

Strengthening Budget Transparency in the MENA Region

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A COLLABORATION BETWEEN



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ACRONYMS

CSOs	Civil Society Organizations
CSMD	Special Commission on New Development Model
DRC	Democratic Republic of Congo
ESCWA	United Nations Economic and Social Commission for West Africa
FCS	Fragile and Conflict-affected States
FTC	Fiscal Transparency Code
FTEs	Fiscal Transparency Evaluations
GFS	Government Finance Statistics Manual
GIFT	Global Initiative for Fiscal Transparency
IBP	International Budget Partnership
IMF	International Monetary Fund
INTOSAI	International Organization of Supreme Audit Institutions
LCBD	Lebanon Citizen Budget Dashboard
MENA	Middle East and North Africa
METAC	The Middle East Regional Technical Assistance Center
MFU	Macro Fiscal Unit
MTFF	Medium Term Fiscal Framework
NGOs	Nongovernmental Organizations
OBL	Open Budget Laws
OBS	Open Budget Survey
OECD	Organisation for Economic Co-operation and Development
OGP	Open Government Partnership
PEFA	Public Expenditure and Financial Accountability
PFM	Public Financial Management
SAIs	Supreme Audit Institutions
SDGs	Sustainable Development Goals
UELDLP	Upper Egypt Local Development Project
UGTT	Tunisian General Labor Union
UNDP	United Nations Development Programme
UNESCWA	United Nations Economic and Social Commission for West Africa
UNICEF	The United Nations Children's Fund

The public budget is a powerful tool to contribute to socioeconomic progress and strengthening governance in the Middle East and North Africa (MENA) region: embracing budget transparency can enhance resource allocation and contribute to building trust in public institutions. With considerable heterogeneity across countries, the MENA region ranks very low in global comparative terms in all key indicators of the Open Budget Survey (OBS). Building on some encouraging country-specific experiences, the MENA region should scale up efforts on budget transparency. These should be tailored to each country's specific context, addressing key constraints of limited budget implementation reporting while strengthening formal oversight institutions – the Legislature and Supreme Audit Institutions (SAIs) – in their role, as well as fostering public participation. Intensifying efforts across stakeholders can facilitate steps forward in this critical regional agenda for the benefit of all citizens.

CHAPTER 1. THE CASE FOR OPEN BUDGETS IN THE MENA REGION

The MENA region faces significant challenges in meeting citizens' needs and driving social and economic development. Demographic pressures, youth unemployment, poverty, and high and rising inequality are hindering efforts to create opportunities for all. Several countries in the region are dealing with internal conflicts, large inflows of refugees, and heightened security risks. In the face of a challenging global environment, these countries' economies are being buffeted by a global slowdown, high and volatile food and energy prices, stronger-than-expected tightening of financial conditions, and the risk of fragmentation (IMF 2022a). This further adds to the longer-term challenge to achieve the Sustainable Development Goals (SDGs) by 2030: while seven SDGs cannot be monitored due to lack of data, none of the ten monitorable goals are “on track” in the region showing no strong progress since 2015; one goal (zero hunger) is “off track” since 2015 (UNESCWA 2022; UN 2022).

This heightens the need for efficient, transparent, and effective decisions on taxation and public spending. Public social spending is widely recognized as a key policy lever for supporting inclusive growth and progress towards the SDGs (IMF 2020; IMF 2019a; IMF-METAC 2023a; UNESCWA 2017; UNESCWA 2019). Determining how public funds are raised and spent has a direct impact on all citizens. However, in the MENA region, levels of social spending are lower than in other regions (IMF 2020; UNESCWA, UNDP, UNICEF, 2022), necessitating improved targeting, higher spending efficiency, and strengthened fiscal sustainability, while addressing potential fiscal policy trade-offs.

National budgets play an important role in translating policy priorities toward the allocation of limited resources. To perform this function effectively, budgets should be accessible to citizens and responsive to their interests; they should establish a stable and sustainable fiscal position for the medium term; and – in complement to other public financial management (PFM) arrangements – assure accountability in the uses and outcomes of spending.

There are key benefits for budget transparency. Fiscal openness benefits citizens, societies and governments through lower corruption and enhanced accountability (IBP, GIFT, OGP 2022; IMF-METAC 2021). It is associated with better macroeconomic management, lower borrowing costs and more efficient resource allocation (IMF 2018b). Further, it can enhance public trust and strengthen the social contract (UNDP 2022).

This Regional Note assesses the performance of 11 selected MENA countriesⁱ in the International Budget Partnership's (IBP's) Open Budget Survey (OBS)ⁱⁱ: Algeria, Egypt, Iraq, Jordan, Lebanon, Morocco, Qatar, Saudi Arabia, Sudan, Tunisia, and Yemen. The OBS evaluates countries across the three OBS pillars: budget transparency through timely, comprehensive and accessible publication of eight key budget documents; effectiveness of formal

oversight institutions through the Legislature and the Supreme Audit Institutions (SAIs); and public participation throughout the budget cycle.

The country selection is based on data availability in the MENA regionⁱⁱⁱ, aiming to provide consistent comparisons, while encompassing the diverse range including fragile and conflict-affected states (FCS). The Note covers 11 countries across the transparency pillar for the 2015, 2017, 2019, and 2021 OBS editions while the oversight and participation pillars are covered in the 2017, 2019, and 2021 editions, considering changes in methodology introduced in 2017. Additionally, it analyzes available 2012 data at the individual country level. Key economic and population data can be found in Annex Table 1 and 2.

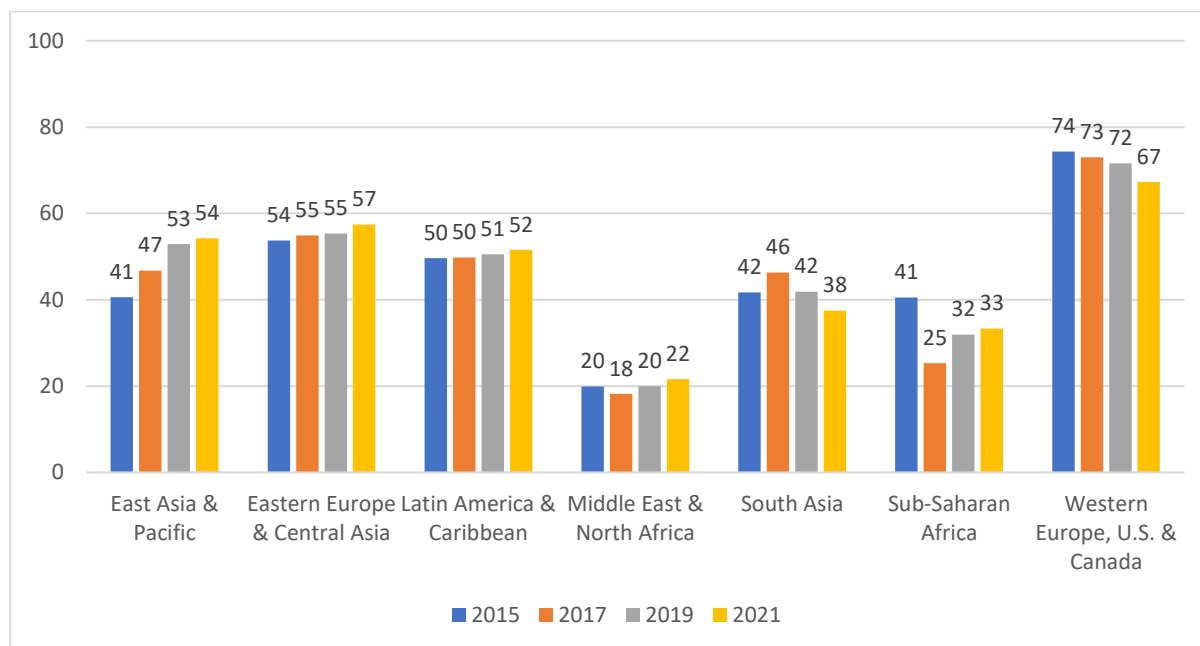
CHAPTER 2. BUDGET TRANSPARENCY

Regional Assessment

Budget transparency is fundamental for effective budget decisions and monitoring the implementation of budgets. Transparency concerns citizens and taxpayers, as well as legislators and auditors responsible for holding the Executive accountable for implementing budgets in line with their objectives.

The MENA region lags significantly in terms of budget transparency, as depicted in Figure 1. From 2015 to 2021, there was only a marginal increase of two points, resulting in an average transparency score of 22 (out of 100)^{iv} in the 2021 OBS data. While this marks an improvement from the lowest quintile denoting "no/scant budget transparency" (scores 0-20) to the second lowest ("minimal transparency"), MENA still falls 10 points behind the second worst performer (sub-Saharan Africa). Other regions such as Eastern Europe and Central Asia and Latin America and Caribbean are a few points away from reaching "sufficient levels of transparency" (score of 61 and above), with East Asia and Pacific showing the largest and most steady increase (14 points since 2015).

FIGURE 1. Budget transparency by region (OBS 2015–2021)^v

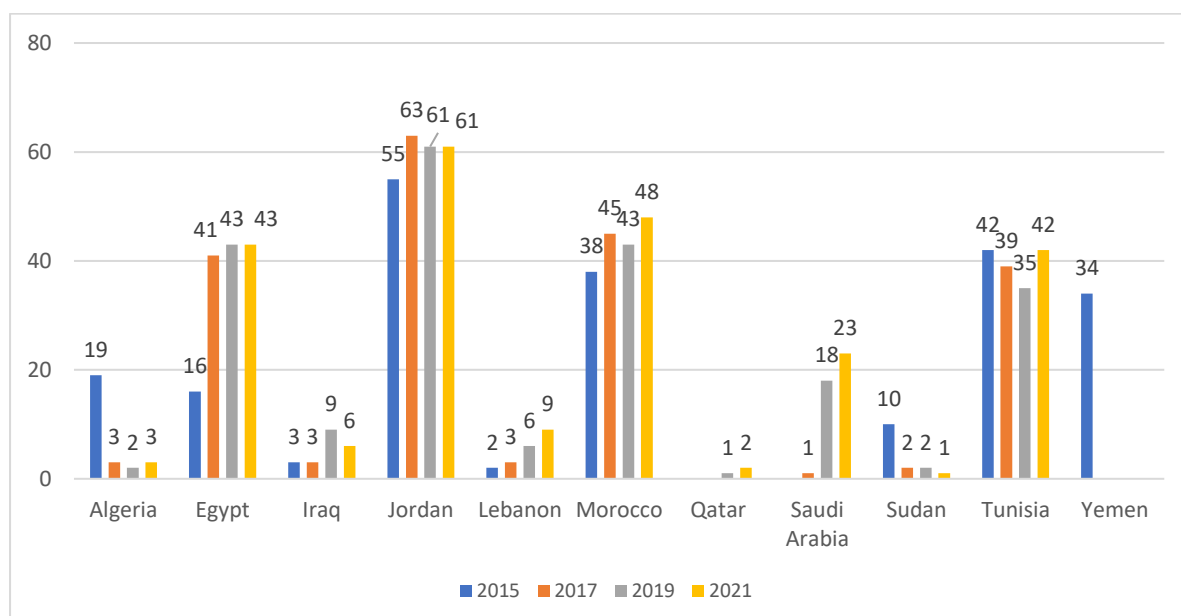


Source: Open Budget Survey.

There is significant variation in both the level as well as trends of budget transparency across the selected MENA countries for the period 2015–2021 (Figure 2). Results across the different brackets of the OBS transparency pillar in descending order are as follows, with no country reaching the bracket of “extensive information available” (scores of 81-100):

- With a score of 61, Jordan is the only country in the region included in the “substantial transparency” bracket (scores 61–80), a level deemed as sufficient to support an informed public debate on the budget.
- Countries with “limited transparency” (scores 41-60) include Egypt, Morocco, and Tunisia. The evolution of Egypt’s score reflects the developments following the Arab Spring in 2011, parliament was dissolved until 2015 when elections reinstated it. With that, the submission of a budget proposal to parliament was possible again, and Egypt’s OBS score jumped from 16 in 2015 to 41 in 2017. In Tunisia, while recent years may bring about different budget openness results, a new constitution was adopted in 2014, granting more authority to parliament in budgetary matters, and contributing to improvements in the OBS scores (from 11 in 2012 to 42 in 2015).
- Saudi Arabia has reached “minimal transparency” (scores bracket: 21-40) rising to a score of 23 in the 2021 OBS from 1 in the 2015 edition (see Box 1).
- Countries with “no to scant transparency” (scores 0-20) include some middle- and high-income countries, such as Algeria and Qatar as well as fragile and conflict-affected states, such as Iraq, Lebanon and Sudan, which often struggle to enact a budget at all and thus have never scored higher than 20 in this period. The conflict in Yemen escalated during 2015 affecting the budget process reflected in the sharp drop from a score of 34 in that year, staying at zero in the 2017, 2019 and 2021 OBS editions.

FIGURE 2. Budget transparency by MENA country (OBS 2015–2021)



Source: Open Budget Survey.

Published budget information is limited and volatile. Both the 2019 and 2021 surveys indicate that more than half of the key budget documents assessed in the OBS (57 percent in the OBS 2021 and 60 percent in the OBS 2019) are not publicly available, with many documents only made available for internal use or published too late to be useful (see Table 1).

Producing but not publicly sharing documents is unfortunately a common practice in the MENA region. According to the OBS 2021, eight out of 11 countries did publish the Enacted Budget; however, as in other key documents, the comprehensiveness of these documents varied significantly across countries (see Figure 3).^{vi} Only four countries publish the draft budget (Executive’s Budget Proposal), which is considered the most important document: it lays out and should present an invaluable opportunity to discuss the government’s budget policy objectives and plans for the year before it is approved by the Legislature. Similarly, only three out of the 11 countries publish the Pre-Budget Statement that offers an opportunity to discuss the fiscal policy approach of the annual budget ahead of its submission to the Legislature.

There is also considerable volatility in the publication of these documents across consecutive rounds of the OBS. This implies that transparency practices are not institutionalized. Political challenges and conflicts further exacerbate this volatility – documents are either not published at all (and in some cases stop being produced) or are published with delays. For example, Sudan’s 2018 approved budget was published online almost 11 months after its enactment, rendering it of little value in terms of public oversight or participation.

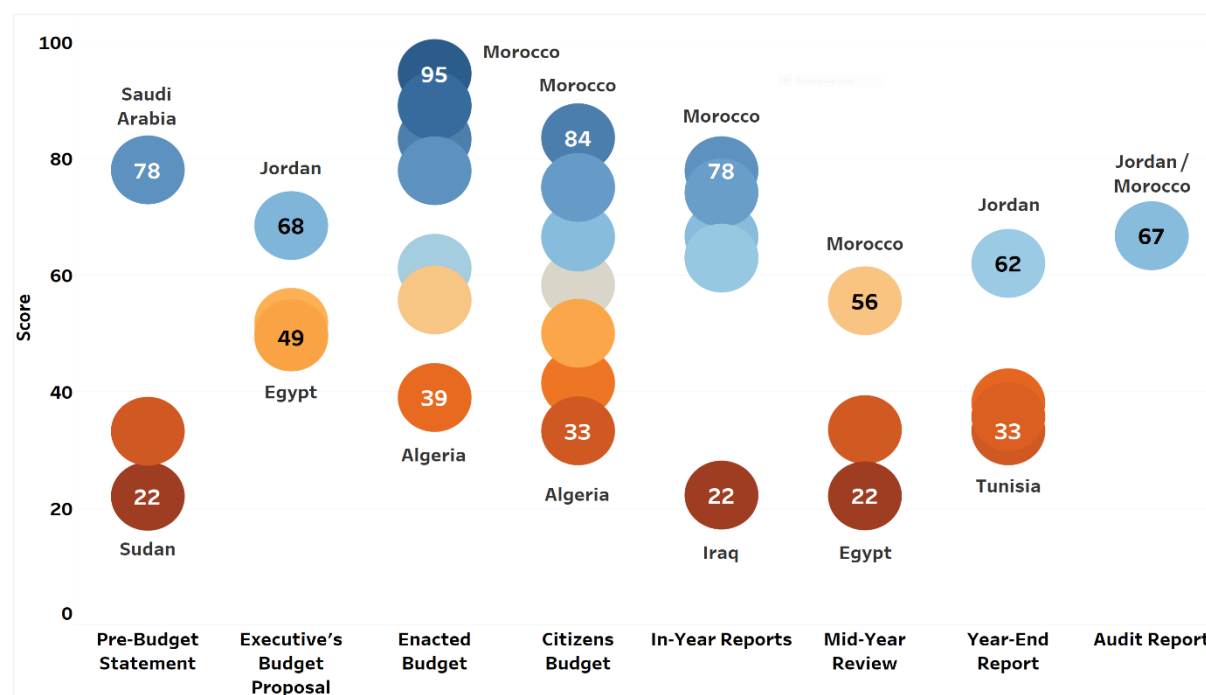
Publication is also limited for budget execution documents. This includes the Mid-Year Review and the Year-End Report, the latter being critical as it contains the government’s financial activities and performance on implementing the budget during the entire fiscal year. As evidenced in the 2019 to 2021 OBS data, two countries (Iraq and Lebanon) have stopped publishing Year-End Reports. Nine out of 11 countries fail to publish the Audit Report, vital for Legislatures and SAIs to work together to hold Executives to account and ensure public funds are used as intended; Chapter 3 further assesses budget oversight.

Table 1. Number of publicly available budget documents in MENA countries (OBS 2019 and 2021)

Key budget documents	Number of countries (out of 11)		
	OBS 2019	OBS 2021	Net Change
Pre-Budget Statement	3	3	0
Executive’s Budget Proposal	4	4	0
Enacted Budget	7	8	+1
Citizens Budget	6	8	+2
In-Year Reports	6	6	0
Mid-Year Review	1	3	+2
Year-End Report	6	4	-2
Audit Report	2	2	0
Total for all documents	35	38	+3
Overall document publication rates	40%	43%	+3%

Source: Open Budget Survey.

FIGURE 3. Variation in the comprehensiveness scores of key budget documents in selected MENA countries (2021 OBS score)^{vii}



Source: Open Budget Survey.

BOX 1. Saudi Arabia: Progress on PFM, looping in Budget Transparency

As part of [Vision 2030](#), Saudi Arabia has embarked on a series of fiscal, economic, institutional, and public financial reforms since 2017. Increasing transparency was one of the main targets to improve fiscal performance and the business environment. For the first time new reports were prepared and published on the Ministry of Finance's website including the Pre-Budget Statement, the Enacted Budget, In-Year Reports, Mid-Year Review, and the Year-End Report. This resulted in an increase of the OBS transparency score, from 1 in 2012 to 23 in 2021. At the end of 2022, Saudi Arabia did a community participation in the budget process survey. In 2019, Saudi Arabia adhered to the IMF Special Data Dissemination Standard (SDDS) and started to publish fiscal data with monthly, quarterly, and annual frequency on its [National Summary Data Page](#). The Ministry of Finance significantly enhanced the yearly budget statement report and developed a medium-term perspective in addition to some detailed expenditure plans at line ministry level. This has benefited from IMF assistance throughout this process. Further steps can be taken to strengthen transparency, including by making the Executive's Budget Proposal publicly available in a timely manner.

Paths to Progress – Country Examples

Despite the limited and uneven progress across MENA countries in improving budget transparency, some country examples provide evidence that progress is possible. In 2018, Egypt published a Year-End Report for the central government; Saudi Arabia has improved budget transparency alongside other PFM reforms; Jordan has sustained its commitment to fiscal transparency; and Lebanon (Box 2) is providing opportunities for engagement through its Citizen Budget Dashboard. With the support of UNDP, Lebanon, Morocco, and Tunisia have enacted access-to-information legislation. These examples can guide other countries in the region to strengthen budget transparency and the comprehensiveness of documentation.

BOX 2. Lebanon: Improving budget accessibility and literacy through the Citizen Budget Dashboard

In 2020, the Institut des Finances Basil Fuleihan at the Lebanese Ministry of Finance joined efforts with civil society to create the Lebanon Citizen Budget Dashboard (LCBD), providing access to disaggregated budget data. The LCBD harvests metadata from the Ministry of Finance of Lebanon, retrieved from the official budget and monthly reports. With technology, information is transformed into understandable, easy-to-read figures, appealing graphs, and visuals which can be further improved. Information on the budget calendar helps citizens better contextualize the data. A feedback section is available to users to submit comments for improvements in presentation and request further information. In less than a year, the dashboard became a unique point of access to budget data. The Institute witnessed a growing demand for accessing and understanding fiscal information demonstrated by the large number of inquiries received through social media and other communication channels as well the number of requests for awareness sessions, especially from youth groups, and media. Live demonstrations and hands-on training on the use of the data were organized for more than twenty civil society organizations and development partners in Lebanon.

Source: “Lebanon case study: Advancing the fiscal transparency agenda” by Lamia Moubayed Bissat, 29 March 2023. <https://publicadministration.un.org/en/home/blog>.

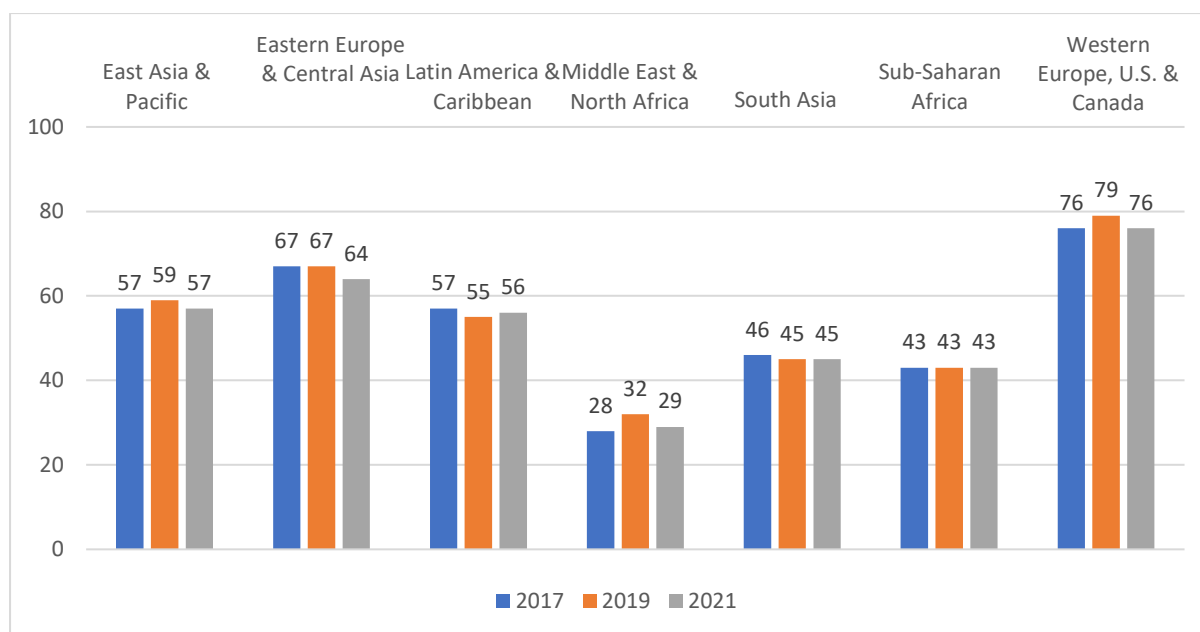
CHAPTER 3. BUDGET OVERSIGHT

Regional Assessment

In a region facing manifold governance challenges and a prolonged transition following the Arab Spring, exercising budget oversight through the Legislature and the SAI is of critical importance in ensuring accountability in the use of public resources. Traditionally, Legislatures are responsible for approving budgets, allocating resources, overseeing implementation of public funds and ensuring representation on behalf of citizens. SAIs provide oversight through an independent assessment of the management and expenditure of public funds by government entities. However, the OBS finds that budget oversight in the MENA region remains limited in global comparative terms (Figure 4). Not a single country in the MENA region has “adequate” legislative oversight^{viii} and only two (Iraq, Tunisia) have “adequate” SAI oversight.^{ix} Thus, with an average regional score of 29 versus a global average of 52, it is the only region that displays “weak” budget oversight (score 0–40),^x well below the second worst regional performers sub-Saharan Africa, South Asia, which score 43 and 45 respectively.^{xi} This underscores a critical governance challenge: absence of adequate oversight by both bodies (Legislatures and SAIs) weakens the checks and balances required for accountability and fiscal sustainability.

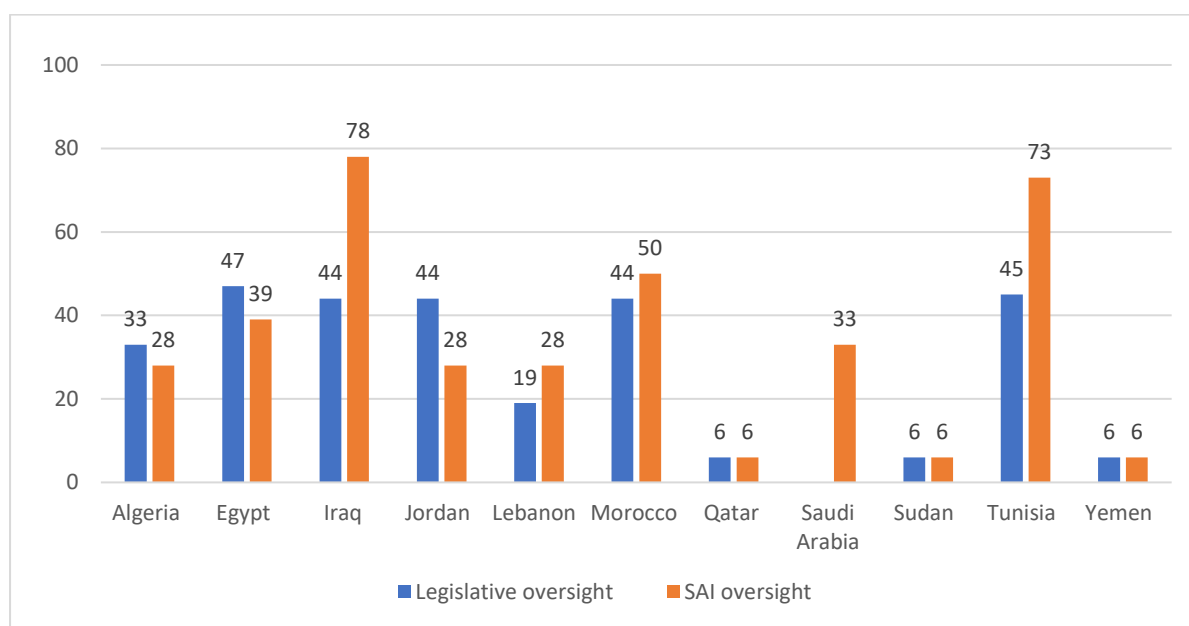
The limited legislative oversight in the MENA region is primarily rooted in regional-specific governance arrangements, along with constitutional and legal constraints (Figure 5). The quality of legislative oversight varies significantly, reflecting specific institutional arrangements at the country level. The limited role of the Legislature in overseeing the budget process is reflected in the OBS legislative oversight scores ranging from zero in Saudi Arabia to 47 in Egypt. Six countries in the region (Algeria, Lebanon, Qatar, Saudi Arabia, Sudan and Yemen) provide weak legislative oversight. For example, only four countries have the legislative authority to amend the draft budget, that too with limitations (Algeria, Egypt, Iraq, Jordan). Only three (out of the 11) countries have legislative committees that either examine in-year execution of the budget (Iraq, Jordan, and Morocco) or examine the Audit Report on the annual budget produced by the SAI (Algeria, Jordan, and Morocco).

FIGURE 4. Budget oversight by region (OBS 2017–2021)^{xii}



Source: Open Budget Survey.

FIGURE 5. Oversight by institution in MENA countries (OBS 2021)



Source: Open Budget Survey.

SAI oversight is limited, mainly explained by the constrained SAI independence. The average MENA regional score for SAI oversight is 34 compared with 63 globally. Lack of SAI independence manifests itself in the Executive in eight (out of the 11) surveyed countries being able to remove the head of the SAI without the final consent of the judiciary or the Legislature and interfere with the SAI's mandate and operations. This includes interference with SAIs' decisions on the timing and content of their reports, hindering access to information, and limiting or delaying financial resources for the SAI to function^{xiii}. Funding levels for SAIs in six countries (Egypt, Jordan, Lebanon, Qatar, Sudan, Yemen) is deemed insufficient to discharge their mandate. Weak SAI oversight is also reflected in the World Bank 2021 Supreme Audit Institutions Independence Index^{xiv} (World Bank 2021) which shows the low ranking of the Arab region in global comparative terms. In this Index, most of the countries surveyed in this Regional Note either have “low”

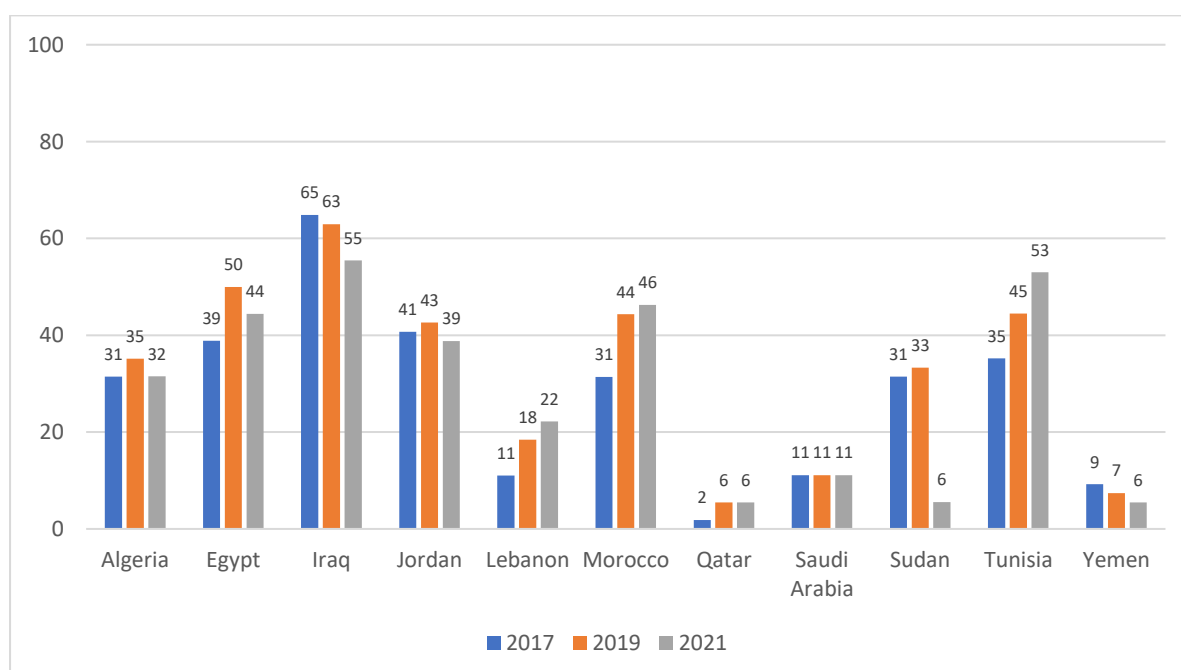
(Lebanon, Egypt, Yemen) or “moderate” levels (Iraq, Jordan) of SAI independence, the only exceptions being Sudan where it is assessed as “high” and Morocco and Tunisia where it is “substantial”.

Executives in the region also feel little pressure to act on audit recommendations. Not in one of the 11 countries, the SAI or the Legislature publicly track actions by the Executive to address audit recommendations. In only one country (Jordan) does the Executive report to the public what they have done to address SAI recommendations.

Paths to Progress – Country Examples

Some countries in the region are making progress in strengthening oversight (Figure 6). This includes Lebanon (albeit starting at low levels), Morocco, and Tunisia demonstrating a better path forward. However, the challenges of sequencing reforms to achieve tangible progress are exemplified by Iraq (Box 3). This illustrates the need to strengthen both types of oversight as they are complementary: strong SAI oversight is crucial to informing the Legislature, upon which the Legislature can then effectively act to hold the Executive to account.

FIGURE 6. Oversight by MENA country (OBS 2017–2021)



Source: Open Budget Survey.

BOX 3. Budget oversight in Iraq amid institutional challenges

In Iraq, legislative oversight has declined from a score of 58 in the OBS 2019 to 44 in the OBS 2021, while SAI oversight has increased from 72 to 78 over the two rounds. The Public Financial Management Act of 2019 lays down a solid foundation for the Legislature’s authority to amend the budget. Legislative committees discuss the Pre-Budget Statement, review the Budget Proposal and budget execution as well as meet with SAI members during the budget year. However, recent political gridlocks have led to considerable delays, undermining the role of the Legislature in the budget approval process.

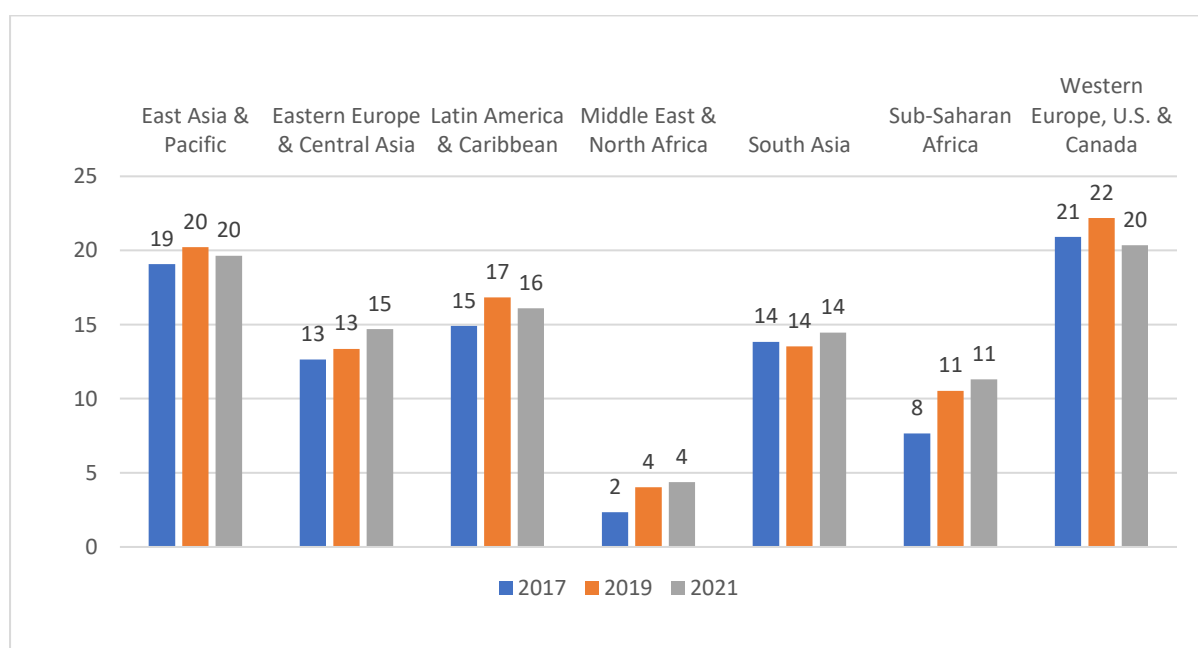
CHAPTER 4. PUBLIC PARTICIPATION

Regional Assessment

There are compelling reasons to promote public participation, including for efficiency and accountability reasons. It serves as a critical link between fiscal transparency, more effective accountability in PFM, and better fiscal outcomes (GIFT 2022). Openness of public institutions to engage citizens can influence people’s trust (OECD 2017), which in turn can lead to greater propensity towards tax compliance (World Bank 2019), enhanced social cohesion and improved civic literacy. Opening up the budget processes to citizens in how limited public resources are allocated and executed is therefore an important part of the accountability framework. Thus, the OBS assesses the degree to which the Executive, the Legislature, and the SAI provide opportunities for the public to engage during each phase of the budget process.^{xv}

Reflecting historical legacies and regional governance arrangements, citizen participation in budgetary matters in the MENA region is nascent. As demonstrated by a comparison of the OBS 2021 across all regions, no country in the world provided adequate opportunities for public participation.^{xvi} The 11 countries surveyed in the MENA region achieve an average score of 4, by far the lowest worldwide (Figure 7). Following Figure 8, several countries offer no opportunities at all for public participation in budgetary matters, as evidenced by a score of zero for Algeria, Iraq, Lebanon, Qatar, Saudi Arabia, and Yemen. Exceptions are recent improvements in Egypt (score of 19); Tunisia (score of 15), which is making progress in a challenging context;^{xvii} and Morocco (score of 7).

FIGURE 7. Citizen participation by region (OBS 2017–2021)

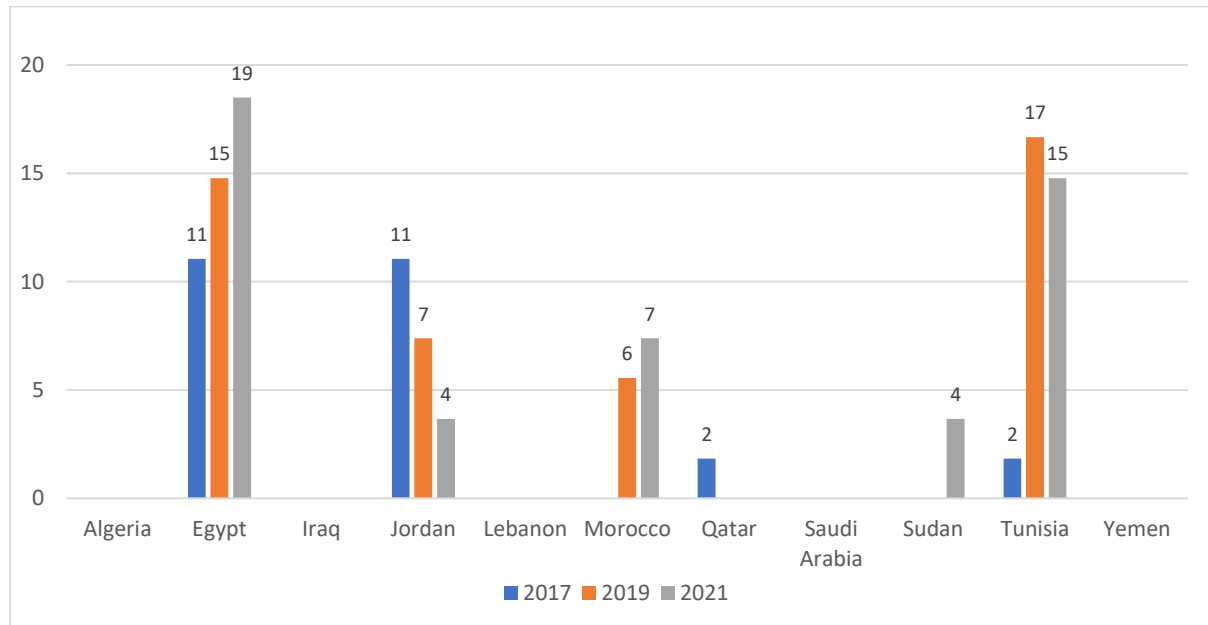


Source: Open Budget Survey.

These findings need to be assessed in the specific governance context of the MENA region. According to the Freedom House Indicator, the MENA region remains the least free region in the world, which comes along with closed civic spaces: eight of the 11 surveyed countries in this Note are classified in this indicator as “not free”, while three are considered “partly free” (Freedom House, 2023a).^{xviii} The Arab Spring of 2011 has not fundamentally changed this situation, albeit recently there are a few improvements (Freedom House 2023b). Other contextual factors in MENA are the natural resource endowments in oil exporting countries and features of rentier states; these

can alter the social contract between citizen and state, potentially limiting incentives for the state to engage citizens, and for them to grasp opportunities to participate in policymaking and planning (Rajkotwalla 2020). Particularly in countries with low levels of transparency, citizen participation in the budget process offers opportunities for inclusive decision-making where democratic channels may otherwise be limited – which, can lead to allocative efficiency and contribute to better development outcomes.

FIGURE 8. Citizen participation in budgetary matters by MENA country (OBS 2017–2021)



Source: Open Budget Survey.

Paths to Progress – Country Examples

While public participation generally remains rare and poorly structured across the budget cycle, there are innovative examples. In Morocco (Box 4), a commission was instated to consult the public on development priorities to align the long-term National Development Plan. In Egypt (Box 5), instances of public participation have materialized at the local level where proximity of the government with citizens facilitates planning and engagement on budgetary matters. These examples illustrate that within a challenging context, public participation in budgeting can be put into practice. Importantly, these initiatives also require that citizen proposals are captured within sustainable medium-term fiscal policies and frameworks and that there are possibilities for tracking if and how proposals were incorporated into the budget.

BOX 4. Morocco: Engaging citizens to understand and align fiscal priorities with long-term development planning

In 2020, Morocco's royal cabinet created a [Special Commission on New Development Model](#) (CSMD) calling for a "new approach" to development, one that is centered on meeting the needs of the citizens". CSMD launched a broad national consultation open to all Moroccan citizens, aimed at harnessing a wide variety of expertise from local communities, government, NGOs, and the private sector, with the objective of including citizen expectations in long-term development policies and priorities. Over the course of one year, CSMD interacted with 9,700 people directly or indirectly. The commission reached out to diverse stakeholders (citizens, CSOs, urban youth, rural areas, institutional actors, government officials, trade unions) through various outreach mechanisms – field visits, focus group discussions, university townhalls, interviews and social media. All outcomes of consultations were synthesized and submitted, with recommendations in multiple reports uploaded on the portal and submitted to royal cabinet in early 2021 for discussion with cabinet. The entire process, consultations and verbatim comments were transparently uploaded on CSMD's [portal](#).

Source: www.csmd.ma/

BOX 5. Egypt: Strengthening public participation on budgetary matters at national and local levels

Egypt illustrates advances in participatory approaches for budget planning at both the national and local level. At the national level, approaches to a citizen budget were included in preliminary Pre-Budget Statements, draft proposal, and briefs on COVID-19 government measures (IMF-METAC 2021). At the local level, progress includes piloting community participation in investment plans, as illustrated by the Upper Egypt Local Development Project (UELDP), a poverty reduction initiative managed jointly by Ministry of Planning, Monitoring and Administration and Ministry of Local Development. Two regions – Qena and Sohag – and their municipalities apply community participation in their annual investment plan through prioritization of investment projects (electricity, environment, roads and transportation, security and traffic). The meetings are open to all residents, including women and youth. As well, the Ministry of Social Solidarity has rolled out an accountability tool for local communities to provide feedback on social programs and to better direct social funds and public service delivery.

CHAPTER 5. GUIDELINES FOR STRENGTHENING BUDGET TRANSPARENCY IN THE MENA REGION

The importance of well-functioning and accountable budget processes and decisions for the MENA region cannot be overstated. The surveyed countries present significant social and economic challenges that call for substantial improvements in the adequacy, equity, and efficiency of public spending. Budgetary decisions – which define the priorities and policies for how public funds are raised and spent – impact all citizens. In times of crisis and beyond, through budgetary reforms governments have an opportunity to contribute to mending broken social contracts in ways that promote everyone’s wellbeing – higher level objectives which the Open Budget Survey also supports.

Strengthening budget transparency should be catered to country context. As evidenced by the OBS indicators, the surveyed countries in the MENA region have significant backlogs compared with other regions. With their marked heterogeneity regarding capacities and institutional arrangements, efforts for budgetary transparency need to be tailored.

Monitoring and tracking progress based on international indicator sets is encouraged. Besides the OBS, governments could use good practice frameworks. The IMF’s Fiscal Transparency Code (FTC; IMF 2019b) sets out principles differentiating between “basic”, “good”, and “advanced” practices to provide countries with clear milestones toward full compliance with the Code, while the Fiscal Transparency Handbook (IMF 2018a) provides guidance on its implementation. Fiscal Transparency Evaluations (FTEs) are the IMF’s fiscal transparency diagnostic; they have been applied in Tunisia (2016) and Jordan (2021; Box 6), allowing ministries of finance to rank priorities and establish sequencing of actions for fiscal transparency. Likewise, the Public Expenditure and Financial Accountability (PEFA)^{xix} initiative can be used to guide and monitor reforms; PEFA indicators on access to key fiscal information of the surveyed countries are contained in Annex Table 4.

BOX 6. Jordan: sustained commitment for budget transparency

Jordan shows sustained commitment to fiscal transparency, increasing its score from 55 in OBS 2015 to 61 in OBS 2021, the highest in the MENA region. This score is regarded by the OBS as having “sufficient” information for meaningful public debate: all documents but one (Mid-Year Review) were publicly available in the last two rounds of the OBS, implying consistency in budget transparency practices. With the exception of the Pre-Budget Statement which offers only limited information, the rest of key budgetary documents score 62 or higher in “comprehensiveness”. Jordan’s Ministry of Finance has implemented wider PFM reforms with international support. This was done in the context of broader democratic reforms in Jordan following the 2011 Arab Spring, including changes to the electoral process and political party laws as well as an anti-corruption strategy that includes transparency commitments.

The 2021 Fiscal Transparency Evaluation has helped Jordan identify priorities and implement key reforms in three FTC pillars: (i) fiscal reporting, where Jordan amended the Audit Bureau Law to give the Audit Bureau more independence; (ii) fiscal forecasting and budgeting, where the newly established Macro Fiscal Unit (MFU) has prepared and published the first macro-fiscal outlook containing the Medium Term Fiscal Framework (MTFF) of main macroeconomic indicators forecast for the coming three years. The MTFF was circulated to the General Budget Department prior to the preparation of the Budget Law to inform the budget draft; (iii) fiscal risk analysis and management, where it will publish a first Fiscal Risk Statement by end-2023.

Among the key priorities for the MENA region are the following:

- **Strengthening budgetary transparency by disclosing more and better information.** While there is some progress on transparency with regards to planned budgets, as noted above very few countries (only four out of 11) publish the Executive's Budget Proposal. Encouraging countries to publish the Budget Proposal is vital as it is the most important economic policy instrument submitted to parliament for approval and available to citizens before it is enacted into law. Information sharing is particularly low on executed budgets: governments should strengthen mid-year and year-end reporting, among others also by achieving higher statistical consistency (to align with the Government Finance Statistics Manual, GFS) while embedding this in their institutional frameworks and internal processes. Better reporting helps to unveil the "true" stance of public finances, including on debt. Key budget documents should focus on relevant and useful information for citizens, particularly service delivery. In this regard, a suitable entry point could be an initial focus on achieving higher transparency for the public investment budget, given some MENA countries follow dual budgeting where ministries of planning or ministries of investment prepare and present the investment budget; for this purpose, the OBS could be used as well as applications of the IMF's Public Investment Management Assessment (PIMA)^{xx}.
- **Improving oversight by legislatures and independent auditors, avoiding executive overreach and abuse.** Formal oversight institutions face severe limitations in the MENA region which undermines accountability. The regulatory and legal framework that authorizes legislatures and SAIs to exercise their oversight role independently should be strengthened, assuring oversight of the budget: **(i) Legislatures should be strengthened related on matters of budget planning, monitoring and evaluation.** Given only three (out of the 11) countries have legislative committees that either examine in-year execution of the enacted budget, specialized budget commissions and offices can usefully support analytics and evaluation on budgetary matters and fiscal policies. Legislatures should have the budget literacy and capabilities to act on the SAI's findings, follow up on corrective actions, and ultimately hold the executive to account. **(ii) SAI independence should be strengthened.** SAIs should have the competence, access, as well as legal, financial and organizational independence to effectively evaluate, against agreed-upon criteria, the executive's performance, particularly regarding the execution of the budget and public finances more broadly; recommendations for improvement should be issued. SAIs should be supported in producing quality audits and reliability of their reports. Ensuring adequate funding for SAIs should also be a top priority.
- **Change the social contract by establishing meaningful, inclusive opportunities to engage the public across the budget process.** If the public has greater access to information but no formal opportunities to use it to influence policy, its ability to hold government to account is significantly diminished. Acting upon the OBS, countries can strive for at least one public participation mechanism for all three government branches: executive, legislature, and SAI. The executive branch can set up pre-budget hearings during formulations or social audits to monitor implementation; legislatures should establish public hearings during approval process; and SAIs should establish mechanisms to receive citizens audit requests, involving civil society in the audit process and follow-up (IBP 2023).
- **Grasp opportunities to overhaul Organic Budget Laws (OBL).** Updating and strengthening OBLs is an opportunity to embed transparency and accountability reforms as permanent features of budget systems. Legal changes would need to be enforced, requiring efforts to sustain changes established in law and regulations.

With their manifold political and economic challenges, fragile and conflict-affected states (FCS) should strive to achieve basic levels of budgetary transparency and reporting practices. The sensitivity of achieving higher fiscal transparency is particularly high in FCS. In cases where an approval of an annual budget is not possible due to the political or institutional context, maintaining the previously executed budget will help establish a base and some guidelines for resource allocations.^{xxi}; a budget calendar should be established and implemented, keeping in mind that deviations from planned timelines and resource allocations should be minimized, something which Yemen is engaged to implement with IMF support; basic reporting on implemented budgets should be established, while efforts to enacting a budget at high level line items and in a top-down way should continue (IMF-METAC, 2023b). Cases outside the MENA region from FCS achieving progress can provide useful reference (Box 7).

BOX 7. Achieving progress on fiscal transparency in FCS

The MENA region can usefully access country cases from around the world in order to learn from experience. This particularly also includes fragile and conflict-affected states (FCS), one example being the Democratic Republic of Congo (DRC).^{xxii} Recent strides towards enhancing Public Financial Management (PFM) reforms have led to noticeable improvements in fiscal transparency. In the 2010 round of the Open Budget Survey (OBS), the DRC received a meagre score of 6 (out of 100) in transparency. Remarkably, within a decade, the government's efforts to enhance fiscal reporting and budget transparency are evident, with a score of 42 on the OBS in 2021. The most recent OBS highlights the Ministry of Finance's commitment, evidenced by the improved comprehensiveness of the Enacted Budget, timely publication of the Pre-Budget Statement and Citizens Budget, and the issuance of a Mid-year Review. Notably, the Ministry of Finance and the legislative Finance commission have established public consultations during the planning and approval phases of the budget process, resulting in a score of 35 out of 100 in public participation. The DRC's progress underscores the potential for positive change even in challenging environments, provided governments demonstrate unwavering commitment to reform and transparency.

Gradual and sustained progress toward more open budgeting systems based on increased stakeholder coordination should be endeavored. In a region which witnessed some backsliding in selected OBS indicators, current achievements should be sustained as a stepping stone on which to expand efforts. Building on advances and some innovative approaches that were identified, governments can make use of available resources and significantly scale up their reforms. Norms and standards for good practice exist. Technical assistance to support committed governments are available. The value and significance of this agenda is recognized globally. To advance on this agenda in the MENA region, increased stakeholder coordination and alignment is warranted to strengthen budget transparency for the benefit of all citizens.

ANNEX

Annex Table 1. Population data of selected countries (ranked by size)

Country	Year	Population
Qatar	2022	2,695,122
Lebanon	2022	5,489,739
Jordan	2022	11,285,869
Tunisia	2022	12,356,117
Yemen	2022	33,696,614
Saudi Arabia	2022	36,408,820
Morocco	2022	37,457,971
Iraq	2022	44,496,122
Algeria	2022	44,903,225
Sudan	2022	46,874,204
Egypt	2022	110,990,103

Source: The World Bank Data, [Population, total - Lebanon, Algeria, Egypt, Arab Rep., Iraq, Jordan, Morocco, Qatar, Saudi Arabia, Sudan, Tunisia, Yemen, Rep. | Data \(worldbank.org\)](#)

Annex Table 2. Income data of selected countries (ranked by per capita GDP)

Country	Year	GDP per capita \$
Yemen	2022	\$ 676.90
Sudan	2022	\$ 1,102.10
Morocco	2022	\$ 3,527.90
Tunisia	2022	\$ 3,776.70
Lebanon	2021	\$ 4,136.10
Jordan	2022	\$ 4,204.50
Algeria	2022	\$ 4,273.90
Egypt	2022	\$ 4,295.40
Iraq	2022	\$ 5,937.20
Saudi Arabia	2022	\$ 30,436.30
Qatar	2022	\$ 88,046.30

Source: The World Bank Data, [GDP per capita \(current US\\$\) - Lebanon, Algeria, Egypt, Arab Rep., Iraq, Jordan, Morocco, Qatar, Saudi Arabia, Sudan, Tunisia, Yemen, Rep. | Data \(worldbank.org\)](#)

Annex Table 3. Key budget document sub-scores (OBS 2021)

Pre-Budget Statement		Executive's Budget Proposal		Enacted Budget		Citizens Budget		In-Year Reports		Mid-Year Review		Year-End Report		Audit Report	
Country	Score	Country	Score	Country	Score	Country	Score	Country	Score	Country	Score	Country	Score	Country	Score
Saudi Arabia	78	Jordan	68	Morocco	95	Morocco	84	Morocco	78	Morocco	56	Jordan	62	Jordan	67
Jordan	33	Tunisia	52	Jordan	89	Egypt	75	Jordan	74	Saudi Arabia	33	Saudi Arabia	38	Morocco	67
Sudan	22	Morocco	50	Lebanon	89	Lebanon	75	Tunisia	67	Egypt	22	Egypt	36		
		Egypt	49	Tunisia	83	Jordan	67	Saudi Arabia	63			Tunisia	33		
				Egypt	78	Saudi Arabia	58	Egypt	63						
				Saudi Arabia	61	Qatar	50	Iraq	22						
				Iraq	56	Tunisia	42								
				Algeria	39	Algeria	33								

Note: Document sub-scores are only displayed for countries that made each document publicly available, according to OBS 2021 criteria.

Annex Table 4. PEFA Indicator PI-10: public access to key fiscal information

Country	Year of last PEFA Assessment	PEFA methodology applied (2016 or 2011)	PEFA Score
Algeria	2017	2016	Not Public
Egypt	2009	2011	Not Public
Iraq	2017	2016	D
Jordan	2022	2016	D+
Morocco	2016	2016	B
Lebanon	2011	2011	Not Public
Saudi Arabia	NA	NA	NA
Sudan	NA	NA	NA
Qatar	NA	NA	NA
Tunisia	2023	2016	Not Public
Yemen	2008	2011	C

Note: reflected are last available PEFA scores, not considering previous applications (a series of countries have repeat assessments).

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ENDNOTES

ⁱ Following Annex Tables 1 and 2, the sample includes Low Income (LIC), Middle Income (MIC) and High Income Countries (HIC); as well as oil- versus non-oil-producing countries. Following the IMF's FCS classification from July 23, 2023 (www.imf.org/fcs), four (Iraq, Lebanon, Sudan, Yemen) out of the 11 selected countries are considered fragile and conflict-affected states (FCS).

ⁱⁱ The methodology of the Open Budget Survey is explained in IBP 2021 and in: Open Budget Survey – International Budget Partnership. The OBS criteria are drawn from those developed by multilateral organizations, such as the International Monetary Fund's (IMF's) Code of Good Practices on Fiscal Transparency, the Public Expenditure and Finance Accountability initiative (whose secretariat is hosted by the World Bank), the Organisation for Economic Co-operation and Development's (OECD's) Best Practices for Budget Transparency, and the International Organization of Supreme Audit Institutions' Lima Declaration of Guidelines on Auditing Precepts. Similarly, the criteria used to assess opportunities for the public to participate in the budget process are based on the Global Initiative for Fiscal Transparency's Principles of Public Participation in Fiscal Policy. The strength of such guidelines lies in their universal applicability to different budget systems around the world, including those of countries at different income levels.

ⁱⁱⁱ The world-wide coverage of countries varies across the global OBS editions. For example: the 2017 Index includes 115 comparable countries; the 2019 Index contains 117 countries, and the 2021 Index 120 countries. All data is available here: <https://internationalbudget.org/open-budget-survey/country-results>

^{iv} OBS categorizes countries scoring from 0–20 as having “scant” or “no information”; 21–40 having “minimal”; 41–60 having “limited”; 61–80 having “substantial”; and 81–100 having “extensive” budget information available.

^v Figure 1 shows regional averages from 2015–2021 using the 102 countries that entered the survey in 2015 or before (the index started in 2006 with just 56 countries).

^{vi} A comprehensive enacted budget includes expenditures by all three classifications – economic, functional, and administrative; and information on revenue including individual sources and information of debt, and macroeconomic indicators.

^{vii} The IMF's Fiscal Affairs Department has supported several budget transparency efforts in the region, among others in Algeria, related to the elaboration of the Organic Budget Law, which has transparency stipulations, and Egypt, where support was provided to enhance fiscal risk disclosure as part of the budget documentation.

^{viii} OBS legislative oversight criteria assess the role of Legislatures in: (i) assessing and approving the national budget (amendment powers, time to discuss amendments before approving the budget proposal); (ii) monitoring budget implementation (powers to shift funds during budget implementation, approve supplemental budgets, approve the use of contingency funds); and (iii) reviewing audit reports and the related power to use the audit recommendations to hold the Executive to account.

^{ix} OBS SAIs criteria assess (i) whether SAIs conduct annual audits (financial, compliance, and performance); (ii) SAI independence and capacity to undertake any audits (including determination of SAIs' budget, audit agenda, removal of head official, and adequate funding; and (iii) interaction between SAI officials and Legislatures, as well as the presence of quality controls (independent agency to review SAIs' processes).

^x The budget oversight indicator has three classifications: "weak" oversight with a score of 0–40; "limited" oversight with a score of 41–60; and "adequate" oversight with scores from 61–100.

^{xi} The region's backsliding from 32 to 29 across these two OBS editions is explained both by (i) political unrest, social upheaval, and changes to laws and regulations; and (ii) the effects of the COVID-19 pandemic, which impaired in some cases the proper functioning of institutions, including SAIs and parliaments.

^{xii} The OBS revised indicators for the Oversight and Participation pillars during the 2017 round. In this indicator, and to ensure comparable time series, the OBS 2017, 2019, and 2021 is used.

^{xiii} Further information on global SAI independence is contained in INTOSAI 2020.

^{xiv} The 2021 World Bank Supreme Audit Institutions Independence Index did not cover three (Algeria, Saudi Arabia, Qatar) of the 11 countries analyzed in this Note. It is important to highlight that the World Bank SAI Independence Index and the OBS follow similar assessment criteria with regards to SAI autonomy (independent appointment and removal of the head of the SAI; its financial independence and resourcing; and its operational independence), while the OBS focuses on the ability of the SAI to assess budget outcomes (14 out of the 18 OBS indicators related to SAIs are focused on this topic), including audit coverage of the budget; transparency of audit reports; oversight by the legislature; executive response; independent follow-up; public participation in audit and oversight, including citizen participation in legislative review and in the audit process.

^{xv} The OBS public participation indicators assess the robustness of a participation mechanism. For example, during formulation stage the indicators assess whether the Executive uses formal participation mechanisms through which the public could provide inputs prior to the budget being tabled in parliament, including also the vulnerable and underrepresented parts of the population; fiscal topics that were open for consultation; and feedback on how citizens' inputs have been used in the formulation of the annual budget.

^{xvi} The citizen participation indicator has three classifications: "few" opportunities (score of 0–40); "limited" opportunities (score of 41–60); and "adequate" opportunities (score of 61–100) for public participation.

^{xvii} Up to 2019, Tunisia's finance committee held pre-budget hearings to solicit testimonies from established civil society organizations such as the UGTT (Tunisian General Labor Union).

^{xviii} A country or territory's *Freedom in the World* status of Freedom House depends on its aggregate Political Rights score, on a scale of 0–40, and its aggregate Civil Liberties score, on a scale of 0–60. The total Political Rights and Civil Liberties scores are equally weighted in this calculation. There are three classifications: countries “not free”, “partly free”, and “free”. According to this assessment, eight countries (out of 11) surveyed in this Regional Note are considered “not free” (Algeria, Egypt, Iraq, Jordan, Qatar, Saudi Arabia, Sudan, Yemen) and three (out of 11) are considered “partly free” (Morocco, Lebanon, Tunisia). More information on: [Freedom in the World Research Methodology | Freedom House](#).

^{xix} Public Expenditure and Financial Accountability (PEFA) framework: <https://www.pefa.org/resources/pefa-2016-framework>

^{xx} The PIMA was applied in Egypt (2022) and Jordan (2018). PIMA evaluates 15 institutions involved in the three key stages of the public investment cycle: (i) planning of sustainable investment across the public sector; (ii) allocation of investment to the right sectors and projects; (iii) implementation of investments projects to deliver productive and durable public assets.

^{xxi} This is practiced, for instance, by Yemen, which has helped to continue with budget execution amid a challenging context.

^{xxii} Further references on budget transparency in Francophone Africa countries can be reviewed in “Case Study 3.1: Francophone Africa” (IBP 2015).

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