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**Khalil: 2020 Budget will pursue the reforms that need completion  
Hariri at the launching ceremony of 2019 Citizen Budget at the  
Institute of Finance”  
Reform is a continuous process that requires time, effort and  
political consensus**

Prime Minister Saad Hariri stated that reform does not take place overnight; it is a continuous process that requires time, effort and political consensus. He pointed out "we are working today to push our economy and institutions forward and to restore trust, the trust of the citizen in the State, the trust of the private sector in the State and the trust of the international community in Lebanon. Restoring trust cannot be achieved without laying transparent foundations for our work. Informing the public of the State Budget is important to strengthen this trust."

Prime Minister Hariri's statement came during the launching ceremony of the "Citizen Budget 2019" held under his patronage and prepared by the Ministry of Finance and its Institute of Finance, in the presence of Deputy Prime Minister Ghassan Hasbani, Finance Minister Ali Hassan Khalil and other officials.

Prime Minister Hariri addressed the audience "I am very pleased to be with you today at the Institute of Finance Basil Fuleihan, for the launch of the

Citizen Budget 2019 for the second year in a row. During the last three years, we have taken important steps toward restoring order to public finance, by passing three consecutive budgets after a 12-year hiatus. Adopting the budget is in itself essential, but it is also important to pass it within constitutional deadlines, and this what we will be doing this year. We are committed to passing the 2020 Budget within constitutional deadlines. I have come today to speak to you frankly. As you are all aware, we are going through delicate circumstances, and we do not have the luxury of wasting time. Everyone understands that we must make difficult decisions in the coming stage, as stated by Finance Minister Ali Hassan Khalil. I will be even more honest and tell you that the cost of reforms and the cost of decisions that need to be made today are much lower than the cost of managing the crisis if it occurs, and especially if it spirals out of control. Today we can still tackle the problems we are facing. The challenges before us are clear and the solutions are well known; we have highlighted them in the vision we presented during CEDRE Conference, within the ministerial statement and during the latest meeting in Baabda. It is important that we start today with the implementation phase and stop wasting time. The reforms that we should implement are significant and important, and I insist to have everyone involved: the public sector with its different administrations and institutions, the private sector and the civil society, within the scope of a serious and constructive economic and social dialogue. This dialogue must take place within the State's institutions between the various departments, between the State and the private sector, and between the State and civil society. Allow me here to pay tribute to the Economic and Social Council that is always ready to establish such a serious dialogue. We are also keen to maintain a permanent dialogue with the international community on the challenges faced by Lebanon, and how to overcome them.

This is what we stressed on at CEDRE Conference through a transparent and strong follow-up mechanism.

He added, "As you know, reform does not take place overnight; it is a continuous and practical process that requires time and effort. In order for reforms to be successful and sustainable, we must secure political consensus around them and ensure their follow up by efficient, productive and modern public administrations and institutions. Therefore, all public administrations and institutions should be mobilized to support these reforms. I am confident that we have enough capabilities in the public sector to push Lebanon's economy and institutions forward.

We are working today to push our economy and institutions forward and to restore trust, the trust of the citizen in the state, the trust of the private sector in the state and the trust of the international community in Lebanon.

Restoring trust cannot be achieved without laying transparent foundations for our work. The work accomplished by the Institute of Finance through the launch of the Citizen Budget goes in this sense too since it is essential to highlight the figures as they are and in a transparent way. This allows the citizen to know the truth about the financial situation of the State and the revenues it collects, as well as why public debt is on the rise and why we have to take the measures that we are taking today.

On the other hand, informing citizens about the Public Budget is important because the Budget reflects the government's policies and orientations for a whole year. This is essential to promote and consolidate the principle of accountability and to show citizens which parts of the Budget are being implemented and which parts are not. This allows the citizen requests answers from the government based on concrete facts and not on fictional information given by some politicians. This document explains to citizens what the Ministry of Finance and the State are doing. It helps us regain their trust.

From now on, we should get used to this in Lebanon. We are not used to such transparency and way of doing things. We are not used either to see institutions cooperating with each other or the State cooperating with the citizen. This is what we aspire to achieve.

This approach should govern our work and the work of our administrations in the next phase. Without one of these three elements, we cannot have a strong State or strong institutions.

In conclusion, I would like to thank you all and praise the efforts of the Ministry of Finance. I am well aware of the pressure exerted on you lately. I would like also to praise those in charge in this Institute: Mrs. Lamia El-Moubayed Bsate and all the staff, most of whom are women. I would like to state that the Institute does not bear the name of martyr Basil Fuleihan by coincidence. Indeed, this ambitious young Lebanese came from abroad to serve his country and its development. He made a difference in all the positions he held, and left behind him clear achievements and impacts. I am confident that this Institute will follow Basil's steps and will support us through the coming reforms.

I would also like to thank the Minister of Finance who, through his distinctive work, gave impetus to this Institute to realize all these achievements and carry out the assigned tasks. We have to continue this great work and I would like to thank all those in charge in this Institute.

### **Khalil**

Finance Minister Ali Hassan Khalil described the "Citizen Budget" as "a real achievement delving into the depth of the financial responsibility that we are all bearing." He added, "This falls within the scope of the work we have committed to carry out through this Institute and the administrations and

institutions of the Ministry of Finance. A year ago, and from this stage, we declared that we must take a number of difficult decisions and actions because ignoring this is no longer allowed in a State which struggles the way it does on the economic and financial levels.” He continued, "We said then, that it is no longer a luxury to seek political composure, consensus and commitment from all parties to protect the State, its image and the roles of its institutions, as well as its stance toward citizens by responding to their aspirations and hopes and relieving their pain. These matters have become our responsibility and duty. This cannot be partially tackled; it requires a series of decisions and actions that clearly reflect the commitment of the State to follow due process when dealing with all matters related to public affairs and public institutions.

"Today, under the guidance of the President and within the scope of our governmental work, we have reached this achievement that also reflects our commitment to the people. They have the right to know how the money is spent and managed since they own these funds that generate the State's revenues. Over the past year, many may not have read the Citizen Budget. We had prepared it during an exceptionally difficult time when governmental work was not organized. However, it came out excellent, but it was not presented to public as it should have. Today, this Budget is the implementation of that commitment. I will not talk much about its importance to the international community, donor institutions and rating agencies. It is a very important tool for employees in the public sector and State institutions and even for MPs and ministers who were not able to review the totality of the Public Budget in detail. We have learned the importance of this through the discussions with more than one party that had consulted the Citizen Budget 2018."

He continued, “We realize that we are late in ratifying the Budget and in publishing this document, but we ask all civil society organizations and

institutions to initiate a discussion on this experience and on the 2019 Budget figures, so we place ourselves under accountability and observation. Let us write down together all the observations and remarks that can emerge from the details of this Budget. "

He said, "Allow me to reiterate that we are under the ceiling of national decision and the people who have the right to hold us accountable. All those concerned by the Public Budget are entitled to ask questions, inquire, criticize and demand that we undertake reforms within the next Budget or in the overall financial performance. We do not want this to be lip-service; we want to open this debate at the national level to reach conclusions for the passing of subsequent budgets"

Khalil continued, "We pledged to prepare the 2020 Public Budget in the same context agreed upon when we finished the 2019 Budget: pursuing the needed reforms and attaching to this Budget a set of complementary laws that emphasize this reform process, as well as a series of laws directly related to the work of the Budget and the international commitments of the government. These laws are related to the Customs Law, the Tax Compliance Law, the Pension Reform Law and the Public Procurement Law prepared in this Institute, which is considered as the most important law introduced in the last ten years in many countries."

He stressed, "These four laws are directly related to the reform process initiated in 2019 and which will continue in 2020, through these laws and a number of measures that the government has committed to take."

Khalil praised the "dynamism, vitality and time that Prime Minister Hariri grants to the ministerial committees that have gained exceptional importance over the past months, through intensive meetings aimed to prepare many decisions and measures related to the State's public policies, particularly in terms of economic and financial affairs."

He hoped "this Budget would be ratified within the constitutional deadline, before mid-October," stressing that PM Hariri "is committed to do so". He considered "this commitment to be promoting the credibility of the State and allowing the passing of the Budget before the end of this year and the beginning of the new 2020 fiscal year, for the first time in decades". He added, "If this is accomplished, we would have taken a serious step on the road to reforms and the return to order of the work of public finance institutions."

He stressed "the State is clearly committed to resort to paths that enhance people's trust in it," saying that "this is essential for building a serious, strong and modern State, capable of meeting the aspirations of the people.

Building this trust requires a series of measures on top of each other. Each measure must complement the one preceding it and the one following it."

He added, "We can no longer continue to build the State, without a clear strategic plan that covers and addresses the full range of issues of concern for the people and for the work of the State and its institutions."

He continued, "We are confident in our ability to rise and we are confident that we can undertake a series of measures to strengthen this confidence and put the country on the path that will help it overcome its extensive the crises. This is feasible if the intentions are sincere and if the stability at the security and political levels persists, which we hope will last.

Khalil pointed out that "the Citizen Budget will improve the role and position of Lebanon in forums related to transparency and improve the country's rating, but more importantly, it should improve people's trust in public finance management."

He said, "We must find a balance between these two issues and complement it with the series of measures that we are currently coordinating in order to improve this rating in the future."

He thanked PM Hariri for his "guidance and interest", hoping that "a similar meeting will be held very soon to discuss the development achieved at the Directorate General of Land Registry in the Ministry of Finance and the e-Services provided by the Ministry (Directorate of Public Finance – IT Department). These are advanced steps that are still perhaps unknown to many politicians and citizens and that will be the subject of discussions during sessions held according to the agenda of PM Hariri."