**Global Initiative for Fiscal Transparency**

**Operating Procedures as approved by the stewards and the lead stewards on the 7th and 8th of July, 2015**

Section 1 - Background and objectives

GIFT is a multi-stakeholder action-network (MSAN) whose value proposition is to achieve sustained, measurable improvements in fiscal transparency, public participation and accountability in countries around the world, by advancing incentives, norms, peer-learning, technical assistance and new technologies. In pursuit of these goals, GIFT brings governments, civil society organizations, international financial institutions, private sector representatives, professional associations and donors together to facilitate a dialogue on fiscal openness.

Currently housed within the International Budget Partnership, GIFT connects the primary international actors with other networks, champion governments, civil society organizations, investors, specialists and technical assistance providers. Its comparative advantage is to bring together a uniquely diverse group of stakeholders - a concert of multiple, influential and engaged set of actors – willing to advance fiscal transparency participation and accountability in a balanced, committed, cross-sector dialogue and action.

Section 2 - Purpose of this document

The purpose of this Operating Procedures document is to draw together and codify all decisions taken by GIFT in relation to governance of the network. It is intended as a living document that may be updated periodically at the request of the stewards to reflect new priorities or operating realities.

Section 3 - Participation in GIFT: stewards and partners

The members of the multi-stakeholder action network are called the stewards. Government agencies, civil society organizations, multilateral institutions, international financial institutions, donors, development banks, academic institutions, non-profit institutions, research centers, professional associations, private sector and investor organizations, foundations, providers of international cooperation aid, investigative journalists, and other entities and organizations working on how public money is spent, can be stewards of the network.

All organizations engaged as GIFT stewards in January 2015 are confirmed as GIFT stewards (list attached).

Eligible stewards can join GIFT by submitting a letter of intent that signals:

* Their willingness to become members of the network, assuming the terms of reference of the stewards;
* Their commitment to intensify efforts to enhance fiscal transparency, participation and accountability in fiscal policies, including through the consideration of the High Level Principles on Fiscal Transparency, Participation and Accountability;
* Their engagement to promote discussions on advancing the common goal of transparent, participatory and accountable management of fiscal policies;
* Their disposition to promote cooperation and information sharing between all stakeholders to assist peers in building their capacity and to exchange experiences with regard to transparency, participation and accountability in fiscal policies.

All applicants that submitted a letter of intent or expressed their willingness to formalize their participation in GIFT as stewards will receive an official response from the network director (described in section 8) that reflects the decision of the lead stewards (described in section 6) on the proposed membership. The network director will follow up with new stewards and ensure their integration to the network. The list of stewards participating in GIFT is posted on the GIFT website.

The GIFT members attend the General Stewards Meetings at least twice a year, barring exceptional circumstances. These meetings function as the advisory body of GIFT, providing a forum for GIFT stakeholders to define and advance the objectives of the initiative and to exchange their experiences in promoting fiscal openness understood as fiscal transparency, participation, and accountability.

Government agencies that are GIFT stewards will present an action plan to push for increasing fiscal transparency, participation and accountability in their area of responsibility in their countries; the progress of these actions will be published and reported regularly to the GIFT network which will provide feedback and recommendations.

The Bi-Annual General Steward’s Meetings are hosted and organized by the network director, with the support of the coordination team (described in section 9).

Participation in GIFT is inclusive and open to any agency, institution, organization, or body willing to advance fiscal openness and to contribute to, or benefit from, the network’s streams of work. Any GIFT stewards or the network director can invite these stakeholders to engage in GIFT activities, who will be identified as partners of GIFT. These participants do not have to fulfill the stewards’ functions, but are expected to uphold the values and principles articulated in the High Level Principles for Fiscal Transparency and to consistently and continually advance fiscal openness.

Section 4 - Terms of reference for the stewards

The stewards shall work towards establishing GIFT as an effective and efficient multi-stakeholder action network; expand the network to cover as many stakeholders as possible within the fiscal and budget community and continuously work to improve the credibility and impact of GIFT streams of work. They comprise the action network and establish GIFT’s value proposition, core strategies, and main areas of action.

The functions of the stewards are to:

* Define the guiding principles and norms and ensure that they continue to evolve to meet the value proposition of the network;
* Set the global agenda and provide strategic advice to the action network;
* Ensure that GIFT continues to support its stewards in meeting their fiscal openness goals;
* Support a wide range of stakeholders within the fiscal openness community;
* Propose and agree upon the work streams and participate in them;
* Lead efforts to implement agreements and report on products and results;
* Establish working groups and contribute their expertise and resources to them;
* Participate regularly in the general stewards meetings;
* Provide intellectual and financial support, including through in-kind and human resource support;
* Mobilize additional financial resources for the long term sustainability of the network;
* Conduct ongoing outreach with other engaged stakeholders on fiscal openness.

A steward that fails to respond to the network’s communications and does not attend the stewards general meeting for more than eighteen months will cease to be a steward and be considered a partner of GIFT.

Section 5 - The GIFT general stewards meeting

The advisory body of GIFT is the stewards general meeting, attended by all the action network stewards. The stewards who wish to take part in the general meeting must give notice to the network director as soon as possible; a steward may participate by remote means and may be represented in the general meeting by written proxy.

Section 6 - Terms of reference for the lead stewards

The lead stewards are selected from among the stewards, but they will assume the additional responsibility of leading the network and will have decision-making functions; the leading and governing body of GIFT is the lead stewards meeting, which is intended to act as a compact executive decision-making board. Virtual participation and representation by written proxy is allowed in these meetings.

The founding stewards of GIFT are the Secretary of Federal Budget and Management of Brazil, the Secretary of the Philippine Department of Budget and Management, the World Bank, the International Monetary Fund, the International Budget Partnership; this group constituted the lead stewards for the period 2011-2014. At the end of 2014, they invited the International Federation of Accountants to be part of the lead stewards. All these organizations engaged as GIFT lead stewards in January 2015 are confirmed in that role.

Stewards who have shown an outstanding engagement in GIFT and whose active involvement has had a positive impact on the multi-stakeholder action network, can express their intention to become a lead steward. Such a request must include a proposal for resource mobilization for the network or its value proposition and must express a willingness to assume the lead stewards’ terms of reference. The network director will provide an official document reflecting the decision of the lead stewards on the submission.

The functions of the lead stewards are to:

* Define strategic priorities with the network director and consider general and specific policy issues affecting GIFT;
* Assume a leadership role in one or more GIFT activities, clarifying their contribution to the network, their level of engagement, the deliverables and outcomes expected, and reporting regularly on the matter;
* Manage stakeholder membership as stewards, including eligibility and participation;
* Oversee and direct the work of the network director and of the working groups and work streams teams;
* Approve the annual work plan and the budget of the network director and review her/his performance;
* Appoint and remove the network director;
* Actively participate in periodical lead stewards meetings;
* Mobilize additional resources through fund raising;
* Adopt procedures and rules for the management and operation of GIFT;
* Invite stewards to become lead stewards;
* Encourage attendance and equal participation of all stakeholders;
* Represent GIFT at high-level meetings and in other discussions forums relevant to the broader fiscal transparency agenda as necessary, acting as an advocate for the initiative.

Section 7 - Decision-making by the stewards and the lead stewards

Stewards will make every effort to adopt resolutions by consensus on all issues. In important decisions, provision will be made for those who are unable to attend to register their views ahead of the deliberations. In exceptional circumstances where consensus cannot be achieved, decisions will be taken by voting, requiring a simple majority of the votes.

Section 8 - The network director

The leadership responsibilities fall upon the network director, who is also in charge of coordinating and facilitating GIFT activities and representing the MSAN. The network director reports directly to the GIFT lead stewards; she/he will implement the work plan and budget approved by the lead stewards and report on its progress.

The network director’s functions include to:

* Develop and implement the approved strategy, action agenda, work plan and budget and report on its progress in terms of program performance and the conditions of service delivery;
* Support the stewards by leading the expansion of the MSAN;
* Prepare the agenda and materials for the stewards’ and lead stewards’ meetings, providing sufficient information for decision-making, and distinguishing the points that require a decision from those that are informative;
* Represent GIFT before country, regional and international bodies and in various development, public finance management, and governance fora around the world;
* Develop a resource mobilization strategy in consultation with the lead stewards, taking into account the needs and priorities as set out in the work plan;
* Review performance against the intended results;
* Further develop and implement the GIFT strategy by engaging with key external stakeholders, supporting the GIFT working groups, and spearheading all activities of the network;
* Further develop the overall governance of GIFT, including expanding and deepening the participation of GIFT’s lead stewards;
* Manage the GIFT coordination team and be responsible for its performance, services and outputs;
* Initiate periodic reviews of the activities and programs at the lead or general stewards meeting, upon request;
* Coordinate the financial and project management of the GIFT network.

Section 9 - The coordination team

The GIFT coordination team consists of a group of highly qualified, resourceful and competitive professionals who are in charge of the substantive work stream and activities of the action network related to research, norms, principles, technical assistance, dissemination, open data stream and use of technologies in the area of fiscal transparency, public participation and accountability. This team reports to the network director.

The major functions of the Coordination Team are to:

* Provide strategic advice on GIFT’s work systems and operations;
* Support the effective functioning of the stewards and lead stewards meetings, activities and projects;
* Represent GIFT as required, in coordination with the network director;
* Support the mobilization of donor resources in support of the GIFT Network;
* Coordinate engagement with the different stakeholders and members of the GIFT network;
* Maintain communication and coordination with the GIFT network partners;
* Produce analytical and substantive outputs that advance GIFT’s agenda, such as research papers, stock-taking papers, draft normative instruments, substantive papers, manuals and guides, technical assistance and training material, etc.;
* Assist stewards in their fiscal transparency efforts;
* Foster peer learning among participant countries;
* Keep an updated registry of the stewards and GIFT partners at all times.

Section 10 - GIFT hosting institution

GIFT is currently hosted by the International Budget Partnership, a nonprofit corporation organized under the laws of the District of Columbia (“Grantee”) and operated for charitable, educational and/or scientific purposes within the meaning of Section 501(c)(3) of the US Internal Revenue Code. Therefore, all coordination and administrative functions of GIFT must comply with IBP financial and administrative policies and procedures.

Section 11- Sources of Funding

GIFT is a nonprofit initiative hosted in a nonprofit international organization; its funds consist of voluntary contributions from its stewards and grants from bilateral and multilateral donors, international financial institutions and other agencies, organizations and entities. GIFT may also operate through voluntary contributions in kind.

Section 12 - Independent evaluation system

The lead stewards shall approve an external, independent system for reviewing GIFT performance and identifying its impact, while trying to understand the nature and significance of that impact in the countries, arenas, networks and processes in which it will be working. These evaluation mechanisms might overlap with or be the same as the ones planned as part of the donors’ requirements for reporting on the grants awarded to the action network.

Among others, the objectives of the independent review, reporting directly to the lead stewards, are the following to:

* Evaluate the impact of GIFT on advancing significant and sustained improvements in fiscal openness in countries around the world
* Assess the role of GIFT in global political agenda setting, furthering the coherence and comprehensive of global norms, strengthening incentives, building of knowledge and facilitating of peer learning for fiscal openness;
* Assess the role of GIFT in plans and actions on fiscal openness of the countries where it has worked;
* Assess the way in which it works and complements other processes, networks and actors that are moving forward this international agenda;
* Assess GIFT outputs regarding the documentation of evidence of the impact of fiscal transparency and incentives for advancing and institutionalizing fiscal openness;
* Make some recommendations for helping define the future of GIFT.

Section 13 – Transparency and Accountability

* Preserving the privacy and confidentiality of third parties, GIFT shall publish in its website all useful information about its activities, streams of works, products, services, final decisions, resources and performance, as a means to facilitate a full understanding of the network.
* GIFT shall submit a yearly report of its activities, accomplishments and finances to the General and Lead Stewards, as well as all reports required by donors.