**FISCAL TRANSPARENCY COMMITMENTS IN OGP’S NATIONAL ACTION PLANS WORKSHOP**

**Washington D.C., June 20-21, 2016**

Fiscal Openness Working Group – Open Government Partnership

**Summary of meeting minute**

High-level representatives of ministries of finance and of civil society organizations from ten countries and one city met in a Fiscal Openness Working Group workshop in Washington DC (June 20-21) to engage in an in-depth conversation about ambitious fiscal transparency commitments in their Open Government Partnership National Action Plans, and to identify areas of collaboration and peer exchange to development and design fiscal transparency commitments in their National Action Plans. The countries represented were Georgia, Guatemala, Indonesia, Mexico, Moldova, Mongolia, Papua New Guinea, Paraguay, South Africa, Uruguay and the City of Buenos Aires (the list of participants is attached).

Budget and Management Department Secretary Florencio “Butch” Abad (Philippines) framed the conversation by sharing the experience of the Philippines in advancing fiscal transparency and public participation (speech and presentation are [here](http://www.fiscaltransparency.net/presentations/GIFT_florencio_butch_abad_dbm.pdf)). A central point was raised around the issue of sustainability of fiscal transparency reforms and the key aspect of engaging the public.

Sanjay Pradhan (OGP’s CEO) challenged participants to reflect on how OGP and GIFT can join to ensure that the Principle 10 of the GIFT High-Level Principles (on Fiscal Transparency, Participation and Accountability) on public participation will be genuinely implemented, in particular to address the feedback loop (soliciting citizen feedback on whether they got the services the budget was supposed to deliver). Peer-to-peer learning can be an avenue to face the challenge of sustaining energy during regime changes. Moreover, joint efforts by OGP, and in particular the IRM, and GIFT for research and advocacy, by offering more evidence and live results examples could significantly strengthen the implementation of transformative fiscal openness commitments (Pradhan points and proposals became an OGP blogpost, [here](http://www.opengovpartnership.org/blog/madaleine-weber/2016/06/23/next-frontier-fiscal-openness-forging-transformational-gift-ogp)).

Warren Krafchik (IBP’s ED) stressed that access to information without participation is meaningless and leads to disillusion on the part of citizens and civil society. Participation can help ensure sustainability of reforms, beyond champions of today, and it is complementarity to oversight institutions. He invited participants to take the current opportunity for GIFT as a network to commit to 1-2 practical public participation initiatives/pilots in countries’ next action plan and present these at the OGP Global Summit in December, which can be the occasion to make joint high level public participation commitments.

In all of the presentations of countries’ NAPs, there were one or two experiences that were particularly addressing the importance of citizen engagement. As a network, GIFT offered to continue facilitating learning from each other about where and what kind of experiences have had an impact. To do this in a significant way, participants agreed that the **documentation process could be done by peers, having the champion of the practice explain it to a peer from another country**, as an alternative of having an independent researcher buzz in and do the case study. **Participants identified in their NAPs, which action points they would like be followed up by GIFT with this perspective.** This effort would seek to demonstrate that public participation is an important component of public resource decision-making.

To move this forward, **GIFT will provide in the coming weeks: 1) a methodological framework to report about these experiences from an international/comparative perspective; and 2) a specific format for the description of each experience for learning purposes – easy and accessible way to report.**

The following list illustrates the various projects that participant countries identified preliminarily to engage in this peer-to-peer learning exercise in the next two years.

**Indonesia:** Awareness-raising and education activities with high schools, experts, universities, NGOs, like FITRA, scheduled for next year; and improving the budget portal, evolving from PDF publication of data to machine-readable formats (open data).

**Georgia:** establishing effective public participation processes, as a responsibility of the entire government, not just the MOF, including an attempt to create a government decree to establish public hearings.

**Guatemala**: ensuring public engagement during the discussion of the budget in Congress; engaging the public at the local and regional level about programs that concern the communities.

**Mexico:** more participation, with a focus on evaluation, including satisfaction as a way to give feedback, through public participation, on budget execution to improve programs.

**Moldova:** the hackathons being applied to different subjects; open contracting, an area in which they would like to learn from others in this domain; experience using the BOOST platform.

**Mongolia:** law on public hearings, but now the MoF needs to develop a regulation to organize public hearing on public budget.

**Papua New Guinea**: tapping into some of the best practices from places such as Mexico or Moldova, such as online portals; could share of disclosing information at the local level; and the rationalization of the financial management system is crucial.

**Paraguay:** reaching out to more people, and ensuring that data is accessible to everyone, including targeting high school students; citizens Budget is also inspiring, something similar could be developed. Continue the BOOST project to disclose/publish budget information.

**South Africa:** engagement with CSOs and universities throughout the budget process; and development of a national data portal.

**Uruguay:**  fiscal transparency portal and the consultation process (to be confirmed).

**Buenos Aires:** open procurement and making more data accessible to the public (to be confirmed)

The lines below present the minutes of the Fiscal Openness Working Group workshop. Some of the salient points of convergence that will continue to shape GIFT’s agenda in the following months are the following:

1. Continue to develop the Guide on Public Participation Principles and Mechanisms, including some of the practices in which the workshop participant countries agreed to share in a peer-to-peer learning process.
2. Continue engaging with Supreme Audit Institutions and with Parliaments. On the former, The World Bank has been working on this issue and is willing include these institutions in the discussion. On the latter, the Fiscal Openness Working Group has been identifying ways for collaboration with the OGP Open Parliament Working Group.
3. Continue exploring engagement regarding tax and revenue transparency. GIFT will engage with the OGP Extractive Industries Working Group and GIFT will further engage and follow up with stewards and partners who are working these issues.
4. Concern with the issue of the mid-to-long-term sustainability of budgets is rising in the agenda of relevant actors, including investors. In many countries, there is not enough information available to address this question adequately. GIFT will make a proposal about a high level meeting on this issue in which the role of citizens in the discussion is part of the agenda.

Through the countries presentation and discussion of their fiscal openness commitments, three areas of common interest were identified and further discussed in breakout sessions. The main points raised in each topic were:

1. The roles of legislatures and local government, beyond participatory budgeting, other initiatives that engage the public

* *Challenges*: asymmetric information between the legislature and the executive branch; identifying technical vs political approaches; capacity of central governments to exert pressure towards local governments to submit usable data in the right format; (lack of) a legal framework that regulates social participation in resource allocation and monitoring.
* *Potential areas of international collaboration:* Building/ strengthening independent parliamentary budget offices or CSOs that help the legislature to exercise check and balances; Identifying and documenting successful experiences, specifically at the local level or the legislature, through a mechanism to systematize and share these experiences; sharing with regional or global initiatives, such as EITI; international collaboration and technical assistance should not be just for government but also for civil society (non-state actors).
* *Country experiences:* Brazil--law on that regulates the planning of the budget cycle, with public consultations at the legislative; Guatemala—CSO’s capability of offering technical assistance to the legislative branch.; South Africa--process of engagement for the budget; USA-- the Office of Management and Budget, and that has a capacity for questions on the budget (Chile has something similar); PNG-- Consultative Implementation and Monitoring Council; Indonesia—process of local governments submission of budget proposal in advance; India-- the organization Parliamentary Research Service publishes research on bills.

2. Public Participation and the use of Technology

* *Challenges:* identifying users, due to a lack of metrics; capacity of users to understand the data (role of governments and/or civil society to interpret and translate); quality of data; sustainability of tech platforms; effective use of media
* *Potential areas of collaboration:* picking 2-3 challenges and define what kind of focused learning can be promoted; GIFT can help identify the impact of certain participation mechanisms, as well as promoting the sharing of such experiences and peer learning; exploring and using the World Bank BOOST platform, that GIFT is helping to improve by offering more attractive visualization and changing to a full open data formats.
* *Country experiences:* Working on the improved BOOST platform are Mexico, Paraguay and Moldova, probably Uruguay and Tunisia.

3. Linking fiscal transparency with transaction disclosure (contracts) and eventually with service delivery

* *Challenges:* acknowledging both sides of the equation (progress in aspects of program delivery, but weak expenditure and fiscal transparency components); need to work with results based budgeting – allowing tracking of results and performance, and of clear objectives and indicators; use of solid indicator system to allow effective targeting; enriched public data that considers methodology, timeframes and costed activities; on the side of Tax Revenue Transparency, it was noted that: monitoring revenue generation is important.
* *Potential areas of international collaboration:* tax revenue transparency agenda and developing tax revenue monitoring skills (in CSOs particularly); transparency around contracts; tax expenditure at the municipal levels; performance audits and predictive tax revenue models; benchmarking system with key milestones within the contracting space, including the online publication uploading of approved contracts online, along the lines of open e-contracting; involving line ministries and implementing agencies.
* *Countries and experiences to learn from:* Mexico--relation between reporting corruption and public service delivery; Mongolia--CSO participation in tenders and contracting; Georgia: developing a results-based budgeting and the richness of the data; South Africa: e-procurement; Papua New Guinea- the Fiscal Responsibility Act (punitive action in the face of non-compliance).

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**Minutes of the workshop**

**Day 1. June 20, 2016**

**I. Welcome, Workshop Introduction**

In his introductory remarks, Juan Pablo Guerrero (JPGA), GIFT Network Director, underlined that persistence is key in pushing for fiscal transparency; the issue of sustainability of fiscal transparency reforms is related to the demand for openness from civil society. Government champions and political leadership is needed, but the long term perspective depends on the strength of the social demand.

The workshop has three objectives (see agenda [here](http://www.fiscaltransparency.net/fowg/#toggle-id-1)):

1. Engage ministries of finance and expert budget civil society organizations in a conversation about fiscal transparency commitments in the OGP National Action Plans for the next two years.

2. Share experiences and identify areas of peer to peer learning and international collaboration.

3. Start defining global commitments on fiscal transparency and public participation to include in OGP-NAPs.

JPGA noted that around the room were great leaders in the community of fiscal transparency. But special mention deserves Secretary Florencio Butch Abad, who has been since the foundation of GIFT, a model of a lead steward. He practices what he preaches, as is exemplified with the initiatives for public engagement in the Philippines. Secretary Abad has been a devoted GIFT leader, providing resources, experience and ideas to the network, he was key in pushing for the High Level Principles of Fiscal Transparency at the UN, in animating the Fiscal Openness Working Group at OGP, and in the idea of pushing open government itself at the global level. He is a strong advocate of networks, dialogue, peer-to -peer, learning from others. Finally, Secretary Abad has shown his concern with the issues of sustainability of these reforms and he is acting consequently.

**II. Framing the conversation. The experience of the Philippines in advancing fiscal transparency and public participation, by Florencio Butch Abad, Secretary of the Department of Budget & Management, Republic of the Philippines**

The speech and presentation of Secretary Abad are [here](http://www.fiscaltransparency.net/presentations/GIFT_florencio_butch_abad_dbm.pdf). The Philippines was unable to meet its global potential. Today the scenarios seem to have changed. The second fastest growing economy in the world. Tremendous change since 2010. This year the fastest growing in Asia.

There is no coincidence in such results. Aggressive anti-corruption, citizenry and accountability initiatives have been set in place. The Aquino campaign 2010 was about passionate civil action. Won by rallying the peoples support. The government opened doors to get citizens involved. Some of the most transformative reforms include:

* Introducing Zero-Based Budgeting, which has implied putting every program and project under a magnifier.
* Disaggregation lump-sum programs to reduce ambiguity of where funds would go.
* Better disclosure across bureaucracy, including introducing the transparency website, a government site webpage with key budgetary data; the Open Data Initiative that concentrates all budget data on a single site for public consultation. Also, IFMIS (Integrated Financial Management Information System) and Unified account number system was introduced. This has brought about a huge change in efficiency. It used to take two months to get ministries budget requests, but after thye online system, it takes three hours. Transmission is very fast.
* Performance informed budgeting, introduced in 2014, to reorient the budget planning system and make it result oriented.
* Bottom-up budgeting (BUB), launched in 2013, and through which, for the first time, citizens and local governments were given a voice in budget planning, execution and reporting. Guided by the notion that “larger and more urgent voice in budget planning” was needed, local governments could tap into the mind of ordinary citizens and get a better perspective.
* Publication of the People’s Budget, expressing the national budget in easy to understand, layman terms.

As a result, the Philippines has been praised by the IMF; and there has been significant improvements in multiple metrics: such as the Open Budget Survey (among the 25 highest ranked, and number 4 in the whole of Asia); in PEFA assessment results (preliminary results from 2016); in the Transparency International index there was a recent drop but huge improvement; WB ease of doing business; and improved credit rating. There was a focus in improving in investing in people in the form of increases in funding to education, and primary health care. Moreover, the Philippines has also moved into cashless systems. People will complain if we go back. Finally, interestingly fiscal matters have become an item in the public agenda, often making it to the front pages of the papers. We have also

Other programs:

Secretary Abad also reflected on the current challenges that fiscal transparency reforms face today in the Philippines. The biggest challenge is the political presidential system, where the winner takes it all, and can halt advance; and where the legislative wants flexibility and discretion. A significant challenge with bottom-up budgeting is that our local governments do not have capacity to undertake small projects; there are 43,000 villages, more than 1000 municipalities, and with very small own revenues. This poses the need to improve the governance and capacity at the local level. Civil society organizations need to get involved. Hence, right now the challenge is local capacity, rather than making more funds available or allocated at the local level.

Some questions from participants related to the relationship between the BUB and infrastructure development. BUB now supports all cities and municipalities around the Philippines. Much of the growth focused on three regions of the country, which has led to resentment. With BUB, many of the LDUs did not have the capacity to undertake very simple, small projects. There are over 42,000 villages/barangays. Over 1400 municipalities. Most of these are dependent on government funding. BUB is a performance-based initiative. BUB aims to ensure that good governance and capacity is improved. So for now it is more about capacity-building and less about providing funds.

On a question about the sustainability of duration of the implementation efforts and the response from citizens, Secretary Abad mentioned that key stakeholders, such as Congress, CSOs, and media, could use the datasets better. However, on paper, the office of the President is all powerful. Hence, although there are some checks from civil society, Congress and the Judiciary, legally a new President can reverse everything. The most important tool is political. People would react to the disappearance of these reforms.

**III. Public Participation, Checks and Balances and Fiscal Transparency**

OGP´s Sanjay Pradhan started by noting that fiscal transparency is the most popular commitment countries make to the OGP. However, only 12% of OGP commitments are seen to be potentially transformative, and only 6% of the commitments are completed. Looking at the fiscal transparency area, even though it is the most mature, only 16% of fiscal transparency commitments are potentially transformative, and only 4% are completed. The next five years OGP will not be measured on number of new countries, but on transformative change in people’s lives.

Sanjay underlined three key areas to focus on:

* Government-civil society partnership:

This is a unique attribute of GIFT and OGP – co-creations of governments and CSOs. The degree of co-creation, the genuineness of co-creation, is very uneven. The promise of OGP is to make it more even. 70% of OGP commitments are about transparency. Much smaller than 30% in the aggregate are commitments that are actual responses. Only 4% of fiscal commitments are citizen budgets. Only 8% in the fiscal area are social audits or participatory budgeting. This must rise. Yet, there are remarkable examples. In Kenya, social audits actually led to a 20% decline in corruption. Citizen participation can make a difference.

We should challenge ourselves to solicit citizen feedback on whether they got the services the budget was supposed to deliver. This feedback loop is the real promise of OGP. This citizen feedback should be aggregated by CSOs and then reacted to by government. Can OGP and GIFT together join to ensure that the principle 10 on public participation will be genuinely implemented?

* Peer-to-peer learning:

GIFT represents one of the most effective working groups and this meeting represents a maturation of its peer-to-peer working. One of the challenges is how to sustain energy during regime changes? This workshop is one way. A few areas where governments and CSO gathered today can help OGP are:

* Fiscal Openness Working Group – NAPs – maybe establish a more upstream stage in the process where you can come in.
* OGP focal points are often situated outside MoFs, it would be good to connect them.
* IRM – big implementation gaps, especially in Africa. The FOWG could maybe help close this gap.
* Joint efforts for research and advocacy:

Both IRM and GIFT have plenty data points, but more evidence and live results examples are needed. Ultimately, we should make a strong case to citizens for public participation. Results stories would be good.

Responding to Ricardo Barrientos’s (ICEFI, Guatemela) remarks with respect to IRM’s reports timeliness and the expertise on fiscal matters with which action plans are evaluated, Sanjay commented that one way to address this is to do thematic workshops for IRM researchers so they are aware of standards. In this, the FOWG has an interesting role, and could promote a discussion to classify countries by the level of engagement for citizens. Using more mobile technology could democratize budget participation.

Warren Krafchik (IBP) mentioned that in a context of declining trust in governments, open government was one way to increase this trust. Another idea to think of is the race to the top – OGP to act as an advance guard, to drive open government and increase the curve of improvement. The idea was that over time the good examples would circulate, through sharing our experiences. Today, OGP groups almost 70 countries, which have established over 2000 commitments, of which fiscal commitments are the greatest. However, this is not enough, we need to move from access to information to actual participation from the public.Citizens have a right to participate in the budget. Without participation, access to information is meaningless and leads to disillusion in citizens and civil society. The two need to be coupled. Citizen engagement increases the chances of good policy decisions (allocation efficiency), because citizens have access to information that governments do not have and they know about the implementation of the budget.

Participation can help ensure sustainability of reforms. It represents an opportunity to sustain open government reform beyond the champions of today. Citizen engagement is complementarity to oversight institutions. Oversight and accountability are not institutions that citizens can carry alone.

As the Fiscal Openness Working Group, there is the opportunity to incorporate citizen engagement into our action plans. We should think of us as a network of reformers – we should make joint commitments about the right of citizens to participate in the budget process. GIFT is the perfect framework to make these commitments. It can provide a space for joint learning.

David Mader (OMB) discussed advances and challenges in fiscal openness in the US. Budget is online and transparent. However, it is just the plan on how we intend to spend the citizens’ money, not the actual spending. The first ever transparency legislation came in 2006 (initiated by Barack Obama and two Republican Senators), and the aim was to prepare a website to show how the budget was spent on. It took 2 years to do this. In 2008 only part of the budget was on the website. In 2009, Barack Obama issued a decree (first day in office) on data transparency and access to information, which initiated a global conversation. There are now hundreds of datasets that are available for everyone to use. In May 2014, Congress passed the second phase of data transparency. Bringing in third party datasets would be interesting. In responding questions form participants, Mader stressed that the transparency reform is a bipartisan initiative, which gives it good prospects for progress, regardless of presidential electoral politics.

Why fiscal transparency is especially important now? asked Jim Brumby (World Bank) to start his reflections. Growth is slow, economies are not growing to the same extent as before. The pressure is more prevalent to show exactly where public monies are being spent. How does increased transparency relate to increased fiscal efficiency? Why is public participation important? There are some areas where the real information is only held by the public, the citizens, and we need them to engage. For example, we are in a crisis of legitimacy regarding taxes and revenues. Issues like the Panama papers, tax havens and tax evasion/elusion have fed such crisis. There is a lack of good quality information on tax expenditures. In many countries, the tax basis is reducing. GIFT must galvanize the voices from around the world, especially CSOs, for the G20.

**IV. Fiscal Transparency Commitments in OGP National Action Plans**

Ten countries who are OGP members, and one city, Buenos Aires – also an OGP member – have come to present country experience presentations. All materials and presentations of the workshop are [here](http://www.fiscaltransparency.net/fowg/#toggle-id-1). These notes capture, most of all, that having to do with initiatives in the framework of OGP commitments.

**Georgia**

Georgia scores 66 in the Open Budget Survey. It is among the substantially transparent countries.

The 2015 OBS recommended areas for improvement: providing sufficient information in 2015: Citizens Budget and in year and year-end reports; ensuring public engagement and participation in the budget process is still a challenge. To advance on this, supporting the establishment of a platform or mechanism to include citizens and CSOs in the budget process is relevant.

After more than a decade of implementing a Public Finance Management Reform, OGP fiscal transparency commitments are related to:

* Ensuring the publicity of budget related documents. To this end, the website of the MoF publishes a Citizen Guide, and a Fiscal Governance document is also available. In 2016, state budget was discussed with civil society, citizens and interest groups by members of Parliament.
* Engaging the public in the budgetary process, by providing the public with interactive questionnaires at different stages, through an online survey on budget priorities.

Transparency International Georgia underlined that the Bottom Up Budgeting is not organized at this moment. Technology is not used to ensure citizen engagement in budget planning – government should create an electronic platform at the local level and in the center, so that the government can inform citizens and can also engage them more. One additional challenge is that the citizens don't think it makes sense rarely see the point in being involved in budget planning. Government and CSOs have a crucial role to promote this idea of participation.

**Uruguay**

Government has made an effort to go closer to people. There is direct engagement with the President of the country – town hall meetings. It is called “Close government”. Current mechanisms to promote fiscal transparency include: a website that shows the distribution of public spending on the transparency website; a Territorial Observatory, with information about the environment, culture in each one of the regions, including regional GDP; municipal information (Mirador Ciudad); a single platform of all hiring processes covered by the national budget (Uruguay Concursa).

Uruguay has not been included in the OBI, but the Global Open Data Barometer:

* In terms of the budget we have an acceptable situation.
* In terms of spending we have work to be done to meet international standards. Information is published regularly but we are not meeting standards in terms of openness, such as the regularity of reports, bulk downloadability etc. We will work on this and request a new evaluation this regard.

As an OGP commitment, Uruguay is addressing the challenge of developing a budget transparency website which would offer comprehensive, timely and understandable information. This would manage content, be user-friendly, and have different strategies for engagement and information dissemination. The first version will be presented to focus groups. Collaboration with GIFT collaboration is helping in refining contents and structure, knowing good practices and technology, user friendliness, potential of public content.

Georgina Santangelo from the Catholic University of Uruguay commented that according to a report on Budget Transparency published by her University, the budget is widely reported in Uruguay, with differences between the stages; there is a need to training journalists specialized in this area and work on media literacy; the types of reports that exist are not really accessible or understandable to citizens.

**Indonesia**

Why Indonesia needs a reform on the budget system? The former law did not correspond with global and national conditions, on budget discipline, sustainability, transparency, efficiency, and accountability. Transparency is a key element. In the long run it leads to stronger government and more involved citizens. It is one part of fiscal reform.

Indonesia’s recent efforts include an OBS 2015 Score of 59, higher than global average. The areas for improvement identified in terms of transparency are related to formulating a Citizens Budget (Budget in Brief). The Budget in Brief contains key budget information in easily understandable language. Also, the budget document is in three Books – Book 1 Draft Law on State Budget, Book 1 Financial Note and the State Budget, Book 3 Line ministries’ work plans and budget. The most salient action has been encouraging people to better understand about the budget process.

Local government is very strong in Indonesia. 30-40% of the budget goes to local government. For the moment the focus is on the national budget, but they are trying to make some changes on the subnational levels.

In its OGP Action Plans, Indonesia has committed to:

* Work on a short term plan for 2016, focused on the data portal development, to be completed by December 2016.
* Plan to share excel formatted data in 2016.
* Medium term plan for 2017-2019: 6 line ministries will provide detail of their own budget data in the data portal.

FITRA (CSO) could not make it to Washington, D.C. but they are consistently in dialogue with the MOF and GIFT.

Comments

Vincent Tophoff (IFAC) pointed out that fiscal transparency as such is not enough. Quality of data is also important. Good reporting is a language of communication. There must be a strong demand for public sector information created to keep these reforms sustained.

Juan Pablo Guerrero rose a question related to the investment of resources that any of these commitments mean. MoFs are often against additional expenses. How do you justify expenses and investment of resources for transparency?

TI Georgia stressed that one important thing is to have a public awareness campaign, which should be especially active in the regions. User-friendly, electronic platform should be established to engage citizens. Good examples should be presented so public is encouraged to get involved. Álvaro García (Uruguay) agreed that the goal is to reach all citizens with a mass campaign: “Where are your tax dollars going?”. So citizens realize it’s their money. Focus on people’s expectations, since there is a trade-off between informing citizens and having citizens demand information.

**Mexico**

Currently working on the Third Action Plan. The most important commitments of past NAP are:

The Fiscal Transparency Portal, which currently more than 2000 datasets, going back to the 1990s, depending on the kind of data. Launched in 2012, before or simultaneously with OGP’s foundation.

Originally there were very few visits to the website, but they looked for tips from CSOs, citizens. They have learned that data is important, but keeping it simple is also important. This year the portal was made participatory. There are now 8 infographics. Also working on providing information via email (which was requested from people). However, certain changes in norms, procedures and cultures were needed to make the website work.

Balancing between keeping it simple and use more data has been hard. There are different objectives and publics for each part of the website. There is a visualization and the open data on the bottom part.

The following are not OGP commitments, but are relevant fiscal transparency and public participation actions being implemented in Mexico.

Building a public participation scheme. Through social media, the MoF has invited people to a contest to participate in monitoring the advancement of public works, by taking photos of government projects.

Currently, the Education Reform Program inserted a participatory measure. In more than 20,000 schools receiving federal money, directors/principals and parents decide what the money should be spent on. The amount is the same as BUB’s (for comparison). There are photos of the projects. The IADB evaluated the project and a many change were implemented in 2015 to improve it.

Moreover, to address the feedback loop, the MOF, in 2015, implemented the project “You Evaluate”; and in terms of capacity building, they are offering a diploma course on budgets which is open to all public. Class starts on August 1, and over 5,500 people have enrolled in 1 week.

Fundar commented that the MoF has improved fiscal transparency to a great extent, but we need greater citizen involvement. We need to increase the number of organizations that participate, and build a social movement to fight for more human rights, and for improvement in the public budget. Transparency needs to be in fact a tool for social change.

**Moldova**

Since joining OGP in 2012, two NAPs have been implemented with a focus on transparency, open data, public participation. The third NAP will be approved in July 2016; and they have chosen to have fewer, but very transformative commitments. Some of the few practices that have been established are the Open Budget Spending (BOOST) and the Open External Assistance to the country. The Citizen Budget should be published shortly.

The Expert Group (CSO) noted that to strengthen fiscal transparency, Moldova faces several key challenges. The first is a structural one, the poor participation and interest of Parliament regarding promoting fiscal transparency agenda. A common problem is the weak interest of population in knowing about budgetary numbers. Low public participation is one the weakest aspect of reform in Moldova. Most ministries have weak internal audit departments; some don’t even have one. There is a lack of proper reporting from ministries how public institutions spending the money; and information is often hard to find on MOF website. More participation on the portal once the public sector opens up all information about the budget.

**Mongolia**

The MoF has worked on budget transparency issues since 2009. They have put in place a “budget transparency” website and promoted legal fiscal reform to foster transparency and inclusiveness.

In the Open Budget Index, Mongolia scored 51. Budget oversight has scored well, but public participation is low. Transparency is higher than the average. The Index recommended improving transparency and improve public participation. Through the “Glass Accounts law”, they have managed to make budgets more transparent, by publishing the information in downloadable formats.

Open Society Forum, Mongolia has recommended to improve budget transparency through mid-year review and citizens’ budget; increase the comprehensiveness of the budget proposal; and improve participation through specific mechanisms – such as public hearings, surveys, focus groups. Moreover, it is recommended to work on new legislation on public hearings; mandate the production and publication of mid-year review; and to keep allocating resources for projects to increase transparency.

In particular, for the 2016-2018 NAP, the recommendation is to increase transparency of foreign loan and aid; disseminate information online vat registration system; and to improve public budget disclosure (glass account) system

**Paraguay**

The second NAP extends until June 2016. There is now a draft version of the third NAP, to be implemented starting in July 2016. Paraguay made the citizens the real comptroller of public funds. The strongest ally in the reforms is the citizens. BOOST Paraguay was implemented in 2013; and several measures have been taken to improve the publication of financial information (System Provision of Information and Reports or SIPR, and the GSFM).

The next steps are to work on civil society capacity building in use of data; citizen participation in monitoring and control of investments and expenditures; making available to the public the budget bill, as well as a simple and clear summary of the budget bill and the approved budget, and the Annual Budget Execution Report, within six months from the end of the relevant fiscal year.

**Comments**  
Keith McLean (World Bank) noted that although data is being put out in large amounts, it is not accessible to the public, it is not digestible. There are sophisticated CSOs that have a dialogue with government but without understanding the issues the public faces. There also does not seem to be a feedback loop – the MOF complying with international norms but not building an accountability loop. Parliamentary failure seems to be a huge issue in general. Citizen Budget and citizen audit are as useful for the average parliamentarian as for the average citizen.

It is key to promote commitments in NAPS that are transformative. In this, the use of ICT is critically important; and having CSO partners is also critical. Pushing for transparency in asset declaration/salaries side is also significant. However, the question to answer is how does fiscal transparency help you, MOFs? What is the problem you are aiming to solve? Once this is figured out, more targeted solutions can be forged.

**Papua New Guinea**

The first NAP will be submitted by 30th June 2016. Efforts are being placed in rolling out Government Finance Management System replacing the Oracle and PGAS System. The objective is to provide a unified single chart of accounts and budget classification across all departments and subnational governments. Subnational Management System and Government Department systems are to be rolled out.

Paul Barker remarked that in many rural areas where survival is a key concern and access to government information is not actually available. But when they have access to information, they are shocked about how much money is allocated to their areas without any signs of progress. Strong system of patronage. The local communities often forget what government is for (such as delivery of public services). At the regional level there are initiatives to involve citizens such as roadshows. Some government entities are much more open to participation. The difficulty in rolling out the current system, many government departments work on much older systems. There is also a lack of timely auditing.

**Buenos Aires (City)**

Buenos Aires began participating in the OGP this year, as one of the pilot subnational governments program. BAs has had an access to information law since 1988; and different amendments have been adopted to this law reflecting changes in technology. There is an online platform through which everything all transactions are done and registered (all tenders, contracts, etc.) All the data on the budget is published on a quarterly basis.

To continue advancing open government, BAs is working on the online dissemination of assets of all public officials and public servants; accountable government, this year 20 commitments were undertaken (Execution of public works, public advertising, etc); Open Procurement, there is an online procurement system; to make data more accessible to people, BAs is taking steps towards open contracting, in order for the public to be able to oversee all procurement. In addition, they are working with the Open Contracting Standard in relation to NGOs.

**South Africa**

South Africa is a founding member of OGP. A commitment made in the NAP includes CSOs and Treasure activities in the budget process. In 2010, SA ranked first on OBS, and in 2015, it ranked third (expanded questionnaire). The main budget is published February each year, and in October, there is an adjusted budget published. There is also a mid-year report. Extensive budget documentation is published: People’s Guide, The Budget Review. In October, an extensive mid-year National Budget data is published.

Zukiswa Kota (PSAM) explained that the post-democratic transition meant that a lot of academics and CSO staff staffed SA Treasury. This facilitated strong bilateral relationships in many sectors. There is significant assent on specific budget areas (not all and not all the time); and a dynamic civil society space post-1994. Challenges have to do with the technical nature of budget information; the narrowness of budget timeframes, in which civil society has to have a robust participation within the time limitation; disparate amount of disaggregated budget information available; disparate availability of service delivery information or sometimes not up to date. On the positive side, the dynamics of the relationship between the Treasury and the CSO have given place to regular and intentional formal engagement and informal dialogue.

Current OGP commitments are related to more effective managing public resources, coherent with OGP principles. As an output, SA has committed to improved participation in the budget process. In this, milestones include potentially developing a budget portal; creating interactive hubs and IT portals. The common aim in going forward is achieving meaningful citizen empowerment.

**Guatemala**

For the new Guatemalan government, fiscal transparency is a matter of regaining trust from the voters. Expanding public spending and public service delivery depends on the ability to increase tax revenue. We were the only country in Latin America that did not fulfill the Millennium Development Goals, in fact, we increased our poverty level. The aim is to institutionalize open budget practices to gain credibility.

The creation of the Third Plan of Action is somewhat behind schedule, due the issues that arose during the transition, such as, the lack of public funding for the Presidential Commission for Transparency and Electronic Government (COPRET) that was in charge of coordinating OGP actions in the country. There first workshop on fiscal transparency for the Third Plan of Action was held mid-June 2016. ~~The~~ One aim of the Ministry of Finance is to include Open Government Principles in the 2017 budget as annexes. The second NAP contained 48 commitments, 18 of which related to fiscal transparency and 12 directly related to the MoF. Although the political crisis of 2015 almost paralyzed the public administration, the country was able to achieve important milestones of the Second Plan of Action.

Ricardo Barrientos (ICEFI) noted that discussions between CSOs and MoF have been taking place in a good cooperative language. One main conclusion, even with a major political crisis, co-creation is working. Fiscal transparency commitments are supported at a good technical level. There is a concern about the legislative branch and how to get them to engage actively in the budget process.

With respect to the OGP process, Barrientos sees a challenge with how the IRM reports are produced, in particular due to the timing in which these are conducted and to the fact that researchers are but experts in fiscal transparency matters. Could the FOWG help to improve the means of verification and monitoring?

Mario Celada (CIIDH) mentioned that the proposal they prepared focuses in discussion the dissemination of information (E.g. Citizen Budget) and making the CB accessible to citizens. We need to do more about citizens understanding budget language. Citizens Budget is key in this respect and should be pursued.

**Comments**

Jim Cook (MITRE)explained that the Center for Enterprise Modernization works with federal government agencies for effective use of public resources and effective delivery of public services; and that they have been involved in fiscal transparency initiatives since 2008.

Currency of the information is very important. We have opted to put out information earlier to take advantage of outside good government groups. A lesson learned by government has to do with multiplying the impact of the information disclosed, by providing access to other external groups, such as the Sunlight Foundation. Although, some of these lessons took a few cycles to sink in.

Accountability topic has been key, and this is a very political question and not much can be changed there. Eventually it is a decision that is dominated by politics. Transparency does not eliminate the need for communication. They had to communicate their story around the data. What is going on with this or that program? Constant and proactive communication is something we learnt not to set aside.

In thinking of the credibility issue, shining light on potential corruption or fraud that occurs is not enough. If potential fraud was being identified, that should be persecuted. Without that, there is no credibility. We had to learn this in a quick and objective way. Usability (of information), accountability and credibility are important lessons the US has learned the hard way.

Keith McLean (World Bank) compelled the Guatemalan CSO colleagues on what their issue is with the IRM. Perhaps not necessarily as flexible a system as they might want it. What was the issue? Is it a lack of capacity? Is it simply a different view of what you had in mind? Barrientos replied that the issue with the IRM is very straightforward and direct. He explained that if you compare the [background paper](http://www.fiscaltransparency.net/resourcesfiles/files/20151028136.pdf) for the meeting in Mexico October 2015 that GIFT shared to the graph Carlos (MoF) just showed us, there is a huge difference in terms of results. The background paper methodology is excellent. If the methodology is not the problem, we went to the source of the background paper, which is the IRM reports. These were late, they were too general, and too strict to the instructions of OGP. There were a lot of gaps that were not covered.

Indeed, the political crisis in 2015 led to a citizen movement that is responsible for institutions to start using the legal tools they had with respect to fiscal transparency. Many of these tools were available but the different agencies were not using them. There is some social control by citizens, and by CSOs, over fiscal transparency and open budget.

There is also social pressure from independent social media that played a key role in 2015. Citizens – middle class particularly – are tired of corruption. In 2015, they voted for someone who was not part of the political establishment. The General Attorney Office, a general human rights office that depends on Congress, has shown a more proactive attitude with respect to controlling the use of public resources. Currently, there is an issue of executing the budget – there is a learning curve for the new administration. Also, the budget is more complicated. There is a 33% execution level.

**IV. Areas of Collaboration. Working in breakout sessions**

Juan Pablo Guerrero explained how GIFT has been thinking about specific mechanisms that show the principles of public participation in practice (Guide). We are introducing other areas for collaboration and point out different activities that the network should have as the next steps for following up. With this discussion, we would like to achieve clarity on these issues at the global level in the next few years.

For the breakout sessions of the workshop the topics proposed were:

1. Use of information technologies for reaching out to users and ways to engage the public in the budget process and fiscal policies. Discussing disclosure, usability and communication issues (Group 2)
2. Open budget: how to link fiscal transparency with transaction disclosure (contracts) and eventually with service delivery; how can we help the public establish those links? (Group 3)
3. National Government fiscal transparency efforts and the roles of legislatures and local governments. Discussing beyond participatory budgeting, other initiatives that engage the public through the local government and the legislatures. (Group 1)

Breakout groups were asked to discuss the following questions:

* Identify the main challenges to address the issue
* Identify countries and experiences from which you would like to learn more about this issue
* What kind of international collaboration and technical assistance would be useful?
* What would be the next steps for GIFT on this agenda?

Facilitators include: Greg Linden (MITRE), Johannes Tonn (GI), and Abhinav Bahl (OGP).

**Day 2. June 21, 2016**

**Report back from the three working groups**

Group 1. The role of legislatures and local governments in promoting fiscal transparency and public participation**,** *facilitated by**Johannes Tonn (Global Integrity)*

*What is the role of legislatures and local governments?*

Martin Mura explained that in the city of Buenos Aires, government presents the budget each year. Great deal of difference and asymmetry between the executive and the legislature approaching the budget. The task of the legislature is very limited with regard to defining budget policy. Some cities have moved forward, they have budget offices that advice the legislature, but that is still rather rare. The amount of information that we bring to the legislature is much more than what they want to know about. This must change as they are the final decision maker. Strengthening the legislature to exercise this capacity is key.

Ricardo Barrientos (Guatemala) noted that Congress is in charge of approving the budget, exemptions, subsidies, etc. Hence, the question is not whether to get them involved but how to get them involved.

in theory political representation is with the legislature. It is a question of leadership and champions within the legislature. In Guatemala, for example, we have a Congressman who is an expert on the budget and that has been very instrumental in moving budget bills forward.

Congressman Vidal Llerenas (Mexico), who sits in the Budget Committee, commented that in Mexico approving the budget is the responsibility of Congress. Challenges are multiple. The budget is a technical document with a political decision involved. There is technical work that has to be carried out within the legislature. GIFT could link legislature and civil society to discuss these issues. In Mexico, we have pre-criteria, submitted April 1 of each year for the coming year. This should lead to a discussion about priorities, budgets are always limited. The first political discussion is about priorities.

Regular committees in Congress have the power to evaluate public policy programs. Lower Chamber of Congress has the authority to modify but not to create new expenditures. If a regular committee creates a new expenditure, they have to identify the source of funding. This budget committee has the authority to do that. It is important to identify the different phases of the process.

With respect to local governments and resource allocation, it is fundamental to get the community involved – and it’s through democratization of the discussion around resource allocation. In the case of Mexico, we have subsidies of around a $100 million. They have to do with operational capacity and with transfers when it comes to expenditures. This is an agenda where we could get different stakeholders involved.

Johannes Tonn (Global Integrity) pointed out that this touches upon the issue of horizontal and vertical accountability, if communities know what the resources are, and where the expenditure goes.

*Key considerations and challenges*

* Asymmetric information between the legislature and the executive branch.
* Challenge of identifying technical vs political approaches, who should be prioritizing and what. Acknowledge that there are technical and political questions. Maybe it is important to clearly map the budget phases, especially the areas where political priorities should come in or where technical points should be prioritized.
* Quality of information about the expenditure.
* Lack of awareness and education towards both civil society and legislators. How do we democratize oversight? How do we educate citizens regarding service delivery?
* Tight timelines that limit the opportunities for legislators to engage in the budget process. Do legislators have sufficient time to learn, to approve? What are the rules of the game? They are set out by the legislature. There are examples of independent parliamentary research offices that can help (as in the US).
* Diversity is an issue – but this may be very context-specific
* Champions inside the legislative branch
* Local-central level: there is a difference when it comes to publishing and access. Most experiences here mentioned that they are doing better at the central than at the local level in presenting information. When we talk about monitoring the results, so that they are comparable, there are different aspects where there must be consensus
* Central government may be able to exert pressure towards local governments to submit usable data in the right format? This is also a question of resources. A bottom up process of prioritization could eventually reach the legislature.
* Sustainability of a project when there is government change. What can we do to strengthen the budget process?
* How to legislate in terms of participatory budget – how can we work under a legal framework that regulates social participation in resource allocation and monitoring?
* Brazil – very specific to the federal level. At least 60% of budget goes to subnational level but it is hard to get them to produce the information. There is no uniformity in terms of the data that is being produced. In some cases, you need to standardize software etc.
* Political tension is also present between the two branches
* Transparency as to full consolidated government budget – often not present at the subnational level. They are often not published on a timely basis.

*Countries and experiences to learn from*

* Brazil: there is a law on that regulates the planning of the budget cycle. The legislative carries out a public consultation process, without which there is no budget next year, and it has fixed due dates.
* Guatemala: CSO is capable of offering technical assistance to the legislative branch.
* South Africa: process of engagement (with timelines) for the budget. There is a parliamentary budget office which does the research and the technical work. Fairly new in SA. This is Money Bill of 2009.
* Uruguay: participatory budgeting in Montevideo is a good example. This experience could be studied.
* USA: An experience that we can look at with respect to the asymmetry of information is the Office of Management and Budget, and that has a capacity for questions on the budget. There is something similar in Chile.
* PNG: Consultative Implementation and Monitoring Council, run by civil society but it is co-funded by the government. Provides a space for lively debate.
* Indonesia: Local governments should submit proposal in advance, without it there is no allocation for next year’s budget. Indonesia is currently trying to implement rules to this extent.
* India: the organization Parliamentary Research Service publishes research on bills.

*Potential areas of international collaboration*

* International collaboration and technical assistance should not be just for government but also for civil society.
* Building/ strengthening independent parliamentary budget offices or CSOs that help the legislature.
* Sharing with regional or global initiatives, such as EITI. Mongolia, for example, has been doing this for 11 years, building up valuable experience.
* Building instruments for publication of the budget that can be adopted to different realities.
* Identifying and documenting successful experiences, specifically at the local level or the legislature.

A recommendation would be to create a mechanism to systematize and share these experiences; and to be very selective while choosing them.

*Comments and questions*

Congressman Vidal Llerenas (Mexico) mentioned that sometimes we see fiscal or economy policy that cannot be discussed because it is too technical. It is important to have a level of understanding the data and its complexity in Congress to really be able to challenge the executive on it. The fiscal transparency agenda should include also an agenda to interact with the legislature. Maybe we should focus on the legal framework first.

Regarding the capacity-building of the legislature for policy and resource allocation debates, it would be advisable to focus on impact evaluations, specific issues (health care, infrastructure). A key point would be to identify a key moment in the budget process and develop specific actions for specific parliamentary committees, for specific sectors. Congress Committees (at least in Mexico) have the ability to do program evaluation. This could be strengthened through, for example, technological platform that connects legislatures to citizens.

Keith McLean noted that at the WB they have been working on parliamentary strengthening for a while. Follow up on audit reports has been weak in Parliaments, unless it is some major scandal. In some cases, this may be due to a lack of capacity or a lack of political will. The challenges are both structural/technical and also at the same time political. Few audit reports are being taken seriously by the legislature. There are all sorts of issues with parliaments, but they are there to do fiscal transparency and oversight. But how do we get them to do it? If Parliament does its job, the MOF has a hell of a time, which would benefit the entire society in the end. How can we bring legislatures into the GIFT process? It is not the role of MOF to be an entry point for legislatures.

Juan Pablo asked what can be done to have a more informed and a more open debate that reflects the national priorities? Ministries of Finance have many tools to help an open debate, such as having the information, and releasing it to the public in an open and accessible format.

Lorena Rivero (MoF, Mexico) said that in Mexico they were always thinking about legislative reform and new laws. Already there is a law regulating this, but it is not used. That article talks about “user satisfaction” – so the norm to use is already there. We can maybe start focusing on this section. We don’t need a big reform here.

Congressman Llerenas stated that the official reports can be useful but we should have reports that actually explain what the government is doing. The legislature needs to be wholly integrated in the budget process. In Mexico, there are no big discussions on finance. Government does not seem to like discussing with citizens the financial issues.

Ricardo Barrientos (ICEFI, Guatemala) raised the issue that the legislative branch has both the lawmaking and oversight process in its hands. Depending on the country context, oversight is also an area where citizen participation could be encouraged. For example, in Guatemala, Congress has a special power to demand data and information from high ranking executive officials.

Secretary Abad commented that the Department of Budget and Management always explains for the failures or inadequacies of the line agencies. But really this is a problem in relation to the implementing agencies. They have been able to get Congress to participate in the process and exert pressure on agencies who have failed in the budget execution. How do you get Congress to do this? The principal consideration for them is constituency concerns, so the issue needs to be angled from that perspective, in order to generate interest. There is a give and take there. Legislators always think about reelection.

Ashok Parameswaran (Emerging Markets Investors Alliance) suggested that for some of these topics, one approach to involve GIFT is to have a working group for those interested and then have a monthly conference call or quarterly conference call. Guest speakers are also useful ideas.

Group 2. Public Participation and Technology, *facilitated by Abhinav Bahl (OGP)*

*Key considerations and challenges*

* Metrics on who the users are of this information are incipient. This makes it hard to make appropriate disclosures available.
* Capacity of users to understand the data.
* What can governments do? What can civil society do? To help interpret the data. Hackathons are being used in some countries. Can we still use these? Are they sustainable?
* General awareness and education of budget issues and why this is important to the public. One suggestion was to have curriculum in schools that help with this issue.
* Quality of data that is available through these platforms is also a challenge.
* Sustainability of tech platforms is an issue. In South Kivu (DRC) mobile phones were used successfully but only until they had funding from the World Bank. Public-private partnerships might be an option. Guatemala was an example of more accessibility to smartphones technology – some companies give away smartphones for very low prices because the real income is from subscriptions to data plans.
* Another challenge is the collective action problem. Users don’t necessarily care about the budget. How can civil society interpret the data, create visualizations and make it more attractive? What can governments do to open up local level data?
* How to use effectively the media? In Moldova, for example, they bring in investigative journalists to play with the data.

A Plan of action on this topic could be put together by picking 2-3 challenges and define what kind of focused learning we can do.

*Comments and questions*

Warren Krafchik: The group seems to have attempted to resolve data problems with the assumption that this will resolve the participation problem. Was there any thinking specifically about resolving the participation problem?

Claire Shouten (IBP): Yes, we have thought about this. An idea was, for example, building participation practices into classrooms. We agree that we shouldn’t start with technology but instead start with participation practices.

In Indonesia, for example, there are several activities that encourage civil society, such as the regional economic forum. This is attended by university professors and by economists. Budget Comes to Campus – is another initiative, where the MOF comes to universities to explain the budget like Budget 101. Similarly, there is an initiative that explains the budget to high school students.

Abhinav Bahl (OGP): Warren made a valid point. One of the conclusions we came to was that technology is not the solution, the solution is somewhere in between, a blended approach. Government has to create the spaces (e.g. town hall meetings) for participation and technology can start playing a role.

Congressman Javier Guerrero (Mexico): In Mexico, we are fostering at the federal level a campaign to expand access to certain types of rights. Plenty resources are invested to maintain this objective (education and health)– students can have access to certain institutions. If we expand this, we could have a technological platform that allows the participation of diverse population. Students for instance have the right to free health care – 90% of students did not know they had free healthcare. If you use a specific platform and focus on specific segments of the society, maybe focus on specific sectors, you can make a greater use of technology.

According to JPGA, when you facilitate public engagement in any phase of the budget cycle, it is key to have clarity on the purpose and objective of that participation and the kind of public you are addressing. Are there other examples or experiences in Indonesia? When will the results start coming in from the current initiatives? This is one area where the GIFT network could promote collaboration and follow up.

Álvaro García (Uruguay) mentioned that their office works with all the government departments in the country. The quality of the information is key – poor quality information that does not respond to the demands of citizens is not helpful. One experience was with journalists, when a couple of months before the election news of the financial health of one of the departments (provinces) was key to deciding the election. People take into account how resources have been managed. Sometimes since the national government transfers funds to the subnational governments, there is a way to demand transparency.

Secretary Abad remarked that the basic questions are: who is the public when we talk about public participation? What is the objective of public participation? What sort of participation would enable the public to engage you?

JPGA emphasized that we can talk about public participation if there are 2 conditions fulfilled: 1) there is engagement with a non-state actor; and 2) there is a record of the exchange (differentiating it from lobbying). Out of this general definition we have been working on basic principles for this type of engagement and certain examples of mechanisms.

Clarifying the purpose of public engagement is very important, even setting aside the objective of public participation as a right. Public participation becomes an important input in fiscal policy decisions – to make sure that the resources reach the goals, the target. If your objective is monitoring and social supervision, then this is how you plan the mechanism. We have been trying to find specific mechanisms that show public participation in action. For example, in Canada, certain phase of the legislative discussion of the budget is open to the general public. Experts and citizens can come to the public and discuss key issues.

Secretary Abadnoted that when the source of the information is the legislature, they hardly listen to citizens. They tend to listen more to bilateral agencies who force them to deliberate certain issues. In some instances, you create the opportunity for equally or more powerful players than citizens to engage that body in public participation and to open the way to the public.

Iure Turcanu (Moldova) questioned about the feasibility of consulting the general public about the components of the budget? Our experience is that we are making ourselves open. We are not changing ourselves in such a way that each and every citizen will understand the matter. But we provide simple questions to which they can provide simple answers. There is a constant fight for the right balance. We rely on civil society in helping to achieve this balance, we work with CSOs to help us communicate better with citizens, they help translate the data for the citizens. This is why hackathons are useful. Further, participants raised the issue of the central role of independent NGOs, organizations that are not financed by government.

JPGA pointed out that GIFT can help identify the impact of certain participation mechanisms, as well as promoting the sharing of such experiences and peer learning.

Moreover, in terms of the use of open data formats, there is the BOOST platform, set in place by the World Bank 5-6 years ago, that is provided to governments to help them disclose the information in the state that they have it. Currently, GIFT is coordinating work to improve BOOST, by offering more attractive visualization and changing to a full open data format. Also, comparing data is another function we are addressing in the future. We are working with Mexico, hopefully Uruguay and Tunisia, also Paraguay and Moldova, who have tried to program, on BOOST.

Warren Krafchik suggested that there is currently a huge opportunity to GIFT’ as a network to commit to 1-2 practical public participation initiatives/pilots in our next action plan. The next big OGP international moment is the Global Summit in December, which can be the occasion to make joint high level public participation commitments. We could take Principle 10 and back it up with 10-20 practical examples that take place in countries around the world.

Johannes Tonn reacted by building on Warren’s nudging about NAPs and connecting back Secretary Abad and JPGA’s dialogue about the objectives of public participation. Linking all these together, there is possibly the need to not just define public participation but to ask how can public participation helps us in our specific contexts? Maybe we should try a few approaches that would include public participation in fiscal policy, without necessarily defining the larger objectives. Maybe do hackathons, or treasure hunt, or something different.

Paul Barker (PNG) stressed thatwe need to focus on the subnational level. It is the greatest challenge, but it is what the public is most interested in. Keith McLean commented that if we add the subnational level, which is an important space, it adds complexity and also clarity at the same time. MOF are not expected to listen to community in the traditional sense, maybe NGOs, CSOs, but it must be done in a way that it is not open to capture by certain CSOs. There must be space for NGOs and citizens, but it must not be open to capture. For a MOF, for instance, it is not feasible to town hall meetings all the time, maybe do them once in a while as a check. It is not sustainable otherwise. It may be that we need a range of mechanisms operating at different levels of government.

Zukiswa Kota (SA) pointed out that in terms of opportunities or possible spaces, there is also the need for low-tech solutions. The school is, for instance, a universal space. We need to find ways to open up the schools, and to share information in that space, to use low-tech technology that would allow anyone to get or share information, which could be linked to social audits.

Claire Shouten (IBP)revisited the point made earlier on feedback loops, interesting examples are being developed in Sierra Leone (town halls). We need to welcome participation and we need to see how those inputs are being used.

Group 3. Open budget: how to link fiscal transparency with transaction disclosure (contracts) and eventually with service delivery, *facilitated by Greg Linden (MITRE)*

*Key considerations and challenges*

* To start, it is important to acknowledge both sides of the equation. While there may be progress in aspects of program delivery, what does it mean when expenditure and fiscal transparency components are weak?
* What to consider in terms of budgets system?
* Results based budgeting – allowing tracking of results and performance, including:
  + Publish enriched or detailed information
  + Need to determine deviations and reporting requirements.
  + Need to keep value for money questions at the forefront.
  + Budget execution link – what has been achieved and why?
* Allowing tracking of clear objectives and indicators.
* Use of solid indicator system to allow effective targeting (Georgia)
* In order for public engagement to take place, clear information is needed, enriched public data that considers:
* Methodology – what the process is.
* Timeframes
* Costed activities – quality data.
* On the side of Tax Revenue Transparency, it was noted that:
* Analyzing / monitoring revenue generation is important.
* Not enough focus on this despite significant implications. Tax compliance increases resources available for public service expenditure.
* To counter privacy concerns tax revenue data can be aggregated for public consumption.

*Countries and experiences to learn from*

* Papua New Guinea: 3 different systems used simultaneously. It is also important to set fiscal responsibility agendas.
* Mexico: the relation between reporting corruption and public service delivery.
* Mongolia: CSO participation in tenders and contracting.
* Georgia: developing a results-based budgeting and the richness of the data is not just numbers but publication of context for the numbers, what has been achieved so far, what are the milestones etc.
* South Africa: e-procurement.
* Suggestion is to work at municipal levels to see how taxes are being spent.
* External assistance could focus on performance audits and predictive tax revenue models can be useful.
* GTI Global Transparency organizations that could help technical development in the area.

*Comments and questions*

Paul Barker suggested that in parallel, relating to contractual transparency, it would be useful to support initiatives that are being driven through EITI processes. Moreover, it would be useful to have a transparent process in forecasting commodity crisis. Now it is undertaken by treasuries and central banks around the world, but in some countries it is open to CSOs.

Ricardo Barrientos (ICEFI, Guatemala) said that regarding tax transparency, tax exemption data should be published too. This should not be protected by confidentiality. This was in Guatemala’s second NAP. There was a high level compliance for this commitment, because the tax authority did it.

Jaime Lopez (El Salvador) highlighted that transparency with regards to contracting and tax revenues has to be deepened. Traditionally, those have been very specialized areas, and there are people working on this at the global level.

Peter Mondoro (PNG) noted that tax expenditures operate outside of the normal budget process and therefore it is easy to lose control of them.Greg Linden(MITRE) emphasized that revenue and tax resources are also people’s money. So we cannot allow for an artificial separation that only looks at the budget but that does not look at the income generated by the government.

*Potential areas of international collaboration*

To sum up, the points of interest are:

* Continue work on the tax revenue transparency agenda, including the need to provide technical support to CSOs to develop tax revenue monitoring skills.
* Transparency around contracts, for example, the Fiscal Responsibility Act in PNG that establishes punitive action in the face of non-compliance.
* Creation of benchmarking system, key milestones that should be expected or met within the contracting space, including the online publication uploading of approved contracts online, along the lines of open e-contracting. This could be a lengthy process for government, but could allow CSOs and procurement agencies to participate.
* Involve line ministries and implementing agencies.
* Promote and support downstream civil society engagement and monitoring.

**V. Conclusions and next steps**

JPGA noted that out of the presentations of countries’ NAPs, there were in all cases one or two experiences that were particularly addressing the importance of citizen engagement. How can we follow up on these public participation initiatives?

**GIFT could: 1) provide a methodological framework to report about the experience. 2) we could also provide a specific format for the description – easy and accessible way to report.**

**To follow up, JPGA asked participants to identify in their NAPs, which action points they would like be followed up by GIFT with this perspective.** This would demonstrate that public participation is an important component of public resource decision-making.

There were some reactions to this proposal. Secretary Abad noted that the right of the citizen to participate is not a challenge, there is agreement on that. The challenge is to ensure the effective exercise of that right. How can non-government actors generate influence? Where will they draw support from (CSOs, multilateral development agencies?)? How can they exercise this right meaningfully and effective?

Warren Krafchik underlined that if participation in the budget process was recognized as a right we would see a lot more of it. So how can we use the data and experiences to leverage and help that progress? Documentation is important but what is its purpose? He proposed that **one goal of the documentation is collective advocacy**. We can learn where and what kind of experiences have had an impact. This could be used as advocacy material towards governments. A **second goal could be to learn from each other**. Instead of having that independent researcher buzz in and do the case study, why don’t we have the champion of the practice come in and explain before we write it up. Vincent Tophoff (IFAC) recommended to produce video materials to present the public participation cases, which are much more impactful that documents. Secretary Abad added that in the Philippines, public participation is a right recognized in the Constitution. Whether it is just recognized or exercised, that is a question.

JPGA further elaborated, even if in many constitutions the right is recognized, the right must be codified in various laws to establish the implementation of the right. Codifying by law public participation in specific phases of the budget execution might make sense.We need to ensure that when our children are willing to participate, they have the means and possibilities to exert this right. If they don’t, that’s their right. But we need to establish their opportunities to do so.

**Next, country representatives shared their NAP commitments where they would like someone from another country to come, examine and follow up:**

**Indonesia**

1. We continue our **activities with high schools, experts, universities, NGOs, like FITRA.** This is in general our plan for the next year.
2. Improving the budget portal, evolving from PDF publication of data to machine-readable formats (open data).

Juan Pablo shared that GIFT is supporting a workshop in Jakarta this summer, where Brazil and Mexico will share their experience building fiscal transparency portals.

**Georgia**

1. One of our OGP commitment is to **establish public participation in the budget process**. The MOF is responsible for the process in general, but line ministries also have an important role. To establish an **effective public participation process, it is the responsibility of the entire government, not just the MOF.** **We are trying to create a government decree to establish public hearings, discussions**. MOF can talk about fiscal space, budget process, calendar, etc, but the line ministries should discuss each specific program with the public. The question is who is responsible for the execution of a specific program? In this sense, our **commitment is comprehensive**, **for the whole government, not just for MOF.**

**Guatemala**

The process of open government and fiscal transparency didn’t stop with the political crisis, thanks to very committed civil society.

1. For the third NAP, we have been thinking about two specific commitments, one at the **level of Congress,** where usually the political incentives are more related to patronage in terms of deciding the final budget product. It would be important to **guarantee public engagement during the discussion of the budget in Congress.**
2. We are also talking about how to **engage people at the local and regional level about programs that concern the communities.** Especially at the municipal level this is an issue. How to engage people at the local level? Probably the experiences of some African countries, relating to the use of technology, such as cell phones, could be relevant for us.

**Mexico**

1. We don't have a NAP right now, we are still working on the new one. We are not controlling the commitments that we are going to make – we are trying to **link in sustainable development goals**, and we do it through public consultation.
2. We are going **towards more participation**. Our biggest focus is **evaluation**, **including satisfaction as a way to give feedback on the budget to improve programs.** This could be the practice we could follow up on – **feedback on budget execution public participation.**

**Moldova**

1. The **hackathons** being applied to different subjects;
2. **Open contracting**, an area in which they would like to learn from others in this domain.

Juan Pablo suggested adding to the first using BOOST (already used by CSOs in Moldova) for information sharing. To this they replied that Indeed, in Moldova they already have so called budget stories and infographics using BOOST (partly, partly other sources). It gets people excited about the budget.

**Mongolia**

1. Five commitments are related to fiscal transparency. There is a **law on public hearings**. The MoF needs to develop a **regulation on public hearing on public budget**, we need to get support on this regulation and on **how to organize these public hearings for different sectors**. We could learn from other country experiences.

Juan Pablo mentioned that both Indonesia and South Africa have experiences for specific sectoral public hearings.

**Papua New Guinea**:

PNG has not finalized its NAP yet.

1. Key components relate to sharing budget information and tapping into some of the best practices from places such as Mexico or Moldova, such as **online portals**. We would like to look at examples from other countries where fiscal transparency is facilitated at the national level through **making information available.** We would be happy to share on our experience of sharing information at the local level.
2. The **rationalization of the financial management system** is crucial. Upon that depends a lot of the material in the budget updates. In terms of the whole area of auditing, we have serious problems with timely audits, some of the bottle necks could be easily removable. Using best practice from other countries that have simplified processes would be good.

Juan Pablo shared that South Africa, Peru, Mexico are good examples of second and third attempts of discussional collaboration or permanent dialogue mechanisms Georgia too is a good example, on the discussion within OGP.

**Paraguay**

1. We have made a lot of efforts to release data. But we have not yet reached the whole spectrum of citizens. We have to make larger efforts – and this is the focus of our new plan – to **ensure that data is accessible to everyone.** Many of the ideas circulated here will be helpful, for example the example of the diploma course on results-based budgeting in Mexico of Mexico. In the case of Paraguay, we could make it more inclusive to put it at the level of high school students. We could have a course that is mandatory for public students that they have to take before graduation. This would reach a broad group of people who will soon vote.
2. The example of the Philippines on the **Citizens Budget** is also inspiring. We could do something similar. But reporting back, I would like to do that on reaching out to more people.

**South Africa**

1. Most of our NAP commitments talk about **participation**. The first talks about **engagement with CSOs and universities throughout the budget process.** We would gladly host on that issues to examine how that has evolved.
2. Another big commitment is towards the **development of a national data portal**. A local government portal is being launched in August 2016, following which we plan on developing a national data portal. This is another area where we could host and we could learn from others’ experiences and share our own experiences regarding the portal.

Juan Pablo added that development of portals could be an idea for a working group to exchange information on a regular basis.

**Uruguay** and **Buenos Aires** had to leave the meeting early. But we will keep the MOF on the loop. Uruguay has already engaged in building a fiscal transparency portal within the collaboration of the GIFT network.

**VI. Final remarks**:

JPGA outlined the main points to keep in mind to define GIFT’s agenda in the upcoming months and years.

1. GIFT has started working on a collaboration with the US General Accounting Office, with the intent of sustaining it. Also, GIFT is developing a collaborative relation with the MITRE Corporation. The World Bank has been working on the issue of Supreme Audit Institutions for some time now, and this gives us assurance that we can include them in the discussion.
2. According to shared participants’ concerns, Gift should continue finding ways to engage with Parliaments. On this matter, the Fiscal Openness Working Group has been exploiting ways for collaboration with the Open Parliament Working Group.
3. GIFT shall continue exploring engagement regarding tax and revenue transparency. There is already an Extractive Industries Working Group and GIFT could identify more issues to discuss.
4. Concern with the issue of the mid-to-long-term sustainability of budgets is rising in the agenda of relevant actors. This was evident in a recent event organized by IBP/Alliance/IMF/WB that gathered around the table Ministers of Finance and investors, it was significant to see that one of the main question of investors to MOFs was whether their budget is sustainable in the mid-to long term. MoFs had a hard time trying to respond to this question. At the center is the question of the capacity of governments to sustain the budgets. In many countries there is not enough information to address this question adequately. We can work on this issue in the future. What is the role of citizens in this discussion? This could be the main topic for the Fall event with the GIFT leadership, where we will also present the public participation guide.

Ashok Parameswaran (Emerging Markets Investors Alliance) stated that their interest in fiscal transparency has to do with the fact that they invest in bonds in emerging markets, and one thing that determines bond price is sustainable budgets. This is why it is important for investors to understand the budget of the countries they work with. Contingent liabilities are also very important, such as of pension systems, or state owned enterprises. When governments are not transparent, that is penalized through higher bond prices. Higher level of transparency helps to not unjustly penalize countries. It is “free money.”

Indeed, Vivek Ramkumar (IBP) stressed that one of the things that their research has showed us is the relationship between fiscal transparency and better access to credit from the international sovereign bond market. A move from one transparency quantile to another can save 100 points for a country. There is the “free money” or savings (better value for money) angle here for more fiscal transparency.

To finalize the workshop, Secretary Abad thanked everybody for their participation and intervention in this forum. Over the past six years of the association with GIFT, engagement with the network has been very fruitful in terms of the discussions that have taken place. It is a new field we are looking into, but it is crucial. We are breaking ground here and we give some hope that a public servant with the right motivation and tools can restore the trust in government. The work we are doing here is critical in fostering fiscal transparency and fostering engagement with civil society and the public. We can reverse the trend in the world where there is more and more dissatisfaction with government.

**List of Participants (actual attendance)**

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| --- | --- | --- | --- | --- |
|  | **Name** | **Position** | **Institution** | **Country** |
| 1 | Mr. Martín Mura | Minister of Finance | City of Buenos Aires | Argentina |
| 2 | Ms. Grazielle David | Political Advisor | INESC | Brazil |
| 4 | Mr. Jaime López | Researcher | Funde | El Salvador |
| 5 | Ms. Natia Gulua | Head of Budget Policy Division | Ministry of Finance | Georgia |
| 6 | Ms. Eka Gigauri | Executive Director | Transparency International Georgia | Georgia |
| 7 | Mr. Carlos Mendoza | Director of Fiscal Evaluation and Transparency | Ministry of Public Finance | Guatemala |
| 8 | Mr. Ricardo Barrientos | Senior Economist | ICEFI | Guatemala |
| 9 | Mr. Mario Celada | Fiscal and Budget Area Coordinator | CIIDH | Guatemala |
| 10 | Mr. Mardiasmo | Vice Minister of Finance | Ministry of Finance | Indonesia |
| 11 | Mr. Agung Widiadi | Director of Budgeting System | Ministry of Finance | Indonesia |
| 12 | Mr. Jadi Haposan Manurung | Head of Analysis and Harmonization of Personnel | Ministry of Finance | Indonesia |
| 13 | Ms. Lorena Rivero del Paso | General Director of Performance Monitoring and Information Analysis | Ministry of Treasury | Mexico |
| 14 | Mr. Javier Garduño | Budget and Public Policy Coordinator | Fundar, Center for Analysis and Research | Mexico |
| 15 | Mr. Vidal Llerenas | Congressman | House of Representatives | Mexico |
| 16 | Mr. Javier Guerrero | Congressman | House of Representatives | Mexico |
| 17 | Mr. Iure Turcanu | Executive Director | Moldova e-Government Center | Moldova |
| 18 | Mr. Adrian Lupusor | Executive Director | Expert Group | Moldova |
| 19 | Mr. Ulziisaikhan Dash | Head General Budget Division | Fiscal Policy and Planning Department - Ministry of Finance | Mongolia |
| 20 | Mr. Darga Ganbat | Director General of Fiscal Policy and Planning Department | Fiscal Policy and Planning Department - Ministry of Finance | Mongolia |
| 21 | Mr. Oyunbadam Davaakhuu | Manager of Economic Policy Program | Open Society Forum | Mongolia |
| 22 | Mr. Peter Mondoro | Assistant Secretary - Fiscal and Monetary Policy | Ministry of Finance | Papua New Guinea |
| 23 | Mr. Barker Paul | Executive Director | Institute of National Affairs | Papua New Guinea |
| 24 | Ms. Lea Giménez | Vice Minister of Economy and Integration | Ministry of Finance | Paraguay |
| 25 | Mr. Florencio Butch Abad | Secretary | Department of Budget and Management | Philippines |
| 26 | Ms. Raquel Ferreira | Expenditure Planning | Department of National Treasury | South Africa |
| 27 | Ms. Zukiswa Kota | Researcher | Public Service Accountability Monitor | South Africa |
| 28 | Mr. Álvaro García | Director/ Minister | Office of Planning and Budget, Presidency | Uruguay |
| 29 | Ms. Giorgina Santangelo | Open Government and Access to Public Information Program Researcher | Catholic University of Uruguay | Uruguay |
| 30 | Mr. Jim Cook | Vice President, Center for Enterprise Mod. MITRE | MITRE | USA |
| 31 | Mr. Greg Linden | IT Systems Engineer, Principal | MITRE | USA |
| 32 | Mr. Gabe Galvan | Portfolio Director, International Programs, Center for Connected Government | MITRE | USA |
| 33 | Mr. David Mader | Comptroller | Office of Management & Budget | USA |
| 34 | Mr. Sanjay Pradhan | Chief Executive Officer | Open Government Partnership |  |
| 35 | Mr. Abhinav Bahl | Program Manager for Government Support and Exchange | Open Government Partnership |  |
| 36 | Ms. Keti Tsanava | Special Assistant | Open Government Partnership |  |
| 37 | Mr. Keith McLean | Lead Governance Specialist, Africa Region | World Bank |  |
| 38 | Mr. Vincent Tophoff | Senior Technical Manager | IFAC |  |
| 39 | Mr- Warren Krafchik | Executive Director | International Budget Partnership |  |
| 40 | Mr. Vivek Ramkumar | Director of International Advocacy | International Budget Partnership |  |
| 41 | Ms. Claire Schouten | Senior Program Officer | International Budget Partnership |  |
| 42 | Mr. Ashok Parameswaran | Executive Director | Emerging Markets Investors Alliance |  |
| 43 | Mr. Johannes Tonn | Researcher | Global Integrity |  |
| 44 | Mr. Joseph Asunka *(remote participation)* | Program Officer- Global Development and Population Program | Hewlett Foundation | USA |
| 45 | Mr. Erlend Nordby | Consultant | Swedish Development Advisors |  |
| 46 | Mr. Juan Pablo Guerrero | Network Director | GIFT |  |
| 47 | Ms. Tania Sánchez | Research and Communications | GIFT |  |
| 48 | Ms. Albertina Meana | Program Assistant | GIFT |  |
| 49 | Mr. Tarick Gracida | Communications | GIFT |  |
| 50 | Ms. Olivia Radics | Consultant | GIFT |  |
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