



The Palestinian Initiative for the Promotion of Global
Dialog and Democracy—MIFTAH

Comparative actual spending report for
2024–2025

Ministry of Local Government

Prepared by:
Moayyad Afana

2026

Comparative actual spending report for the Ministry of Local Government 2024–2025

In accordance with the 2025 Ministry of Finance actual spending report, actual expenditures allocated to the Ministry of Local Government were **ILS5120.4 million** of a total **ILS17,202.8 million** from overall actual spending in the 2025 budget, or **0.70%** of overall expenditures. [1]

According to the 2024 annual actual spending report by the Ministry of Finance, actual spending allocated to the Ministry of Local Government was **ILS 95.4 million** of **NIS17,518.8 million** of the 2024 overall annual actual spending from the public budget, or **0.54%** of overall expenditures. [2]

The table below illustrates comparative figures for annual actual spending items for 2024–2025 for the Ministry of Local Government:

Comparative annual actual spending for 2024–2025 for the Ministry of Local Government /million shekels

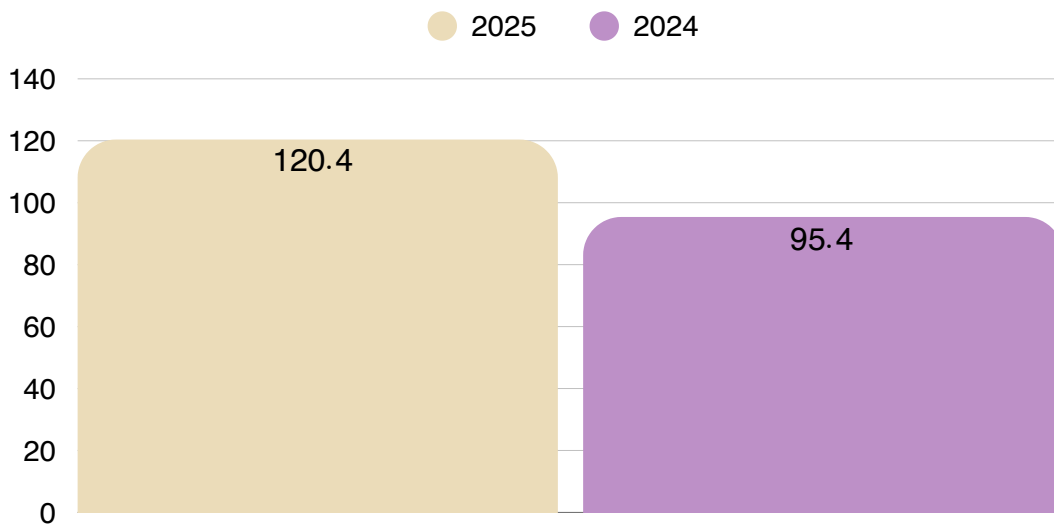
Item	2024 actual spending/million shekels	2025 actual spending/million shekels	2024/2025 comparison
Salaries and wages	22.9	22.1	96.80%
Social contributions	2.3	2.2	97.10%
Goods and services	5.4	6.1	114.20%
Referral expenditures	1.8	12.1	687.90%
Capital expenditures	0.03	0	0.00%
Developmental expenditures	63.2	77.9	123.30%
Total	95.4	120.4	126.20%

Note: the abovementioned figures are on an accrual basis; that is the value of salaries and wages are those committed to by the Ministry of Finance to employees and not on a cash-basis, due to the disbursement of a percentage of salary since the end of 2021.

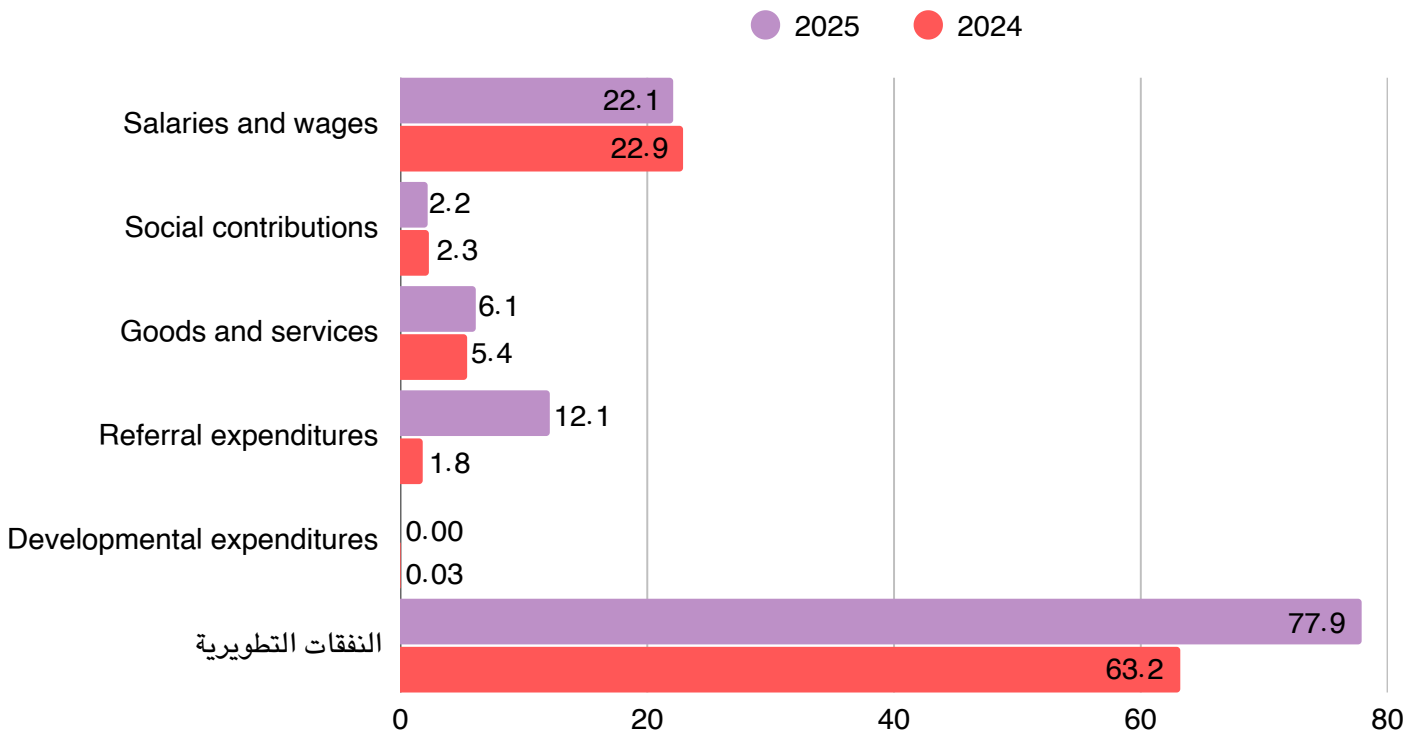
[1] Cumulative actual spending report for December 2025, released by the Ministry of Finance on January 28, 2026, Table (5b)

[1] Cumulative actual spending report for December 2024, released by the Ministry of Finance on June 24, 2025, Table (5b)

Comparative annual actual spending for 2024–2025 for the Ministry of Local Government/million shekels

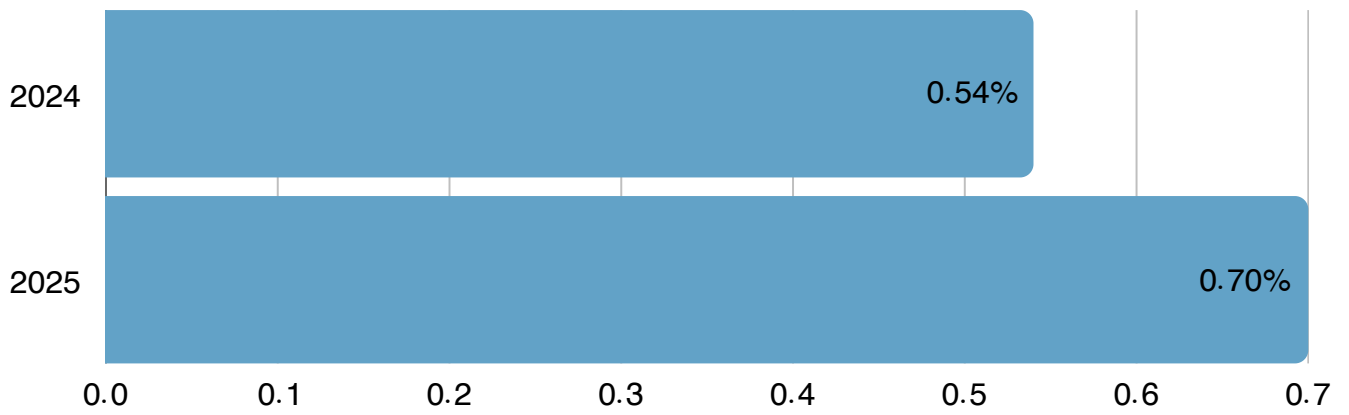


Comparative annual actual spending for 2024–2025 for the Ministry of Local Government according to item/million shekels



* 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 partners and targeted ministries.

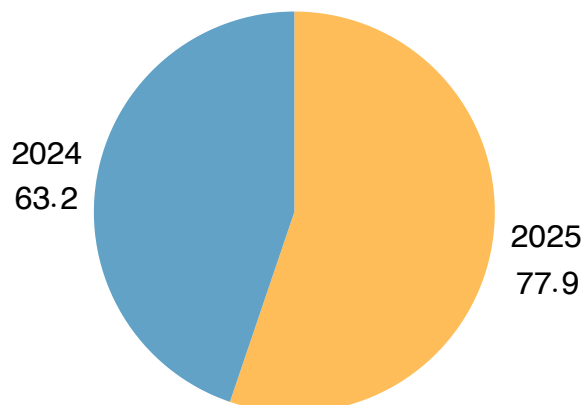
Percentage of annual actual spending for the Ministry of Local Government from the overall public expenditures for 2024/2025



Comparison of annual actual spending for 2024–2025 operational expenditures “goods and services” at the Ministry of Local Government /million shekels



Comparison of annual actual spending for 2024–2025 developmental expenditures at the Ministry of Local Government /million shekels



***Developmental expenditures include development projects for infrastructure in Palestinian cities, villages and camps including rehabilitation and paving of internal roads, building public parks, multipurpose venues, developmental projects for the water, electricity, sewage and solid waste sectors, developmental projects to rehabilitate schools, health centers, etc.**

Actual spending on the Ministry of Local Government increased in 2025 compared to 2024, on the item of developmental expenditures. This includes projects for the rehabilitation and paving of roads, development of the infrastructure in marginalized areas and Area C and in areas adjacent to the separation wall, in addition to the construction of public parks and multi-purpose venues in Palestinian villages, towns and camps. All societal sectors benefit from these projects including women, youth and special-needs persons. In addition, it includes the rehabilitation and development of public schools and health centers in marginalized areas, which marginalized sectors benefit from their services.

Analysis of annual comparative actual spending figures for the Ministry of Local Government, 2024–2025:

One: Actual annual spending for the Ministry of Local Government in 2025 was notably higher than in 2024, at ILS120.4 million compared to ILS95.4 million. It thereby increased by ILS25 million.

Two: The percentage of actual spending at the Ministry of Local Government increased from 0.54% of overall expenditures in Palestine in 2024 to 0.70% in 2025.

Three: There was an increase in actual spending in 2025 on the items of goods and services, referral expenditures and developmental expenditures.

Four: Actual spending on salaries and wages, social contributions and capital expenditures decreased, but not considerably.

Five: Developmental expenditures increased in 2025, reaching ILS77.9 million, compared to ILS63.2 million in 2024, comprising the largest portion of Ministry of Local Government's budget. This is because developmental expenditures include development projects for infrastructure in Palestinian cities, villages and camps including rehabilitation and paving of internal roads, building public parks, multipurpose venues, developmental projects for the water, electricity, sewage and solid waste sectors and others.

Summary: It can be noted from the comparative actual spending analysis for the Ministry of Local Government in 2024–2025 that actual spending on the Ministry of Local Government increased in 2025, in terms of the actual amount spent, or the “share’ of the Ministry from overall expenditures. This increase was mainly on the items: goods and services, referral expenditures and developmental expenditures. It should be noted that data in the report is on an accrual basis.

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 “goods and services”: the necessary expenditures for the operation of the public institution, i.e. the Ministry (building rentals, electricity, water, fuel, etc.). They include Medical referrals at the Ministry of Health and the purchase of medicines and are part of the current expenditures.

Transfer (referral) 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.