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At the launch of the “Citizen Budget 2018”

Khalil: the new government should establish real foundations to fight corruption

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Finance Minister, Ali Hassan Khalil, considered that the new government to be formed after the elections should “establish real foundations to fight corruption and improve performance”, stressing on the need to “establish new rules for spending, making everyone comply with regulations and transparency when managing bids through the competent central body”, saying it is unacceptable to ignore oversight bodies as if they were “insignificant” and consider that projects are not monitored once they start.” Minister Khalil hoped to achieve “a State that does not hide from its citizens the truth about their economic, financial and social situations and does not embellish facts to promote the positions of certain individuals, parties or political movements. He also confirmed the “preparation of the final report on the audit of public accounts, insisting that it will include “all the facts about the concerned era without any ambiguity”.

Khalil spoke during the launching ceremony of the “Citizen Budget 2018” guide held at the Institut des Finances Basil Fuleihan. This guide offers a simplified version of the State Budget and was prepared by the Institut, in cooperation with the Directorate General of Finance, under the guidance of Minister Khalil.

During the ceremony attended by DGs and officials from the Ministry of Finance and representatives of international donors, civil society and academic institutions, Khalil stated “It might seem surprising that we are meeting today, under such tensed political circumstances due to the upcoming elections, to discuss and announce a major issue that might help build a modern State capable of responding to citizens’ concerns, while keeping them informed of how their affairs are financially managed.”

He described this step as a “clear challenge aiming to commit to the fundamental principles and rules to which the State should abide, in order to implement laws that allow citizens to be well informed when it comes to criticizing or taking stances and positions on public cases, especially financial ones.”

He added “We are facing a great challenge: Do we want a real State? A State that is responsible before its people? A State that rules with laws and regulations, away from any obstacle that might impede its progress? Do we want a State that does not hide from its citizens the truth about their economic, financial and social situations and does not embellish facts to promote the positions of certain individuals, parties or political movements at the expense of the people’s trust in their State?”

Khalil continued, “Today, we are taking a major step forward with you in announcing the Citizen Budget. This a challenge that puts us under the spotlight with all our figures, in a clear and transparent way, without ambiguity. Any person who would like to learn the truth about the financial situation, the government’s orientations and matters of interest to the State, can do so through this Budget.

We no longer can ignore the truth and nature of the circumstances we are witnessing. This requires more transparency and clarity in tackling the major issue that is the financial and economic situation and which might be more dangerous than any matter, political or other. The Citizen Budget aims to strengthen communication and mutual trust between the citizen and the State. Its main objective is to increase transparency and clarify the figures of the Budget, which is extremely important for the public so they can forge their opinion, monitor and hold officials accountable”.

He indicated that the guide is “a simplified version of the State Budget and allows readers to be informed of all these tendencies and figures and take a stance accordingly.”

Khalil considered that “Lebanon cannot tolerate any longer the policies that have led it to its current state, putting it on the list of countries ranking high, unfortunately, on corruption and waste of public money. We can no longer ignore the corruption prevailing on many levels in the administration of the State.

We are facing a structural challenge, existential even. The State should face the waste of public money and corruption and start laying the groundwork for a new phase based on fighting and demolishing that structure to restore the trust of citizens and the international community in our State and country.”

He continued: “We appreciate the international conferences and their conditions, but adopting internal reforms and fighting corruption is, first and foremost, a national duty, regardless of others’ opinion of about us. Therefore, we have hard task to accomplish, especially after the elections, when we will have to form a new government that should have a clear vision and establish real foundations to fight this corruption and improve performance in order to achieve the expected objectives. ”

Khalil insisted that “All the conferences that are being held, and all the contributions and facilities that are offered to Lebanon cannot solve its problems without an internal initiative aiming first to develop the public administration, regulations and rules, and without activating the role of oversight, inspection and judicial bodies. We should also commit to legal proceedings when dealing with any administrative issue or violations. We need to establish new rules for spending, making everyone comply with

regulations and transparency when managing bids through the competent central body. It is unacceptable to keep on considering oversight bodies insignificant, from a political viewpoint, and simply ignore them. It is also unacceptable to consider that projects are not monitored once they start, contrary to international practices. Monitoring and accountability apply to everyone, without exceptions, and should accompany any spending regardless of its importance.”

He continued, “We have not intervened to hide any numbers during the preparation of this booklet. On the contrary, we made sure to provide figures as they are because we do not want to have public figures and hidden figures or any distortion of our reality. We are severely indebted, and need to have a new and wise administration of the public debt. We have to consider this matter as crucial and important to the State as a whole. We are working as such with the Administration, in coordination with the concerned administrations and bodies, to provide an acceptable balance, especially that, despite the primary surplus in the budget during the previous years, the debt service has burdened the Budget with a large deficit as we have all seen.”

The Minister stressed on the need to “strengthen the trust of the citizen in his State, which can only be achieved with the complementarity of constitutional, administrative and oversight institutions and with an inclusive national will to end our crisis.”

He also indicated, “the Public Administration has many competencies and capabilities that can accomplish many achievements if allowed to emerge and play their primary role in terms of decision-making in ministries and administrations”, adding “It is not true that all the Public Administration is corrupted. It is not true that there no competent employees. On the contrary, we have exceptional capacities from which the whole world can benefit.

However, we have to give them a chance, as a start, and make the employee feel protected, when carrying out his tasks, by the State as a whole and all the ministers, and not by a particular political party or religious confession. We are committed to this and I would like here to express my gratitude to the directorates concerned by issuing the State Budget, which have ensured, through their employees, the restoration of order to the Budget and its issuance. This was vital and ensured the situation was back to its correct course. “

Minister Khalil reiterate his commitment “to achieve the auditing of public accounts, a controversial subject for the past years. We pledge to finish this within the deadline set by the Parliament, and we are currently working on preparing the final report with the concerned directorates. This shall reveal the truth concerning the era about which many questions were publically asked. The report will be submitted to the concerned bodies and put at the disposal of the Parliament.”

He added, “Today, the Institut des Finances is carrying out a crucial duty and task that help resolve many problems. It is also preparing a series of studies, research and training sessions that will promote the modernization and progress that we are seeking. We would like to thank the Institute for that, especially that it falls within the scope of our plans for the Administration as a whole.

We hope that the Citizen Budget becomes an annual tradition, held straight after the adoption of the State Budget, at the service of awareness, knowledge and the people. This shall be stipulated within a clear binding decision for the subsequent ministers and ministries.

Contents of the Citizen Budget booklet

This “Citizen Budget” booklet is part of the financial and fiscal guides published by the Institut. This booklet summarizes key information contained in the Lebanese government Budget 2018 as approved by the Lebanese parliament. It presents the most important financial orientations of the government, in addition to the main reform measures. The booklet explains the general objectives of the 2018 Budget and its estimates, as well as expected expenditures and how they are distributed on the different sectors, in addition to expected fiscal and non-fiscal revenues and their sources. It also clarifies public debt (figures and components), projects to be implemented and adopted tax amendments and reform procedures.

Information is presented in a transparent and straightforward manner in order to raise awareness on the fiscal situation and enable citizens to compare and analyze public expenditures, deficit estimates and debt figures.

The introduction clarified that the Ministry of Finance aims through this booklet to “facilitate citizens’ access to financial information, promote their engagement in the public debate concerning the way the government is approaching vital issues with fundamental impact on their daily lives, provide them with the tools that allow them to assess how far this budget meets their demands and expectations and familiarize them with the government’s most important financial and economic policies.” The preamble also stressed that “the guide aims to involve citizens more efficiently in public discussions about the government’s approaches to these topics that have a major impact on their future opportunities, consequently empowering the public to hold officials accountable based on its knowledge.

This free guide is available on the websites of the Institut des Finances www.institutesfinances.gov.lb , the Ministry of Finance www.finance.gov.lb and the General Directorate of Land Registry and Cadastre www.lrc.gov.lb

The Institut has also published simplified guides addressed to citizens on the following topics: Income Tax for liberal professions, Built Property Tax, Income Tax on Salaries and Wages, Fiscal Stamp Duty, Inheritance Tax, Right to Appeal, Start of Business Registration at the Ministry of Labor, Employee's end of service, SMEs guide for participating in public procurement.