



# Biannual comparative spending report for the Ministry of Social Development 2022-2023

In accordance with the 2023 biannual actual comparative spending report, issued by the Ministry of Finance, the actual spending earmarked for the Ministry of Social Development was ILS55,48 (million) of an overall biannual total of actual spending from the 2023 budget, or 6.7% of the overall expenditures. [1]

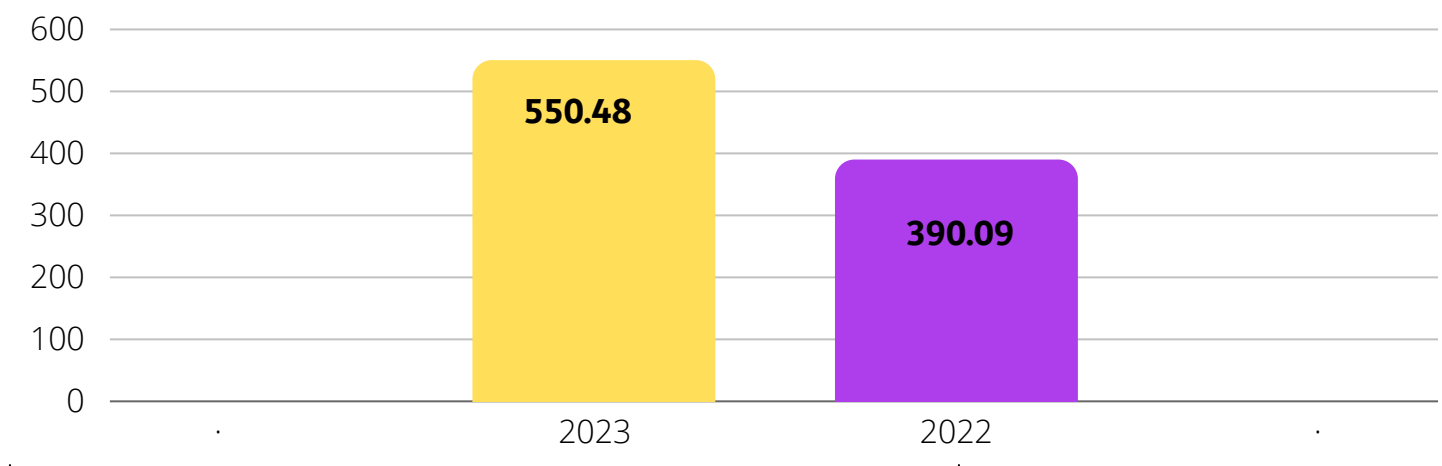
In accordance with the biannual 2022 actual spending report, issued by the Ministry of Finance, actual expenditure allocated to the Ministry of Social Development, including the Martyrs' Families' Institute" totaled ILS390.1 (million) of an overall biannual total of actual spending from the 2022 budget, or 5.2% of the overall expenditure. [2]

## Comparison of biannual comparative spending for Ministry of Social Development 2022-2023/million shekels

Item	2022 actual spending/million shekels	2023 actual spending/million shekels	Percentage between 2022/2023
Salaries and wage	31.09	31.70	101.96%
Social contributions	3.25	3.17	97.62%
Goods and services	3.60	3.89	108.15%
Transfer expenditures	349.13	509.14	145.83%
Capital expenditures	0.01	0.04	784.62%
Developmental expenditures	3.02	2.53	83.84%
Total	390.09	550.48	141.12%

All above figures are on an accrual basis

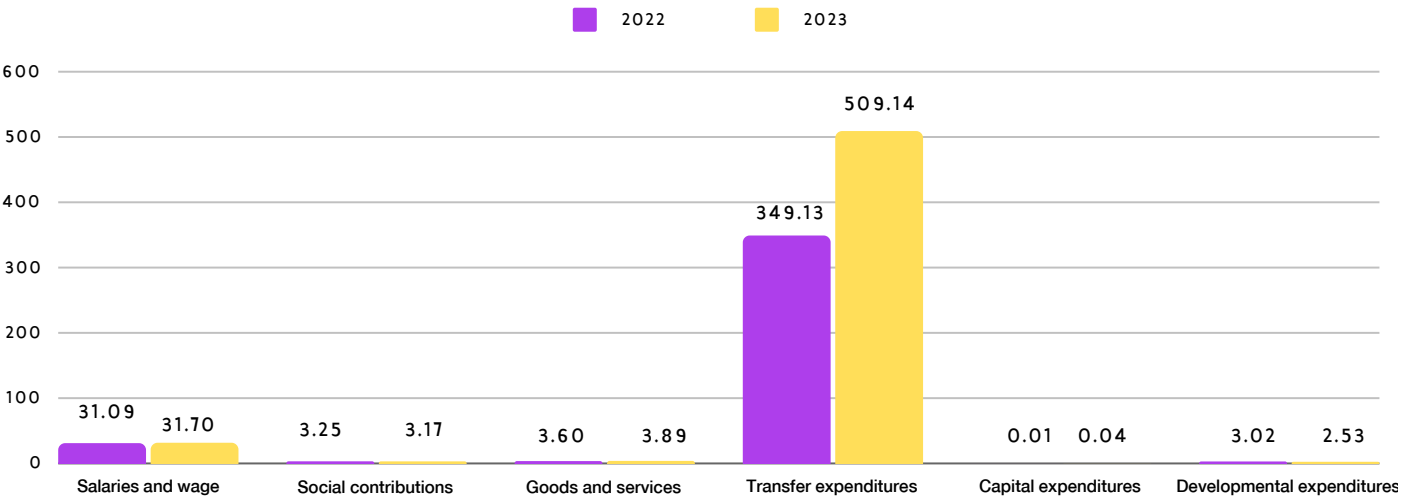
## Comparison of biannual comparative spending for Ministry of Social Development 2022-2023/million shekels



[1] Cumulative actual spending report of June, 2023, published by the Ministry of Finance on July 31, 2023, Table No. (5b)

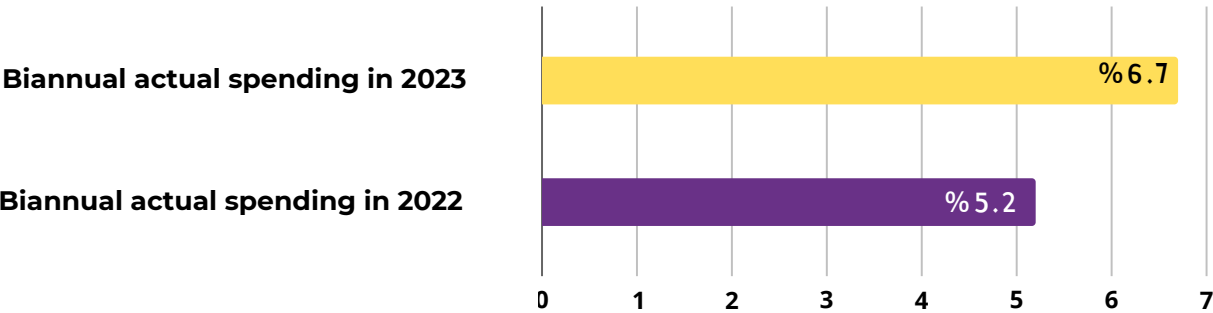
[2] Cumulative actual spending report of June, 2022, published by the Ministry of Finance on July 28, 2022, Table No. (5b)

Comparison of biannual comparative spending for Ministry of Social Development 2022–2023/million shekels

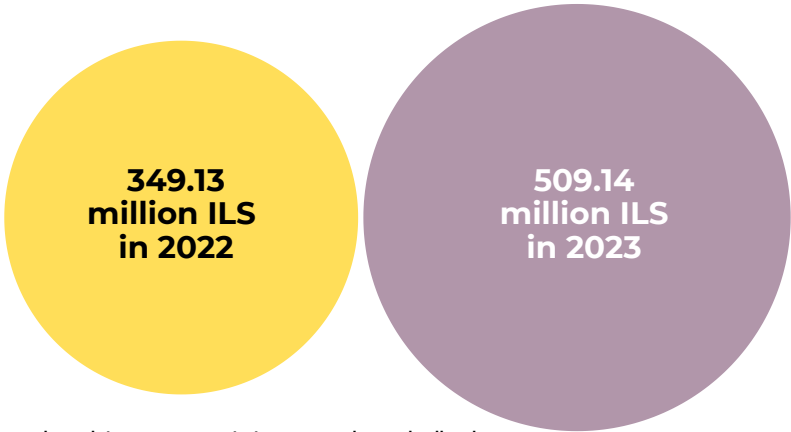


The above-mentioned figures represent the actual expenditures indicated by the Ministry of Finance’s official reports. These amounts do not include community-funded expenditures or projects that are funded through direct bilateral agreements between Social Development Ministry and partners.

Comparison of biannual actual spending in 2022-2023 for the Social Development



Comparison of biannual actual spending for 2022-2023 on Transfer expenditures at the Ministry of Interior and National Security



• The transfer expenditures item includes cash assistance payments to poor and marginalized groups.

While the CTP (Cash Transfer Program) is the backbone of the Ministry of Social development's work and its budget exceeds 90% of the ministry's budget, still cash payments disbursed to poor families in the first half of 2023 were one of four payments only. This is evidence of the government's failure to commit to the disbursement of due payments, which has been the case since 2018. What's more, developmental expenditures are still limited, totaling in the first half of 2023 to only ILS2.5 million, thus negatively impacting on the ministry's programs on protecting poor and marginalized sectors. Moreover, the actual spending on the program for protection of poor and marginalized sectors amounted to only 30% of the estimated budget in the first half of 2023, which is below the required amount. This negatively impacts the extent to which social services are implemented for these sectors (women, the elderly, children, special needs persons).

## Analysis of biannual comparative actual spending figures for the Ministry of Social Development for 2022-2023:

**One:** The biannual actual spending for the Ministry of Social Development for 2023 was higher than actual spending in 2022 by a statistically significant percentage, whereby biannual actual spending increased in 2023 from (ILS390.09) million in 2022 to (ILS 550.48) million in the same period in 2023 and at an increased amount of ILS160.3 million, or 141.1% from the middle of 2022.

**Two:** Actual spending increased at the MoSD during the first half of 2023 from the overall expenditures, in comparison to the first half of 2022, from 5.2% to 6.7%.

**Three:** Actual spending on the items of salaries and wages, social contributions and goods and services increased in the first half of 2023 in comparison with the first half of 2022, by a limited percentage of 2%. This is attributed to the natural increase in annual salaries.

**Four:** Actual spending on the item of transfer expenditures, which is the largest and most important item in the MoSD budget and includes cash payments to poor families, increased in the first half of 2023, compared with the first half of 2022, from (ILS349.1) million to (ILS509.1) million. Nevertheless, the Ministry of Social Development only disbursed one installment of cash assistance to poor families in the first half of 2023.

**Five:** Development expenditures decreased in the first half of 2023 from 2022, from (ILS3.02) million to (ILS2.53) million. This casts a negative shadow on expenses allocated to the social protection program funded by development expenditures.

**Six:** Spending on capital expenditures increased in the first half of 2023 from 2022, from (ILS0.005) million to (ILS0.043) million. In spite of this increase, the amount is still low.

**Seven:** Spending is still focused on the item of transfer expenditures and cash assistance, which takes up most of the MoSD budget. While cash assistance is important, it is necessary to shift towards a development rather than a relief approach through social services, economic empowerment and protection for poor and marginalized sectors.

It is noteworthy from the biannual comparative actual spending analysis for 2022-2023 that the actual spending on the Ministry of Social Development, including the Martyrs Families' Institute, rose considerably, whether at the level of the actual amount spent or the percentage of the PA's overall expenditures.

Moreover, the CTP still suffers from irregular installment payments to poor and marginalized sectors in spite of the rise in spending on this sector in the first half of 2023. Only one installment was disbursed in 2023 and one partial installment in the middle of 2022, even though two installments were supposed to be disbursed in this half of the year.

In general, the transfer expenditures constitute approximately 92.5% of the Ministry of Social Development's actual spending, which indicates that spending is still concentrated on aid and not on social protection for poor and marginalized sectors.

### 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.