**Membership of the network: Considerations on its nature and goals, given subnational governments’ interest in joining GIFT**

**Note prepared for the LS Meeting of February 16, 2021**

1. **Purpose**

The purpose of this note is to provide a basis for a discussion on the composition of the membership of the GIFT network. Up until 2021, only national budget authorities had applied to the become GIFT stewards. More recently, however, subnational levels of government have expressed interest in joining as members or have applied for stewardship. The Lead Stewards should thus consider the nature and the goals of the applicant and prospective applicant agencies, the teams and the people they envisage should become part of the network. Such a discussion is required to form the basis for decisions about future applications. In this note, we review the normative conditions for GIFT membership. After that, we list the main characteristics of current membership and identify distinguished members based on their commitment and dynamic participation levels in network activities that have substantially strengthened the network. Finally, the note identifies the advantages and disadvantages of expanding membership to sub-national levels of government, based on OGP's experience.

1. **GIFT Stewards as defined by GIFT’s functioning rules**

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

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

The rules also specify that “participation in GIFT is inclusive and open to any agency, institution, organization, or body willing to advance fiscal openness and to contribute to, or benefit from, the network’s streams of work”. Section 3 also stipulates that “any GIFT stewards or the network director can invite these stakeholders to engage in GIFT activities, who will be identified as partners of GIFT. These participants “do not have to fulfil the stewards’ functions, but are expected to uphold the values and principles articulated in the High Level Principles for Fiscal Transparency and to consistently and continually advance fiscal openness and share the experience within the network”.

It can be concluded from the above that GIFT's operating rules do not establish that membership is exclusive to national governments, nor do they limit any governmental body or agency from applying for membership in the network. GIFT rules of engagement also establish three different types of working relationship with the network: lead stewardship (members), stewardship (members), partnership (non-members).

1. **What makes a valuable GIFT steward?**

GIFT network members are generally small teams working within an organization or agency, dedicated to advancing fiscal transparency and public involvement in the use of public resources. The question of membership, involvement, engagement and leadership as a network member ultimately comes down to the commitment shown by the personnel representing the agency. The agencies that are the best stewards are those who have as part of their team, a person or small group of people, who believe in, and are determined to work overtime to push this agenda. In that scenario, GIFT becomes a sounding board, a resource and a very useful source of support for them. Ultimately, it is then all about the individuals, the people that we call transparency champions.

Based on the experience of the last ten years, it can, however, be said that no steward has been consistently good, or permanently bad. The ups and downs in the quality of membership have been mostly due to changes in government teams and the level to which the workstreams developed by GIFT has aligned with priorities and timely met the interest of members. While, previously, transparency portals and open data tools generated a lot of interest, currently the most popular topics are public participation mechanisms and government-civil society partnerships around the meaningful use of budget data (as user-centered engagement rallies and data quests become useful tools for budget literacy and the use of disclosed data).

A valuable steward refers to the champion/s within an organization or agency that are constantly engaged in the network activities, willing to test innovative practices, to learn from others, and willing to invest time in sharing their own learning experience. At the other extreme, the network has stewards that rarely engage. When joining the network, new members embrace institutionally the terms of reference of the stewards: the commitment to intensify efforts to enhance fiscal transparency, participation and accountability in fiscal policies, including proposing a plan of action; their engagement to promote discussions on advancing GIFT’s agenda; and the disposition to promote cooperation and information sharing to assist peers. Stewards commit to fulfil the following functions (section 4, Operating Procedures):

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

Based on experience, we can say that remarkable stewards are basically the ones that fulfill number 3, 5, 8 and 9 of the functions. But again, they go through periods of more activity and engagement, before going back to a passive stands. That said, so far, we have not yet encountered the hypothesis of a steward failing to respond to the network’s communications, omitting to report progress on its action plan for fiscal openness, and not attending the stewards general meeting for more than two occasions. As determined by section 4 of the Operating Procedures, this would make them lose stewardship of the network. However, a few of the stewards could find themselves in this position, if they do not respond in 2021, to the various calls for engagement and work with the network.

Currently, GIFT membership is comprised of 53 members: 21 budget authorities, 18 civil society organizations, 6 expert and/or regional organizations and technical networks, 4 international organizations and 4 foundations and development agencies. Besides the lead stewards, the more active stewards of the network are some government agencies (Uruguay, South Africa, Nigeria, Dominican Republic, Croatia, Costa Rica, Colombia, Benin, Argentina), and some CSOs (ACIJ-Argentina, CIEP-Mexico, Icefi-Central America, Innovap-Costa Rica, Observatorio Fiscal-Chile, PSAM-South Africa, ILDA-Uruguay, Social Watch-Benin), that are very engaged in advocating for fiscal transparency within an international context.

1. **The OGP debate on expanding to subnational levels of government**

As we explore further the topic of membership expansion, it is a good exercise to look at the similar experience of the Open Government Partnership. In 2015, when the [OGP](https://www.opengovpartnership.org/wp-content/uploads/2019/10/Oct2015SC_DRAFT_BackgroundDocs_PUB.pdf) debated the possibility of working with subnational governments, the main argument put forward was that cities and other local governments had become more and more important to the people, with them being closer, and their work having a more direct impact on everyday lives, than that of national governments. States, regions, provinces, and counties deliver crucial frontline services, especially within federalized systems, with healthcare and education normally being administered at the state and local county levels. Another argument made was that many innovations and open government reforms were happening at the local level, so keeping local budget authorities from being members of the partnership, would certainly entail missing out on crucial opportunities to learn about more innovative and effective open government reform programs. Thirdly, and importantly, subnational governments were in need of a mechanism to convene and support them in moving towards more open and accountable local mechanisms, such that these governments could benefit substantially from OGP involvement.

The case for subnational governments to engage with OGP can be summarized in the following points:

* To derive inspiration and receive recognition for open government innovations and reforms at the local level;
* To learn from each other as part of a larger open government network;
* To receive institutional support from an international partnership with a sound reputation in open government;
* To learn new ways to make local governments run more openly and efficiently; and
* To get increased global visibility and positive publicity.

In 2019, the OGP Steering Committee approved the OGP local engagement [strategy](https://www.opengovpartnership.org/ogp-local/about-ogp-local-program/) to work with local governments. From OGP's operational point of view, the main concerns about the engaging with local governments were the limitations around scalability, inclusivity, and sustainability. The 2019 strategy addressed these issues as follows:

* Scalability, reaching many more local governments and civil society by combining the reach of national initiatives, with an expanded group of OGP members, and a platform for knowledge, learning, innovation, capacity building and peer support freely available for a wider, interested local open government community;
* Sustainability, using existing resources with further fundraising as necessary, taking better advantage of the efforts and contributions across the partnership through the focus on national initiatives as well as OGP-led work, and drawing on the experience and insight of the open government community as partners, leaders and mentors; and
* More inclusiveness, reaching many more local governments, civil society and citizens through the three strategies than with previous version of OGP Local (national-local integration, enhancing local ambition and innovation and providing a platform for learning and capacity building), with diversity of types of governments, contexts and size built into selection for OGP Local and diversity of approaches to promoting open local government taken into account.

1. **Moving forward and strategic considerations**

There is no impediment for a subnational government to become a member of the network. In fact, the historical limitation of membership to nationally representative bodies is due to the convention of prioritizing the efforts of governments at the national level, as they are mainly the working counterparts of the lead stewards (IMF, WBG, IBP, IFAC). However, there is nothing to prevent an agency that promotes fiscal transparency at the local level, and that likely has more experience in public participation, from becoming a member that can bring that experience to the national level. In reality, while local levels of government can learn significantly from national experiences in the use of technology and public financial management issues, for instance, national agencies could learn significantly from local experience in public participation. As described, an active and engaged steward is a consequence of the institutional commitment to adopt the cause of the network, and the personal engagement of its representatives to promote it, based on their specific contexts and interests. In addition, active, engaged stewards, are willing to learn, test, try and innovate, as well as to candidly share their experiences. This can be met by a team regardless of its level of government.

Sustained and collective work to promote, enable and learn from local government fiscal transparency initiatives may benefit the network in a number of ways:

* Firstly, it can support GIFT’s vision for improving citizen-centered transparency, public participation and public service delivery, as people interface more directly with their government at the local level. Some of GIFT’s objectives and principles such as participation and inclusion, could potentially be more easily realized at this level.
* Secondly, spreading the opportunities for innovations and peer-learning, as pioneering efforts around open government have often emerged from the local level. GIFT can offer a powerful platform for incubating and supporting these open government innovations at the local level, which can then be adapted, scaled, and institutionalized by others, including at the national level, both in the countries in which these innovations originate and beyond.
* Thirdly, local governments and civil society are playing an increasingly important role in localizing global agendas such as the Sustainable Development Goals and the Climate Accord as well as embracing fiscal transparency norms, such as those related to participatory budgeting, open contracting, environmental openness, and interactive citizens budget and digitalization tools for citizen consultation and decision making.

The main concern regarding the inclusion of sub-national governments, emanates from the significantly higher number of sub-national than national governments, and the consequent ability to keep the network lean and flexible enough to remain focused on its agenda. Ways of mitigating this risk could be considered as part of the membership eligibility criteria, such as requiring a subnational government to be endorsed by a steward, and ideally presenting a collaborative project involving transparency and/or public participation.

In addition, should the stewardship category be deemed potentially problematic, based on this concern and others, local governments willing to join GIFT, could work in the network with a “partner” status. This category is addressed in the Operating Rules and it means that partners are recognized by the network and expected to uphold the values and principles articulated in the GIFT Principles and to consistently and continually advance fiscal openness and share the experience within the network. However, these participants do not have to fulfil the stewards’ functions.