**GIFT GENERAL STEWARDS MEETING MINUTES**

**MITRE Headquarters, McLean, VA 10 – 11 October 2017**

***Main points:***

* *Participants representing 16 governments, 5 foundations, 2 IFIs and 21 CSOs all came together for a two-day stewards meeting (participants list attached).*
* *30 out of 37 stewards, including six lead stewards, were present at the meeting and all in all, 20 countries were represented.*
* *The GIFT network started a discussion about transparency and public participation in tax policy and administration, based on which the Coordination Team will have a proposal for the next General Stewards Meeting to discuss and approve*
* *The participants learned from the US Government experience of disclosing public spending in open data format; and advanced on the knowledge about public participation in fiscal policies in various areas of our global agenda (anti-corruption, granularity of spending on public service delivery, IT platform and community of practice, stronger engagement in Africa, and communicating budget reforms to investors, among others).*
* *A conversation was started around how to enhance the methods, tools and possibilities for peer learning.*
* *Cooperation and technical assistance on IT (portals and open data) was further discussed.*
* *New discussions were held and proposals, and agreements were reached on engaging the new work in Africa, information technologies, and public participation, etc.*

The meeting was opened by *Jim Cook*, Vice President of the MITRE Corporation, who welcomed all the participants to MITRE’s Headquarters in Virginia.

**I Stewards and partners updates**

1. ***Around the table***

Following a welcome by *Juan Pablo Guerrero*, the GIFT Network Director, all the participants introduced themselves. The meeting was attended by a multitude of stakeholders, including 30 out of 37 stewards, representatives of 16 governments, 10 Government Stewards (out of 13), 5 foundations, 2 IFIs and 21 CSOs, think tanks and academia. All in all, 20 countries were represented at the meeting.

1. ***Learning from GIFT’s peer learning***

*Anja Linder*, GIFT Consultant, presented the findings of an [assessment](http://www.fiscaltransparency.net/presentations/Assessment-PeerLearning-07Oct17_FV.docx) of GIFT’s peer learning activities. The study finds that GIFT has achieved its peer learning activities and that members are learning from each other. It furthermore makes several recommendations, most of which aim to enable GIFT to provide members with more specific, targeted and technical content, according to specific needs and preferences. The assessment document was made available as part of the meeting materials, and all participants were invited to read and provide feedback on the document.

Feedback from participants included the suggestion to produce interviews with technical content; produce a “Frequently Asked Questions” web page; research and learn from other successful peer-learning platforms; produce specific documentation, for example explaining how to implement the open fiscal data package; and work on a knowledge platform that allows GIFT members to clearly and easily identify the countries and experiences from which the network can learn in specific topics.

1. ***CABRI’s fiscal transparency work***

*Michael Castro* spoke about CABRI and its growing work on fiscal transparency with ministries of finance in Africa. In order to improve fiscal transparency in Africa, he underscored the importance of working within that specific context and with existing structures and practices to support and reform fiscal transparency measures and mechanisms. They try to identify small solutions to help solve bigger problems.

1. ***International Public Sector Financial Accountability Index***

*Vincent Tophoff* of IFAC presented the International Public Sector Financial Accountability Index. IFAC is working on theInternational Public Sector Financial Accountability Index as part of its **Accountability Now** initiative. The index aims to provide a better understanding of accrual accounting and international public sector accounting standards, and to help stimulate public financial management (PFM) reforms. The main output will be a regularly updated country-by-country public database. It is currently focused on the central government level and does not include any sub-national government information yet. Vincent stated that the methodology of the index is being improved as they gather more information and engage in discussion with different communities. Nevertheless, it is based on the experience and expertise of IFAC and it is fed by IFAC reports as well as other publicly available reports.

1. ***Supporting the implementation of fiscal governance reforms***

There is a gap between the supply and the demand of budget information, how can we close the gap? *Jorge Flores* presented the work on “adaptive implementation support” whereby Global Integrity works with government and civil society in country settings, to produce user-centered assessments of the fiscal data that is made available through reform, while drawing on experiences from elsewhere, to help tackle problems such as citizen participation in the budget process. Global Integrity proposes to work with GIFT members to help strengthen their ability to respond to user needs and help citizens better use budget information.

1. ***Research work on the impact of fiscal openness***

In 2015, GIFT commissioned a review of the evidence of impacts of fiscal openness, including both transparency and participation. Paolo di Renzio of the International Budget Partnership (IBP) presented the review, which covered 38 studies, and which revealed that all found some positive association between fiscal openness and impact ([presentation](http://www.fiscaltransparency.net/presentations/GIFT_impact_eval_call_Oct2017.docx)). Nevertheless, the evidence is often weak, and it is difficult to show a clear causal chain of impact. In order to strengthen the case for fiscal openness, GIFT now wants to support further impact evaluations in collaboration with governments. Paulo therefore presented a call for proposals for impact evaluations of fiscal openness initiatives by GIFT members. Uruguay and Mexico expressed interest in following up on the matter through communication with the GIFT Coordination Team.

1. ***Update of the GIFT expanded High Level Principles***

Murray Petrie of the GIFT Coordination Team presented the [draft expanded version of the HLPs](http://www.fiscaltransparency.net/presentations/GIFT_EHLPs_2017.docx). The HLPs have in some ways functioned as a “glue” for the network, allowing for fruitful dialog around these principles and promoting convergence of standards. The main objectives of the expanded version are to explain the role of the HLP in promoting fiscal transparency, to provide an overview of the various instruments/entry points, to set out relationships between principles, norms and practices, and to publicize good practices and further guidance material, particularly on HLP 10 on public participation. The General Stewards were asked to provide comments and suggestions on this new version before December 31st, so the GIFT Coordination Team can present the final version of the document during the first General Stewards Meeting of 2018.

1. ***GIFT priority areas and work plan***

*Juan Pablo Guerrero* presented on the [report of the network](http://www.fiscaltransparency.net/documents/GIFT-Report_01Aug17.docx) and the plans for the network for the next phase of GIFT ([link to presentation](http://www.fiscaltransparency.net/presentations/GralStewards-Meeting-Overview-JPGA_10Oct17.pptx)). He emphasized the use of the HLP as a tool for increasing the coherence of the fiscal transparency architecture. After an intense period of norms’ revisions (2014-16), the lead stewards have engaged in country assessments with more coherent standards & elaboration of manuals and toolkits (OECD). The recently launched Budget Transparency Toolkit was developed by the OECD in collaboration with GIFT, along with several GIFT members, including the IMF, the World Bank, the IBP, IFAC, the PEFA Program. At the same time, the Public Participation Guide on Principles & Mechanisms was presented and discussed in various communities for implementation. On the peer learning and technical assistance work stream, the network has mainly worked on supporting efforts to build or redesign new fiscal transparency portals, including high quality open data source, learning from public participation principles adoption and implementation among stewards and partners, engaging more with the Open Contracting Partnership and providing support to OGP National Action Plans on fiscal transparency and public participation. GIFT member countries are piloting the Open Fiscal Data Package (OFDP), developed by the network with the support of with Open Knowledge International. GIFT priorities for 2018-2020 include working on global norms, emphasizing public participation, public service delivery and addressing the revenue side of the fiscal equation; technical assistance and peer learning for country level fiscal transparency implementation; practical tools for public participation and transparency (ICT and open data); and development and enhancement of the impact of the GIFT network.

1. ***Break-out group discussions***

The groups covered six topics, including Peer learning; Working more closely with Africa; Connecting demand and supply and fiscal transparency and Communicating fiscal and budget information; Global norms on fiscal transparency; and Public participation in fiscal policies and budget making.

1. *Peer learning*

GIFT has the objective of enhancing and increasing peer learning initiatives and mechanisms within the network. The peer learning activities can help address members’ challenges by providing a platform for sharing experiences and knowledge. Aside from the learning happening in physical meetings, peer learning can also be a virtual learning space, allowing members to learn about the activities of other members, to seek assistance and answers on specific issues, and to stay aware when others are seeking advice.

It would therefore be good for GIFT to develop tools for demand-driven virtual peer learning among members outside of meetings. Tools suggested include platforms such as “Handshake” which is used by MITRE, and which is open source, allows for filtering of responses and themes, can facilitate side-discussions, and allow for crowd sourcing of solutions. Another tool suggested was to have a Q&A on the GIFT website, listing answers to the most common questions asked by network members, and using video with testimonies and short stories on know-hows from technical experts willing to share their experience. Many of the suggestions made linked well with the recommendations made in the assessment of GIFT’s peer learning activities, such as the work log. While developing these new tools, GIFT must take into consideration its role in kick-starting things, and the need to monitor and follow up on these tools and their use. It is also important to strike a balance between ensuring members are connected and receive updates about the network and member activities, and making sure there are not overwhelmed by information and notifications from the network.

*b) Working more closely with Africa*

Concerning the challenges in improving fiscal transparency and participation in Africa, the group raised several points, including a low level of acceptance of the importance of fiscal transparency in PFM in the region; sometimes transparency is a government commitment only and therefore subject to undermining following a change in government; lack or weakness of civil society and media to perform budget analysis and sustain the pressure on the government in the transparency agenda; limited fiscal space; and the budget literacy gap. Some governments have reached out to civil society and the media to provide information and to encourage engagement around the budget. The group made suggestions of how networks can help African countries overcome the challenges of transparency, including building the capacity of non-state actors and oversight institutions; improving communication around government transparency efforts; and using peer learning to improve PFM on the continent, taking into account that all learning materials need also to be produced in French and Portuguese.

*c) Connecting demand and supply and fiscal transparency and Communicating fiscal and budget information*

On the issue of demand and supply, the group pointed out that it is not just citizens who are the users but also parliaments, government officials and the private sector (for instance those who participate in public procurement). There is a lot of disappointment due to limited use of the data made available. However, this is not a problem. The real impact of transparency is not more trust due to transparency, but more trust thanks to better services. There is a problem of the cost of analyzing data and of a lack of culture of doing it. The challenge for governments is to have the budget to finance work on connecting demand and supply. GIFT can play a role as a neutral moderator between government and civil society. It can also help systematize learning around budgets.

*d) Global norms on fiscal transparency*

The group discussed the role of the private sector and how to strengthen incentives for fiscal transparency through the interest of rating agencies and the government bond market. Lewis Hawke described an initiative by the PEFA Secretariat to document and describe the many PFM and transparency diagnostic instruments in use, forty-nine altogether. PEFA was to publish the study that day, with the aim of promoting increased cooperation and coordination across the organizations involved. The private sector is largely unaware of these tools. How do the diagnostic tools relate to each other?

*e) Public participation in fiscal policies and budget making*

The group reflected on the principle of inclusiveness (of the Public Participation principles), as one that needs more attention. Concerning the definition of the audience, not everyone can participate, we need to define who can. In order to enhance impact of participation, coalitions can help. For instance, Fundar established a coalition with other stakeholders in the case of its work on agricultural subsidies, and was able to achieve impact. GIFT should have more diversity in the public participation cases contained in the guide, to include cases representing different national contexts.

1. ***Moving forward***

Participants were engaged at the smaller groups and pleased with the level of specialized discussions on the various topics. They also concluded that there are different ways in which the GIFT network can better address some of the challenges identified by the break-out groups. Some more specific recommendations were provided on peer learning, public participation and working in Africa on the second day.

As a steward and host of the meeting, *Jim Cook* spoke about MITRE, its role in the network and how it can contribute. He highlighted the fact that many questions come out of the network and that sometimes it would be useful to do research on specific issues. MITRE could help by partnering with GIFT to carry out such research or to share relevant existing research. In that sense, MITRE can help members to make evidence-based decisions. Possible areas that MITRE pointed to were research on how and why tax laws work; combating fraud; performance management models; technologies for citizen engagement; and engaging the US government and audit communities.

**II Transparency and public participation in tax policy and administration**

1. *Framing the conversation*

*Murray Petrie* framed the discussion ([link to presentation](http://www.fiscaltransparency.net/presentations/GIFT_public_participationTaxStewards_October2017.pptx)), which aimed to start a conversation on transparency and public participation in tax policy and administration among the stewards who have been working on the matter, to identify areas of complementarity and to consider where and how GIFT could add value. He presented GIFT’s framework for public participation in revenue policy, as well as international norms on revenue disclosure and on public participation in revenue policy and administration. Finally, he presented examples of invited as well as invented public participation in revenue policy.

1. *Presentations*
	1. ***Corruption, taxes and compliance***

*Anja Baum* of the IMF presented a study looking at tax compliance and corruption as well as the impact of institutions on improving compliance ([link to presentation](http://www.fiscaltransparency.net/presentations/Presentation_Anja_Baum.ppt)),. The study demonstrates a negative impact of corruption on total tax revenue. It also finds a strong positive impact of Large Taxpayer Offices (LTO) on both tax revenue and corruption, showing that revenue increases and corruption declines after the establishment of an LTO. Anti-Corruption Offices (ACA) alone are not enough to curb corruption and in fact do not have a statistically significant impact on corruption and tax revenue according to the study.

* 1. ***Tax transparency, the revenue cycle and tax spillovers***

Professor *Richard Murphy* discussed the “tax gap”, the tax that should be paid, but is not. The tax gap is said to be the difference between the tax due in a country in the opinion of its tax authority, and the sums actually paid. That, however, grossly simplifies the issue. That is because the first part of the tax gap is tax bases that are not even brought within the scope of taxation. This could be wealth, land value, environmental degradation charges and other bases, depending on the state. Then the next part of the tax gap is the part of the tax base that is within the observable range but which is subject to allowances and reliefs e.g. a basic personal allowance for a person, or the amount of wealth or capital gain not subject to charges by law, or the allowances and reliefs given by the system e.g. for pension contributions that are tax deductible, or research and allowances over the sum actually incurred in a business. Collectively these sums are tax expenditures. Lower rates of tax, especially when it comes to value added taxes, can also fall into this category. They can massively reduce the tax yield before any estimate of illicit unpaid taxation ever comes into consideration.

He stated that it is important to estimate the tax gap, otherwise we are missing a crucial part of the tax equation. However, only a few countries calculate the tax gap, and often it is calculated based on inadequate data and methodologies. Currently, the tax gap does not show how much of the tax base is not taxed, how much of the tax base is given away in allowances and reliefs, how much of the tax gap is due to poor tax design, and what the impact of tax evasion of one tax is for other taxes. There is thus need for a new approach, considering both the tax gap and tax spillovers. There can be tax spillovers by design, whereby poor design means one tax undermines another. Tax spillover in one country can also impact the tax system in other countries. How to engage people in the debate? That could be done for instance by explaining the tax gap and engaging in a discussion about what could be done to improve society using the additional money that could be raised by collecting the ‘gap’.[[1]](#footnote-1)

As a conclusion, Murphy’s suggestion is that few, if any, view this issue in the comprehensive way he does. Understanding the revenue cycle of governments is crucial to the way government, and economies, might work and it is little studied, let alone understood. There is much to do.

* 1. ***Tax amnesties and reliefs, access to information and tax secrecy***

*Iván Benumea* of Fundar in Mexico presented the organization’s work on tax policy and transparency. For six years Fundar has worked to shed light on tax expenditures and what they are costing the state and society in Mexico. They have been trying to get information about tax relief and though there has been progress, there is still a long way to go to achieve fiscal transparency. Despite multiple resolutions of the National Institute of Transparency and Access to Public Information (INAI) as well as two constitutional reforms on the matter, the Federal Revenue Administration Service does not entirely comply with its transparency obligations. When it comes to information about taxes, there is a question of which information is to be considered public, and which information needs to be kept private, as well as what is the scope of the constitutional principle of transparency on tax issues.

Tax expenditures remain opaque, discretionary, and promote inequality. The Latin American Tax Expenditure project, with IBP, aims to work on this issue and highlight the fact that the tax authorities do not just collect taxes but also owe accountability to society. ([presentation](http://www.fiscaltransparency.net/presentations/FundarGIFT091017_v2IBG.pptx))

* 1. ***Guatemala 2015-16: Tax administration recovery reform led by civil society***

*Ricardo Barrientos* of ICEFI, Guatemala presented an unprecedented corruption scandal that involved even the President and Vice President of the country, and which centered around the tax administration authority (SAT). As a result of the scandal, tax collection fell, and taxpayer morale plummeted. Just one month after the start of the crisis, ICEFI presented a proposal for the recovery of the SAT, to find a way to quickly restore tax collection. Many CSOs and even individual citizens supported the proposal, which included a technically sound diagnosis of the tax/customs administration, as well as a concrete proposal covering short, medium and long-term actions.

The new government presented its own proposal for SAT reform in early 2016. Both ICEFI and the government were called to present their proposals to Congress, which eventually approved a version which included the best features of both proposals. ICEFI and other CSOs played an active role during the discussions and public hearings. Some of the success factors of this process include first and foremost having strong technical capacity in order to produce a technically solid proposal, strong public support, high media visibility and capacity to explain the proposal in simple language, and contacts enabling them to reach the Congress with their proposal. ([presentation](http://www.fiscaltransparency.net/presentations/Icefi_public_participation%26tax_Oct10.ppt))

* 1. ***Taxes, equity and civil society***

*Jean Ross* of IBP discussed the role of civil society in tax and revenue issues, as well as the scope of public engagement during the development of tax policies. To date, most of the activity around tax per se has been around global norms and standards. This has largely been led by “campaigning” INGOs, such as Oxfam and Christian Aid. The focus has largely been on the rules that govern the taxation of multinational corporations, corporate tax avoidance, and financial secrecy. Related work includes efforts to improve natural resource governance, such as publish what you pay standards and the Extractive Industries Transparency Initiative.

To date, there has been little work on the fundamentals of what makes a good domestic tax system. Even where it does exist at the regional and national level, it has often been isolated from work on the budget more broadly. Overall, civil society activism around tax has been limited. There are many reasons for this, including technical capacity. It is also hard work that bumps up against political opposition and can be challenging to engage a broader citizenry around.

IBP is in the midst of a strategic planning process that includes defining a role of for the organization on the revenue side of the budget. Potential roles include supporting the work of partner organizations to build capacity for meaningful participation in debates around domestic resource mobilization, by focusing on issues such as i) greater transparency; ii) ability to analyze and engage in domestic policy debates; iii) working to build a narrative that integrates both sides of the budget; iv) helping to network organizations that are seeking to do this work; v) distilling learning and sharing best practices.

Research suggests that there is a relationship between taxation and government accountability, and that where the legitimacy of the tax system is higher, citizens want more services and are willing to pay for them. Citizen advocacy for sound tax policies – adequate revenues, equity, transparency, and accountability – can help ensure that there are adequate revenues available to meet domestic spending priorities, and that tax policies meet the fundamental test of what makes a good tax system. Tax administration is certainly part of this and in many places tax administration is tax policy.

GIFT, as a multi-stakeholder initiative, could play a role in promoting greater public participation in tax policy design and implementation by i) encouraging best practices in transparency, tax expenditure disclosure could be a potential starting point; ii) encouraging IFIs to consult with civil society in crafting country recommendations; and iii) helping to disseminate best practices.

*Richard Murphy* added that on the issue of privacy, there is a difference between individuals and corporations. People have a right to privacy when acting as individuals but when acting as a corporation, he said, you have given up some of those rights, as you have set up an entity and are seeking certain benefits as such an entity.

*Jim Brumby* of the World Bank stated on the issue of tax incentives that investors are able to play countries off against each other to get benefits, and that these benefits can be very costly to countries, while often failing to lead to significant job creation. He highlighted some of the direct ways in which the World Bank is supporting public disclosure around revenue and tax policy as well as how tax administrations operate.

Transparency is the basis for much of the World Bank’s international tax work:

One strand of this work is under the **Global Forum for Exchange of Information for Tax Purposes** (Global Forum) which has established a standard to ensure countries are in a positon to exchange relevant information. A second strand is **Country-by-Country reporting** (CBCR) by MNEs on their activities, which is part of the OECD/G20 Base Erosion and Profit Shifting (BEPS) project. It is a minimum standard that countries who have joined the Inclusive Framework for BEPS implementation have committed to comply with.

Most of these initiatives involve greater transparency and disclosure between competent authorities, but not to the public, as country-by-country reports and taxpayer information is considered confidential.

 In general, greater levels of disclosure can make the Bank’s work more effective. Two examples help shed light on this:

The first is that greater information about the actions of individuals or corporations overseas can create a remarkable impetus for change. The Mossack Fonseca leaks led to an outcry in many countries, not just in the OECD. That sentiment can create the right conditions for improving international tax policy. The World Bank recently signed a Development Policy Loan with Panama, which included requirements that they sign up for the information exchange standards of the Global Forum, something that would only be possible in a post-leaks world.

This is another area where assistance from GIFT might be helpful. Developing countries lag significantly behind in data disclosure, which runs the risk that analysis of the above kind only reflect the tax problems that richer countries face.

Against that, Mr. Brumby personally advocates for ‘deliberative transparency’ to remove the cloak of information protection from the deliberation process; this is not about passive transparency of data; this is about active transparency of decision making processes.

Deliberative transparency works! In only one example of a growing literature, Michael Touchton (University of Miami), Brian Wampler (Boise State University) and Tiago Peixoto (World Bank) looked at tax outcomes across all 5,570 municipalities going back to 2000. *Voluntarily-adopted* participatory institutions include municipal level inclusive policy councils and participatory budgeting (PB):

* On average, municipalities with greater than mean-levels of policy councils have tax outcomes that are 27% greater than those without the councils (after matching on other important dimensions, such as local GDP and administrative capacity). This translates to approximately 2.5% of mean municipal budgets
* On average, municipalities with PB have tax outcomes that are 34% greater than those without PB. This translates to approximately 3% of mean municipal budgets.

The stakes are always high with domestic revenue mobilization. Developing countries need tax revenue to fund public goods, health and education programs, and finance the SDGs. But many countries are still lagging behind, by our estimates between 30 and 50% of countries receiving IDA funds have tax-to-GDP levels which are too low. Increasing the ability of governments to collect tax revenue will require more transparency and collaboration between governments but also with the public and the CSO sector.

Nevertheless, the international tax space is both highly complex and equally poorly-understood. And evidence suggests that the sometimes legitimate perceptions by ordinary taxpayers that large multinationals and high-net worth individuals aren’t paying their fair share of tax can have a depressive effect on people’s tax morale and lead them to disengage.

One way in which GIFT could play a role is to facilitate more dialogue between these governments, international organizations that work on tax, and civil society, specifically around issues of international tax policy and revenue transparency and disclosure.

* 1. ***Public participation in tax policy and administration: the situation in Brazil***

*Grazielle David* of INESC, Brazil spoke about inequality and tax in Brazil, where historically high levels of inequality have been reduced significantly as a result of various government programs. Nevertheless, new data on wealth has demonstrated the importance of transparency on taxes. Despite the recent decline in inequality, the wealthiest are concentrating an increasing share of the wealth. The six wealthiest individuals now have roughly the same wealth as the poorest 50% of the population. It was only thanks to tax information from the Ministry of Finance that INESC was able to get a clear picture of this. The reasons for such concentration of wealth are due in part to the late abolishment of slavery, but also to the tax system.

In Brazil, the overall tax burden is roughly in line with the OECD average, but who pays the taxes? The tax burden on wealth, interest and capital gains is only about half that of the OECD average. Meanwhile, the tax burden of goods and services is relatively very high, and 56% higher than the OECD average. The tax burden on property is also fairly low. All of this leads to a relatively higher tax burden on the poorest, and even on women as compared with men, and especially on black women, as compared with whites, revealing significant gender and racial bias to inequality in Brazil. ([link to presentation](http://www.fiscaltransparency.net/presentations/PublicParticipation-revenues_Inesc_Oct_17.docx))

* 1. ***A more open Tax Administration***

*Leonardo Arroyo* of the Mexican Tax Administration authority (SAT) revealed that the SAT has the objective of being more open and transparent, and that it now publishes anonymized taxpayer information, thus providing information and being more transparent, while protecting privacy. ([link to presentation](http://www.fiscaltransparency.net/presentations/SAT_mas_abierto_Leonardo_Arroyo.pptx))

Nevertheless, they are not completely sure of how to balance transparency with privacy protection, not an easy task. The advantages of anonymization include enabling greater transparency and analysis through the sharing of information. However, there are also disadvantages, such as the loss of categorical data, thus making certain analyses impossible, seemingly inconsistent data, and the risk of providing information which could provide disincentives to tax payments.

* 1. ***Transparency and public participation in the US tax system***

*Jodi Patterson* of MITRE spoke about the US experience, saying “taxes are what we pay for a civilized society.” The Treasury is political and the tax administration (IRS) is apolitical. All the information is published so that citizens can see where the money goes but the IRS does not publish individual data, privacy is protected. The public can comment on proposed tax laws and people tend to call their representatives with their views. Sharing data, and having the data out there does not mean it is being used. How to increase public participation, how to get people engaged? It is not just about providing opportunities for engagement but actually getting people to engage.

***Conclusions of the day***

*Rakesh Rajani* of the Ford Foundation presented some conclusions from the discussions of the day. Taxes are complex, but not so much. It should be possible to agree on four or five ideas of what constitutes a fair tax system. Transparency is essential but what kind of information? More work is needed to make taxes transparent. It is not about more information but better information. It is important to look at incidence analysis.

This work is hard and political economy matters. As the Guatemala example shows, crises and momentum matter. We cannot always create momentum but it is important to take advantage of it. Important conditions for success include technical capacity and political and policy engagement. It is important to focus on outcomes, what coalitions and what compromises are necessary. GIFT must figure out how to marry political and technical aspects. It can play a role in showing how participants can play the “inside game” and the “outside game.” Finally, as a word of caution, Rajani underlined that it is important that these discussions do not feed the notion that we need smaller governments and less taxes collected.

*Jim Cook* pointed to the many trade-offs. Does all the data have to be available to all? No! Is there room for anonymization techniques when appropriate and for including all the data when necessary?

*Jorg Petrovic* of the Slovenian Court of Audit, stated that tax systems have evolved and are complicated. Sometimes complaints about lack of transparency are really complaints about complexity. It is not right to use taxation for all sorts of policy purposes, that makes it more complex and difficult for citizens to understand. We need quality of data and also understandability of the data.

*Juan Pablo Guerrero* concluded by saying that every stewards meeting allows us to move forward and gain more value in the network engagement. The stewards are very different but it is valuable to come together in strong collaboration.

**III Open fiscal data state of the art**

1. ***Learning from the US experience implementing the Open Data Act and the USASpending.gov platform***

*Amy Edwards* of the US Treasury presented the US experience of open data. The Digital Accountability and Transparency (Open Data) act of 2014 increased public disclosure of budget data. It is the first US open data law and it came about to address problems of siloed systems, complex data, lack of consistency and data quality concerns. She worked on the law first from the Senate, to get it passed, and now from the Treasury, where she works on its implementation. The Data Act tracks almost $4 trillion in annual spending. One important challenge is to collect, store, and display more than 400 data elements from over 100 federal agencies. There is significant diversity in the audience of users, which includes Federal agencies, journalists, oversight bodies, industry, state/local governments, and the public.

Their DATA Act Information Model Schema (DAIMS) is a repository of information which supports information sharing. It is the only authoritative data standard for reporting across multiple business functions: budget, accounting, procurement, grants, loans, insurance, and others. So far, they report expenditures, they have not integrated performance information yet. At the moment, their main motivation is simply to disclose the data.

They consulted citizens about what they would need from such a site before launching it in order to consider the views of potential users. Furthermore, Treasury’s DATA Act analytics program aims to “get the data moving,” using a three-part strategy:

1. Partnerships with agencies, to encourage agency accountability and promote the use of data by educating agencies on data quality and assisting them with analytic tools to unlock the value of their information.
2. Partnerships with states, to encourage state-level engagement and the use of data by partnering with states and assisting them with analytic tools.
3. Resources for the public, connecting the general public with consumable data by educating them on how to leverage and interpret information.

In terms of updating standards in the system, minor updates are done every 6 months and major ones annually. The data itself is updated every quarter. In terms of outreach, they did a lot of one on one interviews. People could request to be interviewed through their site. They also spoke with random people at tourist sites in Washington DC. Furthermore, they still do monthly calls, where Amy answers questions about the site, to engage people.

The site only includes federal spending data. Much of the money goes to sub-national governments, but they don’t yet have the capacity to include other subnational spending. ([link to presentation](http://www.fiscaltransparency.net/presentations/GIFT-Presentation_Amy_Edwards.pptx))

***Response and comments***

*Diana Krebs* of Open Knowledge International congratulated the US experience and presented the Open Knowledge International (OKI) experience of supporting civil society use of budget data. She commented on the US experience getting feedback from potential users and that this information might be useful for other governments as they prepare for greater transparency.

*Lorena Rivero* of the Mexican Ministry of Finance spoke about the Mexican experience and underlined the challenge of getting information from all relevant agencies. In Mexico, it is all centralized, but elsewhere (such as the US) that is not the case. Did they have to create new data for the DAIMS? How could the DAIMS schema be integrated into the OFDP?

*Kathrin Frauscher* of the Open Contracting Partnership (OCP) reflected on how to get data to be used. Government officials themselves are big users of the data. The OCP helps partners use data to effect change. The Ukraine for instance had a big ‘revolution’ in open contracting and saved lots of money and reduced the perception of corruption. Paraguay is also using open contracting.

*Amparo Ballivian* of the World Bank labeled the US experience as impressive. It is not often that we see a law passed and then 3-4 years are given for its implementation! It is also unusual to see everything in open source. We must alert other countries to this site; other countries could do this.

1. ***Reflecting on and complementing the US experience: other stewards’ and partners’ initiatives and progress***
2. ***Brazil updates***

*Mauro Santos* of the Brazilian Federal Budget Secretariat presented the Brazilian open data page. Among their updates is the recently created Institute of Fiscal Independence (IFI), which was created by the Senate at the end of 2016.

They are now working to make Brazilian budget information conform with the COFOG classification. This will help make the budget information more legible to external viewers and could help with OFDP usage. ([link to presentation](http://www.fiscaltransparency.net/presentations/GeneralStewardsMeeting_MauroSantos.pdf))

1. ***Progressing from budget transparency to accessibility to participation, the Croatian experience***

*Hana Zoricic* of the Croatian Ministry of Finance presented the Croatian experience. Moves towards transparency have been made mainly thanks to external pressure, including both foreign sources of pressure as well as national CSOs. They are members of OGP since 2011, and a GIFT steward since 2017. ([link to presentation](http://www.fiscaltransparency.net/presentations/PP_hana_zoricic_croatia.ppt))

Specific measures have been taken in recent years to address budget transparency and participation which has led to significant progress. EU accession and OGP membership have played a big role in achieving such progress. There are now tools available for the public to see payments from the state budget to specific suppliers, through public searchable databases. The new OGP NAP provides for upgrading this application in line with comments from NGOs and the public. They have made a lot of effort to improve transparency and participation, including developing citizens guides on budget documents. Nevertheless, they are frustrated that the newly available data does not seem to be used enough. More has been done in the area of transparency, than in terms of participation and there is also a certain gap between the legal framework for transparency and the practical implementation of it.

There is divergence in the views of government versus NGOs regarding public participation in fiscal policy. This, in their view, is the main reason governments should be more involved in GIFT.

Their future plans include a project with OKI to develop a site similar to the US open spending site. They are also planning to look more on the demand side to study who is using the data, doing cost benefit analyses and addressing challenges such as lack of political will, lack of citizen information and interest etc.

1. ***Uruguay’s budget transparency portal***

*Janet López* of the Office of Budget and Planning of the Uruguay’s President’s Office presented the recently launched budget transparency portal. The Public Policy observatory was the forerunner of the portal, from 2009-2017. They realized they needed new standards of accessibility and web usability, and they needed to expand the scope of information offered. GIFT accompanied the process, and allowed for learning thanks to peer support offered through the network. ([link to presentation](http://www.fiscaltransparency.net/presentations/GIFToct11_2017_URUGUAY.pptx))

Collaborating with the public was crucial in generating content. At the design stage, they held a workshop with technical and academic users of budget information, they studied international experiences, including Brazil and Mexico, they did analysis of requests for access to information, and they consulted with representatives from CSOs, journalists, academics etc. The portal introduces several innovative features. It represents a one-stop site, which links performance indicators and policy evaluations with budget allocations. It also links program goals with the SDGs. The portal uses infographics, videos, maps, graphs and tables to make the information attractive and accessible.

1. ***Linking data – unleash the potential***

*Lorena Rivero* of the Mexican Ministry of Finance presented the Mexican transparency portal, which was redone in 2014. The new portal includes performance indicators and subnational government information from 32 states and more than 4200 municipalities. They try to find and understand the users in order to tailor the contents. Local information directly affects citizens.

From 2016 they set up online courses to educate the public on performance evaluation. More than 17 500 people signed up and 72% finished! Many civil servants also enrolled in the course. They also organized a rally “Datos en la calle” for people to visit public projects and evaluate them. In 2017, they visited more than 90 projects through this process. Before they were in the news because of the site, now they are in the news because of the use of the data!

How can they take it to the next level and make data more useful and interesting? They are working with GIFT. Mexico has also successfully implemented the Open Fiscal Data Package (OFDP) and is currently in the process of implementing the Open Contracting Data Standards (OCDS) and the Extractive Industries Transparency Initiative (EITI). After the earthquake they had to adapt and respond to a growing demand to make transparent the public resources used in the rescue and recovery work. They therefore created a new platform, Fuerza México!, which provides visualization of procurement for distribution to needy populations. ([link to presentation](http://www.fiscaltransparency.net/presentations/GIFT_meeting_DC.pptx))

1. ***The Colombian experience***

*Leonardo Buitrago* of the Colombian Ministry of Finance presented the Colombian experience of transparency and participation. Their main problem is the war, which just ended with a peace deal after 50 years of conflict. Colombia suffers from high levels of inequality and corruption. However, they have good fiscal instruments, including the fiscal rule, which help to maintain fiscal balance. The have a transparency portal, including national and subnational government information. Subnational government use the portal to get information about disbursements to them from the central government.

Colombia has also committed to implementing the Open Contracting standards. Along with 4 other governments, Colombia founded the Contracting 5, a group of governments working to foster openness, innovation, integrity and better business and civic engagement in government contracting and procurement. Furthermore, use of open data is very high in Colombia as compared with other countries and as compared with the OECD average. GIFT has provided important advisory support. ([link to presentation](http://www.fiscaltransparency.net/presentations/Colombia.pptx))

1. ***Open Contracting***

*Kathrin Frauscher* of the Open Contracting Partnership spoke about linking budget, contracting and procurement data and invited the participants to reflect on this in groups.

1. ***Open Knowledge International***

*Diana Krebs* presented Open Knowledge International (OKI), which is an international NGOs for open data, founded in 2009. It launched an open spending platform in 2011 and started working with GIFT around that time. The Open Fiscal Data Package (OFDP) allows for the uploading of national budget data. Several GIFT members are piloting the OFDP, including Croatia, Mexico and Uruguay.

OKI has a German chapter that works with the federal government to upload the federal budget and state budgets. Subsidystories.eu sheds light on how the EU spends subsidy funds. There is not much transparency in this area and therefore it is difficult to track information about EU spending through the Regional Development Funds, the Cohesion Fund etc.

They have invited journalists to work on this and report about it, but no stories have come out of it, despite initial enthusiasm by the journalists. It is an amazing site with great data, but they have yet to get people to use it.

***Response and comments***

*Jeanette von Wolfersdorff* of the Public Spending Observatory in Chile gave a demand-side perspective. Trust comes with better governance not just with more transparency. It is important to ask for the users’ opinion about public services. It is not a closed process, user views and performance information must be taken into account. It is difficult to have the right knowledge to be able to work with the data. Data quality is also an important consideration.

*Lorena Rivero* spoke of their experience from the government-side where they have had the same frustrations with lack of usage of data. This changed for them when they brought a designer onto the team. Now they are doing more social media interaction. They answer fast and that has helped generate engagement. In the beginning they begged the media to write about them, but it didn’t work. When media found local government data, they used it.

They interact with users through different means. For instance, “Data y Mezcales”, where they interact with people, journalists, CSOs to present projects etc. They don’t have perfect data on subnational governments, but they have included an index of quality of data. This provides a disclaimer, they are upfront about the issue, and it creates competition. Nobody wants to be last!

Several questions were raised, including how to ensure sustainability of transparency efforts, particularly following a change in government. How do the presenting countries work with SAIs, who does the oversight work?

In terms of guaranteeing sustainability, it is very important to engage with the users, with the citizens. Using social media, it is crucial to remain connected, to feed and continuously update the site. Automation is key, you cannot do everything. Also, commitment of the implementation team is crucial for sustainability.

**IV Break-out sessions: various topics**

Based on stewards and partners topic proposals, breakout sessions for in-depth discussion were held on the following topics: Transparency and anticorruption, the experience of Central America; Budget administrative classification data: transparency at the public service facility level and IT Working Group discussions; Transparency and participation in Africa; Communicating Reform Progress with Investors, and the IT Group.

1. ***Transparency and anticorruption***

Ricardo Barrientos of ICEFI, Guatemala spoke about corruption in Central America. The problems identified are universal, and there are many similarities among countries. The amounts extracted are very large, and considering the information is based only on reported cases, the actual numbers are likely higher. It is not just about corruption in the public sector but also in the private sector.

The recommendations to combat this include strengthening institutions. It is important to have a preventive system. It is not just about open data, but also about addressing money laundering, supervision of the banking system, political party financing etc. There is a need for a whole package of measures.

1. ***Budget administrative classification data***

*Murray Petrie* displayed a few slides on the key failures of transparency and citizen engagement in the delivery of public services, and on what some of the main obstacles are to improved performance and outcomes. What financial information is needed about individual public service delivery units e.g. schools, health facilities? Entity level information is critical. Financial information on its own is not enough. Beyond information provision, it is important to provide mechanisms for complaint for instance, guarantee access to information, remove barriers to getting information. It is important to empower communities to request information and to engage in discussion and debate over service needs and service quality.

The group suggested that GIFT could develop the concept of a citizens’ guide to the budget of the local school to promote more community engagement; develop a value chain of the discrete activities performed in delivering specific public services; and produce two or three country case studies to illustrate the types of initiatives underway by governments and civil society to promote more engagement between service recipients and public service providers (South Africa and the Netherlands were suggested as candidates for case studies).

1. ***Fiscal transparency and participation in Africa***

A representative of the Ministry of Finance from Madagascar presented recent efforts by the government aimed at improving transparency and participation. These efforts include informing the public about the use of public funds and attempts at involving citizens in the budget process. They have launched information videos online and on TV to inform people. They have also engaged in dialog with citizens, for instance at universities.

In Liberia, poor connectivity and IT literacy led to budget transparency through radio broadcasts. This has been very successful in reaching people. The radio broadcasts contain less detailed information, but it gets people interested and sometimes specific cases of broader interest are discussed more in detail.

In Tunisia, the government has also created information videos about the budget and the importance of staying informed about how the government spends the public’s money. It is important to consider not just the supply of information, but also the demand and what specifically the users of budget information need.

In terms of the role of GIFT, the participation guide only has one example from Africa, it would be good to have more. If GIFT wants to continue working in Africa, the materials must also be available in French.

1. ***Communicating Reform Progress with Investors***

The Emerging Markets Investor Alliance brings together government experts and investors to advocate for greater government transparency. Investors are interested in timely, consistent and comprehensive fiscal data that accurately captures all national and sub-national government revenue, expenditures, debt and other liabilities. Where data is available, it is located in different places and may be time consuming to gather. Governments should improve the quality of fiscal data and make key data more readily available to investors.

How to convey accomplishments in data collection and get investors to support government officials to produce more/better data? The Alliance can help organize regular round tables with the government to discuss transparency issues and pressure governments to produce more/better data.

1. ***The IT Group***

Governments have different needs when working with open data. How to provide OFDP? How to exchange and learn from each other. They meet online.

***Concluding remarks***

*Jim Cook* of MITRE reiterated MITRE’s desire to find ways to contribute to the network. It is humbling to see all the work done by GIFT members, MITRE is thankful to be a part of the network, and we want to be part of the progress of the network.

*Janet López* of Uruguay expressed her excitement to have attended her first GIFT meeting and underlined the importance of continuing to share experiences and learning. She also highlighted the importance of involving the people doing the technical work, in order for them to learn, share their experiences and contribute to the overall learning in the network.

*Katarina Ott* of the Institute of Public Finance in Croatia extended her thanks to the GIFT team and to the host, MITRE. She pointed to the continuing complaints of civil society about lack of data availability, while governments simultaneously complain about lack of use of the data they publish. Governments should publish all the information they have, but with detailed information about sources etc. It is important to have access to raw data.

There is not enough work with SAIs. It is necessary to work at the subnational level. GIFT has an important role to play in emphasizing the importance of capacity building for CSOs, parliaments, SAIs etc. GIFT should also consider the danger of growing too much, perhaps its focus should be a bit narrower. Be careful about what GIFT does on taxation, it is an explosive issue and you need to be an expert on taxation to work on that.

*Juan Pablo Guerrero* closed the event by stating his optimism when seeing all of the work being done by members of the network. The public participation agenda is being pushed since a long time and this event shows that a lot of progress is being made, there are some inspiring examples.

In terms of peer learning, we need to see each other more but we also need to see more, new faces. Croatia for instance will help spread the work in their region. We understand the risk of trying to do too much, but it is important to look at these issues, which are of importance to our members.

For the next meeting we will bring a clear proposal on how to move forward and how to address these issues. In the end, it is up to the members to decide what GIFT should work on, and if we move ahead on particular issues or not.

**JPGA identified the following points as key aspects requiring follow-up work for the network:**

1. The concept, principles and practices of public participation are still a challenge for the GIFT network: practices that really incorporate the inclusiveness principle and the human rights perspective are rare and must be promoted and advanced. The network should more clearly stress the need to speak with users, to engage governments on training for public participation, to use means and tools to connect interactively with citizens, such as social media, citizens’ budget at school levels, elaborate on examples that touch people’s lives and case studies in facility level budget information disclosure. GIFT should particularly take advantage of the lessons to be learned from the Open Budget Survey 2017 edition in new section on public participation. By the same token, more work is needed on services delivery experiences where public participation and access to granular information become key factors for success in the implementation of the policies. Special emphasis could be devoted to the experiences in Africa, for instance (education services, the case of South Africa).
2. As mentioned before, the GIFT Coordination Team expects stewards to provide comments and suggestions to the presented version of the Expanded High Level Principles before the end of the year.
3. On peer learning, GIFT should work to become a model for multi-stakeholder networks, a real knowledge repository, engaging in a useful dialogue system, using the community of practice and assuming much of the recommendations provided by Linder’s study and the questions and suggestions provided during the discussion with the stewards.
4. Similarly, GIFT will present a plan for 2018 on ways to better engage with new regions, such as Central, South and Eastern Europa and Africa.
5. Finally, taking advance of the high level and plural discussion on tax transparency and participation, the GIFT coordination team will provide a clear proposal on this new subject for the network, in order to have a starting point to discuss and define the work on the subject in the next stewards meeting.

Many thanks to MITRE for everything, and to the GIFT coordination team!

1. All of this requires an appraisal of: national income accounting; shadow economy estimation; population data; the effectiveness of corporate registries; the effectiveness of land registries; the quality of money laundering / banking know your client systems; the quality of data tax authorities can collect from private sector sources; the quality of international data exchange available; revenue authority data (including data on: tax bases; tax expenditure; the number of taxpayers; taxable incomes declared; the amount of tax collected at each rate; the resulting implied distribution of liabilities; time series data; and finally the tax gap (how it is defined, who is responsible for calculating it, how they calculate it, what the tax gap is and its impacts etc.) [↑](#footnote-ref-1)