



TOWARD A SUSTAINABLE GIFT NETWORK: SHORT-TERM ACTIONS AND LONG-TERM CONSIDERATIONS

Executive Summary

The Global Initiative for Fiscal Transparency (GIFT) network has largely met or exceeded the expectations of its founders and its founding donors: to encourage a wide range of countries to commit to a set of defined norms of fiscal transparency and to facilitate governments' implementation of technological innovations, internal processes and public participation opportunities that make budget information accessible, encourage fiscal accountability, and enable public engagement in countries' fiscal affairs. Since its inception, GIFT has built an impressive multi-stakeholder action network of "stewards," composed of civil society organizations and government Finance Ministers, with a guiding body, the "Lead Stewards," which includes representatives of international institutions, such as the World Bank (WB), the International Monetary Fund (IMF), the International Budget Partnership (IBP), among others.

The GIFT network provides opportunities, services and structured paths for reaching fiscal accountability goals that would otherwise be well out of reach for the member countries. The network members effectively engage in peer learning, and in advising and supporting each other on the implementation of specific transparency, accountability and public engagement practices. The GIFT coordinating team provides support to the network in many ways, including planning and convening the network's peer learning activities and technical collaboration meetings, facilitating the drafting and approval of international norms for countries' fiscal operations, and providing technological platforms for making fiscal actions available for public view. Major international donor organizations have found GIFT to be an invaluable partner in achieving their own institutional fiscal transparency goals and they rely on the network to motivate and support countries in their efforts to comply with international norms.

The convening of GIFT's Lead Stewards—among the most influential actors in the field—also provides a unique venue for supporting fiscal accountability goals well beyond the confines of the network. For the world of global fiscal transparency, it is a great boon to have these representatives of international institutions convene around the GIFT table regularly as they fulfill their duties as Lead Stewards. This allows for coordination and communication around shared goals and serves as a forum for mediation of potential conflicts around institutional expectations for countries' fiscal operations. It also provides the opportunity for GIFT to function as the "good cop," helping governments comply with international norms and expectations from international donors, global standard setting organizations and civil society. The fact that the leading international donors have permanent slots within the Lead Stewards membership strengthens the hand of GIFT in its dealings with country actors, providing assurance that their advice is a reliable measure of how to successfully conform to global norms.

Despite the value of GIFT, it now faces an existential crisis. The start-up funding provided by its three major funders—The William and Flora Hewlett Foundation, the Omidyar Network and the World Bank—is dwindling, and candidates for future core support for the continued operation of the network are, as yet, not obvious. Alternative financing options exist, but the most immediately available pose the risk of undermining the network. One such option would be for GIFT staff to provide ongoing technical assistance to individual countries, but diverting the limited staffing resources of GIFT’s 5-person coordination team to this work would deprive the network of the support that allows it to meaningfully operate. Similarly, taking on new, more “fundable” work could detract from the functioning of the network. In the short term, GIFT must identify funding that will support its continuation, while positioning itself for long-term sustainability.

Structurally, GIFT is ill-prepared for the situation it now finds itself in. The governance structures of GIFT, though adequate for a period when funding was secure, do not offer the three “A”s that a nonprofit board would ordinarily provide to a mission-driven organization in a time of transition: Advice, Access to resources, and Advocacy. Legally, GIFT is housed at IBP and functions as project of its host. Therefore, the governing board with fiduciary responsibility for GIFT’s operations is the board of directors of the IBP, yet this body is largely unfamiliar with the work of the network and defers to the Lead Stewards as its guiding advisors. Ideally the Lead Stewards could serve these functions, but the current representatives to this body are not in a position to fully assume these roles. Also significant for the network’s sustainability, is the dominance of representatives of major multinational institutions among the Lead Stewards. While their membership confers on GIFT a legitimacy with prospective funders, their presence also causes donors to question why GIFT is unable to access resources from those institutions. These complexities suggest the need for a review and reformation of GIFT’s governance.

This report provides an analysis of the current status of GIFT as an institution. It does not attempt to provide any evaluation of the network or its operations. It primarily focuses on the structural, operational, and perceptual challenges that present obstacles to GIFT’s short and long-term sustainability. It also presents suggestions for meeting those challenges, some of which can be addressed immediately, though many assume that the immediate financial issues can be sufficiently addressed to allow time for other adjustments to secure the long-term sustainability of the organization.

The analysis is ultimately optimistic about the future of GIFT, seeking ways to maintain and secure the important foundation that has been built through the multi-stakeholder action network, while identifying the potential benefits of expanding the scope of work, enhancing the communications about goals and outcomes, and broadening the membership of the network. It also suggests a number of governance changes to provide clarity, accountability and a supportive infrastructure to help GIFT attract new and committed validators and champions to assist in fundraising and institution building.

There is urgent work to be undertaken to solidify GIFT’s future, requiring all who believe in the need for the network and the cross-sector partnerships that have supported it to take an active part in making the investments and adjustments needed to secure its short-term survival and its long-term sustainability.

Dianne Stewart, Catalytically, October 13, 2019

Introduction

As reflected in Andres Falconer's May 2019 report "The GIFT that Keeps on Giving: Resource Mobilization and Financial Sustainability," the Global Initiative for Fiscal Transparency has succeeded in accomplishing the many goals of its founders and supporters. Since its inception in 2011, GIFT has created a multi-stakeholder action network that has played a central role in setting and advancing the agenda of fiscal transparency. Its Director, Juan Pablo Guerrero Amparan, is extremely highly regarded and the expertise of GIFT's respected staff is sought after across the globe.

Yet, as important a role as GIFT plays in supporting countries' efforts to become more transparent in their fiscal operations and to engage public participation in fiscal policies, it operates now in a shifting global landscape, where the priorities of multilateral organizations and the focus of development funders are moving beyond the development of procedures and systems to facilitate transparency, accountability and citizen engagement. Increasingly, these influential players are shifting from a focus on government institutions and toward one that emphasizes the engagement of citizens and civil society organizations to transform their own nations' priorities. Inclusion, equity, action on climate change, progressive taxation—outcomes that favor a more just and sustainable world—have, to some degree, begun to eclipse the process-oriented agendas of creating open, accessible financial data. Rather than hoping that transparency will spark civil society to demand shifts in budgeting and taxation that support these outcomes, donors increasingly look to more direct methods of encouraging action on these goals. These environmental shifts both challenge the current structure and the financial viability of GIFT and mirror the internal shifts that the organization must now contemplate for itself.

This report, based on a review of GIFT's website, organizational documents and Falconer's report, along with numerous discussions with key principals of the GIFT network, attempts to offer concrete options to strengthen the strategic positioning and the financial sustainability of the network, as well as to create the internal structures that will enable GIFT to continue to make vital contributions to global fiscal accountability into the future.

Sustainability Challenges

Under optimal circumstances, GIFT could continue to operate as it always has, functioning as a sponsored project of IBP, led by its trusted and well-regarded director, loosely overseen by the Lead Stewards, and funded by its existing funders. These circumstances may not, however, continue undisturbed forever and the organization needs to consider how to prepare itself for a sustainable future, in the event that changes disrupt the current arrangements. To do that, GIFT must consider possible challenges to its sustainability and create a contingency plan for dealing with them. The sustainability of GIFT is not merely an issue of funding and communications. GIFT's ability to successfully navigate the future depends upon a number of other factors, as well.

Clarity Regarding Lead Stewards' Responsibilities and Roles

The Lead Stewards clearly value GIFT and they are committed to contributing, however possible, to its continued success, but there are ambiguities about their role and limitations to their ability to serve GIFT in important functions that are traditionally the realm of nonprofit boards. Lead Stewards are expected to operate similarly to how a board functions, though they do not actually have fiduciary responsibility for GIFT as would a formal board of directors. They are expected to appoint and supervise

the Network Director and to rule on applications for network membership. They are asked to review GIFT's multi-year work plans and to approve an annual budget.

However, some Lead Stewards indicated that they are not entirely comfortable with playing some of these roles. Although in a certain sense Lead Stewards represent their institutions in discussions at board meetings, they are not actually empowered to speak for their institutions in any formal way. In fact, the board that legally is responsible for the financial and legal operation of GIFT is the IBP board. There is nothing wrong with this arrangement, since they do not have legal responsibility for the operation of the organization, but the organization should ensure that the roles and responsibilities of the Lead Stewards are clearly delineated and understood, and to identify actions that could reduce their uneasiness.

The current "Operating Procedures" document has not been an effective means of ensuring the type and level of engagement GIFT needs from its Lead Stewards. This may be partially because the expectations are unrealistic or because the document itself is needlessly detailed. However, ultimately, written expectations and role definitions will not determine the actions of Lead Stewards. How they engage with GIFT will instead be determined by their personal commitment to the network's mission and their institutional self-interest in continuing as Lead Stewards.

Lack of Unconflicted Validators and Champions

Ordinarily, members of a board of directors act as validators and champions in their organization's efforts to promote its mission and raise money. In the case of GIFT, its governance structure does not actually have a true board of directors. In practice GIFT vests some of the roles of a board in its Lead Stewards, many of whom are constrained from actively playing the role of validator or funding champion. Though all of them privately endorse GIFT and strongly value the roles it plays, they are not in a position to publicly champion the organization, either because they are not empowered to commit their institutions in this way or because their institutions are in direct competition with GIFT for donor funding. Although this conflict in no way invalidates the critical relationship of the Lead Stewards with GIFT, it does deprive GIFT of an asset enjoyed by most organizations.

Relationship between GIFT and IBP

A number of factors might explain why several Lead Stewards raised a concern about the unclear distinction between GIFT and the International Budget Partnership. First, Warren Krafchik, the Executive Director of the IBP was one of the founders of GIFT. In addition, GIFT has been housed with IBP since its inception and currently operates under a fiscal sponsorship agreement under the auspices of the IBP's 501(c)(3) nonprofit tax status. Plus, there are a number of important fiscal issues that both of the entities concern themselves with, though through different approaches. IBP and the network's Coordination Team operate in harmony and their staffs work extremely closely together and deeply respect one another. Despite the many advantages of this alliance, there are also challenges that could affect the sustainability of GIFT.

Distinguishing GIFT

It is troubling that some representatives of the Lead Stewards lack clarity about the distinction between the network and the host organization. To make things more confusing, IBP leads, at the same time, a network of civil society organizations. It was this issue that led some Lead Stewards to recommend that GIFT undertake efforts to brand itself better. Arriving at a concise framing and strategic positioning and

addressing the challenges of creating a compelling story will aid in distinguishing GIFT, but both organizations will need to be involved in drawing the distinction in their materials and in their communications. For GIFT, in particular, the work of making itself visible as having a compelling role to play on pressing international issues, complementary to but distinct from IBP is a critical step in creating broad support for the network's efforts.

Conflicting Fund-Raising Efforts

GIFT benefits greatly both financially and otherwise from sharing the infrastructure of IBP and being housed in the same office space. Despite these benefits there are also challenges presented by proximity. For one, since GIFT operates under the IBP's 501(c)(3), any grant to GIFT from a foundation must be officially directed to IBP for tax reasons. For foundations that fund IBP, this is an impediment to giving a grant to GIFT, for several reasons. One is simply that a GIFT grant shows up as a second grant to IBP, and the making of multiple grants to a single organization is, for many funders, frowned upon. Another is that GIFT does not wish to complicate IBP's fundraising efforts by approaching a potential funder while IBP may have a pending request. Funders are then confused about why GIFT approaches them separately, instead of IBP making a request on their behalf as part of its fundraising efforts. This situation is exacerbated by the limited number of funders who are interested in global fiscal issues.

Creating Support for GIFT within IBP's board

Despite having a loose governance structure comprised of supportive Lead Stewards, GIFT does not have its own formal board, but is, rather, legally/technically under the governance of the IBP board. And yet, it is crucial to GIFT's credibility as a network for the Lead Stewards to perform some functions that are typically the province of a nonprofit's board of directors, such as guiding the network's overall goals and direction. The strong trust between Warren Krafchik and Juan Pablo Guerrero, as well as a high level of shared understanding and goodwill across all of the Lead Steward institutions (including IBP), has, up to now, prevented any tension around this governance structure.

However, personnel changes in organizational or board leadership could conceivably create a challenge to the sustainability of GIFT. Preparing for this potential development would be an important step in securing the organization's sustainability. To this end, IBP and GIFT should negotiate a memorandum of understanding regarding the respective governance roles of the IBP and the GIFT Lead Stewards, including how the IBP board can fulfill its fiduciary responsibilities and how GIFT can maintain accountability to both the Lead Stewards and the IBP board. As one concrete first step in this regard, GIFT should request the option of addressing the IBP board on a regular basis and should consider inviting a representative of its board to Lead Stewards meetings.

Formally Defining the Lead Stewards' Role as Distinct from that of the IBP Board

Longer term, a full restructuring of the responsibilities of each entity should be negotiated, with the goal of securing GIFT's fiscal accountability under the umbrella of the IBP and of retaining the important role of the Lead Stewards in guiding the work of the GIFT coordination team and legitimizing the multi-stakeholder action network's activities. The IBP board ultimately has legal and fiduciary responsibility for the operations of all activities occurring under the umbrella of its 501(c)(3) nonprofit corporation, and, thus, should have oversight of a number of aspects of the GIFT program. On the other hand, the Lead Stewards bring important perspectives to the table that are quite distinct from those of the IBP board. Representing the members of the GIFT Network and bringing the unique perspectives of finance ministers and representatives of major multinational institutions, the Lead Stewards are best suited to

guide the direction and operations of the network. A number of roles that the Lead Stewards were expected to play might more appropriately be played by the IBP board, such as reviewing the budget and expenditures. Creating a clean division between those roles that are best played by each body would strengthen the governance of GIFT.

Leadership Transition Planning

Upon becoming Director of GIFT, Juan Pablo Guerrero envisioned his role as a medium-term, temporary assignment, with the assumption that at some point he would return to his home country, Mexico. Originally committing to three years as the first Director (2014-17), he was reappointed for an additional period and agreed to serve another 3 years (ending in April 2020). Though it is possible that deadline might be extended, the network should begin to prepare for the eventuality of the Director's departure. Planning for a leadership transition involves much more than scouting for a new leader, and is a task that would best be incorporated into the next phases of the development of GIFT's Sustainability Plan and Success Mapping.

Creating a Clear Picture of GIFT's Compelling Role in Pressing Global Issues

One of the key challenges facing GIFT is its relative invisibility. The irony of this challenge is that being inconspicuous is an essential characteristic for an effective network—particularly when the network's members are individuals representing sovereign nations, global multinational organizations, civil society and expert organizations. The leader and staff of such an organization must have a delicate mix of impeccable credentials, distinguished personal standing and humility; and the organization needs to present itself as being in service of its members goals, not of its own self-aggrandizement. This functions well for a network organization as long as that role, in and of itself, is valued by key stakeholders and, particularly, by the donor community. GIFT has played the role of selfless network convener perfectly, but this role is no longer sufficient to secure its future ability to play that role.

Framing GIFT

In order to be sustainable, GIFT must undertake three “framing” tasks to increase the visibility of the organization and of its purpose: 1) Frame GIFT as a mission-driven network with a vision for shifting global fiscal norms to create a more just and sustainable world; 2) Highlight its unique leadership role in recruiting governments to participate in its multi-stakeholder action network and supporting their collaborative efforts to pursue better outcomes in their countries; 3) Differentiate itself from partner organizations with complementary, but distinct roles. Of course, these framing tasks presuppose a clearly defined set of activities that are responsive to global priorities, fully staffed and adequately funded.

Focus on Vision, Mission and Desired Outcomes

A key element of a new framing of GIFT will be to introduce a greater focus on its own institutional vision, mission and outcomes. A common critique by Lead Stewards is that of GIFT seems “detached,” inwardly focused and process oriented. They consistently expressed a desire that GIFT be clearer about the outcomes it seeks, how it fits into the big picture, and how it contributes to economic growth and sustainability across the globe. Repeatedly, Lead Stewards lamented GIFT's lack of clear products and branding. Indeed, a review of GIFT documents and its website reflects the dispassionate nature of the way in which the organization presents itself. If the governing body of the organization, which is made

up of the people who are most knowledgeable about the organization, cannot recognize its mission, vision and desired outcomes, one cannot hope that a broader audience—including prospective funders—could do so. GIFT must clearly define a compelling organizational vision and mission and articulate the outcome goals it is pursuing.

Ideally, the goal of reframing GIFT should be pursued in conjunction with key stakeholders, including the Lead Stewards, with the understanding that the results must be inspiring but also realistic. The successful implementation of a refined vision, mission and outcome goals will require a phased approach that takes into account the availability of funding and the capacity of GIFT and its partners to pursue them. Regardless, this effort should be undertaken as soon as possible, as many of the other tasks that can assure GIFTS sustainability are dependent on the completion of this task.

Highlighting Role with Governments

Another important aspect of a fresh framing of GIFT concerns its role with ministries of finance. In our conversations, each of the lead stewards, in one way or another, emphasized the importance of GIFT's ability to convene national budget authorities and to mediate between those officials and their own institutions or constituencies in pursuit of important outcomes. In fact, this role was seen as an essential contribution in the overall effort to engage governments in efforts to create inclusive economies and pursue sustainability goals.

Recognizing the sensitivity of publicizing GIFT's role with governments, it is nevertheless important to be able to communicate the singular position that the leaders and staff of the organization hold in relation to the finance officials in these countries. GIFT is unique in its ability to fulfill these two complementary roles and its value to the achievement of many global priorities must be made visible.

Clarifying Complementarity with other Global Organizations and Donors

Another key framing challenge is to articulate the essential role of GIFT in the accomplishment of the pressing global sustainability goals, while also acknowledging the value of other institutions. GIFT's strengths bring a complementary set of assets to the efforts of the World Bank, the International Monetary Fund and many other global players. Making this clear to stakeholders and donors will benefit GIFT, without undercutting its partners.

Other Framing Challenges

There may well be other core framing challenges that emerge as the sustainability plan develops. For example, there appears to be a desire on the part of key stakeholders that GIFT carve out a role, in partnership with them, for pursuing a number of different Sustainable Development Goals. Determining how to frame such an involvement in the context of the network could be an important and worthwhile effort.

Strategic Positioning—Making GIFT Matter

Beyond framing particular aspects of GIFT, it is critical for the organization to deliberately focus on its strategic positioning. This means clarifying—at a minimum for itself and its key allies—why GIFT matters: what the community of global sustainability actors would lose if there were no GIFT and what they gain from its existence. The process of identifying its strategic positioning will help determine how GIFT should brand itself and present itself to prospective donors. The following potential elements of a strategic positioning of GIFT have arisen in the course of this investigation and should be considered as the organization develops its Sustainability Plan and Success Map.

Broadening the GIFT's portfolio and Expanding Membership of the Network

Implicit in the critique of the framing and branding of GIFT are two fundamental issues: 1) how to broaden the range of fiscal accountability goals GIFT pursues, and 2) how to expand the network membership to include country officials whose portfolio encompasses the global sustainability concerns outside the province of Finance Ministers.

Several Lead Stewards counseled GIFT to bring its approach and skills to bear on some additional global priorities. The efforts they suggest include taxation, debt, budgeting for sustainable development, and fiscal accountability for redistributive efforts to combat gender and income inequality, among others—all of which could assist with GIFT's strategic positioning. GIFT's expertise, experience, tools and portals all potentially could be readily transferred to new areas of work on these important concerns.

Pursuing these realms of work could be compatible with GIFT's other efforts and could draw upon the expertise of the staff and the stewards, but it would require adjustments to the capacity of the GIFT coordination team and expansion of the network's membership. Currently, the country representatives within the membership of the multi-stakeholder action network are ministers of finance, who do not have jurisdiction over the relevant areas of fiscal operations that would be prime actors in some of these additional global priorities. The finance ministers often do not, themselves, have strong working relationships with the leaders of these other functions of their government—much less GIFT staff.

A potentially impactful role for Lead Stewards could be to help GIFT design these initiatives and help the network establish relationships with country officials who have responsibility over functions that would come into play if their regimes were to pursue sustainability development goals. Further, some of the Lead Stewards might be able to tap their institutions resources to help support the expansion of the scope and membership of the network, which could allow GIFT to facilitate the engagement of a broader range of countries in pursuing international goals of those institutions.

Piloting Approaches to Broadening GIFT's Portfolio

In order to gauge the viability of broadening its portfolio and network membership and to determine the appetite for such an initiative among both funders and participants, GIFT could pilot this approach around a pressing issue that is squarely in the realm of fiscal transparency and accountability. There are number of prospects for such a project, such as contingent liabilities, environmental risks, public private partnerships, off budget state funds, state owned enterprises, green budgeting, balance sheets, gender responsible budgeting, and international Sustainable Development Goals.

For example, in a collaboration with Lead Steward organizations, a contingent of GIFT network country members, and the GIFT coordination team could undertake a project on debt. There is increasing concern about countries taking on untenable debt burdens, which put them at risk of default and of ceding ownership of critical infrastructure to the holders of that debt, often major superpowers. This is an arena that well illustrates the fact that, though country's spending is often driven by debt, the authority for decision-making about the acquisition of debt does not lie with finance ministers.

GIFT could consider—with the support and engagement of Lead Stewards under a memorandum of understanding—taking on a special project involving a few countries for whom this is a critical issue and engaging the relevant players in that country in an effort to identify standards and norms that should apply in these situations and to develop strategies to create transparency and accountability in the acquisition and disposition of debt. In the process, GIFT could involve the country representatives in

gatherings of the network and attempt to integrate this work with other aspects of the network. GIFT and IBP's joint project with the State Department to work with a set of countries in Africa around improving transparency and public participation may offer a precedent and a blue-print for such an undertaking.

Formally Engaging Prominent and Influential Champions in GIFT's Governance

As noted in several places in this report, GIFT's organizational structure deprives it of visible, influential validators and champions who provide advice, access to resources, and advocacy on the network's behalf. GIFT is the type of operation that should be able to attract supporters who understand the world of international norms and fiscal accountability. While considering its governance structures, GIFT should identify a way to engage such individuals, whether they be former ministers or people who have served in diplomatic positions, or even elected officials, who could offer strategic benefits to the organization. This could be accomplished in a number of ways. The Lead Stewards membership could be expanded to include several outside advisors, which would bring new perspectives to the group's deliberations. Such a change would alter some aspects of the group's dynamics and deliberations, and require adjustments to the charter of the Lead Stewards. Another option would be to create a separate advisory group, though this arrangement could both dilute their influence and commitment and create some duplication of attention and effort.

Understanding where GIFT fits with Donor Priorities

In numerous conversations with Lead Stewards the issue of shifting priorities came up in relationship to the question of how GIFT could be more attractive to donors and funders. Any sustainability plan for GIFT will need to involve a thorough scan of funding priorities and a deliberate effort to identify whether and how these priorities fit with the vision, mission and outcome goals of the organization. This is not to imply that GIFT should abandon its core identity and purpose to contort itself into a "fit" for donors—many an organization has lost its integrity and vitality by doing this. But it is also important to help donors shape how they think of their own priorities by creating a clear picture for them about how GIFT can add perhaps unrecognized assets to their new areas of focus.

GIFT the "Country Whisperer"

Where does GIFT position itself among the range of organizations working across the globe on similar issues? GIFT has established itself as an organization that is able to bring countries together around common goals in the fiscal transparency arena. In fact, it is viewed by several Lead Stewards as being key to their success by helping bring fiscal officials into dialogue with civil society organizations, creating peer pressure to build buy-in on international norms and sustainability goals, and perhaps even assisting multinational organizations in accomplishing their own goals.

Aligning Multilateral Actors

As GIFT has developed over time, the value of GIFT in aiding lead stewards and steward countries manage their relationship and mediate coordination problems and to promote norms coherence has been solidified. Because of its strong partnerships with the relevant bureaus of multinational organizations whose leaders are Lead Stewards, GIFT has perfected this forum for these institutions to align their efforts, and even to mediate disagreements or potential conflicts. This role is necessarily informal, yet it is an invaluable contribution to all involved in global fiscal transparency and accountability efforts.

“Good Cop” Role

GIFT plays an important role within the international community as the “good cop” who is the ally of its country representatives, supporting them as a network and individually as they work to meet the expectations of multinational organizations and groups seeking a greater voice for citizens and civil society in the financial operations of their countries.

The Learning Community

Another important element of GIFT’s strategic positioning is its role as convener, caretaker and guide of the “learning community” of country fiscal officers. Several stakeholders emphasized the value of GIFT providing a forum for countries to share their approaches to improving fiscal transparency and accountability and to making progress on global norms and development goals. The trust that exists between GIFT and its Stewards creates an accepting environment and a supportive infrastructure that is a “safe” place for fiscal officers to work together for positive change.

Creating a Compelling Story of GIFT

Even as GIFT develops greater clarity about ways to frame itself and what its strategic positioning should be, there will remain challenges to creating a compelling story about the organization. There may, in fact be reasons to consider at least a partial rebranding of the organization in order to truly communicate the critical role of the organization in helping countries pursue important goals and outcomes.

Moving from Process to Passion

It is challenging for organizations that have presented themselves primarily in terms of the processes they facilitate to, instead, reveal the passions that motivate them to open their doors every morning. Especially for an organization run by people who have an intimate understanding of the sensitivities of working within government, it is difficult to commit publicly to a mission of pursuing specific goals and outcomes. Likewise, having defined itself as a facilitator of a network, a convener of stewards, a peer learning network, a technical collaboration provider, a supplier of tools and technology, it may not be easy to convey a vision, mission and a passion for achieving outcomes, though the staff are likely all motivated by these things.

Overcoming the Challenge of GIFT’s Name in new Times

Many of the reframing ideas and strategic positioning possibilities imply broader organizational activities than are implied by the name, Global Initiative for Fiscal Transparency. This does not necessitate a name change, but it does put greater burden on all of the other ways that the organization communicates itself to the world. A “tag line” clarifying the full scope of the network’s activities could supplement the name, as well.

Financial Viability and Options

Potential Viable Income Streams

Technical assistance

Offering general technical assistance to member countries as an income stream for the network is a viable option, but should be approached with caution. As Falconer’s report indicated, stakeholders are concerned that this role could undermine the position of GIFT as the network convener. If, however, assistance was offered only to network members to help them enhance their ability to meet

transparency standards or to make progress on SDGs, it could be a way of monetizing the mission of GIFT. Also, having network members pay something toward the cost of GIFT's assistance would give them a stake in their successful implementation. This could help further solidify the network's value if Lead Steward organizations were able to provide funds to member countries to pursue this work with GIFT. However, as noted above, this option of income generation has the distinct drawback of undermining GIFT's ability to adequately carry out its core function: supporting the multi-stakeholder action network. If GIFT's limited staff resources were dedicated to fulfilling obligations to entities that hired them to benefit their own interests, GIFT's role as the coordination team for the full network membership would be severely undermined.

Membership Fees

Falconer's report suggests that fees may offer multiple benefits to GIFT, creating another income stream and giving network members "skin in the game," especially to the degree that the network retains a degree of prestige. In order not to deter countries with more limited resources or political impediments, a sliding scale fee structure with options for countries to provide in-kind contributions could be considered. This option, too, has serious drawbacks, as it is virtually impossible, from a pragmatic and political standpoint, for most finance ministers to justify sending funding to a U.S. based organization. In-kind support is likely the most feasible contribution that these countries could make to GIFT, however, that would not solve the challenge of financing the core activities of the coordination team.

Core Funding

Ideally, GIFT should be receiving more core funding from major foundations and international donors, though there are hurdles to accomplishing this goal. Organizations often are forced to fund their core operations through project grants, building in "overhead costs" into the project budgets. The challenge for an organization like GIFT in taking this approach is that the bulk of its expenses are salaries, benefits and travel costs for supporting the network. Often this situation forces organizations to create "projects" in order to fit the foundations' funding criteria.

There are ways to get around these challenges however, particularly if the organization projects a more outward facing vision, mission, activities and outcomes. Reframing and rebranding GIFT to more accurately reflect the purpose that motivates the work can help position the organization better with potential funders. Likewise, deliberately developing a set of influential validators and involving high-profile champions in GIFT's orbit could enhance the opportunities for GIFT to receive core funding grants.

Another approach that could assist GIFT in receiving core funding would be to "package" elements of its work as mission-driven programmatic initiatives. Similar to sub-branding, this approach doesn't have to change the programmatic activities to fit the funder's criteria, but, rather, helps the funder see that GIFT's programs will help them fulfill their foundation's mission.

Collaborations with Lead Stewards

Since the Lead Stewards serve as the governing body of GIFT, they have the greatest stake of any individual or institution in the financial health of the organization. Indeed, conversations with a number of Lead Stewards reflect the esteem in which they hold the GIFT director and staff and the value they see in GIFT for how it has aided in the accomplishment of their own institutional goals for international

fiscal transparency and accountability. At the August 26th meeting of the Lead Stewards, there was uniform support for defining ways that the Lead Stewards can help support the work of GIFT. Rather than leaving this up to happenstance, the Lead Stewards should concretely identify ways that they can enhance the visibility and credibility of GIFT and director or indirectly assist the organization's fundraising efforts.

Indirect Funding Through Target Countries

Lead Stewards see GIFT performing roles that they cannot directly undertake with countries. They are particularly grateful that GIFT can function as a peer support to country financial officers, rather than as an institution with the ability to reward and punish that is judging their performance. This special relationship makes countries more receptive to GIFT's assistance and advice. In this sense, the GIFT network helps institutions, such as the World Bank and the International Monetary Fund to accomplish their goals for increasing international fiscal transparency and accountability and for encouraging progress on Strategic Development Goals and other desired outcomes. Recognizing this benefit to their institutional goals, these organizations could prioritize grants to countries that will "hire" GIFT to provide assistance to them in meeting international standards and goals.

Active (if informal) involvement of Lead Stewards in Fundraising

Recognizing the limitations on Lead Stewards ability to officially endorse outside funding proposals, GIFT and the Lead Stewards should utilize informal, but carefully planned and coordinated, methods for communicating the value that the organization's activities have for global development goals and for fiscal transparency around the world. Working together with the representative institutions within the Lead Stewards, GIFT should prepare a multi-year plan to broaden its impact and scope for consideration by the Lead Stewards. GIFT could then seek long-term funding, internally and from other institutional and private donors, to support this work. Having Lead Stewards agree to speak informally with a potential funder could provide important validation of GIFT's initiatives. However, it would be of even greater impact if they also identify and commit to specific roles that GIFT could play within their own institutional priorities and ways that this work could be financed, at least in part, through their institutions.

Raising GIFT's Visibility

Lead Stewards can help GIFT indirectly by creating opportunities for their work to be more visible to potential validators and champions. Inviting the GIFT Director to events attended by major donors could be an important means of validation of the organization, particularly if it is possible to give him even a minor speaking role. Highlighting GIFT's accomplishments and communicating its mission and activities wherever possible, would also be helpful.

Major Private Donors

There are likely individual donors who would be interested in GIFT's work, particularly once it is reframed to highlight its larger purposes. Exploring this possibility is a longer-term effort, but could be a fruitful task. This could mean identifying people with access to former ambassadors or other high-level appointees who are involved in international development efforts. GIFT might consider creating a group of advisors with this kind of standing who could eventually become validators and facilitate further linkages with private donors, potentially opening up an untapped source of funding for the network's activities.

IBP/GIFT Joint Fundraising Planning and Implementation

The most important relationship for GIFT in its current fundraising efforts is with the IBP. Of all the Lead Stewards, Warren Krafchik is the only one who fully understands nonprofit fundraising. It is important to note that IBP has a big stake in the success of GIFT. Warren was one of GIFT's original founders, and the IBP benefits greatly from having a seat at the table with the major international institutions. Yet, at times, IBP is in direct competition with GIFT for funding. Without deliberate preventative steps on the part of both entities, tension between these two priorities can easily complicate GIFT's fundraising efforts. To preserve the invaluable partnership between IBP and GIFT, the two should annually develop a joint fundraising plan prior to the IBP's board approval of the budget for the next fiscal year. This plan should detail prospective funders and identify opportunities for the organizations to jointly fundraise. Since some of IBP's funders are also among the very limited, obvious, prospects for GIFT, they should approach them with a joint proposal that specifies activities and funding amounts for GIFT.

Long-term Sustainability

GIFT has enormous potential to solidify its standing as a key player in advancing critical global development goals and fiscal accountability and to continue its contributions for years to come. To accomplish this, GIFT must begin a process of reconciling looming tensions with respect to its leadership, its governance, its financing, and its branding. This report contains a number of specific recommendations, but without a formal process for decision-making and implementation planning around these four areas, its legacy and its future will remain at risk.

Initiate Urgent Short-term Action Agenda and Three-year Sustainability Plan

GIFT should undertake a process with key stakeholders to develop two important agendas: 1) Within the next month, it should outline a six-month urgent action agenda, and 2) By the end of the year, it should have a draft of a three-year sustainability plan, including concrete implementation steps and assignments. These processes should arrive at decisions about future direction, framing, branding, governance, leadership transition, and fund development. They should also explore the dimensions of the current and future relationship of GIFT and IBP, with an emphasis on securing the sustainability of GIFT.

Develop Champions

As GIFT undertakes a sustainability planning process, it should simultaneously seek to identify influential individuals who believe in the mission of the organization and who will lend their wisdom, stature and connections to further its ability to fulfill it. As GIFT considers governance questions, it should factor in how these individuals might engage with the organization. In the absence of a formal board of directors, GIFT must find ways to engender organizational loyalty and commitment among some influential validators.

Cultivate Potential Leaders

Although Juan Pablo Guerrero is not easily replaceable, GIFT needs to start the process of closely engaging with individuals who might lend a similar level of credibility and grace to the organization. Cultivating and involving people with leadership potential will better position the organization in the event of his departure. This could involve an exploration of elevating individuals with this potential into leadership roles within the Lead Stewards group. Regardless of how it is done, GIFT must deliberately consider how to avoid a debilitating void when a change of leadership becomes necessary.

Let the Passion Show

The staff and Lead Stewards of GIFT are clearly passionate about the work of the organization and the global goals it is working toward. The best hope for the sustainability of GIFT is to give others the opportunity to share GIFT's essential mission. In these turbulent times, every contribution to sustainable development, fiscal accountability and international norms is a step toward peace, justice, and equity. Communicating effectively about GIFT with the public and with influencers around the world requires a bit less dispassionate fact sharing and a bit more passionate engagement around the ultimate mission of the organization.

Conclusion

This report is written with the assumption that GIFT's value warrants the effort—and discomfort—entailed by bravely embarking on the work required to sustain the organization. GIFT is an unusual organization, which has operated quite successfully under an unorthodox structure. The advantages of this way of operating are clear: flexibility, nimbleness, humility (which breeds loyalty among Stewards), and many more. But the current arrangements begin to show their vulnerabilities as funding becomes less secure and leadership changes loom. Contemplating the changes suggested here can be daunting and off-putting, but avoiding this task could spell the eventual end of the organization.

It has been a pleasure to be immersed, however briefly, in the world of GIFT. The people who are engaged with this organization bring enormous talents and wisdom and are clearly committed to the work. I am honored to offer my perspective on the current challenges and the clear potential of GIFT. I wish the organization all the best and will eagerly follow GIFT's progress toward its even more impactful future. It is my sincere belief that it is definitely worth the effort.

October 13, 2019

Dianne Stewart
Catalytically

ADDENDUM

INTERVIEWS WITH LEAD STEWARDS AND OTHER KEY STAKEHOLDERS OF GIFT AND REVIEW OF MATERIALS

June—September of 2019: Reviewed dozens of GIFT documents and the GIFT website and had multiple meetings with Juan Pablo Guerrero Amparan, the Network Director of GIFT.

Alta Prinsloo, Executive Director, Institute of Financial Accountants, 7/15/2019, 10 AM Zoom Call (with JPGA)

Manal Fouad Division Chief and Sailendra Pattanayak, Deputy Division Chief, Fiscal Affairs Department, International Monetary Fund, 7/26/2019, 12:30 Lunch, (with JPGA)

Roby Senderowitsch, Governance Practice Manager at World Bank Group, 8/15/2019, 12:30 Lunch, (with JPGA)

Warren Krafchik, Executive Director of the International Budget Partnership, 8/19/2019, 2:30 Meeting at the IBP

Carolina Rodriguez Renteria Division Chief, Torben Hansen, Deputy Division Chief, Jason Harris, Deputy Division Chief, Public Financial Management, Fiscal Affairs Department, International Monetary Fund, 8/20/2019, 10:30 AM Meeting at the IMF

Vivek Ramkumar, Senior Director Of Policy, International Budget Partnership, 8/21/2019 2:00 PM Meeting at IBP (with JPGA)

Official Lead Stewards Meeting 8/26/2019, 11:45 AM to 5:30 PM, at the IBP