



Report on the Actual Spending on the Ministry of Social Development (MOSD) **in 2019**

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including the organization for
supporting the families of martyrs

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.

Actual Spending on the Ministry of Social Development (MOSD) in 2019

Introduction

In the year 2019, there was no ratification of a general budget for the Palestinian Authority (PA) because of the “Clearance funds” crisis. This crisis emerged when Palestinian funds were being seized by the State of Israel. The amount of seized funds was equivalent to what the Palestinian Authority used to pay to Palestinian prisoners in Israeli jails and to their families. Following that, a Presidential Decree was issued to extend this expenditure in 2019 with monthly appropriations (1/12) for each month from the Annual Budget of fiscal year 2018¹.

Therefore, this report does not include the estimated budget of the Ministry of Social Development (MOSD) in 2019 due to the failure to ratify the 2019 general budget. However, the report includes the actual expenditures of MOSD’s responsibility center (including the organization for supporting the families of martyrs) based on the official expenditure reports issued by the Palestinian Ministry of Finance.

Important Note

Although the Ministry of Finance approved the program-based budget, their issued financial reports still use the item-based budget. The work team of MIFTAH has contacted the Ministry of Finance to obtain the program-based actual spending reports. However, the Ministry of Finance did not provide the needed report to the team, hence this report was prepared on the basis of items.

Actual Spending on the Ministry of Social Development in 2019

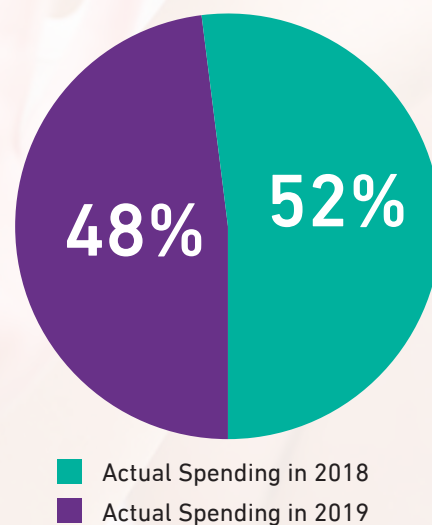
According to the cumulative actual spending report of December 2019 – which was issued by the Ministry of Finance on 28 January 2020 – the actual spending on the Ministry of Social Development (MOSD), including the organization for supporting the families of martyrs, was (1.24) billion Israeli Shekels (ILS) from the overall expenditures of (16.42) billion ILS, i.e. a percentage of (7.6%) of the overall expenditures². In 2018, the actual spending by the responsibility center of MOSD, including the organization for supporting the families of martyrs, was (1.32) billion ILS³, whereas in 2019, the actual spending amount decreased to (1.24) billion ILS.

Comparative graph that shows the actual spending by MOSD in 2018-2019 in billions of Israeli Shekels (ILS)



Actual Spending in 2018	Actual Spending in 2019
1.32	1.24

Comparative graph that shows the actual spending by MOSD in 2018-2019 in billions of Israeli Shekels (ILS)



- 1 Presidential Decree No. (26) of 2019, issued on 25 March 2019. According to the General Budget Law, if it was not possible to ratify the General Budget bill before the beginning of the new year (2019), the spending will continue with monthly appropriations of 1/12 (one twelfth) for each month from the previous fiscal year’s budget, i.e. from the budget of 2018.
- 2 Cumulative actual spending report of December 2019 issued by the Ministry of Finance on 28 January 2020, Table (5b).
- 3 Actual spending report of 2018 issued by the Ministry of Finance on 27 January 2019, Table (5b).

Distribution of the actual spending by the Ministry of Social Development (MOSD) based on the disbursement items

In 2019, the actual spending of MOSD's responsibility center (including the organization for supporting the families of martyrs) was (1,243,498,000) ILS distributed according to the following table

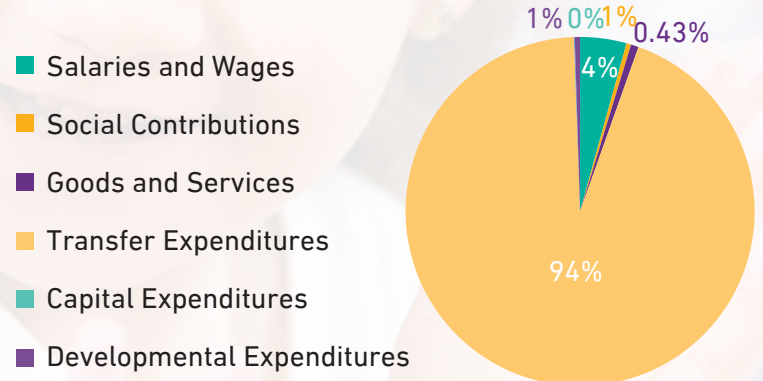
Actual Spending by the Responsibility Center of MOSD in 2019 – in ILS

Item	Actual Spending in ILS	النسبة
Salaries and Wages	53,402,000	4.29%
Social Contributions	5,358,000	0.43%
Goods and Services	8,839,000	0.71%
Transfer Expenditures	1,168,883,000	94.00%
Capital Expenditures	992,000	0.08%
Developmental Expenditures	6,024,000	0.48%
Total	1,243,498,000	100.00%

Actual Spending by the Responsibility Center of MOSD in 2019 – in ILS

Salaries and Wages	53,402,000
Social Contributions	5,358,000
Goods and Services	8,839,000
Transfer Expenditures	1,168,883,000
Capital Expenditures	992,000
Developmental Expenditures	6,024,000

Percentages of Actual Spending by the Responsibility Center of MOSD in 2019



Important Notes

- The above-mentioned figures represent the actual expenditures indicated by the Ministry of Finance in its official report of 2019. These amounts do not include community-funded expenditures or projects that are funded through direct bilateral agreements between partners and MoSD.
- The 2019 general budget has not been ratified, hence this data is only related to actual spending.
- Transfer expenditures constitute the largest portion of Actual Spending at the Ministry of Social Development (MOSD) because the allocations for poor households and martyrs' families are disbursed through this item.

Important Terms

Expenditures: include current expenditures as well as capital and developmental expenditures.

Current Expenditures: include salaries, wages, social contributions, as well as the Ministry's operational and transfer expenditures.

Salaries and Wages: are the salaries and wages of Ministry employees.

Social Contributions: represent the government's contribution in the General Pension and Social Security Authority (for pensioners).

Operational Expenditures "Goods and Services": are the necessary expenditures to operate the public institution, i.e. the Ministry (such as building rentals, electricity, water, fuel, etc.), and they 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: include the possession of capital assets (such as buildings, lands, 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.