



## COMPARATIVE ACTUAL SPENDING REPORT FOR MINISTRY OF LOCAL GOVERNMENT 2022-2023

In accordance with the 2023 Ministry of Finance actual spending report, actual expenditures allocated to the Ministry of Local Government were ILS5143.6 million of a total ILS17,870.5 million from overall actual spending in the 2023 budget, or 0.8% of overall expenditures. [1]

According to the 2022 annual actual spending report by the Ministry of Finance, actual spending allocated to the Ministry of Local Government was ILS 119.1 million of NIS16,197.6 million of the 2022 overall annual actual spending from the public budget, or 0.7% of overall expenditures. [2]

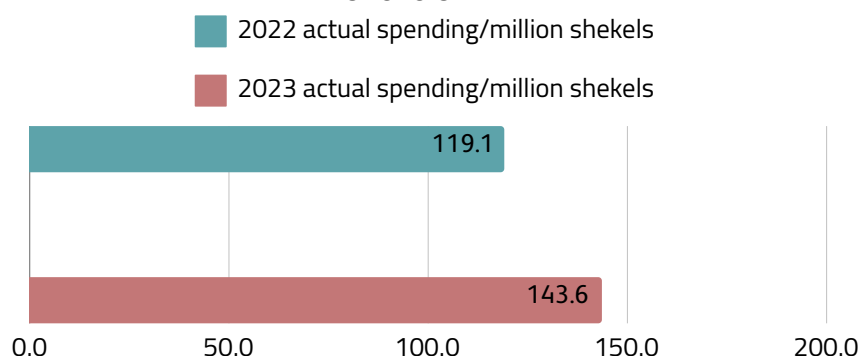
The table below illustrates comparative figures for annual actual spending items for 2022-2023 for the Ministry of Local Government:

### Comparative annual actual spending for 2022-2023 for the Ministry of Local Government /million shekels

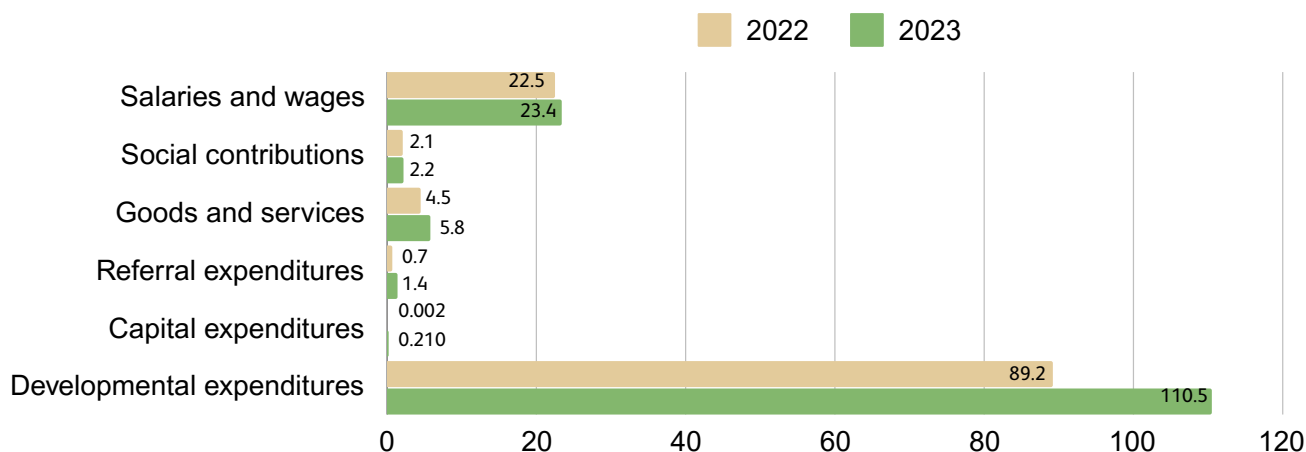
Item	2022 actual spending/million shekels	2023 actual spending/million shekels	2022/2023 comparison
Salaries and wages	22.5	23.4	103.90%
Social contributions	2.1	2.2	103.69%
Goods and services	4.5	5.8	127.37%
Referral expenditures	0.7	1.4	194.72%
Capital expenditures	0.002	0.210	10936.46%
Developmental expenditures	89.2	110.5	123.91%
<b>Total</b>	<b>119.1</b>	<b>143.6</b>	<b>120.51%</b>

Note: the abovementioned figures are on an accrual basis

### Comparative annual actual spending for 2022-2023 for the Ministry of Local Government/million shekels

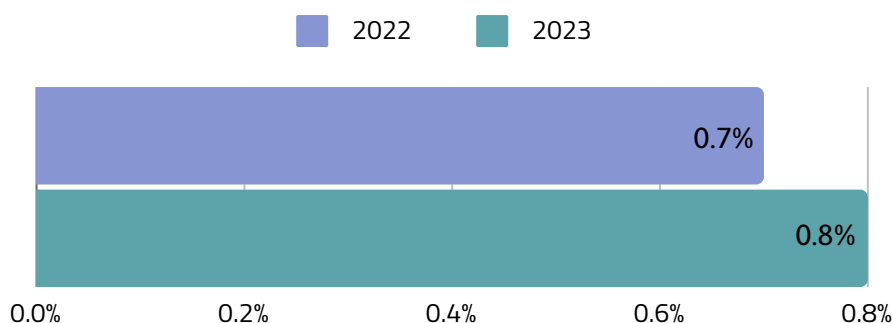


## Comparative annual actual spending for 2022-2023 for the Ministry of Local Government/according to item/million shekels

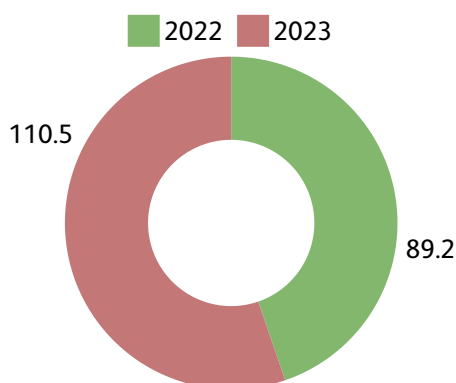


The above-mentioned figures represent the actual expenditures indicated by the Ministry of Finance's official reports. These amounts do not include community-funded expenditures or projects that are funded through direct bilateral agreements between partners and targeted ministries.

## Percentage of annual actual spending for the Ministry of Local Government from the overall public expenditures for 2022/2023



## Comparison of annual actual spending for 2022-2023 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 2023 and included 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, amounting to approximately ILS10.3 million. It also included the construction of public parks and multi-purpose venues in Palestinian villages, towns and camps, at an overall value of ILS10 million. The actual amount spent was based on the work accomplished and from which all societal sectors benefit including women, youth and special-needs persons. In addition, it included the rehabilitation and development of public schools and health centers in marginalized areas, which marginalized sectors benefit from their services, at an estimated budget of ILS2.2 million, from which actual spending was disbursed.

## Analysis of annual comparative actual spending figures for the Ministry of Local Government, 2022-2023:

1. Actual annual spending for the Ministry of Local Government in 2023 was higher than in 2022 by 20.5%. Actual spending went up from ILS119.1 million in 2022 to ILS143.6 million, or a quantitative increase of ILS24.4 million.
2. The percentage of actual spending at the Ministry of Local Government increased from 0.7% of overall expenditures in Palestine in 2022 to 0.8% in 2023. While this percentage is low, there was a development and increase in the spending percentage at the Ministry from the overall expenditures for the public budget.
3. There was an increase in actual spending on all actual spending items in 2023.
4. Actual spending on salaries and wages and on social contributions was slightly higher in 2023 than in 2022, the main reason for which was annual salary raises and promotions.
5. Actual spending on goods and services went up in 2023 compared to 2022, from ILS4.5 million to ILS5.8 million, at an increase of 27.4%.
6. Developmental expenditures rose from ILS89.2 million in 2022 to ILS110.5 million in 2023, at an increase of 24%.

**Summary:** It can be noted from the comparative actual spending analysis for the Ministry of Local Government in 2022-2023 that actual spending on the Ministry of Local Government increased in 2023, in terms of the actual amount spent, or the “share” of the Ministry from overall expenditures. This increase was on all spending items (salaries and wages, social contributions, goods and services, referral expenditures, capital 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 “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)