Lebanon’s Experience in Producing its First Citizen Budget

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Overview: Lebanon’s Inaugural Citizen Budget

One of 19 countries worldwide to produce a Citizen Budget; 2nd Arab country after Egypt

February 2011

8 pages of simplified, non-technical representation of the 2010 Budget Proposal

2010 pilot version to be used as a template by Ministry of Finance (MoF) in the future
General Context: Transparency Measures

Publications

10 regular publications on public finance, debt, foreign trade, and foreign aid

5 thematic reports started in 2006 / last one issued in 2011

Other

Reports and data provision and dissemination

Economic & fiscal contents on MOF website

Participation in National Network for the Right of Access to Information

“Partners in Transparency” MOU with the Lebanese Transparency Association (LTA), Oct 2007
Rationale for Initiative

- Transparency and access to information policy
- Continuation of budget reforms undertaken till that point
- Desire to continue providing tools to citizens, engaging them further in policy-making
- Necessity to publish a Citizen Budget as highlighted in results of 2008 Open Budget Index

1st Citizen Budget
Outline

Context
- Overview
- General context
- Rationale

Citizen Budget
- Objectives of the Citizen Budget
- Process of Producing the Citizen Budget
- Key Elements of Citizen Budget

Assessment
- Impact
- Some Implementation Challenges
- Post-launch and Future Plans
MoF Citizen Budget Objectives

- Make budget information accessible in concise Arabic, user-friendly version
- Solicit and listen to citizens’ suggestions and demands
- Strengthen the relationship between the MoF and citizens
- Provide better understanding to Lebanese citizens on government’s economic policies, revenues and expenditures plan
- Promote fiscal transparency
- Tool to encourage and facilitate public participation in policy making and monitoring in framework of budget process
- Implement reforms, one of which is development of Citizen Budget
Process:
Parties Involved in Pilot Version

Ministry of Finance
- UNDP
- Project/Office of the Minister in collaboration with:
  - Budget Directorate
  - Minister’s Communications Office

Lebanese Transparency Association
- Focal point with International Budget Partnership, civil society for stakeholder interviews, designer

Other parties:
- Council of Development and Reconstruction
- Other...
Process: Timeline

Launch: Sep 2009:
- Process launched with LTA, concept paper approved by Minister

Phase I: Q1 2009 - Q1 2010
- Conduct interviews and provide international best practice

Phase 2: Q2 - Q4 2010
- Development of Citizen Budget template and document

Publication: Feb – May 2011:
- 2010 Citizen Budget launched and disseminated
Process: Timeline

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Phase I: Q1 2009 – Q1 2010
Conduct interviews and provide international best practice

Phase 2: Q1 – Q4 2010
Development of Citizen Budget template and document

Publication: Feb – May 2011:
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Process: Phase I

Benchmarking

- Conducted with best practice Citizen Budgets including those of the UK and South Africa

Consultative Process

- 13 stakeholder interviews with range of civil society representation: NGOs, academia, think tank
- **Objective:** Solicit views and ideas for information that they are interested to be included in the Citizen Budget and ideal format
Process: Phase I
Consultative Process

Results – Content
Requests for information:

- **General information ex.**
  - Public budget cycle
  - State’s expenditures policies and mechanisms
  - Updates on public work project implementation
  - Spending on electricity, social sector
- **Not in budget ex.**
  - Debt origins
  - Paris III loans and grants
- **Outside purview of MoF ex.**
  - Labor force, unemployment stats
- **Not easily available ex.**
  - Highlights of future challenges ex. from global warming
  - Expenditure on elderly care institutions

Results - Format

- Simple
- Illustrations
- No lengthy paragraphs
- Comparative trends
- Define economic indicators
Phase 2: UNDP Project, Office of the Minister team in collaboration with the Budget Directorate provided all figures and developed cross cutting tables across economic, functional and administrative classifications to calculate certain sectoral figures not featured in the budget.
Process: Dissemination

**Dissemination:** Decided and conducted by Minister’s Communication team. 13,000 copies distributed as inserts in four major newspapers across all regions in Lebanon. Published online and sent to Ministry of Finance mailing list.
Key Elements of the Citizen Budget

I. Foreword by Minister of Finance

II. General Context:
   - Objectives of the 2010 Budget Proposal
   - Macroeconomic assumptions
   - Summary of total revenues, expenditures, budget balance

III. Citizen Budget overview
   - What is it?
   - What are its contents?
   - How was it prepared?

IV. Public Debt
   - Gross public debt + as % of GDP
   - Interest payments

V. Expenditures
   - Details: Spending on employees, infrastructure, health and social services, economic activities
   - Sample of infrastructure projects

VI. Revenues
   - Tax and non-tax revenues
   - Notable tax and non-tax policy measures

VII. Special feature: Paris III grants and loans*

VIII. Contact information

* Information not in Budget but included in Citizen Budget based on demand.
The 2010 Citizen Budget (p. 1-3)
The 2010 Citizen Budget (p. 4-5)
The 2010 Citizen Budget (p. 6-8)
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## Impact

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<thead>
<tr>
<th>Before</th>
<th>After</th>
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</table>
| • Full Budget Proposal/Law online (Arabic)  
• Technical summary notes and report (English) | • Non-technical, concise summary of budget (Arabic) |

Conduct impact assessment and solicit feedback on first issue for future improvement, if human resources available
### Some Implementation Challenges

<table>
<thead>
<tr>
<th>Resistance to new initiative, HR constraints</th>
<th>Coordination amongst number of different parties delayed the process</th>
<th>Some information requested by citizens not easily available or not MoF data</th>
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<tbody>
<tr>
<td>Communicating information in reader-friendly way</td>
<td>Goal of keeping document concise</td>
<td>Choosing most important and relevant topics for Lebanese citizens to include</td>
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<tr>
<td>Dissemination strategy and glossary limited by budget and time</td>
<td>Timing of 2009 and 2010 Draft Budget Proposals</td>
<td>Partner needed a lot of support on technical aspects that MoF ended up supplying almost all content</td>
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Post-launch and Future Plans

April 2011
Official transfer of responsibility from Office of the Minister/UNDP Project to natural owner: MOF Budget Directorate

Budget Directorate: mandate to publish yearly Citizen Budget

Draft of 2011 Citizen Budget prepared; 2011 Budget Proposal revised with new government formation

2012 Citizen Budget to be prepared once 2012 Budget Proposal submitted to Council of Ministers (2012 Budget Proposal currently being prepared)
Lebanon’s 2010 Citizen Budget is available here: www.finance.gov.lb

Thank you