



The Reality of Transformational Costs in the Public Budget



Survey “Diagnostic” Paper





The Reality of Transformational Costs in the Public Budget

2018

The Coalition for Accountability and Integrity -AMAN would like to extend its sincere thanks to both the researcher Mr. Moayad Afana who have prepared this report and to Dr. Azmi Shuaibi for his supervision on the report.

© Coalition for Accountability and Integrity – AMAN. All rights reserved.

In case of citation please indicate the printed as follows: The Coalition for Accountability and Integrity-AMAN (2018) The reality of Operating Costs and Rationalization at Some Responsibility Centers.

The Coalition for Accountability and Integrity – AMAN has made all efforts to verify the accuracy of the information contained in this report, and does not claim any responsibility for the consequences of its use for other purposes after publications.

Introduction

Transformational costs constitute a basic item of the public expenditure in the public budget structure in Palestine. In accordance with the Public Budget Law 2017 and the 2017 budget indicators, the estimated transformational costs have amounted to (NIS 4,549)¹ million out of the (NIS 16,837) total public expenditures, representing (27%).

The budget allocated to the transformational costs – based on the Public Budget structure in Palestine - includes social contributions, which is the government’s contribution to the Palestinian Pension Agency (for retirees)². It was estimated in the 2017 public budget at (NIS 767,810,000)³ and it is not part of this survey’s scope because it is limited and its details are known. However, an amount of (NIS 3,780,783,000)⁴ was identified as transformational costs distributed over 18 major and minor responsibility centers (Ministries, bodies, authorities ...) constituting (22.5%) of the total public expenditures.

Transformational Costs:

The Ministry of Finance and Planning defined the transformational costs as “*the costs paid by the government to different segments of the society through a public institution from which a third party is benefiting (such as payments to help the poor and martyrs’ families)*”⁵

According to the actual expenditure report of 2017 issued by the Ministry of Finance and Planning on January 24, 2018, the actual transformational costs that were actually spent have amounted to (NIS 3,559,400,000)⁶, representing (94%) of the estimated expenditure, and 22.3% of the total expenditures realized In 2017.

Objective of the Survey Paper:

Diagnosing the reality of transformational costs in the public budget and investigating the responsibility centers that include transformational costs as well as providing comparative data on estimated and actual transformational costs in the last three years in order to identify areas in which expenditures can be rationalized

Methodology of the Survey Paper:

A scientific methodology was adopted, based on the following axes:

1. Reviewing public budget literature, documents and reports to prepare a conceptual introduction on the transformational costs.

1 Decree Law No. (3) of 2017 on the Public Budget of 2017, issued on 15/2017/2/

2 Citizen’s Budget 2016, issued by the Ministry of Finance and Planning- Palestine 2016

3 Public Budget Book 2017, issued by the Ministry of Finance and Planning 2017

4 Public Budget Book 2017, issued by the Ministry of Finance and Planning 2017

5 Citizen’s Budget 2016, issued by the Ministry of Finance and Planning- Palestine 2016

6 Accumulative Actual Expenditure Report of December 2017, issued by the Ministry of Finance on 24/2018/1/.

2. Identifying the responsibility centers that include transformational costs with the value of those allocated costs and the nature of those allocations “ways of expenditure”.
3. Comparing the estimated transformational costs with the actual costs in the public budget 2017.
4. Preparing a comparative chronological series for the last three-year transformational costs, to measure and diagnose:
 - Number of responsibility centers that include transformational costs.
 - The extent of the increase or decrease in the estimated and realized budget of transformational costs.
 - Comparing the estimated transformational costs to the actual costs.
5. Preparing conclusions and recommendations on transformational costs

Responsibility Centers that Include Transformational Costs

By reviewing the Public Budget Book 2017 and the accumulative monthly report issued by the Ministry of Finance and Planning for December 2017, the actual and approved transformational costs were distributed to 18 responsibility centers that are distributed among four sectors as follows:

Table (1)

Distribution of responsibility centers that include transformational costs among the four sectors⁷

Governance Sector	Infrastructure Sector	Economy Sector	Social Sector
12	2	0	4

⁷ Public Budget Book 2017, issued by the Ministry of Finance and Planning 2017, PP 2325-.

Figure (1)

Distribution of responsibility centers that include transformational costs to the four sectors

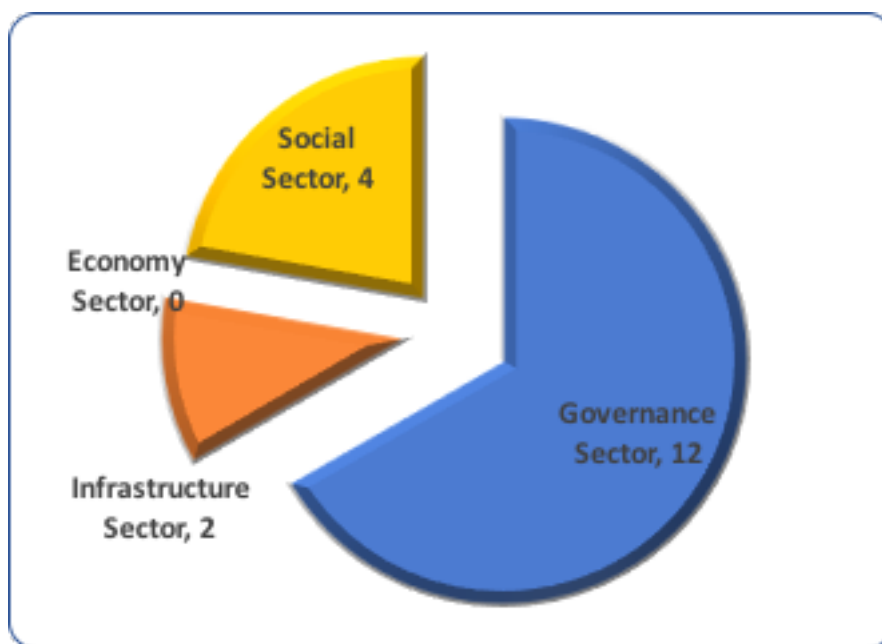


Table (2)
A comparative table of the estimated and actual transformational costs of the various responsibility centers in the 2017 budget and the ways of disbursing these costs

No.	Responsibility Center	Estimated transformational costs/NIS ¹	Realized transformational costs/NIS ²	Percentage of Actual from the estimated	Ways of Disbursement
	Retirees	1,030,000,000	1,273,444,000	123.6%	Dues of retirees “social benefits” ³
	Ministry of Social Development	756,380,000	1,173,073,000 ⁴	81.3%	The salaries of the families of martyrs and wounded ⁵ , as well as cash transfers to poor families ⁶ , in addition to the compensations of the appointed fixed-term employees of 2005 (NIS1,500) to each of the (11,850) resulting in an annual cost amounting to
	Foundation for the Care of the Families of Martyrs and Wounded	686,773,000			

The Reality of Transformational Costs in the Public Budget

	Palestine Liberation Organization (PLO)-National Fund	685,365,000	630,612,000	92.0%	It includes transformational costs to the PLO institutions, prisoners' allocations, Yaser Arafat Foundation, Higher Council for Innovation and distinction and the Higher Presidential Follow up Committee on Church Affairs in Palestine ⁷ .
	Ministry of Local Government	145,000,000	134,276,000	92.6%	It includes the grants for local government units ⁸ .
	Ministry of Education and Higher Education	120,000,000	85,516,000	71.3%	It includes grants for higher education institutions ⁹ .
	Public Expenditures	75,000,000	26,465,000	35.3%	Covering all costs that were not considered at the development of the budget ¹⁰
	Ministry of Finance and Planning	68,000,000	43,054,000	63.3%	Allocated to public disbursement control and management program ¹¹ .
	Financial Reserves	55,000,000	11,297,000	20.5%	Costs emerge during the fiscal year ¹² , and disbursement occurs upon emergency cases that are based on a legal framework.
	Energy and Natural Resources Authority	55,000,000	35,156,000	63.9%	Allocated to subsidies Item in the Traditional Energy Resources Program Management ¹³
	Ministry of Jerusalem Affairs	25,000,000	19,799,000	79.2%	Allocated to Humanitarian and Geographic Resilience Support Program and to Jerusalemites ¹⁴
	Legislative Council	20,000,000	12,382,000	61.9%	Remunerations and salaries of Palestinian Legislative Council members "MPs" within Representation, Legislation and Oversight Program ¹⁵
	Embassies	15,965,000	12,921,000	80.9%	Allocated to Diplomatic Representation Program abroad (Social Benefits) ¹⁶
	Ministry of Health	15,300,000	0	0.0%	Estimated for social benefits ¹⁷

	Non-Governmental Organizations	14,000,000	23,913,000	170.8%	Transfers to non-governmental organizations that are based in Palestine within the Non-governmental Organizations Support Program ¹⁸
	Anti-Corruption Commission	10,000,000		0.0%	Allocated to Anti-corruption Commission’s Capacity Building Program ¹⁹ Its costs are incorporated in the expenditure report with the non-governmental organizations expenditures
	Settlement and Wall Resistance Authority	3,600,000		0.0%	Allocated to the Palestinian Natural Resources, Properties and Land Reservation Program ²⁰ Its costs are incorporated in the expenditure report with the PLO transformational costs
	Independent Commission for Human Rights	400,000		0.0%	No transfers were sent to the commission and the allocations were emitted from the 2018 budget and
	Total	3,780,783,000	3,481,908,000²¹	92.1%	

Table (2) above shows the following:

1. There are 18 responsibility centers that include approved transformational costs in the sectors of (governance, infrastructure, and social sector).
2. The highest actual expenditure of the transformational costs was in the “Retirees” item, which amounted to (NIS1, 273,444,000), and it is also higher than estimated, where the realized expenditure compared to the estimated has amounted to 123.6%.
3. The actual expenditure allocated to the Ministry of Social Development and the National Association of Martyrs’ Families was second in terms of expenditure (NIS 1,173,073,000), although the realized expenditure was less than the estimated and it reached 81.3% of the estimated
4. In practice, (3) responsibility centers accounted for 88.4% of the actual expenditure of transformational costs (retirees, Ministry of Social Development and the National Association of Martyrs’ Families and PLO0-Palestinian National Fund). The realized expenditures of these centers have amounted to (NIS 3,077,129,000).
5. There are two responsibility center, for which transformational costs were allocated in the public budget 2017, but in practice no actual disbursement was made for their transformational costs, namely (Ministry of Health, Independent Commission for Human Rights).

The Reality of Transformational Costs in the Public Budget

6. There are statistically significant deviations in the realized transformational costs compared to the estimated, as there is an extreme disbursement/non-disbursement. When the transformational costs of the Ministry of Health were 0% of the estimated, the costs for Non-governmental organizations reached 170% of the estimated although the transformational costs of the Anti-Corruption Commission and the Settlement and Wall Resistance Authority were incorporated in this center.
7. There are actually realized transformational costs for general and non-defined responsibility centers, such as financial reserves and public expenditures, in which the transformational costs amounted to (NIS 11,297,000) and (NIS 26,465,000), respectively.
8. There are responsibility centers that are paralyzed and non-functional since many years, such as the Palestinian Legislative Council, yet its realized transformational costs amounted to (NIS 12,382,000), covering the salaries Legislative Council members (MPs).
9. Transformational costs of the non-governmental organizations-central, were estimated at (NIS 14,000,000), which is a relatively high amount. However, the realized transformational costs were much higher and at a statistically significant rate reaching (NIS 23,913,000).
10. There are (14) major and minor responsibility centers, to which transformational costs have been effectively disbursed. Some of these centers' field of work is outside the definition of the Ministry of Finance and Planning for the concept of transformational costs.

Analysis of the Transformational Costs Chronological Sequence (2015-2017):

Table (3)

Responsibility Centers that include Transformational costs in the three years 2015-2016-2017

.No	2015 ²²	2016 ²³	2017 ²⁴
	Retirees	Retirees	Retirees
	Ministry of Social Development	Ministry of Social Development	Ministry of Social Development
	Foundation for the Care of the Families of Martyrs and Wounded	Foundation for the Care of the Families of Martyrs and Wounded	Foundation for the Care of the Families of Martyrs and Wounded
	Palestine Liberation Organization (PLO)- National Fund	Palestine Liberation Organization (PLO)- National Fund	Palestine Liberation Organization (PLO)- National Fund
	Ministry of Local Government	Ministry of Local Government	Ministry of Local Government
	Ministry of Education and Higher Education	Ministry of Education and Higher Education	Ministry of Education and Higher Education
	Public Expenditures	Public Expenditures	Public Expenditures
	Ministry of Finance and Planning	Ministry of Finance and Planning	Ministry of Finance and Planning

	Financial Reserves	Financial Reserves	Financial Reserves
	Energy and Natural Resources Authority	Energy and Natural Resources Authority	Energy and Natural Resources Authority
	Ministry of Jerusalem Affairs	Ministry of Jerusalem Affairs	Ministry of Jerusalem Affairs
	Legislative Council	Legislative Council	Legislative Council
	Non-Governmental Organizations	Non-Governmental Organizations	Non-Governmental Organizations
	Anti-Corruption Commission	Anti-Corruption Commission	Anti-Corruption Commission
	Settlement and Wall Resistance Authority	Settlement and Wall Resistance Authority	Settlement and Wall Resistance Authority
	Independent Commission for Human Rights	Independent Commission for Human Rights	Independent Commission for Human Rights
	Non-Governmental Organizations	Non-Governmental Organizations	Non-Governmental Organizations
	Anti-Corruption Commission	Anti-Corruption Commission	Anti-Corruption Commission
	Prisoners Affairs Authority	-----	-----
	Council of Ministers	-----	-----

Table (3) shows the following:

1. Responsibility centers that include semi-fixed transformational costs in the last three years 2015-2016-2017.
2. Two responsibility centers were included in the responsibility centers that include transformational costs in the 2015 budget, but not included in the budgets of 2016 and 2017, namely, “the Council of Ministers” and the prisoners’ affairs. In the years 2016-2017, namely, the “Council of Ministers” and the “Prisoners Affairs Authority”.
3. In 2016- 2017, the responsibility center of the Prisoners Affairs Authority was merged with the responsibility center of the PLO - National Fund.

Table (4)

Estimated Budget of Transformational Costs and Realized Expenditures for the Years 2015-2016-2017

Year	Estimated Transformational Cost/NIS	Realized Transformational Cost/NIS	Percentage of the Realized from the Estimated Cost
2015	3,446,000,000	3,393,800,000	98.49%
2016	3,598,700,000	3,626,500,000	100.77%
2017	3,781,000,000	3,559,400,000	94.14%

Figure (2)

Comparative Figure of Estimated and Realized Transformational Costs for the Years 2015-2016-2017 (per Million Shekels)

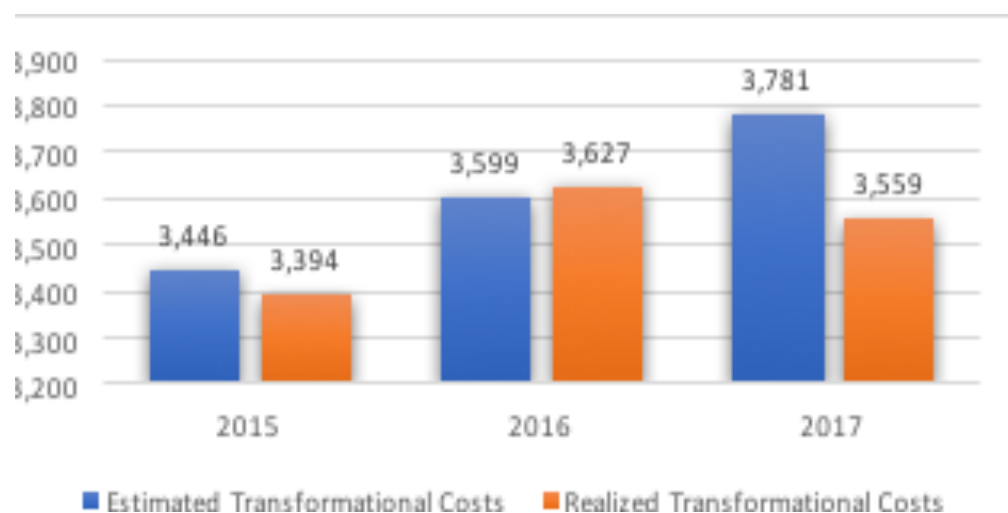


Figure (3)

Comparative Figure of Estimated and Realized Transformational Costs for the Years 2015-2016-2017 (per Million Shekels)

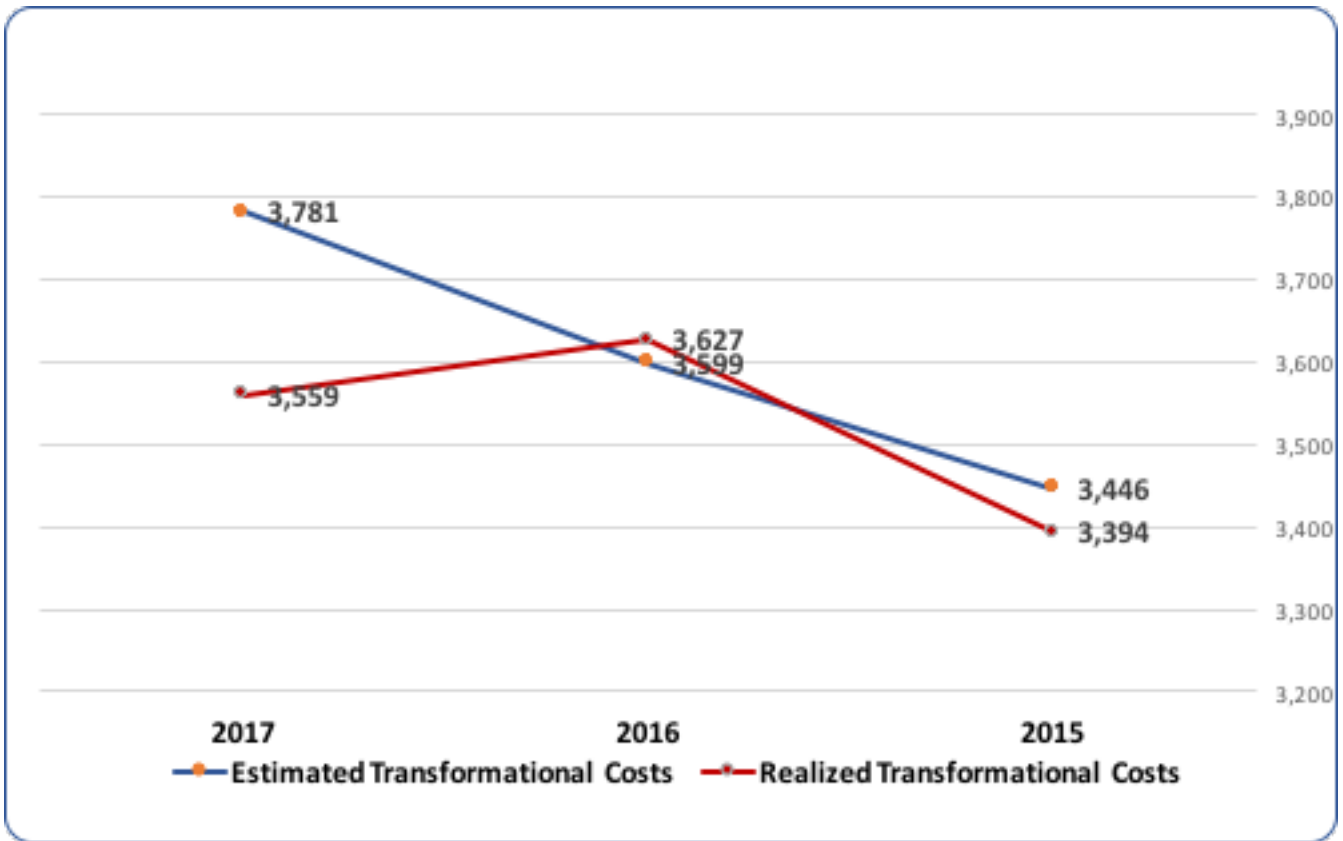


Table (4) and Figures (2+3) above show the following

1. Estimated transformational costs are continuously on the rise in the estimated budgets of 2015-2016-2017.
2. Realized transformational costs were close to the estimated transformational costs of 2015-2016-2017, with a slight decline in 2015 and another decline in 2017 but slightly higher in 2016.
3. The realized transformational costs in 2016 were the highest compared to the years 2015 and 2017, although the estimated budget of transformational costs for 2017 was lower than 2016.

The Reality of Transformational Costs in the Public Budget

Table (5)

Estimated Budget for Transformational Costs and Realized Disbursement for the Years 2015-2016-2017 (for each responsibility center)

.No	Responsibility Center	Budget ²⁵ 2015	Actual Expenditure 2015 ²⁶	Budget ²⁷ 2016	Actual Expenditure 2016 ²⁸	2017 Budget ²⁹	Actual Expenditure 2017 ³⁰
	Retirees	1,000,000,000	1,084,742,000	1,000,000,000	1,029,564,000	1,030,000,000	1,273,444,000
	Ministry of Social Development	775,286,000	1,364,655,000 ³¹	767,533,000	1,530,212,000	756,380,000	
	Foundation for the Care of the Families of Martyrs and Wounded	612,497,000		660,000,000		686,773,000	
	Palestine Liberation Organization (PLO)- National Fund	533,820,000	543,162,000	620,304,000	624,423,000	685,365,000	630,612,000
	Ministry of Local Government	123,000,000	86,061,000	130,000,000	109,187,000	145,000,000	134,276,000
	Ministry of Education and Higher Education	120,000,000	24,944,000	120,000,000	24,586,000	120,000,000	85,516,000
	Public Expenditures	26,000,000	6,692,000	28,000,000	33,027,000	75,000,000	26,465,000
	Ministry of Finance and Planning	42,500,000	152,703,000	60,000,000	79,367,000	68,000,000	43,054,000
	Financial Reserves	55,000,000	26,655,000	55,000,000	9,924,000	55,000,000	11,297,000
	Energy and Natural Resources Authority	55,000,000	0	55,000,000	14,000,000	55,000,000	35,156,000
	Ministry of Jerusalem Affairs	22,000,000	14,304,000	25,000,000	11,999,000	25,000,000	19,799,000
	Legislative Council	21,000,000	15,325,000	21,000,000	15,246,000	20,000,000	12,382,000
	Embassies	14,500,000	13,849,000	15,500,000	14,232,000	15,965,000	12,921,000
	Ministry of Health	15,284,000	0	15,300,000	0	15,300,000	0
	Non-Governmental Organizations	13,700,000	15,545,000	12,050,000	16,384,000	14,000,000	23,913,000

Anti-Corruption Commission	9,000,000	0 ³²	10,000,000	0	10,000,000	0
Settlement and Wall Resistance Authority	3,600,000	0 ³³	3,600,000	0	3,600,000	0
Independent Commission for Human Rights	400,000	0	400,000	0	400,000	0
Prisoners Affairs Authority	0 ³⁴	22,518,000	0 ³⁵	0	0	0
Council of Ministers	3,600,000	1,654,000	0	0	0	0
Total	3,446,187,000	3,372,809,000	3,598,687,000	3,512,151,000	3,780,783,000	

By following up the actual expenditure of responsibility centers over the three years 2015-2016-2017 stated in Table (4), the following cases appear:

First Case: Retirees

Figure (4)

Transformational Costs of the (Retirees) Responsibility Center

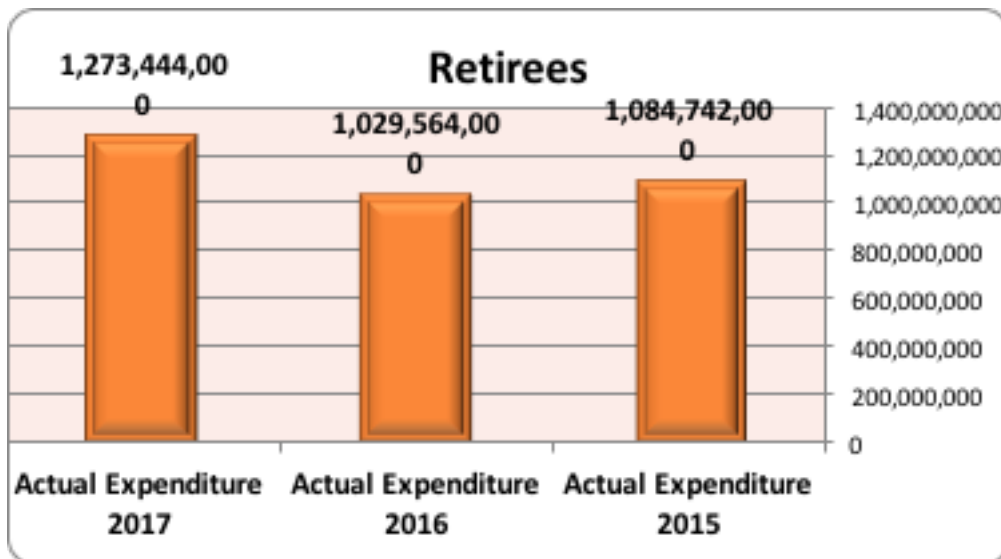


Figure (4) shows that the realized transformational costs of the “retirees” item have increased in 2017. This is a logical result of the increase in both civil and military retirement cases, but it is necessary to provide details on the retirees’ dues, the amount of debts due to the public pension fund from the Palestinian National Authority.

Second Case: Ministry of Social Development and Foundation of Martyrs Families

Figure (5)

Transformational costs of Ministry of Social Development and Foundation of Martyrs Families Responsibility Center

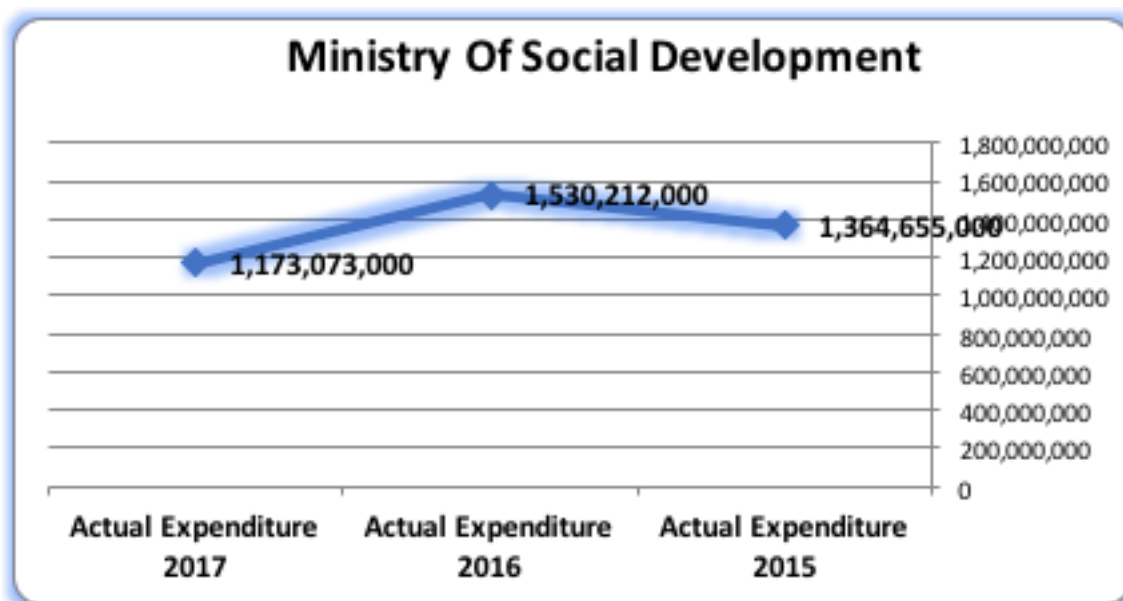


Figure (5) shows that there is an extreme decline in the transformational costs allocated to the Ministry of Social Development and the Foundation of Martyrs Families. Through deep analysis, the decline is in transformational costs of the Ministry of Social Development because of decreasing the number of families receiving cash assistance in 2017.

Third Case: Palestine Liberation Organization (PLO) - National Fund

Figure (6)

The transformational Costs of the (PLO- Palestinian National Fund Responsibility Center)

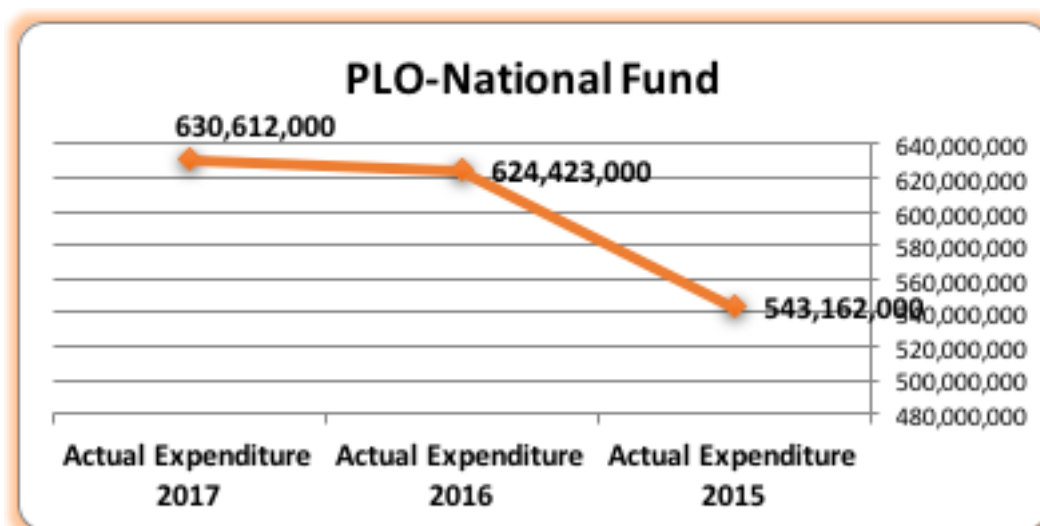
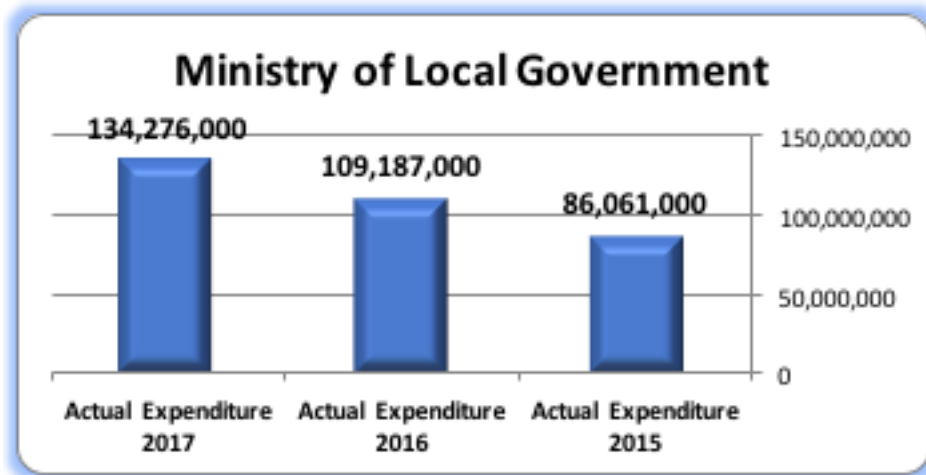


Figure (6) shows that there is an extreme rise in the actual transformational costs actually disbursed to the PLO- Palestinian National Fund responsibility center. One of the reasons of such a rise is the incorporation of the Prisoners Affairs Authority and the National Fund allocations together. However, there are no details about the rest of costs although they constitute a high rate of transformational costs structure.

Forth Case: Ministry of Local Government

Figure (7)

Transformational Costs of (Ministry of Local Government) Responsibility Center



(Figure 7) shows that there is a rise in the actual transformational costs allocated to the Ministry of Local Government, but there are no details about the actual disbursement of these costs within the grants and aids for local authorities and the basis adopted in this regard.

Fifth Case: Energy Authority

Figure (8)

Transformational Costs of the (Energy Authority) Responsibility Center

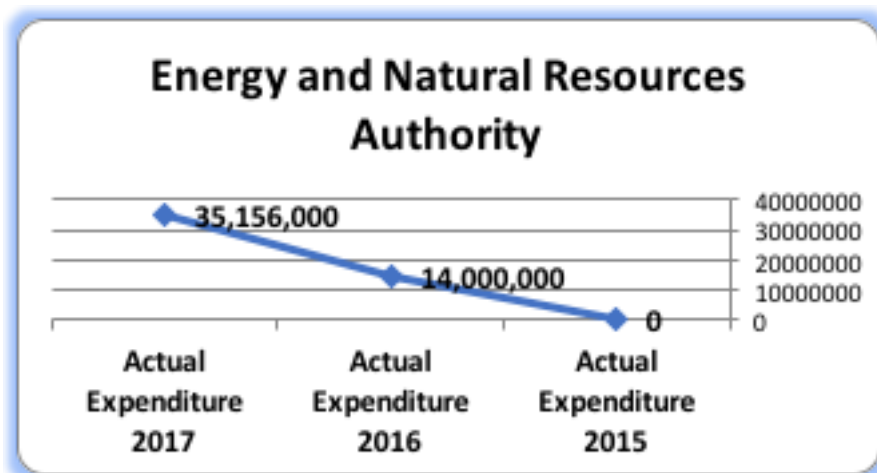


Figure (8) shows that the actual transformational costs of the Energy Authority were on the rise during the years 2016-2017, and it is necessary to provide details on the nature of these costs and the nature of subsidies it provides and to which parties.

Sixth Case: Non-Governmental Organizations

Figure (9)

Transformational Costs of (Non-governmental Organizations) Responsibility Center

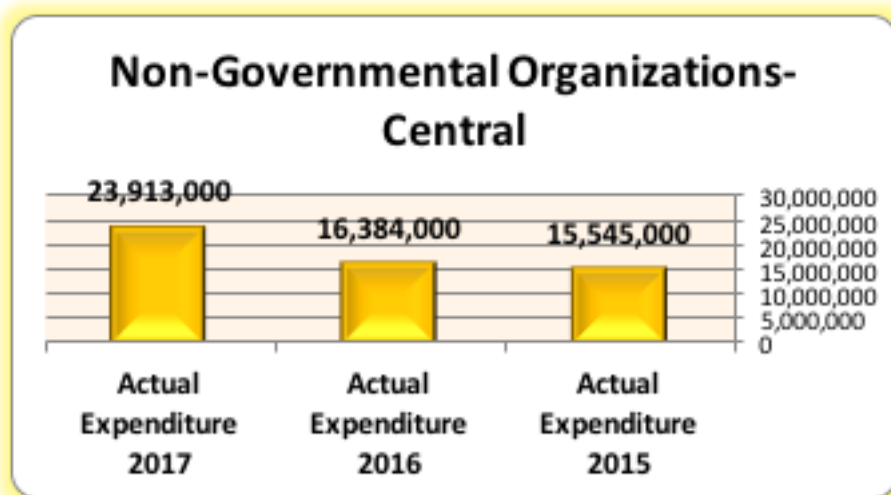


Figure (9) shows that the actual transformational costs allocated to the non-governmental organizations are on the rise and it is necessary to find out details about the allocations of grants to non-governmental organizations and their criteria, especially that the public budget suffers from a deficit and funding gap.

Seventh Case: The Legislative Council (PLC)

Figure (10)

Transformational Costs of the Legislative Council

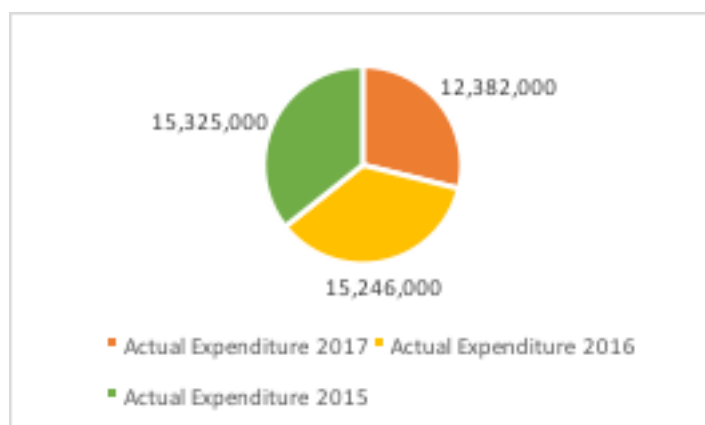


Figure (10) shows that the actual transformational costs allocated to the Legislative Council were decreased in 2017 to be less than 2016 and 2015. This decline was due to suspending the salaries of some PLC members.

The number of PLC members who used to be paid salaries was 132, but 11 of them have passed and 3 new members were appointed (from the lists of which representatives to the PLC passed) and the salaries of 12 members who were considered to be affiliated to the PLC member Dahlan have been suspended. The salaries

of other 31 PLC members affiliated to the Change and Reform Bloc, which belongs to Hamas, have also been suspended. These measures have been taken based on instructions from the senior political level (from the presidency). These measures have led to a reduction in the number of MPs who are paid salaries to become only 93 out of the 132 MPs in 2017. Salaries are transferred to the MPs bank accounts directly from the Ministry of Finance.

Note that this amount does not include what is paid to some MPS directly for renting an office on a monthly basis, which amounts to (8) thousand shekels. The Ministry of Finance transfers the total amount to the Legislative Council, which in turn transfers these amounts to the PMs in accordance with its own decisions. Some transfers were made to some MPs who hold the post of a minister, contrary to the Legislative Council bylaws and the “Law on the Rights and Duties of PLC Members”.

Conclusion:

Despite the government’s launching of the Expenditure Rationalization Plan since 2015, the chronic deficit from which the public budget is suffering and the funding gap, there is a set of responsibility centers at which actual transformational costs were increase remittances has actually increased. There are no sufficient details on the criteria and basis upon which the actual disbursement is made

Conclusions

- Transformational costs is a fixed item in the public budget, it occupies about 22% of the total public expenditure and it has been rising almost continuously in the public budgets over the past three years, despite the government’s launching of the Expenditure Rationalization Plan.
- Based on the definition of transformational costs approved by the Ministry of Finance and Planning, these are the costs the government pays to different segments of the society through a public institution from which a third party is benefiting such as martyrs or poor families. These costs must belong to specific responsibility centers, but they belong to 18 responsibility centers that are distributed among various sectors.
- Although the definition of transformational costs is related to the social sector, only (4) major and minor responsibility centers in the social sector have a budget for transformational costs, while (12) major and minor responsibility centers in the governance sector have a budget for transformational costs as well as other two responsibility centers in the Infrastructure sector.
- Three responsibility centers accounted for (88.4%) of the actual expenditure of transformational costs, namely, (the Pensioners, the Ministry of Social Development, the National Association of Martyrs’ Families, the PLO institutions and the Palestinian National Fund.
- There are significant statistical deviations in the realized transformational costs compared to the estimated, and there is an extreme disbursement / non-disbursement. At the time the transformational costs of the Ministry of Health were 0% of the estimated, the costs of non-governmental organizations-central have reached 170% of the estimated.
- In addition to the expenditures incurred by the State Treasury for the un-functioning Legislative Council, an amount of (NIS 8,000) is allocated to some MPs to be paid for office rentals, in addition to the salaries of those MPs. The PLC pays these amounts without any justifications or disbursement docu-

mentations (Some MPs who receive such payments are assuming ministerial posts).

- There are responsibility centers that are paralyzed and not functioning since many years, such as the Palestinian Legislative Council, however, transformational costs are transferred to them continuously throughout the budget years.
- Despite the government's launching of the Expenditure Rationalization Plan since 2015 and the chronic deficit that the public budget is experiencing as well as the existence of a funding gap, the actual expended transformational costs of a set of responsibility centers have actually increased. There are no sufficient details on the criteria and bases for actual disbursement.
- Despite the financial crisis experienced by the government, the actual disbursement of funds allocated to non-governmental organizations is continuously increasing through transformational costs.
- The actual expenditure of transformational costs of the Palestine Liberation Organization (PLO) - the National Fund is on the rise in spite of the Expenditure Rationalization Plan, taking into account the integration of Prisoners Affairs Authority allocations in this responsibility center.
- The transformational costs allocated to the poor families are declining, which threatens tens of thousands of poor citizens as well as the vulnerable and most marginalized groups. This is shown by

tracking the estimated and actual transformational costs of the Ministry of Social Development.

Recommendations

- It is necessary for the Ministry of Finance and Planning to adhere to the principle of transparency in terms of transformational costs, as they constitute about a quarter of the public costs, through clarifying the areas of spending in all responsibility centers in order to identify forms of rationalization at these centers, especially in light of the financial crisis the budget is experiencing and its chronic deficit.
- Transformational costs should be limited to the relevant responsibility centers and in accordance with the approved definition of transformational costs, in order to achieve more control within the identified responsibility centers.
- In light of approving the Programs and Performance budgets by the Ministry of Finance and Planning, it is necessary for the transformational costs to be associated to clear programs and identified goals, objectives and outputs.
- It is necessary to activate the principle of accountability in the transformational costs, especially in the light of the having significant statistical differences and clear deviations between the estimated transformational cost budgets of different responsibility centers and the actual realized transformational costs.
- It is necessary for the Ministry of Finance and Planning to review the transformational costs granted to non-functioning or paralyzed responsibility centers such as the Palestinian Legislative Council.
- It is necessary not to allocate transformational costs to irrelevant responsibility centers or to centers that do not have any information about them, such as the allocation of the transformational costs of the 2005 appointments to the Ministry of Social Development responsibility center, where these costs are misleadingly exaggerated.
- It is necessary to conduct specialized survey studies on the responsibility centers that include transformational costs with no clear details, continuously rising and consume a high percentage of the public budget, in order to identify the forms of rationalization based on this diagnostic paper.

Resources and References

“Arranged as Stated in the Survey Paper”

- Decree Law No. (3) of 2017 on the Public Budget 2017, issued on: 15/2/2017.
- Citizen Budget 2016, issued by the Ministry of Finance and Planning - Palestine 2016.
- Public Budget Book 2017, issued by the Ministry of Finance and Planning 2017.
- The actual accumulative expenditure report of December 2017 issued by the Ministry of Finance on: 24/1/2018.
- Decree Law No. (9) of 2015 on the Public Budget 2015 – Budget Indicators Statement 2015.
- Public Budget Book 2016, issued by the Ministry of Finance and Planning 2016.
- The actual accumulative expenditure report of December 2015 issued by the Ministry of Finance on: 17/1/2016.
- The actual accumulative expenditure report of December 2016 issued by the Ministry of Finance on: 23/3/2017

The Reality of Transformational Costs in the Public Budget

- 1 Public Budget Book 2017, issued by the Ministry of Finance and Planning 2017, PP 23-25.
- 2 The accumulative monthly report of December 2017, issued by the Ministry of Finance and Planning on 24/12/2017, table 5/b.
- 3 Public Budget Book 2017, issued by the Ministry of Finance and Planning 2017, page 766.
- 4 In the Ministry of Finance and Planning periodic reports, the actual costs of Ministry of Social Development and Foundation for Care of Martyrs and Wounded Families are incorporated together.
- 5 Public Budget Book 2017, issued by the Ministry of Finance and Planning 2017, page 622.
- 6 Public Budget Book 2017, issued by the Ministry of Finance and Planning 2017, page 383.
- 7 Public Budget Book 2017, issued by the Ministry of Finance and Planning 2017, page 646.
- 8 Public Budget Book 2017, issued by the Ministry of Finance and Planning 2017, page 315.
- 9 Public Budget Book 2017, issued by the Ministry of Finance and Planning 2017, page 139.
- 10 Public Budget Book 2017, issued by the Ministry of Finance and Planning 2017, page 780.
- 11 Public Budget Book 2017, issued by the Ministry of Finance and Planning 2017, page 217.
- 12 Public Budget Book 2017, issued by the Ministry of Finance and Planning 2017, page 577.
- 13 Public Budget Book 2017, issued by the Ministry of Finance and Planning 2017, page 715.
- 14 Public Budget Book 2017, issued by the Ministry of Finance and Planning 2017, page 921.
- 15 Public Budget Book 2017, issued by the Ministry of Finance and Planning 2017, page 738.
- 16 Public Budget Book 2017, issued by the Ministry of Finance and Planning 2017, page 541.
- 17 Public Budget Book 2017, issued by the Ministry of Finance and Planning 2017, page 245.
- 18 Public Budget Book 2017, issued by the Ministry of Finance and Planning 2017, page 682.
- 19 Public Budget Book 2017, issued by the Ministry of Finance and Planning 2017, page 798
- 20 Public Budget Book 2017, issued by the Ministry of Finance and Planning 2017, page 929
- 21 There is discrepancy between the total realized transformational costs listed in the actual expenditure report of the basic public budget items table (1) and the total accumulative transformational costs in the various responsibility centers listed in table (5/b). This is an indicator that the expenditure of transformational costs takes place also outside the responsibility centers. The source is the accumulative monthly report of December 2017, issued by the Ministry of Finance and Planning on 24/12/2017
- 22 Decree Law No. (9) of 2015 on the Public Budget 2015- Budget Indicators Statement 2015.
- 23 Public Budget Book 2016 issued by the Ministry of Finance and Planning 2016, pp. 22-24.
- 24 Public Budget Book 2017 issued by the Ministry of Finance and Planning 2017, pp. 23-25.
- 25 Decree Law No.(9) of 2015 on Public Budget- Budget Indicators Statement 2015.
- 26 Actual Accumulative Expenditure Report of December 2015, issued by the Ministry of Finance on 17/1/2016.
- 27 Public Budget Book 2016 issued by the Ministry of Finance and Planning 2016, PP. 22-24.
- 28 Actual Accumulative Expenditure Report of December 2016, issued by the Ministry of Finance on 23/3/2017.
- 29 Public Budget Book 2017 issued by the Ministry of Finance and Planning 2017, PP. 23-25.
- 30 Actual Accumulative Expenditure Report of December 2017, issued by the Ministry of Finance on 24/1/2018.
- 31 According to the Actual Accumulative Expenditure Report issued by the Ministry of Finance and Planning, transfor-

mational costs of both Ministry of Social Development and Foundation for Care of Martyrs and Wounded Families are incorporated together.

32 According to the Actual Accumulative Expenditure Report issued by the Ministry of Finance and Planning, actual expenditure of transformational costs of both Anti-Corruption Commission and Non-Governmental Organizations Responsibility Centers are incorporated together.

33 According to the Actual Accumulative Expenditure Report issued by the Ministry of Finance and Planning, actual expenditure of transformational costs of both Settlement and Wall Resistance Authority and Non-Governmental Organizations Responsibility Centers are incorporated together.

34 The estimated allocations were incorporated with the PLO- National Fund responsibility center.

35 Prisoners Affairs Authority allocations were incorporated with the PLO responsibility center-National Fund.



The Coalition for Accountability & Integrity (AMAN)- which was accredited by Transparency International (TI) as a national chapter in Palestine since 2006 - established in 2000 by an initiative of number of CSOs working in the field of democracy, human rights and good governance towards reaching its vision of Palestine free of Corruption.

The Coalition is keen to create and lead a social movement against corruption and to contribute in the production, transferring and localization of the necessary knowledge in anti-corruption at the local, regional and international level.

The Coalition is also keen to play its monitoring/watchdog role on the National Integrity System through focusing on community participation, activating the role of civil society institutions and media in monitoring management of public money and affairs, and creating a work environment that contributes to unclosethe corruption crimes and restrict its spread.