



TAX, BUDGETS AND CITIZEN PARTICIPATION IN OPT

PROGRAMME PERIOD: 2015 - 2020



OXFAM
Novib

Tax justice and budget monitoring work touches upon one of the corner stones of democratic values: transparency, accountability and participation. It is about holding governments accountable for raising and spending public funds. Public funds are raised by taxation and foreign aid and are meant to benefit all citizens. Tax justice and budget monitoring focuses on citizens, specifically marginalized groups, and on civil society organisations to get a grip on government budgets and related financial flows such as taxes and foreign aid so that these resources are being spent for the benefit of all citizens.

The Occupied Palestinian Territory (OPT) faces a unique situation when it comes to governance as the context of public finance and accountability is deeply influenced by two distinct and important factors. First, the Israeli occupation of the OPT and second, the multiple layers of governance on the national level which include the Palestinian Liberation Organisation (PLO), the Palestinian National Authority (PA), the President's office and the Ministerial Cabinet, and the Palestinian Legislative Council (PLC) which is the authority which legally extends to West Bank and Gaza. The multiple layers of governance are further complicated by the ongoing political divide between West Bank and Gaza. The above factors greatly manipulate tax collection, efficient delivery of social services, and citizen participation in the budget process in OPT. As a result, there is an atmosphere of confusion and disillusionment regarding the respective roles of the Government and public bodies as well as on how decisions are taken regarding public finances. This led to what many perceive as lack of accountability of public bodies and a default situation where citizens are disempowered from taking an active part in public affairs. This is reinforced through relatively weak capacity of Palestinian media to bring these issues into the public focus. Political will is weak in relation to providing public access to budget documents and explaining the limitations in providing services. In turn these factors disincentives citizens and companies from paying taxes. The risk is that the longer accountability is absent, the greater the incentive to withhold information and for citizens to be alienated from the public sphere, as duty bearers become ever less accustomed to answering to the public. Besides the abovementioned strong influencing factors on governance in OPT, periodic armed conflicts in Gaza (2008, 2012 and 2014), outbreaks of violence in the West Bank, and the ever-increasing restriction imposed by the occupation have further led to absence of democratic values such as transparency, accountability and participation.

Programme objectives

The general objective of the programme is to *increase the responsiveness of Palestinian national and local budgets to the needs of poor and marginalized citizens, while supporting autonomy and transparency in revenue generation*. The desired outcomes of the programme are:

1. Citizens, media and civil society organizations have an effective voice in demanding transparency and accountability of budget stakeholders and the international donor community and are capable to formulate relevant policy alternatives;
2. Citizens and civil society organizations contribute to a just, effective, predictable and transparent revenue system;
3. Budget stakeholders and international donors allocate public resources in a fair way to support marginalized citizens, in particular women and girls, giving them access to their basic rights (education, health, social welfare).

Intervention strategies

Oxfam recognizes that a great potential exists for civil society in OPT to influence the budget process and to have a real impact on the lives of ordinary citizens. At the cornerstone of Oxfam's approach is to aim for increased accountability and responsiveness of authorities in formulating, implementing and assessing the budgets. The national and local budgets incorporate decisions on a wide array of issues – from education to health care to taxes – that affect the lives of the poor and marginalized in significant ways. The current low levels of public trust in the institutions and lack the scrutiny of the public budgets and the revenue collection are hindering meaningful citizens' participation in public affairs in OPT.

Responding to the needs of key stakeholders and the wider public in OPT, the programme includes a set of interconnected intervention strategies: a) building capacity of civil society organizations, media and citizens to effectively influence government tax and budget policies and international donors; b) facilitate creation of broader alliances to enhance knowledge and exchange of experiences, and to lobby donors and the international community (World Bank, European Union, etc.) for more inclusive and transparent aid mechanisms; c) conduct research and policy work to monitor implementation of budgets and advocate for fair allocation and fair taxation ensuring access to basic social services for poor and marginalised citizens; d) develop tools for budget and revenue tracking that will seek to monitor revenue forecasting, actual collection, discrepancies; and e) campaigning. The underlying Theory of Change is that increasing citizen, media and civil society voice, mobilization and participation in tax and budget issues that affect them will create the pressure needed to bring about positive changes to the revenue collection system and the allocation of public resources. Initial positive changes in the tax system and local budgets will create a positive feedback loop: as citizens, CSOs and the media recognize the concrete results of actively participating in these issues, they will enhance their understanding of the issues, increase their engagement, maintain an oversight of the processes, and are more likely to make contributions to the system that they have helped shape.

Rights Based Approach

Oxfam uses the Rights Based Approach (RBA) in its work, meaning that we believe that all persons have rights (like the right to food, shelter, education, health services, etc.) that should be protected and promoted by governments. We therefore analyse how budgets and taxes in a country can possibly affect these rights. We will share methodologies of analysis with civil society organizations, strengthen them in formulating gender sensitive budgets and lobbying towards the government to make budgets pro-poor and to be transparent in the way budgets are formulated. We improve the capacity of civil society organizations and citizens to formulate feasible alternatives to policy making. We will use our global network in the tax justice work as well as in budget monitoring, to link national organizations to wider networks of knowledge institutions in order to make information and experiences accessible to them and to strengthen a global alliance for fair taxes and

budgets. This programme is part of a wider programme in the MENA region, with other similar national-level initiatives in Yemen, Tunisia and Morocco, and a multi-country programme at the regional level. Oxfam assures that sharing knowledge and alliance building at the regional level will be linked to global networks.

Added value

Oxfam's added value lies in:

- a. An extensive experience in working with organisations and developing their capacities
- b. Oxfam's budget monitoring work and support is generating numerous valuable studies and training materials.
- c. Linking local and national level initiatives to each other and to the global level
- d. Oxfam is an active member of networks and platforms like the BTAP Alliance (Budget transparency, Accountability and Participation Alliance), promoting the work around tax justice, budget monitoring and citizen participation.

In cases where there is little space for civil society to speak out, Oxfam is often asked to use its brand and expertise help to raise their issues on other levels. When civil society is strong Oxfam will use Oxfam's brand and network to create space for these organizations with relevant actors on national and international level.

Oxfam seeks to guarantee linking and learning of experiences and knowledge at the local, regional and global levels, ensure programme quality and will therefore develop and implement a comprehensive Monitoring, Evaluation and Learning system.

Budget

The budget for this programme is €5,193,980 for 5 years, or €1,038,796 per year, of which 30% represents office and support costs and 70% is for direct activities.

We very much hope that you will come on board as an early adopter. Please get in touch for further information.

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