

Overview



Transparency:

8 /100

(Open Budget Index score)



Public Participation:

0 /100



Budget Oversight:

17 /100

About the survey

This assessment examines the documents published and events, activities, and developments that occurred through 31 December 2022. The findings and recommendations below should be considered in light of the current humanitarian situation in Gaza.

International institutions and development partners should support committed actors within government and civil society in Palestine who are working towards more open and accountable public budgets. Government budget decisions – what taxes to levy, what services to provide, and how much debt to take on – have important consequences for all people in society. When governments provide information and meaningful channels for the public to engage in these decisions, we can better ensure public money is spent on public interests.

The Open Budget Survey (OBS) is the world’s only independent, comparative and fact-based research instrument that uses internationally accepted criteria to assess public access to central government budget information; formal opportunities for the public to participate in the national budget process; and the role of budget oversight institutions, such as legislatures and national audit offices, in the budget process.

The survey helps local civil society assess and confer with their government on the reporting and use of public funds. This 9th edition of the OBS covers 125 countries.

Visit www.internationalbudget.org/open-budget-survey for more information, including the full OBS methodology, the 2023 Global Report, findings for all surveyed countries, and the Data Explorer.

Public availability of budget documents in Palestine

KEY

-  Available to the Public
-  Published Late, or Not Published Online, or Produced for Internal Use Only
-  Not Produced

Document	2023
Pre-Budget Statement	
Executive's Budget Proposal	
Enacted Budget	
Citizens Budget	
In-Year Reports	
Mid-Year Review	
Year-End Report	
Audit Report	

How comprehensive is the content of the key budget documents that Palestine makes available to the public?

KEY	
●	61-100 / 100
●	41-60 / 100
●	1-40 / 100

Key budget document	Document purpose and contents	Fiscal year assessed	Document content score
Pre-Budget Statement	Discloses the broad parameters of fiscal policies in advance of the Executive's Budget Proposal; outlines the government's economic forecast, anticipated revenue, expenditures, and debt.	2023	Internal Use
Executive's Budget Proposal	Submitted by the executive to the legislature for approval; details the sources of revenue, the allocations to ministries, proposed policy changes, and other information important for understanding the country's fiscal situation.	2023	Not Produced
Enacted Budget	The budget that has been approved by the legislature.	2022	Internal Use
Citizens Budget	A simpler and less technical version of the government's Executive's Budget Proposal or the Enacted Budget, designed to convey key information to the public.	2022	Published Late
In-Year Reports	Include information on actual revenues collected, actual expenditures made, and debt incurred at different intervals; issued quarterly or monthly.	2022	52
Mid-Year Review	A comprehensive update on the implementation of the budget as of the middle of the fiscal year; includes a review of economic assumptions and an updated forecast of budget outcomes.	2022	Not Produced
Year-End Report	Describes the situation of the government's accounts at the end of the fiscal year and, ideally, an evaluation of the progress made toward achieving the budget's policy goals.	2021	19
Audit Report	Issued by the supreme audit institution, this document examines the soundness and completeness of the government's year-end accounts.	2021	24

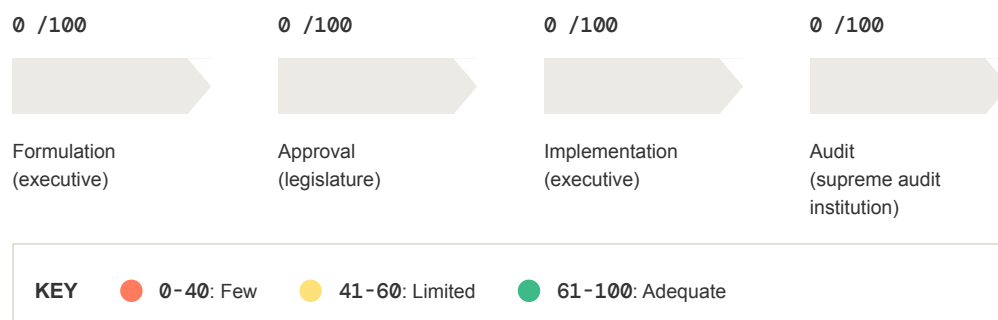
Recommendations

Palestine should prioritize the following actions to improve budget transparency:

- Publish the Pre-Budget Statement online in a timely manner, at least one month before the budget proposal is presented.

- Continue publishing the Enacted Budget and Citizens Budget online in a timely manner, as has been done for the fiscal years since the OBS 2023 assessment period closed.
- Produce and publish the Executive's Budget Proposal and Mid-Year Review online in a timely manner.
- Include in the Year-End Report detailed actual outcomes for expenditures, comparisons between planned nonfinancial outcomes and actual outcomes and comparisons between the original macroeconomic forecast and actual outcomes.
- Improve the comprehensiveness of the In-Year Reports by presenting actual expenditures by program and comparisons of the actual year-to-date expenditures and revenues with the original estimates for the period or the same period in the previous year.
- Improve the comprehensiveness of the Audit Report by including an Executive Summary. The Ministry of Finance should also publish a report on steps it has taken to address audit findings.

Extent of opportunities for public participation in the budget process



Recommendations

To further strengthen public participation in the budget process, Palestine's Ministry of Finance should prioritize the following actions:

- Pilot mechanisms to engage the public during budget formulation and to monitor budget implementation.
- Actively engage with vulnerable and underrepresented communities, directly or through civil society organizations representing them.

The Palestine Legislative Council has been suspended since 2006 due to the political division between the West Bank and the Gaza Strip, and the President issued a decision to dissolve the Palestinian Legislative Council in December 2018, which means that the budgets were not originally presented to the Legislative Council. It is urgent to hold elections and reactivate the Legislative Council in order to restore normal checks and balances to the budget process. Furthermore, after its reinstatement, priority should be given to the following actions to improve opportunities for public participation:

- Allow members of the public or civil society organizations to testify during its hearings on the budget proposal prior to its approval.
- Allow members of the public or civil society organizations to testify during its hearings on the Audit Report.

Palestine's State Audit and Administrative Control Bureau should prioritize the following actions to improve public participation in the budget process:

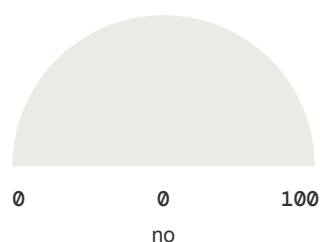
- Establish formal mechanisms for the public to assist in developing its audit program and to contribute to relevant audit investigations.

Budget Oversight

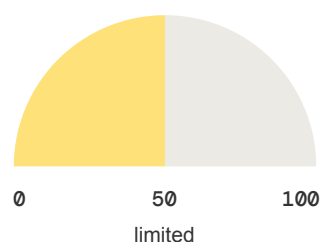
The OBS examines the role that legislatures and supreme audit institutions (SAIs) play in the budget process and the extent to which they provide oversight; each country is scored on a scale from 0 to 100 based on 18 equally weighted indicators. In addition, the survey collects supplementary information on independent fiscal institutions (see Box).

The legislature and supreme audit institution in Palestine, together, provide weak oversight during the budget process, with a composite oversight score of 17 (out of 100). Taken individually, the extent of each institution's oversight is shown below:

Legislative oversight



Audit oversight



KEY ● 0-40: Few ● 41-60: Limited ● 61-100: Adequate

Recommendations

The Palestine Legislative Council has been suspended since 2006 due to the political division between the West Bank and the Gaza Strip, and the President issued a decision to dissolve the Palestinian Legislative Council in December 2018, and thus there is no legislative oversight during the planning stage and the implementation stage of the budget cycle. It is urgent that the legislature is reinstated in order to restore the normal checks and balances of Palestine's budget process. After its reinstatement, furthermore, the following actions should be prioritized to improve legislative oversight:

- The legislature should debate budget policy before the Executive's Budget Proposal is tabled and approve recommendations for the upcoming budget.

- The Executive's Budget Proposal should be submitted to legislators at least two months before the start of the budget year, and the legislature should approve the budget before the start of the budget year.
- Legislative committees should examine the Executive's Budget Proposal and in-year budget implementation and publish reports with their analysis and findings online.
- In practice, ensure the legislature is consulted before the executive shifts funds specified in the Enacted Budget between administrative units; spends any unanticipated revenue; or reduces spending due to revenue shortfalls during the budget year.
- A legislative committee should examine the Audit Report and publish a report with their findings online.

To strengthen independence and improve audit oversight by the Palestine State Audit and Administrative Control Bureau, the following actions are recommended:

- Require legislative or judicial approval to appoint the head of the supreme audit institution.
- Ensure audit processes are reviewed by an independent agency.

The emerging practice of establishing independent fiscal institutions

Palestine does not have an independent fiscal institution (IFI). IFIs are increasingly recognized as valuable independent and nonpartisan information providers to the Executive and/or Parliament during the budget process.

**These indicators are *not* scored in the Open Budget Survey.*

Methodology

- Only documents published and events, activities, or developments that took place through 31 December 2022 were assessed in the OBS 2023.
- The survey is based on a questionnaire completed in each country by an independent budget expert:
Hama Zeidan
The Coalition for Accountability and integrity-AMAN (Transparency Palestine)

hama@aman-palestine.org; info@aman-palestine.org; www.aman-palestine.org
- To further strengthen the research, each country's draft questionnaire is also reviewed by an anonymous independent expert.