



STRATEGY NOTE FOR THE NEW PHASE OF GIFT 2018-2021 (Second version) **GIFT Coordination Team, January 2017**

This document proposes a core strategy to guide GIFT's main activities from 2018 to 2021. The GIFT Operating Procedures establish that the lead stewards must define strategic priorities with the network director and consider general and specific policy issues affecting GIFT. This strategy note will nurture the GIFT fund-raising effort that will be launched in 2017.

This proposal describes the main findings of the GIFT independent evaluation and the conclusions of the strategic planning and the lead stewards meetings held respectively in September 2016 and January 2017. It then describes the implications for the work of the network and the core activities for the next period of the network. The working model of GIFT, and the budgetary implications of the new strategy are also described.

Background: the people at the core of GIFT future work

This proposal reflects the discussions about the new phase of the network held at the Lead Stewards Meeting in January 17th, 2017, the independent evaluation of the network ([here](#)) and the strategic planning meeting held in September 2016 ([here](#)).

The overall findings of the evaluation were that GIFT is a successful network, uniquely placed as a learning platform to offer support for reforms aimed at increasing fiscal transparency, public participation and accountability. Evidence gathered by the evaluation team showed that GIFT is highly relevant and, crucially, that convergence and increased coherence around the norms and standards on fiscal transparency would not have happened without it (p.47). The evaluation also shows that the network plays the role of “matchmaker” and “facilitator,” bringing together international financial institutions, governments, academic institutions, donors, private sector and civil society stakeholders engaged in providing greater fiscal transparency (p.33), while connecting practitioners with high technical knowledge across the globe and providing access to practical technical assistance (p.49). GIFT's unique comparative advantage is its convening power, which enables all the major institutions to sit around one table, bringing key actors together, to challenge them and to encourage them to work in a coordinated way: a multi-stakeholder action network that transcends official actors and civil society, bringing diverse interests together to promote effective cooperation.

The strategic planning meeting established a set of core strategic topics to frame the network's main activities for the 2018-2021 period. The key challenge that the lead stewards identified is that improvements in fiscal transparency, public participation and accountability around the world remain slow and uneven. In addition, the effect of current efforts is being dissipated due to the large number of actors in the field. Before these challenges, an action network with a broad set of stakeholders sharing a common interest in pursuing fiscal transparency and public participation, with a multilevel and flexible knowledge sharing and peer learning approaches, has been an efficient way to global norm harmonization and finding both innovative solutions and advocacy strategies in dialogues that engage government champions with civil society and private sector fiscal information users. GIFT fills a major gap in the field of fiscal openness by bringing together a uniquely diverse group of actors - its efforts complement and leverage those of other individual actors and initiatives. In fact, no single actor could undertake this ambitious and complex task on its own: a concert of multiple, influential and engaged set of actors is needed to advance fiscal transparency and participation in a sustainable manner.

The lead stewards determined that the value proposition and the theory of change of the network are still sound. They also concluded the challenges towards greater fiscal transparency cannot be fully understood without placing the interests of the citizen and the people at the core of the network activities.

GIFT value proposition and theory of change
<p><u>Value proposition</u>: GIFT is a multi-stakeholder action network that seeks to achieve sustained, measurable improvements in fiscal transparency by bringing together a diverse group of international and national actors that hitherto have pursued this agenda independently. GIFT work on strengthening norms, incentives, peer-learning, technical assistance, high-level dialogue and use of technologies/open data to advance and institutionalize more transparent, participatory, and accountable fiscal decision-making processes and policies in countries around the world.</p> <p>GIFT's <u>theory of change</u> proposes that strengthening norms, incentives, peer-learning, technical assistance, high level dialogue and use of technologies/open data will advance and institutionalize more transparent, participatory, and accountable fiscal decision-making processes and policies in countries around the world. This in turn will foster more efficient and effective use of public resources, and help curb corruption, enabling governments to provide better service delivery for citizens as well as financial and macro-economic stability, to advance the ultimate goals of poverty alleviation and, more broadly, inclusive and sustainable human development.</p>

At the lead stewards meeting of January 2017, participants discussed a first draft of the new network strategy. They concluded that the comparative value of GIFT has been its work on global norms, its convener role for peer-to-peer learning, and on making sure that fiscal transparency is useful to potential users. The action network should continue to help those governments seeking to advance fiscal transparency, participation and accountability, and who are willing to benefit from access to a peer-to-peer learning forum that integrates dialogue with private sector and civil society representatives and international expertise. While conscious of the limited capacity of the network, participants expressed their belief that deepening the efforts in these areas and at the same time, developing a proper systematization for these exchanges to improve knowledge outcomes, will be crucial.

Aware of a rapidly changing international environment, the lead stewards acknowledged that the definition and purpose of an action network is different at present time from the views held during the strategic planning meeting of September 2016, making it difficult to undertake any planning exercise for a period of 3 or 4 years. Therefore, it was agreed that the role of a multi-stakeholder action network may need to change constantly and the strategy document should therefore be open to periodic reconsiderations.

The implications for the future activities of the network are the following:

1. First, GIFT will continue to be at the frontline of public participation in fiscal policies, emphasizing the right's perspective of public participation and multiplying the number of mechanisms that illustrate practices around the world that encourage people's engagement in the budget cycle, and intensely promote its knowledge and disseminate it among countries committed to open government and participation;
2. Second, as part of the expansion of the adoption of the High-Level Principles on Fiscal Transparency, Participation and Accountability, GIFT will further assess and disseminate



information and evidence on the links between fiscal transparency and areas that directly affect citizens;

3. Third, GIFT will continue to engage as an internationally experienced connector/broker with countries committed to open government, facilitating knowledge sharing among the network partners and fostering the development of IT tools, particularly within the Open Government Partnership community of countries;
4. Finally, the lead stewards will be open to re-assess the impacts of the network and reconsider its priorities, in an effort to respond and adapt effectively to a changing global environment.

The core activities of GIFT for 2018-2021

A. Work on global norms: public participation and expanded HL principles on areas that directly affect citizens

The evaluation showed that GIFT's efforts to improve harmonization of norms and build a powerful relationship with the OGP community have been successful. Budget transparency is one of the eligibility criteria for OGP membership, so GIFT will continue to work within the Fiscal Openness Working Group with countries that aspire to become part of OGP, countries that are working in defining fiscal transparency commitments in their National Actions Plans, and countries that are implementing these commitments. GIFT is an effective forum for learning about the current normative global architecture of fiscal transparency, the various standards and measurements, the High-Level FT Principles and more recently, the principles of public participation in fiscal policies.

With respect to public participation, GIFT will continue to prioritize this new line of work, which could potentially have a significant impact by linking fiscal transparency with the public interest. As the *Guide on Public Participation Principles and Mechanism in Fiscal Policy* was completed in 2016, GIFT will continue discussing and disseminating the principles and practices with partners and stewards, as well as documenting new cases that illustrate the variety of viable approaches for integrating public engagement in fiscal policies. Additionally, GIFT will seek to share this conceptual knowledge and practical experience with governments and institutions willing to incorporate citizen feedback and participation in their policies and operations.

Furthermore, GIFT will continue addressing the potential work in building norms that link current standards with more citizen-centric proposals. GIFT will update the work on the Expanded Version of the High-Level Principles in which each of the ten Principles is explained in more detail, providing guidance for those putting the Principles into practice. In this area, GIFT will particularly address principles that support citizen efforts to monitor how their taxes are collected and how public money is being spent, and to have a say in fiscal policies (principles 2, 3, 4, 6 and 10). The goal will be to better link budget information with areas that affect people's lives and matter to the citizens. There is a gap between norms and the citizen perspective, and this is an area where GIFT can help, by addressing possible gaps in norms, and by making these documents more understandable, through dialogue between governments and the users of this information.

As this more detailed and practical approach to the HL Principles identifies areas of interest for the public, GIFT will seek to engage with other communities, including discussions on public service delivery, anti-corruption and revenues. As such, GIFT will seek to find partners to further address research and implementation related to areas that could serve as an entry point in increasing public interest in the fiscal transparency topic and increasing the impacts of FTPA.



Specific attention will be devoted to the public availability of budget information, and formal and informal mechanisms of public engagement in public service delivery, as well as the combat against corruption and revenues. Experiences with the disclosure of budget and service delivery information as an intended enabler of direct public engagement will be documented as part of the practices of HL Principle 10.

GIFT will continue to incentivize governments to apply and test out these standards and principles, making transparency more relevant to the country's citizens and learning lessons to feed back into and influence the global norms. By placing public interest directly at the core of its actions, the network will seek to influence international standards and change processes towards greater fiscal transparency, public participation and accountability. Simultaneously, the dialogue among standard setters should feed into the norms and send strong messages to countries about good practice and reform for improvements in transparency and accountability. This two-way flow of ideas between local and international practices should continue to make the GIFT network a creative opportunity to push for improvements in fiscal transparency in its engagement with the national and international dimensions.

That said, the current international architecture of standards and norms still contains some elements of inconsistency across the main instruments. In addition, when judged against the GIFT High Level Principles, there are still some gaps in current standards. GIFT will continue supporting efforts to improve international norms, through analytical support, brokering interactions, and helping to manage issues at the boundaries of the different institutions.

B. A global network to help governments advance fiscal transparency

Facilitating the exchange of experience, lessons and technical expertise has been one of the main contributions of GIFT. According to the independent evaluation, GIFT's work on peer-to-peer knowledge exchanges has filled a gap among stakeholders by improving the dialogue among national-level actors on fiscal transparency and public participation. There has been a sharp increase in the number of countries taking part in the OGP Fiscal Openness Working Group, a useful and relevant platform for dialogue. GIFT has made possible the existence of a forum for practical discussions between government staff from different countries, and among governments and civil society and private sector representatives, including the provision of direct technical advice to governments, and government-government and government-and-CSO support.

In the framework of the FOWG, GIFT will continue to engage with OGP governments, and support their efforts to disclose fiscal information that responds to the users' needs. As a network, GIFT lacks the capacity or legitimacy to broker at the domestic level, so the convening power around fiscal transparency should stay at the country level. However, the network will continue to enrich the national- and locally-owned discussion by brokering multi-stakeholder approaches at the country level and by involving country-level fiscal transparency champions in the international peer-to-peer exchanges. As showed recently in several workshops and confirmed by the evaluation, the FOWG provides an effective forum for officials and CSO to interact in ways they may not do in their own country. The peer learning and international technical assistance will continue to include practical methods for adopting the HL Principles, innovative ways to advance fiscal transparency and participation, and techniques that governments and CSO can use to communicate useful budget information.

GIFT will continue to be selective with respect to the OGP countries with which it actively



engages. GIFT will try to ensure that its collective leadership brings credibility and convening power to each of the countries it works with, thus ensuring that its involvement adds value. From this perspective, GIFT will engage preferably with government stewards or partners that have ambitious fiscal transparency and participation commitments as part of their National Action Plans, and that have strong champions in the government pushing this agenda. At the same time, GIFT lead stewards will continue to assess fiscal transparency through different tools and support the government efforts for openness.

Several OGP countries have worked on ambitious fiscal transparency and participation commitments in their NAP. Some of them have also expressed interest in learning from members' experiences of the GIFT network about design and implementation. A number of relevant national stakeholders seem to be willing to continue the involvement in the network as a way to help advance the dialogue and implementation of fiscal transparency actions. In coordination with the lead stewards and other governments willing to share their experiences, GIFT could engage with these government agencies in either in GIFT regional workshops or through a workshop at the national level, to ensure a broad and representative international presence. For these activities, GIFT would be reproducing the international peer learning model already tested in the OGP framework and would be using the OGP support unit and the FOWG methodology to ensure that government agencies commit to specific and verifiable actions to advance fiscal transparency.

These efforts will also include, as much as possible, coordination with the OGP Support Unit, the working groups (Anticorruption, Extractives, Open Parliament) and with sectors working in access to information, particularly those related to the proactive disclosure of budget information. At the same time, stewards and lead stewards must commit to continue making important contributions to the network, whether it be sharing operational links, in-country work, in-kind resources such as research opportunities and convening power, knowledge in specific areas, participation in relevant networks, or helping to disseminate the GIFT message to key constituencies. Improved communication and coordination between Partners/Stewards/Lead Stewards and the GIFT Coordination Team in terms of country-level linkages and participation will be developed.

The activities carried out will include new technologies for learning, engaging countries on GIFT principles and work streams, and providing technical assistance to countries on defining and implementing their OGP National action plans and commitments. Moreover, GIFT will continue developing an open data format for publishing micro-level budget and fiscal information with data visualization and data analysis tools, to help non-experts use financial data. GIFT has piloted the Open Fiscal Data Package in five countries and will continue to support governments willing to use it.

Additionally, GIFT will continue to support fiscal transparency, accountability and participation commitments in the National Action Plans of OGP countries. In 2016, GIFT provided comments and recommendations to Italy, Nigeria, Tunisia, Guatemala, and Macedonia. For 2017, GIFT will work with at least four additional countries and will try to engage, coordinating with the OGP Support Unit, on earlier phases of the making of the NAP, to increase the chances for more ambitious commitments.

C. Peer-to-peer learning approach for knowledge and tools sharing

While facilitating peer-to-peer learning has been part of GIFT's normal activities, an effort to better document these exchanges and extract lessons will be put in place. The recording of these experiences will constitute an important component of the learning method of the network. The



objective will be to strengthen the relationship between the international and domestic levels of improving fiscal transparency work. Given the high degree of complexity, “learning by doing” will be part of the work of GIFT, with a more systematic way of documenting these exchanges.

The production of mechanisms on public participation in fiscal policies for the Guide will be a model for the systematization of these cases, as means to better identify challenges, opportunities, risks, successes and failures of advancing fiscal transparency and participation from a multi-stakeholder action network such as GIFT, with the goal to continue building a model after the network’s theory of change. The cases recording some of GIFT’s learning and peer-to-peer technical assistance processes will address the demand from government officials for practical, context-specific “how to” advice on reforms /actions /strategies.

D. Network development

To be sustainable, this strategy requires a stronger engagement from the GIFT lead stewards, including assuming a leadership role in one or more GIFT activities, forming working groups and work streams and identifying the deliverables and outcomes expected. The network will be stronger in the measure that the stewards participate and, simultaneously, benefit from a network that can provide what they would struggle to achieve independently. An opportunity for a collaborative approach arises, for instance, with the World Bank’s objective to have a more systematic citizen engagement approach in its operations. In this scheme, GIFT’s frame of the principles on public participation and mechanism could be useful.

Regarding the GIFT Coordination Team, the lead stewards are in broad agreement that the current working model for GIFT is fit for purpose, and that a lean and flexible structure is effective for supporting implementation of GIFT’s work. Stewards have indicated that the membership should expand to achieve more global coverage, with additional Stewards sought in Africa, Europe and Asia. It was also agreed, however, that while the geographic representation within GIFT needs to be broader, any move to expand membership should be manageable under the current working model.

The specific goals could therefore be to include 10 additional members in the period 2017-2018, including 5 additional governments of which at least 4 should be located in Africa, Europe and Asia. While the composition of Lead Stewards should include more governments and civil society organizations to increase membership diversity, the current governing model works for now and should be maintained for the time being.

From a resource stand point, the cost of the Coordination Team is the largest single budget line, and comprises professional services of the five-person coordination team: a network director (full-time) a lead technical advisor (50%), a research and learning manager (90%), a technology and communications coordinator (50%) and a program assistant (50%). In order to facilitate expected growth, broader OGP countries coverage, recording and systematizing these processes, these positions will need to devote more time to the network, beginning in 2018. All of the above, plus the programmed expansion of the membership of the network, would increase the annual budget of the network to US \$ 1.4 million, from the \$1.2 million average for the period 2015-2017.

This said, GIFT’s flexible and un-bureaucratic structure, combined with its multilevel stakeholder and peer learning approaches, has been fundamental to GIFT success. Therefore, the GIFT network needs to ensure that the future organizational model maintains this flexibility and openness towards its users.