



## **Public Budget 2021 – Semi-Annual Report**

**October 2021**

## **Table of Contents**

**Introduction**

**Public budget transparency – 2021**

**Findings of the Open Budget Survey (Transparency Tracking)**

**Public revenues – first half 2021**

- **Local revenues**
- **Tax and customs clearance revenues**

**Developmental expenses – first half 2021**

**Grants and aids – deficit and financing**

**Public debt**

**Allocations to Ministries: Ministry of Social Development, Ministry of Education, Ministry of Interior and National Security, Ministry of Agriculture**

- Expenses of the Ministry of Health – First Half 2021
- Expenses of the Ministry of Social Development – First Half 2021
- Expenses of the Ministry of Interior and National Security – First Half 2021
- Expenses of the Ministry of Education – First Half 2021
- Expenses of the Ministry of Agriculture – First Half 2021

**Findings**

**Recommendations**

## **Introduction:**

The Civil Society Team for Enhancing Public Budget Transparency (CSTEPBT) has been preparing periodic reports on the implementation of the public budget during the first six months of the year, to assess the actual public spending versus public revenues.

The government has in this year's budget increased the allocations to the sectors of social protection, health, and education. It has also announced its readiness to implement the public fund management improvement plan (2021–2023), which guarantees transparency in the implementation of public budget and management of public debt as well as to minimize tax evasion and other important issues. However, the declared policy has not been visible in the first six months of 2021.

It its plan for economic recovery to confront the challenges posed by COVID–19, the government adopted several interventions, including a review of its tax system to put an end to tax evasion. However, no concrete results have been achieved in this regard. The government has also announced a budget–tightening on the expenditure item but findings do not reveal any shrinking of the expenditure–revenue gap or the budget deficit, which result from increased spending especially with the ongoing challenges related to restitution of tax and customs clearance money from Israel and dwindling international aid and grants.

The present report aims to present the public expenditure state in the first half of the current year, by comparing the allocations – mainly to the social and agricultural sector – to actual spending reported in the monthly financial statements and the budget law of 2021. The comparison is then related to the strategy, with a special focus on the interventions related to the management of public funds.

## **Public Budget Transparency 2021**

The President issued a Decree Law on Public Budget for the Fiscal Year 2021 after secret ratification of the budget by the government. The law was enacted three months following the

legal delay under normal circumstances as per the Law on Regulation of Public Budget and Affairs for the Year 1998. The budget was published in summary without any detailing of the items of its allocations to the centers of responsibility. It was adopted without any participation or consultation of the civil society representatives or citizens, thus excluding all taxpayer citizens. When attempting to find out the budget details by reviewing the ministries' budget, it was not possible to obtain such details because ministries have not complied with the publication of their budgets on their websites. This situation raises suspicions of deliberate concealing of information and non-publication. It should be noted that the citizens' budget was posted on the MoF website, but the detailed budget has not been published.

Although the public budget is issued as a law, it is not published in the Official Gazette, in contradiction with the constitutional rules. Neither the detailed budget as approved has been published nor has MoF issued a detailed financial statement on the first six months of the year.

### **Findings of Open Budget Survey (Transparency Tracking):**

A review of MoF website to track compliance with the international standards of public budget transparency, as stipulated in the International Budget Partnership Initiative, which comprises 8 key documents:

Document	Published	Not published
Pre-budget statement	Published	
Executive's budget proposal		Not published
Enacted budget	Published (summary)	
Citizens' budget	Published	
In-year reports (monthly and quarterly)	Published	
Mid-year review		Not published
2020 year-end report	Published	
2019 audit report		Not published

The table above shows that part of the documents has been published; however, publication requires 3 specific criteria: comprehensiveness of published data, compliance with publication delays, easy access to data. Consequently, the following remarks may be made:

- A pre-budget statement has been posted on MoF website.
- The executive budget proposal has not been published or submitted to discussion with the representatives of the civil society.
- The enacted budget has been published on MoF website, but in a very brief form without any details of allocations to the centres of responsibility.
- A citizens' budget has been posted on MoF website after the elapse of the first half of the year.
- Monthly reports are published on MoF website but not within the legal delay of publication.
- No mid-year report for the current year has been published. MoF publishes an accumulative mid-year report, which does not fulfil the terms and requirements. As per international standards, the mid-year report must include a performance analysis in the first half and the policies for the second half of the year and other requirements. It cannot be limited to spending numbers.”
- A 2020 end-year report has been posted but in a brief form with dumb numbers that do not reflect the performance in the elapsed year or identify the goals that have been achieved or the programmes implemented.
- The 2019 audit report and final accounts have not been published although the law provides that they must be published within a maximum period of 18 months following the end of the fiscal year, that is within six months following the issuance of the final accounts.

### **Public revenues in the first half of 2021**

The net revenues have been estimated at NIS 13,579 million, marking an increase of 14% compared to 2020 (NIS 1,746 million). The public revenues comprise local revenues from taxes

and fees collected directly by the PNA and clearance revenues from taxes and customs duties and fees collected by the Israeli side on international borders on behalf of the PNA, on which the Israeli side deducts 3% as management fees. The government has projected that the locally collected revenues would be NIS 4,634 million while the predictions for revenue from clearance money were NIS 9,320 million.

The total public revenues in the first half on accrual basis reached NIS 6,789 million<sup>1</sup>, representing 50% of the projected revenues for 2021. The local revenues reached NIS 2,396, showing a slight improvement in tax collection. Revenues from clearance money reached NIS 4,709.

### **Local Revenues (collected directly by the PNA)**

The table below shows that 55% of the projected local tax revenues have been collected. VAT represented the highest share of these revenues in the first half of the year, representing 46% of the projected. Customs reached NIS 435 million, being 67% of the projected revenues for this year. This shows an ongoing reliance on indirect taxes. Furthermore, revenues from income tax in the first half of the year represented 65% of the projections, showing an improvement in collection.

Table (1) Revenues from local taxes on accrual basis in the first half of the year, compared to projects in NIS million

	Collected in the first half 2021	Projected for 2021	Collected to projected ratio
Local tax revenues	1609.2	2921	55%
Income tax	423.1	648	65%
VAT	578.5	1251	46%
customs	435	648	67%
Alcohol excises	2.4	370	43%
Tobacco excises	158.8		
Property tax	11.5	4.6	250%

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<sup>1</sup> It should be noted that tax rebates reached NIS 318 million.

The government has not enforced the amendments to the value added tax mentioned in the recovery plan, which aimed to adjust VAT upwards for luxury commodities and downwards for basic goods. (Until the date of publication of the present report, no changes have been made to this tax).

### **Tax and customs clearance revenues**

Actual revenues from tax and customs clearance reached NIS 4,709 million, representing 51% of the projected for this year. Revenues from customs represented the largest share, which proves that Palestinian importers continue to depend on Israeli middlemen notwithstanding the PNA losses due to financial leaks through importation via Israeli. A comparison of the customs duties collected locally and via the clearance system show clearly that the latter constitutes 4 times the locally collected duties.

Table (2): Clearance revenues on accrual basis in the first half of the year,  
Compared to the projected in NIS million

	Actual revenues first half 2021	Projected 2021	Actual to projected ratio
Clearance revenues	4709.9	9320	51%
Customs	2515.6	4194	60%
VAT	967.5	2236.8	43%
Purchase Tax	-9.7		
Fuels Tax	1206.3	2796	43%
Income Tax	30.1	93.2	32%

The table above shows that the actual collection of income tax in the first half of the year fell below the projected for 2021 (32% of the projections). The actual collection of VAT and fuel taxes reached 43% of the projections for 2021.

## Expenditure Analysis

The total expenses and net lending in 2021 were projected at NIS 17,169 while the actual total expenses and net lending in the first half of the year reached NIS 8,019 on accrual basis, representing 47% of the budget.

Table (3): Actual expenses on accrual basis in the first half of the year compared to the actual and projected expenses on cash basis for 2021, in NIS million

	Actual in the first half 2021 on accrual basis	Actual in the first half 2021 on cash basis	Projections for 2021	Actual to projected ratio on accrual basis
Total expenditure	8019.8	5787	17169	47%
Salaries and wages	3815.8	2920.3	7434	51%
Social contributions	364.4	2.5	687	53%
Use of goods and services	1082.7	449.4	2564	42%
Transformational expenses	1803.9	1537.5	4784	38%
Capital expenses	15.5	4.2	211	7%
Interest rate	92.8	143.5	364	25%
Net lending	625.6	625.6	800	78%
Allocated payments	219	104	325	67%

The total actual expenses in the first half of the year on cash basis fell below projections on accrual basis with a difference of NIS 2,232.8 million. This is an indicator that MoF continues to delay payment of the expenses, which leads to accumulation of debts and arrears.

**Salaries and wages:** spending on this item on accrual basis amounted to NIS 3,815 million, being 51% of the 2021 projections. The value of salaries and wages on cash basis reached NIS 2,920 million, that is NIS 894 million below their value on accrual basis, which means that the

government still has financial obligations. It should be noted that during the current year, salaries have been paid in full, which should attract our attention to this difference between the value on cash and on accrual basis. We tried to understand this difference, but MoF has not cooperated with us in this matter.

**Social contributions:** these are the government's contributions to the employees' pension fund to ensure its sustainability and transfer of pension pays. In fact, only NIS 2.5 million of NIS 364 million have been transferred. Thus, the government's policy has been to accumulate debt vis-à-vis the pension fund, which has become at the verge of bankruptcy if this situation is sustained.

**Use of goods and services:** The actual operational cost in the first half of the year on accrual basis reached NIS 1,082 million, being 42% of the projections for this year. The actual operational expenditure on cash basis reached only NIS 449 million, which means that the remaining NIS 633 million are still government's liability or arrears to the private sector. This situation worsens the crisis of arrears to the private sector and may jeopardize the quality of goods and services, whose first victims will be the marginalized groups because they do not have other options.

**Transformational expenses:** The actual transformational expenses in the first half of the year amounted to NIS 1,803 million or 38% of the projections for this year. On cash basis, it was NIS 1,537 million, creating a gap of NIS 266 million in government liabilities.

**Capital expenditure:** the capital expenditure in the first half of the year on accrual basis reached NIS 15 million, being 7% of the projections. On cash basis, it stood at NIS 4 million, which raises questions about the spending priorities of the projections till the end of the year. Does this difficult condition allow for the purchase of 184 vehicles for the preventive security and 85 vehicles for the intelligence services?

**Net Lending:** Expenditure on net lending amounted to NIS 625 million, being 78% of the projections noting that spending on this item in previous year exceeded NIS 1 billion. Although addressing the accumulation of net lending makes part of the public fund management strategy for the years 2021–2023, the goal was identified after the Ministry of Finance cooperated with the Ministry of Local Government and other stakeholders to implement programs and mechanisms

by establishing a net lending department that reports to the public accountant directly in order to lower net lending by at least 20% per year.

**Allocated payments:** These include taxes and revenues allocated to the local governments, being 90% of the property tax and 50% of the transportation taxes. The allocated payments in the first half of the year reached NIS 219 million, being 67% of the projections for this year.

## **Developmental Expenses in the First Half of the Year:**

The developmental expenditure for the year 2021 was projected at NIS 2,392 million, which is double the actual spending in previous years. These expenses included NIS 1,534 million funded directly by the public treasury and NIS 858 million funded by foreign aid and grants. The developmental spending in the first half of the year reached NIS 316 million on accrual basis, being 13% of the projections. The actual developmental expenditure on cash basis stayed as low as NIS 178 million, being only 7% of the projections. Tracking the distribution of developmental expenditure on accrual basis to the centers of responsibility, it appears that the highest share of actual spending on accrual basis reached 15% and was geared to the Water Authority, Ministry of Education and Higher Education, and the Ministry of Interior and National Security, each separately. Spending on these agencies reached (NIS 48.873 and 48.553 and 48.100 million) respectively. Developmental spending on the Ministry of Health accounted for 4% of the total actual spending on accrual basis in the first half of the year.

Developmental expenses covered by the public treasury amounted to NIS 65 million, being 42% of the projections for this item. NIS 20 million of this sum have been spent and split into 13% to build the capacities of the security apparatuses and support the political and political program of the President, NIS 7 million under the item of organization of presidential and legislative elections. It should be noted that no information is available on the mechanism of spending or on the reason of listing these items under developmental expenses. Actually, elections must be organized periodically every four years, and therefore do not represent a form of developmental spending.

It should be noted that developmental spending, both funded by the public treasury and foreign aid, on rehabilitation of the security agencies and support of the President's political and security program has reached NIS 50 million, representing 28% of the overall actual developmental expenditure.

## **Aid and Grants – Deficit and Financing**

The pre-financing deficit was estimated at NIS 5,982 million, while foreign funding reached NIS 2,298 million. Consequently, the budget law kept a funding deficit of NIS 3,684 million. The financial deficit in the first half of the year reached NIS 1,547 million while external funding accounted for NIS 245 million, representing 11% of the overall projected funding for they year 2021. Drop in foreign aid has become visible in 2013, which means that reliance on international aid is no longer feasible as many countries have shifted interest in financing the PNA in the absence of a political process or Palestinian state institutional building. In many instances, the funded infrastructure projects have been demolished because of the ongoing conflict, especially in the Gaza Strip. Additionally, international agendas have shifted with recent reginal and global changes leading external aid to migrate to other locations and needs.

**Table (4) actual foreign aid in the period (2013–2020) in NIS million**

**Total foreign assistance (budget and developmental support)**

<b>Year</b>	<b>Sum in NIS million</b>
2013	4,915
2014	4,402
2015	3,104
2016	2,905
2017	2,597
2018	2,411
2019	1,745
2020	1,672

The accumulated arrears in the first half of the year rose to NIS 2,370, being 135% of the projections. Arrears have been estimated at NIS 1,716 million noting that the overall arrears reached NIS 18 billion including arrears to the private sector and the Pension Fund (i.e., subscriptions of the private sector servants and government’s contribution to the Pension Fund that have not been transferred) or as salaries, bonuses and other expenses.

## **Public Debt**

Public debt early 2021 reached NIS 11,735 million. MoF data show an increase in public debt end June 2021 to reach NIS 12,051 million including NIS 7,763 million in local debt vis-à-vis banks and NIS 4,288 in external debt.

The Palestinian Monetary Authority's 2020 report shows that the overall financial liabilities of the Palestinian government reached NIS 30 billion, representing 53% of the GDP. At this rate, these obligations bypassed the limit allowable in the Public Debt Law, which stands at a ceiling of 40% of the GDP at current prices during the last year for which data is available.

The liabilities are split into arrears of NIS 18 billion, which include non-fulfilled payments to the private sector or the Pension Fund or as salaries, bonuses and other expenses together with the total public debt, which reached NIS 11.8 billion, being 22.2% of the GDP. The public debt is domestic (62.9%) and external (37.1%).

AMAN Coalition's reports demonstrate that the Government's overall debt to the Pension Fund constitute 50% of the total arrears and amount to approximately NIS 9 billion. This situation gravely compromises the sustainability of this Fund and its ability to fulfill its obligation and pay provident fund and salaries to the retirees.

## **Ministries' allocations: Health, Social Development, Education and Higher Education, Interior and National Security and Agriculture**

- **Expenses of the Ministry of Health in the first half of 2021**

The budget of the Ministry of Health in 2021 amounted to NIS 2,325 million, representing 13.2% of the overall public budget expenditure. The total spending on the Ministry of Health reached NIS 1,029 million, constituting 44% of the projections

Table (5) Expenditure of the Ministry of Health in the first half of the year compared to projections (NIS)

Ministry of Health	Projected budget 2021	Actual spending on accrual basis in the first half 2021	Actual spending to projections ratio
Total expenditure	2,325,173,065	1,029,730,000	44%
Salaries and wages	789,730,957	429,219,000	54%
Social contributions	64,956,878	36,759,000	57%
Use of goods and services	1,208,859,919	544,949,000	45%
Capital expenses	29,319,599	5,674,000	19%
Developmental expenses	232,305,712	13,128,000	6%

Spending of salaries and wages represented 54% of this year's projections, while social contributions reached 57% of the projections. This is an indicator that salaries will exceed projections when the year elapses.

Actual operational expenses "on goods and services" in the first half of the year on accrual basis represented 45% of the projections according to the 2020 MoH report. Operational expenses included purchase of services from agencies not affiliated with the Ministry of Health and lab supplies while service purchases via medical referral represented 39% of the total spending of the Ministry of Health in the past year. Medicines and lab supplies represented 18%.

Actual capital expenditure in the first half of the year on accrual basis reached NIS 5 million, being 19% of the projections. Actual developmental expenses accrued to NIS 13 million, constituting 6% of the projections. It should be noted that most developmental projects are funded via foreign aid and grants, which increasingly shrink in a manner that affects these projects. Budgets have been allocated by the public treasury to the developmental expenses (around 70% of the developmental expenses allocated to the Ministry of Health should be funded by the Treasury), however, it seems that the government has complied with these allocations.

The persistence of the financial situation of MoH does not indicate that the government has complied with its commitment to improve the public health centers and lower purchase of services from non-ministerial agencies, mainly non Palestinian parties.

- **Expenses of the Ministry of Social Affairs in the first half of 2021**

Social protection has been allocated 13% of the total public expenditure, which valued USD 620 million, that is NIS 2,033 million. It should be noted that the sum includes social protection interventions including aid to families of martyrs, wounded and prisoners. NIS 819 million have been allocated to MoSD, which is less than the previous year's budget by 2.2% (MoSD' 2020 budget was estimated at NIS 837 million).

Spending on MoSD and Martyrs' Families' Care Foundation reached NIS 501 million on accrual basis, which is close to spending in previous years, and represents 7% of the overall spending on the social protection sector in the first half of the year.

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Table (6) MoSD expenses in the first year of 2021 compared to projects (NIS)

Ministry of Social Development	Projected Budget 2021	Actual spending on accrual basis in the first half 2021	Actual to projected spending ration
Total expenses	818,915,145	501,289,000	61%
Salaries and wages	49,742,500	29,289,000	65%
Social contributions		3,044,000	
Use of goods and services	7,907,645	3,283,000	42%
Transformational expenses	751,430,000	461,415,000	61%
Capital expenses	200,000	46,000	23%
Developmental expenses	9,635,000	4,213,000	44%

MoSD actual spending on accrual basis in the first half of 2021 attained NIS 501 million, being 61% of the projections for 2021. Spending on salaries and wages reached NIS 29 million, in addition to NIS 3 million, being 65% of projections.

Real operational expenses in the first half of the year reached NIS 3 million, representing 42% of the projections. Transformational expenses on accrual basis attained NIS 461 million, constituting 61% of the projections. It should be noted that actual transformational expenses on cash basis

were less than the actual spending on accrual basis because only one payment of the entitlements of poor families has been transferred while these families should have received four transfers. It can be deduced that poor families are deprived of their allocations. It should also be noted that only three of four transfers have been made to poor families in the past three years, depriving these families of 25% of their entitlements, which will not be reimbursed.

According to the Ministry of Social Development, approximately NIS 214 million are spent on the families on the list established in 2005. The sum is transferred to 11,850 households who receive NIS 1500 per month each. The allocations to transformational expenses include poor families, and families of martyrs and wounded in addition to the lists created in 2005.

Actual capital expenses in the first half of the year on accrual basis reached NIS 46 million, representing 23% of the projections. Actual developmental expenses on accrual basis for the first half of the year reached NIS 4 million, i.e., 44% of the projections.

- **Expenses of the Ministry of Interior and National Security in the first half of 2021**

The security sector continues to receive the largest share of the budget; it was allocated USD 944, being the equivalent of NIS 3,096 or 20% of the public budget. The actual spending in the first half of the year on the security sector accrued to NIS 1,675 million, being 22% of the total spending on the centers of responsibility in the first half of the year.

Expenses of the Ministry of Interior and National Security are split into salaries and wages, social contributions (sums transferred by the government to the Pension Fund), which represent collectively 88% of the Ministry's expenses. In reason of lack of published data on the Ministry of Interior's budget, spending will be compared to the same period in previous years.

The salaries allocations are high and continuously rising. They increased compared to the same period in the past year by NIS 115 million. Furthermore, capital expenditure is noticed to be higher in the first half of this current year compared to previous years, which is explained by the purchase of 184 vehicles for officers in the preventive security and 85 vehicles for the intelligence services without any reasonable justification of the purchase).

Table (7) Total expenses of the Ministry of Interior and National Security in the first half of the year compared with the same period in previous years (2018–2020), in NIS 1000

Ministry of Interior and National Security	Total expenses	Salaries and wages	Social contributions	Goods and services	Capital expenditure	Developmental expenditure
First half 2021	1,675,145	1,341,986	135,595	147,643	1,821	48,100
First half 2020	1,509,023	1,226,154	132,455	103,050	656	46,707
First half 2019	1,325,875	1,108,857	44,684	95,281	1,993	75,060
First half 2018	1,503,141	1,198,140	101,428	130,986	4,082	68,505

● **Expenses of the Ministry of Education in the first half 2021**

The budget of the Ministry of Education attained NIS 3,546 million, representing 20.4% of the overall public spending from the public budget in 2021. Spending on accrual basis in the first half of the year totaled NIS 1,559 million, constituting 20% of the actual spending in the first half of the year.

Table (8) Expenses of the Ministry of Education in the first half of the year, compared to the projected budget (NIS)

Ministry of Education	Projected budget 2021	Actual spending on accrual basis in the first half of 2021	Actual to projections ratio
Total expenditure	3,546,173,317	1,559,436,000	44%
Salaries and wages	2,312,740,833	1,255,812,000	54%
Social contributions	223,250,504	125,810,000	56%
Use of goods and services	379,598,919	129,261,000	34%
Capital expenditure	225,488,667		
Developmental expenditure	405,094,395	48,553,000	12%

The total actual spending of the Ministry of Education in the first half of 2020 on accrual basis attained NIS 1,559 million, which constitutes 44% of the projections. Spending on salaries and wages was NIS 1.255 million or 54% of the projections while actual operational expenses on accrual basis totaled NIS 125 million, or 34% of the projections.

Spending on capital expenditure has not concurred with MoF data although NIS 225 million have been projected for capital expenditure. Furthermore, developmental expenses were estimated at NIS 405 million, of which NIS 48 million have been spent, representing 12%.

• **Expenses of the Ministry of Agriculture in the first half 2021**

The citizens budget of 2021 issued by MoF shows increased spending allocations on the agriculture sector by 115% in 2021. With this, the allocations of the agriculture sector amounted to USD 65.6 million or NIS 215 million, including USD 37 million (56.6%) for developmental expenditure mostly supporting the agriculture clusters.

MoA’s spending in the first half of the year leveled NIS 55.3 million, or 25% of its projected budget. Expenditure included 73% wages and social contributions whereas the developmental expenses on accrual basis represented 17% of the total expenditure, in contrast to the pledged allocations in the public budget law 2021.

Comparison was made between the same period in previous years because MoA has not published a detailed budget for this current year.

Table (9) Total expenditure of MoA I the first half of the year, compared to the same period in previous years (2018–2020), in NIS 1000

Ministry of Agriculture	Total expenses	Salaries	Social contributions	Goods and services	Transformational expenses	Capital expenses	Developmental expenses
First half 2021	55,321	37,226	3,205	5,293	6	70	9,522

First half 2020	55,729	35,579	3,143	4,681			12,327
First half 2019	82,529	35,074	5,690	5,563		903	35,298
First half 2018	61,133	35,607	3,165	6,377		107	15,876

The government pledged USD 37 million, the equivalent of NIS 121 million, for developmental expenditure in the agricultural sector, but the actual spending on accrual basis remained as low as NIS 9.5 million, representing 7% of the allocations. This raises questions on the seriousness of the plans to support the agricultural sector and implement the said projects (agricultural clusters, green Palestine, support to the areas affected by the Wall and settlement expansion, compensations of the Agricultural Insurance and Risk Mitigation Fund).

## Findings:

The afore analysis revealed the following:

- 1) Although the previous and current governments have committed to promoting a more transparent and open government with better communication with citizens to enable them to access information, the government's public fund management policy has not achieved transparency or applied a participatory approach to prioritizing expenses and promoting revenues. On the other hand, the MoF has not shown any readiness to adopt such a public policy to date.
- 2) Weak transparency and participation persists in the public budget; only a summary of the budget law has been published without any details on the budgets allocated to each center of responsibility.
- 3) An increase in local and clearance revenues, more specifically in indirect taxes (customs) shows a rise in imports, whether directly or via the Israeli.

- 4) There is a gap between the actual spending on accrual and on cash basis, which reveals an increase in arrears and public debt.
- 5) The net lending continues to usurp the public budget while it is still difficult to reduce this item.
- 6) The public debt increased by NIS 319, to reach NIS 12,052 end June while the total arrears soared to NIS 18 billion under decreased foreign aid. This financial situation threatens the Pension Fund since much of these arrears are the savings of thousands of civil and military staff.
- 7) The security sector continued to receive the bulk share of the budget, 22% of the actual spending, mainly to cover salaries and wages.
- 8) Poor families have been deprived of their entitlements as they received only one payment.
- 9) There is a gap between the pledge allocations and the actual spending on the agricultural sector in the first half of the year.

## Recommendations:

- The government needs to operate with further transparency and publish information on the public budget whether upon preparation, approval or enforcement. This opening will respond to a key demand of citizens, taxpayers and their representatives to have access to comprehensive, accurate and timely data to exercise their right to accountability.
- MoF has to be more open with the civil society organizations and should involve them in consultations during the preparation and approval of the budget for broader benefit and better response to the national priorities. It also needs to publish data and enable access thereto in a timely manner as per the provisions of the law.
- The government must fulfill its obligations under the public funds' management strategy and introduce the necessary reforms, mainly to promote transparency and combat tax evasion.
- Developmental expenditure priorities must be defined, especially under the current circumstances. Budgets must be allocated for developmental basis away from reliance on grants and assistance and without any external intervention in the definition of development priorities.
- Expenses must be defined in proportion to the resources available without counting on foreign aid, which has been shrinking not to mention its influence on the setting of priorities.
- The government must adopt a clear plan to rationalize expenses, taking into account each center of responsibility and without jeopardizing the rights of the poor or social justice.
- MoF must pay the entitlements of the poor in full to the Ministry of Social Development to enable it to transfer this assistance to the eligible beneficiaries.