



معاً للقضاء على الفساد
TOGETHER TO END CORRUPTION

A Guide on Civil Society's participation and oversight mechanisms in the formulation stages of Jordan's General Budget

Rasheed for Integrity and Transparency (Transparency International - Jordan)

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Section One: Reference/Background Information

One: Rasheed for Integrity and Transparency - Transparency International- Jordan Profile

Rasheed for Transparency and Integrity (T I-Jordan) is a not-for-profit civil society organization established in late 2013. It is the only official contact group of TI in Jordan. It aims to strengthen the pillars of good governance on the basis of transparency, integrity, accountability and the rule of law. It also seeks to enhance integrity and anti corruption in the public and private sectors, increase the awareness of individuals from the various sectors of the values of transparency, accountability as well as the need to report corruption. Rasheed also promotes the legal and executive frameworks of the National Integrity System through communication, sharing of experiences with international, regional and national institutions as well as broadening citizens' access to information and data.

TI is a worldwide movement with a one vision; a world where governments, business institutions, civil society and people's daily lives are corruption-free. TI has over 100 chapters across the world. TI's General Secretariat is based in Berlin, where it leads the fight against corruption to translate its vision into reality.

Two: About "Our Country's Budget"

This initiative is part of a regional project in collaboration with TI and funded by the German Foreign Office. The initiative is implemented in four Arab states: Jordan, Lebanon, Tunisia, and Morocco. It aims to empower civil society institutions to become active players in accountability. Through this team, TI aims to enhance the values of integrity, enact the highest levels of transparency to confront corruption, and to adopt a participatory approach in laying out a holistic plan to combat corruption in order to reach an aspired national integrity system.

Three: The Guide's Goals

This Guide, as part of Rasheed's projects and one of "Our Country's Budget" components, seeks to contribute to achieving a number of goals, foremost of which:

1. Enhance the process of transparency and participation in the general budget formulation stages in Jordan in accordance with the best international indicators and practices.
2. Promote the internationally common approach used in engaging civil society in the general budget formulation stages.
3. Identify the roles that civil society could play in all budget formulation stages and oversight through engagement in the budget's preparation, execution, assessment and oversight.
4. Analyze Jordan's general budget in the context of: definition of the budget; the budget's top priorities; the budget's formulation stages; the type of budget used, its advantages and disadvantages on the basis of its reflection of the Open Budget Initiative (OBI)¹, its alignment with developmental, economic and social schemes, and its compliance with the Sustainable Development Goals (SDGs).
5. Empower civil society to grasp and analyze the general budget and its provisions across all formulation stages.
6. Contribute to developing civil society's mechanisms, roles and methods of partnership that may enhance transparency and participation in the general budget.
7. Develop civil society's mechanisms and tools, and adopt a lobbying and advocacy strategy over the general budget in order to produce a more credible and open budget; one that is in line with governance indicators.

Four: Targeted Groups

This Guide's methodology was designed and constructed in a manner that takes into account the targeted groups concerned with oversight and partnership in the general budget work, namely legal civil society institutions, or such institutions that have legal, financial and economic functions, or that provide services in research and statistics as well as other civil society stakeholders that have an interest in monitoring the general budget preparation mechanisms. Following are some of the

¹ OBI is the Open Budget Initiative, issued by the International Budget Partnership (IBP)

key institutions concerned with a partnership in the budget's formulation processes and procedures:

1. Civil Society institutions
2. Think tanks and research centers
3. Social activists
4. Young pioneers
5. Public affairs interest groups
6. Parliamentarians

Section Two: Conceptual Framework of the General Budget

It is unmistakable that civil society has become one of the key actors in numerous fields due to its many vantage points, including its closeness to the public, the voluntary nature of its work, its organizing ability, and its capacity to get a realistic sense of the people's needs. Civil society also plays an active role in spreading awareness and knowledge, and exercises an indirect oversight role. All of the above contributes to strengthening the values of integrity and transparency as well as combating corruption, as preventative measures that impact all areas of public service.

Studies and reports suggest that the engagement of civil society in the oversight of public money stands at a relatively low level.² Enhancing accountability over public money, particularly over the general budget, does not occupy sufficient space in the functions of civil society. Such a role gains even more importance, particularly in countries that suffer widespread corruption in the expenditure of public money; or in money management or any other financially costly decision making, all of which also affects developmental projects as well as human rights.³

However, the matter is not as easy as it may seem. All depends on a country's legal and constitutional framework and on its political and social framework, as well as on civil society's legal framework and its functions and mandate. All those factors have an influence on civil society's ability to take part in the making and formulation of financial policies.⁴

² The IBP 2018 Report

³ Synopsis of public policies, role of civil society is crucial to enhance accountability of the general budget, Lebanon Center for Studies, issue #8, December 2013.

⁴ Society's participation in the formulation of a country's general budget, Abdul-Fattah al-Jabali, Strategic Studies and Research Center, 2012, Discussion Paper.

In Jordan, civil society is relatively active and functional. Under its legal framework, civil society can engage effectively in the making of financial policies. Furthermore, the constitutional and legal framework related to the general budget work in Jordan allows civil society to play a role in all formulation stages, as stated in this Guide. The purpose is to reach a scientific and practical formula through intellectual and practical comparisons of civil society's mechanisms in the making of financial policies in Jordan, especially in the preparation of the general budget. It also seeks to explain a number of concepts and terms that must be well understood by civil society actors in order to develop their tools in line with the respective scientific and legal context of those concepts and terms. Further, it seeks to identify the concept "general budget", its types and best related practices, as well as to explain the meanings of open budget, governance, integrity and transparency as general budget procedures in accordance with adopted indicators in this respect. All the above will be explained in more detail in the course of this Guide.

One: General Budget- related glossary

As a conceptual framework, it is important to explain the meaning of a number of the general budget related terms, not limited to all. Following are key terms:

One: Public Expenditure: Funds allocated to the ministries, the government departments and units, and governorates to finance the items listed under all current and capital expenditure in accordance with the general budget law and the budget law of government units, or the sum of money spent by the government from its treasury with the aim of fulfilling collective needs/ requirements to achieve its goals.⁵

Two: Public Revenue: All the taxes, fees, revenue, returns, profit, surplus, grants and any other sums of money that are transferred to the treasury or to any government unit.⁶

Three: Public Capital Expenditure (Investment): Expenditure related to ownership, construction, development, or renovation of assets that have a productive life of more than one year, and which aims to increase the state's capital structure and increase its productive capacity. It is related to national wealth- in that it increases the capability of the state apparatus to provide optimal services to citizens in all areas of life, such as the provision of productive projects, the construction of bridges, and the building of

⁵ To read more, see the Citizen's Guide to the general budget, issued by the General Budget Dept. in Jordan, 2019, published on the Dept.'s website <http://www.gbd.gov.jo>. Also, Dr. Jihad Khasawneh, General Finance and Tax Legislation Science- Theory and Practice, 1st print, 2010, Dar Wael Publishers, page 27.

⁶ To read more, see the Citizen's Guide to the general budget, past reference, and Dr. Issam Bashour, Public Finance and Financial Legislation, 2nd print, Damascus publications, page 93.

roads, schools, hospitals and health centers. Such expenditure is characterized by its regular recurrence.⁷

Four: Public current expenditure: The sums of money spent to operate public amenities so that those amenities may run and perform their ordinary functions and services. Such expenditure is carried out on periodic basis, and therefore it is recurrent in the general budget. Best example of this type of expenditure is operational, such as salaries and wages.⁸

Five: Allocations: The upper ceiling of allocated sums of money for the expenditure of a chapter, program, project, activity, item, or article that is listed in the general budget law and in the government units' budget law.⁹ In other words, those are the sums of money allocated to cover commitments and expenditure in accordance with the general budget law. For example, when a school project is set to be carried out in a certain area, an allocation is made and it is equal to the expenditure assigned to that project.

Six: Government assets: Property, equipment and machinery owned or managed by the government, including material assets (such as land, buildings and equipment) and financial assets (such as investments in bonds or stock).¹⁰

Seven: Tax burden: The total sum of money paid or endured by society, including direct taxes, such as income tax, or indirect taxes, such as sales tax, during a certain period of time in order to finance public activities.¹¹

Eight: Medium term financial framework: The government's medium term financial plan and policies for the budget year and two indicative years, based on the national economy's forecasting in light of fundamentals, assumptions and projections of key economic indicators.¹²

Nine: Medium term expenditure framework: The detailed forecasted plan for the government departments and units for the medium term of the budget year as well as two indicative years.

⁷ To read more, see Dr. Ramsis Tkla. Modern Principles of Public Finance Science, Dar al-Fikr al-Arabi publishers, page 54, and Dr. Jehad Khasawneh, General Finance and Tax Legislation, past reference, page 48.

⁸ Dr. Jehad Khasawneh, Tax on Income in the Jordanian Tax Legislation - analytical study, Jordan Bar Association.

⁹ To read more, see the Citizen's Guide to the general budget, past reference.

¹⁰ To read more, see Mohammad Sa'id Farhoud, Public Finance Science, Public Administration Institute, Riyad, and the Citizen's Guide for the general budget, 2019.

¹¹ To read more, see Saeda Keilani, Bassem Sakijha, Towards Jordanian Transparency, The Arab Archive Institute, Amman, Jordan.

¹² To read more, see the Citizen's Guide to the general budget, past reference.

Ten: The Indicative year: The year based on forecasts for the next 12 months in light of the general budget's economic projections.

Eleven: The actual year: The factual and real numbers (historic) that occurred in the year preceding the budget formulation.

Twelve: Gross public debt¹³ : The amounts of money committed by the government to other parties as a result of borrowing in order to finance budget deficit, with guarantees to pay back the debt after a certain period of time with due interest on the borrowed money, in accordance with the terms agreed on the debt.¹⁴

Thirteen: Budget deficit (or surplus): The difference/ balance between expenditure and revenue during the budget's financial year. If the expected expenditure exceeds the expected revenue, then there is a budget deficit, otherwise, then there is a budget surplus. For example, if the state's forecasted expenditure stands at five billion, and its expected revenue stands at four billion, then the state faces a deficit of one billion. If the state's forecasted expenditure stands at four billion and its expected revenue stands at six billion, then the state has a surplus of two billion.

Fourteen: Budget circular: A speech or letter by the constitutionally and legally mandated person requesting the preparation of the draft budget. In Jordan, this translates into the circular issued by the prime minister in April of each year. The circular includes directives addressed to government departments and units to prepare their draft budgets and staffing tables for the next year, with an annex of the preliminary ceilings of the ministries, government units as well as the governorates.¹⁵

Fifteen: General budget statement: An announcement issued by the prime minister in September each year asking for the formulation of the general budget law and the government units' draft budget law, as well as the staffing tables for the ministries, government units and governorates for a particular financial year. The announcement includes the procedures to be followed by the government in the formulation of the budget for the budget year and for two indicative years, as well as the key trends, assumptions, and financial procedures adopted in the budget estimation/ projection. This is accompanied by an annex of the final expenditure ceilings of each ministry and each government unit, as well as the procedures and instructions that the ministries, government units and governorates must adhere to in the preparation of their draft budgets and staffing tables.¹⁶

¹³ Gross public debt= gross internal debt + gross external debt.

¹⁴ Dr. Mohammad Abdul-Halim Omar, Public Dept Management, Azhar University, Egypt.

¹⁵ Guide to the formulation procedures of the governorates' budgets.

¹⁶ The Citizen's Guide to the general budget, 2019.

Sixteen: Budget annex/supplement: A law annexed to the general budget law or to the government units' budget law, issued during the current financial year if the need arises for additional expenditure outside of the general budget law or outside of the government units' budget law.¹⁷

Seventeen: Results-based budget: The methodology adopted in Jordan in the formulation of the general budget law and the government units' budget law, under which the government departments and units describe their vision, mission, strategic goals, programs, projects, activities and performance indicators - at the level of strategic goals and programs. Such indicators must be measurable, realistic and have a time frame, and must align with the vision and mission of the government departments and units in order to fulfill national goals and priorities.¹⁸

Eighteen: Gross Domestic Product (GDP): A key economic indicator, comprising the gross value of commodities and services produced within the national economy in a particular country during a certain normal year. A variation in the GDP between one year and another - if it is positive- is considered an indicator of a country's economic growth.¹⁹

Nineteen: Public money/funds: Money that covers all real estate, as well as movable and non movable assets allocated for public benefit, i.e. to be used directly by the public or for the service of public amenities, under a law or by-law that bans the power to utilize such, hold it, or own it.²⁰

Two: The budget concept and its characteristics

No inclusive definition exists for the term "general budget". On the economic and legal levels, the general budget consists of estimated expenditure and revenue for a particular year. Therefore, a budget is the government's principal tool that reflects its strategy with the aim of making optimal use of available resources to achieve economic and social development. A general budget is also an important tool for planning and oversight. A general budget no longer consists of mere tables of "empty" (meaningless) numbers; rather it has become more significant as it contains clear and indicative numbers that achieve particular pre-set goals with a defined time frame.²¹

¹⁷ Guide to the general budget cycle, General Budget Dept. 2018.

¹⁸ The Citizen's Guide to the general budget, 2019.

¹⁹ Mohannad Sulieman, Ahmad Bakr, a Descriptive study of the GDP, Saudi Monetary Institute, 2016.

²⁰ Alliance for integrity and transparency, Aman, Palestine, 2019.

²¹ See Dr. Zainabl Awadallah, Public Finance Principles, Al-Dar Al-Jami'iyeh publishers, Beirut, Lebanon.

A general budget translates national policies and priorities into decisions on the revenue and expenditure and explains how to utilize funds to meet citizens' needs, such as on security and protection, among other priorities. Due to the impact of the general budget on the people's lives, it must be of interest and concern to citizens, and it must be subject to debates, audits, reviews and participation by citizens. It reflects their needs, aspirations and future priorities. Hence emerges the need to engage citizens in the formulation of the general budget and in the financial policies.

Existing literature indicates that the general budget consists of four features: theory, policy, technical and behavioral. From a theory perspective, the general budget is an economic tool used to make a linkage and align the budget- as a yearly program- with socio-economic developmental schemes. From a policy perspective, it is a decision making tool that impacts all aspects of the state's structure, be it economic, social or political. Technically, the general budget plays an oversight role on the government's activities and programs. As a behavioral tool, it impacts the behavior and course of civil servants and serves to achieve a concurrence between private and public interests.²²

Many definitions exist for the term "general budget"; as many as there are scholars, researchers and state legislation, each is particular to a country's social, economic and political systems:

The French Law defines the general budget as: The yearly financial law that is projected for each calendar year; the total sum of the state's revenue and burdens. The US law defines it as: A legislative document in which the next year's expenditure and revenue are estimated in accordance with the existing law at the time of presentation and the proposed tax collection therein.²³

The "government audit manual", issued by the United Nations defines it as: A yearly process that is based on the planning, execution and oversight of resources being used in order to achieve the aspired goals efficiently and effectively.²⁴

In Egypt, the general budget law defines it as: The financial program set for the next year and is aimed at achieving particular goals as part of the general economic and social developmental plan, and in line with the state's general policy.²⁵

²² See Dr. Hashem Jafari, Public Finance and Legislation Principles, 3rd print, and Eyad Salameh Bkroun, the General Budget decision making system of the Palestinian Authority and its impact on the budget estimates (case study on Gaza), 2013, MA dissertation, Islamic University, Palestine.

²³ See Mohammad Fathi Hamed, the impact of applying international transparency standards on the budget preparation in Egypt, MA dissertation, 2017, the national planning institute, Egypt.

²⁴ Production, flows and financial accounts in the national accounts system, UN publications, the European central bank, economic and social affairs administration, statistics unit, series #113.

²⁵ See Mohammad Ibrahim Qutub, the state's general budget, the Egyptian book institute, 3rd print, Cairo.

Another definition of the general budget describes it as a document or a set of documents that highlight the state's financial situation. It is concerned with transforming financial resources into human goals. A budget, according to Wildavsky's theory, is a series of goals that determines the budget as well as its cost and the costs of achievement.²⁶

In Jordan, the general budget is defined as: The government's financial plan for the next year, pertaining to government departments, units and governorates and is aimed at achieving the aspired national goals within a medium term financial framework.²⁷

It is also important to clarify the difference between the general budget and other comparative concepts:

1- The balance sheet: A list that shows the value of assets and liabilities as well as the ownership rights of private entities (private sector) that reflects a rundown of its functions and activities during a past period of time. It is also called the "entity's financial position list", and is subject to international audit standards.²⁸

2- The private planning budget: A plan for the future economic developmental operations of private entities (private sector) and consists of an estimated statement of revenue and expenditure during a future financial time frame.

3- The final account: A statement of the actual expenditure carried out during the past year and the revenue collected for the public sector during that same year.²⁹

4- Funding budget: A section of the general budget law, presented in a list that follows the collated general budget list. It consists of the sources that fund the planned government's functions and activities, such as internal or external loans or the two loans combined, as well as the usage of those sources of funding, such as due internal or external debt payback.³⁰

5- The government units budget law: A financial plan for 25 government units (independent entities) for the next financial year, aimed at achieving aspired national goals within a medium term financial framework.³¹ It is a separate law from that of the general budget law but follows the same formulation procedures

²⁶ Wildavsky, a renowned US political expert, known for his pioneering work in public policy, the founder of the government's budget idea in the US, 1994.

²⁷ See the Citizen's Budget Guide, 2019. Reference is also made to the general budget law #1 for 2019, which does not include the definition of the general budget.

²⁸ To read more, see Gibson, analysis of financial tables, 11th print, 2013.

²⁹ To read more, see Dr. Abdul-Razzak Shehadeh and others, government audit, Jordan, 2011.

³⁰ The general budget law, Jordan, 2019.

³¹ The government units budget law, Jordan, 2019.

(as the general budget).³² According to the 2019 general budget law, 29 independent government units have been incorporated within the (mainstream) general budget law.

Civil society could play a key and fundamental role in presenting ideas, options, alternatives and methods to lobby towards mainstreaming one general budget law that is subject to the same legislative procedures without exception. No matter what the rationale, it does not provide justification for a state to apply two different general budget laws, as this affects transparency, public participation and accountability.

Based on the above, the general budget is characterized by the following:³³

1) The budget includes a plan and a proposed detailed and analytical program for the government's programs and projects, as well as available funding sources in the form of estimated numbers of revenue and expenditure for one upcoming year.

2) The general budget is built on a philosophy that governs the public administration's activity and is subject to legal accountability. The budget, firstly, provides oversight criteria on the executive branch's activities, and is a tool that coordinates those activities. In order to fulfill the principle of legal accountability, the general budget must be presented to the legislative branch for adoption and endorsement in order for the executive branch to commit to the implementation of the programs therein.

3- The state's general budget is a tool that manages the financial policy that will be adopted during the next year. Taxes, loans and public expenditure are tools used by the government to formulate its financial policies in order to manage the national economy, achieve price stability, and increase the GDP and the national income to arrive at prosperity and economic growth.

4- The budget is a decision-making tool related to identifying the general objectives and means of achieving them (programs). It is the tool through which government programs are implemented during the next year.

³² Prior to 2019, the government units budget law used to include the budgets of 54 independent government units, but the 2019 general budget law incorporates 25 government units and 29 others that have been moved to the general budget law. The budgets of those units are managed according to the general budget law.

³³ See Dr. Jihad Khasawneh, public finance and tax legislation, a past reference, and Dr. Mohammad Riyad Attiyeh, public finance brief, Dar al-Maaref, and Dr. Labib Shqair, public finance, Cairo, 2nd print. Abeer Kfarneh, social accountability and its impact on the budget transparency in government entities in Palestine, MA dissertation, Islamic University, Gaza.

Three: Types of budgets

The budget formulation process has gone through several stages based on the economic system's level of development, and on the financial management mechanism at the state's institutional level. International initiatives and experiences have also played a big role in developing the budget components based on transparency and participation. Those initiatives have impacted the types of general budgets, whereby today we have types of budgets that outshine others in light of the system adopted in the budget formulation and tabulation, as well as the objectives under focus by the government. Following are the main types:

One: Itemized budget³⁴

The Items Budget is the first and most common type of budgets. It represents the first stage in the advancement of the general budget. It is a conventional budget used by nascent economies, focusing on the oversight aspect and is concerned with placing restrictions on expenditure more than it relies on the effectiveness of achieving the budget's aspired goals.

It is described as an executive budget, as it collates expenditure of the same nature under matched primary and secondary items according to type. It may be classified under current and capital expenditure, or according to professions, such as education or health expenditure, and not on the basis of targets and goals.³⁵

³⁴ Alliance for integrity and transparency, Aman, Palestine, 2019

³⁵ Past reference: Dr. Abdul-Razzak Shehadeh and others, government audit book, Jordan, 2011.

Advantages and disadvantages of the Items Budget	
Advantages	Disadvantages
<p>1- The existence of clear models/samples and instructions that help collate data. It is easy to prepare in the process of estimating the needs of each government entity.</p> <p>2- Simplicity in the oversight on expenditure of public funds.</p> <p>3- Simplicity in conducting studies and analysis on the previous years, the budget year and the indicative years.</p>	<p>1- Extreme oversight on expenditure items at the expense of planning and performance assessment.</p> <p>2- Lack of clarity of goals for which the expenditure is allocated, and tendency for disconnection from the state's developmental plans.</p> <p>3- Inability to measure the actual performance of government apparatus due to lack of performance indicators.</p> <p>4- Lack of flexibility, particularly in relation to expenditure, which leads financial institutions to spend the entire allocated funds before to the end of the financial year, rather than attain savings.</p> <p>5- The focus is on short term needs, and fails to pay attention to medium and long term needs.</p> <p>6- Provides limited partnership roles to citizens and civil society in the formulation stages.</p>

Two: Programs and Performance Budget³⁶

This type of budget emerged following the advancement of various norms and opinions that called for reforms in the financial system, and for the adoption of new budget systems that utilize a different structure and classification than the conventional classification (the items budget). This type classifies the budget items and makes a linkage between them and the government's economic and social developmental priorities. It identifies ways of executing those priorities through programs, plans and projects. It indicates that expenditure must be carried out

³⁶ Hock, CMA book for 2016.

within the state's national plan and identifies the activities that serve a particular expenditure, connecting those activities with set goals that must be fulfilled during a certain time frame and in accordance with performance indicators identified by the government to enable it to measure the extent of achievements and the expected efficiency.

There are various reasons that demanded a shift from the Items Budget to the Programs and Performance Budget:³⁷

- 1- Attention to the type of expenditure, not to the amount spent.
- 2- Availability of limited resources in most the budgets of most countries.
- 3- Introduction of financial management methods into the government sector.
- 4- Separation of financial oversight bodies from government oversight entities.
- 5- Application of audit systems that achieve internal oversight.

Advantages and disadvantages of the Programs and Performance Budget	
Advantages ³⁸	Disadvantages
<p>1- It presents detailed data of the expenditure and revenue of all government departments and units.</p> <p>2- It helps improve the execution and oversight of the governmental institutions' programs and projects, due to the existence of performance indicators.</p> <p>3- It provides the public with comprehensive and sufficient information on services that will be executed by the government. It includes a description of the goals expected from the government's programs and projects.</p>	<p>1- Difficulty and high cost of execution. It requires complex audit systems and particular follow up.</p> <p>2- Attention of the performance-based budget to achieving efficient short and medium term projects, which hinders the process of measuring the success of projects on the long term.</p> <p>3- Difficulty in measuring the qualitative outcome, as this type only measures the quantitative results.</p>

³⁷ Abdullah Salam and Mohammad Mhanna, national and government accounting book (theory and practice), Egypt.

³⁸ Workshop "Transformation from items budget to programs and performance budget", Arab Institute for administrative development, Turkey, 2015.

Three: Planning and Programming Budget³⁹

This type of budget emerged out of the need to link government programs with the state's general plan. It focuses on giving a priority to presented programs through a comparison process aimed at achieving long term planning objectives, at the expense of expenditure or management of government activities through programs. This approach combines all three dimensions of the state's general budget (planning, execution and oversight). This budget focuses on:

- 1- Long term considerations.
- 2- Analysis of cost and benefit.
- 3- Identification of potential alternatives related to the execution of programs and activities according to the prevalent economic and social conditions.

Advantages and disadvantages of the Planning and Programming Budget	
Advantages	Disadvantages
<p>1- This budget calculates the collective cost of programs, and not the cost of each program separately. It avoids duplication in some of the programs.</p> <p>2- It focuses on holistic accountability (economic, social and service) and not only on financial accountability.</p>	<p>1- It focuses on long term planning and overlooks short and medium term planning, i.e. it overlooks the budget's yearly rule.</p> <p>2- It requires the provision of a highly qualified cadre, which can be costly.</p> <p>3- Decisions are made from top to bottom, which eliminates partnership.</p>

The Zero-based budgeting is an administrative tool that measures expenditure, overlooking previous projects at the beginning of each financial period in order to

³⁹ Mohammad Shawqi Bshadi. "government accounting", Lebanon

review each program from the point of zero and to prepare a new plan for the allocations. No program is considered more important than another, even if it has been previously endorsed.⁴⁰

The zero-based budget is one of the most recent reforms effecting general budgets. It has emerged to overcome application problems and obstacles that faced other types of budgets. It has come to serve a government's objectives to achieve efficiency and effectiveness in the performance of public activities through prioritizing government programs and highlighting the feasibility of such programs, as well as to achieve an improved re-allocation of funds through continued assessment and review of the government's strategic decisions, in addition to its ability to accommodate unstable and adverse conditions. Hereunder are the advantages and disadvantages of this type of budgeting.

Advantages and disadvantages of the Zero-Based Budget	
Advantages	Disadvantages
<p>1- It measures the efficiency and effectiveness of past and present activities periodically.</p> <p>2- It provides an opportunity to make amendments on activities under execution, such as to cut back or to cancel those activities in order to fund others (activities) that have a higher national priority.</p> <p>3- It achieves effective oversight on the performance of government institutions.</p>	<p>1- The zero-based budget does not give justice to past projects and achievements.</p> <p>2- It requires enormous information and data, which are usually hard to provide.</p> <p>3- It demands a lot of analysis and studies that may extend for over a year.</p>

⁴⁰ To read more, see Miller series, entitled "Government accountability, 2012.

Four: Results-Oriented Budget

A results-oriented budget is a tool for planning and strategic management that seeks to align the budget allocations with the expected outcomes. It is a combination between the Items Budget, and the Programs and Performance Budget.⁴¹ There exists no holistic definition for this type of budget however the European Council defines it as:⁴²

a- A budget that formulates programs according to a set of previously defined objectives and expected outcomes.

b- A budget that links expected results with the required outcomes.

c- The actual performance is measured by results, based on objective performance indicators.

The results-oriented budget is not a new invention; it is a commonly used tool in many countries, namely in the United States, Britain, Canada, Sweden and New Zealand. It has acquired success in effective financial oversight and in achieving the objectives of public expenditure as well as minimizing squandered spending, improving political accountability, and ensuring the allocation of highly efficient funding.⁴³

Hence, the implementation of the result-oriented budget in Jordan represents a leap in public expenditure management, and in strengthening budget oversight by the government institutions. The results-oriented budget is implemented by identifying the key strategic goals, programs and activities of each ministry or of government unit in its annual budget separately, indicating the expenditure mechanisms for that year, as well as the level of success in fulfilling its goals and programs based on performance indicators that are measured periodically.⁴⁴

The results-oriented budget consists of a conceptual framework that includes:⁴⁵

1- A strategic goal: why are the activities being executed and what is the purpose of this goal?

2- The detailed sub-objective of the strategic goal: including the detailed mechanism of implementing the existing programs and activities stated in the strategic goal.

⁴¹ Abdul- Razak Shehadeh and others, "Government accountability", Jordan 2011.

⁴² The results- based budget guide, issued by the European Council. <https://www.coe.int>

⁴³ The results- based budget guide, issued by the European Council. <https://www.coe.int>

⁴⁴ The results-based budget, Jordan Strategies Forum, 2016.

⁴⁵ The results-based budget guide, issued by the European Council. <https://www.coe.int>

3- Location of the activity: in which ministry, government unit or department all those strategic goals and sub-objectives are being implemented in an optimal, efficient manner?

4- The expected results from implementing the activities and programs.

5- Performance indicators: how is the impact of the implemented activities measured?

6- Validation sources: The existence of sufficient proof that supports the performance indicators of the implemented programs and activities.

7- The external factors that affect the achievement of expected results.

8- The financial cost of implementing the foreseen programs and activities.

The advantages and disadvantages of the results-oriented budget are:

Advantages and disadvantages of the Zero-Based Budget	
Advantages	Disadvantages
<p>1- It measures the effectiveness of public expenditure for each program and its economic and social objective.</p> <p>2- It links actual or official objectives with the strategic goals.</p>	<p>1- Lack of justice in the representation of the various interests through participation.</p> <p>2- Weakness in measuring performance in a manner that reflects the actual performance of institutions.</p> <p>3- It focuses on identifying the programs and projects' medium term strategic goals, whereas some goals require planning for long term projects and programs, such as educational and health projects.</p> <p>4- Some performance indicators require longer time than the budget duration.</p>

The role of civil society in budgets:

At this stage, civil society can play many roles and carry out plans and activities that may clarify any ambiguity or misunderstanding in the type of budget chosen by the government: is it implemented in its actual form and in accordance with the components, elements, conditions and boundaries that must be in place in this type of budgeting, and is it implemented in a manner that ensures transparency, accountability and participation in the financial policies? Following are examples of such roles:

- Call for the adoption of a budget that achieves people's aspirations, ensures transparency and stays abreast with modernity.
- When a certain type of budget is adopted, civil society may perform an oversight role, and verify whether the concerned governmental institutions have applied all the necessary elements and requirements related to this declared type of budget.
- Civil society may offer advice, consultation, studies and policy papers on the gaps and challenges that prevent the implementation of such standards in order to ensure that the adopted budget meets best international practices.
- Civil society may present model legislation on general budget laws that make reference to the elements and indicators that must characterize this type of budget in order for those indicators to constitute legislative oversight tools on public institutions' work, and also provide civil society with legal provisions/ grounds for its role.
- Civil society may develop an awareness campaign on the type of budget, the stages and procedures related to this budget, and prepare a schedule to oversee all formulation stages, as well as indicate how far this budget meets the description of a results-oriented budget.
- Civil society may increase awareness and knowledge of the budget's concepts and stages, directing this awareness to all stakeholders involved in the budget's oversight, assessment and endorsement, particularly parliamentarians.

Four: The institutional framework

The General Budget Department is the official focal point concerned with the budget formulation in Jordan, which has gone through several stages. Prior to the issuance of the general budget regulation law no. 39 for 1962 and its amendments, the Ministry of Finance was tasked with preparing the budget through the General Budget Unit, which functioned directly under the MoF's secretary general. In 1960, a royal committee was formed to review prevalent financial laws and regulations, namely with respect to the general budget and its related accounts. The committee reviewed the methodology of the budget formulation and its classification, and identified the elements of weakness (therein). In 1962, a special committee was formed to draw out a general budget draft law no. 39 for 1962, which became effective as of 1962, and under which the General Budget Department was founded, managed by a director general, who reports to the minister of finance.⁴⁶

As of the financial year 1963-1964, the General Budget Department embarked on the formulation of the general budget. Since then, the Department has continued to introduce improvements on the formulation methods and on classification of expenditure and revenue. In 2008, the General Budget Law no. 58 for 2008 was ratified, bringing the general budget to a new phase of development and modernization. The medium term financial framework was adopted, and the infrastructure needed to implement the Results-Based Budget was completed and disseminated to all ministries, government departments and units.⁴⁷

The duties and tasks of the General Budget Department⁴⁸ include the formulation of the state's general budget, preparation of the government units' budgets, the staffing lists of government departments and units in collaboration with the Civil Service Bureau and according to priorities, all in a manner that mainstreams the dividends of development across all governorates.

The General Budget Department's other tasks include the preparation of a detailed statement of necessary operations to endorse the general budget as well as the government units' budgets, assessment of the performance of programs, projects and activities of the government departments and units, verifying expected results to ensure achievement of goals effectively and efficiently, expressing opinion on draft legislation that have financial implications during the endorsement process, offering consultation to government departments and units on financial and other matters of

⁴⁶ To read more, see the GBD website <http://gbd.gov.jo>

⁴⁷ See <http://www.gbd.gov.jo>

⁴⁸ According to the GB law #58 for 2008.

concern to the Department and presenting recommendations on final financial statements related to all government units to the council of ministers for approval.

Section Three: stages of the general budget formulation in Jordan

The budget formulation goes through four main stages, beginning with the formulation, and adoption (endorsement) by the legislative authority, followed by execution by the executive body, and ending with the monitoring and evaluation. Each phase comprises a set of procedures, which will be presented in some detail, with a focus on the key procedures in each phase. Under the Jordanian system, the executive body undertakes the preparation of the general budget, as is the case under most legislation and institutional regulations worldwide. Following is the rationale for such practice:⁴⁹

- The executive body is most capable of knowing and identifying revenue and expenditure of ministries and its institutions, as well as the relevant action plans and projects.
- The executive body has the capabilities and needed human resources to carry out procedures related to the budget preparation, which requires expenses and human resources that may not be available for other sectors.
- The execution of the general budget is the responsibility of the executive body. Therefore it functions as an observer over the execution processes and is subject to evaluation as such. Hence, the executive body is tasked with the formulation and preparation with due accuracy and diligence.
- The general budget is a yearly action plan of the executive body and the executive is committed to follow it through, which gives it the priority to take on the task of preparation.

Budget preparation stages are:

Formulation / preparation phase of the general budget

Formulation stages of the general budget require:⁵⁰

⁴⁹ The budget cycle guide, GBD, 2018

⁵⁰ The Citizen's guide, GDD for 2019

- 1) Review of the preliminary ceilings of the ministries, government departments and units and governorates, and updating the macroeconomic indicators.
- 2) In accordance with a circular issued by the prime minister, the ministries, government departments and units and governorates undertake to provide the General Budget Department with their respective draft budgets, including the agreed partial preliminary ceilings as well as final ceilings of each ministry and government unit, in addition to the final ceiling of each governorate for the purpose of preparing their draft budgets. The aim is to bridge the gap between the final ceilings that would be provided to ministries, government departments and units, and the requests made.
- 3) The ministries, government departments, units and governorates provide the General Budget Department with their draft budgets, including their detailed projects and programs.
- 4) The General Budget Department reviews and scrutinizes the ministries, government departments, units and governorates' draft budgets in collaboration with those respective institutions.
- 5) Review of the final expenditure ceilings of the ministries, government departments, units, as well as the governorates.
- 6) Review of the budget forms, and amending the forms when the need arises.
- 7) Preparation of a draft budget circular, attached to it the budget ceilings and forms.
- 8) The prime minister issues a circular on the budget formulation.⁵¹
- 9) The circular is sent to all ministries, government departments and units; annexed to it the respective budget ceilings including the ceilings of the governorates.
- 10) The ministries, government departments and units send their draft budgets to the General Budget Department. The budget analysts review the projects to ensure that they match the set ceilings stated in the prime minister's circular, and ensure that the governorates' draft budgets are included in the ministries and government units' budgets, as received by the governorates.

"The draft law covering the General Budget shall be submitted to the National Assembly for consideration in accordance with the provisions of the Constitution at least one month before the beginning of the financial year." The same provisions apply to both budgets. The government presents the final accounts six months after the end of the previous financial year.

Article 112/1 of the Jordanian Constitution.

⁵¹ See the list of annexes including the budget preparation statement for 2020.

11) The budget analysts applaud the draft budgets on the Department's e-system. The analysts print out the general budget draft law and the government units' draft budget law, proof read the drafts and forward them to the minister of finance for approval.

12) The general budget draft law and the government units' draft budget laws are presented to the General Budget Department's consultative council for approval, before it is sent to the prime minister for endorsement.

13) The general budget draft law and the government units' draft budget law are sent to parliament to begin the endorsement procedures, according to constitutional measures.⁵²

Civil society can play important roles to win advocacy on the mechanism and standards of forming such consultative council and its membership, and whether civil society should be part in it alongside experts and academics. This, in addition to other possible roles that are stated in section four of this guide.

Two: Adoption/ endorsement of the general budget

"Voting in respect of the budget shall take place on each chapter separately."Article 112/2 of the Jordanian Constitution.

The adoption/ endorsement of the general budget is one of its most critical stages. The legislative authority plays the leading role in this phase, being the people's representative and the body most capable of understanding people's economic conditions and financial burdens, as well as their tax capacities. It can also identify expenditure priorities, be informed about revenue and ways of expenditure, all as part of people's rights. Therefore, this stage acquires particular importance, and here, civil society can play more effective roles. Following are the procedures carried out during this stage:

1) The council of ministers discusses the general budget draft law and approves it by referring it in its final form to the parliament. This procedure is done at least one

⁵² To learn more, see the list of annexes, including the general budget draft law and the government units law for 2020.

month before the beginning of the financial year, under Article 112/1 of the Constitution.

2) The minister of finance delivers a speech about the general budget, explaining its dimensions and fundamentals, as well as the government's policy and program for the next year.

Some of the roles that civil society can play at this phase:

- Review the general budget law and the government units' draft budget law, analyze the content, prepare synopsis and analytical studies on each component or sector, and undertake a comparison of those with other years or with best practices.
- Participate in debates conducted by the specialized parliamentary committee, discuss existing challenges, and provide research and analysis to the committee to enable it to moderate the discussion with the relevant institutions, under the constitutional rules.
- Conduct economic studies and analyses of some sectors and provide the parliamentary committee with the results.
- Present the analysis on the alignment of the draft law with the government's pledges in its statement, and on how far it falls within the institutions' plans and policies.
- Present information on challenges and setbacks, as well as proposed improvements on the draft law during participation in the general discussion of the draft law and the committee's recommendations.

3) The Lower House of Parliament refers the draft law to the financial committee, which in turn reviews and discusses the draft law with the relevant executive body officials, and presents its recommendations to the legislature.

4) A special parliament session convenes to discuss the draft law. The session is attended by the prime minister and cabinet members. The financial committee⁵³

"During the general budget debate, no proposal shall be accepted for the abrogation of an existing tax or the creation of a new one or the amendment, whether by increase or reduction, of existing taxes which are prescribed by financial laws in force, and no proposal shall be accepted for amending expenditures or revenues fixed by contract."

Article 112/5 of the Jordanian Constitution

presents its report, including its comments and recommendations on the draft budget. The report is discussed alongside the draft law, after which the floor is opened for deputies wishing to take part in the deliberation (of the draft law).

5) The prime minister and the minister of finance present the government's response on the financial committee's report -to the legislature- and to the deputies' interventions that took place during the debate.

⁵³ Article 42 of the House of Parliament's bylaws: the Financial committee shall have the following tasks: review the general budget and the government's units budget law, supervise its implementation and related proposals, look into the final accounts of the ministries, departments, institutions and government units, present related recommendations, look into the Audit Bureau reports and present recommendations, look into the financial laws related to increasing or decreasing revenue and expenditure, look into the state's general debt and present recommendations, and look into the GAM budget as well as the first category municipalities' budgets.

- 6) The legislature, during the deliberation of the general budget draft law, may reduce expenditure in any of the chapters as it deems necessary, and in a manner that preserves public interests. The legislative authority may not increase expenditure.
- 7) During the deliberation of the general budget, no motion is accepted if it proposes to cancel an existing tax, or impose a new tax, or amend a tax, whether increase or reduce it.
- 8) After the government response session, the legislative authority votes on the general budget law, each chapter at a time.
- 9) In the event the legislative authority approves the draft law, the law is then referred to the Senate. The Senate sends the draft law to the Senate financial committee to review it and to prepare its report on the draft law. This is followed by a Senate session to discuss the committee's report. The Senate follows the same procedures as the House/ legislature.
- 10) Following the endorsement of the general budget draft law by the Senate, it is presented His Majesty the King for ratification.
- 11) The law is published in the official gazette and comes into effect as of the date of publication in the gazette, or otherwise as stated under the law.

"The National Assembly, when debating the General Budget draft law or the provisional laws relating thereto, may reduce the expenditures under the various chapters in accordance with what it considers to be in the public interest, but it shall not increase such expenditures either by amendment or by the submission of a separate proposal. However, the Assembly may after the close of the debate propose laws for the creation of new expenditures." Article 112/4 of the Jordanian Constitution.

"If it is not possible to enact the General Budget Law prior to the beginning of the new financial year, expenditures shall continue by monthly appropriations at the rate of 1/12th of each month of the previous year's budget."

Article 113 of the Jordanian Constitution

Civil society may utilize the same tools and approaches before the Senate as it did before the House/ legislature, if its effort failed, or if its recommendations were not taken into consideration.

Three: The general budget execution stage⁵⁴

The execution stage is significant because it represents the practical execution of plans and policies on which the general budget was constructed; according to the objectives, plans, and indicators of each project and the respective body implementing that project. Expenditure is done according to financial regulations and procedures identified in the budget execution statement, public and private financial orders, transfers, and positions, in addition to the various commitment orders, as well as monitoring and evaluation of achievements through field visits to projects and programs in collaboration with stakeholders, and follow up with the House and Senate financial committees and deputies concerned with the general budget law.⁵⁵

In practical terms, the general budget's execution stage starts immediately after the general budget law has been published in the official gazette, or on the date it has come into effect. Consequently, execution follows the following steps:

* Issuance of the current expenditure's financial order

Expenditure is made from current expenditure by a general financial order, issued by the minister of finance after it has been prepared by the General Budget Department. Under the order, ministries and government departments and units are given license to use the allocated current expenditure funds stated in the budget law. Copies of the law are sent to the prime ministry, the Ministry of Finance, Central bank, Ministry of Finance and concerned department. In the event the budget law is delayed beyond its due date -Beginning January of each year- for any said reason, a financial order equal to 1/12 of the total allocations of the previous year's budget is made. The financial order is issued monthly pending the release of the general budget law, in accordance with Article 113. The minister of finance issues a circular to ministries and government departments stating the official party tasked with expenditure and control over the allocations approved in the budget law.

* Issuance of the capital expenditure's special financial order

Expenditure is made from the allocated capital expenditure stated in the general budget law upon a special financial order. Government departments provide the General Budget Department with those orders, including the number and name of the project, the relevant Article in the capital budget, the allocated funds, and required amount. The special financial order is audited by the budget analyst and is endorsed by the minister of finance, based on the recommendation of the General Budget

⁵⁴ All stated in the general budget law's execution phase, derived from the general budget cycle, GBD, 2018.

⁵⁵ The GB cycle, GBD, 2018. Please see: a study of the budget formulation stages, the Jordan Strategies Forum, 2016.

Department's director general. A copy is sent to the Ministry of Finance, the Audit Bureau, and the relevant departments. Two copies are filed in the General Budget Dept.

"No person shall be exempt from the payment of taxes or duties in circumstances other than those prescribed by law."

Article 118 of the Jordanian Constitution.

* The prime ministry's statement on the execution of the general budget law

After the general budget law has been issued, the prime minister sends out an official statement on the execution of the general budget law, addressed to all ministries, government departments and independent institutions and includes the principles and instructions to be followed in the execution of the general budget law.

* Issuance of monthly financial transfers

"The national revenues and expenditures estimated for each financial year shall be approved by the General Budget Law, provided that said Law may provide for the allocation of any special sums for a period exceeding one year." Article 112/6 of the Jordanian Constitution.

Expenditure is made through endorsed monthly financial transfers by the General Budget Department. Ministries and government departments send the financial transfers to the Department. The budget analyst audits the orders and the director general approves them. A copy is sent to the Ministry of Finance, and to the relevant department. The budget analyst keeps a copy and sends one copy to the Department's files. Under the general budget law, financial transfers can be sent for more than one month with relation to current or capital expenditure if sufficient justification is provided to exceed one month's expenditure.

* Response to queries

During the execution of the general budget, the concerned bodies, if faced by any problem, contact the General Budget Department for inquiries, whether related to expenditure on specialized item, or to ask the Department to address an allocation deficit affecting the budget items in order to relocate/transfer funds from one item to another, or to request additional allocations. (Such is done through what is named "the budget supplement"). The General Budget Department looks into the query or request, and responds. If the query is beyond its mandate, it refers it to a higher authority.

* Relocation of funds

It may be necessary to, during the financial year and execution of the budget, for ministries and government departments to relocate/transfer funds from one item to another to cover actual needs in light of the actual expenditure during that year. In such case, the ministry/department applies for a relocation of funds. An official form is filled out to that effect and is sent to the General Budget Department, which in turn audits the application, verifies its legal and constitutional grounds, the level of need for that relocation, the availability of surplus in the respective item from which the relocation is to be done. Then, the Department approves the application request, and the minister of finance ratifies it. A copy is sent to the Ministry of Finance and the concerned department, while two copies are kept at the Department. The general budget law, issued on yearly basis, includes the procedures of relocations.

* Request for additional funds (budget supplement)

Additional funds is intended for an increase in the final ceilings of allocated funds, approved by the legislative body, beyond the allocations stated in the general budget law. Additional funds follow the same procedures as stated above in the budget formulation, including formulation, and presentation to the legislature, deliberation, approval and ratification. The budget supplement is part and parcel of the general budget for a particular financial year.

* Revenue collection

Specialized institutions collect the different types of due revenue, projected in the general budget, on the dates stipulated in the laws, regulations and instructions, and are delivered to the state's treasury account/ Ministry of Finance.

"All receipts from taxes and other sources of Government revenue shall be paid into the Treasury and shall be included in the Government budget save where otherwise provided by law. No part of the funds of the Treasury may be appropriated or expended for any purpose whatever except under the law." Article 115 of the Jordanian Constitution.

Four: Oversight of the general budget execution

Oversight of the budget execution is the mandate of the legislative body, as it is one of the oversight tools of the executive authority. It exercises oversight to ensure that the executive authority is committed to its announced projects, plans and goals, and for which funds are allocated in the general budget. The legislative body relies on periodic reports presented by administrations that are specialized in financial audit/oversight.⁵⁶

"The Council of Ministers may, with the approval of the King, issue regulations for the control of appropriations and expenditures of the public funds and the organization of Government stores." Article 114 of the Jordanian Constitution.

Civil society has an equally important role as other bodies in highlighting distortions, challenges and problems that governments have not been able to address in the implementation of projects. Civil society can also highlight illegally squandered funds, or the spending of funds without adherence to expenditure principles and standards. Therefore, the general budget law includes a number of principles that assist the various oversight bodies, public opinion and civil society to observe and oversee financial policies and expenditure mechanisms, among other financial matters, such as:

- * The general budget draft law, presented to parliament each year and prepared by the General Budget Department includes - in addition to projected revenue and expenditure for the next year- revenue and expenditure for two indicative years as of the budget year, actual revenue and expenditure for the year preceding the budget year as well as the current year, and the estimated and re-estimated revenue and expenditure for the current year. This allows the public, oversight institutions, civil society and the legislative body to observe achievements made in projects that are stated in the general budget law of previous years, as well as projects expected to be implemented during the budget year and future years.
- * The Audit Bureau presents an annual report to parliament, containing its comments about the ministries and government units that it has audited, showing any violation and relevant liability. This is a practice that takes place at the beginning of each ordinary session of parliament.
- * The Ministry of Finance presents an annual report on the final accounts on the financial year, containing a comparison between budget allocations and actual expenditure.

⁵⁶ The GB cycle, GBD, 2018.

* Supervision/ oversight through the various concerned bodies, plays a key role in this respect with the aim of ensuring that the budget execution reconciles with projections and allocations of the different items. Oversight also detects any distortions and addresses them in good time.

Following are some of the functions of certain oversight bodies in relation to the execution of the general budget:

One: The General Budget Dept.⁵⁷

The General Budget Department performs the following roles in its oversight of the general budget law:⁵⁸

- 1- Ensure that remittances, financial orders, transfers/relocations and compliance documents are signed by the expenditure officials and the authorized persons at the concerned ministries and departments, once approved.
- 2- Follow up with ministries and departments to make sure they provide the General Budget Department with their monthly positions during the first week of the following month, filled out and duly approved.
- 3- Audit the monthly financial positions and ensure that they are filled out in accordance with laws and regulations, and draw the attention of ministries and departments so as not to exceed allocations stated in the financial transfers. If there was a deficit in the financial position, the administration is informed of such.
- 4- Visit the various projects that received allocations under the general budget law, with the purpose of monitoring and evaluating those projects.

Two: The Ministry of finance⁵⁹

The Ministry of Finance is one of the key institutions in the oversight on process of the general budget execution on the basis of its legislative mandate, under which oversight units are assigned at each department or institution. This unit performs control operations through which it validates expenditure and checks expenditure mechanisms to make sure they are within allocated financial ceilings under the law and that they follow legal procedures. This is done through a series of financial procedures:

- Issuance of the public financial order.
- Issuance of the private financial order.
- Issuance of the monthly financial remittance related to the pertinent expenditure.

⁵⁷ To learn more on the role of the GBD, please visit <http://www.gbd.gov.jo/>

⁵⁸ The Citizen's Guide, 2018

⁵⁹ To learn more, please visit the Ministry of Finance website www.mof.gov.jo

- Availability of cash (a financial ceiling) and cash sufficiency for the expenditure
- Availability of necessary funds to cover the expenditure from the concerned registry.
- Authority of the person tasked with the expenditure, and the sum of money is within that person's given authority.

The Ministry of Finance's specialized units keep control over allocated funds under the general budget law through obtaining monthly reports from ministries and departments that include money spent from allocations during each month. The unit keeps records of expenditure and revenue, and extracts final accounts, which are prepared annually, incorporating the year's revenue and expenditure as well as the actual deficit or surplus for that year.⁶⁰

Three: The Audit Bureau⁶¹

The Audit Bureau is the national oversight department with relation to control over public money.⁶² Under the law, the "judicial policing authority" is given to the Bureau's staff in order to empower them to view all financial documents and statements as well as other records, papers, or reports that a Bureau staff member deems necessary as part of his duty. Under the law, any person who obstructs the Bureau's staff from performing audits is subject to sanctions.

The Audit Bureau performs oversight on two components: expenditure and revenue:

* The revenue component

- Audit tax and fees money to ensure that the collection process follows set laws and regulations.
- Audit sales, authorization and lease of state land and real estate.
- Audit all types of revenue collection, to ensure that collection is timely and in accordance with set laws and regulations, and make sure that state money collection has been applicable on subscribers who failed to cover their dues, in addition to verifying whether collected money has been delivered to the treasury and documented under the assigned articles in the general budget.
- Audit revoked revenue transactions and exemptions to ensure that such has only been exercised within the stated provisions of the laws and regulations.

⁶⁰ The Citizen's Guide to the general budget, 2018.

⁶¹ Please visit the Audit Bureau website.

⁶² The Audit Bureau exercises its mandate under the Audit Bureau law, and oversees the budget execution according to the provisions of articles 8-9 of the Audit Bureau law #28 for 1952 and its latest amendments.

The expenditure component

- Audit expenditure to ensure that money has been spent on its pertinent purpose, and that spending is done according to laws and regulations.
- Audit documents and statements that approve spending to ensure they are correct and match its value as stated in the records.
- Ensure that expenditure orders are duly exercised and requested by the authorized party.
- Ensure that expenditure has been recorded under the assigned chapters in the general budget.
- Ensure that spending does not exceed allocated funds stated in the general budget, unless otherwise approved by the concerned party.
- Verify the reasons why no spending was done on all or some of the allocations for new works.
- Ensure that the provisions of the general budget law are implemented and that the financial orders and transfers issued under the law are correct.

The Audit Bureau presents to the House of Representatives an annual report that includes its comments about the ministries, and government departments and units that fall under its audit responsibilities, indicating any committed violation and the related liability. The Bureau Chief may present the House at any time with special reports to draw the House's attention to any matter it deems critical and of utmost importance, and which requires that it be addressed with urgency.⁶³

⁶³ To view the Audit Bureau's reports and legislation related to the Bureau's work, please visit the website: <http://www.audit-bureau.gov.jo/ar/pages/default.aspx>.

Timetable of the budget formulation ⁶⁴

Date	procedure	Competent authority
April	Review of preliminary ceilings of ministries, government departments and governorates, and update the macroeconomic indicators	General Budget Dept.
Mid may	Request ministries, government departments, units, and governorates' executive boards to provide the GBD with their mid-term draft budgets. A circular to this effect is sent by the prime minister, including approving a partial preliminary ceiling for each ministry, dept., etc.	General Budget Dept.
Mid July	Ministries, government departments and units provide the GBD with their mid-term draft budgets, and governorates executive boards provide the mid-term budgets of the respective governorates.	All ministries, government departments and units, governorates' executive boards
Mid August	Governorates councils endorse the governorates' draft budgets referred by the executive boards, and send them to the GBD and to ministries and government departments.	Governorate councils
Mid September	The GBD lists the governorates' new capital projects on the ministries and government departments' draft budgets; completes review of the draft budgets of ministries and government departments and units, and prepares a mid-term expenditure framework for the said departments.	General Budget Dept.
End September	Prepare the general budget statement, including the collective ceiling of public spending, and partial ceilings of the ministries, government departments and units' spending, which must also cover the governorates' budget ceilings.	Prime Ministry
Beginning October	Issue the general budget statement after endorsement.	Prime Ministry
Mid October	Ministries and government departments provide the GBD with their mid-term draft budgets in light of the budget statement, which includes the governorates' new capital projects.	
End October	Prepare the key trends and dimensions of the general budget law and that of the government departments; present it to the consultative council for discussion and amendments.	General Budget Dept. Prime Ministry
Mid November	The general budget law and the government departments' budget law are presented to the council of ministers for discussion and approval, after the necessary amendments have been made.	General Budget Dept. Prime Ministry
End November	The general budget law and the government departments' budget law are presented to the House of Parliament.	Prime Ministry
December	The general budget law and the government departments' budget law are discussed and endorsed prior to ratification by Royal Decree.	House of Representatives

⁶⁴ The Citizen's Guide on the general budget, 2019.

Section Four: Partnership mechanisms in the making of the general budget

Partnership mechanisms in the working of the budget vary for both the public and civil society. However, clarity and effectiveness in those mechanisms have become very important processes in the transparency and integrity of budget-related procedures. Civil society is a fundamental actor in all budget stages, but civil society's potential partnership mechanisms depend on the legal and constitutional framework, the institutional culture, the economic, political and cultural norms, as well as the legal features and responsibilities of civil society. All the above factors have direct or indirect influence on civil society in the general budget processes and in drawing financial policies. Reports and studies suggest that civil society has a limited influence on the general budget, and a weak partnership framework with the stakeholders concerned with the general budget, including the government and the legislative authority.⁶⁵

The key question here is: How strong is there a need for an official approach that enables civil society to take part in the general budget formulation? We must remember here, however, that civil society holds unlimited tools, and this demands that it accords due importance to the processes of setting financial priorities, designing financial policies, translating those policies into a general budget law, in addition to having oversight tools on execution and periodic and non-periodic reporting, as well as the reports prepared by oversight institutions. Civil society must also increase lobbying and intensify effective efforts and work on the budget, being a reflection of institutional, political and legal accountability of governments in demonstrating good planning, execution and evaluation.

Exercising those roles stems from the fact that public participation is a citizen's right. Citizens also must enjoy the right for economic determination. Civil society constitutes a crucial sector in those processes and in promoting and enhancing human rights, namely people's economic and social rights.

It is noteworthy that civil society's roles in the making of the general budget are unlimited and open; they continuously evolve and gain cumulative dimension. The more civil society can push towards a broad access by people to information and reports, the more it is required to move to the next phase of analyzing the content of reports and influencing such content. This second phase is followed by a partnership

⁶⁵ The results of Jordan's OBI survey, to read more please visit the website:
<https://www.internationalbudget.org/open-budget-survey/>

in presenting proposals on the budget, among other roles that depend on the nature of the current situation, and on civil society's ability to advocate and lobby towards assuming those roles and towards confronting any challenge or obstacle that may limit the roles it can play.

On the national, regional and international levels, civil society's roles have evolved. The International Budget Partnership (IBP) is one key tool, at the international level, that assumes many roles in the general budget formulation, which serves to enhance transparency, accountability and partnership. In doing its work, the IBP has been able to observe numerous experiences across the world and amass an abundance of literature. Such roles will be subject to discussion and analysis based on the outcomes of those experiences, taking into stock the constitutional and legislative specificities in each country.

The International Budget Partnership conducts (IBP) the Open Budget Initiative (OBI) survey to measure the accessibility of key budget documents related to drafting, executing and auditing the budget. The survey measures the legislative and institutional powers in the accounts review.

The IBP⁶⁶ conducts surveys of the budgets of 115 countries worldwide, and publishes its reports on bi-annual bases in a document named "OBI Indicator"⁶⁷ to reflect the extent of the budget's adherence to the highest level of transparency, and the level of participation of citizens and civil society in all stages of budget formulation, as well as the oversight mechanisms on the budget's provisions.⁶⁸ The report also reflects the governments' readiness to make accessible as much information as possible to the

⁶⁶ IBP (International Budget Partnership)

⁶⁷ Open Budget Initiative

⁶⁸ All the survey's indicators score 0-100, the main survey provides 141 questions covering 8 documents that portray the general budget with relation to transparency, public participation and accountability.

public on the financial policies, and to disclose all revenue and expenditure items. The Open Budget Initiative (OBI), as the only measuring tool of budget transparency with participation by hundreds of international experts,⁶⁹ gauges and surveys the level of transparency, social participation and accountability of general budgets in countries worldwide to achieve a number of objectives:

- Evaluate transparency and participation in the budget.
- Provide information on public financing, through the preparation of evidences and publication of research papers on the budget transparency.
- Establish alliances and support the adoption of international practices and standards in the preparation of a transparent and participatory budget.

Financial transparency is also of paramount importance in arriving at good governance and effective participation by citizens. Transparency in the budget formulation, as well as in expenditure methods and priority setting serves to enhance accountability and responsibility.

Consequently, according to best established experiences and practices, namely by the IBP, three main indicators must be in place in a general budget, each with a number of sub-indicators. The three indicators are integrative, and crosscutting. Each of the indicators enhances the other in order to achieve the best results in all stages of the budget formulation, in order to ultimately arrive at a budget that reflects the true needs and aspirations of people, and contributes to the fight against corruption, as well as squandering or targeting public money. Furthermore, those indicators enhance

⁶⁹ Jordan takes part in many international Initiatives and engages in different partnerships to achieve transparency, social participation, accountability and control over financial policies through dissemination of information, participation of the public and civil society, mainly: 1- the International Transparency Initiative, a voluntary initiative aiming to increase transparency of developmental cooperation, improve its effectiveness to curb poverty. To achieve this, the initiative designed an index for open data to all cooperation parties in order to publish timely, comprehensive information to the public with relation to expenditure. The initiative's approach does not only relate to the effectiveness of development, it also includes international directives for further transparency and openness. It provides a path for actors in developmental cooperation to maximize the impact of cooperation on the poorest and most vulnerable local communities. Jordan participated in this initiative to improve information and provide timely, credible and complete data on current and future developmental flows, provide ways to empower citizens, governments and donors with the aim of cooperation and to maximize the developmental impact, which affects the type of information that organizations wish to disseminate, 2- Transparent Governments Initiative: an international multi-party initiative that aims to ensure substantial commitments from governments to enhance transparency, empower citizens, combat corruption, and exploit technology to enhance governance. A steering committee, including representatives of governments and civil society, supervises governments' voluntary commitments. Jordan officially participated in the initiative in 2011. The Ministry of Planning and International Cooperation is the specialized government entity to follow up on the execution. It seeks to achieve the standards of financial transparency, right to access to information, disclosure of financial information related to senior officials and board members, empowering citizens by engaging them in designing public policies. Please visit the MOPIC) website: <https://www.mop.gov.jo>

governance across all procedures, strengthen the role of oversight institutions, and ensure a powerful role by the legislative authority in the formulation stages through effective legislative and oversight functions. Following is the general context of the three indicators/components:

One: The transparency component

This indicator reflects the level of transparency of procedures the budget goes through. This indicator is based on the accessibility of budget related information, increasing people's access to such information and their ability to observe and review the information with due transparency, as well as to express their opinion on each of the formulation stages.

The above is achieved through the provision of the budget's eight main documents, based on best international practices, which are considered a reflection of the government's readiness to enhance transparency in all budget formulation stages. The eight documents are acknowledged as such documents that the public can access in order for civil society as well as citizens to discuss and debate them and to contribute to all stages of formulation based on authentic, documented and sufficient information.

Jordan's ranking in the Open Budget Initiative has dramatically improved since 2006, when it scored 50 points on the scale of 100 points. In 2017, Jordan scored 63 points, up by eight points from 2015, when it scored 55 points. The main reason for this increase in Jordan's score was the issuance of the bi-annual audit report for 2017, which contributed to increasing its points from 55 to 63.

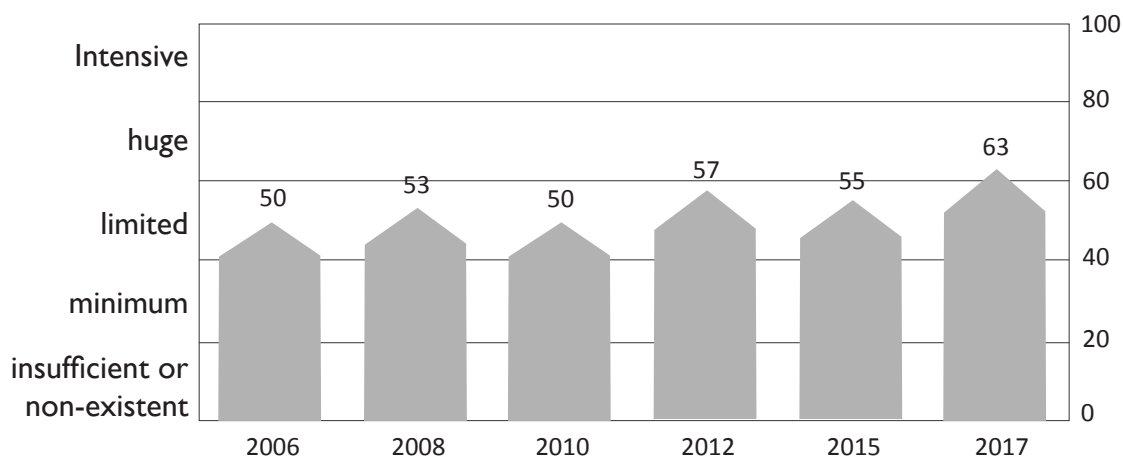
Table I

Historic progress of Jordan's ranking in the OBI ⁷⁰			
Year	Number of countries surveyed	Total OBI points	Lowest and highest scores
2006	59	50	2-89
2008	86	53	0-88
2010	94	50	0-92
2012	100	57	0-93
2015	102	55	0-88
2017	115	63	0-89

⁷⁰ The OBI website: <https://www.internationalbudget.org/>

Graph 1: Jordan's score in the transparency indicator 2006-2017⁷¹

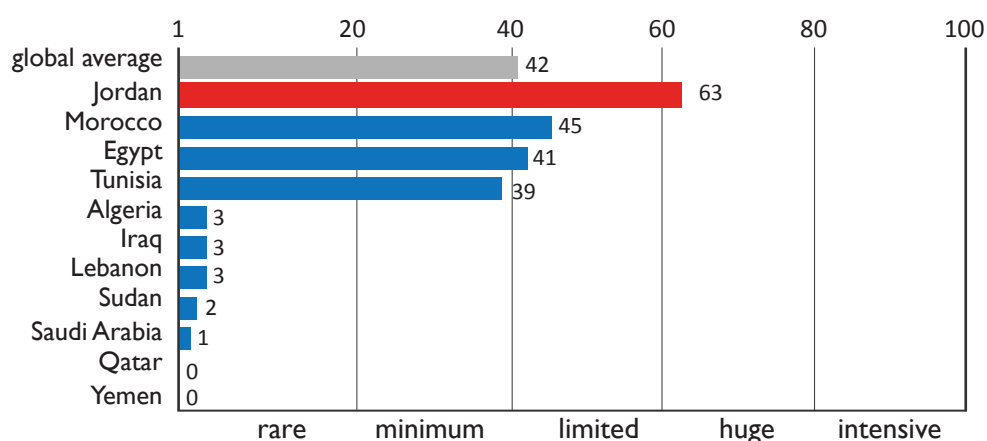
How Jordan's OBI changed over the years?



Jordan assumes one of the highest rankings in the transparency indicator among Arab states, according to the OBI for 2017, as shown in the next graph:

Graph 2: Transparency comparison between Arab states⁷²

How Jordan's transparency comparison with other states is done?



⁷¹ Open Budget indicator

⁷² Open Budget Indicator

Two: The accountability component

Accountability is a set of duties and burdens that institutions and respective officials are expected to shoulder and be held responsible for. This concept is not different from holding persons who lead institutions "socially responsible". Social accountability is a natural outcome of the "explicit social contract" agreed between citizens and officials of institutions in a democratic system.

One of the key goals of social responsibility is to create a highly developed and qualitative reality of the public sector's transparent and rational administration, which contributes to holding public sector officials accountable for their actions, especially with relation to public resources.

"What joins us... is our belief that people must enjoy the right to influence public choices that form our lives. General budgets are key tools used by governments to take such decisions, whereas civil society is the greatest tool to ensure that people are part of this process." Jim Shultz, founder of the Democracy Center in Bolivia at the 3rd conference of the international budget project.

This concept has become one of the key components in which private corporations, such as private sector companies, civil society and social organizations, take part in with the aim of enhancing its ability to contribute to social development and to achieve further growth and prosperity in order to build the societies they operate in. Social accountability serves to enhance conventional accountability, including:

- 1- Strengthen political mechanisms, such as constitutional boundaries, separation between powers and the legislative body as well as the parliamentary investigative committees.
- 2- Strengthen oversight and financial audit mechanisms.
- 3- Strengthen existing administrative mechanisms on the basis of transparency, integrity and participation, with due respect to institutional frameworks and hierarchy in reporting, inclusion of integrity standards, such as truthfulness in the public sector, code of conduct of civil servants and the principles of transparency and public oversight.

All the above objectives are sought after by social accountability, including: improving good governance, increasing the efficiency and effectiveness of development through improved services and drawn out policies, empowerment through broadening the work/ functions frameworks, civil participation and freedom of choices. Social accountability has a great value based on key principles, such as: participation, social work, transparency, independence, response and credibility, democracy, equality, among others.

Graph 3: Benefits and advantages of social accountability⁷³



Social accountability provides different tools and mechanisms, all of which serve public interests, protect public money, contribute to national efforts in the fight against corruption, strengthen the national integrity system, and expose negligence and institutional inefficiency, in addition to providing an effective preventative measure against all negative manifestation in public administration. Social accountability also assists in accessing information, supports independent media, builds real partnerships with citizens and builds more confidence between people and government procedures.

Furthermore, social accountability is closely linked to development that is built on social, economic and political rights and serves as the people's oversight tool on the quality of services and the government's responsibility towards the people. Hence, it provides tools and mechanisms to monitor and protect those rights and asserts the need to ensure that government's work is a reflection of citizens' interests.

Jordan's 2017 index on the accountability and control over the budget stood at 41 points, down by four points compared with the 2015 ranking of 45 points.

⁷³ Social accountability, issued by the World Bank.

Based on the indicators and methodology of the OBI survey, the role that the legislative authority, the supreme oversight apparatus and the independent financial institutions play is tested in the budget workings, so is its ability to provide effective control on the budget. Those apparatuses/ institutions play a key role in oversight, monitoring and evaluation according to mandated constitutional and legal powers. The legislative authority scored 48 points (meaning it has a limited role) in overseeing the formulation of the budget and approving it. In overseeing the budget execution and review, it scored 47 points (also has a limited role). The supreme oversight apparatus/ the Audit Bureau scored 28 points (weak), due to a number of factors:

- The chief of the Audit Bureau is not appointed by the legislative or by the judicial authorities, and may be dismissed without the approval of either side, which undermines the independence of this department.
- The supreme oversight department is not equipped with sufficient resources to undertake its tasks and functions, and its operations are not audited by an independent agency.
- With respect to oversight by an independent financial institution:
- There does not exist in Jordan an independent financial institution. Such an institution's work is important in that it provides a major source of non-partisan, independent financial information. Such institutions include financial councils and independent parliamentary budget bureaus/ agencies.
- The above indexes can be improved through the adoption of several measures in order to realize a more effective oversight over the budget:
- Ensure that the legislative authority convenes public debates based on a clear scientific methodology related to the budget policy prior to presenting the executive authority's budget proposal and adopting recommendations on the next budget.
- Ensure that the concerned parliamentary committees publish all periodic and non-periodic reports related to the budget, using electronic means of communication, and making sure that publishing is done by the specialized institutions.
- The need to enforce a legislation stipulating that the legislative or the judicial authority approve the appointment and dismissal of the Audit Bureau chief, to ensure the Audit Bureau and its staff enjoy independence and institutional powers to perform their duties.

- Consider and look into the option of establishing an independent financial agency/ department to serve a more rigid oversight on the budget.

Table 2

Historic development of Jordans progress on the OBI ⁷⁵		
Year	Number of countries surveyed	Total points in the accountability index
2015	102	45
2017	115	41

Three: The participation component⁷⁵

The participation component is no less important than the other components, noting here that participation is based on engaging the public in all related procedures that preserve transparency in the budget work. Facilitating access to information is only a first step. It must be coupled, in parallel and by all concerned institutions, with giving the public an opportunity to be engaged in all four stages of the budget formulation.

The participation component reflects the availability of tools for public participation in designing, preparing, executing and controlling financial policies as a way that allows the public to express their opinion and take part in the financial decision making. The OBI survey evaluates the space that a government gives to all its citizens to take part in the general budget processes. Such opportunity must be made available to the public by the executive authority, the legislative body and the oversight institutions associated with the Audit Bureau and the General Budget Department.

According to the last survey conducted by the OBI, Jordan's ranking in participation was very low, and does not reflect the existence of a public participation approach in any of the budget formulation stages. According to that survey, Jordan scored 11

⁷⁴ OBI budget: <https://www.internationalbudget.org>

⁷⁵ For more: financial transparency has been considered as a key element in curbing corruption and building a just democratic systems in financial management. In recent years, there has been increasing acknowledgement of the need for governments to provide the public with participation opportunities in financial operations. Such participation may be frustrating to citizens. Social meetings require a leadership ready to organize people and send out invitations. Historically, deprived groups have been excluded, which led to the failure of those social meetings in echoing all of society's voices. There is a prevalent feeling of despair affecting individuals who attend the meetings.

points (out of 100), which indicates a drop in participation roles compared with the 2017 ranking, when Jordan's score was 27 points.⁷⁶

Table 3

Historic progress of Jordan's OBI ⁷⁷ Index		
Year	Number of countries surveyed	Total points in the accountability index
2015	102	11
2017	115	27

The OBI utilizes the GIFT⁷⁸ principle when evaluating participation mechanisms during the budget formulation. This includes seven types of participation mechanisms, starting with the mechanisms related to the executive authority,⁷⁹ which engages the public during the budget formulation and execution, and in the evaluation of the legislative authority, which involves the public in the budget adoption, ratification and oversight, and ending with the public participation in the review process.⁸⁰ According to the OBI, there are seven participation mechanisms, comprising the following:⁸¹

In some parts of Eastern Europe, and central Asia, the executive authority-led participation in the budget formulation takes place through public councils, where government representatives sit with representatives of civil society, trade unions and experts to debate the budget.

- 1- Drafting the executive budget.
- 2- Executing the executive budget.
- 3- Executive/ line ministries (formulation and execution).

⁷⁶ OB survey is conducted on bi-annual basis. Jordan was surveyed between 2006-2017, and until today (2019) the survey results have not been issued.

⁷⁷ Public Participation Principles Guide, <https://www.internationalbudget.org/>

⁷⁹ OBI website: <https://www.internationalbudget.org/>

⁷⁹ In Costa Rica, reviewers conduct surveys on citizens to learn about their experiences regarding services, as part of a performance review. Similar practice takes place in Russia. In the UK, citizens can monitor the feedback presented by the public on the efficiency of government institutions in the budget execution online <https://www.internationalbudget.org/open-budget-survey/>

⁸⁰ In Liberia, the public may attend the legislative hearings related to the budget, and present written proposals to the legislative power. deliberation sessions convene with the legislative to discuss the comments and other problems related to the budget, <https://www.internationalbudget.org/>

⁸¹ The OBI website.

- 4- Approval of the budget by the legislative.
- 5- Review report of the legislative commission.
- 6- Preparation of the accounts audit program.
- 7- Audit of the accounts reviews.

The participatory budget: a process in which citizens discuss and negotiate the distribution of public resources. This process was launched in Brazil and spread to other countries in Latin America and Europe. The participatory budget principle (PBP) began in 2009 in the USA and Canada, aiming to enhance citizens' participation in the budget preparation. www.internationalbudget.org/participatory-budgeting

According to the OBI survey methodology, the extent and the level of public participation in the budget is measured by a survey that covers a number of public participation-related questions:⁸²

- Does the executive authority use a participation mechanism that enables citizens to present their input during the annual budget preparation (pre-budget itemizing by parliament)?
- Does the executive authority take concrete steps to include vulnerable and under-represented segments of the population in the formulation of the annual budget?
- During the budget inception stage, which of the following key topics does the executive authority address in its engagement with the citizens?
 - Macro economic matters.
 - Revenue projections, policies and administration.
 - Social expenditure policies.
 - Levels of deficit and debt.
 - Public investment projects.
 - Public services.
- ✓ Does the executive authority use participation mechanisms through which the public can provide input in monitoring the execution of the annual budget?
- ✓ Does the executive authority take concrete steps to receive input from vulnerable and underrepresented segments of the population on the execution of the annual budget?
- ✓ During the execution of the annual budget, which of the following topics does the executive authority address in its engagement with the citizens?
 - Changes/ variations in the macroeconomic conditions.
 - Delivery of public services.

⁸² The order of those questions is set in the OBI survey from questions 126-141.

- Revenue collection.
 - Implementation of the social expenditure.
 - Changes/ variations in the levels of deficit and debt.
 - Implementation of public investment projects.
-
- ✓ When the executive authority engages with the public, does it provide comprehensive information on the process of the engagement prior to the start of the process, so that the public can participate in an informed manner? Information must be comprehensive and must consist of at least three parts: the purpose, the scope, the restrictions, foreseen outcomes, and timetable.
 - ✓ Does the executive authority provide the public with feedback on how citizens' inputs have been used in the formulation of the annual budget?
 - ✓ Does the executive authority provide the public with information on how citizens' inputs have been used to assist in monitoring the implementation of the annual budget?
 - ✓ Are participation mechanisms incorporated into the timetable for formulating the executive authority's budget proposal?
 - ✓ Do one or more line ministries use participation mechanisms through which the public can provide input during the formulation or implementation of the annual budget?
 - ✓ Does the legislative authority or the relevant legislative committee(s) hold public hearings and/ or use other participation mechanisms through which the public can provide input during its public deliberations on the formulation of the annual budget (pre-budget and/ or approval stages)?
 - ✓ Does the legislative authority provide feedback to the public on how citizens' inputs have been used during legislative deliberations on the annual budget?
 - ✓ Does the legislative authority hold public hearings and/ or use other participation mechanisms through which the public can provide input during its public deliberations on the audit report?
 - ✓ Does the supreme audit institution (the Audit Bureau) maintain formal mechanisms through which the public can suggest issues/ topics to include in the Audit Bureau's audit program (for example, by bringing ideas on agencies, programs, or projects that could be audited)?
 - ✓ Does the supreme audit institution (Audit Bureau) provide the public with feedback on how citizens' inputs have been used to determine its audit program?
- Does the supreme audit institution (Audit Bureau) provide the public with formal mechanism through which citizens can contribute to the audit questioning (as responders or witnesses, etc.)?

The Financial Studies Institute in the UK analyses pre-budget reports issued by the government, and publishes its recommendations in order to influence decisions on final predictions. Some organizations tried to use information provided in the pre-budget statement in order to prepare alternative budgets. For example, the Canadian Center for Alternative Policies prepares an alternative federal budget for the country. www.internationalbudget.org/participatory-budgeting

Section Four: Roles of civil society

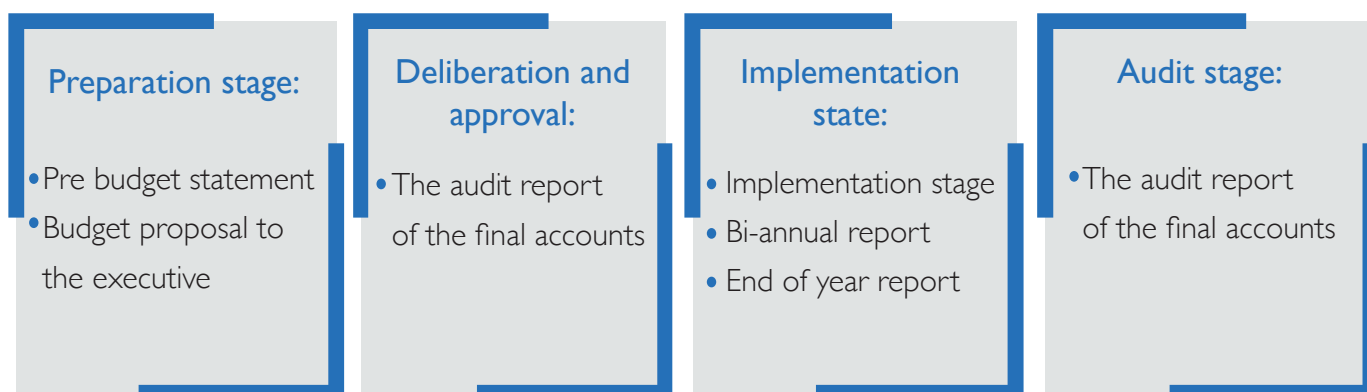
As stated above, civil society can play unlimited roles. Depending on the national conditions and on each country's assessment level, the roles of civil society can emerge and be formulated. This necessarily applies on legislation, policies and practices, and according to best practices and experiences in a manner that can fulfill the highest level of public participation, as well as transparency and accountability.

In light of the above, we can discuss a set of stages and steps that form cornerstones in the general budget process, which are crosscutting, including the main and sub stages as well as any other related stage. Following are the minimum requirements that should make up the general budget:⁸³

- 1- The pre-budget statement (preliminary statement).
- 2- The budget proposal of the executive authority.
- 3- The approved/ adopted budget.
- 4- The citizens' budget.
- 5- The periodic reports.
- 6- The bi-annual review/audit
- 7- The end of year report.
- 8- The audit report.

⁸³ Please visit <https://www.internationalbudget.org>

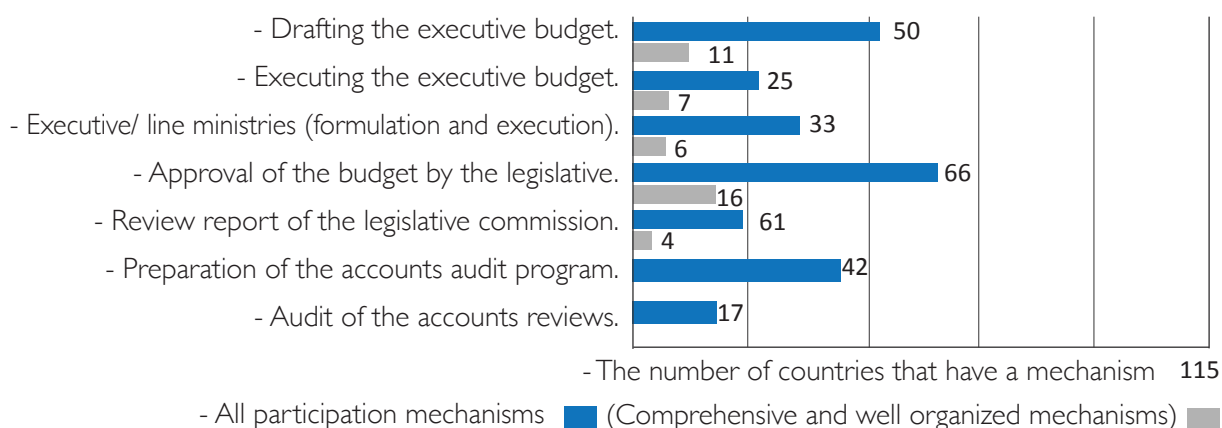
Graph 4: a crosscutting between OBI and the general budget preparation stages⁸⁴



One: Civil society's role in the budget's main data

Civil society can perform several roles on the level of transparency, accountability and participation according to the main eight requirements used in the budget survey indicator:

Graph 5: The level of participation mechanisms in the 2017 open budget survey



* The 2017 OBI survey assesses the existence of participation mechanisms in the review. It is not an assessment of its exclusivity or the quality of its establishment.

First: The pre-budget statement, the equivalent of which is "the budget statement" in Jordan. This statement identifies the budget strategy, including the executive political, economic and financial plans and programs for the next year. It is not sufficient to inform the public of such through traditional means; rather the above must be presented and made accessible at a wide scale prior to the step that follows and no less than 30 days before the executive authority presents its proposed budget to the legislative authority for approval.

This allows citizens and civil society to present their input on the budget statement. Civil society holds several keys that allows it to analyze and deliberate the budget statement, which includes the macroeconomic projections based on the key revenue and expenditure policies and priorities in a said state for the upcoming year, through:

- Opening national dialogue on the next year's economic projections; how serious those projections are and their actual impact on the revenue and expenditure.
- Preparation of sector-based studies on certain controversial projections to demonstrate the level and extent of their impact on revenue and expenditure, and in order for such to be the basis of the budget statement and serves to inform the way forward.
- Civil society may contribute through carrying out awareness and information campaigns and disseminating the budget statement, in the form of a clear laid out synopsis that can be easily understood by the public. This also serves to establish a general public understanding on the budget and build a culture of public participation in the indirect oversight on the budget.
- During this stage, civil society may also bring forward its thoughts and suggestions and strike partnerships with the competent authorities in order to take part in future studies on the next year's macroeconomic predictions.
- Civil society, can also take stock of best experiences and practices related to the budget statement, and observe the foreseen work mechanisms and the basis on which the budget statement was prepared, in relation to the next financial year's predictions. This would ensure sustainability, suitability and correctness of such procedures on the medium term, in addition to ensuring the ability of responding to the future financial situation.
- Further, civil society may conduct comparative studies covering previous years' budget statements, and indicate the level of consistency between those budgets; how economic priorities, difficulties and challenges are being addressed by the subsequent governments with relation to the national economy's predictions.

- Civil society can also provide its feedback on the suitability of the macroeconomic policies; are the key assumptions on which the macroeconomic policies are based suitable for the current situation; and is there evidence that such would exist during the next year, and eventually show the seriousness and factuality of assumptions on which the budget statement was based.

For example: The budget and government accountability center, India, prepares a periodic report on the national budget review that includes a comprehensive analysis of the impact of expenditure and revenue on the target groups. <http://cbgaindia.org>

Second: The executive authority's draft budget (the executive authority's proposed budget): This stage reflects the state's draft/ provisional general budget law. This stage is the most effective on the part of civil society due to the amount of information and financial projections that have now become clear. Analysis of the draft law enriches its contents for the purpose of achieving the highest levels of improvement (to the draft law). Civil society, at this stage, may assume several roles that can be considered conclusive and impactful, foremost:

- **Complete analysis:** Civil society may present a holistic analysis including an evaluation of the draft budget's components, items and sectors, focusing on the more controversial sectors that suffer a distortion or lack of clarity. This can be done through in-depth discussion sessions as well as through research and study groups that look into the government's proposal in order to highlight the challenges and problems that must be avoided, and in order to allocate the funds and to channel revenue in a manner that achieves public interests. As an example on this, civil society may focus on the education sector, indicating whether the allocated funds actually benefit the target beneficiaries and improve the quality of education, or if the funds have been allocated without in depth studies and do not serve to improve the quality of education.

- **On the level of the legislative authority:** Legislators have several responsibilities in the deliberations of the draft budget law. No doubt, legislators generally suffer lack of knowledge in all the budget details and in finance and economy, except in cases where some of them have the scientific background related to financial and economic matters. However, some legislators face the time/ deadline challenge and the inability to spend long periods of time on studies, analysis and comparisons. This case also differs between countries. Some countries have parties or organized groups of parliamentarians, whose work follows an institutional mechanism, where such groups,

parties or parliamentary blocs, represented in parliament, are provided with budget analysis and studies.

- The case is different in Jordan, where there is a lack of organized programmatic work; one that is based on partisan principles. Reports suggest that group/ team work, based on parliamentary blocks, lags behind. This creates a real opportunity for civil society to contribute to bridging this gap, and improving this institutional and knowledge insufficiency through offering financial and economic studies and analytical reports on the budget to the legislative authority. Such studies may be divided into "introductory studies" that aim to introduce general concepts to members of parliament in order to help them enhance their capabilities to effectively take part in the budget deliberations and to use their oversight tools in a scientific manner through reports and briefs as well as simplified papers, reports and analyses.

The Kenyan economic affairs institute begins its work on the draft general budget months ahead. It convenes public (open) hearing sessions, as parliament in Kenya has a limited time to discuss and approve the budget. The institute, represented by a group of experts, analyzes the draft budget and prepares a guide that assists parliamentarians in the budget deliberations and renders information more understandable. www.ieakenya.or.ke

- The nature and form of communication with the legislative authority is tantamount to the national context of each country. It is envisaged to conduct in-depth discussions with a group of parliamentarians, or with each MP separately according to the formation of the legislature. It is also possible to create networks with the secretariat general of the legislature, which must presumably contribute research and information services to the members of parliament in order to facilitate their legislative and oversight duties. It is possible to provide such administrations with studies, or to undertake ongoing studies, or to provide MPs with briefs of those studies. Some individuals prefer to launch such studies at national conferences or sessions, while others may prefer to publish the studies on a wide scale to make those studies easily accessible to parliamentarians. Another way to disseminate those studies is through the production of short videos or through social media.

Sector-based analysis: This type of analysis is the most common of studies that civil society conducts on the budget. The focus here is on a certain public sector, and the choice of the sector depends on either the funds allocated to that sector, on the status quo of that sector in the state, or on the specialization of civil society. The selection could target the education sector, health, agriculture, social safety, defense or any other sector for analysis- both horizontally and vertically. It indicates the amount of funds and revenue allocated to that sector, coupled with a comparison of other sectors, as well as the priority of that particular sector to the public in comparison

with the other sectors, based on its importance and suitability as listed in the budget statement. Analysis and responses could also be presented on the sufficiency of allocations made to a certain sector, the nature of expenditure, whether current or capital, among other matters of national interest and need.

The Women's budget initiative in South Africa studied the budget's impact on women in four areas: housing, education, social protection and labor. The democracy institute in South Africa studied the resources allocated by the government in the budget for the children's program to check whether the resources were sufficient for children's needs as stipulated by the UN convention on the rights of the child. www.idasa.org.za

- **Impact assessment:** This type of analysis is carried out on the impact of the executive authority's proposed budget on a certain segment of society, or on a social group. This research is primarily sensitive to human rights advocates, based on the budget's sensitivity to persons with disabilities, refugees, and the elderly, among other groups. It may also be based on a sector analysis according to average income and how far the budget considers the low and medium income groups of society, among others. If the draft budget, as proposed by the government, covers such an analysis, then civil society may offer a more profound analysis by studying the correctness of a certain allocation to a certain group, and check whether the projects listed in the draft budget law constitute a real priority for such a group, in addition to verifying the sufficiency of funds and how sensitive are they to the relevant plans and policies.

An example on this, the debt network in Uganda analyzed the general budget to assess the effect of debt on the education sector in the country. [Htt:\\www.udn.or.ug](http://www.udn.or.ug)

- **General economic analysis:** This type of analysis is based on demonstrating the impact of the draft budget law on the macro economy. It analyzes the key financial, economic, social and political presumptions that have an impact on the economy, and the budget law's effect on deficit, general debt, gross domestic product (GDP), inflation, growth, unemployment, poverty, development dimensions, and Mega national projects. It also serves analytical studies on current and capital expenditure, deficit, the mechanisms used to project expenditure and its correctness, the distribution of funds among sectors based on objective and scientific grounds that meet all people's needs. Hence emerges the importance of engaging citizens in designing financial policies that meet their priorities and needs. Consequently, projected deficit or surplus in the

budget can be identified, as well as other impacts on the macro economy and on the society at large.

- **Revenue analysis:** Through an analysis of all forms of revenue, including taxes and fees, as well as making reference to tax reforms and how suitable those reforms are, the feasibility of legislation and financial policies, and their impact on issues and on the rationale for adopting such policies, understanding the various sources of revenue, details on means of collecting taxes and fees and measuring such taxes and fees with expenditure and the nature of each. Further, such analysis contributes to answering many questions posed by public opinion on revenue, expenditure, government programs, borrowing, the need to borrow, the tax base, progressive tax and how it is done, as well as tax segments, including corporations and individuals.

Third: Adopted budget: At this stage, the budget has been adopted under a law issued by the legislative authority. Roles that civil society can play develop at this stage, acquiring short, medium and long term objectives, and the approved numbers (in the budget) become the starting point and the basis on which civil society undertakes its activities and analysis and builds its facts. Civil society's role can take the following directions:

In Argentina, the center for the execution of public policies and enhancing equity and growth undertakes periodic economic analysis of the national budget. www.cippe.org

- **On the short term:** Civil society can take several actions, through an analysis of the executive authority's work with relation to the budget, its ability to deliberate the budget law in light of constitutional provisions and to disseminate it to the public in order for people to be well informed about the elected authority's capability to exercise its duties. Also, civil society may adopt simplified studies and analytical papers that present public opinion with the easy to understand figures- sums of money- allocated to sectors and institutions based on the adopted law. Such would become a reference to the media and to the public when addressing the concerned governments and institutions. This is followed by oversight on spending and expenditure mechanisms as well as the execution of projects. Analyses based on the adopted budget are usually more in-depth and more focused than analysis carried out during the formulation stage. In this context, it is possible to show the extent of amendments and improvements that have been adopted by the executive authority. It is also possible to play certain roles based on the government's public discourse of national projects and priorities in accordance with the key goals presented by the government and how far those priorities and projects have been included in the budget, as approved by the legislative authority.

On the medium term: Civil society institutions present comparative analysis of the adopted budgets of previous years, using several levels of analysis; either sector-based, such as measuring the volume of expenditure on education, health, labor, and social safety/ insurance over a period of five past years, or on the debt volume, inflation, GDP, debt service, growth rates, unemployment, and poverty threshold, among other specialized matters.

- Civil society, during the budget execution, may monitor commitments to expenditure, spending and revenue on a regular and periodic basis. It may also make known the extent of available information pertaining to those stages, and may measure the effect of economic predictions on which the budget law was based, on the social, political and financial reality as well as its impact on the budget. This constitutes oversight on the official governmental decisions related to taxes, fees, and subsidies, among other decisions generally related to financial policies. This also helps indicate whether economic projections have been fulfilled or not. If those projections are fulfilled, civil society may highlight distortions that may influence the general financial performance.

- During the budget execution process, civil society may exercise oversight on the budgets of programs included in the budget law, and may check whether implementation has begun, or if expenditure procedures are done according to plans and in line with identified goals.

On the long term: At this stage, civil society formulates roles and explains the vision to all on the failures and distortions in the general budget. It offers analysis to the public opinion on all budget paths, how far the budget's end goals have been achieved opposite the declared goals in the budget statement and the government's projections. It monitors revenue and the availability of related reports and information, pointing out the discrepancies and distortions, as well as the failures, whether such failures were the result of bad planning or due to unforeseen variations in the projections at the national level.

- Civil society, at this stage, can also monitor and evaluate the reports of national oversight institutions and provide analysis on their substance, and on the effectiveness and ability to those institutions to exercise their roles as well as their capability to assess challenges and failures. Civil society may publish simplified reports to the public on the above in order for citizens to use those reports as an oversight tool.

- In the same context, civil society may provide analysis on the legislative authority's use of parliamentary oversight tools, such as questions, queries and public debates, among other oversight tools during the time that the legislative authority assumes the mandate of overseeing the budget year. This enables the public to assess the legislative

authority's general performance, and check if the government has adhered to the provisions of the constitution and presented the final accounts on due their dates.

Fourth: The citizen's budget⁸⁵: This is a non-technical report presented to the government, either for the budget formulation stage or for the adopted budget. Here, citizens and the public are presented with key information on the general budget and the government's plans and direction regarding the budget law in a simplified and easy language, enabling the public to understand the financial policy and all budget related details.

This report must include illustrations and supplements on the budget, comparisons and synopses on the budget's components. The government must disseminate this report to the public through all media channels, including radio, as well as through presentations and meetings with civil society.

The citizen's budget is a relatively new concept and there are no documented practices on the role of civil society in this type of budget. Hence, the horizon is open to civil society. Therefore, it is possible to conduct an analysis of the citizen's budget report and compare it with the general budget, pointing out where information is insufficient, and the significance of information stated in the report. It is also possible to publish parallel reports and information to those included in the citizen's budget report in order to assert the public's awareness and knowledge.

If the government's formulated citizen's budget is of high quality, civil society may use it as an informative tool on the general budget's components and content, and explain its concepts in order to increase citizens' awareness and knowledge on financial policies and on the budget in general.

Fifth: Periodic reports: Those are the reports issued monthly or quarterly by the government during the budget execution in order to make an association/reconciliation between actual and projected numbers. This reflects the importance of planning and the goals on which the budget was based, and its correctness. It identifies problems, whether institutional or related to competency or other reasons. Therefore, civil society's analysis of those reports constitutes an important element in assessing the financial status quo and if there exists a need to make modifications or to take measures.

Hence, as an indicator, the government should make those reports accessible, and provide accessibility to civil society. Civil society may carry out several analyses on the reports' content, and show how good the planning and execution of the budget

⁸⁵ To learn more, please see the citizen's budget report on the General Budget Department website <http://www.gbd.gov.jo/>

law are, pinpoint areas of distortion and inefficiency, and provide scientific and practical options and alternatives to overcome challenges and improve performance. The significance of those reports is that they offer civil society an important tool that reflects if the budget is being executed according to planned procedures, and how far revenue is influenced by economic projections. An example on this is whether projections include the impact of desertification on the GDP. Civil society's role is to analyze the periodic reports and show the factuality and seriousness of those projections on the GDP.

Those reports may also serve as a key element for the public and for parliamentarians to mobilize oversight tools in the event that there were discrepancies between the numbers listed in the budget and the reports' content, and to offer factual clarifications to the public. Through those reports, we can judge the government's ability to respond to variables and to economic developments, and what measures it takes, for example, to address increased expenditure; where, how and when it (increased expenditure) would happen. All the above may provide civil society with tools on which to base its analysis and public debate. In Jordan, the budget execution reports have been published on a quarterly basis since 2016. The reports are uploaded on the ministry of finance's website.⁸⁶

Sixth: Bi-annual review: The government has to publish a bi-annual report covering complete information of the past six months in relation to the budget, including the revenue, expenditure, and projects as well as economic developments and their impact on the budget.

During this stage, civil society could ensure that the report is accessible to the public at a wide scale; both online and on other media channels, whereby its content is disseminated to as many people as possible as a way to enhance transparency. Civil society may also carry out needed analysis on the budget's processes and content, as the case is in other stages of the budget formulation. It may also pinpoint the accuracy of projections and the impact of that on the budget, how it is influenced by international and national factors and to determine if there are due corrective changes to be made.

This type of reports provides a more comprehensive and in-depth analysis than those analyses that are based on periodic or monthly reports. Civil society may undertake several analyses in this context:

- Analysis of the macroeconomic considerations and the effect of variations in projections on the budget, in relation to revenue and expenditure.

⁸⁶ To view those reports, please visit the Ministry of Finance website on www.mof.jov.jo

- Analysis of performance, to check on the progress of achievements, whether such is as stated in the budget, and whether procedures and objectives are advancing as planned, in addition to measuring the amount of fulfilled objectives.
- Analysis of expenditure and revenue, whereby civil society institutions present a detailed analysis on this section of the year to check if expenditure and revenue are as expected.
- Analysis of the need to make amendments, and opening a public debate on the level and nature of procedures, contributing to options and alternatives related to such corrective measures, studying and analyzing any new program or activity and its effect on tax payers and all segments of society, in addition to urging the government to address those amendments with transparency and responsibility.

Seventh: End year report: Annual reports constitute an important source of information in the quantity, significance and details of information they contain, enabling the public to be informed about the budget, execution, planning and expenditure, among others factors, in addition to the ways in which the ministries and government institutions achieve their goals. This provides civil society with an advantage to lobby and make advancements in convening public debates on possible amendments and improvements that help avoid shortcomings and deficiencies and overcome challenges, which may affect the national economy and financial policies, as well as enhance performance.

Civil society's role at this stage is of a dual nature: it implements oversight activities and analyses on expenditure, revenue and projects, and evaluates goals and projections that affect the national economy, as well as the government's level of success in fulfilling its economic program. This serves to improve the government's methods and tools in managing public money, handling all budget stages with transparency, avoiding any decisions that do not serve public interests, while also minimizing chances of corruption, or waste of public money, or any other violation, and enhancing the role of oversight institutions.

Annual reports also constitute a first step towards opening national debates and discussions, building plans towards advocacy, and undertaking analyses and studies on the financial year's situation, with the aim of establishing a preliminary approach to take into consideration and benefit from existing challenges and work to avoid them in next year's budget.

An example on civil society's role: a research institute in South Africa exercises oversight on the government and holds it accountable for public services (PSAM).⁸⁷ The institute compares the published budget and financial plans with the actual

⁸⁷ The International Budget Partnership website <https://www.internationalbudget.org/>

performance stated in the government's reports and oversight institutions' work. It offers analyses on institutions' adherence to financial plans, focusing on expenditure by setting models and guidelines on the analysis processes that lead to the relevant information. Where expenditure is concerned, the institute asks the following questions:

- ✓ Does the ministry tend to spend more or less than the specified level of expenditure of previous years? And has expenditure increased or decreased compared to the last four years?
- ✓ Does the ministry provide a satisfactory justification for the declared expenditure?
- ✓ Are there significant or recurrent reasons for the increase or decrease in the expenditure compared to the specified level?
- ✓ Have those justifications occurred in the past, and has the government taken serious measures to avoid excessive expenditure, and has it addressed its causes?
- ✓ What effect does excessive expenditure have on the institution, in terms of enhancing the ministry's performance and services?
- ✓ If the ministry has exceeded the specified expenditure, was the spending allowed/ approved? And how was this expenditure covered, and how was the deficit filled? And did it affect the overall performance of the ministry or the other programs?

Eighth: Audit report: This type of reports is of importance in that it provides an accurate description of the budget's status quo; evaluates the correctness of procedures and whether execution and planning are good or bad. This is done through an abundance of details related to expenditure and how correct it is, as well as revenue and collection efficiency. Such reports highlight the strengths and weaknesses of financial legislation, and government policies and practices. Therefore, audit reports constitute an important source of information for civil society in its oversight functions.

Oversight institutions, in varying degrees according to each country, exercise an important role in evaluating the audit reports, based on the area of specialization of those institutions. This revision and scrutiny of the reports by civil society increases its credibility, which empowers civil society to play multiple roles, such as:

- Lobby to present audit reports- according to legislation and constitutional provisions- to the legislative authority or to oversight institutions, as governments in most countries tend to abstain from presenting the audit report on the set constitutional date.
- Publish and disseminate, in detail, the comments contained in the audit reports to the public opinion in order to establish a national approach towards exercising popular oversight on public institutions, and in order for the public to become a partner in the oversight and future planning.

- Present and disseminate synopses and reports to the legislative authority and to public opinion on cases of wasted public money, mismanagement and corruption, stated in the reports.
- Present synopses and analyses of cases that oversight institutions have failed to monitor, failed to access related information, faced difficulties in taking stock of violations, or in analyzing the status quo.
- Present comparative analyses of government institutions' work, whether of the same institution during past years, or of several institutions. The aim of the comparison is to identify problems and challenges that those institutes face.
- Urge the legislative authority to take the necessary oversight and legislative procedures to ensure the implementation of recommendations, to review the reports in detail, to develop a monitoring and evaluation mechanism to ensure that violations are addressed and would not recur, and to hold offenders accountable in the event that corruption cases are detected. This requires a partnership between civil society and specialized parliamentary committees, as well as the convening of public debates in order for the results of the civil society's analysis to be heard.

Two: Civil society's strategic roles:

In this context, civil society may exercise different roles, depending on the country's system, legislation and policies, institutional framework, specialization, duties and mandates, among other strategic matters:

First: On the legislative level: those roles stem from legislation, mandates and organization, such as:

- Reviewing legislative functions and organizing relationships between the executive and legislative authorities.
- Lobbying towards increasing the legislative authority's powers during the budget formulation.
- Lobbying to include provisions in the constitution about the national economy; its principles and trends.
- Analyzing the legislative text of the budget law, to check how it adheres to constitutional controls and with citizens' economic, civil and social rights.
- Lobbying to increase the powers of oversight institutions, namely the Audit Bureau, the General Budget Department and the Ministry of Finance, and to broaden their functions in line with international indicators, including immunity, institutional independence, and the ability to disseminate reports and information.

- Lobbying to mainstream the general budget law in order to find options and alternatives to merge the independent government institutions' budget law with the general budget law. Having two budget laws is a stark violation of transparency, accountability, partnership, justice and the rule of law.

Second: On the institutional level

- Presenting options and alternatives, and opening a national debate on developing institutional framework and work mechanism, and responding to indicators, that guarantee transparency, partnership and accountability.
- Lobbying to benefit from modern technology in the budget formulation procedures and processes across all stages to serve public oversight and participation.
- Developing an official institutional mechanism to ensure civil society's partnership in designing financial policies and formulating the general budget.
- Developing procedures that ensure civil society's participation in the formulation stages of the governorates' (decentralization) budgets according to clearly set principles and references.
- Developing mechanisms and procedures to present opinions, proposals and reports by the public as well as civil reports, and to measure public satisfaction and attitudes in order to determine the priorities of citizens.
- Lobbying to promote the constitutional roles of the legislative authority in partnership with civil society during the general budget debate, and to adopt principles in order to organize/ moderate consultations with the concerned parliamentary committees.
- Civil society can also play an important role in observing governments' budget. The Jordanian government has adopted decentralization or local councils and the law stipulates that it is the mandate of the governorate councils to adopt the governorate's budget according to set financial ceilings -specified by the General Budget Department. This empowers civil society to exercise all the above stated roles during all stages of the governorates' budget formulation, and to ensure that those budgets are true reflection of citizens' needs and follow developmental priorities, based on strategic planning and evidence of developmental needs.

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Annexes:

Annex one: Synopsis of the 2020 general budget (in JoD)			
Amount	Statement	Amount	Statement
	Revenue		Expenditure
7,754,000,000	Local revenue	8,382,967,000	Current expenditure
5,651,000,000	Tax revenue	2,352,820,000	Civil apparatus
2,103,000,000	Non-tax revenue	1,394,359,000	Military apparatus
		1,247,818,000	Security and public safety
806,890,000	External grants	3,387,970,000	Other expenditure
		1,458,000,000	Pension and compensation
		1,254,000,000	External debt interest
		130,000,000	Subsidies, including financial and fodder
		19,970,000	Support to government units
		90,000,000	Medical treatment
		90,000,000	Support to state Jor. Universities
		146,000,000	Recurrent financial assistance
		70,000,000	Pay back past commitments
		130,000,000	Wages restructuring
		1,424,989,000	Capital expenditure

		278,908,325	Ongoing projects
		814,882,605	Projects under construction
		331,198,070	New projects
8,560,890,000	Total sum of public revenue	9,807,956,000	Total sum of public expenditure
Funding budget			
886,250,000	Issue of Euro bonds and local bonds in USD	1,247,066,000	Pay back budget deficit
71,150,000	External loans to fund capital projects	520,981,301	Pay back due external debt installments
1,380,027,000	International loans in support of the budget	1,169,850,000	Amortization of Euro bonds and local bonds in the USD
3,774,356,450	Internal loans	221,768,000	MoF loans to the Water Authority
		198,385,000	Pay back due internal loans for the Water Authority
		128,733,149	Loan installments to address government delays
		2,625,000,000	Amortization of internal debt
6,111,783,450	Total	6,111,783,450	Total

Annex 2: the 2020 general budget statement⁸⁸

Official statement number 18 for 2019

The formulation of the general budget law
and the provisional law of the government units
And the staffing draft regulation for ministries, departments
and government units
for 2020

⁸⁸ The first three pages were presented. To view the document, please visit the General Budget Department's website <http://gbd.gov.jo/ar/Page/Index/circulars>

In order to complete the provisional general budget law and the draft budget law of the government units, as well as the staffing provisional regulation of the ministries, departments and government units for 2020, and in order for the ministries, departments and government units to begin formulating its provisional budgets in what should fulfill its actual needs so that it can reach realistic projections based on national priorities and aimed at fulfilling those priorities, and in order to preserve past achievements that continue to lead reforms, building and development,

And, in order to continue to implement economic and financial reforms aimed at enhancing local revenues, rationalize and control public expenditure, leading to improved efficiency in allocating available financial funds in order to arrive at a general budget that adopts on the "results-based budget" method within a medium term financial framework, with due consideration to the social dimensions, in light of the ongoing reform process, through improving the social safety network, providing subsidies to due beneficiaries from the limited and medium income groups,

And, in order to allocate available financial resources based on national priorities, in a manner that distributes the dividends of development across all the Kingdom's governorates so as to ensure the success of decentralization in fulfilling its goals, and to empower citizens in the various governorates to take part in developmental decisions, by identifying their needs and developmental priorities, and to fulfill their demands through improving the quality of services offered to them. In this context, the upper ceiling for the governorates' 2020 capital budgets and in order to distribute the ceiling among the governorates according to the adopted methodology, based on clearly set and transparent principles and standards.

The total ceiling for public expenditure and the expenditure ceilings for each ministry, department and government unit, including the 2020 governorates' ceilings have been determined. The basis on which projections for the general budget law and the government units budget law for 2020 are inspired include a number of approaches, foremost:

I- Work to complete the requirements of the current structural and financial reform program, begin to prepare an economic and financial reform program in partnership with the various concerned national actors in order to reach a national consensus on the program aimed at stimulating economic growth, create an attractive investment climate, that encourages the private sector to participate in development, as well as to address obstacles that hinder the achievement of those aspired goals.

2- Commit to implementing the government's work priorities within the main components of the state of law, production and social harmony, and in accordance with performance indicators, designed for this purpose.

3- Accelerate the pace of implementation of plans, procedures and projects by the ministries, departments and government institutions to support the Jordanian economy in a manner that enhances confidence in the Jordanian economy and in its capability to attract local, Arab and foreign investments.

4- Affirm a policy that assesses the impact of legislation and policies prior to their adoption, as a binding practice when designing policies and drafting legislation. This practice aims to base decision making on correct data and evidence, in order to support and improve the business environment, sustainability and economic growth.

5- Promote decentralization and address challenges that confront the governorates councils in order to empower local communities to identify their needs and developmental priorities as well as to enhance their participation in developmental decision making, so that they can ultimately achieve development and improve services offered to citizens.

6- Assert the approach of a results-based budget, and promote this concept among all ministries, departments and government institutions in order to achieve the aspired results from the funds that are allocated to programs executed by those ministries and departments, and in line with the renaissance program, as well as the national financial and economic reform program.

7- Improve the investment climate, remove obstacles hindering the flow of investments, encourage Jordanian expatriates to invest, attract the biggest number possible of investors, nationalize existing investments, launch a package of e-services in order to enhance procedures and facilitate them to investors, and to follow up on matters and challenges facing investors, with a view to resolving them and reducing red-tape.

Annex 3: the 2020 draft budget of the government units

Compiled summary of the government units budgets for the financial year 2020			
Amount	Statement	Amount	Statement
	Revenue		Expenditure
1,113,990,000	Revenue from sales of commodities and services	1,068,039,000	Current expenditure
61,883,000	Revenue from ownership	307,972,000	Workforce compensations
27,808,000	Sundry revenues	568,705,000	Use of commodities and services
28,145,000	Government subsidy	167,717,000	Interest on internal and external loans
70,100,000	Foreign grants	23,645,000	Other expenditure
		495,915,000	Capital expenditure
		367,465,000	Internal funding
		8,175,000	Government subsidy
		50,175,000	External loans
		70,100,000	External grants
1,301,926,000	Total revenue	1,563,954,000	Total expenditure
Gross deficit before funding			
Compiled funding budget			
Amount	Source	Amount	Usage
128,826,000	Total savings before funding	390,890,000	Total deficit before funding
50,175,000	External loans to fund capital projects	338,404,000	Pay back due internal debt installments
448,528,000	Withdrawals on internal loans	41,946,000	Pay back due external debt installments
336,043,000	Use of reserve to pay back commitments	387,253,000	Reserve to pay back commitments
234,549,000	Other	710,000	Other
1,198,157,000	Total	1,198,157,000	Total

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