



COMPARATIVE ACTUAL SPENDING REPORT FOR MINISTRY OF LABOR 2022-2023

In accordance with the 2023 Ministry of Finance actual spending report, actual expenditures allocated to the Ministry of Labor were ILS51.22 million of a total ILS17,870.5 million from overall actual spending in the 2023 budget, or 0.29% of overall expenditures. [1]

According to the 2022 annual actual spending report by the Ministry of Finance, actual spending allocated to the Ministry Labor was ILS 50.2 million of NIS16,197.6 million of the 2022 overall annual actual spending from the public budget, or 0.31% of overall expenditures. [2]

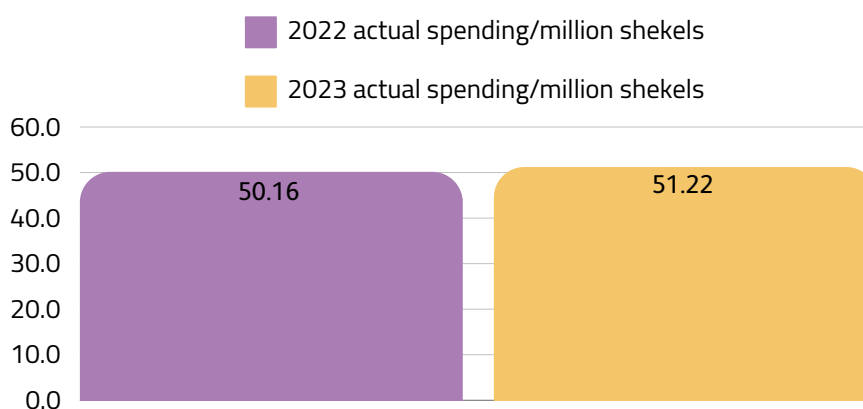
The table below illustrates comparative figures for annual actual spending items for 2022-2023 for the Ministry of Labor:

Comparative annual actual spending for 2022-2023 for Ministry of Labor/million shekels

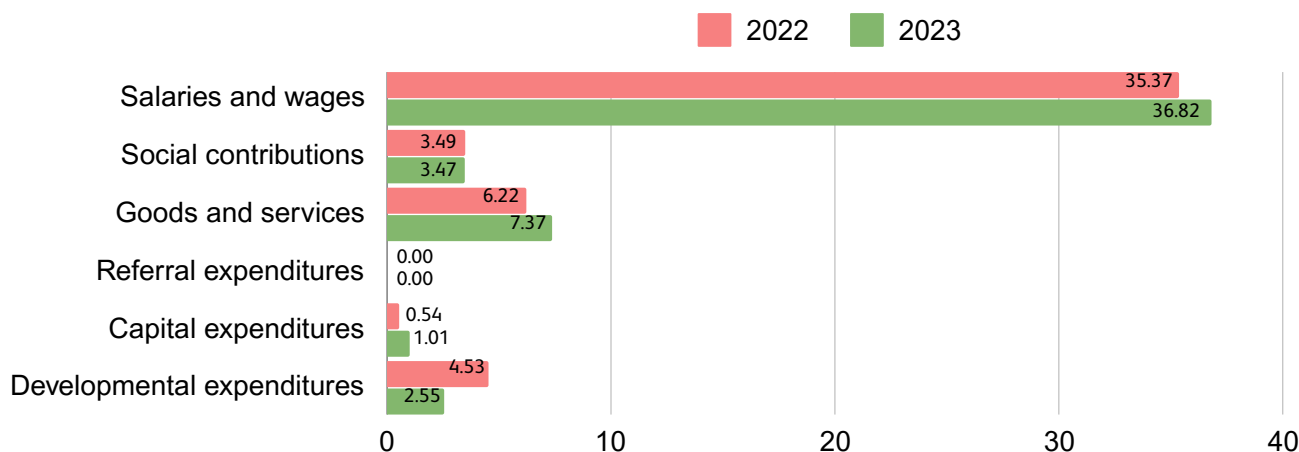
Item	2022 actual spending/million shekels	2023 actual spending/million shekels	2022/2023 comparison
Salaries and wages	35.37	36.82	104.09%
Social contributions	3.49	3.47	99.31%
Goods and services	6.22	7.37	118.39%
Referral expenditures	0.00	0.00	--
Capital expenditures	0.54	1.01	188.31%
Developmental expenditures	4.53	2.55	56.21%
Total	50.16	51.22	102.11%

Note: the abovementioned figures are on an accrual basis

Comparative annual actual spending for 2022-2023 for Ministry of Labor/million shekels

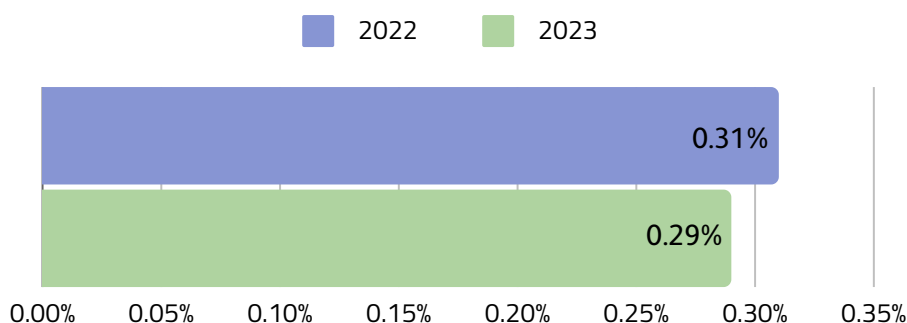


Comparative annual actual spending for 2022-2023 for Ministry of Labor according to item/million shekels

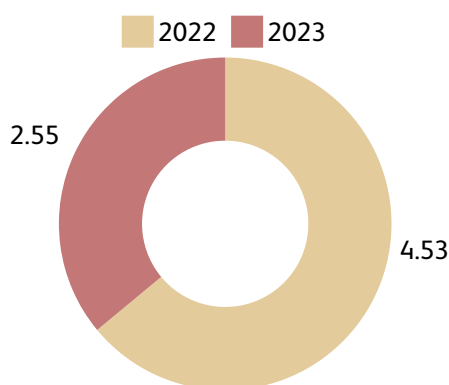


The above-mentioned figures represent the actual expenditures indicated by the Ministry of Finance’s official reports. These amounts do not include community-funded expenditures or projects that are funded through direct bilateral agreements between partners and targeted ministries.

Percentage of annual actual spending for the Ministry of Labor from the overall public expenditures for 2022/2023



Comparison of annual actual spending for 2022-2023 developmental expenditures at the Ministry of Labor/million shekels



Analysis of annual comparative actual spending figures for the Ministry of Labor, 2022-2023:

1. The actual annual spending for the Ministry of Labor in 2023 was slightly higher than in 2022, increasing by ILS1 million from the same period in 2022, or just %2.
2. The percentage of actual spending on the Ministry of Labor in 2023 from the overall expenditures in Palestine was lower than it was in 2022, from 0.31% to 0.29%, which is not compatible with the role and importance of the Ministry of Labor in leading the labor sector in Palestine.
3. Actual spending on salaries and wages slightly rose in 2023 compared to 2022, due to the increase in annual salaries according to the law, in addition to annual raises.
4. Developmental expenditures dropped in 2023 compared to 2022, from ILS4.5 million to ILS2.5 million, which is incompatible with the role of the Ministry of Labor or the value of estimated developmental expenditures, which were approximately ILS29 million in 2023.

The low percentage of actual spending on the Ministry of Labor and on developmental expenditures in particular, casts a shadow on gender-related projects and programs for which high budgets were earmarked as part of developmental expenditures. These include Palestinian women working in Jordan Valley settlements in partnership with the private and public sectors, at the value of ILS4 million, or the building and furnishing of (3) vocational training centers in the West Bank for both males and females at a budget of ILS9 million. Hence, the actual spending on developmental expenditures did not cover these programs and projects at all, even though they were 9% of the estimated budget. This negatively affected the services provided to working women and female students.

Conclusion: It can be noted from the annual actual spending analysis for 2022-2023 that actual spending on the Ministry of Labor slightly increased in terms of the actual amount spent, while it decreased in terms of the PA's overall spending.

Furthermore, salaries and wages continued to consume the lion's share of the actual expenditures allocated to the Ministry of Labor, while developmental expenditures dropped from the year before and are still below the level of estimated developmental expenditures. This is a negative indication of how little developmental projects are implemented, including gender-responsive projects, particularly those pertaining to women working in settlements or the building of vocational centers that would give the opportunity for female students to enroll.

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.). They include Medical referrals at the Ministry of Health and the purchase of medicines and are part of the current expenditures.

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.

[1] Cumulative actual spending report for December 2023, released by the Ministry of Finance on January 27, 2024, Table (5b)

[1] Cumulative actual spending report for December 2022, released by the Ministry of Finance on January 29, 2023, Table (5b)