

The Global Initiative on Fiscal Transparency: High-Level Principles on Fiscal Transparency, Participation, and Accountability

The Parties to these Principles,

Recognizing that fiscal policies – taxing, borrowing, spending, investing, and managing public resources – have critical impacts on economic, social and environmental outcomes in all countries at all levels of development,

Believing that access to high quality information, meaningful public participation, and effective accountability mechanisms:

- enhance the integrity, quality and implementation of fiscal policies,
- reduce corruption,
- increase the legitimacy of and trust in government,
- increase willingness to pay taxes and provide financing,
- strengthen the effectiveness of development assistance,
- and thereby strengthen the efficiency, equity, effectiveness, stability and sustainability of fiscal policies and enhance the likelihood that fiscal policies have positive economic, social and environmental impacts,

Recognizing that the public has the right to information on fiscal policies and effective opportunities to participate in the design and implementation of fiscal policies,

Recognizing also the critical contribution that greater fiscal transparency, participation and accountability can play in facilitating more effective international cooperation in the pursuit of financial stability, poverty reduction, equitable economic growth, and stewardship of the environment and the global commons,

Recognizing the important role in setting norms and standards played by initiatives such as the International Monetary Fund's *Code of Good Practices on Fiscal Transparency*, the Organisation for Economic Cooperation and Development's *Best Practices in Budget Transparency*, the International Budget Partnership's *Open Budget Index*, *International Public Sector Accounting Standards* promulgated by the International Public Sector Accounting Standards Board, *International Standards of Supreme Audit Institutions* promulgated by the International Organization of Supreme Audit Institutions, and the multi-agency *Public Expenditure and Financial Accountability* program,

Acknowledging that while the range of consensus has grown, there remain gaps and inconsistencies in the existing norms and standards,

Recalling that international instruments, both those that are universally applicable, such as *The Universal Declaration of Human Rights*, *The International Covenant on Civil and Political Rights*, and *The International Covenant on Economic, Social and Cultural Rights*, as well as regional instruments, address issues of free speech, access to information, independence of the Supreme Audit Institution, participation, and anti-corruption among others that are relevant to fiscal policy,

Affirming the reciprocal relationship between citizens and government, in which citizens provide resources to and entrust governments with stewardship over public resources, and, in turn, expect to receive information on public finances and fiscal policies and to have opportunities to participate in fiscal policy-making,

Recognizing that developments in information and communication technologies have greatly lowered the costs of compiling and disseminating information, and facilitate new forms of citizen – government interactions,

Recognizing that these Principles will need to be implemented in a manner that is consistent with diverse country circumstances while promoting progress in all countries towards the common goal of transparent, participatory and accountable management of fiscal policies,

Recognizing the need for cooperation and information sharing between all stakeholders to assist states to build capacity and learn from experience in the transparent, participatory and accountable management of fiscal policies,

Inviting all states and non-state actors, including individuals, civil society groups, non-governmental organizations, community-based organizations, professional associations and the private sector to work together to promote the progressive achievement of these Principles,

Recognizing also the desirability of transparency, participation and accountability in all branches of government and inviting legislative and judicial bodies to implement these Principles in their proceedings,

Declare these High-Level Principles to guide policy makers and all other stakeholders in fiscal policy in their efforts to improve fiscal transparency, participation and accountability and to help promote improvements in the coverage, consistency and coherence of the existing standards and norms for fiscal transparency:

Access to Fiscal Information

1. Everyone has the right to seek, receive and impart information on fiscal policies. To help guarantee this right, national legal systems should establish a clear presumption in favor of the public availability of fiscal information without discrimination. Exceptions should be limited in nature, clearly set out in the legal framework, and subject to challenge through low-cost, independent and timely review mechanisms.
2. Governments should publish clear and measurable objectives for aggregate fiscal policy, regularly report progress against them, and explain deviations from plans.
3. The public should be presented with high quality financial and non-financial information on past, present, and forecast fiscal activities, performance, fiscal risks, and public assets and liabilities. The presentation of fiscal information in budgets, fiscal reports, financial statements, and National Accounts should be an obligation of government, meet internationally-recognized standards, and should be consistent across

the different types of reports or include an explanation and reconciliation of differences. Assurances are required of the integrity of fiscal data and information.

4. Governments should communicate the objectives they are pursuing and the outputs they are producing with the resources entrusted to them, and endeavor to assess and disclose the anticipated and actual social, economic and environmental outcomes.

The Governance of Fiscal Policy

5. All financial transactions of the public sector should have their basis in law. Laws, regulations and administrative procedures regulating public financial management should be available to the public, and their implementation should be subject to independent review.

6. The Government sector should be clearly defined and identified for the purposes of reporting, transparency, and accountability, and government financial relationships with the private sector should be disclosed, conducted in an open manner, and follow clear rules and procedures.

7. Roles and responsibilities for raising revenues, incurring liabilities, consuming resources, investing, and managing public resources should be clearly assigned in legislation between the three branches of government (the legislature, the executive and the judiciary), between national and each sub-national level of government, between the government sector and the rest of the public sector, and within the government sector itself.

8. The authority to raise taxes and incur expenditure on behalf of the public should be vested in the legislature. No government revenue should be raised or expenditure incurred or committed without the approval of the legislature through the budget or other legislation. The legislature should be provided with the authority, resources, and information required to effectively hold the executive to account for the use of public resources.

9. The Supreme Audit Institution should have statutory independence from the executive, and the mandate, access to information, and appropriate resources to audit and report publicly on the raising and commitment of public funds. It should operate in an independent, accountable and transparent manner.

10. Citizens should have the right and they, and all non-state actors, should have effective opportunities to participate directly in public debate and discussion over the design and implementation of fiscal policies.