 2018

**Prepared by:
Mu'ayad Afaneh**

May 2018

As part of the “Finance for Development” project implemented by the Palestinian Initiative for the Promotion of Global Dialogue and Democracy (MIFTAH), in partnership with the Coalition for Accountability and Integrity (AMAN) and the Applied Research Institute Jerusalem (ARIJ), and with the support of OXFAM organization.

The contents of this publication do not necessarily express the opinions of OXFAM.

The author bears complete responsibility for all the information and opinions included in this publication.

Introduction:

The Social Sector is considered one of the most important sectors of the state's General Budget due to its direct relation to the rights and life of citizens; and especially the most marginalized and the least fortunate groups inside the society (women, the poor, the disabled, children, the elderly, etc.).

The Social Sector has become one of the main global priorities and has received particularly great attention in the Sustainable Development Goals (SDGs) for 2030, whose first five goals explicitly mention the social issues. Social issues were also discussed in the other goals and aims of the Sustainable Development Goals (SDGs) for 2030.¹

Moreover, the National Policy Agenda of 2017-2022 included a number of national priorities which are related to social issues, such as social justice, quality education for all, and quality and comprehensive health care for all.²

The aim of this Facts and Figures Sheet is to discuss the budgets which were allocated to the Social Sector in Palestine in the years 2016-2017-2018 and to find the differences in these budgets which reflect the government's orientation regarding the Social Sector, as well as comparing these budgets with the actual expenditures of 2016, 2017 and Quarter 1 of the current year [Q1/2018].

Structure of the General Budget Sectors:

According to the General Budget publication issued by the Ministry of Finance and Planning,³ the structure of the General Budget is comprised of four main sectors as follows:-

- Government Sector;
- Infrastructure Sector;
- Economic Sector;
- Social Sector.

¹ Sustainable Development Goals for 2030: www.un.org/sustainabledevelopment/ar/sustainable-development-goals/

² National Policy Agenda 2017-2022 [p. 38 of the Arabic version]

³ [Arabic source]. كتاب الموازنة العامة 2016، ص 22. كتاب الموازنة العامة 2017، ص 23. كتاب الموازنة العامة 2018، ص 28.

Table (1) shows the distribution of the different centers of responsibility vis-à-vis the four main sectors:-

Table (1)

Sector	Centers of Responsibility
Government	Presidential Bureau, Palestine Liberation Organization (PLO) institutions, Central Elections Commission, Palestinian Legislative Council, Palestinian Cabinet, Deputy Prime Minister's Office, General Secretariat of the Cabinet, State Audit and Administrative Control Bureau (SAACB), Ministry of Interior and National Security, General Personnel Council (GPC), Ministry of Finance and Planning, Ministry of Jerusalem Affairs, Non-Governmental Organizations (NGOs), retirees, Public Expenditures, Public Debt Service, Financial Reserves, General Administration for Borders and Crossings (GABC), Negotiations Affairs Department, embassies, Ministry of Justice, High Judicial Council (HJC), Ministry of Foreign Affairs, Supreme Judge Department, High Council for Public Procurement Policies (HCPPP), Supreme Constitutional Court.
Infrastructure	Palestinian Water Authority (PWA), Palestinian Energy Authority (PEA), Ministry of Transportation, Ministry of Telecommunications, Ministry of Public Works and Housing (MPWH), Ministry of Local Government, Environment Quality Authority.
Economic	Palestinian Central Bureau of Statistics (PCBS), Ministry of Tourism and Antiquities, Land Authority, Ministry of National Economy, Palestinian Industrial Estates and Free Zones Authority (PIEFZA), Palestine Standards Institution (PSI), Palestinian Investment Promotion Agency, Ministry of Agriculture, Land and Water Settlement Commission.
Social	Ministry of Education, Ministry of Health, Ministry of Social Development and the National Gathering of Palestinian Martyrs' Families, Ministry of Labor, Ministry of Women's Affairs, Ministry of Awqaf and Religious Affairs, Ministry of Culture, Dar Al-Ifta', Palestinian Broadcasting Corporation (PBC), Wafa News Agency, Ministry of Information, Higher Council for Youth and Sports. ⁴

⁴ In the General Budget of 2018, the Commission of Detainees and Ex-Detainees' Affairs and Al-Hayat Al-Jadida Newspaper were added to the Social Sector.

The Allocated Budgets for the Social Sector:

The General Budget data of 2016, 2017 and 2018 shows the following (in thousands of Shekels):

Table (2)

Sector	Budget of 2016 ⁵	Percentage	Budget of 2017 ⁶	Percentage	Budget of 2018 ⁷	Percentage
Social	6,356,917	%43.1	6,875,153	%42.2	7,816,769	%47.2
Government	7,589,525	%51.4	8,460,653	%51.9	7,771,855	%46.9
Infrastructure	539,500	%3.7	600,948	%3.7	583,484	%3.5
Economic	276,180	%1.9	353,850	%2.2	386,953	%2.3
Total	14,762,122	%100.0	16,290,604	%100.0	16,559,061	%100.0

Figure (1)

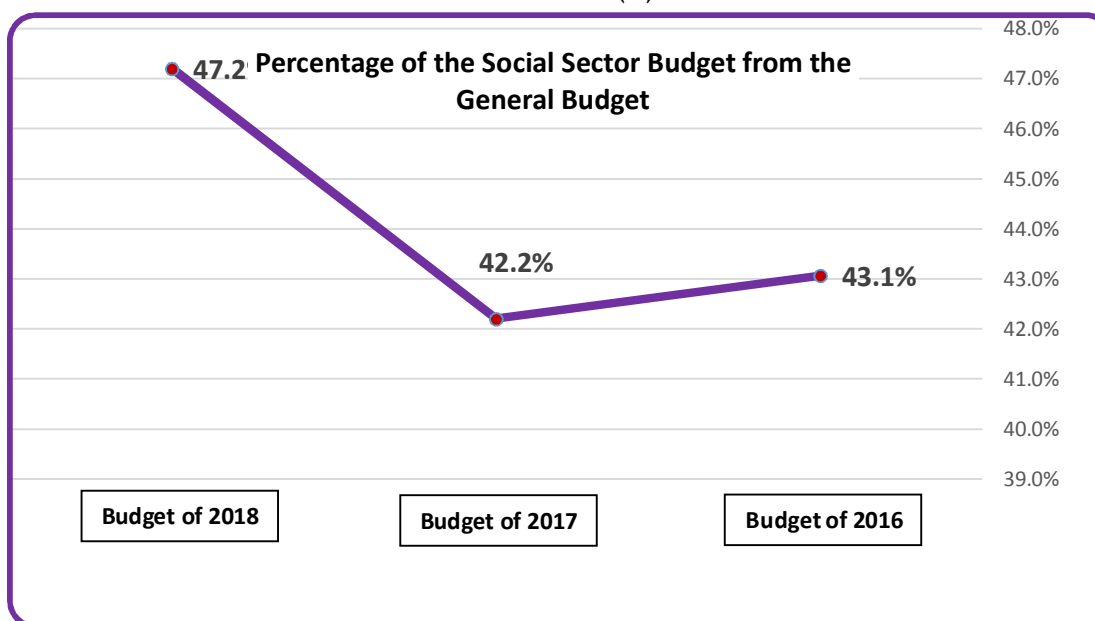


Table (2) and Figure (1) show that the allocated budget for the Social Sector significantly rose in 2018 in comparison with the previous years. The Social Sector Budget was 42.2% of the General Budget of 2017, and it rose to 47.2% of the General Budget of 2018, hence an increase of 12% from the previous year.

⁵ [Arabic source] 22 ص كتاب الموازنة العامة 2016،

⁶ [Arabic source] 23 ص كتاب الموازنة العامة 2017،

⁷ [Arabic source] 28 ص كتاب الموازنة العامة 2018،

This was due to two mains reasons:-

1. The inclusion of two new centers of responsibility within the Social Sector of the 2018 General Budget; namely the Commission of Detainees and Ex-Detainees' Affairs and Al-Hayat Al-Jadida Newspaper.
2. The increased concern of the government regarding the Social Sector, in compliance with the National Policy Agenda of 2017-2022 and the Sectoral Strategic Plans for the sectors related to social issues.

In order to gain a better understanding of the structure of the Social Sector and the centers of responsibility which saw an increase in their budgets, please see below the components of the Social Sector in the General Budget of 2016, 2017 and 2018, along with the percentage of each center of responsibility from the General Budget and the changes that took place in these budgets in the last three years.

Table (3)
Centers of Responsibility and the Allocated Budgets for the Social Sector, and their percentage from the Overall Expenditures (in thousands of Shekels)⁸

Center of Responsibility	Budget of 2016 ⁹	Percentage	Budget of 2017 ¹⁰	Percentage	Budget of 2018 ¹¹	Percentage
Ministry of Education	2,706,847	%18.34	3,117,930	%19.14	3,350,781	%20.24
Ministry of Health	1,699,332	%11.51	1,734,572	%10.65	1,787,683	%10.80
Ministry of Social Development and National Gathering of Martyrs' Families	1,507,597	%10.21	1,522,929	%9.35	1,538,080	%9.29
Commission of Detainees' & Ex-Detainees' Affairs	Beyond this sector	%0.00	Beyond this sector	%0.00	581,654	%3.51
Ministry of Awqaf & Religious Affairs	139,351	%0.94	141,202	%0.87	147,494	%0.89
Palestinian Broadcasting Corporation (PBC)	136,765	%0.93	140,570	%0.86	146,770	%0.89

⁸ The budgets in the list do not include the Developmental Expenditures through foreign funding.

⁹ [Arabic source] 22 ص كتاب الموازنة العامة 2016،

¹⁰ [Arabic source] 23 ص كتاب الموازنة العامة 2017،

¹¹ [Arabic source] 28 ص كتاب الموازنة العامة 2018،

Higher Council for Youth & Sports	60,253	%0.41	74,770	%0.46	95,309	%0.58
Ministry of Labor	44,833	%0.30	78,296	%0.48	85,030	%0.51
Ministry of Culture	19,382	%0.13	20,284	%0.12	24,867	%0.15
Wafa News Agency	20,784	%0.14	22,225	%0.14	23,790	%0.14
Al-Hayat al-Jadida Newspaper	Beyond this sector	%0.00	Beyond this sector	%0.00	12,130	%0.07
Ministry of Information	9,142	%0.06	9,090	%0.06	9,192	%0.06
Dar Al-Ifta'	6,311	%0.04	6,963	%0.04	7,211	%0.04
Ministry of Women's Affairs	6,319	%0.04	6,321	%0.04	6,776	%0.04
Overall Expenditures of All Sectors	14,762,122	%100.0	16,290,604	%100.0	16,559,061	%100.0

Budget increase	Similar Budget	Budget decrease

Figure (2)
Percentage of the Allocated Budgets for the Centers of Responsibility of the Social Sector in the Budget of 2018

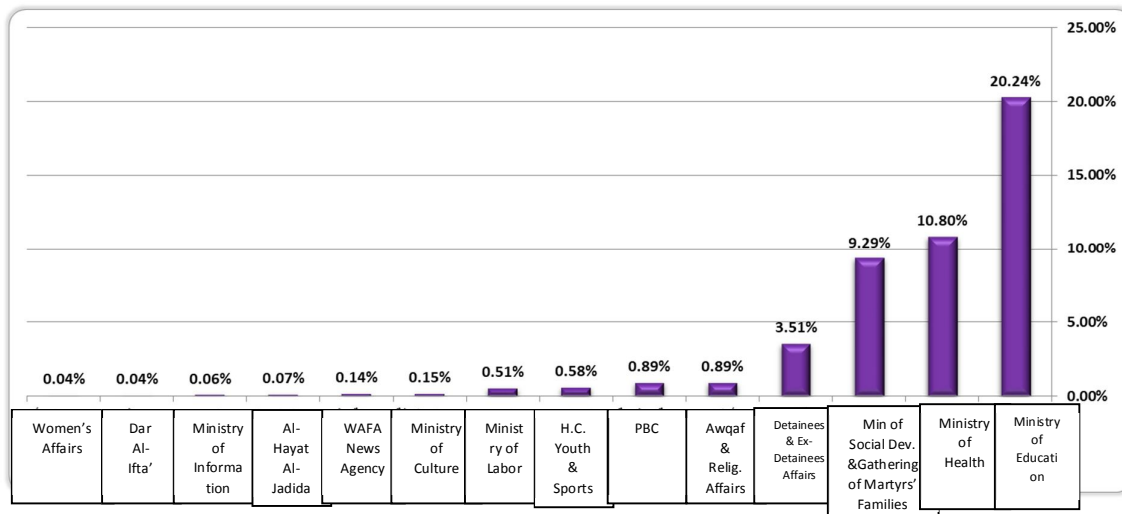


Figure (3)

The Allocated Budgets for the Centers of Responsibility of the Social Sector in the General Budget of 2018 (in thousands of Shekels)

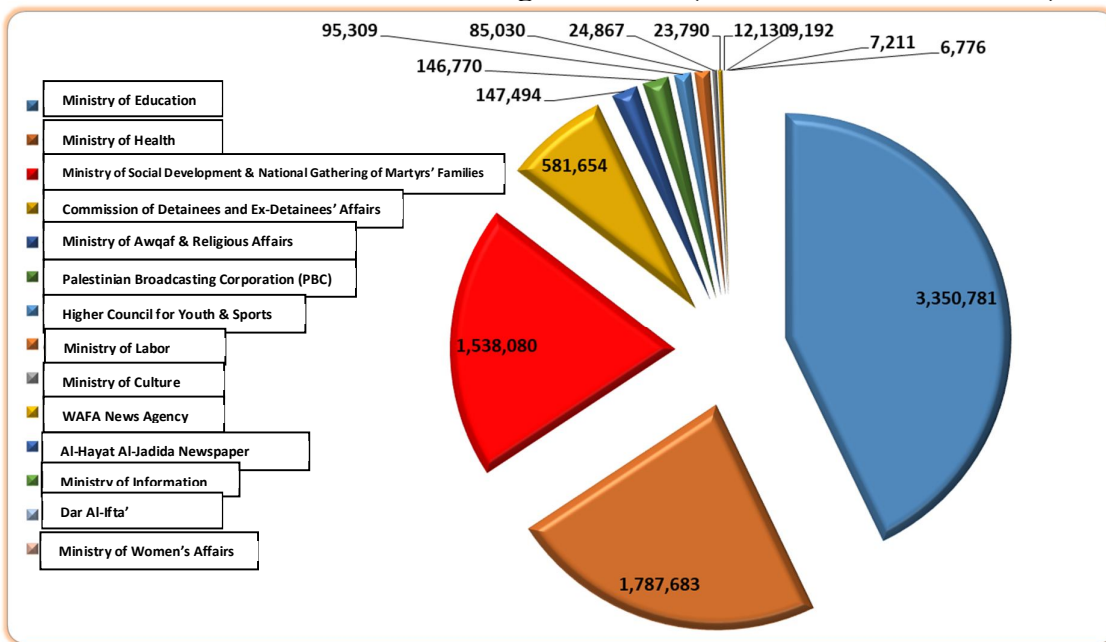
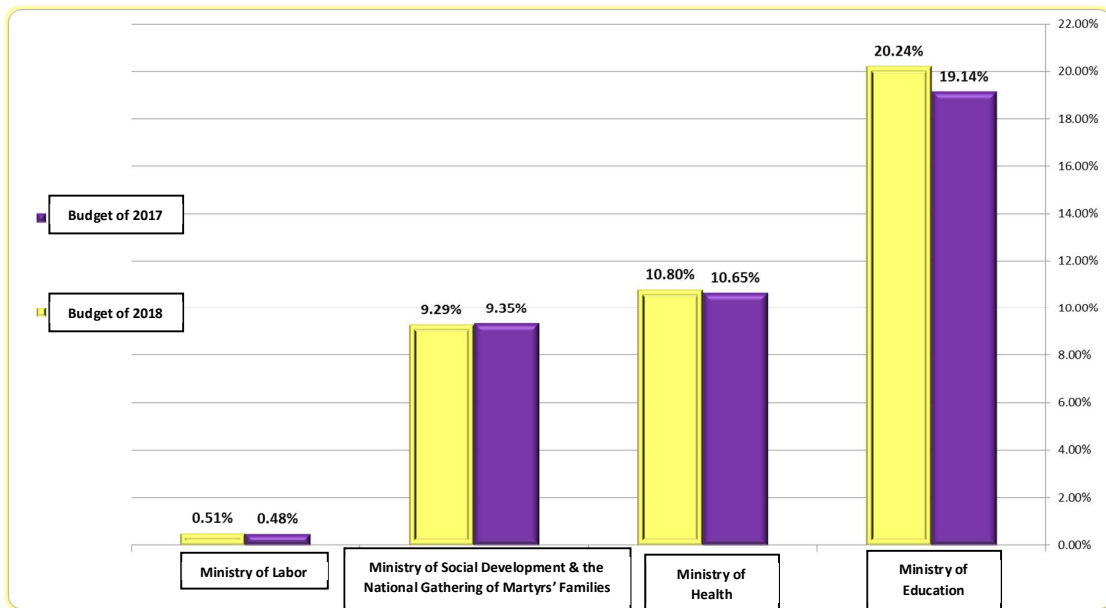


Figure (4)

Comparative Percentages of the Allocated Budgets for some Centers of Responsibility of the Social Sector in the General Budget of 2017-2018



Actual Expenditures of the Social Sector:

After reviewing the reports of the Actual Expenditures of 2016, 2017 and Q1 of 2018, the following things were discovered:

- The Actual Expenditures of the Social Sector in 2016¹² were 6,176,944,000 Shekels, whereas the Overall Expenditures in that year were 14,383,859,000 Shekels. This means that the Expenditures of the Social Sector constituted 43% of the Overall Expenditures.
- The Actual Expenditures of the Social Sector in 2017¹³ were 6,381,146,000 Shekels, whereas the Overall Expenditures in the same year were 15,186,611,000 Shekels. This means that the Expenditures of the Social Sector constituted 42% of the Overall Expenditures.
- The Actual Expenditures of the Social Sector in the First Quarter of 2018¹⁴ (Q1/2018) were 1,710,649,000 Shekels, whereas the Overall Expenditures for the same period were 3,644,376,000 Shekels. This means that the Expenditures of the Social Sector constituted 47% of the Overall Expenditures of Q1/2018.

Result:

After comparing the estimated budgets of the Social Sector for the years 2016, 2017 and 2018 with and the Actual Expenditures of 2016, 2017 and Q1 of 2018, it was seen that the Actual Expenditures were in line with the estimated budgets and their corresponding percentages. However, the amounts which were actually spent were slightly less than the estimates, but the percentages did not change because the overall actual expenditures were less than the estimated budgets.

The Social Sector Budget of Palestine and Global Indicators:

As a result of the various components of the Social Sector from one country to another due to the particular characteristics of each country including Palestine, the comparison of Social Sector budgets cannot be considered precise. Therefore, there was the selection of partial indicators for this comparison, such as the government spending on education and

¹² Report of the Actual Cumulative Expenditures of December 2016, issued by the Ministry of Finance on the date of 23/3/2017 (available in Arabic)

¹³ Report of the Actual Cumulative Expenditures of December 2017, issued by the Ministry of Finance on the date of 24/1/2018 (available in Arabic)

¹⁴ Report of the Actual Quarterly Cumulative Expenditures of March 2018, issued by the Ministry of Finance on the date of 24/4/2018 (available in Arabic)

health. According to the data of the General Budget and the World Bank data regarding the indicators of government spending on education throughout the world,¹⁵ the percentage of government spending on education in Palestine is considered high (it exceeds 20% of the Overall Expenditures in the General Budget). Also, the percentage of government spending on health in Palestine is also a good one (approximately 11% of the Overall Expenditures of the General Budget). However, these percentages do not fulfill the real needs because there are funding gaps between the allocated budgets and the financial limitations, i.e. the specified necessary amounts for implementing the plans, programs and activities mentioned in the sectoral strategic plans of the centers of responsibility related to the Social Sector, such as Education,¹⁶ Health,¹⁷ and Social Development.¹⁸

These percentages are insufficient on their own and need an extensive study of the implications of the numbers and rates through qualitative and quantitative analysis in order to measure the extent to which the allocated budgets have fulfilled the sectoral strategic objectives, national priorities, and sustainable development goals.

Conclusion:

The aforementioned information shows that the allocated budget for the Social Sector rose significantly in the General Budget of 2018 compared to previous years. This reflects a positive orientation of the government vis-à-vis the Social Sector, in conformity with the national priorities mentioned in the National Policy Agenda. Also, the Actual Expenditures of the Social Sector were in line with the estimated budgets of 2016, 2017 and Quarter 1 of 2018.

Despite the high budgets of the centers of responsibility related to the Social Sector in comparison with the global indicators, these budgets still do not fulfill the real needs because of the financial limitations that were specified in the strategic plans of the Social Sector in Palestine.

Moreover, it is important to conduct a special qualitative analysis to examine the implications of the numbers and percentages included in the quantitative analysis.

¹⁵ Arab Bank website – data: <https://data.albankaldawli.org/>

¹⁶ Education Sector Strategic Plan 2017-2022, Ministry of Education & Higher Education (p.152 of the Arabic version)

¹⁷ National Health Strategy 2017-2022, Palestinian Ministry of Health (p.50 of the Arabic version).

¹⁸ Social Development Sector Strategy 2017-2022, Ministry of Social Development (p.69 of the Arabic version)