TRANSPARENCY INTERNATIONAL
the global coalition against corruption

EXPLORING BUDGET TRANSPARENCY IN THE MIDDLE EAST AND NORTH AFRICA

A study of Jordan, Lebanon, Morocco and Tunisia

Transparency International is a global movement with one vision: a world in which government, business, civil society and the daily lives of people are free of corruption. With more than 100 chapters worldwide and an international secretariat in Berlin, we are leading the fight against corruption to turn this vision into reality.

www.transparency.org

Exploring Budget Transparency in the Middle East and North Africa

A Study of Jordan, Lebanon, Morocco and Tunisia

Authors: Iskandar Boustany, Sabine Hatem, Tonia Salameh

Reviewers: Aram Khaghaghordyan, Manuel Pirino, Mariana Ghawaly

Cover: Prostock-studio / shutterstock.com

Every effort has been made to verify the accuracy of the information contained in this report. All information was believed to be correct as of March 2021. Nevertheless, Transparency International cannot accept responsibility for the consequences of its use for other purposes or in other contexts.

ISBN: 978-3-96076-169-3

This report has been published within the context of the grant, EMPOWERING CIVIL SOCIETY AND CITIZEN ENGAGEMENT FOR TRANSPARENCY AND ACCOUNTABILITY, funded by the German Federal Foreign Office.

TABLE OF CONTENTS

LIST OF ACRONYMS

CSOs	Civil society organisations
FSVC	Financial Services Volunteer Corps
FTEs	Fiscal transparency evaluations
GIFT	Global Initiative for Fiscal Transparency
GOJ	Government of Jordan
GoL	Government of Lebanon
IBP	International Budget Partnership
IFMIS	Integrated financial management system
IMF	International Monetary Fund
IPSAS	International public sector accounting standards
MENA	Middle East and North Africa
MOF	Ministry of Finance
NGOs	Non-governmental organisations
OBS	Open Budget Survey
OGP	Open Government Partnership
OECD	Organisation for Economic Co-operation and Development
PEFA	Public expenditure and financial accountability
PFM	Public financial management
PPP	Public-private partnership
SAI	Supreme audit institution
SOEs	State-owned enterprises

EXECUTIVE SUMMARY

Recent years have been marked by protests across the globe asking for more transparency and participation in managing public affairs. The Middle East and North Africa (MENA) region, which has historically performed below worldwide averages on governance and fiscal openness indicators, was not spared by the wave of unrest. People have repeatedly taken to the streets to condemn growing economic and social disparities, state capture and corruption, and inefficient public service delivery.

These movements have shed light on the important practice of transparency and participation in the budget process as a way to influence policy, secure better livelihoods for citizens – especially for the most vulnerable and marginalised – and build a more inclusive development model.

The International Budget Partnership (IBP) and Global Initiative for Fiscal Transparency (GIFT) have long been advocating transparency as an enabling force for the proper functioning of markets, governance and societies and a key contributor to shaping public policies that ensure greater equity and efficiency.

As budget transparency became increasingly considered[1] good practice and a key entry point to proactive citizen participation and accountability, an increasing number of governments have committed to enhancing budget transparency and intensified their efforts to disclose documents and data. Some have even incorporated transparency into their laws and regulations. Yet, the Open Budget Survey (OBS) 2019[2] found only a modest global improvement in budget transparency, consistent with the overall trend measured by the survey over the past dozen years. This meant that many countries were still not able to transform transparency principles into good practice. Challenges of transparency were further compounded by the lack of meaningful opportunities provided by governments for the public to effectively participate in the budget process and by weak oversight exercised by the legislative and supreme audit institutions.

In MENA, where only 44 per cent of the region's budget information is publicly available, the lack of transparency seemed to be exacerbated by limited opportunities for engagement. Misuse of funds was not consistently punished by the regulators, which gave way to governance failures, corruption and mounting inequalities.[3]

This study looked closely at four countries in the region – Jordan, Lebanon, Morocco and Tunisia – at a time when existing structural challenges of public finance management (PFM) were further compounded by the unexpected impact of the COVID-19 pandemic and the plunge in oil prices. Both of these events had a devastating impact on economies that were already vulnerable. In its examination of budget transparency and public participation legislation and practices in these countries, the study sought to identify factors that have prompted governments to take steps to improve transparency – and the factors that prevent them from advancing amid mounting financial challenges. It examines the four countries with the aim of investigating the relationship between transparency, public engagement and accountability. Subsequently, the study offers recommendations in the form of strategies for quick wins and longer-term policy actions to advance and reap the benefits of fiscal transparency.

Following a brief overview of the various budget transparency assessment instruments made available by the international community (see Annex 1), the study benchmarked the legal framework and practices of these four countries against a set of selected criteria from the internationally-adopted OECD Budget Transparency Toolkit,[4] which brings together the main dimensions of both the Open Budget Survey (OBS) and the public expenditure and financial accountability (PEFA) tool.

The study was able to conclude that the uneven progress on the agenda of fiscal transparency across the four countries may be linked to the political economy of reform prevailing in each country and to their respective institutional set ups. In recent years, both Tunisia and Lebanon have witnessed massive popular revolutions and upheavals against corruption that have overthrown governments while the kingdoms of Jordan and Morocco enjoyed more political stability that may have been more conducive for reform and modernisation.

Accordingly, Jordan and Morocco progressed slowly but steadily on budget transparency. Their ambitious PFM reform agendas have allowed them to move forward on many fronts: they have implemented mixed-budgeting practices, comprehensive and integrated reporting systems and processes, and a greater involvement of the legislature. However, they were not able to transform those achievements into meaningful opportunities to progress in the realm of citizen participation.

Tunisia was able to make headway for citizen participation mechanisms within its ongoing process of political change. However, the budget law's recent entry in 2019 did not render tangible outcomes in terms of transparency.

Lebanon offered a unique country case. Public finance management was in total disarray, fiscal policy was captured and basic accountability lacking, as the country fell short on passing budget laws for ten consecutive years (2006 to 2016). This was reflected in its transparency and participation scores in the OBS, which pushed the country to the bottom of the index. As the study was being conducted, Lebanon also faced an unprecedented financial and fiscal crisis brought about by recurrent and growing deficits and large amounts of off-budget spending.

All four countries devoted efforts to facilitate free access to data for citizens, if not always in a timely manner. However, more efforts are expected towards bringing classification and reporting standards closer to international benchmarks and securing machine-readable data, which is in line with the commitments to open governments.

The four countries also present comparable weaknesses when it comes to the independence and unrestricted access to information granted to supreme audit institutions (SAIs). These institutions are also falling short on their outreach to the public and engagement with key stakeholders across the budget cycle such as parliaments and civil society organisations (CSOs). Achieving progress in regard to both these drivers of accountability will be a cornerstone for achieving better public policies and improved decision-making.

Diving further into the prospects of public participation, the study looked at the challenges faced by CSOs in the four countries and concluded that participation was mainly undermined by a series of factors among which the most important were:

+ lack of political will and a favourable political environment to encourage fiscal openness
+ lack of capacity from both sides – governments and CSOs – that revealed limited experience with advocacy work and weak technical capacity to understand complex public finance issues
+ tight fiscal space leaving governments with marginal budget shares that are subject to public negotiation
+ absence of formal mechanisms and structured interfaces that enable CSOs to channel their feedback to governments
+ resistance to change, notably across very traditional public administration regimes
+ limited access to data – a challenge that goes beyond the reach of civil society alone – which requires collaboration among all concerned stakeholders, with strong ownership of the state to initiate the needed reforms related to open data

After scoping and understanding the dynamics behind budget transparency and participation in Jordan, Lebanon, Morocco and Tunisia, the study formulated a set of actionable recommendations that would help create an enabling environment for improving government performance and provide citizens with information and opportunities for engagement. This would spur progress for more inclusive development.

Recommendations are split into two areas:

(i) **Quick wins for the short term:** These would focus on systematic and timely publication of all budget related documentation, investment in open data technologies and genuine commitment to independent scrutiny of fiscal operations by the concerned oversight institutions and the public.

(ii) **Medium and long-term policy actions:** These would be implemented within the larger framework of a “whole of government” approach and would target areas such as:

- **The legal and regulatory framework:** This would benefit from the adoption of performance-based budget laws and practices for granting independence to SAIs as well as institutionalising participation processes.
- **Institutions:** The upgrade of current financial information systems would ensure the comprehensiveness and full coverage of fiscal activities and in particular, of those conducted by state-owned enterprises (SOEs) and include the formation of units dedicated to fiscal openness.

Capacities for monitoring and oversight: In particular, that would include parliaments with the creation of budget offices and units. It would also benefit CSOs in strengthening their power for participation.

The MENA region is struggling with the repercussions of the COVID-19 pandemic and interacting with the four main "causal triggers” for advances in fiscal openness:

- political transitions
- fiscal and economic crises
- political and corruption scandals
- external influences.[5]

Therefore, the study also concluded that now is a positive moment to advance the fiscal openness agenda. The checks and balance dynamics are such that all key players – governments, CSOs, public officials – can find incentives to work towards a more balanced approach to fiscal transparency, participation, and accountability, with the support and technical guidance of the international community. The complexity of challenges at hand and the prospects brought forth by digitalisation and the public’s quasi-instantaneous access to information have rendered openness in government action and citizen-centred development frameworks a core necessity for a neglected region to prosper.

INTRODUCTION

Widespread protests have surged throughout the world in recent years. These have been triggered by economic hardship and social inequalities, inefficient public service delivery, widespread corruption, state capture by the ruling elites and the repression of freedoms and human rights. Governments in place have often been attacked for their austerity measures and mismanagement of public spending.

Countries of the Middle East and North Africa (MENA) were not spared. From Lebanon to Iraq, Egypt, Sudan, Tunisia and Algeria, people have taken to the streets asking for transparency, heightened accountability and a stronger voice in managing public resources. The protests were often sparked by budget decisions: for instance, a tax on WhatsApp use in Lebanon, cuts in safety nets and the poor delivery of services. They have been fuelled by loss of trust in governments and their policy choices.

State budgets are indeed a government's main instrument of policy planning and delivery. They put into action policy decisions that significantly affect peoples' lives: education, social welfare, security, livelihood, economic opportunity and equity. Therefore, any budget decision should be well conceived and applied. Otherwise, undesirable outcomes might trigger social discontent equally among the rich and the poor; and lead citizens to increase pressure on the government to accommodate their needs and preferences.

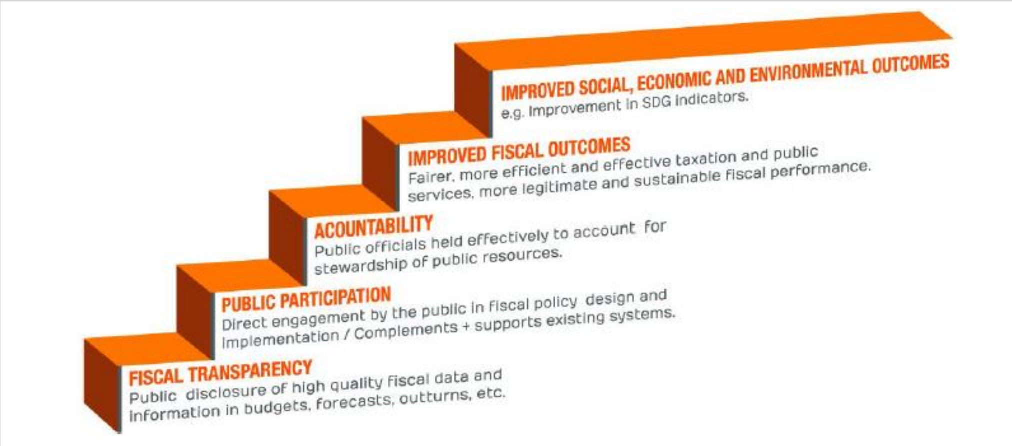
WHY IS IT IMPORTANT TO PRACTICE BUDGET TRANSPARENCY?

The International Budget Partnership (IBP) defines budget transparency as the "public availability of comprehensive and timely information about public finances", which allows citizens and civil society to understand how public money is raised and used. It also allows them to engage in monitoring and advocacy that can in turn shape policy and decision-making.[6] GIFT warns that lack of transparency can lead to limited government accountability and heightened fiscal risks.[7] Therefore, transparency acts as an enabler for the proper functioning of markets and governance. It allows for efficient resource allocation, imposes discipline on government behaviour, and plays a critical role in curbing corruption. It sends a powerful signal of trust to both citizens and investors.

Many international organisations have engaged in substantive research and set principles and standards for fiscal transparency. These provide normative frameworks and guidance to governments for achieving better transparency and participation, and equipping the public with the needed information to exercise scrutiny and accountability.

The following chapter provides a detailed overview of their work. The right to access information, notably fiscal, is part of any democratic process. It is a critical pillar for informed decision-making by citizens on issues directly impacting their livelihoods and well-being. Research conducted by the IBP has led to the conclusion that open budget practices are linked to greater equity and efficiency. Higher levels of transparency are associated with smaller deficits, lower borrowing costs and more credible accounting. Their research has also confirmed the role of public and civic organisations as central sources of information to citizens about government programmes, and their importance as watchdogs of government performance.[8]

Figure 1: The Global Initiative for Fiscal Transparency theory of change



Source: Global Initiative for Fiscal Transparency, 2018, The High-Level Principles on Fiscal Transparency, Participation and Accountability, www.fiscaltransparency.net/documents/GIFT-EHLP-9Feb18.pdf

Budget transparency has been increasingly regarded as an international good practice by several international organisations and a key entry point to proactive citizen participation and oversight, scrutiny, and accountability. Therefore a rising number of governments have committed to enhancing budget transparency and raised their efforts to disclose documents and data. Several have even incorporated transparency into their laws and regulations.[9]

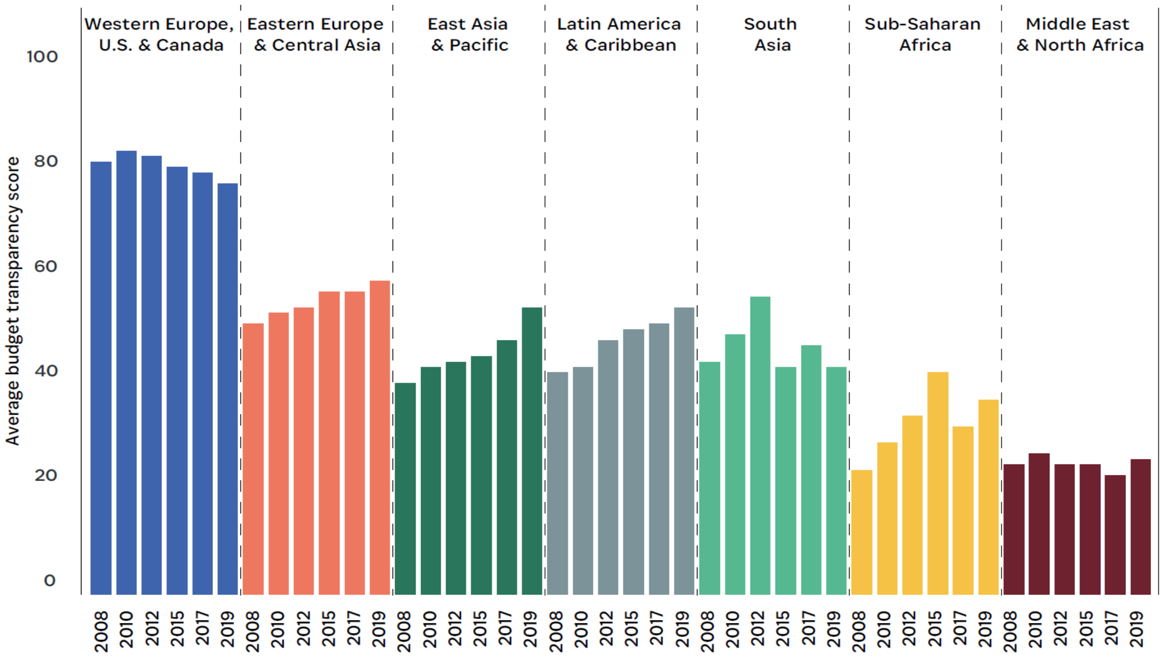
However, the Open Budget Survey (OBS) 2019[10] found only a modest global improvement in budget transparency, consistent with the overall trend measured by the survey over the past dozen years. This means that many countries were still not able to transform transparency principles into good practice. Levels of publicly available budget information remained insufficient, with a global average transparency score of 45 out of 100. The survey also confirmed countries' tendency to publish a higher number of documents related to budget preparation rather than execution, and less about high-risk areas such as fiscal risks, debt, and performance.

Challenges of transparency were further compounded by the lack of meaningful opportunities provided by governments for the public to use the information at hand and effectively participate in the budget process. Weak oversight exercised by the legislator and supreme audit institutions added to the obstacles to participation. In only 30 of the 117 countries surveyed by the OBS, the level of oversight was assessed as "adequate".[11] The purposes that budget information is used for and the results it achieves remain central questions to assess the effectiveness and relevance of budget transparency in any given country.

AN OVERVIEW OF BUDGET TRANSPARENCY AND PUBLIC PARTICIPATION IN THE MIDDLE EAST AND NORTH AFRICA

A closer look at the MENA countries reveals the region to consistently remain the least transparent (reference figure 2) in terms of budget transparency: only 44 per cent of the region's budget information is publicly available. In 63 per cent of the cases, documents are not publicly disclosed, are only available for internal use or not published in a timely manner.[12] Only Jordan scores 60 on budget transparency, which is the minimum benchmark for providing sufficient levels of information to support informed public debate. The lack of transparency is exacerbated by limited opportunities for engagement and the fact that the misuse of funds is not consistently penalised by regulators. In turn, citizens feel frustrated and take to the streets. This is shown by recent widespread protests across the region, usually aimed at denouncing governance failures, corruption and mounting inequalities.

Figure 2: Comparison in regional trends of budget transparency since 2008

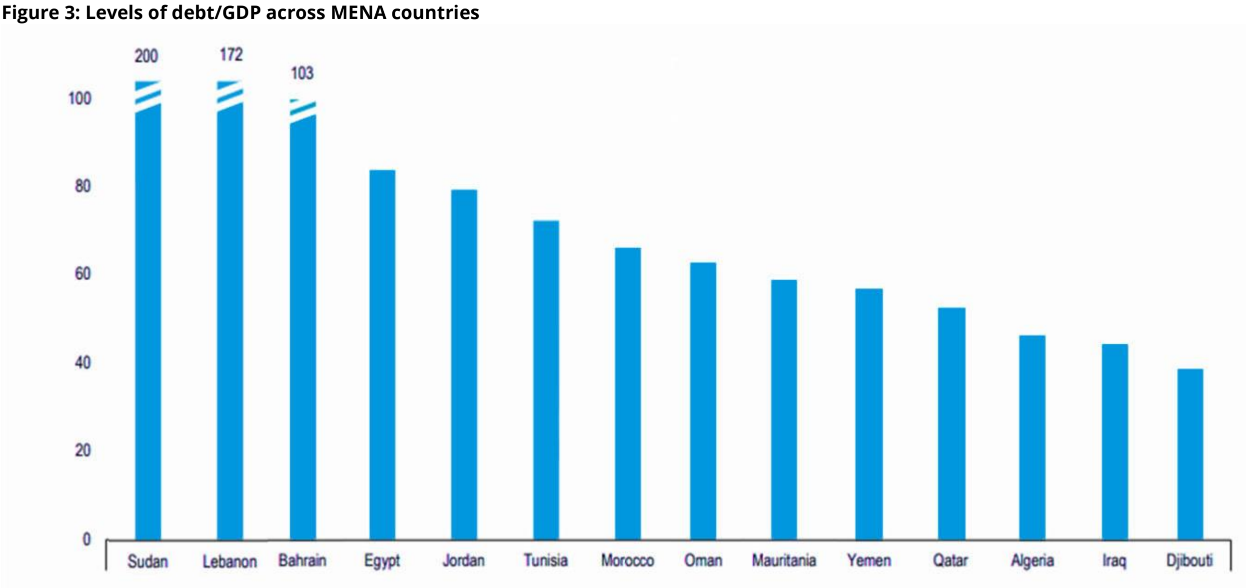


Source: International Budget Partnership, 2020, Open Budget Survey 2019, https://www.internationalbudget.org/open-budget-survey/open-budget-survey-2019-0

These challenges of public finance management (PFM) were further compounded by the COVID-19 pandemic that hit the world in 2020 and by the plunge in oil prices, which had a devastating impact on already-vulnerable economies across the MENA region. Estimates point to an average of 4.7 per cent economic contraction in 2020,[13] deficits in fiscal balances and rising vulnerabilities with long-lasting impact. Declines in oil prices have shattered wealth redistribution and subsidy schemes, leading to further inequalities and frustration among the population. The uncertainty about the nature and duration of both shocks has complicated the policy response and is forcing governments to deal with larger and more complex financial challenges.[14] Fragile and conflict-affected states have been hit harder. The pandemic has triggered a sharp drop in household income and highlighted limitations of existing health, social protection and education schemes and capacities.[15]

Mitigating the impact of these combined shocks – aggravated by existing structural deficiencies – requires fiscal measures and the reallocation of government spending. Priorities will have to be reset; tax and spending policies realigned. As of April 2020, most countries have already initiated additional revenue and expenditure measures. The size of fiscal packages varied significantly depending on available fiscal space. They averaged around 2.7 per cent of the GDP but high levels of public debt (reference figure 3) and fiscal stress are draining public resources and consequently constraining manoeuvre.[16]

Figure 3: Levels of debt/GDP across MENA countries



Source: IMF, 2020. World economic outlook database, https://www.imf.org/en/Publications/WEO/weo-database/2020/October/select-countries?grp=2400&sg=All-countries/Emerging-market-and-developing-economies/Middle-East-and-Central-Asia

But first and foremost, the policy response will require transparency in choices made to ensure citizen buy-in, contain further social unrest and ensure stability. The rush to act may push decision-makers to make policy choices that are not well-planned or that only provide temporary solutions, while the crisis requires decisive action that addresses existing shortcomings and offers sustainable solutions. This approach entails careful planning, evidence collection, transparency and engagement in order to regain public trust – the very objectives that drive the budget transparency agenda. The four countries of focus for this study – respectively Jordan, Lebanon, Morocco, and Tunisia – are already struggling with their own challenges such as high levels of poverty, unemployment, political instability, weak states and poor infrastructure.

Jordan has been grappling with subdued growth, estimated at around 2 per cent in 2018 and 2019 – lagging behind the estimated average growth for developing countries – and high unemployment rates of respectively 18.6 per cent in 2018 and 19.1 per cent in 2019, according to the IMF.[17] The country's economic prospects were dampened by the influx of Syrian refugees, who represented in 2016 about 10 per cent of the Jordanian population. Though the country's development has depended on foreign aid, Jordan recently committed to important structural and regulatory economic and financial reforms. These have been related to public procurement, public-private partnerships, decentralisation, gradual removal of subsidies and other measures. They have helped to raise Jordan's position to the top 20 performers in the World Bank's Doing Business 2020 report.[18]

The Ministry of Finance launched in 2018 a four-year strategy for modernising public finance management with the aim of securing long-term fiscal discipline, fostering policy-based budgeting, enhancing the role of the private sector and giving due consideration to citizen concerns to encourage voluntary compliance.[19] These efforts have been backed up by a US$1.3 billion International Monetary Fund (IMF) programme.[20] However, fiscal deficit at 5 per cent of GDP and weak fiscal performance have put Jordan's debt on a rising trend, reaching 88.3 per cent of GDP[21] in 2019. Both fiscal and current account deficits are expected to widen in 2020, challenged by the repercussions of the COVID-19 pandemic and weakened domestic demand.

While there is a robust relationship between democracy and transparency, Jordan is one of the very few countries showing that a non-democratic country can perform well in terms of fiscal transparency. It ranks 31 out of 117 countries, with an OBS transparency score of 61, which indicates that Jordan could be publishing enough material to support informed public debate on the budget. However, public participation is hindered in such political environments and this is reflected in Jordan's public participation score of 7/100 in the OBS 2019.[22] Against this backdrop, donors supporting Jordan's economic and social reform plans – notably the World Bank – are putting strong emphasis on enhancing citizen engagement.

In Lebanon since the early 1990s, the economy has grown at a moderate pace, but with high volatility in the face of frequent external shocks. These include a series of wars and more recently, the adverse effect caused by the influx of more than 1.5 million Syrian refugees,[23] representing around 40% of the Lebanese population. Its financial model was financed by short-term inflows and sizable twin deficits that pushed public debt to over 170% of GDP in 2019.[24] On the political side, the push-and-pull dynamic between consensus-sharing and a rentier economy – where exchange is dominated by the payment of rents for use of scarce resources owned by a small segment of the population – became the root cause of inefficiency and endemic corruption across Lebanese public administration. It is estimated to have cost the country around 9% of GDP annually.[25] Given these structural deficiencies and its inability to make the necessary reforms, over the past two years Lebanon faced some of its most severe economic, financial and social crises in recent history. In October 2019, nationwide protests erupted; these targeted institutional and governance failures, poor infrastructure and public service delivery, cronyism, widespread corruption and deteriorating socio-economic conditions. In March 2020, amid depleting foreign reserves, the Lebanese government defaulted on its sovereign debt and announced plans for debt restructuring. This has led to dramatic developments including an economic contraction estimated at more than 12 per cent in 2020, a liquidity crisis, national currency depreciation, unregulated capital controls and hyperinflation.[26] The humanitarian and social tolls were immediate as poverty and emigration rates started to rise as more than 48 per cent of the Lebanese population expected to fall into poverty.[27]

In terms of transparency and accountability, Lebanon performs poorly on all aspects of the OBS and stands at the bottom of the 2019 index, scoring 6/100 on transparency, 0/100 on participation and 18/100 on budget oversight.[28]

In addition, the COVID-19 pandemic and the recent explosion that destroyed the port of Beirut and devastated a large part of the city on 4 August 2020 – the third largest non-nuclear blast in history – added further pressure on the economic downturn, social flashpoints, and rising unemployment. Public anger has grown in the face of the incapacity of successive governments to act. As we conduct this study, both the people of Lebanon and the international community are requesting full transparency in public finance management, judicial matters, crisis management and all other areas of public affairs.

In response to this multifaceted crisis, Lebanon is negotiating a financial rescue package with the International Monetary Fund. It aims to roll back the recession, gradually put the country back on a recovery path, protect the most vulnerable and restore domestic and international confidence. This would entail structural reforms that target fiscal adjustment, public procurement and downsizing the public sector. The reforms would also aim to boost independence of the judiciary, restructure the banking sector and institute a set of regulatory reforms – all in full transparency.

On the other side of MENA, Morocco has been in recession for two consecutive years. GDP growth has slowed down from 3 per cent in 2018 to 2.3 per cent in 2019, driven by a contraction in the agricultural sector and high dependence on energy imports. Unemployment remained high at around 9.2 per cent, especially among youth and women.[29]

On the fiscal side, Morocco initiated in 2014 a strong fiscal consolation programme that allowed the country to enhance tax revenues, contain the wage bill and diversify the economy. The adoption of a new organic budget law in 2015 endorsed the practice of performance-based budgeting, supported by efforts to improve digitisation and transparency.

Despite a widening fiscal deficit in 2019, central government debt to GDP was contained at a sustainable level, slightly above 60 per cent and medium-term economic prospects appear rather favourable.[30] This is seen particularly when further reforms such as civil service reform, fiscal decentralisation and enhanced social safety nets are on their way.

Though Morocco officially joined the Open Government Partnership in 2018, presented a very ambitious three-year action plan and adopted legislation on the right for access to information, it still performs modestly in terms of budget transparency with a score of 43/100 in the OBS 2019. The country also lags behind in terms of public participation (6/100).[31] However, in 2019, the country implemented several new initiatives in the areas of open policy-making and fiscal openness that are expected to positively affect its performance and results in the next survey round.

Following popular discontent in July 2019, King Mohammed VI called for a government reshuffle and appointed in December 2019 a Commission for the New Development Model. This body had the task of delivering a comprehensive roadmap for reform based on extensive consultations by June 2020.

Tunisia has also been struggling with high inflation, wide social disparities and high unemployment rates – notably among women and youth. Several structural reforms were engaged to drive economic recovery. These included energy subsidy reforms, downsizing the public sector, pension reform and curbing corruption and illicit enrichment. Fiscal reform has also targeted the rationalisation of the tax policy, modernising the tax administration and the audit of public revenue. However, with high twin deficits, public debt on the rise and dependence on multilateral financing, the economy remains highly vulnerable to external shocks. The World Bank estimated an economic contraction of 4 per cent in 2020,[32] amid the adverse effects of the COVID-19 pandemic on the country's growth, tourism, employment and household vulnerability.

At the policy level, reform continuity is put at risk by a political change brought in by the 2019 election results and the formation of a new government in February 2020. This has been complicated by spillovers of instability in neighbouring countries, notably Libya and Algeria. However, since the 2011 revolution and the adoption of its new constitution in 2014, Tunisia has been committed to democratisation and to improving public governance though results remain uncertain. World Bank indicators of citizens' freedom of expression and association, and their capacity to participate in political life have achieved significant progress. This places Tunisia in a more favourable position than its regional peers. Accordingly, with a score of 17/100, Tunisia stands above the global average on public participation (14/100) on the OBS 2019 but still underperforms on budget transparency.[33]

These existing challenges, coupled with the dramatic downturn wrought by the COVID-19 pandemic and the risk of a second wave, call for decisive actions and bold policy choices that are capable of transforming public management towards restoring the social contract and state credibility. A push towards digitisation and data openness, transparency, and citizen engagement would be a major component among these actions.

DIAGNOSTIC REVIEW OF BUDGET REGULATIONS, PROCESSES AND PRACTICES

INTERNATIONAL FRAMEWORKS AND CRITERIA FOR ASSESSING BUDGET TRANSPARENCY

The drive to make state budgets more transparent for the benefit of society has mobilised several international organisations and campaigns across the globe. This section examines a set of benchmark criteria, published by international organisations, to frame the assessment of fiscal transparency across national and subnational governments.

The first attempt that aimed to evaluate fiscal transparency dates back to 1998 when the IMF introduced its *International Standards for Disclosure of Information about Public Finance*, driven by a global consensus that transparency is central to moving towards more effective governance systems.[34] This first set of standards was updated on several occasions,[35] and it has remained a reference framework for assessing the comprehensiveness and reliability of fiscal information, data and related policy decisions provided by governments. Several initiatives followed, including the *OECD Best Practices for Budget Transparency* (2001), the *Extractive Industries Transparency Initiative* (2002) (Annex 2), the *World Customs Organization Arusha Declaration* (2003), the *Open Budget Initiative* (2005), and the *Global Initiative for Fiscal Transparency* (2011) (Annex 1). As the initiatives and references are numerous, this section will cover only a selection of the most relevant to the scope of this study. The IMF's cornerstone initiative covered four pillars that were updated every couple of years. Table 1 provides an overview of the framework as defined in the latest version of the Fiscal Transparency Code,[36] with a specific focus on institutional capacities, the quality of published information and integration of fiscal risk management.

Table 1: The Fiscal Transparency Code criteria. The Fiscal Transparency Code was designed to provide guiding principles to the technical assessments that were later carried out using different instruments such as the fiscal transparency evaluations. Although widely used, the latter was not considered as the instrument of reference.

Pillar	Evaluation criteria
Fiscal reporting looks at three main types of documentation (budget execution reports, macro-fiscal statistics and financial accounts related to the government fiscal stance). A relevant fiscal reporting is built on a comprehensive coverage of fiscal activities, a timely and regular communication of budgetary data, in addition to consistent reliable and comparable accounts.	Coverage Frequency and timeliness Quality Integrity
Fiscal forecasting and budgeting requires the comprehensive presentation of policy objectives and credible projections of main fiscal indicators.	Comprehensiveness Orderliness Policy orientation Credibility
Fiscal risk analysis and management requires governments to foresee risks that might affect expected fiscal outcomes and to account for potential shocks through collecting, assessing and disclosing related information.	Risk disclosure and analysis Risk management Fiscal coordination
Resource revenue management asks the government to set in place a transparent governance system to invest, operate or initiate fiscal activity related to any natural resource sector.	Legal and fiscal regime Allocations, rights and collection of revenues Company reporting Resource revenue management

Source: International Monetary Fund, Fiscal Transparency Handbook 2018, www.elibrary.imf.org/view/IMF069/24788-9781484331859/24788-9781484331859/24788-9781484331859.xml?code=fth&redirect=true

Table 2: The set of criteria under the transparency pillar adopted by the PEFA assessment. The public expenditure and financial accountability tool (PEFA) remains[37] the primary tool used to assess the performance of public financial management (PFM) systems.[38] One of its seven pillars is dedicated to the transparency of public finances. Table 2 provides an overview of the criteria included under PEFA's transparency pillar.

Criteria	Scope of assessment
Budget classification	Assessing consistency with international standards, to make budget data comparable to other countries
Budget documentation	Assessing the comprehensiveness of annual budget documentation
Central government operations outside financial reports	Assessing the magnitude of off-budget spending and revenues, in addition to providing ex-post financial reports related to off-budget operations
Transfers to subnational governments	Assessing the transparency and timeliness of transfers to subnational governments
Performance information for service delivery	Assessing the relevance of performance indicators related to planning and execution
Public access to fiscal information	Assessing the comprehensiveness of fiscal information and data communicated to the public

Source: PEFA 2016, *Framework for Assessing Public Financial Management*, www.pefa.org/resources/pefa-2016-framework

Table 3: Key budget reports used for the Open Budget Survey (OBS) assessment of budget transparency. The OBS, developed by the International Budget Partnership (IBP), is another reference assessment that has been conducted in a consistent manner since 2005.[39] The OBS covers 117 countries, thereby allowing for greater monitoring and straightforward cross-country comparison. It mainly assesses public access to budget information across the budget cycle, based on eight key budget reports that are expected to be published throughout the budget cycle, as presented in this table.

Type of report	Scope of the report	Disclosure timeframe used as reference
Pre-budget statement	Defines the government's fiscal strategy as well as budget priorities for the upcoming fiscal years and linkages with the macroeconomic context.	To be published at least one month before the publication of the executive's budget proposal.
Executive's budget proposal	Translates the government's policy goals into actions paired to financing means. Considered the most important policy document issued by a country each year.	To be published at least three months before the start of the budget year.
Citizens budget	A non-technical document that summarises the main components of the budget, enabling civil society to actively engage in the policy discussion.	To be published in parallel to the executive's budget proposal or the enacted budget.
Enacted budget	The effective budget law as passed by the legislative body.	To be published as soon as the budget is approved by the legislature and no later than three months after its enactment.
In-year reporting	Provides "a snapshot" of budget implementation and information on effective spending and revenues in comparison witj the planned budget, usually on a monthly basis.	To be published one month after the end of the reporting period.
Mid-year reporting	Reports submitted about halfway through the budget year that provide justification for spending and revenues that deviate from initial estimates, along with updated figures and assumptions.	To be published six weeks after the end of the reporting period.
Year-end reporting	Also referred to as closing accounts, these reports provide information on the execution of the budget, budgetary outcomes and performance, the fiscal stance and assumption errors.	To be published six months to one year after the end of the reporting period.
Audit report	Reports usually conducted by independent institutions to examine the government's financial statements and its compliance with regulatory legislation. In some countries, the audit report also comments on the performance (efficiency and effectiveness) of budget execution.	To be published six months to one year after the end of the reporting period.

Source: International Budget Partnership, 2020. Open Budget Survey 2019, www.internationalbudget.org/open-budget-survey/open-budget-survey-2019-0

Table 4: Budget Transparency Toolkit main pillars. This OECD toolkit is the fourth instrument on budget transparency relevant to this study.[40] It proposes a more holistic approach that includes a comprehensive and historical overview of all transparency initiatives mentioned above and compiles an extensive summary of all benchmarked criteria, grouping them under five key pillars displayed in this table.

Pillar	Criteria
Clear budget information from government	Providing useful budget-related documents during the annual cycle
	Including the right financial information in budget-related documents
Parliamentary scrutiny and engagement	Benefiting from parliamentary engagement and scrutiny
	Supporting parliamentary capacity
Independent oversight and control	Management and internal control of public money
	Supporting the role of the supreme audit institution (SAI)
	An effective role for independent fiscal institutions
Openness and civic engagement	Making the budget information accessible to the public
	Using open data to support budget transparency
	Making the budget more inclusive and participative
Promoting integrity with the private sector	Opening up public contracting and procurement
	Accounting for revenues and expenditures in resource endowments
	Managing infrastructure investment for integrity, value for money and transparency

Source: Organization for Economic Co-operation and Development, 2017. Budget Transparency Toolkit, www.oecd.org/corruption-integrity/reports/oecd-budget-transparency-toolkit-9789264282070-en.html

A thorough review of the above references led to the selection of a set of criteria (available below in Table 5) from the OECD Budget Transparency Toolkit. This tool brings together the main dimensions of both the OBS and the PEFA to conduct the cross-evaluation for the purpose of this study. While the availability of data was critical to selection of the criteria, the study attempts to draw a comprehensive picture. Furthermore, the fiscal transparency and participation diagnostic for the four countries relied on the analysis of the results already made available by existing assessments conducted by international organisations (PEFA, IBP, IMF).

Table 5: Fiscal transparency assessment criteria used for the purpose of this study

#	Selected Criteria	Benchmark
1	Provision of budget documentation	The disclosure of budget documentation
2	Ensuring the quality of published information	Coverage, readability and comparability of published information
3	Ensuring comprehensiveness of information	Showing the full range of information relevant for fiscal decision-making and accountability
4	Policy relevance of budget information	Establishing clear linkages between policy objectives and budget allocations

5	Parliamentary engagement	Providing an acceptable level of parliamentary oversight/participation to budget formulation and budget execution
6	Supporting the role of supreme audit Institutions	Assessing the scope, access to information and level of audit
7	Making the budget information accessible to the public	Publishing simplified versions of highly technical fiscal reports
8	Open data	Making data available in usable formats
9	Opportunities for participative approaches across the budget cycle	Setting mechanisms and offering meaningful opportunities that allow public participation

Source: Organization for Economic Co-operation and Development, 2017. Budget Transparency Toolkit

DIAGNOSTIC REVIEW OF LEGISLATIVE FRAMEWORKS AND PRACTICES

The legislative frameworks of Jordan, Lebanon, Morocco and Tunisia were assessed against the set of fiscal transparency criteria presented in the above section (see table 5). In spite of numerous common characteristics, significant discrepancies in terms of budget transparency emerged from the country analysis. Uneven progress on the agenda of fiscal transparency may be linked to the political economy of reform prevailing in each country and to its respective institutional set-ups. In recent years, both Tunisia and Lebanon have witnessed massive popular revolutions and upheavals against corruption that have overthrown governments while the kingdoms of Jordan and Morocco enjoyed more political stability, which may have been more conducive for reform and modernisation.

Figure 4: The legal frameworks regulating budget processes in the four countries of focus

	Before 2000	2005	2010	2015	2020
Jordan	Constitution of 1952 (amended)*		**2007:** Law No. 47 Guaranteeing the Right to Obtain Information **2008:** Organic Budget Law no.58		2016: Constitution of 1952 amended (adopted)
Lebanon	Constitution of 1926 (adopted) **1963:** Public Accounting law 1963				**2017:** Access to Information law
Morocco	Constitution of 1962**			**2011**: New Constitution (adopted) **2015:** Organic Budget law no. 130-13	**2017:** Draft Law on Access To Information
Tunisia	Constitution of 1959 (amended)*** **1967:** Organic budget law no. 67-53	**2004:** Organic budget law no. 2004-42		**2014**: New constitution (adopted)	**2016:** Right to Access Information Law (Law no. 2016-22) **2019:** Budget Organic law no. 2019-15

*was amended in 2011 and 2016
**see: http://constitutionnet.org/country/morocco
**has been amended many time, the first being in 1965 and the last in 2008 (Republic of Tunisia Presidency of the Government, http://www.legislation.tn/fr/content/constitution-de-1959-et-les-constitutions-pr%C3%A9c%C3%A9dentes)

Despite being the best performer across the MENA region and scoring consistently above the global average on budget transparency, Jordan seemed to be persistently struggling to publish the eight budget-related documents in a way that is consistent with international standards and ensuring fiscal sustainability. Though it managed to sustain a relatively upward trend (reference figure 5) and deployed tremendous efforts to formalise public participation in the budget formulation, citizens still enjoy few opportunities to actively engage in the budget process as formal mechanisms have not yet been institutionalised.

The legislative frameworks of Morocco and Tunisia have introduced a set of structural changes in both countries. However, Morocco still has a long way to go in terms of transparency. The country still lags behind the benchmark target set by the IBP as a sufficient level of transparency.[41] The progressive entry into force of the Organic Budget Law No. 130.13 (2015)[42] has allowed Morocco to achieve several steps forward in budget transparency and budget oversight. It has notably strengthened the oversight role of Parliament and the Court of Accounts, though it remains “limited”.[43.] The new law has also introduced a medium-term perspective and framework into budgeting. All these measures have paved the way for improving public accountability. However, little progress has been achieved in terms of citizen participation.

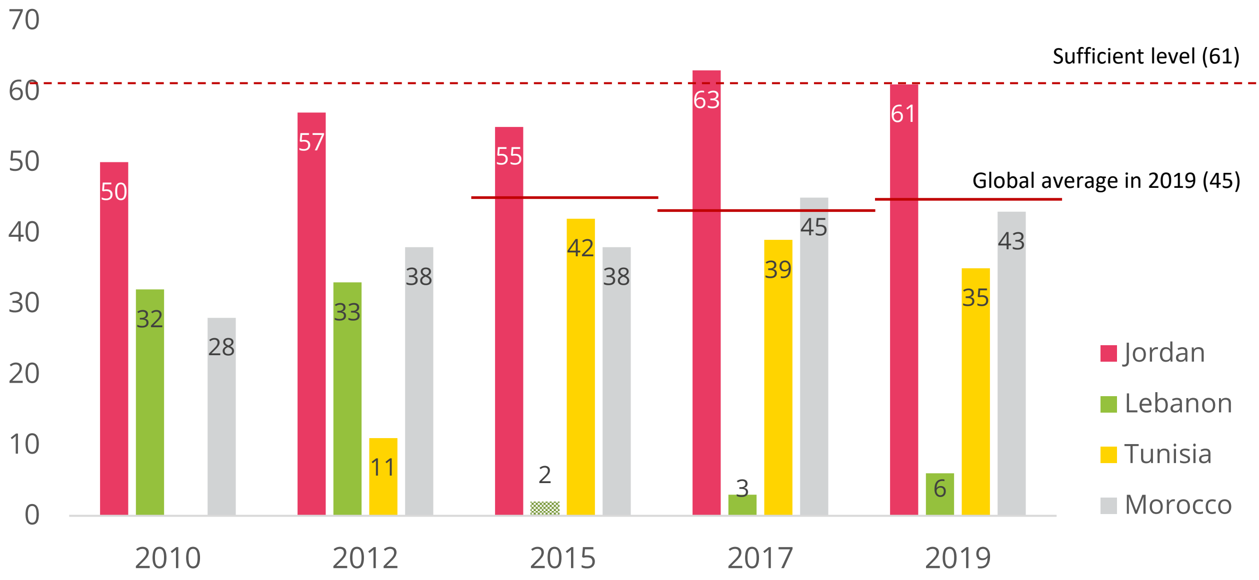
Tunisia meanwhile is struggling to maintain its previously attained level of budget transparency: after achieving significant improvements between 2012 and 2015, with a score increase from 11/100 to 42/100, the country started to witness a downward trend in its OBS score since then.[44] The setback could be justified by the decrease in the quality of published data caused by political and institutional instability. On one hand, constant cabinet reshuffling weakened the political commitment to the transparency agenda. On the other hand, macro-vulnerabilities and the budget reform agenda were the top priorities of the Ministry of Finance, which overthrew transparency considerations. However, Tunisia appears to be redirecting its path in the coming years towards further fiscal transparency, as the organic budget law[45] has institutionalised the publication of several key budget documents.

Lebanon offered a unique country case where public finance management was in total disarray and fiscal policy was captured and lacked basic accountability.[46] Accordingly, its budget transparency score reached a historic low in 2015 (2/100). Despite a slight improvement in 2019 reaching (6/100), Lebanon remains among the least transparent countries in the world.[47]

Not only did the country fall short on passing budget laws for 10 consecutive years (2006 to 2016), but it also failed to produce closing accounts since the early 1990s. With its accumulation of fiscal policy malpractices, public funds mismanagement and lack of accountability and oversight, the country now faces an unprecedented fiscal crisis resulting from recurrent and growing deficits and large amounts of off-budget spending.[.48]

The following analysis explores the status of budget transparency in these countries based on the above nine criteria and investigates the reasons behind their uneven performances as well as the potential areas of improvement.

Figure 5: Budget transparency score



Source: International Budget Partnership, 2020. Open Budget Survey

The provision of budget documentation

A sound PFM system is a key element of a well-functioning state. Civil society organisations and citizens should be enabled to easily monitor the fiscal activities and performance of their government. Therefore, authorities are expected to produce and disclose fiscal reports in a transparent and timely manner to inform better scrutiny and to allow for more effective accountability.

The Jordanian government produces all required budget documentation (reference table 8), though accessibility and comprehensiveness need to be enhanced. The mid-year review is produced but kept for internal use.[49] This has pushed down Jordan's transparency score for 2019 (reference figure 4). Such practices hinder the legislature's capacity to exercise its monitoring and oversight role and to actively engage in taking corrective measures during budget implementation. In addition, the year-end report misses critical information on the real outcomes of macroeconomic forecasts and on non-financial indicators. This discrepancy can be attributed to the inaccuracy of baseline assumptions; a practice used to justify inflated budget appropriations or to artificially reduce expected deficits (reference table 6). Country data points out to recurrent deviations in real economic growth assumptions against the end-of-year outcome, knowing that these assumptions constitute the baseline that defines revenues and spending projections. Medium-term assumptions register even more significant deviation errors.[50]

Table 6: Jordan budget circular assumptions vs outcomes

Indicators	Assumptions in relation to budget circulars	Effective outcome
Real economic growth (2017)	3.3%	2.1%
Real economic growth (2018)	2.1%	1.9%
Real economic growth (2019)	2.5%	2.0%

Sources:
Jordanian Ministry of Finance, 2017, 2018, 2019. Budget circulars
International Monetary Fund, 2020. World Economic Outlook Database 2019

Morocco and Tunisia do not meet international standards in the production and disclosure of budget documentation. While Tunisia failed to publish its pre-budget statement, Morocco didn't manage to disclose the document in a timely manner,[51] which means that neither the executive nor the legislative were consulted on policy priorities, and that they adopted fiscal parameters and economic forecasts used as assumptions for budget formulation.[52]

Both countries publish budget circulars that contain little detail about the macroeconomic forecasts and usually register significant deviation from effective outcomes. Both governments also failed to produce their mid-year review and kept the year-end report and audit report for internal use only. These practices partially explain the limited oversight performed during budget formulation and very weak oversight during the implementation phase.

Table 7: Morocco budget circular assumptions vs outcomes

Indicators	Assumptions in relation to budget circulars	Effective outcome
Real economic growth (2017)	N/A	4.2%
Real economic growth (2018)	3.2%	2.9%
Real economic growth (2019)	3.6%	2.2%

Sources:
Moroccan Ministry of Finance, 2017, 2018, 2019. Budget circulars
International Monetary Fund, 2020. World Economic Outlook Database 2019

On a different scale, Lebanon's slight improvement is far from significant. The country continues to perform among the least transparent countries since it hasn't produced a pre-budget statement, mid-year review or audit report. Lebanon has only successfully published the citizen budget and the year-end review in a timely fashion, while other key documents were kept for internal use or published with long delays.[53]

The country also publishes a selection of specific reports on major areas of spending such as personnel cost and Electricité du Liban – a state-owned enterprise that costs the treasury around US$2 billion each year. However, the publication of these reports suffers from long delays.

The opacity in public finance reporting that prevailed over the last decade has crippled the capacity of civil society organisations to monitor budget formulation and execution; consequently it has contributed to the build-up of the current crisis prevailing in the country.

Table 8: Public availability of budget documents

Documents	Jordan	Lebanon	Morocco	Tunisia
Pre-budget statement	Available to the public	Not produced	Published late, or not published online, or produced for internal use only	Not produced
Executive's budget proposal	Available to the public	Published late, or not published online, or produced for internal use only	Available to the public	Available to the public
Enacted budget	Available to the public	Published late, or not published online, or produced for internal use only	Available to the public	Available to the public
Citizens budget	Available to the public	Available to the public	Available to the public	Available to the public
In-year reports	Available to the public	Published late, or not published online, or produced for internal use only	Available to the public	Available to the public
Mid-year review	Published late, or not published online, or produced for internal use only	Not produced	Not produced	Not produced
Year-end report	Available to the public	Available to the public	Published late, or not published online, or produced for internal use only	Available to the public
Audit report	Available to the public	Not produced	Available to the public	Published late, or not published online, or produced for internal use only

Not produced

Available to the public

Published late, or not published online, or produced for internal use only

Source: International Budget Partnership, 2020, Open Budget Survey

The quality of published information

The ultimate purpose of reporting is to provide decision-makers with solid ground to design effective policies or take corrective measures for readjusting ongoing policy implementation. Therefore, adherence to a strict set of internationally recognised rules and standards is recommended to ensure the quality of data and information as well as historical consistency.

In Morocco, budget classification follows a national set of classification that is consistent over time and allows for national comparison. However, this classification is not in line with international standards such as the IMF's Government Finance Statistics, therefore undermining its international comparability. A first step to bring Moroccan classification closer to international standards should foresee a more comprehensive accounting of assets and liabilities in the budget. On a positive note in terms of the scope of fiscal reporting, only Morocco manages to ensure full institutional coverage, a practice rendered obligatory by Article 12 of the organic budget law.[54] Such provision is expected to bring below 5 per cent the level of unreported off-budget spending and revenue identified in the PEFA assessment (2016), which was conducted before the new law entered into force.[55]

All other countries registered significant unreported spending. The economic classification in Jordan (in both the budget report and the year-end report) is not disaggregated for military and security expenditures, which represent 26.1 per cent of the total budget. Other categories of spending, such as one defined as "other miscellaneous expenditures" (3.2 per cent of the total budget) does not match the economic classification adopted by the *Government Finance Statistics Manual*. The administrative breakdown of spending lines ensures full institutional coverage except for public universities, which are subordinated to the Ministry of Higher Education and Research. The budget appropriation of the latter is limited to the net contribution of the treasury at 72 million Jordanian dinar (US$101.5 million) in the 2020 budget, while the total budget of these entities is equivalent to almost 10 times this amount. Unreported off-budget spending hinders the transparency of fiscal accounts, in particular when such activities amount to almost 7 per cent of the total budget.[56]

Similarly, fiscal reporting in Tunisia does not meet the international standards for institutional coverage and comparable budget and accounting classification. On one hand, fiscal statistics are not produced for extrabudgetary entities (2,621 entities) and fiscal data is not consolidated for subsectors and financial and non-financial sector public corporations (100 entities).[57] On the other hand, budgets before 2020 did not include a functional classification, while the economic classification was not compatible with international standards and not harmonised across the general government or the public sector.[58,59] Following the ratification of the new organic law, the budget classification is under review in Tunisia.

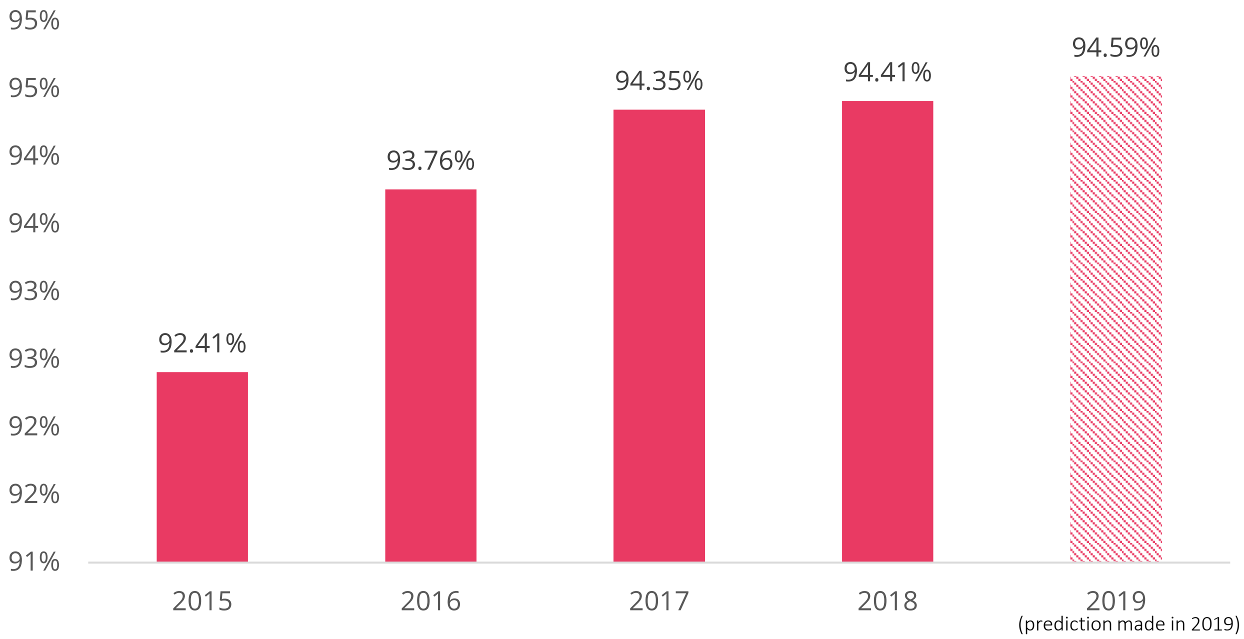
Finally, Lebanon registers the largest share of unreported spending: officially classified off-budget spending is equivalent to more than 16% of total budget,[60] while many public institutions operate outside the budget[61] and manage substantial amounts of public funds that are not submitted to the legislature's approval or reported into consolidated data. On top of that, the quality of budget and accounting classifications is compromised by the absence of an integrated information system that centralises and integrates fiscal data. This partially explains the unavailability of in-year implementation reports.

The comprehensiveness of information

The focus of fiscal reporting is to source all available data and provide a comprehensive diagnostic on the status of public finances. Scattered and disintegrated data compromises the quality of information and considerably increases the risk of unforeseen and unaccounted spending.

The Government of Jordan (GoJ) is working to considerably reinforce its position in terms of transparency: it produces and publishes a full range of information on revenues, expenditures, guarantees and cash flows. It is also working towards shifting to accrual accounting in compliance with the International Public Sector Accounting Standards (IPSAS).[62.] However, Jordan does not provide a comprehensive listing of its non-financial assets or its committed arrears. It does not publish any counting or valuation of its financial assets (such as cash, bonds or equities), nor does it provide necessary information about its future certain liabilities or contingent liabilities related to public-owned enterprises or public-private partnership (PPP) projects.[63] Lastly, multiyear expenditure estimates are not included in the pre-budget statement. In spite of the considerable amount of fiscal information that is published in a consistent and timely manner, the GoJ was still unable to put state finances on a sustainable path, with a debt to GDP ratio that was expected to reach 95% in 2019 (reference figure 6).[64] Corrective measures should encompass but not be limited to a more comprehensive assessment of the state finances, which would go beyond financial activities related to a single fiscal year.

Figure 6: Historical evolution of debt to GDP ratio in Jordan



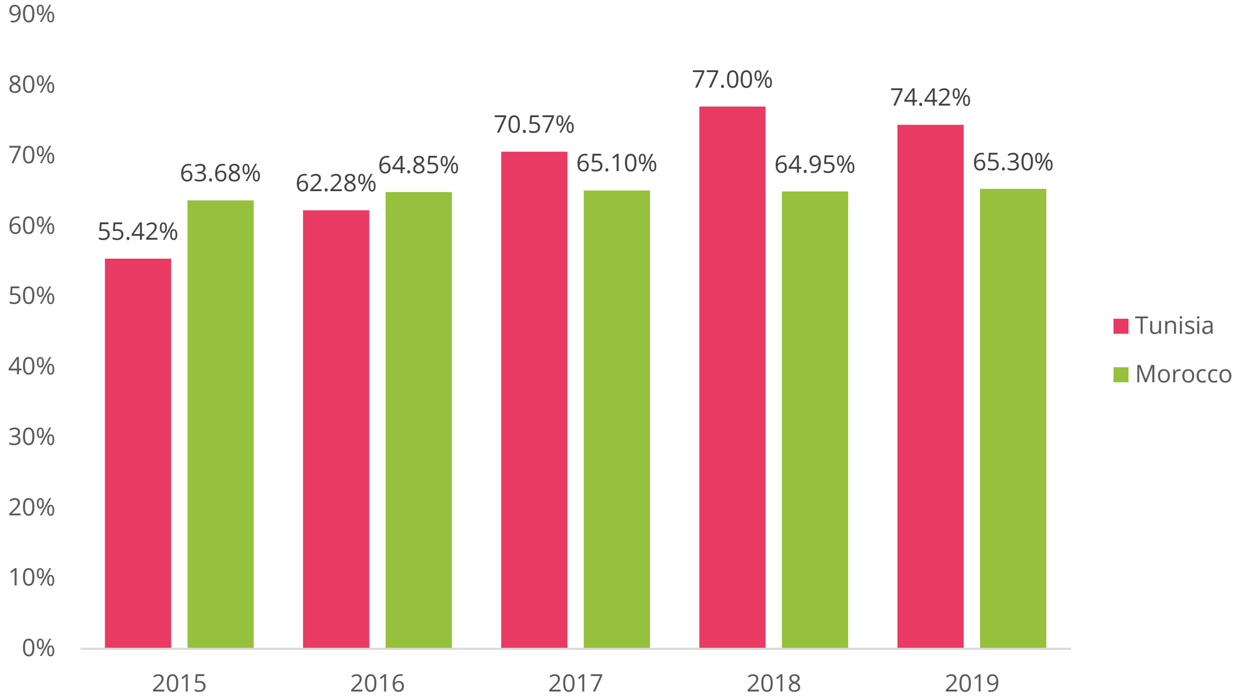
Source: International Monetary Fund, 2020. World Economic Outlook Database 2019

Tunisia[65] and Morocco[66] under-reported assets and liabilities and failed to produce and disclose information about non-financial assets and expenditure arrears.

+ Information related to financial assets including bonds held by the government is fragmented and no analysis on associated risks is provided.
+ Fundamental information related to contingent liabilities (such as government loan guarantees or insurance programmes) or future liabilities is not presented in any budget document and is not communicated to the public. This impedes the overall assessment of fiscal risks.

Though both countries sustained a contained debt trajectory so far (reference figure 7), fiscal risks that are unaccounted for could inflate the fiscal burden in the event of any contingent liability.

Figure 7: Historical evolution of debt to GDP ratio in Tunisia and Morocco



Source: International Monetary Fund, 2020. World Economic Outlook Database
www.imf.org/external/pubs/ft/weo/2019/02/weodata/weoselgr.aspx

In Lebanon, challenges were not solely related to reporting risks and liabilities, which included unpaid 'silent dues' to a number of public institutions (such as the National Social Security Fund) and payment arrears to municipalities and suppliers. They were also linked to unconsolidated data on overall financing needs including budget deficit, treasury deficit and the repayment of debt principals; when accumulated, they could exceed the total amount of the budget.

Lebanon's downward trend was mainly characterised by the scattering of fiscal accounts and unreported fiscal risks[67] of Eléctricité du Liban – a major contributor to the country's debt. As of 2018, the Government of Lebanon (GoL) was not able to sell affordable treasury bills on the financial markets, which put an additional burden on its treasury. The opacity resulting from noncomprehensive fiscal reporting drove away creditors and further hindered the oversight function. This left the legislature with confusing figures on budget deficit (around 5 per cent of GDP), fiscal deficit (around 11 per cent of GDP)[68] and financing needs (about 30 per cent of GDP)[69] and paved the way for the country to default for the first time in its history on debt repayment in March 2020.

Weaknesses in Jordan[70] and Tunisia were also identified in terms of structured reporting on fiscal risks and contingent liabilities, putting them in danger of seeing their public spending veer off a sustainable course. Both governments will consider putting substantive efforts into identifying and quantifying major contingent liabilities stemming from public-private partnerships and state-owned enterprises if they do not wish to make a detour from their fiscal paths.

Policy relevance of budget information

The state budget is technically the financial instrument through which policies and plans are turned into reality and the use of performance information helps governments put forth the linkages between policy objectives and spending. For citizens to fully understand those linkages and hold their governments accountable, and for oversight institutions to exercise better scrutiny, the provided performance information needs to meet international standards and allow for tracking results against targets. Fully integrated classification systems and frameworks of performance budgeting are becoming benchmarks in the field.

Jordan, Morocco, and Tunisia have all engaged on the path of programme and performance-based budgeting, providing a useful context to budget choices.

Jordan adopts a mixed budgeting approach, which displays expenditure information based on both line-items and programmes. This approach allows the government to establish linkages between policy choices and financial planning. However, it fails to provide data on performance indicators. This remains – in the eyes of many international experts – a matter of narrative.

In line with Law No. 58/200871 Regulating Budget Procedures, the budget speech related to the law should include a brief explanation of the government's policy choices and objectives in addition to expected outcomes, in coherence with national priorities. The budget law also includes all strategic objectives and related programmes and activities broken into chapters. Enacted budgets are formulated in conjunction with high-level strategic goals for the government, giving a tangible meaning for financial planning. In contrast to line-item budgeting, the GoJ's mixed-budgeting approach provides citizens and decision-makers with better information about the purpose of spending, which goes beyond functional, highly standardised and generic classification. This approach also allows the government to provide a spending breakdown by geographical distribution across governorates, by gender and by specific target groups such as programmes for children. Compared to regional standards, the GoJ is performing well in linking budgeting to policy objectives. However, considerable effort is still needed to shift towards performance budgeting and provide assessment against specific targets for policy outcomes.

Morocco and Tunisia, in the framework of their organic budget laws, have also adopted practices inspired by performance budgeting but deviating from the internationally recognised practice and benchmark. According to articles 39 and 40 of the Moroccan Organic Budget Law No.130-1372, programmes and projects are presented with their respective objectives and indicators in the related performance projects. These are submitted to parliamentary commissions and set out in chapters in the budget proposal presented to the parliament. However, programmes are defined within one ministry or institution. They are likely to miss out on the cross-cutting approach relative to performance budgeting, except for the gender-based budgeting that receives specific attention in Morocco. To improve policy relevance of budget information Lebanon should adopt integrated classification systems and frameworks of performance budgeting.

In Tunisia, expenditures are classified according to the beneficiary population (disabled, elderly, children, women), in an effort to align public spending to policy priorities and to address inequalities. Performance information is compiled in the Projets Annuels de Performance (PAPs). For each programme, several output indicators are provided with their related target values over a period of two years. However, PAPs are not attached to the budget law and only published on an adhoc calendar following its adoption,. Their integration into the budget is therefore a needed step forward for Tunisia.

Both countries still suffer as well from weak linkages between the government's policy goals presented in the executive's proposed budgets and medium-term planning. To address this problem Tunisia will include a medium-term budgetary framework in its budget annexes and as of 2020, in application of Article 46 of the new organic budget law.

Lebanon is the only country that still adopts line-item budgeting. Therefore, linkages with policy objectives are vague. An attempt at creating a shadow programme budget for spending on education was tested between 2008 and 2011 within the Ministry of Education. However, it could not be sustained or expanded to other ministries because the country did not pass a budget law during that period. To improve policy relevance of budget information Lebanon should adopt integrated classification systems and frameworks of performance budgeting.

Parliamentary engagement

Parliament is a key budget institution and its engagement in the budget cycle is a fundamental element of the democratic process. As representative of the people, the parliament is required to ensure that citizens' interests and needs are accounted for in the budget law and that value for money is achieved. Parliamentary scrutiny of budget execution is also crucial for making sure policies realise their intended results and offers a safeguard against corruption and mismanagement.

Legislative oversight remains limited in Jordan, Morocco and Tunisia, and weak in Lebanon, according to the latest Open Budget Survey.

In all four countries, parliaments engage in the budget formulation process and exercise their legal authority to amend the executive's budget proposal.

Sufficient timing is allocated to parliamentary scrutiny of the budget proposal, ranging between six to eight weeks. Budget and finance parliamentary commissions are mandated to examine budget proposals and propose amendments prior to their vote.

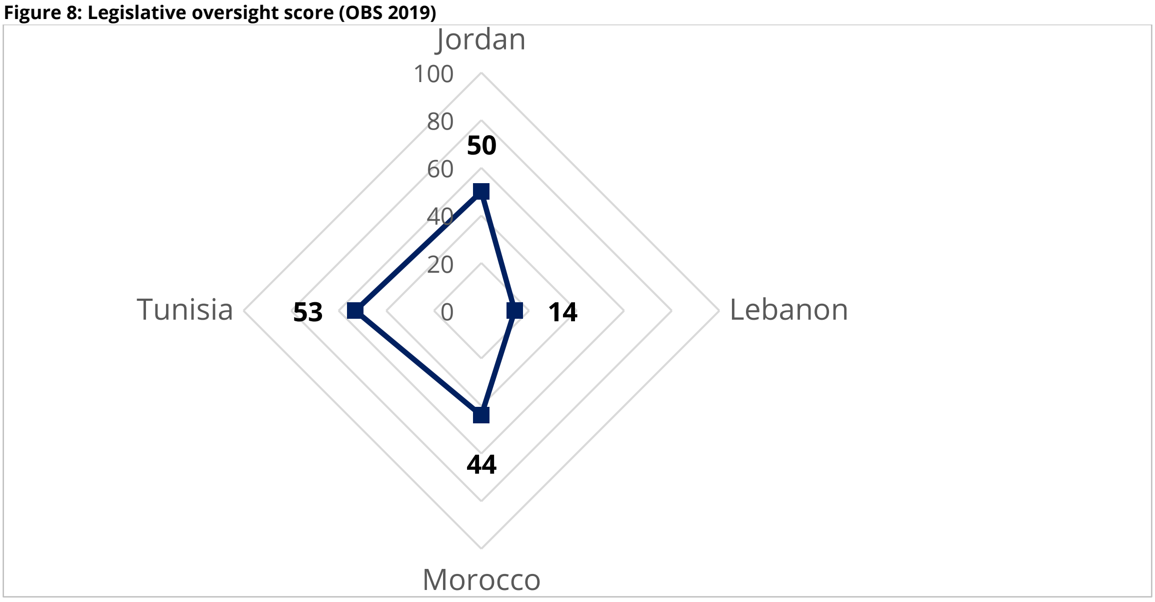
However, in practice no budget was recently voted on within constitutional deadlines in Lebanon, even though the country resumed a full budget cycle in 2017.[73] The absence of budget approval by the Parliament for over 10 years has substantially undermined its role in the budget process and paved the way for dysfunctional fiscal policies and budget practices.

Similarly, in Jordan and Lebanon the parliament and legislative committees do not contribute to debate around budget policy and fiscal orientations prior to budget formulation by the cabinet. On the other hand, the new organic budget law in Morocco has mandated discussion of medium-term fiscal policy orientations with the legislative commissions (Article 47). Through instruments such as three-year-term budget frameworks and preparation of annual performance reports and performance audit reports, Morocco was able to reinforce Parliament's engagement and its scrutiny of budget preparation and execution.

Several loopholes still need to be addressed in order to strengthen the engagement of parliaments across the four countries. These include:

1. **Jordan:** In-year reporting is not examined by the parliament, which undermines its oversight role and raises questions about the relevance of extensive budget reporting by the government if it is not put into effective use. The role of Parliament was further weakened during the pandemic lockdown.
2. **Lebanon:** Reports of the legislative committees, notably that of the budget and finance committee over the executive budget proposal are not made available to the public.
3. **Morocco:** Sector-specific legislative committees (such as health, education, defence) are informed of programmes related to their respective areas of expertise but they are not called upon to benchmark proposed programmes against national priorities and policy objectives. For better transparency, legislative committee reports on proposed multiyear programmes or the executive-produced examination of in-year reports should be made publicly available (online). For better accountability and control, Parliament should be consulted on budget variations and the movement of funds among ministries (for over-spending and under-spending). In current practice, Parliament is only informed.
4. **Tunisia:** Overspending, underspending and the transfer of appropriations across ministries or administrations is not tied to parliamentary approval.

Figure 8: Legislative oversight score (OBS 2019)



Source: International Budget Partnership, 2020. Open Budget Survey 2019

Supporting the role of supreme audit institutions

Supreme audit institutions (SAIs) are expected to perform independent, timely and quality audits, assessing budget execution compliance with applicable laws and regulations and its performance against set policy objectives.

To perform their role effectively, SAIs need to be endowed with independence and unrestricted access to information and granted with consistent human and financial resources. They should be able to engage with a variety of stakeholders (including parliament, media and civil society), providing them with relevant and timely information on their findings.

The role and efficiency of SAIs across the four countries is uncertain.

Morocco scores the highest among the four countries, on the 2019 OBS in terms of audit oversight (reference figure 9). However, there is still room for improvement. Although the Court of Accounts enjoys independence and financial autonomy and performs compliance and performance audits, its independence can be further strengthened by making the appointment or removal of its head subject to legislative or judicial approval. It is currently regulated by a royal decree (dahir).[74]

In Tunisia, the Court of Accounts enjoys independence from the executive as well as unrestricted and timely access to records, documentation, and information. It also has full discretion for the selecting the audits it conducts. It issues an annual statement of conformity between the government general accounting statement (maintained on a cash basis) and the public administration financial accounting statement (maintained on an accrual basis) while respecting the comprehensiveness, accuracy, and consistency of data. It also submits an annual report to the parliament. The 2019 organic budget law has granted more power to the Court of Accounts and reinforced its financial and administrative independence, with the aim of limiting the executive's influence[75] over the audit institution.

In Jordan, the Audit Bureau is by law an independent government agency that has the right to examine and audit any agency that deals with taxpayers' money. It can issue qualitative reports, excluding public-private partnerships and companies where the government owns less than 50 per cent of the shares. In comparison to the region's average, it is performing well despite regular delays in the submission of reports.[76]

But in practice, the Audit Bureau is not totally independent. The executive has the authority to recruit or discharge the head of the bureau without the final consent of parliament or another judicial authority. It also has an influence on the bureau's budget and funding level because the latter is bound to submit its budget to the Ministry of Finance (under chapter 0401), which is later validated by the executive and parliament. Finally, the funding level currently allocated to the bureau to perform its duties does not meet projected financing needs.[77]

In Lebanon the situation is specific to the country and the SAI, represented by the Court of Audit, provides very weak oversight. According to the Public Accounting Law (1963), the Court of Audit submits year-end financial accounts to the legislature ahead of the promulgation of the budget. However, the last officially closed fiscal accounts date back to 2003. End-year reports for the period between 1993 and 2016 have only been sent by the Ministry of Finance to the Court of Audit in April 2019. This was done with a mission to prepare the statement of accounts to be approved by Parliament before the vote on the next budget law and audit spending between 1993 and 2017. No statement of accounts and no audit report have yet been issued by the court to date.

Therefore, in the past years, no audit report has been submitted to the Lebanese Parliament, undermining accountability at all levels of the budget cycle and entrenching a culture of non-transparency.

In addition, the Court of Audit produces only compliance reports and not performance audit reports. The audit standards adopted in the current reporting systems are not in line with international standards. Its current role mainly focuses on compliance control of procurement contracts, prior to spending; a role that duplicates the expenditure control performed by the Ministry of Finance. This could be resolved by automating control procedures.

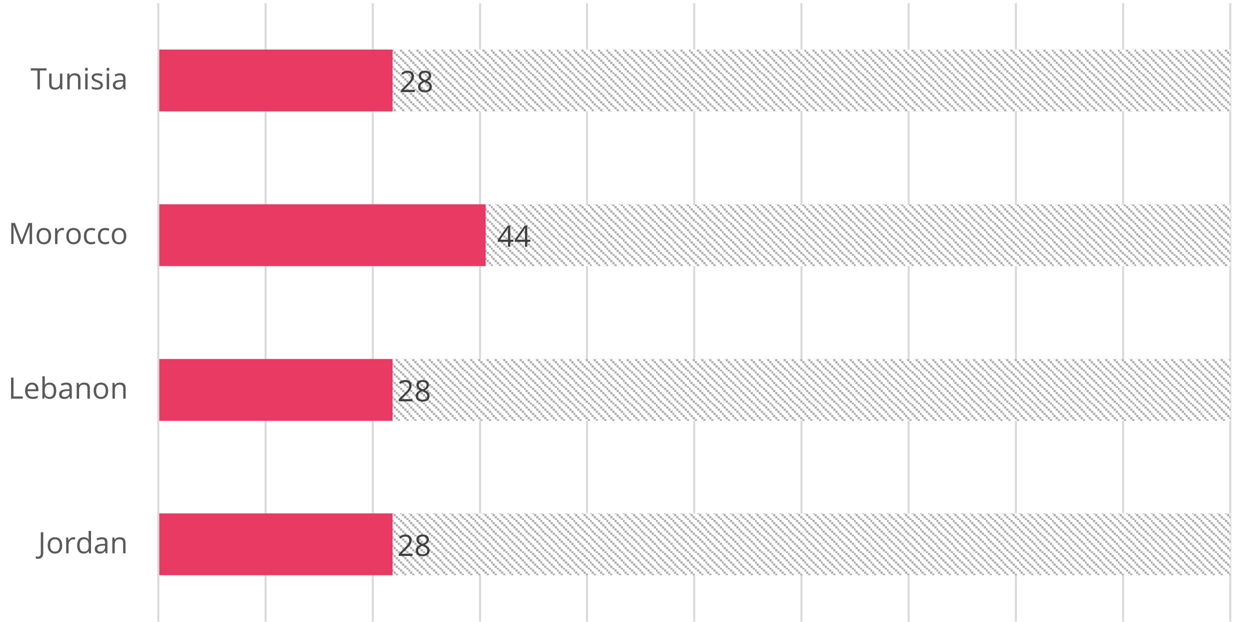
At an administrative level, the Court of Accounts does not have statutory independence from the executive but operates under the premiership of the presidency of the Council of Ministers. The council's president is appointed by "virtue of a decree issued by the Council of Ministers upon the proposal of the Prime Minister" (Article 4 of the Court of Audit

Decree 82), over which it is expected to exercise scrutiny. However, the president's revocation is subject to the approval of the legislature or judiciary.

It can be concluded that the independence and capacities of SAIs across the four countries need strengthening to improve audit mechanisms, scope, and timeliness. This would contribute to curbing corruption, fraud and waste of public resources.

Citizen participation has not yet been integrated within the process of audit and oversight in any of the countries. All four could gain from establishing formal mechanisms for public participation in relevant audit investigations and developing SAI audit programmes. Informational sessions with external stakeholders such as civil society representatives could integrate their perspective into the audit and strengthen audit proceedings.

Figure 9: Audit oversight score (OBS 2019)



Source: International Budget Partnership, 2020. Open Budget Survey 2019

Making budget information accessible to the public

Availability of data does not guarantee its accessibility. The simplicity and straightforwardness of published information and the extent to which it is understandable to decision-makers and the public is a key component of budget transparency.

The four countries produce and disseminate citizen friendly guides to the budget, also referred to as the Citizen Budget. The documents aim to convey key budget information to the public in a clear and simplified manner. Historically, Jordan took the lead and it has been committed to publishing citizen budgets since 2011,[78] followed by Morocco (2012), Tunisia (2013) and Lebanon (2018).

While international standards recommend that countries publish citizen friendly reports at each phase of the budget cycle (formulation, approval, execution, and audit), Jordan, Tunisia[79] and Lebanon release their citizen budget for the enacted budget only. Morocco is one of the few countries that achieved a major leap forward in 2015 as it started publishing citizen budgets for several stages of the budget process: the first for the executive's budget proposal, another for the enacted budget and lately a third one for the Settlement Budget Law (available for 2016 and 2017),[80] therefore providing Moroccan citizens with full accessibility to simplified fiscal data.

The approach used to develop these citizen budgets from one country to the other has shown some variation. For instance, civil society representatives in Tunisia have provided substantial feedback on several occasions along with comments on the draft document, which were later incorporated in the final published version.[81] In Lebanon, an online survey was circulated. In addition, roundtable discussions with CSOs, diplomats and international donors were organised to gather feedback and improve the quality of the publication and better meet end-user needs. Despite these efforts, no formal mechanisms were established to identify what kind of information the public needed in the citizen budget.

Jordan[82] and Morocco[83] however have put in place mechanisms to identify public requirements for information included in the citizen budget. In practice, the design of these initiatives did not reap the expected results. Jordan provided an online channel for citizens to submit their feedback and Morocco organised meetings with selected civil society representatives.

In terms of other budget documentation,[84] all countries ensured a significant level of consistency in report structure and layout that allows for historical comparison and monitoring.

Open data

Fiscal transparency principles call for data to be published in a machine-readable format to allow users to compare, combine and establish linkages among different data sets. Providing access to interoperable and reusable data would increase its reproducibility, advance its analysis (meta-analysis) and pave the way for a more effective and informed input from citizens and non-state participants to the public debate on fiscal policies.

The four countries still have a long way to go to meet the requirements of open budget data, though Morocco[85] and Tunisia[86] have both joined the Open Government Partnership and committed to open data. The below table provides an overview of the status of open budget data in the four countries, based on selected criteria of open data requirements.

Table 9: Status assessment of budget open data in Jordan, Lebanon, Morocco and Tunisia

Key budget document	Available in machine readable format				Published timely				Disaggregated				Availability of historical data				Freely accessible			
	Jor	Leb	Mor	Tun	Jor	Leb	Mor	Tun	Jor	Leb	Mor	Tun	Jor	Leb	Mor	Tun	Jor	Leb	Mor	Tun
Pre-Budget Statement	Red		Red		Green		Red		Red		Red		Green		Green		Green		Green	
Executive's Budget Proposal	Red	Yellow	Red	Red	Green	Yellow	Green	Green	Green	Yellow	Green	Green	Green	Yellow	Green	Green	Green	Yellow	Green	Green
Enacted Budget	Red	Blue	Red	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Red	Green	Green	Green	Green	Green	Green
In year report	Red	Red	Red	Red	Green	Red	Green	Green	Red	Red	Blue	Red	Green	Green	Green	Red	Green	Green	Green	Green
Mid-year report	Yellow				Yellow				Yellow				Yellow				Yellow			
End-year report	Red	Red	Yellow	Green	Green	Red	Yellow	Green	Green	Red	Yellow	Red	Green	Green	Yellow	Blue	Green	Green	Yellow	Green
Audit report	Red		Red	Red	Green		Green	Red	Green		Blue	Green	Green		Green	Blue	Green		Green	Green

- Green: It fulfills the criteria
- Red: It does not fulfill the criteria
- Blue: Partly fulfills the criteria
- White: The document is not produced
- Yellow: The document is produced but kept for internal use only

Note: The criterion "published timely" assesses whether the document has been published right after it was produced and does not take into consideration whether the document was produced within the legal deadlines.

Research points out to success for Lebanon and Tunisia in providing access to budget related data in an interactive way, using innovative tools (reference boxes 1 and 2). Morocco is developing an open data strategy and working on new regulations in the framework of its commitment to the Open Government Partnership (OGP). The government is also actively working to raise awareness on the benefits of open data and building the capacity of concerned civil servants on managing and publishing open data. Jordan has not yet taken any initiative to publish budget related documentation in machine readable formats that would allow the full manipulation of data sets.

Open Budget Portal - Tunisia

Tunisia is the first country in the MENA region to communicate budget and expenditure data in an interactive way through BOOST (open budget portal) – a World Bank initiative aimed to facilitate access to budget data www.mizaniatouna.gov.tn/tunisia/template_fr/). This platform, established by the Ministry of Finance, allows access to disaggregated budget data from the central government since 2008.

However, information is not updated in a timely manner. For instance, until June 2020 the published data on the platform dated back to 2017.[87]

Lebanon Citizen Budget Dashboard

In June 2020, a partnership between the Institute of Finance Basil Fuleihan and the Ministry of Finances (in collaboration with UNICEF) launched the Lebanon Citizen Budget Dashboard that aims to facilitate access to budgetary and fiscal information, using easy-to-understand visuals. This tool has turned budget data into a readable format, easy to monitor and analyse, thus replacing the traditional method of publishing online in PDF formats.

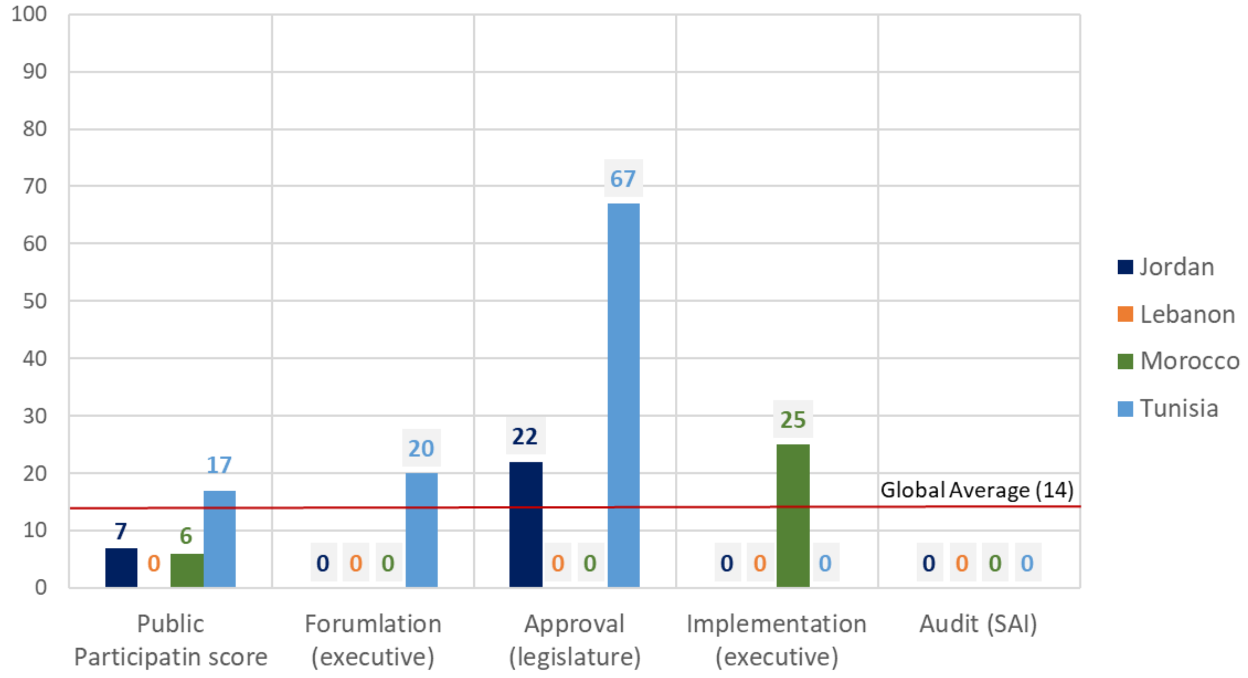
Current data includes expenditure data for the years 2018 to 2020.[88]

Opportunities for participative approaches across the budget cycle

Transparency alone does not improve governance. Inclusive public participation, a high level of public engagement across the budget cycle (formulation, execution and oversight and audit) and the institutionalisation of participatory mechanisms are ingredients of a bottom-up approach that is increasingly valued by governments seeking to reinforce the drivers of accountability, better public policies and improved decision-making.

Tunisia leads ahead of the three other countries in terms of public participation across the budget cycle, scoring 17 (out of 100) on the OBS, above the global average (14 /100).[89] Morocco (7/100) and Jordan (6/100) performed poorly while Lebanon does not have in place any mechanism for participation, hence registering the lowest score (0/100).[90]

Figure 10: Extent of opportunities for public participation in the budget process



Source: IBP, Open Budget survey results 2019

Overall, public participation remains a major weakness in the four countries as participatory mechanisms – where they exist – are not yet institutionalised.

For instance, only a few line ministries in Jordan occasionally organise structured consultation sessions that allow the public to voice their opinions during budget preparation and execution.

Finally, Morocco created the Charaka portal (www.charaka.gov.ma) in 2017. Unfortunately, government agencies to date seldom supply the portal with reliable data despite the prime minister's circular No. 7/2003, which paved the way for a reinforced partnership with civil society organisations to the benefit of society.

DOES CIVIL SOCIETY HAVE AN EFFECTIVE ROLE AT THE BUDGET TABLE?

IS THERE A DIRECT CAUSALITY BETWEEN BUDGET TRANSPARENCY AND CITIZEN PARTICIPATION?

While fiscal transparency and information disclosure are core elements of governmental budgeting, these remain insufficient conditions for greater credibility and accountability. Public participation, defined as the direct engagement between taxpayers and public officials on public policies, is increasingly recognised as a critical requirement for better policy outcomes. However, data evidence from the previous chapter shows no linear correlation between transparency and participation. Jordan is an obvious example. The country tops the MENA region when it comes to transparency scores and consistently performs above the world average. However, it fails to provide meaningful opportunities for public engagement. Scattered initiatives, unregulated processes and the lack of political will are common challenges that hinder public participation in the MENA region.

First let us start by defining public participation.

What is public participation?

Public participation in fiscal policy is a broad concept that is assessed based on multiple aspects such as:

- the variety of groups involved[91]
- the entity inviting participation
- the scope of participation such as policy design and implementation
- the area of participation such as the budget cycle, new policy initiatives, the design and delivery of public goods, the initiation of public investment projects
- the methods and mechanisms used

The Global Initiative for Fiscal Transparency (GIFT) refers to public participation as “the variety of ways in which citizens and the general public, including civil society organizations and other non-state actors, interact directly with public authorities by means of face-to-face communications, deliberation or decision-making, or by written forms of communication using electronic or paper media. Participation ranges from one-off consultations to ongoing and institutionalised relationships that leave records subject to access to information”.[92]

A broad and debatable concept

Despite the various guidelines and standards introduced by international organisations to strengthen civic engagement, a review of the literature failed to uncover common ground for participation modes. Many argue that participation alone does not deliver the desired outcomes unless paired with systematic deliberation and justification for public actions. If participation mechanisms are not able to voice citizens' collective goals and ways to achieve them throughout the policy-making sphere, they fail to achieve their purpose. For citizens to influence public policies and decision-making with real impact, it has appeared necessary to institutionalise participation processes through law.[93] Other concepts such as "public deliberation" are also being offered as an alternative for "participation", pushing for policymakers to provide thorough justifications and reasoning behind policy decisions that affect people's lives.[94] This stance is reasonable and solid as long as cases of public participation are examined with changing circumstances in mind. What holds right in countries with poorly performing public finance management systems and a mediocre level of accountability might not yield the same results in other countries. This might explain why there is little corroborative evidence of causal link between participation and fiscal outcome. Here are some participative initiatives in several countries that reveal different ways of working and different outcomes in a range of contexts.

Citizen engagement in choosing infrastructure projects and equipment for schools in Mexico

Mexico launched an initiative in 2014 for encouraging public participation in managing public funds dedicated to developing vulnerable schools' capacities in terms of infrastructure and equipment.
In every school, a school board of social participation in education took responsibility for leading, defining projects and monitoring outcomes. An online platform was established to allow the public to track the use of funds and monitor the project.

Favourable results were reported at the end of the programme such as better communication, positive experiences and constructive changes in the attitude of leadership. While all results seemed to support a perception of positive impact, they were not necessarily conclusive on concrete improvements in terms of financial effectiveness and efficiency.[95]

The budget café in Kenya

Kenya might be among the few countries where the law includes specific provisions for public participation, but few initiatives resulted in a satisfactory outcome. The lack of formal mechanisms is suspected to have compromised efforts to implement participatory approaches.

The "budget-deliberation café" might be a relevant example. The initiative was launched by the International Budget Partnership. It has been portrayed as a "cornerstone strategy" that gathers stakeholders – civil society, private sector, and government decision-makers – to discuss budget outcomes, question government proposals and suggest alternatives.

The only major drawback is not the number of participants, but lack of ways to invest the output of such deliberative meetings into the formal process of decision-making. As long as the law does not render such initiatives binding for budget formulation, the "budget café" in Kenya remains no more than an awareness session.[96]

Public participation mechanisms in fiscal matters in the Philippines

The Philippines has been actively engaged in promoting budget participation. During the past decade, it has initiated multiple reforms to make the budgeting process more participative and offering a model of comprehensive citizen involvement ranging from formulation to execution and to audit.
The efforts were clearly reflected in the OBS assessment, ranking the Philippines fifth in the world on public engagement and scoring 76 out of 100 on transparency.

Among the participatory tools adopted, we cite:

The budget partnership agreement

This is a legal agreement between public agencies and civil society organisations (CSOs) that defines the roles, responsibilities, expectations, and

limitations of the organisations' participation in the budget process.
CSOs are asked to provide their feedback and input on major programmes and projects based on budget and performance data. Their input and recommendations are outlined in the budget preparation. Such tools are believed to help identify ineffective programmes and strengthen linkages between inputs, outputs and outcomes.

Bottom-up budgeting

The programme aims to engage local communities, civil society organisations and other stakeholders to work with cities and municipalities, with the goal of defining targeted and responsive projects that can be included in the national budget.
This mechanism was first introduced in 2012, and three years later it expanded to all municipalities and cities across the country.

While the Philippines appears to be performing above the world average in fiscal participation, it is worth mentioning that this shift was accompanied by a more comprehensive public finance management reform agenda that was coupled with a strongly instilled culture of monitoring throughout civil society groups.[97]

Bristol's budget conversation

The budget simulator is an innovative platform that engages citizens in the budget decision-making process. It was developed by the digital democracy company DELIB and used by many local governments and organisations to consult on public allocations.

Bristol City Council in the United Kingdom took full advantage on this tool and launched Bristol's Budget Conversation. Through this interactive platform, citizens were able – in few clicks – to adjust public spending in areas such as education, homelessness and housing support, and care for older and vulnerable adults. They were provided with opportunities to see and understand the practical implications of their choices on the local budget, services and taxes.

The Bristol's Budget Conversation tool allowed residents to share their priorities on future spending, increasing their engagement and involvement in decisions that affects their daily lives. According to Bristol mayor Marvin Rees, Bristol's Budget Conversation aimed to make the budget more transparent and open, giving people a sense of ownership and engagement and a share in the challenges they face together as a city.

Administrations are also able to get quantitative and qualitative feedback on spending choices in comprehensive spreadsheets that can be analysed and included in decision-making.[98]

Despite controversy and legitimate questions over the replicability of such experiences, the concept of citizen engagement in public policies remains a core element of PFM advancement, democratisation and sustainable development. Many countries are pushing towards more citizen participation in the public sphere. They are propelled by the strong belief that citizen input would not only contribute to better planning and service delivery and influence electoral choices, but would also help achieve inclusiveness and to a larger extent secure peace and stability.

In 2014, the IMF has incorporated public participation in the Fiscal Transparency Code (principle 2.3.3) as well as the OCED Budget Transparency Toolkit (section 4: H, I and J). In 2017, the International Budget Partnership added a new set of measures to the OBS aiming at assessing efforts deployed by governments to engage citizens and civil society organisations in the budget process99. Ultimately, GIFT defined in 2016 a more comprehensive framework for public participation in fiscal policies subject to 10 main principles.[100] These principles, as shown in table 10, demonstrate an intrinsic link between transparency and participation.

Table 10: The ten principles of public participation in fiscal policies defined by GIFT

Principle	Description
Accessibility	Facilitate public participation by disseminating complete fiscal information and all other relevant data in formats and using mechanisms that are easy for all to access and understand, and to use, reuse and transform, namely in open data formats.
Openness	Provide full information on and be responsive with respect to the purpose of each engagement, its scope, constraints, intended outcomes, process and timelines, as well as the expected and actual results of public participation.
Inclusiveness	Proactively use multiple mechanisms to reach out to engage citizens and non-state actors, including traditionally excluded and vulnerable groups and individuals, and voices that are seldom heard, without discrimination on any basis including nationality, race, ethnicity, religion, gender, sexual orientation, disability, age or caste; and consider public inputs on an objective basis irrespective of their source.
Respect for self-expression	Allow and support individuals and communities, including those directly affected, to articulate their interests in their own ways, and to choose means of engagement that they prefer, while recognising that there may be groups that have standing to speak on behalf of others.
Timeliness	Allow sufficient time in the budget and policy cycles for the public to provide inputs in each phase; engage early while a range of options is still open; and where desirable, allow for more than one round of engagement.
Depth	Support each public engagement by providing all relevant information, highlighting and informing key policy objectives, options, choices and trade-offs, identifying potential social, economic, and environmental impacts, and incorporating a diversity of perspectives; provide timely and specific feedback on public inputs and how they have been incorporated or not in official policy or advice.
Proportionality	Use a mix of engagement mechanisms proportionate to the scale and impact of the issue or policy concerned.
Sustainability	All state and non-state entities should conduct ongoing and regular engagement to increase knowledge-sharing and mutual trust over time; institutionalise public participation where appropriate and effective, ensuring that provided feedback leads to review of fiscal policy decisions; and regularly review and evaluate experience to improve future engagement.
Complementarity	Ensure that mechanisms for public participation and citizen engagement complement and increase the effectiveness of existing governance and accountability systems.
Reciprocity	All state and non-state entities taking part in public engagement activities should be open about their mission, the interests they seek to advance and who they represent; should commit to and observe all agreed rules for engagement; and cooperate to achieve the objectives of the engagement.

Source: Global Initiative for Fiscal Transparency, Principles of Public Participation in Fiscal Policies, www.fiscaltransparency.net/pp_principles/

What role for civil society and community-based organisations?

Governments and decision-makers can be inclined, for different reasons, to overlook the institutionalisation of participation mechanisms or to be inattentive to including citizen demands. This is where civil society organizations (CSOs) can step in and play a central role. Although they can be viewed as “opponents” or “critics” to government action, on the contrary, they should be empowered as third parties that can contribute to democratising the budget process and facilitate the dialogue and work among governments and citizens. For instance, community organisations can rally the voice of specific vulnerable groups (disabled people, women in rural areas) and push for achieving more equitable and inclusive policies.

Beyond the individual involvement of citizens, CSOs can work in coalition to form pressure groups and increase the social and political value of budget advocacy. Their role can be manifold:

+ They can individually or collectively lobby for policy reform and development, provide grassroot information on needs and priorities through their connections with citizens, communities, and sectors – therefore driving the participation agenda, notably during budget preparation.
+ They can act as watchdogs of government performance and contribute to enhancing the accountability framework, especially through monitoring and scrutinising budget execution and public procurement contracts.
+ They can have an educational role as facilitators of budget literacy and help simplify the budget information conveyed to citizens.
+ Finally, they can act as service providers and improve the quality and value of service delivery for the state.

However, the extent to which they can effectively play a role is constrained by many legal, institutional and political factors, notably in the MENA region. This will be analysed in the next section.

Where does the MENA region stand in terms of participatory budgeting?

The Middle East and North Africa (MENA) region’s timid experience in participatory budgeting cannot be analysed out of its political and historical context. The upheavals that swept through the region starting in early 2011 were driven by rallying calls for more participation in decision-making. Governments’ failures to meet their citizens’ needs, exposed by social unrest and instability, were not only the blunt result of political exclusiveness but also a clear consequence of government incapacity to manage resources efficiently. With the region at the crossroads towards more democratic systems, it is believed[101] that the most critical challenge rests in organising formal and systematic participatory mechanisms for national policy prioritisation. This requires:

- the implementation of structural reforms, particularly in PFM
- the disclosure of fiscal data and information,
- the engagement of diverse populations and stakeholders in decision-making processes
- enhanced and functional accountability systems

Despite remarkable similarities in terms of state deficiencies, countries of the region have set out on distinct paths and face different types of challenges. Across the four countries included in the study, Lebanon and Tunisia were subject to continued political instability while Jordan and Morocco were able to contain social discontent. Tunisia managed to leverage societal stressors into a more democratic and participatory system. This was reflected by an improved score on its participation index (reference chapter 2). On another note, Morocco and Jordan struggled to institutionalise a participatory approach despite considerable efforts deployed over the past decade to promote transparency, while Lebanon is still lagging behind and unable to establish a beneficial dialogue between state institutions and a vibrant civil society.

Assessing the scope and relevance of participatory initiatives across the region

An assessment of the dynamics across the MENA countries points to CSOs gaining greater visibility over the past decade and even managing to break through the silo management of the state. They also pushed forth the agenda of fiscal transparency. However, they were not as successful in enforcing formal and institutionalised mechanisms for public participation. Overall, the lack of opportunities for meaningful interaction between the government and civil society and the absence of structured interfaces that would enable citizens to channel their feedback on budget issues have led to weak participation. The current outcome in the four countries, regardless of their respective levels of public participation, was generated by a form of "market equilibrium". On the supply side, the lack of political will was the major impediment to state-driven initiatives. On the demand side, few specialised civil society organizations were willing to engage on budget issues, knowing that the advocacy gap is yet to be bridged. CSOs are not always ready to shift their engagement in information and awareness-raising towards advocacy work that would shape public policies and achieve better spending outcomes and accountability.

Civil society's interest in budget issues in Jordan for the past couple of years was mainly motivated by finance from donors. A key initiative was launched by the Financial Services Volunteer Corps (FSVC) between 2013 and 2015,[102] which focused on building the capacities of the Jordanian Budget Alliance (a partnership of a dozen of Jordanian NGOs) and state institutions to implement budget transparency reforms. The outcome turned out to be very promising, as Jordan witnessed for the first time the cooperative production and dissemination of the citizen budget, thus doubling the number of direct beneficiaries. In 2016 the first mid-year report was published; Jordan also signed up to several international conventions related to information access and joined international initiatives such as the Open Government Partnership.

It was clear that around the same period, Jordan made a significant leap forward on the Open Budget Index. FSVC's involvement triggered a positive collaboration between the government and civil society, encouraging the latter to ask for more transparency and actively promote it on one hand and on the other hand push state institutions to engage in a participatory approach. However, three major shortcomings should be highlighted: first, this initiative provided a participatory approach to promote budget transparency and not participatory budgeting. Second, local CSOs' efforts relied too much reliant on donor financing, which rendered the project unsustainable. Third, the government's involvement was motivated by the fact an international NGO carried out the project, which meant that national reputation was at stake in the eye of public officials. The overall initiative was halted once funding expired, turning it into a missed opportunity to institutionalise and systemised a promising participatory budgeting prospect.

Another meaningful initiative dates to 2008, when NGO Partners Jordan attempted to introduce the concept of participatory budgeting at the local level. Although the project managed to allocate US$2.5 million of municipal funds to channel citizen priorities at local level, it remained a small-scale initiative mainly constrained by the lack of fiscal space. Despite these efforts, the general level of public awareness on the importance of such issues remains low to date.

Lebanon clearly lags in terms of public participation. The country's failure to approve a state budget between 2006 and 2016 has weakened public engagement in economic and fiscal issues and undermined the capacities of CSOs in getting acquainted with the budget process. The public debate was monopolised by political tensions. The negative consequences of this manifested 10 years later with a lack of technical expertise among CSOs and economic media, diluted knowledge, and a steep gap between government institutions and CSOs. The shadow cast by an unprecedented economic crisis, first apparent in late 2017, triggered a strong demand for accountability. This has been expressed over the last couple of years by a rise in CSO-led activities to promote budget transparency, but this has not been enough to put back the country on a productive path.

The Gherbal Initiative,[103] launched in 2018, managed to make available the budget data, usually disclosed in more than 1000 pages pdf files, on a web-based platform easily accessible to the public. Applying the access to information law ratified in 2017, the NGO is also aiming to gather effective spending data. Despite the reluctance of the public administration to disclose such information, some improvement has been noticed and a change in the mindset is foreseeable.

However, structural deficiencies at the budget level and the lack of digitisation in the process are compromising access to information. The economic classification in place does not allow for the straightforward analysis of major spending clusters. As such, assessing the extent of personnel costs requires identifying and computing dozens of line items scattered between different sections of the budget.

Overall, Lebanon's civil society experience in budget advocacy remains limited to the Gherbal Initiative and efforts deployed by the Lebanese Transparency Association to put together a coalition of CSOs that would carry forward transparent and participatory budgeting as well. Today's priorities focus on pressing forward with PFM reforms (including full transparency practices, ratifying a much needed public procurement law, and establishing an organic budget law). Because the country is negotiating IMF support, this initiative might soon gain priority on the agenda of both the government and civil society.

In Tunisia, the revolution has triggered a sharp appetite among CSOs for more accountability, transparency and participation. The government was equally eager to establish an open, transparent and inclusive governance scheme.[104] The Joint Committee on Fiscal Transparency and Open Governance initiated by the Minister of Finance in 2013 opened the door for CSOs to contribute to shaping the state budget, improving access to fiscal data (Open Budget Portal) and setting the reform agenda. Unfortunately, their involvement was volatile and depended on the current political panorama and the good will of appointed officials. The overall engagement of civil society was often corroborated by the level of political momentum and stability to push the reform agenda forward.

Two consequential experiences in Tunisia are worth sharing. In the first, CSOs initiated the open national consultation sessions, which were joined by the government to draft the action plan for more collaborative governance. Required following Tunisia's adherence to the Open Government Partnership in 2014, the sessions have reportedly gathered more than 40 NGOs to discuss real policy options with state institutions.[105] Since then, Tunisia managed to put on track three national action plans, covering the periods of 2014 to 2016, 2016 to 2018, and 2018 to 2020.[106]

Second, there was an attempt to apply participatory budgeting at the local level – similar to Jordan's experience. Many municipalities replicated the strategy of the coastal town of La Marsa in adopting a participatory approach for making decisions on fund allocation, which succeeded in establishing continued communication between local authorities and residents. However, the share of municipal budget that was subject to public debate and negotiation was remarkably low, varying from 5 per cent to 10 per cent.[107]

Despite these efforts and a stronger performance than Jordan, Lebanon, and Morocco, the organic demand for more transparency and participation in Tunisia has remained weak, momentary and very dependent on political context and government initiative.

CSO engagement in public participation in Morocco, similar to Lebanon, is timid and often limited to advocating for budget transparency and access to information. The access to decision-making and public policy formulation is still entrenched in the traditional channels of the legislature. For instance, ALCI – a local NGO promoting participative democracy in Morocco – has been advocating since 2009 for PFM reforms. These include incorporating the gender aspect in the budget, improving the organic budget law and introducing local governance finance to the budget law. Like ALCI, few local NGOs are committed to advocating for better financial management through collaboration with parliamentary groups, syndicates and political parties. Despite these efforts, state institutions are still reluctant to integrate external suggestions into the budget and show minimal flexibility when it comes to budget manoeuvring.

Most of the NGOs specialise in human and democratic rights – rights to decent housing, women's rights, children's rights – while very few specialise in budget and fiscal issues. As long as the fiscal decision is centralised within the budget directorate and the public treasury at the Ministry of Finance,[108] those NGOs will not able to realise the benefits of advocating with an administration that has little margin of manoeuvre to allocate funds to promote such rights.

Bridging the gap in Morocco would require action on two fronts: establishing formal mechanisms for public participation and reorganising power-sharing and financial planning. This would grant more space for resource allocation within government institutions.

Overall, public participation in the budget seems very weak across the four countries and almost non-existent at the central level. Jordan and Tunisia have experienced many initiatives at the local level;

however, these remain restrained in terms of budget share, subject to public negotiation. At the central level, CSOs across the region still have to gain their seat at the budget table. These challenges are shared by all four countries:

+ Lack of political will or a favourable political environment, a decisive factor hindering CSOs' participation in the budget cycle: Despite a real commitment to reform the PFM system in many countries (Jordan, Morocco, and Tunisia), opening the budget cycle to outside participation is yet to find a place on the short-term priority list. In countries such as Lebanon that face unprecedented crises, the priority is clearly set for basic reforms that would unlock international aid.
+ Lack of capacity to engage in a participatory approach: On one side, government institutions are not familiar with methods of public participation and are often reluctant to open up to new initiatives while overloaded with heavy and structural reforms.[109] On the demand side, the capacity of CSOs to achieve change are undermined by their limited experience with advocacy work and their technical capacity to understand public finance issues. In the four countries, few NGOs expressed interested in budget issues and even fewer were able to build up a specialised knowledge and technical expertise that could be heavily invested in budget advocacy and reform. Finally, CSOs' lack of financial autonomy also makes them much reliable regarding access to finance and donor priorities, rendering the funding for participatory activities unsustainable. In the four countries, few NGOs are interested in budget issues and less were able to build up specialised knowledge and technical expertise that could contribute to budget advocacy and reform.
+ The striking example of petroleum contracts in Tunisia: In the aftermath of the revolution, popular demand to access petroleum contracts was enough to trigger street protests and riots in some regions. Responding to popular demand, the Ministry of Energy published all contracts on a dedicated online portal. Unfortunately, once the contracts became accessible, the issue was put aside. The most credible justification for CSO inaction is the lack of knowledge. They simply did not know how to take the issue a step further, they did not know how to translate transparency into accountability. The same goes for participation: NGOs with no concrete knowledge cannot negotiate with experienced public officials.
+ Tight fiscal space that leaves governments with marginal budget shares subject to public negotiation: Jordan, Tunisia, and Morocco are all struggling to keep their finances on a sustainable track knowing that a large share of public funds is consumed by wages and salaries in addition to debt servicing. The few initiatives, led at the local level, have also faced similar fiscal challenges.
+ Absence of formal mechanisms and structured interfaces that enable CSOs to channel their feedback: This means the effort on both sides is neither systematic nor sustainable. Except for local governance in Morocco and Tunisia, the four countries reported a lack of legal provision in the budget regulatory framework that would render state budget participation an obligatory aspect.
+ Resistance to change, a common test to all reform actions: In a region where the state apparatus is very heavy and struggles to implement reforms, it is difficult to ask public officials to change their methods of work and also share their power of decision-making. Convincing municipal agents to adopt a participatory approach might be an easy task, given the proximity between local authority and citizens. Convincing the public administration to allow for participation at the policy seems to be more critical, but feasible given CSO engagement in various sectoral policies (health, education, social protection). Convincing the Ministry of Finance to allow specialised NGOs to discuss fiscal policies and orientations is much more complex. The crucial factor for success in the future will be the ability of CSOs to build a relationship of trust with key decision-makers in government.
+ Limited access to data: However, this challenge goes beyond civil society's reach alone, and requires collaboration among all concerned stakeholders, with strong ownership of the state to initiate the needed reforms related to open data.

WHAT WAY FORWARD?

Achieving better budget transparency is an important enabler for public participation in the budget process and in any public policy formulation. However, it is not the only enabling condition:

+ Political commitment and leadership are equally important.
+ The legal and institutional structure is key to insuring long-term sustainability.
+ Civil liberties in terms of media freedom and the number of active CSOs are at the core of participatory democracy.
+ The overall performance of the PFM system in place is also a decisive factor that would shape the outcome of any participation initiative.

FACTORS THAT EITHER PROMPTED OR PREVENTED GOVERNMENTS IN THE MENA FROM IMPROVING TRANSPARENCY

The in-depth review of budget legislation and practices across the four countries provides substantive indication on the main factors that have prompted governments to improve fiscal transparency. Among the most important are:

+ The changes in legislation and the adoption of organic budget laws that have provided the opportunity to revisit legal texts and procedures, improve coordination between levels of government, strengthen medium-term planning and management of fiscal risks and finally, instil transparency as a requirement.
+ The commitment of countries to international initiatives such as the Open Government Partnership that has brought governments and civil society to work in close coordination with the aim to make governments more accessible, responsive and accountable to citizens. Official commitments of this type and their related action plans also instil transparency as a requirement.
+ The countries' need to attract foreign funding, either through foreign direct investment or official development assistance, has also put pressure on governments to be more transparent in the way they manage budget funds. Concerns of efficiency, value for money, integrity and similar issues trigger foreign financing. The more transparent a country is, the more trust it inspires and the more investors and donors it can attract while making leeway to negotiate on borrowing terms.
+ The popular social uprisings and demonstrations that have erupted in recent years have also increased the pressure on governments to report more openly and systematically on public spending. In some countries, governments in place were overthrown amid corruption scandals and the mismanagement of taxpayers' money.

Despite incremental progress achieved in recent years at multiple levels, several institutional, structural, and political challenges still facing governments in relation to transparency. and public participation.

+ Oversight institutions still suffer from relatively limited independence, capacity and scope of work to completely fulfil their role and effectively protect public funds from misuse, fraud and corruption. This further weakens the checks and balances system needed to keep governments “clean”.

+ Lack of political will – and even state capture and political corruption – remain a main impediment to transparency, despite the pressure exercised by local participants and the international community. In many states, corruption and illicit enrichment are rarely sanctioned when politically affiliated individuals or firms are involved. In Lebanon, 60 per cent of spending on development and reconstruction between 2008 and 2018 was granted to only 10 companies, and two firms alone accounted for 23 per cent of all contracts, while most of these firms received privileged treatment.[110]
+ The political powers in place have for a long time tried to contain demands for transparency and historically, public scrutiny has been weak across the MENA region. However, societies are changing and citizens are demanding more engagement with their governments and looking forward to exercising more accountability. The absence of fully integrated financial information systems is a structural challenge that is resulting in the lack of reliable and timely data for budget planning, monitoring and reporting.
+ Reporting standards in many countries are not in line with international standards, which has a direct impact on the comparability and relevance of published budget data.

For these reasons, governments have found it challenging to provide accurate, complete, and accessible reports of their fiscal stance to parliament, donors and citizens. This has undoubtedly hindered transparency. However, pushing towards more transparency and participation in fiscal affairs is not a goal by its own. It is instead a necessary path to improve the government’s use of public money, to achieve better accountability and to improve spending outcomes in a way that meets the citizens’ needs.

Looking back at experiences in different countries, it could be concluded that those that succeeded in significantly improving their scores did not implement silo actions targeting transparency and participation. It was instead conceived in the context of a wider reform agenda that provided an overall enabling environment.

Proposing meaningful recommendations might be critical in that sense. On one hand, promoting comprehensive reform plans that would enhance the set of enablers might be a heavy and complicated task to achieve particularly in countries suffering from weak institutional capacities and political instability such as Lebanon. On the other hand, calling for piecemeal reform action might not achieve the desirable outcome.

Against this problematic situation, what can the counties of the MENA region do to improve budget transparency and participation in a way that helps redirect public contestation towards a constructive participation in the policy process?

Building on the analysis conducted throughout the study, this section proposes a set of actionable recommendations. These aim to improve government performance and provide citizens with information and opportunities for engagement and the means to make headway for more inclusive development.

IDENTIFYING THE QUICK WINS

The common ground for all four countries is that they would benefit from publishing in a systematic and timely manner all budget related documentation, investing in open data technologies and showing genuine commitment to independent scrutiny of their operations by the concerned oversight institutions and by the public.

To build on its satisfactory performance on budget transparency, Jordan could implement quick measures to pursue its progression. These include:[111]

+ Publishing all budget related documentation, particularly the mid-year review, in a consistent and timely manner.
+ Improving the quality and comprehensiveness of budget documentation, particularly of the pre-budget statement, the budget report and the year-end report.
+ Defining a clear strategy to manage and integrate financial risks and contingent liabilities in the budget and producing citizen friendly guides for budget documentation across the budget cycle.
+ Publishing fiscal data in a machine-readable format.

Some participatory mechanisms are simple to implement and could have a direct impact on consolidating a trust relationship between civil society and the government. These include:

+ Building on the work of the Jordan Budget Alliance, set online mechanisms that would allow easy collection of citizen feedback on policy orientations at the budget formulation level. The list of participatory methods is long, however online tools are quite simple to put in place at minimal cost. Such tools could be run equally at the level of the MOF level and at line ministries.
+ Jordan has already opened the door to public attendance of parliamentary sessions. It would take marginal efforts to turn this first step into public hearings provided that the list of participating NGOs is selected on clear and fair criteria that do not allow for political interference or capture of the process.
+ Civil society role should be further strengthened and its involvement in public affairs increased. CSO should be offering consultations and policy advice (through national dialogue, sector-based studies, impact analysis, expenditure/revenue reviews and comparative analysis) on the transparency gaps, the requirement for better oversight and how to overcome the challenges that prevent the adoption of international standards. Finally, they should be consolidating their lobbying efforts towards advancing the reform agenda.[112]

Lebanon still has a long way to go in ensuring a decent level of decent budget transparency and participation. Its list of short-term opportunities includes:

+ First and foremost, Lebanon should start by producing and disclosing missing budget documentation such as the pre-budget statement, the mid-year review and the audit report.
+ The government should also publish the other documentation (the executive's budget proposal, the enacted budget and the in-year reports) in a timely manner, thus providing the opportunity for meaningful monitoring. Publishing the executive's budget proposal is particularly important because it would send a strong signal of the MOF's readiness to discuss policy priorities.
+ Putting in place an online feedback collection tool linked to the citizen budget and produce the citizen budget to provide documentation that is not included in the enacted budget.
+ Publish fiscal data in machine readable format.
+ Disclose the results of previous PFM assessments (the PEFA 2011 and the PIMA 2018).
+ Produce and disclose financial reporting of public institutions' spending from outside the state budget.
+ Above all, abide by the legal deadlines at every stage of the budget cycle and provide supreme audit institutions with fiscal data in a timely manner.[113]

Tunisia's short-term recommendations are more difficult to calibrate as the country is passing through a transitional period with the new organic budget law entering into force. Once the new budget structure and classification is applied, the quality of published information is expected to improve automatically. In the meantime, Tunisia could undertake these initiatives to improve budget transparency and participation:

+ Produce and publish missing budget documentation such as the pre-budget statement and the mid-year report.
+ Publish the audit report on time.
+ Increase the outreach of the citizen budget and use it as means to collect people's feedback on policy priorities.
+ Improve the mechanism set for public hearings during parliamentary sessions for budget and audit approval.
+ Reactivate the joint MOF-CSO committee on fiscal transparency.

Like Tunisia, Morocco should:

+ Improve the timeliness of published documentation such as the pre-budget statement and the year-end report.
+ Produce mid-year and year-end reports.
+ Allow CSOs to testify during public hearings held for budget discussion and audit.
+ Improve efforts to formalise citizen participation in the budget formulation and increase opportunities for citizens to actively engage across the budget cycle.
+ Enhance the production and disclosure of budget documentation in a timely manner that

will allow enough time to consult both the executive and the legislative on policy priorities.

WHAT CAN BE DONE IN THE MEDIUM AND LONG TERM?

In the medium and long term, reform measures need to be carried out a various levels and fall within broader modernisation initiatives that promote a "whole of government" approach. Depending on where the country stands in terms of fiscal transparency, these measures could address one or more of these areas:

+ The legal and regulatory framework: Adopting programme or performance-based budget laws and practices would grant independence to SAIs and institutionalise participation processes.
+ Institutional development: establishing units dedicated to fiscal openness and upgrade of current financial information systems would ensure comprehensiveness and full coverage of fiscal activities, especially those conducted by SOEs.
+ Capacities for monitoring and oversight: A focus on parliaments with the creation of budget offices or units would be beneficial, along with a boost to the capacities of CSOs towards strengthening their power for participation.

Jordan

Jordan could work on several parallel tracks to improve its overall governance readiness to achieve better transparency and participation:

+ At the structural level, Jordan would gain much in establishing a direct link between financial planning and policy outcomes. This would require developing its current mixed-budgeting approach into a performance-based model. This long-term investment in an improved fiscal structure would require substantial regulatory amendments.
+ Simultaneously, Jordan could improve the comprehensiveness of its reporting scheme on fiscal activities, notably the part related to public-owned enterprises and PPPs, in addition to non-financial assets and committed arears. A holistic fiscal panorama would definitively spare the country unforeseen fiscal liabilities.
+ Strengthening the role of key stakeholders is also essential. On one hand, the legislative bodies should actively contribute to the debate around policy objectives prior to budget formulation. On the other, it should fulfil its oversight role during budget execution and be able to question the relevance of spending in relation to what has been planned. Most of the time, the soft involvement of the legislative in the budget cycle is the result of weak capacities. Building the capacity of specialised parliamentary committees through establishing permanent advisory units and ensuring the build-up of expertise outside the democratic and electoral process is crucial. This will ensure that the public's voice and the needs of the most vulnerable remain at the core of policy choices.
+ Enhancing the Audit Bureau's independence in terms of recruitment policy and widening the scope of its work to cover all transactions involving the use of public money would have a positive impact.
+ Increasing the engagement of CSOs would require efforts from both civil society and government. On one hand, CSOs should invest more effort and time in understanding the budget process and building up their technical expertise. On the other, the government should be able to allocate more resources or create a dedicated unit for transparency and participation. Its role would be to develop a sustainable relationship with CSOs and to institutionalise participation mechanisms. Many might argue that such steps are not be a priority, but it is the safer path to a participatory democracy.

Lebanon

Lebanon's path might be a bit more complex, especially with the unfolding set of crises. Seriously engaging on the path of PFM reform requires the drafting of a dedicated organic budget law to replace the 1963 public accounting law that simultaneously regulates three functions of the PFM cycle: budget, public accounting and public procurement. More specific measures also include:

+ Mapping and consolidating a reporting log for all fiscal activities committed outside the budget, and ultimately drawing a comprehensive picture of prominent fiscal risks.
+ Unifying accounting and reporting systems within public institutions and streamlining the

system in place at the Ministry of Finance to increase the coverage, comprehensiveness, timeliness and quality of fiscal data and ultimately of fiscal management.

+ Implementing an integrated financial management system allowing greater comprehensiveness and transparency of information across government institutions and more accurate reporting through the budget cycle. Such systems already exist in many countries and are essential for the timely production of budget documentation (particularly monthly reports, the mid-year review and the year-end report).
+ Strengthening the role and the capacity of the Lebanese Court of Accounts, which is currently operating at half-capacity and does not have timely access to the public accounts. Additionally, undergoing a procedure automation programme coupled with the needed training would definitively improve the overall efficiency of this institution.
+ Implementing a binding medium-term budgetary framework, which sets clear fiscal rules and objectives.
+ Raising awareness at the MOF and in line ministries on the importance of participatory approaches and formalise processes. The latter are still very reluctant about CSOs' engagement in the reform agenda and rarely accept the need to disclose information. Beyond the political commitment needed at the early stages, public official buy-in is equally important to ensure a successful and sustained collaboration.
+ Joining the OGP[114] is also an action that would pave the way for a more democratic access to information.

Advocating for participatory budgeting in Lebanon is not realistic at a time when the country is facing a multitude of crises and struggling to implement basic reforms that would unlock an IMF programme and international development aid.

Morocco

Morocco will have to work on multiple fronts to improve its financial governance system and initiate programmes and initiatives to:

+ Improve the information management system and the flow of data across government institutions. A fully integrated system will allow for more comprehensive reporting. Such reform measures require a political green light and strong ownership.
+ Put in place more comprehensive accounting of assets and liabilities, and report on public procurement contracts awarded by SOEs. This would help end the controversy over vested interests in this area. It would also help internalise the fiscal risks of SOEs in terms of external debt guaranteed by the state.
+ Reorganise Morocco's policy planning beyond ministerial repartition. Morocco was one of the leading Arab countries investing in performance budgeting and this reorganisation would enhance such a courageous step.
+ Strengthen the legislative's role in setting policy options by consulting with the sector-specific committees on proposed programmes during budget formulation and during budget execution on the shift of allocations.
+ Instil a culture of public debate over policy objectives. In this sense, CSOs would need to build their knowledge of fiscal and sector specific issues, and create alliances. They would also need to reinforce their negotiation position to gain ground on the time allocated to them for feeding back on policy options and their current margin of manoeuvre, which is limited to the political sphere. (The only channel for CSOs to influence budget decisions is to partner with political parties).

Tunisia

Tunisia's priority is implementing the new regulations following the organic budget law's entry into force. Despite the changing political landscape, Tunisian government institutions are displaying a drive for openness. The supreme audit institution, which has been a closed organisation dealing directly with the government, published its first citizen audit report and launched a new approach to communicating with citizens. This calls for changes to complement this effort, with a focus on the role of CSOs:

+ The role of audit bodies (such as the Court of Audit and inter-governmental audit agencies) should be further strengthened through additional human and financial resources.
+ Parliament can also play a major role in providing the right avenues for citizens and CSOs to participate in the budget process and to holding committee hearings.

+ In the context of Tunisia, pushing ahead on budget transparency and participation is a step that should be undertaken by the civil society. Since the government is already implementing substantial budget reforms, it is unrealistic to ask for more.
+ CSOs should devise venues for collaboration with specific public institutions while building their technical capacities in both fiscal and sectoral issues. This will ultimately enable them to bridge the gap between advocacy and accountability.
+ By enhancing their knowledge and know-how, CSOs would make sure that the information provided to citizens is salient and valuable and that they would be able to respond constructively to public consultations.
+ If the Ministry of Culture caters to the growing demand of CSOs to monitor fiscal subsidies allocated in the art sector, CSOs in turn are expected to ensure a good level of scrutiny and analysis that can lead to accountability – unlike the response to the case of petroleum contracts mentioned earlier in the study. However, this can only stem from a profound understanding of budgetary and sectoral knowledge.

Conclusion

One major thread running through this report highlights the political economy of budget transparency reforms, which identifies four main "causal triggers” for advances in fiscal openness:

- political transitions
- fiscal and economic crises
- political and corruption scandals
- external influences[115]

These four factors are currently interacting in complex combinations in the MENA region, and notably in the four countries of focus to this study. This an auspicious time to advance the cause of fiscal openness. The check and balance dynamics are such that all key players – governments, CSOs, public officials – can find incentives to work towards a more balanced approach to fiscal transparency, participation and accountability; whether to justify austerity measures, curb corruption scandals, address the root causes of crisis, create conditions for development aid or put new governments and political powers in place to gain credibility and legitimacy. Inspiration and knowledge gleaned from good international practice and the successful experiences of other countries – along with technical guidance offered by the international community – will help these countries advance faster.

Moreover, the challenges wrought by the COVID-19 pandemic have proven that “just-in-time management principles”, weak transparency and poor inclusive practices in public spending are cracks through which the pandemic has infiltrated the economy and society.

With the complexity of challenges at hand, the prospects created by digitalisation and the near-instantaneous access to information by the public, it has become crucial to act with speed. Openness in government action and citizen-centred development frameworks across the MENA region is no longer a luxury. This has become a core necessity for the long neglected and conflict-torn region to prosper.

ANNEXES

ANNEX 1: METHODOLOGY

The study relied on a two-phased approach:

Desk review including:

- A literature review on most relevant reference frameworks and international instruments to assess budget transparency and participation.
- An assessment of the legislative and institutional frameworks regulating the budget process in the four countries subject to this study.
- An assessment of the transparency and participation practices in the four countries against a set of selected criteria, based on international benchmarks.
- Identification of malpractices that might lead to opacity and bad governance.

Field work complementing the first phase and seeking to:

- Investigate the initiatives undertaken by public authorities and CSOs to facilitate access to budget information in addition to major obstacles hindering these efforts.
- Understand, in the views of CSOs, the key challenges constraining their advancement in terms of advocacy (such as lack of participation, information opacity, capacity gap, high officials are not accessible).
- Understand, in the views of CSOs, the major steps to be undertaken for improving budget transparency, participation and oversight.

The field work was supported by eight key informant interviews conducted with seven experts from the four countries representing mainly CSOs and international organisations. The final version of this document was reviewed by the field experts from the national chapters as well as by the Transparency International secretariat research team.

ANNEX 2: LIST OF TOOLS TO ASSESS PFM

Name of the Organisation	Assessment Tool	Coverage	Technical Subject Assessment
International Monetary Fund	Report on the Observance of Standards and Codes (ROSC)	Transparency in PFM	https://www.imf.org/external/np/rosc/rosc.aspx
	Fiscal Transparency Evaluation (FTE)	Transparency in PFM	https://bit.ly/3345hNJ
	Tax Administration Diagnostic Assessment Tool (TADAT)	Revenue administration	https://www.tadat.org/home
	Public Investment Management Assessment (PIMA)	Investment management	https://www.imf.org/external/np/fad/publicinvestment/pdf/PIMA.pdf
	Public-Private Partnerships Fiscal Risks Assessment Model (PFRAM)	Public-private partnership (PPP) fiscal cost	https://www.imf.org/external/np/fad/publicinvestment/pdf/PFRAM.pdf
	Revenue Administration Fiscal Information Toolkit (RA-FIT)	Revenue administration	https://data.imf.org/?sk=ba91013d-3261-42f8-a931-a829a78cb1ec&sId=1445908451587
	Revenue Administration Gap Analysis programme (RA-GAP)	Revenue administration	https://bit.ly/3k04rIG
PEFA	PEFA Framework for Assessing Public Financial Management	PFM	https://www.pefa.org/
International Budget Partnership	Open Budget Survey	Budget transparency, public participation and oversight	https://www.internationalbudget.org/open-budget-survey
OECD	Recommendation of the Council on Budgetary Governance (RCBG)	PFM	http://www.oecd.org/gov/budgeting/principles-budgetary-governance.htm
	International Budget Practices & Procedures Database (IBPPD)	PFM	https://qdd.oecd.org/subject.aspx?Subject=BPP_2018
	SIGMA Principles of Public Administration (PPA)	PFM & public administration	http://www.sigmaweb.org/publications/Principles-Public-Administration-Overview-Nov2014.pdf
	Tax Administration - Comparative Information series on OECD, other	Revenue administration	https://www.oecd-ilibrary.org/taxation/tax-administration-2019_74d162b6-en

	Advanced and Emerging Economies (TACIS)		
	Methodology for Assessing Procurement Systems (MAPS)	Procurement system	https://www.oecd.org/gov/public-procurement/methodology-assessing-procurement/
GIFT	Principles of Fiscal Transparency (PFT)	Transparency in PFM and public participation	http://www.fiscaltransparency.net/giftprinciples/
World Bank	Rapid Assessments and Action Plans to Improve Delivery in Sub National government (RAAP-ID)	PFM & development outcomes and outputs	http://www.globaldeliveryinitiative.org/library/tools/rapid-assessments-and-action-plans-raap
	MiGestion Institutional Capacity Diagnostic	PFM & public administration	http://www.fiscaltransparency.net/presentations/PFM_ToolsStudy-ConsultationDraft-October2017.pdf
	Integrated Assessment Model for Tax Administration (IAMTAX)	Revenue administration	
	Handbook for Tax Simplification (HTS)	Revenue administration	https://elibrary.worldbank.org/doi/pdf/10.1596/28206
	Customs Assessment Trade Toolkit (CATT)	Revenue administration & trade facilities	http://www.wcoomd.org/en/topics/capacity-building/resources/~/~/media/2F2BC8140C6E4AB7A0B716194E2BC36C.ashx
	State-Owned Enterprise Corporate Governance and Risk Toolkit (SoE Toolkit)	Public corporation	https://openknowledge.worldbank.org/bitstream/handle/10986/20390/9781464802225.pdf
	Debt Management Performance Assessment (DeMPA)	Debt management	https://www.worldbank.org/en/programs/debt-toolkit/dempa
	Public Expenditure Tracking Surveys (PETS)	Expenditure management	http://www1.worldbank.org/publicsector/pe/peamcourse02/Reinikka.pdf
	Diagnostic Framework to Assess the Capacity of a government Financial Management Information System as a Budget Management Tool (DF-FMIS)	Management information systems	http://ieg.worldbank.org/sites/default/files/Data/reports/IFMISDiagnosticFramework.pdf
	Gap Analysis Framework for comparing Public Sector Accounting and Auditing to	Accounting & auditing	http://www.fiscaltransparency.net/presentations/PFM_ToolsStudy-

	International Standards (AA-GAP)		ConsultationDraft-October2017.pdf http://documents1.worldbank.org/curated/en/785901468113081109/pdf/546060ESW0whit1ysisSynthesisPrinted.pdf
	Report on Observance of Standards and Codes Accounting and Auditing (AA-ROSC)	Public corporations	https://www.worldbank.org/en/programs/rosc
European Union	ECFIN Operational Assessment (OA)	PFM	No guidance on the specific content and application methodology is published. http://www.fiscaltransparency.net/presentations/PFM_ToolsStudy-ConsultationDraft-October2017.pdf
Chartered Institute of Public Finance and Accountancy	Financial Management Model (FMM)	PFM	https://www.cipfa.org/services/advisory-and-consultancy/financial-management-model
Council of Europe	Benchmarking Fiscal Decentralization (BFD)	Fiscal decentralisation	https://www.coe.int/en/web/good-governance/toolkits
USAID	Collecting Taxes Database (CTD)	Revenue administration	https://www.usaid.gov/what-we-do/economic-growth-and-trade/domestic-resource-mobilization/collecting-taxes-database#:~:text=The%20Collecting%20Taxes%20Database%20is,them%20to%2020%20indicators%20below
Extractive Industries Transparency Initiative	Extractive Industries Transparency Initiative (EITI)	Natural resource revenue administration & expenditure management	https://eiti.org/
International Records Management Trust	Integrating Records Management in FMIS design (IRM-FMIS)	Records management	http://www.irmt.org/documents/assessment%20tools/financial_mgmt/IRMT_IFMISGuide.pdf
The Institute of Internal Auditors	Internal Audit Capability Model (IA-CM)	Internal audit	https://na.theiia.org/iiarf/Public%20Documents/Internal%20Audit%20Capability%20Model%20IA-CM%20for%20the%20Public%20Sector%20Overview.pdf

International Organization of Supreme Audit Institutions	Supreme Audit Institution – Performance Measurement Framework (SAI-PMF)	External audit	https://www.intosaicbc.org/sai-pmf/#:~:text=The%20SAI%20Performance%20Measurement%20Framework,the%20SAI%20to%20confidently%20engage
AFROSAI-E	Institutional Capacity Building Framework (ICBF)	External audit	https://www.eurosai.org/handle404?exporturi=/export/sites/eurosai/.content/documents/2015-ICBF-Guideline1_00.pdf

REFERENCES

Aicha Karafi, 2015, Tunisia Presents its Open Budget Project: MIZANIATOUNA (Our Budget), World Bank blogs, https://blogs.worldbank.org/arabvoices/tunisia-open-budget-portal

Airout Rana, 2019, *A Guide on Civil Society Participation and Oversight Mechanisms in the Formulation Stages of Jordan's General Budget*. Rasheed for Integrity and Transparency (Transparency International Jordan) https://rasheedti.org/wp-content/uploads/2020/02/engilsh-book.pdf.

Alta Folscher and Paolo de Renzio, 2017, The Road to Budget Transparency: Learning from Country Experience, https://www.internationalbudget.org/publications/road-to-budget-transparency-six-country-synthesis/

Financial Services Volunteer Corps, Encourage Open Government Policies that Support Economic Growth, https://www.fsvc.org/programs/encouraging-open-government-policies-that-support-economic-growth/

Gherbal Initiative, http://elgherbal.org/state_budget/index/en

Global Initiative for Fiscal Transparency, 2015, Mexico Public Participation Mechanisms in Fiscal Matters, http://guide.fiscaltransparency.net/case-study/public-participation-in-infrastructure-and-equipment-projects-for-schools/

Global Initiative for Fiscal Transparency, 2018, The High-Level Principles on Fiscal Transparency, Participation and Accountability, http://www.fiscaltransparency.net/documents/GIFT-EHLP-9Feb18.pdf

Global Initiative for Fiscal Transparency, Philippines Public Participation Mechanisms in Fiscal Matters, http://www.fiscaltransparency.net/philippines.pdf

Global Initiative for Fiscal Transparency, Principle of Public Participation in Fiscal Policy, 2015, http://fiscaltransparency.net/PP_Approved_in_General_13Dec15.pdf

Global Initiative for Fiscal Transparency, Principles of Public Participation in Fiscal Policies, http://www.fiscaltransparency.net/pp_principles/

Hashemite kingdom of Jordan, 2018, Public Financial Management Reform, https://mof.gov.jo/Portals/0/Mof_content/PFM-Refom-HKJ-20180709.pdf

Institut des Finances Basil Fuleihan and Ministry of Finances, 2020, Citizen Budget Lebanon 2020, http://www.institutdesfinances.gov.lb/publication/citizen-budget-2020/

International Budget Partnership, 2010, Guide to Transparency in Government Budget Reports: Why are Budget Reports Important, and What Should They Include? https://www.internationalbudget.org/publications/guide-to-transparency-in-government-budget-reports-why-are-budget-reports-important-and-what-should-they-include/

International Budget Partnership, 2014, Tunisia's Citizens Budget: One More Step toward the "Open Budget", https://www.internationalbudget.org/2014/02/tunisias-citizens-budget-one-more-step-toward-the-open-budget/

International Budget Partnership, 2016, Deliberating Budgets: How Public Deliberation Can Move Us Beyond the Public Participation Rhetoric, https://www.internationalbudget.org/wp-content/uploads/ibp-paper-public-deliberation-in-kenya-2016.pdf

International Budget Partnership, 2020, Open Budget Survey 2019 Questionnaire Jordan, https://www.internationalbudget.org/sites/default/files/2020-05/jordan-202002150030.pdf

International Budget Partnership, 2020, Open Budget Survey 2019 Questionnaire Lebanon, https://www.internationalbudget.org/sites/default/files/2020-05/lebanon-202002150030.pdf

International Budget Partnership, 2020, Open Budget Survey 2019 Questionnaire Morocco, https://www.internationalbudget.org/sites/default/files/2020-05/morocco-202002150030.pdf

International Budget Partnership, 2020, Open Budget Survey 2019 Questionnaire Tunisia, https://www.internationalbudget.org/sites/default/files/2020-05/tunisia-202002150030.pdf

International Budget Partnership, 2020, Lessons Learned: Engaging the Public in Budget Discussions Despite Social Distancing, https://www.internationalbudget.org/2020/06/lessons-learned-engaging-thed-public-in-budget-discussions-despite-social-distancing/

International Budget Partnership, 2020, Open Budget Survey 2019 Lebanon, https://www.internationalbudget.org/open-budget-survey/country-results/2019/lebanon

International Budget Partnership, 2020, Open Budget Survey 2019 Jordan, https://www.internationalbudget.org/open-budget-survey/country-results/2019/jordan

International Budget Partnership, 2020, Open Budget Survey 2019 Lebanon, https://www.internationalbudget.org/open-budget-survey/country-results/2019/lebanon

International Budget Partnership, 2020, Open Budget survey 2019, https://www.internationalbudget.org/open-budget-survey/open-budget-survey-2019-0

International Budget Partnership, 2020, Open Budget Survey 2019 Morocco, https://www.internationalbudget.org/open-budget-survey/country-results/2019/morocco

International Budget Partnership, 2020, Open Budget Survey 2019 Tunisia, https://www.internationalbudget.org/open-budget-survey/country-results/2019/tunisia

International Budget Partnership, 2020, Open Budget Survey, https://www.internationalbudget.org/open-budget-survey/results-by-country/?utm_source=homepage

International Monetary Fund, 2007, Manual on Fiscal Transparency, https://www.imf.org/external/np/pp/2007/eng/101907m.pdf

International Monetary Fund, 2016, Tunisia: Fiscal Transparency Evaluation, IMF Country Report No. 16/339, https://www.imf.org/en/Publications/CR/Issues/2016/12/31/Tunisia-Fiscal-Transparency-Evaluation-44369

International Monetary Fund, 2018, Fiscal Transparency Handbook 2018, https://www.elibrary.imf.org/view/IMF069/24788-9781484331859/24788-9781484331859/24788-9781484331859.xml?code=fth&redirect=true

International Monetary Fund, 2020, Confronting the COVID-19 Pandemic in the Middle East and Central Asia, https://www.imf.org/en/Publications/REO/MECA/Issues/2020/04/15/regional-economic-outlook-middle-east-central-asia-report

International Monetary Fund, 2020, Jordan: 2020 Article IV Consultation and Request for an Extended Arrangement under the Extended Fund Facility – Press Releases; Staff Report; and Statement by the Alternate Executive Director for Jordan, IMF Country Report No. 19/127, https://www.imf.org/en/Publications/CR/Issues/2020/04/10/Jordan-2020-Article-IV-Consultation-and-Request-for-an-Extended-Arrangement-under-the-49324

International Monetary Fund, 2020, Middle East and North Africa Regional Economic Outlook , https://www.imf.org/~/media/Files/Publications/REO/MCD-CCA/2020/April/English/menap-ppt-042020.ashx

International Monetary Fund, 2020, Regional Economic Outlook Update: Middle East and Central Asia, https://www.imf.org/en/Publications/REO/MECA

International Monetary Fund, 2020, World Economic Outlook Database 2020, https://www.imf.org/external/pubs/ft/weo/2020/01/weodata/weoselco.aspx?g=2400&sg=All+countries+%2f+Emerging+market+and+developing+economies+%2f+Middle+East+and+Central+Asia

International Monetary Fund, 2020, World Economic Outlook Database 2019, https://www.imf.org/external/pubs/ft/weo/2019/02/weodata/index.aspx

International Monetary Fund, 2020, IMF Executive Board Approves US$1.3 Billion Extended Arrangement Under the Extended Fund Facility for Jordan, https://www.imf.org/en/News/Articles/2020/03/25/pr20107-jordan-imf-executive-board-approves-us-1-3-bn-extended-arrangement-under-the-eff

Jordanian Ministry of Finance, 2017, 2018, 2019, Budget Circulars, http://www.gbd.gov.jo/ar/circulars

Kingdom of Morocco, General Secretary of Government, Organic Law on the Finance Law, http://www.sgg.gov.ma/CodesTextesLois/Loiorganiquerelative%C3%A0laloidefinances.aspx

Kingdom of Morocco, Ministry of Economy, Finance and Administration reform, Budget Law 2019, https://www.finances.gov.ma/fr/vous-orientez/Pages/lf-2019.aspx

Kingdom of Morocco, Ministry of Economy, Finance and Administration reform, Citizen Budget, https://www.finances.gov.ma/fr/Nos-metiers/Pages/Budget-citoyen.aspx

Lebanese Center for Policy Studies, 2020, Public Resource Allocation in Lebanon: How Uncompetitive is CDR's Procurement Process? https://www.lcps-lebanon.org/publication.php?id=359&category=1101&title=1101

Ministry of Finance of Tunisia, 2019, Budget Organic Law No. 2019-15, http://www.gbo.tn/images/LOB-V-Fr.pdf

Morocco – Public Finance Legislation 2015, https://www.cabri-sbo.org/en/documents/dahir-no-1-15-62-of-14-chaabane-1436-june-02-2015-on-the-enactment-of-organic-law-no-130-13-on-the-finance-act

Open Government Partnership Tunisia, 2020, Third OGP National Action Plan 2018-2020, http://www.ogptunisie.gov.tn/en/?p=1226

Open Government Partnership, 2018, Morocco OGP Action Plan 2018-2020, https://www.opengovpartnership.org/documents/morocco-action-plan-2018-2020/

Open Government Partnership, Current Action Plan 2018-2020, https://www.opengovpartnership.org/members/tunisia/

Open Knowledge Foundation, Opening up Governance: OpenMENA Joins Public Consultation Process in Tunisia, https://blog.okfn.org/2014/05/23/opening-up-governance-openmena-joins-public-consultation-process-in-tunisia/

Organization for Economic Co-operation and Development, 2004, The Legal Framework for Budget Systems: an International Comparison, http://www.oecd.org/governance/budgeting/43487903.pdf

Organization for Economic Co-operation and Development, 2013, Strengthening Fiscal Transparency for Better Public Governance in Tunisia, https://www.oecd.org/mena/governance/Strengthening%20Fiscal%20Transparencyfor%20better%20Public%20Governance%20in%20Tunisia.pdf

Organization for Economic Co-operation and Development, 2015, Recommendation of the Council on Budgetary Governance, https://www.oecd.org/gov/budgeting/Recommendation-of-the-Council-on-Budgetary-Governance.pdf

Organization for Economic Co-operation and Development, 2017, Budget Transparency Toolkit, http://www.oecd.org/gov/budgeting/Budgeting-Transparency-Toolkit.pdf

PEFA 2016, National PEFA Assessment in Tunisia, https://www.pefa.org/sites/pefa/files/assessments/reports/TN-May16-PFMPR-Public-with-PEFA-Check.pdf

PEFA, 2016, Framework for Assessing Public Financial Management, https://www.pefa.org/resources/pefa-2016-framework

PEFA, 2016, Rapport sur la Performance de la Gestion des Finances Publiques (PEFA), https://www.pefa.org/country/morocco

PEFA, 2017, Jordan: PEFA Assessment 2016, https://www.pefa.org/node/581

Republic of Lebanon Ministry of Finance, 1963, Public Accounting Law, http://www.finance.gov.lb/en-us/Finance/BI/OBD

Republic of Lebanon Ministry of Finance, 2020, The Lebanese Government's Financial Recovery Plan http://finance.gov.lb/en-us/EventPdfs/English/The%20Lebanese%20Government's%20Financial%20Recovery%20Plan.pdf

Republic of Tunisia, 2004, Budget Organic Law, https://www.cabri-sbo.org/en/documents/budget-organic-law

Tadamun, 2016, Participatory Budgeting in Tunisia: Seizing Opportunities for Municipal Civic Engagement, http://www.tadamun.co/participatory-budgeting-tunisia-seizing-opportunities-municipal-civic-engagement/?lang=en#.X1PWI3kzZPY

The Hashemite Kingdom of Jordan General Budget Department, Budget Circulars, http://www.gbd.gov.jo/en/circulars

The Hashemite Kingdom of Jordan General Budget Department, 2020, Citizen Guide to the Budget, http://gbd.gov.jo/en/citizen-guide

The Hashemite Kingdom of Jordan General Budget Department, 2020, Law No. 5 for the Year 2020: Budgets Law of Government Units for the Fiscal Year 2020, http://gbd.gov.jo/en/releases/law-gu

The Hashemite Kingdom of Jordan General Budget Department, The Organic Budget Law No. 58 for the Year 2008, http://www.gbd.gov.jo/Uploads/Files/legislation/en/organic-budget-law.pdf

United Nations Economic and Social Commission for Western Asia, 2012, Promoting Participatory Democracy in the ESCWA Region, https://www.unescwa.org/publications/promoting-participatory-democracy-escwa-region

World Bank, 2014, Lebanon Systematic Country Diagnostic 2015, https://www.worldbank.org/en/country/lebanon/publication/lebanon-systematic-country-diagnostic-2015#:~:text=The%20Systematic%20Country%20Diagnostic%20gives,a%20land%20of%20lost%20opportunities

World Bank, 2016, International Bank for Reconstruction and Development – International Finance Corporation and Multilateral Investment Guarantee Agency – Country Partnership Framework for the Lebanese Republic for the Period FY17-FY22, http://documents1.worldbank.org/curated/en/111451467996685776/pdf/94768-CAS-P151022-R2016-0126-OUO-9-Box396270B.pdf

World Bank, 2019, Doing Business 2020, https://www.doingbusiness.org/

World Bank, 2020, The World Bank in Jordan, https://www.worldbank.org/en/country/jordan/overview

World Bank, 2020, The World Bank in Morocco, https://www.worldbank.org/en/country/morocco/overview

World Bank, 2020, Tunisia's Economic
Update, https://www.worldbank.org/en/country/tunisia/publication/economic-update-april-2020#:~:text=The%20economy%20is%20projected%20to,of%20which%20impact%20economic%20growth.

ENDNOTES

[1] Financial Transparency Coalition, n.d., About us, https://financialtransparency.org/about/

[2] The Open Budget Survey is the world's only independent, comparative and fact-based research instrument for measuring these essential aspects of governance and accountability through three main pillars: transparency, participation and oversight.

[3] International Budget Partnership, 2020, Open Budget Survey 2019, https://www.internationalbudget.org/open-budget-survey/open-budget-survey-2019-0 (the report page 30 figure 2.4)

[4] OECD, 2017, OECD Budget Transparency Toolkit, www.oecd.org/corruption-integrity/reports/oecd-budget-transparency-toolkit-9789264282070-en.html

[5] Sanjeev Khagram, Archon Fung and Paolo de Renzio, *Open Budgets: The Political Economy of Transparency, Participation, and Accountability* (Washington DC, Brookings Institution Press, 2013)

[6]Alta Folscher & Paolo de Renzio, 2017, The Road to Budget Transparency: Learning from Country Experience, https://www.internationalbudget.org/publications/road-to-budget-transparency-six-country-synthesis/

[7] Global Initiative for Fiscal Transparency, 2018, The High-Level Principles on Fiscal Transparency, Participation and Accountability, http://www.fiscaltransparency.net/documents/GIFT-EHLP-9Feb18.pdf

[8] International Budget Partnership, 2020, Open Budget Survey 2019, https://www.internationalbudget.org/open-budget-survey/open-budget-survey-2019-0

[9] International Budget Partnership, 2010, Guide to Transparency in Government Budget Reports: Why are Budget Reports Important, and What Should They Include?~~,~~ https://www.internationalbudget.org/publications/guide-to-transparency-in-government-budget-reports-why-are-budget-reports-important-and-what-should-they-include/

[10] The Open Budget Survey is the world's only independent, comparative, and fact-based research instrument to measure these essential aspects of governance and accountability through three main pillars: transparency, participation and oversight.

[11] International Budget Partnership, 2020, Open Budget Survey 2019, https://www.internationalbudget.org/open-budget-survey/open-budget-survey-2019-0

[12] Each budget document should be published within a specific timeframe following the international standards (reference table 3).

[13] International Monetary Fund, 2020, Regional Economic Outlook July 2020 Update for the Middle East and Central Asia https://www.imf.org/~/media/Files/Publications/REO/MCD-CCA/2020/Update/July/English/MREOENG202007.ashx?la=en.

[14] International Monetary Fund, 2020, Middle East and North Africa Regional Economic Outlook, https://www.imf.org/~/media/Files/Publications/REO/MCD-CCA/2020/April/English/menap-ppt-042020.ashx

[15] International Monetary Fund, 2020, Confronting the COVID-19 Pandemic in the Middle East and Central Asia, https://www.imf.org/en/Publications/REO/MECA/Issues/2020/04/15/regional-economic-outlook-middle-east-central-asia-report

[16] International Monetary Fund, 2020, Middle East and North Africa Regional Economic Outlook, https://www.imf.org/~/media/Files/Publications/REO/MCD-CCA/2020/April/English/menap-ppt-042020.ashx

[17] International Monetary Fund, 2020, Jordan: 2020 Article IV Consultation and Request for an Extended Arrangement under the Extended Fund Facility – Press Releases; Staff Report; and Statement by the Alternate Executive Director for Jordan, IMF Country Report No. 19/127, https://www.imf.org/en/Publications/CR/Issues/2020/04/10/Jordan-2020-Article-IV-Consultation-and-Request-for-an-Extended-Arrangement-under-the-49324

[18] World Bank, 2019, Doing Business 2020, https://www.doingbusiness.org/

[19] Hashemite Kingdom of Jordan, 2018, Public financial management reform, https://mof.gov.jo/Portals/0/Mof_content/PFM-Refom-HKJ-20180709.pdf

[20] International Monetary Fund, 2020, IMF Executive Board Approves US$1.3 billion Extended Arrangement Under the Extended Fund Facility for Jordan, https://www.imf.org/en/News/Articles/2020/03/25/pr20107-jordan-imf-executive-board-approves-us-1-3-bn-extended-arrangement-under-the-eff

[21] World Bank, 2020, The World Bank in Jordan, https://www.worldbank.org/en/country/jordan/overview

[22] International Budget Partnership, 2020, Open Budget Survey 2019: Jordan, www.internationalbudget.org/open-budget-survey/country-results/2019/jordan

[23] UN High Commissioner for Refugees, 2020, Lebanon: Inter-Agency – Monthly Statistical Dashboard – June 2020, https://data2.unhcr.org/en/documents/details/78775

[24] Republic of Lebanon Ministry of Finance, 2020, The Lebanese Government’s Financial Recovery Plan, http://finance.gov.lb/en-us/EventPdfs/English/The%20Lebanese%20Government's%20Financial%20Recovery%20Plan.pdf

[25] World Bank, 2014, Lebanon Systematic Country Diagnostic 2015, https://www.worldbank.org/en/country/lebanon/publication/lebanon-systematic-country-diagnostic-2015#:~:text=The%20Systematic%20Country%20Diagnostic%20gives,a%20land%20of%20lost%20opportunities

[26] International Monetary Fund, 2020, World Economic Outlook Database, https://www.imf.org/external/pubs/ft/weo/2020/01/weodata/weoselco.aspx?g=2400&sg=All+countries+%2f+Emerging+market+and+developing+economies+%2f+Middle+East+and+Central+Asia

[27] Republic of Lebanon Ministry of Finance, 2020, The Lebanese Government’s Financial Recovery Plan, http://finance.gov.lb/en-us/EventPdfs/English/The%20Lebanese%20Government's%20Financial%20Recovery%20Plan.pdf

[28] International Budget Partnership, 2020https://www.internationalbudget.org/open-budget-survey/country-results/2019/lebanon

[29] World Bank, 2020, The World Bank in Morocco, https://www.worldbank.org/en/country/morocco/overview

[30] Ibid

[31] International Budget Partnership, 2020, Open Budget Survey 2019: Morocco, https://www.internationalbudget.org/open-budget-survey/country-results/2019/morocco

[32] World Bank, 2020, Tunisia's Economic Update, https://www.worldbank.org/en/country/tunisia/publication/economic-update-april-2020#:~:text=The%20economy%20is%20projected%20to,of%20which%20impact%20economic%20growth

[33]International Budget Partnership, 2020, Open Budget Survey 2019: Tunisia, https://www.internationalbudget.org/open-budget-survey/country-results/2019/tunisia

[34] International Monetary Fund, 200, Manual on Fiscal Transparency, https://www.imf.org/external/np/pp/2007/eng/101907m.pdf

[35] In 2007, 2014 and 2018

[36]International Monetary Fund, 2018, Fiscal Transparency Handbook 2018, https://www.elibrary.imf.org/view/IMF069/24788-9781484331859/24788-9781484331859/24788-9781484331859.xml?code=fth&redirect=true

[37] An instrument developed in 2001 by several international organisation including the IMF.

[38]PEFA, 2016, Framework for Assessing Public Financial Management, https://www.pefa.org/resources/pefa-2016-framework

[39] International Budget Partnership, 2010, Guide to Transparency in Government Budget Reports: Why are Budget Reports Important, and What Should They Include? https://www.internationalbudget.org/publications/guide-to-transparency-in-government-budget-reports-why-are-budget-reports-important-and-what-should-they-include/

[40] Organization for Economic Co-operation and Development, 2017, Budget Transparency Toolkit, http://www.oecd.org/gov/budgeting/Budgeting-Transparency-Toolkit.pdf

[41] Scoring above 61 is considered a sufficient level of transparency.

[42]Kingdom of Morocco General Secretary of Government, Organic Law on the Finance Law, http://www.sgg.gov.ma/CodesTextesLois/Loiorganiquerelative%C3%A0laloidefinances.aspx

[43] International Budget Partnership, 2020, Open Budget Survey 2019: Morocco, https://www.internationalbudget.org/open-budget-survey/country-results/2019/morocco

[44] International Budget Partnership, 2020, Open Budget Survey 2019: Tunisia, https://www.internationalbudget.org/open-budget-survey/country-results/2019/tunisia

[45] Organic Budget Law No. 2004-42, dated 13 May 2004.

[46] World Bank, 2016, International Bank for Reconstruction and Development International Finance Corporation and Multilateral Investment Guarantee Agency Country Partnership Framework for the Lebanese Republic for the Period FY17-FY22, http://documents1.worldbank.org/curated/en/111451467996685776/pdf/94768-CAS-P151022-R2016-0126-OUO-9-Box396270B.pdf

[47] International Budget Partnership, 2020, Open Budget Survey 2019: Lebanon, https://www.internationalbudget.org/open-budget-survey/country-results/2019/lebanon

[48] Lebanese Ministry of Finance, 2020. Situation Update for Lebanon's Creditors, http://finance.gov.lb/en-us/Finance/PublicDebt/Info%20for%20Creditors/Investor%20Presentation%2027%20March%202020_Final.pdf

[49]International Budget Partnership, 2020, Open Budget Survey 2019 : Jordan, https://www.internationalbudget.org/open-budget-survey/country-results/2019/jordan

[50] The Hashemite Kingdom of Jordan General Budget Department, Budget Circulars, http://www.gbd.gov.jo/en/circulars

[51] At least one month prior to the tabulation of the budget proposal.

[52] International Budget Partnership, 2020, Open Budget Survey 2019: Morocco, https://www.internationalbudget.org/open-budget-survey/country-results/2019/morocco

[53] International Budget Partnership, 2020, Open Budget Survey 2019 : Lebanon, https://www.internationalbudget.org/open-budget-survey/country-results/2019/lebanon

[54]Kingdom of Morocco General Secretary of Government, Organic Law on the Finance Law, http://www.sgg.gov.ma/CodesTextesLois/Loiorganiquerelative%C3%A0laloidefinances.aspx

[55]PEFA, 2016, Rapport sur la Performance de la Gestion des Finances Publiques (PEFA), https://www.pefa.org/country/morocco

[56]PEFA, 2017, Jordan: PEFA Assessment 2016, https://www.pefa.org/node/581

[57] International Monetary Fund, 2016, Tunisia : Fiscal Transparency Evaluation, IMF Country Report No. 16/339, https://www.imf.org/en/Publications/CR/Issues/2016/12/31/Tunisia-Fiscal-Transparency-Evaluation-44369

[58] The 2020 budget law was prepared according to a new budgetary classification (in application of Article 18 of the newly adopted organic budget law) and that carries a classification by programme and reflects the main functions of the state.

[59] International Budget Partnership, 2019, Open Budget Survey 2019 Questionnaire Tunisia, https://www.internationalbudget.org/sites/default/files/2020-05/tunisia-202002150030.pdf

[60]Institut des Finances Basil Fuleihan - Ministry of Finances, 2020, Citizen Budget Lebanon 2020, http://www.institutdesfinances.gov.lb/publication/citizen-budget-2020/

[61] For instance, public hospitals, water management institutions, Beirut Port, Régie Libanaise des Tabacs et Tombacs, etc.

[62]PEFA, 2017, Jordan: PEFA Assessment 2016, https://www.pefa.org/node/581

[63] International Budget Partnership, 2019, Open Budget Survey 2019 Questionnaire Jordan, https://www.internationalbudget.org/sites/default/files/2020-05/jordan-202002150030.pdf

[64] The average debt to GDP ratio ranges from 60 to 80 per cent, to be considered sustainable.

[65] International Monetary Fund, 2016, Tunisia : Fiscal Transparency Evaluation, IMF Country Report No. 16/339, https://www.imf.org/en/Publications/CR/Issues/2016/12/31/Tunisia-Fiscal-Transparency-Evaluation-44369

[66]PEFA, 2016, Rapport sur La Performance de la Gestion des Finances Publiques (PEFA),https://www.pefa.org/country/morocco

[67] Eléctricité du Liban was unbudgeted as of 2018 and financed through "long-term" treasury advances that are technically loans.

[68] Lebanese Ministry of Finance, 2020. Situation Update for Lebanon's Creditors, http://finance.gov.lb/en-us/Finance/PublicDebt/Info%20for%20Creditors/Investor%20Presentation%2027%20March%202020_Final.pdf

[69] Financing needs refer to the overall fiscal deficit added to the debt principal repayments.

[70] International Monetary Fund, 2020, Jordan: 2020 Article IV Consultation and Request for an Extended Arrangement under the Extended Fund Facility – Press Releases; Staff Report; and Statement by the Alternate Executive Director for Jordan, IMF Country Report No. 19/127, https://www.imf.org/en/Publications/CR/Issues/2020/04/10/Jordan-2020-Article-IV-Consultation-and-Request-for-an-Extended-Arrangement-under-the-49324

[71]Jordan, Budget Regulating Law 2008.

[72] Kingdom of Morocco General Secretary of Government, Organic Law on the Finance Law, http://www.sgg.gov.ma/CodesTextesLois/Loiorganiquerelative%C3%A0laloidefinances.aspx

[73]Lebanon has not voted a budget between 2006 and 2016. During that period, public administration has subsisted on temporary annual budgets.

[74]Law No. 62.99, Article 166

[75]In the previous years, the executive was involved in appointing the head of the SAI without the final consent of the legislature or judiciary, which compromised the independence of the institution.

[76]PEFA, 2017, Jordan: PEFA Assessment 2016, https://www.pefa.org/node/581

[77] International Budget Partnership, 2019, Open Budget Survey 2019 Questionnaire Jordan, https://www.internationalbudget.org/sites/default/files/2020-05/jordan-202002150030.pdfff

[78] The Hashemite Kingdom of Jordan General Budget Department, 2020, Citizen Guide to the Budget, http://gbd.gov.jo/en/citizen-guid

[79] Knowing that the last citizen budget published in Tunisia goes back to 2018.

[80] Kingdom of Morocco, Ministry of Economy, Finance and Administration Reform, Citizen Budget, https://www.finances.gov.ma/fr/Nos-metiers/Pages/Budget-citoyen.aspx

[81]International Budget Partnership, 2014, Tunisia's Citizens Budget: One More Step toward the "Open Budget", https://www.internationalbudget.org/2014/02/tunisias-citizens-budget-one-more-step-toward-the-open-budget/

[82] International Budget Partnership, 2020, Open Budget Survey 2019 Questionnaire Jordan, https://www.internationalbudget.org/sites/default/files/2020-05/jordan-202002150030.pdf

[83] International Budget Partnership, 2020, Open Budget Survey 2019 Questionnaire Morocco, https://www.internationalbudget.org/sites/default/files/2020-05/morocco-202002150030.pdf

[84] The Hashemite Kingdom of Jordan General Budget Department, 2020, Law No. 5 for the Year 2020, Budgets Law of Government Units for the Fiscal Year 2020, http://gbd.gov.jo/en/releases/law-gu

[85] Open Government Partnership, 2018, Morocco OGP Action Plan 2018-2020, https://www.opengovpartnership.org/documents/morocco-action-plan-2018-2020/

[86] Open Government Partnership Tunisia, 2020, Third OGP National Action Plan 2018-2020, http://www.ogptunisie.gov.tn/en/?p=1226

[87] World Bank, Open Budget Portal, http://boost.worldbank.org/country/tunisia

[88] Institute of Finance, 2020. Lebanon Citizen Budget Dashboard, institutdesfinances.gov.lb/data/lebanon-citizen-budget/

[89] Among all budget stages Tunisia scores the most in public participation during budget approval (score 67/100). However, this is not the case regarding budget execution (score 0/100) and audit where the public cannot provide any input.

[90] International Budget Partnership, 2020, Open Budget Survey 2019: Lebanon, https://www.internationalbudget.org/open-budget-survey/country-results/2019/lebanon

[91]Individuals, civil society organisations, community groups, businesses, any other non-state organisation.

[92] Global Initiative for Fiscal Transparency, Principle of Public Participation in Fiscal Policy, 2015, http://fiscaltransparency.net/PP_Approved_in_General_13Dec15.pdf

[93] Guillen, A., et.al., Origin, Space and Levels of Participation, *International Journal of Good Conscience*, Vol. 4, No. 1, 2009, pp. 179-193., http://www.spentamexico.org/v4-n1/4%281%29%20179-193.pdf

[94]International Budget Partnership, 2016, Deliberating Budgets How Public Deliberation Can Move Us Beyond the Public Participation Rhetoric, https://www.internationalbudget.org/wp-content/uploads/ibp-paper-public-deliberation-in-kenya-2016.pdf

[95] Global Initiative for Fiscal Transparency, 2015. Mexico Public Participation Mechanisms in Fiscal Matters, http://guide.fiscaltransparency.net/case-study/public-participation-in-infrastructure-and-equipment-projects-for-schools/

[96] International Budget Partnership, 2020. Lessons Learned: Engaging the Public in Budget Discussions Despite Social Distancing, www.internationalbudget.org/2020/06/lessons-learned-engaging-the-public-in-budget-discussions-despite-social-distancing/

[97] Global Initiative for Fiscal Transparency, Philippines Public Participation Mechanisms in Fiscal Matters, www.fiscaltransparency.net/philippines.pdf

[98] www.delib.net/simulator

[99] According to the IBP, budget participation is defined as "the opportunities governments are providing to civil society and the general public to engage in the budget process, in order to contribute and influence decisions on how public resources are raised and spent."

[100] Global Initiative for Fiscal Transparency (GIFT), Principle of Public Participation in Fiscal Policy, http://fiscaltransparency.net/PP_Approved_in_General_13Dec15.pdf

[101]Democracy in the ESCWA Region, https://www.unescwa.org/publications/promoting-participatory-democracy-escwa-region

[102] Financial Services Volunteer Corps, Encourage Open Government Policies that Support Economic Growth, https://www.fsvc.org/programs/encouraging-open-government-policies-that-support-economic-growth/

[103]Gherbal Initiative,http://elgherbal.org/state_budget/index/en

[104]Aicha Karafi, 2015, Tunisia Presents its Open Budget Project: MIZANIATOUNA (Our Budget), World Bank blogs, https://blogs.worldbank.org/arabvoices/tunisia-open-budget-portal

[105] Open Knowledge Foundation, Opening up governance: OpenMENA joins public consultation process in Tunisia, https://blog.okfn.org/2014/05/23/opening-up-governance-openmena-joins-public-consultation-process-in-tunisia/

[106] Open Government Partnership, Current Action Plan 2018-2020, https://www.opengovpartnership.org/members/tunisia/

[107] Tadamun, 2016, Participatory Budgeting in Tunisia: Seizing Opportunities for Municipal Civic Engagement, http://www.tadamun.co/participatory-budgeting-tunisia-seizing-opportunities-municipal-civic-engagement/?lang=en#.X1PWI3kzZPY

[108] Challenges in terms of information and data sharing between different ministries is also captured in Morocco, as spending data is held by the public treasury of the kingdom and is not automatically handed to the budget directorate.

[109] Knowing that for instance Jordan and Lebanon are freezing public employment.

[110] Lebanese Centre for Policy Studies, 2020, Public Resource Allocation in Lebanon: How Uncompetitive is CDR's Procurement Process? https://www.lcps-lebanon.org/publication.php?id=359

[111] Many of the recommendations are included in the OBS report for Jordan.

[112] Airout Rana, 2019. *A Guide on Civil Society Participation and Oversight Mechanisms in the Formulation Stages of Jordan General's Budget*. Rasheed for Integrity and Transparency (Transparency International Jordan), https://rasheedti.org/wp-content/uploads/2020/02/engilsh-book.pdf

[113] In the case of Lebanon, improving the quality of budget documentation (particularly execution reports), would require the installation of an integrated financial management system that automatically links planned data to spending. This is not mentioned among the quick wins as the effort required is of an institutional nature.

[114] This action was proposed in the Beirut rapid damage and needs assessment conducted and published by the World Bank in collaboration with the EU and the UNDP.

[115] Sanjeev Khagram, Archon Fung and Paolo de Renzio, *Open Budgets: The Political Economy of Transparency, Participation, and Accountability* (Washington DC, Brookings Institution Press, 2013)

CREATE CHANGE WITH US

ENGAGE

Follow us, share your views and discuss corruption with people from around the world on social media.

facebook.com/TransparencyInternational/
twitter.com/anticorruption/
linkedin.com/company/transparency-international/
instagram.com/Transparency_International/
youtube.com/user/TransparencyIntl/

LEARN

Visit our website to learn more about our work in more than 100 countries and sign up for the latest news in the fight against corruption.

transparency.org

DONATE

Your donation will help us provide support to thousands of victims of corruption, develop new tools and research and hold governments and businesses to their promises. We want to build a fairer, more just world. With your help, we can.

transparency.org/donate

Transparency International
International Secretariat
Alt-Moabit 96, 10559 Berlin, Germany

Phone: +49 30 34 38 200
Fax: +49 30 34 70 39 12

ti@transparency.org
www.transparency.org

Blog: transparency.org/en/blog
Facebook: /transparencyinternational
Twitter: @anticorruption