



HIGHLIGHTS

2019

ANNUAL REPORT prepared for  WILLIAM + FLORA Hewlett Foundation

GIFT
GLOBAL INITIATIVE FOR FISCAL TRANSPARENCY



GLOBAL INITIATIVE ^{FOR}
FISCAL TRANSPARENCY

ANNUAL REPORT

Period January - December 2019

This interim narrative report has been prepared for the William & Flora Hewlett Foundation covering the period January 1st through December 31st 2019 in accordance with the terms of the reporting requirements in the grant agreement signed on November 30th, 2017. An unaudited financial report is enclosed.

The top measurable outcomes of the grant are:

- 1.** Advancing transparency, public participation and citizen engagement in the budget process in international norms and at country level;
- 2.** Increasing and improving peer-learning and technical collaboration, harnessing digitalization and open data to engage the public and increasing transparency (including development of IT tools); and,
- 3.** Consolidating GIFT as an action network comprised of fiscal transparency champions gathered in a cohesive and selective group, set to become a source of knowledge, experience, impact, and inspiration to the global community working on accountability, citizen empowerment and anti-corruption issues.

This interim report contains three sections describing specific activities related to the above outcomes. Supplementary information with a theory of change table with indicators and outcomes is included in the annex of this report. In one sentence, GIFT is pleased to report that its principles in fiscal transparency and public participation are being applied and are having impact at country level, in many steward and partner countries.

INDEX

- 06 **I. Advancing transparency and citizen engagement in the budget process in international norms and at country level**
- 07 Global norms coherence
- 07 Public participation principles and mechanisms in policy agendas
- 08 GIFT principles in global normative discussions and standards
- 10 **II. Increasing and improving peer-learning and technical collaboration, harnessing digitalization and open data to engage the public and increasing transparency**
- 11 Peer learning and technical collaboration
- 12 GIFT Stewards and partners creating public participation opportunities: impact at country level
- 14 Tutorial to develop user-centered fiscal transparency portals
- 14 Publishing budget and spending data and using the Open Fiscal Data Package
- 16 **III. Consolidating GIFT as an action network composed by fiscal transparency champions**
- 17 Strong partners on track to become members
- 17 New funding for work in areas with a comparative advantage

01

Advancing transparency and citizen engagement in the budget process in international norms and at country level

Global norms coherence

In May 2019, the OECD (a GIFT member) announced the compilation of a new composite indicator for budget transparency across member countries. The GIFT Lead Stewards expressed concerns about potential standard competition, indicator duplication and international norms confusion. As a response, the OECD accepted the GIFT proposal to engage in a continuous dialogue that could ensure communication, coordination and complementary, in the process of developing the indicator. A first coordination meeting was held in December 2019. In this capacity, the GIFT network was confirmed and endorsed by the global standard setters as the forum to high level dialogue for coherence and harmonization of fiscal transparency.

Public participation principles and mechanisms in policy agendas

With the support of the US Department of State, GIFT and the International Budget Partnership (IBP) started a project to pilot public participation mechanisms in fiscal policies at the national level in five African countries. The main objective of the project is to build the technical capacity of a number of governments to implement mechanisms for public participation in the fiscal policies cycle at the national level. Over a period of 36 months, the grant will allow IBP and GIFT to ensure technical collaboration and support to Benin, Liberia, Nigeria, Senegal and South Africa, to establish meaningful and practical public participation mechanisms and create opportunities for dialogue between civil society and public finance authorities on the use of public resources. By signing a memorandum of understanding, governments have agreed that public participation practices must follow the GIFT principles, which emphasize inclusiveness, openness, depth (informed dialogue with feedback) and sustainability. The project also includes setting up an advisory group with civil society representatives in each country to provide recommendations on the design and implementation of the mechanisms. The project will organize regular peer-learning workshops for representatives from the participating countries to share their experiences and reflect on key challenges and lessons-learned.

The pilot project has been endorsed in other regions. Budget office representatives from Colombia, the Dominican Republic, Indonesia, Mexico and the Philippines have also discussed cooperating with GIFT on a similar project, though GIFT is still seeking funding to support such project. Other ministries of finance, such as Chile, Mongolia and Georgia have also expressed interest in joining these efforts.

This confirms that there is a growing community of governments that share the commitment to promoting **public participation with impact in public finance under the umbrella of the GIFT** guidance and principles.

GIFT principles in global normative discussions and standards

UN 2019 Public Sector Report

The GIFT public participation principles, practices and mechanisms are increasingly considered as reference for reform and discussions around the world on fiscal transparency. At international level, the United Nations World Public Sector Report 2019 examines two critical instruments that can support effective public institutions and public administration for the Sustainable Development Goals (SDGs), namely national budget processes and risk management. The section devoted to budget processes acknowledges that efforts to better reflect the SDGs in national budget processes have to be conceived as part of broader efforts to strengthen budget systems, especially public financial management reforms. The chapter refers extensively to the GIFT high-level principles, the public participation principles, and emphasizes gender based budgeting and inclusive public participation.



Governance Dialogue for Europe and Central Asia

In June 2019, GIFT was part of a global World Bank conference in Ankara with almost 500 participants including government officials, international development partners, academics, private sector representatives and civil society groups from across Europe and Central Asia in attendance. Participants took stock of the current state of governance and explored pathways to improve governance practices and facilitate reforms toward effective, accountable and inclusive institutions. GIFT led a session on managing public resources, including domestic resource mobilization, budgeting and procurement.



Smart Citizenship Academy

Also, GIFT, the Municipality of Cascais, and the World Bank put together the second edition of the Smart Citizenship Academy at the New School of Business and Economics in Portugal. Registering the participation of more than 80 representatives from 20 countries, the workshop provided a space for reflection, debate and co-creation on more ways for inclusive public policy and citizen participation. GIFT was in charge of organizing a workshop on public participation in the budget process at the national level, ensuring the participation of network members from the governments of South Africa and Colombia, as well as civil society representatives from Chile.



Southern Africa Gender Budgeting

In collaboration with the International Monetary Fund (a GIFT lead steward), GIFT was part of a workshop which gathered representatives of Ministries of Finance of 13 countries of southern Africa. The main goal was to explore the progress and challenges in fiscal transparency and in gender budgeting, which is related to the challenges of inclusiveness and comprehensiveness in the budget process. The workshop helped each country identify opportunities and define steps forward, while also learning from each other's experiences.



Implementing the public participation principles in Georgia

In December 2019, the Principles on Public Participation in Fiscal Policy were translated into Georgian, in an effort led by the Europe Foundation, a local civil society organization. The principles were used extensively in a workshop in which Georgia MoF representatives and civil society organizations engaged in a peer-to-peer dialogue. This marked a new collaboration towards introducing public participation mechanisms in Georgia. GIFT stewards of Uruguay and South Africa (civil society and government representatives) also participated in the workshop for learning peer-exchange.



Gamarjoba!
Now also
available in
Georgian

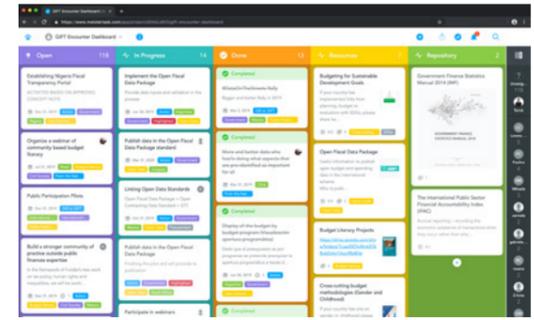


02

Increasing and improving peer-learning and technical collaboration, harnessing digitalization and open data to engage the public and increasing transparency

Peer learning and technical collaboration

The effort to consolidate the network as a group of fiscal transparency champions learning from each other continued in 2019. GIFT brought to full implementation its Encounter Dashboard, tracking member activities and actions. This helps provide a practical understanding of the present and future priorities of network members, and allows us to adapt our agenda and work as needed. Some trends that we can already identify include: high interest in publication of open data, but also now its use to achieve social and economic objectives; a larger focus on increasing the number and types of users of fiscal information through budget and data literacy efforts initiated both from civil society or governments; a strong thematic focus on the links between fiscal transparency and cross cutting budget issues, such as gender, green budgeting, and other SDGs; and the desire to integrate public participation throughout the budget cycle.



Recognizing the high interest in budgeting for sustainable development expressed by the stewards on the Dashboard, the GIFT Coordination Team developed the Finance for SDGs Webinar Series, and up a collaboration for three countries working on gender responsive budgeting. Indeed, some stewards have already included, in their GIFT plans of action for 2019-2020, different commitments and approaches of budgeting for the SDGs, and have requested from the network for examples of implementation in different countries that could be replicated. Network members are increasingly sharing ways to frame their budgets systems towards pursuing the SDGs, and the interest continues to grow.

The GIFT Webinar Series consisted of four technical webinars where experts, including the United Nations Department for Economic and Social Affairs (UNDESA), the United Nations Development Program (UNDP), IBP, and The Alan Turing Institute shared their findings on the current and innovative ways of implementing budgeting for the SDGs in various Ministries of Finance as well as analysis from civil society, including Mexico, Nepal, Guatemala and Mongolia, among others.

PUBLIC FINANCIAL MANAGEMENT FOR SUSTAINABLE DEVELOPMENT GOALS
TECHNICAL WEBINARS SERIES

EPISODE 01
Sustainable Development Goal 16: Focus on public institutions

EPISODE 02
How are countries budgeting for SDGs Experiences from the field

EPISODE 03
Why is SDG budgeting important for civil society and academia?

EPISODE 04
Innovations in using budget analysis to inform decision-making for SDGs

#Finance4SDGs GIFT

Recognizing the high interest in budgeting for sustainable development

GIFT Stewards and partners creating public participation opportunities: impact at country level

The GIFT Open Data Day's activities of March 2019 confirmed some of the long-term impacts of building coalitions between civil society organizations and budget and public investment authorities to monitor public infrastructure projects (second international edition of the rally "Data on the Streets") as well as analyze the use of public resources through the lenses of sustainable development (first international edition of "Better Budget Dataquest"). Eight countries were part of these activities in 2019:

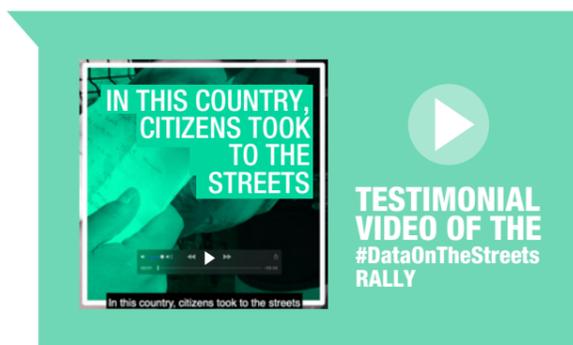
Argentina, Chile, Colombia, Costa Rica, Indonesia, Mexico, South Africa and Uruguay.

By hosting or taking part of the Rally and the Dataquest, Stewards and partners were introduced to public participation mechanisms in practical and accessible ways, while simultaneously establishing a basis for trust and collaboration for improving the efficiency in the use of public resources.

In **Chile**, the rally engaged a growing community of stakeholders, including construction and private sector associations, the public works ministry and remarkably, Chile's Supreme Audit Institution (SAI). Their involvement triggered specific actions in data gathering and monitoring from the Ministry of Public Works and the SAI, which has interested other external control agencies in the Latin American region, such as the SAI in Peru and Mexico.

In **Colombia**, the impact of the rally (2018 and 2019) and the Dataquest (2019) has reached the National Development Plan, including a provision to incorporate cross-cutting budgets in the budget process that match the categories of projects included in the rally and the Dataquest. These categories include gender and the process for peace and inclusion of indigenous groups. As such, the provision of accessible open data as a way to engage the public in public participation is also part of the National Development Plan. Currently, as a follow-up, GIFT is providing technical assistance and facilitating peer-exchange on cross-cutting budgets, with the support of the government of Canada, and the participation of Ministry of Finance representatives from South Africa and Uruguay.

As for **South Africa**, the National Treasury and civil society coalition for the fiscal transparency portal (Imali Yethu) have identified gaps in the information needed by users through the Dataquest. The changes that need to be implemented to achieve



publication go further than including the data or visualizations, and require establishing mechanisms to improve the checks, feedback and follow up with the line ministries and budget executing agencies to better implement the budget. Through these insights and subsequent work, the fiscal transparency portal, in the coming weeks, will include data of allocations at the facility level, which will at the same time allow better monitoring and analysis.

In **Costa Rica**, Innovap, a leading research and academic organization, during the Open Data Day in March organized the first steps to have a Dataquest in the future, considering that the country does not have the necessary open data yet. From there a coalition with the Ministry of Finance (MoF), supported by GIFT, was formed. Through this coalition there is now a formal Memorandum of Understanding between civil Innovap and the MoF to work together to publish budget and spending open data through the Open Fiscal Data Package and also establishing a budget school in 2020. GIFT is supporting both activities through technical assistance and peer-exchange with other stewards who have established similar budget literacy efforts. Out of this collaboration, the Costa Rica MoF and Innovapp have applied to become GIFT Stewards.

The interactions between transparency reforms, public participation and impact are starting to show results, both as better communication between governments and civil society and in some cases, as a deeper impact in a specific sector, policy or marginalized group. In **Argentina's** dataquest, ACIJ, a civil society organization dedicated to the defense of human rights, undertook the task of creating complementary capacities to use and interpret budget data recently published by the MoF for advocacy and impact in the policy agenda. Read more about it [here](#). The impact story illustrates the role of publication gains and how they can transform into social impact.



Furthermore, as a result of the Better Budget Dataquest in Argentina, one of the teams that acquired capacities to analyze the data followed up its investigation to find out how the Mother and Child Care Program of the Ministry of Health delivers fortified milk powder. This **research** demonstrates the importance of having clear, disaggregated and accessible information to monitor the performance of public policies aimed at basic rights, and how important it is for governments to explain, and be responsible for, budgetary deviations.



The MoF of **Indonesia** was among the first countries to introduce a budget open data portal as part of their fiscal transparency efforts, in which GIFT was part of in 2016. With more accessible budget information, CSOs such as Seknas-Fitra (GIFT Steward), have been able to engage in constructive conversations with the MoF and local governments on budget issues. With new and relevant information, Seknas-Fitra has also been able to promote budget literacy of grassroots organizations and improve their understanding of the published information and how it can be



used to better focus their agenda. A specific result of these actions has been changes in the allocation of budget directed to HIV in different regions of the country. GIFT has produced a video where Yenti Nurhidayat, from FITRA, explains this chain of events that have led to better protection of vulnerable groups.

Tutorial to develop user-centered fiscal transparency portals

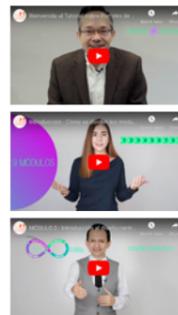
After several years of working with government and civil society Stewards in building digital platforms to provide fiscal information that addresses the users' needs, the GIFT Coordination team produced an online tutorial with a basic guide to concepts and actions to consider in the process of publishing budget information with a user-centered approach. The Tutorial allows participants to understand the importance of publishing budget information, take into account the target audience, and recognize the different steps to develop a budget transparency portal or platform that takes the users' needs into account. The Tutorial also helps governments identify potential users of a budget transparency portal, discover innovative tools to take full advantage of the possibilities that current technological progress offers, and acquire techniques to monitor the results of the publication. Finalized in 2019, the Tutorial was launched in January 2020 in **Spanish**, and will be available in English by June 2020.



18
videos

+

11
support
documents

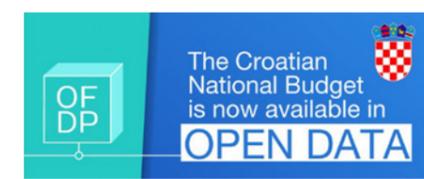
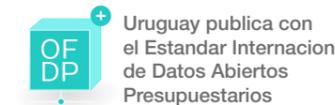
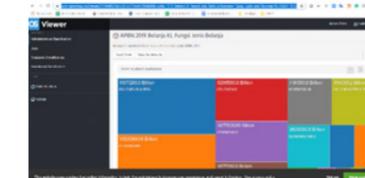


Also available in [Udemy](#) for free.

Publishing budget and spending data and using the Open Fiscal Data Package

In 2019, **we gladly witnessed a strong pick-up** in the publication of budget and spending open data, as Croatia, Dominican Republic, Mexico City, South Africa and Uruguay launched their Open Fiscal Data Package. This was due to the new approach of supporting the data quality and structuring of data before piloting publication. Moreover, publication became timelier, as we prioritized the publication of in-year execution data, for which we have also changed the approach of the data processing tool to focus on recurrent updated data.



COUNTRY	STAGE	FINDINGS
Croatia	Launched	<p>The MoF of Croatia and GIFT sped up the piloting process and the data was officially launched in July 3th during a public event with civil society, press and subnational governments.</p>  <p>The data can be consulted here.</p>
Uruguay	Launched	<p>We concluded piloting with the Office of Budget and Planning, and the data has been published. The official public announcement took place on December 2nd.</p>  <p>Support continues in using the API to enhance the possibilities of the tool.</p> <p>Data can be consulted here.</p>
Argentina	In process	Adaptations are ongoing to support the detailed structure of the Argentinean budget.
Indonesia	In process	<p>We have now officially started a phase of uploading the data and trials, supporting the government in structuring the data according to the needs.</p>  <p>The data tests are already uploaded.</p>
Costa Rica	In process	The data feedback process was successful, and the budget department is working with the IT department to adapt the data extraction. Publication is planned during the first quarter of 2020.

Additionally, we have continued to work with the Philippines, Mongolia, and El Salvador in this period. Activities have included data standardization and feedback to adopt the open spending specification.

The Chile Budget General Directorate, a GIFT steward, published on August 28 a new platform with the national expenditures in open data, with a special focus on payments to providers. This is long-expected news, which puts Chile alongside many GIFT stewards in the frontline of countries pushing the fiscal transparency agenda, ensuring more accessibility and timely disclosure of information. GIFT steward, Observatorio del Gasto Fiscal of Chile, a civil society organization, provided exceptional support in reaching this achievement. Finally, Mexico City became the first subnational government to adopt the OFDP and it is using it to power its fiscal transparency portal (<https://www.tudinero.cdmx.gob.mx>).

03

Consolidating GIFT
as an action network composed
by fiscal transparency champions

During the reporting period, the GIFT network continued to grow, with strengthened technical collaboration among stewards and new funding for innovative projects in areas (such as public participation practices and tax transparency work) where the network has been showing results and consolidating a growing comparative advantage.

Strong partners on track to become members

The Public Expenditure Financial Accountability (PEFA) Secretariat joined the GIFT network in 2019 with the aim of taking advantage of the peer learning opportunities and vital discussions surrounding advancing transparency, participation and accountability that membership offers. Also, after participating in GIFT activities and engaging in collaborative actions, important partners have submitted their applications to become members of the network, such as the Ministry of Finance of Costa Rica, the Collaborative Laboratory for Public Innovation of the Public Administration School of the University of Costa Rica, and Fundación Solidaridad (Dominican Republic). Applications will be processed at the upcoming Lead Stewards meeting (first quarter of 2020).

GIFT Stewards and partners outlook for 2020



50

Stewards
& partners

47 Stewards

3 New formal requests to join (1 government and 2 CSOs)

New funding for work in areas with a comparative advantage

GIFT was selected as one of the groups to advance the Open Government Partnership's thematic priorities. Through the Multi Donor Trust Fund managed by the World Bank, OGP awarded GIFT US \$200,000 to support activities proposed related to learning, advocacy, coalition building and knowledge sharing, as part of the GIFT network's modus operandi, as means to leverage the OGP process in countries that are part of the network for the period 2019-21. The network will continue to provide principles and mechanism on public participation, tools and community activities for engaging citizens in following the money.

As part of the World Bank Innovations in Tax Compliance project, which seeks to develop an integrated framework, including a greater emphasis on building trust and tax morale among taxpayers, GIFT was awarded a US \$150,00 contract to i) contribute to improved understanding of the information needed by civil society organizations in selected countries to engage in a constructive dialogue with governments on tax reform at the national level (reform with emphasis on fairness and equity); ii) extract a set of lessons on settings, processes and methods to ensure a constructive dialogue between governments and CSOs, academia and other relevant stakeholders on comprehensive tax reform; and iii) formulate a draft on global principles on tax transparency in order to contribute to the global discussion on the minimum standards to guide governments in efforts to disclose information on the revenue side of the fiscal equation.

Such outcomes will be achieved through a two-year project during which the GIFT network will produce knowledge and tools on tax transparency, facilitate peer learning on public participation and coalition building for tax reforms, and contribute to the normative global discussion on principles for tax transparency, as relevant components of the holistic approach to tax reform.

Finally, as mentioned above, the U.S. Department of State's Bureau of Economic and Business Affairs has awarded a grant to the IBP and GIFT for piloting public participation mechanisms in fiscal policies at the national level in five target African countries. Over a period of 3 years, the US \$ 494,000 grant will allow IBP and GIFT to provide technical collaboration and support to government and civil society to establish meaningful and practical public participation mechanisms in five countries of Africa.

These projects confirm the recognition and trust that the GIFT network has been gaining in development areas that are at the frontier of the fiscal openness field and the empowerment of civil society, such as meaningful and inclusive public participation in the budget process and tax transparency. That said, as the support from the World Bank came only in 2019, and has been supplied by periodic installations, GIFT has relied on the Hewlett grant top cover its operations.

Annex

- GIFT Theory of Change and Indicators - 2019



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GIFT Coordination Team



Network Director



PFM Technical Adviser for Francophone countries



Representative in Africa



Manager for Technical Collaboration & Cooperation



Lead Technical Advisor



Technology & Communications Coordinator



Program Assistant