

Biannual Comparative Spending Report for the Ministry of Labor 2022-2023

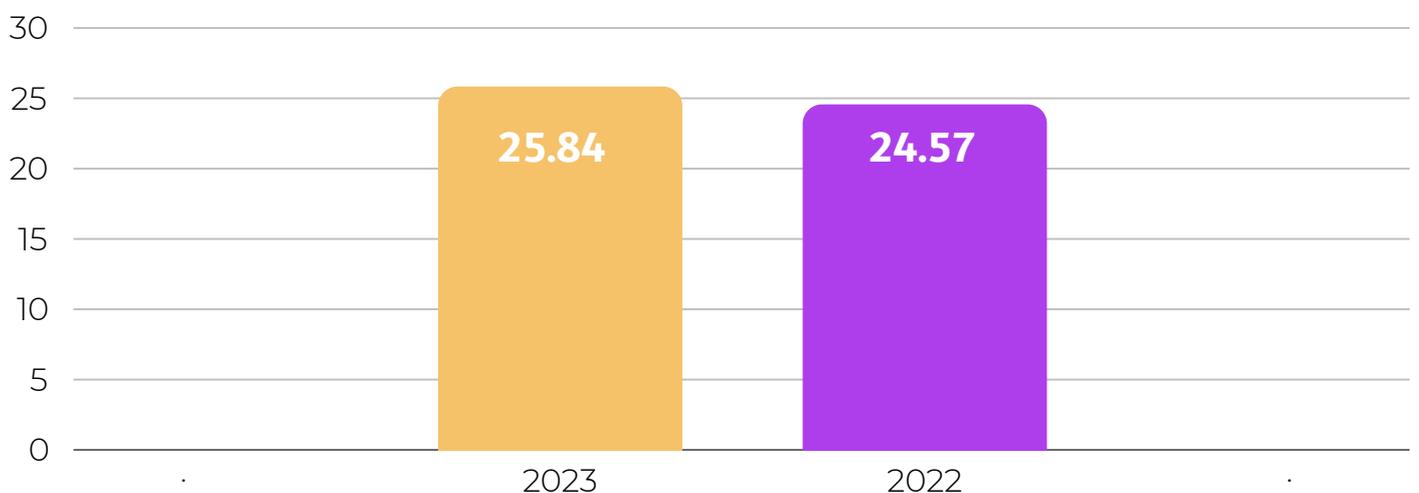
In accordance with the 2023 biannual actual spending report released by the Finance Ministry, the actual spending earmarked for the Ministry of Labor was ILS25.9 million of ILS8,196.4 million of the overall annual actual spending of the 2023 general budget, or 0.32% of overall expenditures. [1]

In accordance with the 2022 biannual actual spending report, released by the Ministry of Finance, the actual spending earmarked for the Ministry of Labor was ILS24.6 million of ILS7,491.5 million of the overall annual actual spending of the 2022 general budget, or 0.33% of the overall expenditures. [2]

The table below shows comparative data for biannual actual spending per item, at the Ministry of Labor for 2022-2023

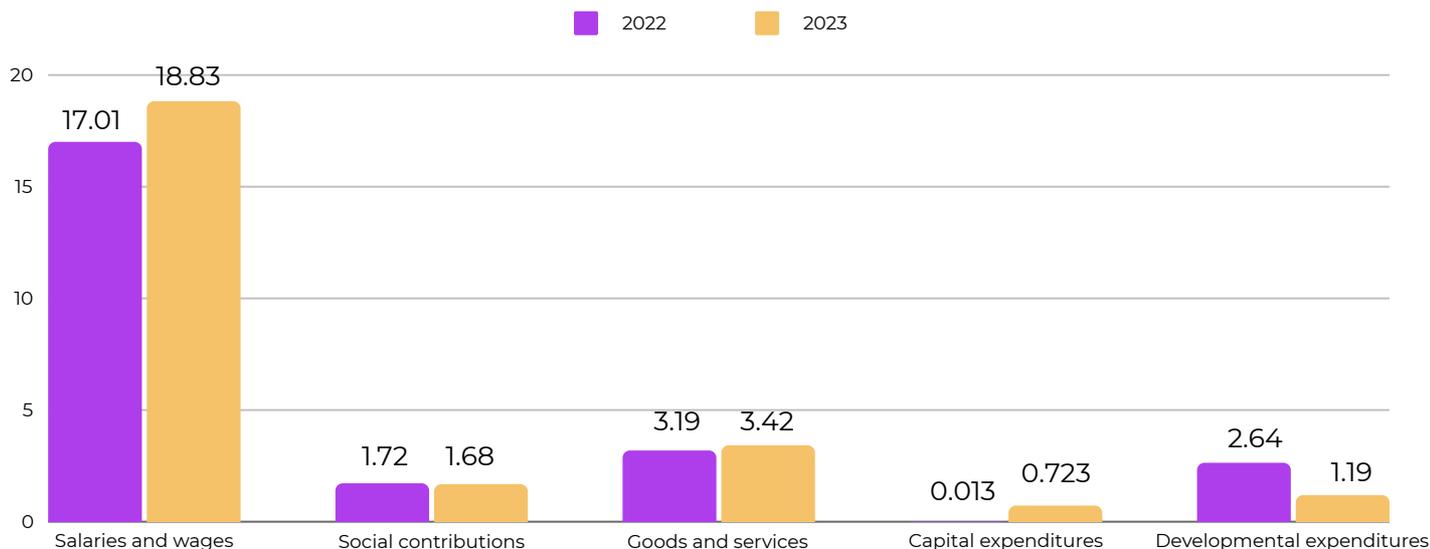
Item	2022 actual spending/million shekels	2023 actual spending/million shekels	Percentage between 2022/2023
Salaries and wages	17.01	18.83	%110.67
Social contributions	1.72	1.68	%97.58
Goods and services	3.19	3.42	%107.45
Capital expenditures	0.013	0.723	%5497.41
Developmental expenditures	2.64	1.19	%44.89
Total	24.57	25.84	%105.15

Comparative biannual actual spending at the Ministry of Labor for 2022-2023 / million shekels



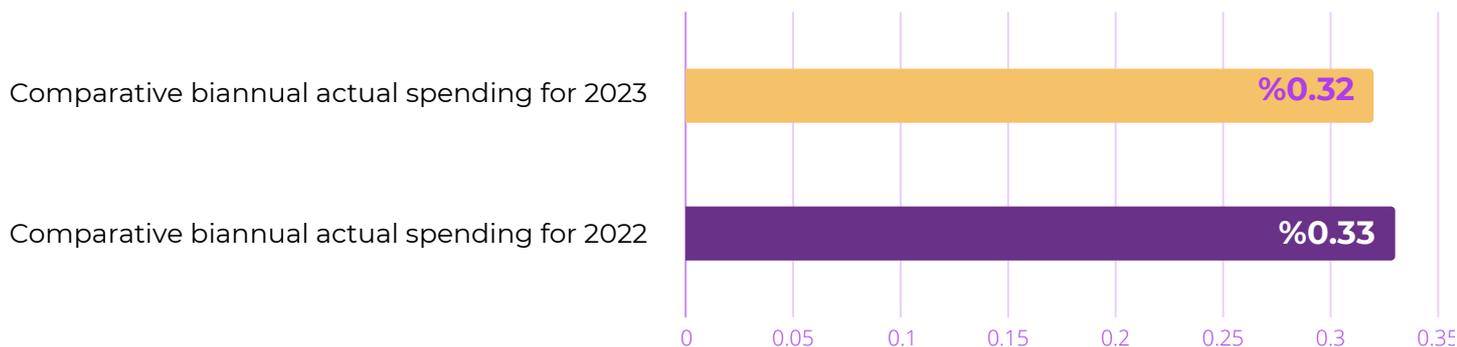
[1] Cumulative actual spending report of June, 2023, published by the Ministry of Finance on July 31, 2023, Table
 [2] Cumulative actual spending report of June, 2022, published by the Ministry of Finance on July 28, 2022, Table

The table below shows comparative data for biannual actual spending per item, at the Ministry of Labor for 2022-2023/ million shekel

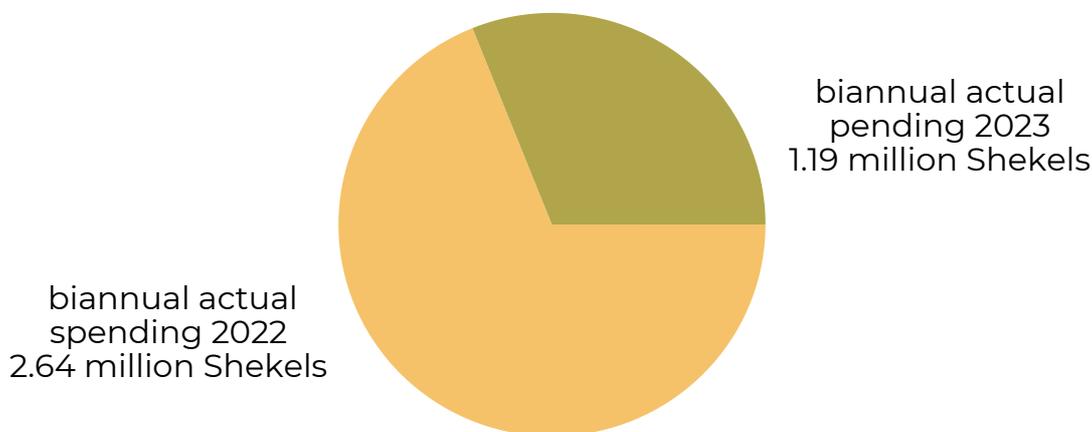


■ The above-mentioned figures represent the actual expenditures indicated by the Ministry of Finance's official reports. These amounts do not include community-funded expenditures or projects that are funded through direct bilateral agreements between the Ministry of Labor and partners.

Percentage of comparative biannual actual spending at the Ministry of Labor for 2022-2023 from overall expenditures



Comparative biannual actual spending on developmental expenditures at the Ministry of Labor for 2022-2023/ million shekel



The low percentage of actual spending on developmental expenditures, only (ILS 1.2 million) in the first half of 2023, casts a shadow on projects and programs related to **gender-specific** issues, for which budgets were earmarked in the 2023 public budget. This includes the employment of Palestinian women working in Jordan Valley settlements, allocated at ILS 4 million, and other developmental expenditures with allocations of ILS29.2 million in 2023.

Analysis of biannual comparative actual spending for the Ministry of Labor for 2022-2023

- **One:** Biannual spending for the Ministry Labor in 2023 was higher than 2022, by a limited percentage, Biannual actual spending went from ILS24.57 million in the first half of 2022 to ILS25.84 million in 2023.
- **Two:** Actual spending on the Ministry of Labor slightly dropped in the first half of 2023 from overall expenditures, compared to the first half of 2022, from 0.33% to 0.32%. In both cases, the percentage of spending on the labor sector was low and did not coincide with the important and leading role of the Ministry of Labor for the labor sector in Palestine.
- **Three:** Actual spending on salaries and wages, social contributions and goods and services went up in 2023, compared with 2022, even if limited. This can be attributed to the natural rise in annual salaries in accordance with the law and annual raises.
- **Four:** Developmental expenditures dropped in the first half of 2023 from 2022, from ILS2.64 million to ILS1.19 million, which is a negative indicator of the extent that developmental programs are implemented at the Ministry of Labor, especially since developmental expenditures at the Ministry were estimated at ILS29.3 million in 2023.
- **Five:** Spending on capital expenditures was still limited in the first half of 2023 even though it was higher than in the first half of 2022.
- **Six:** Salaries and wages still take up most of the Ministry of Labor's actual spending, whether in the first half of 2022, at 69% or in the first half of 2023, at 73%, from the actual spending allocated to the Ministry of Labor.
- **Seven:** Operational expenditures and goods and services, increased in the first half of 2023, compared to the first half of 2022, from ILS3.19 million to ILS3.42 million.

Conclusion: It should be noted from the analysis of biannual comparative actual spending for 2022-2023 that actual spending on the Ministry of Labor slightly increased at the level of the actual amount spent. Meanwhile, the percentage of the PA's overall expenditures remained the same, at no more than 0.33%. Meanwhile, salaries and wages continued to take the lion's share of actual spending earmarked for the Ministry of Labor, even though the figures in this report are on an accrual basis, since the government still only cashes partial salaries for its employees. Meanwhile, development expenditures are still very limited and below the level of the estimated developmental expenditures for the Ministry of Labor, which casts a shadow on the extent to which developmental programs are implemented.

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.