

*"Information is the seed for an idea, and only grows when it's watered"*  
*Heinz V. Bergen*

## **MoF Commitment to the Citizens' Right to Know: Shared benefits**

The Ministry of Finance pledges its firm commitment to measures of transparency in practice and demonstrates serious abidance by its liability to accountability. The ministry prioritizes the responsibility of providing access to information as a major practice of good governance. Moreover, its commitment is part and parcel of its steady belief that dissemination of information allows for a wider scope of participation of professional, competent, and active components of the Lebanese society in the process of decision-making. In turn, by actively engaging a wider and more diverse basin of contributors, the Ministry of Finance hopes to improve its ability to adopt best practices in the domain that are also more in line with the needs of the Lebanese citizens.

Access of information plays a dual role of tendering to the citizens' undeniable right to know what is essential to their affairs and equally important; the chance for the ministry to sustain better information management. In light of that, the Ministry of Finance governs itself by an obligation to proactively publish information at hand. It consistently publishes all relevant information through various tools such as printed, web-administered, and media conveyed reporting. Hereunder, information management not only entails proper archiving, reporting, and statistical accuracy but also aims to actively curate information. The ministry adopts the best practices worldwide in technical solutions providing continuous and accurate access to information.

The Ministry of Finance focuses on increased disclosure and efficient notification of information by:

- ❖ Ensuring data dissemination and public disclosure of main fiscal, debt, trade as well as other economic and financial figures processed at the ministry;
- ❖ Providing investors as well as the Lebanese and International community with reliable and quality analysis on the evolution of government finance figures;
- ❖ Providing a reliable economic and financial database for researchers and analysts;
- ❖ Enhancing policy dialogues on reforms, macro-financial issues, debt management issues, and relevant public concerns between the Ministry of Finance and various public groups such as the international economic and financial community

## MoF Publications

i. Monthly Fiscal Performance: The purpose of those statistical tables is to provide the latest key figures of the fiscal performance, a summarized breakdown of tax and non tax revenues, a summarized breakdown of expenditures classified by transaction and a brief review of debt figures.

ii. Public Finance Monitor: Covers on a monthly basis the evolution of public finance figures through an overview of the fiscal performance, a comprehensive coverage of the changes in tax and non tax revenues as well as a thorough analysis of the economic factors behind these changes, an exposition of the expenditure outcome through both the transaction and the detailed economic classifications and the latest public debt figures.

iii. Public Finance Quarterly Reports: Detail on a quarterly basis revenue, expenditure, public debt and trade developments by tracking the product composition (at both section and chapter levels) of imports and exports as well as their sources (by main region and country) and by providing cross product-country analysis.

iv. Public Finance Prospects-Yearly Reports: just like the Quarterly Report, the Yearly Report highlights the main developments in public finances, debt and external trade. It also presents the latest developments on the privatization and securitization fronts.

v. Quarterly Debt and Debt Markets Report: The report covers the government's debt structure, domestic primary market debt, information related to secondary trading, a list of Eurobonds outstanding, and a full range of risk indicators, configuration of creditors of each type of debt and other pertinent data.

vi. The Ministry of Finance Audited Accounts 1993-2006: The Ministry of Finance has released 1993-2006 accounts using the budget classifications.

vii. Lebanon Country Profile: The report provides general information on Lebanon's population, history, political and legal systems. Furthermore, a second part is devoted to the economy and presents the economic history of the country, the role of the government, the GDP, the principal sectors in the economy as well as developments in the external sector, public debt, the monetary system as well as public finance. Another part tackles the achievements and the progress in the reconstruction program covering areas such as infrastructure, electricity, water, transportation and public health. Two sections are devoted to social policies and the educational system.

viii. Reports on the Budget:

(a) Brief Notes on the Budget Proposal and Law: the brief notes present the main points of the Budget Proposal or Law. The first section presents a small analysis of the main figures of the budget year, i.e. budget revenues, budget expenditures budget deficit and primary balance. The second section describes the main assumptions behind the Budget Proposal, reflecting the

context in which the budget proposal was drafted. The third section reviews all the reasons behind the year-to-year changes in revenues and expenditures.

(b) The "Fazlaka" of the Budget Law or the Minister of Finance's detailed report on the economic and financial situation and on the principles adopted by the government in the public budget law and the annexed budgets. The first part reviews the latest economic developments occurring in the Lebanese Economy. The second part is a detailed summary of the budget law. The third part summarizes the measures adopted to accelerate the economic and financial reform and the fourth part reviews the structural reforms to be implemented in order to modernize and develop the Ministry of Finance.

ix. Investment Climate in Lebanon: provides an overview of newly enacted and existing legislative reforms which are aimed at encouraging investment in Lebanon.

x. Paris III Progress Reports: provide quarterly updated results of Paris III conference, sector allocation, details of pledges and progress on implementing the reform program per line ministry and public institution.

xi. Aid Coordination Newsletters: provide monthly updates on aid to Lebanon, both loans and grants, and information regarding aid policy, mobilization and donor coordination. The Aid Coordination Newsletter is issued by the Donor Coordination Unit at the Ministry of Finance to increase transparency and enhance communication with donors and national stakeholders by making public all available information.

xii. Key-Fiscal-Debt-Monetary-Trade Reforms 2006: The document is intended to summarize the key, fiscal, monetary, trade and market reforms and to highlight the progress that has been achieved on each to date.

<i>Publications</i>	
<b>Deliverable</b>	<b>Target Group</b>
<ul style="list-style-type: none"> <li>• Monthly Fiscal Performance</li> <li>• Public Finance Monitor</li> <li>• Public Finance quarterly/Yearly Report</li> <li>• Quarterly Debt Report</li> </ul>	Investors / Business Community / Civil Society
<ul style="list-style-type: none"> <li>• MOF Audited Accounts 1993-2006</li> <li>• Reports on the Budget</li> </ul>	Civil society / Economists / Governmental Agencies
<ul style="list-style-type: none"> <li>• Investment climate in Lebanon</li> </ul>	Investors / Business Community
<ul style="list-style-type: none"> <li>• Paris III Progress Reports</li> <li>• Key-Fiscal-Debt-Monetary-Trade Reforms 2006</li> </ul>	Business Community / Civil Society / Donors
<ul style="list-style-type: none"> <li>• Guides</li> <li>• User Friendly Pamphlets</li> </ul>	Tax Payers
<ul style="list-style-type: none"> <li>• Newsletter</li> </ul>	Citizens

## MoF Efforts towards ensured Access to Information

The levels and addressees of the Ministry of Finance's outreach in terms of sharing information extend from tax paying citizens, businessmen, economists, to local and international investors and donors. The ministry has significantly steered many projects to best suit and develop its relationship with the target groups mentioned here. Its practice exceeds a sufficient repertoire of publications to a number of projects and initiatives that address issues of significant importance.

<i>Projects &amp; Initiatives</i>	
<b>Deliverable</b>	<b>Target Group</b>
• The VAT Campaign	Consumers / foreigners / Taxpayers / MoF & LRD & VAT employees
• The Call Center	Citizens
• The Donors Coordination Project	Donors
• Auditing Information on Public Spending	Citizens, Economics, Public Agencies, International Organizations, Foreign Investors, and International Community at large
• MoU with Lebanese Transparency Association	Civil Society, International Organization, International donors, citizens

### *24/7 Call Center*

Such is the case of the 'Call Center initiative' by which the Ministry launched a 24/7 call center to provide "round the clock" services for taxpayers' inquiries. With respect to results achieved from the Call Center campaign, it was noted that following the billboard and radio campaign, the number of calls increased by 62.21 percent with the number of calls doubling during the two-week campaign increasing from 330 to 679 calls per week. Discrepancies in tax returns decreased reflecting the receipt of accurate and instant information by taxpayers.

### *VAT Campaign*

Another example is the VAT Campaign that aimed at introducing the concept, reasons, and impact of the new tax on businesses and their finances. The initiative is an ideal embodiment of the synergy between the citizens' right to access to information and the ministry's need to improve the quality of its services as complimentary components. The objectives of the campaign were to: i) educate consumers on the VAT, explaining the rationale for the VAT's introduction and to raise public awareness of the new tax highlighted its effect, and to alleviate the public's concerns; ii) educate taxpayers on the VAT's application to facilitate the readiness of the business sector for the VAT (this in turn helped to fine-tune the VAT system to get input from businesses in designing a system that would not become unnecessarily complicated); iii) educate MoF/Lebanese Revenue Directorate (LRD) employees to raise their awareness on the importance of the tax and to establish needed links for the flow of information among departments for efficient control; iv) ensure effective internal communication among various divisions with the VAT administration to result in innovative responses to operational and legal issues; v) enhance the image of MoF (as a byproduct of receptiveness of the administration to help and understand taxpayers' problems and ensure a successful launch of the VAT and future smooth administration).

### *The Donor Coordination Unit*

A major part of Lebanon's finances involves donated funds through the Paris III program. In order to advance a transparent and efficient process of mobilizing funds in the best way possible, the Ministry of Finance set up a structure for donor coordination administering a system for aid management: the Donor Coordination Unit. As a focal entity within the Ministry, the unit is dedicated to mobilizing funds and coordinating, programming, monitoring and reporting on external assistance to the reform program. The unit works along two main lines: a financial monitoring and reporting system and a national reconstruction mechanism. The first is a system for public information, for decision-making, and for resource management that will provide a comprehensive view on sources and uses of funds, from pledges to implementation. The latter is a set of procedures to channel donor funds to the Government of Lebanon, which is responsible for the implementation on a defined set of financial management guidelines.

### *Auditing Information on Public Spending*

The Ministry of Finance has worked on increasing audited information and ensuring that it is subject to an international external auditing firm. The Ministry's initiative was constituted the first time that the government publishes audited fiscal accounts in 2007.

<i>Issue</i>	<i>Achievement</i>
<p><b>MOF</b></p> <ul style="list-style-type: none"> <li>MOF used to publish annual figures, however, with little details.</li> <li>No time series that explains the increase of debt and the reasons behind this growth</li> </ul>	<ul style="list-style-type: none"> <li>Full picture on budget finances:</li> <li>1993-2006 accounts using the budget classifications: Economic and administrative</li> <li>Reporting of all treasury transactions</li> </ul>
<p><b>EDL</b></p> <ul style="list-style-type: none"> <li>The EDL accounts were not audited since 2001</li> </ul>	<ul style="list-style-type: none"> <li>2001 audited financial statements have been published on MOF and EDL websites</li> <li>Auditors have been appointed to audit EDL 2002-2006 financial statements</li> </ul>
<p><b>NSSF</b></p> <ul style="list-style-type: none"> <li>The NSSF accounts were not audited since 2001</li> <li>The settlement of government dues has been always an issue between the NSSF and MOF</li> </ul>	<ul style="list-style-type: none"> <li>An international external audit firm has been appointed to audit the accounts of the NSSF for the years 2001-2005</li> <li>The accounts for 2006 will be audited once closed</li> <li>The audited accounts will be used as start to estimate government dues at a more accurate basis</li> </ul>



### ***Partnering with Civil Society for Transparency***

In order to ensure and promote transparency, the Ministry of Finance partnered with the Lebanese Transparency Association – the local chapter of Transparency International by signing a memorandum of understanding. The objectives of the MoU are to promote Access to information, increase the Government's accountability and responsiveness, and fight corruption.

By committing to its partnership with LTA, the Ministry of Finance gives the renowned organization access to related documentations. LTA would establish benchmarks according to international best practices provide technical assistance, help disseminate information, and track performance in terms of transparency in the ministry's work. To further affirm its support of the citizens' right to know, the Ministry of Finance participates in the National Network to Enhance the Right of Access to Information Initiative. Led by the Lebanese Transparency Association and Arab Parliamentarians Against Corruption, the objective is to increase transparency in Lebanon through the development and implementation of two laws on "promoting access to information" and "whistleblower protection".

### **Communication and Dissemination of Information**

#### ***Institute of Finance Initiatives***

The Basel Fuleihan Institute of Finance plays an important role in supporting the awareness and communication efforts of the Ministry of Finance including information dissemination to citizens, organizing events and publishing news. The institute ensures the continuity and efficiency of current initiatives and is the powerhouse of communication through capacity building for public servants and awareness for citizens. Among its numerous initiatives under the auspices of the Ministry of Finance, the institute:

- i. Enriched the Library of Finance with the latest publications in public finance documentation and tax reference centre, (now more than 14,000 references, trilingual and open to the public)
- ii. Revamped the Ministry of Finance quarterly newsletter: Hadith El-Malia (3500 copies/issue) and distributing it to the Ministry's staff and partners including central administrations, donors, banks, professional associations; economists, academia, and specialized press
- iii. Worked with the local research agency, InfoPro, to elaborate a strategy for improving customers' service at the Directorate General of Finance;
- iv. Assisted the Revenues directorate at the Directorate General of Finance to produce user-friendly pamphlets/flyers directed to the citizens on major tax procedures;
- v. Organized several awareness events, conferences and workshops to promote the reform program undertaken by the Ministry of Finance.
- vi. Launched its new website for public access to material including training course schedules, and archive copies of the in-house magazine.