**Summary of the GIFT**

**General Stewards Meeting and Public Participation Seminar**

**Washington, D.C. - December 1-2, 2015**

The GIFT General Stewards Meeting for the second half of 2015 took place in Washington D.C. on the 1st and 2nd of December, with close to forty participants (list attached). The agenda and the detailed minutes of the meeting are also attached. All the presentations for the meeting, as well as the GIFT report to the stewards, are available at (http://www.fiscaltransparency.net/fowg/#toggle-id-7).

The main objectives of the General Stewards Meeting were:

1. To discuss the public participation case studies, and lessons learned from them
2. To discuss and possibly approve the GIFT public participation principles;
3. To discuss a proposal for a global normative initiative on fiscal transparency, participation and accountability;
4. To update and discuss the incentives research work, as well as other GIFT activities, and determine next steps.

Public participation cases studies

The eight case studies and their corresponding infographics were briefly presented (Brazil, South Africa, Canada, Croatia, Mexico, South Korea, Kenya, Philippines) as a first attempt/draft to illustrate and learn from pubic engagement mechanisms. More than 40 different practices on public participation in fiscal policies and budget making were found in these countries, with significant variations among branches of government, policy objectives and between rules of public engagement. The stewards agreed that comments and corrections (to check for errors) be incorporated for the final versions of the infographics, which will become part of a greater effort of dissemination and peer-to-peer learning.

Regarding the case studies, a significant richness and diversity of public participation mechanisms was found. During the discussion, it was observed that:

* These cases show current examples of what is being done in the field;
* Understanding their nature obliges one to also focus on the political processes that led to and made possible these mechanisms; in order to understand the full richness of the process, one cannot focus only on the institutionalized processes;
* In particular, in some cases, the role of multi-actor coalitions has been critical, so questions about the capacities of these networks to follow the money are relevant;
* It is too early to fully assess the impact of participation in the budget process; Furthermore, impact is not always demonstrable and not always related to a specific initiative;
* One key element regards the relationships that are forged, and the respect and the trust generated, among the parties; and the establishment of a genuine relationships and ongoing discussion between officials and CSO representatives;
* From this perspective, informal spaces for engagement are also important, in order to include all sorts of participants and integrate all kinds of initiatives;
* For a more detailed analysis, the practices need to be broken down by stages and actors in the budget cycle.

The stewards were supportive of the proposal of creating a guide for public participation practice in the budget in 2016 as a next step, using the menu of practices described in the studies and possibly including additional practices related to the principles for public participation.

Public participation principles

The Stewards had a long and fruitful discussion about the public participation principles. They expressed a consensus agreement that the principles are approved in general, and their understanding that it is work in progress, but that an agreed-on version is needed in order to move on. They made some specific recommendations for the last version, which is attached for final review of the stewards.

With respect to this last point, the World Bank, a lead steward, pointed out that the final version of the principles would be subject to an internal review process before it could provide an institutional endorsement. **GIFT’s coordination team requests the stewards to please provide final comments and suggestions to the principles before the end of January 2016**.

Most of the discussion of the principles focused on the need to clearly establish the interdependence between principles. With respect to principle ten, there was agreement on the need for reciprocity on the part of all stakeholders in disclosing relevant information similar to the transparency they call for. Stewards clarified an important point regarding the specification needed for the minorities involved in the principles of non-discrimination. Please find attached the last version of the principles.

The stewards agreed that the principles for public participation in fiscal policies and the practices from the case studies would serve as inputs for a guide on the matter. The final goal of this initiative would be to inspire and encourage governments to make commitments on practices towards fiscal transparency and participation within the Open Government Partnership framework.

Regarding the guide for public participation, the following considerations were made:

* A working group will be created to guide the making of the guide, which should involve the stewards of the network as much as possible (for instance, the World Bank would actively participate in the part focusing on the experiences of public participation in social audits);
* The guide should further frame and structure the dimensions of public participation and its meanings;
* It should provide clear lessons based on these experiences, with a clear description of evidence;
* It should be developed in such as way that it can be useful in different contexts, and broken down in a way that is useful for different institutional capacities;
* It should include a mechanism to match the principles and practices with practical assistance, using different tools and materials for learning and exchanging;
* GIFT should consider presenting the practices by stages in the budget process or by major actors, that is, framing and systematizing by objective and by branch of government;
* The guide should clearly point out how policy makers can have different objectives for public participation depending on the different objectives they wish to achieve.

The main goal of the guide would be to inspire countries and consequently to engage them in the framework of OGP. With respect to this project, the stewards agreed that they will need to play an active role (particularly the international financial institutions) in order to engage governments to adopt these practices. It was stressed that in the question of engaging countries in efforts to increase public participation in the budget process, the core added value of a multi-stakeholder action network like GIFT was help countries address gaps that they could not address in their own, in particular to encourage governments to commit to specific goals with the support and the peer-pressure of the rest of the members of the network.

On the question of measuring the impact of public participation, stewards agreed that evidence is still far being sufficiently robust enough to determine what good practices might look like; more time is needed to see the impacts. Furthermore, indicators may eventually be useful as tools for describing the practices, but not for ranking or qualifying practices that are incipient in many cases.

Finally, the GIFT coordination team will draft a first outline of this guide before the end of January, including the process and the terms of engagement from the stewards.

An International Instrument for Fiscal Transparency, Participation and Accountability

The session on the international initiative on fiscal transparency started with a presentation, followed by breakout groups for recommendations on next steps. The main question discussed were:

* Do we need a convention?
* What are the next steps?

Stewards clearly proposed ruling out the possibility of working for an international new treaty on the matter in the near future, preferring to work instead on a soft mechanism that should be simple and flexible, while providing clear, engaging, and attractive incentives for governments, in order to encourage countries to share experiences rather than forcing them to do something.

In order for this to occur, stewards pointed out that the process needs to focus on helping countries adopt fiscal transparency practices using GIFT as a source for guidance and practical instructions for capacity building and retaining, rather than using rankings or negative incentives. GIFT needs to work with OGP countries, encouraging them to join the network and engage on fiscal transparency, participation and accountability commitments that can be shared and worked on within the peer-to-peer exchange process, particularly in the frame of the Fiscal Openness Working Group. GIFT will update the extended version of the High-Level Principles and will engage with some of the countries working on their NAP from a HL-principles perspective, in order to start creating engagements and formulation of commitments within the framework of the principles.

Research for incentives agenda and other research projects

The Stewards were updated on the work on evidence of impacts for incentives, the incentives for decision makers, transparency on the revenue side of the budget, and the use of budget information by civil society organizations. A detailed account of the discussion and the presentations are available on line. The stewards encouraged GIFT to continue these lines of work and to exploit the findings as much as possible in the peer-learning and technical assistance streams of research.

In particular, research and findings should consider that none of the components of the evidence components stand alone, especially when looking at a global agenda like the Sustainable Development Goals. A more fully integrated view of Public Finance Management is needed, one that includes revenue, spending, assets, liabilities, and contingencies. With respect to the research on incentives, as well as with respect to research on the impact of evidence, the next step is to start to incorporate what has been learned into the guide.

The GIFT report to the stewards and additional streams of work

The stewards acknowledged receipt of the GIFT semester report for the General Stewards Meeting.

A representative of the OGP Support Unit shared with the GIFT stewards the list of countries that will produce a National Action Plan in the first semester for 2016. Out of that group of OGP countries, GIFT will try to work with Brazil, Croatia, Chile, Dominican Republic, El Salvador, Greece, Guatemala, Honduras, Mexico, Moldova, Mongolia, Paraguay, South Africa, Tunisia, and Uruguay.

In particular, GIFT will try to organize public events about fiscal transparency commitments in OGP in Guatemala and Croatia, as well as holding Fiscal Openness Working Group workshops in Mexico, Indonesia, South Africa and Central Europe in 2016. Overall, the stewards welcomed the way in which the FOWG has worked with stakeholders, and evolved towards a forum for dialogue, exchanges and development of peer-to-peer dialogue and exchanges.

The stewards were pleased to confirm that GIFT has been strongly engaging with 6 governments and 5 CSOs that are currently in the process of formalizing their membership in GIFT. The 6 governments, which have all established strong and ongoing collaborations with GIFT during 2014-15, are Paraguay, the Dominican Republic, El Salvador, Tunisia, Indonesia, and Chile (through the ministries of finance in all cases except in Chile, where GIFT has been engaging with the Transparency and Information Commission). In addition, the Treasury of Mexico expressed its interest in joining as a lead steward. The CSOs that have been working with GIFT, and are planning to join are: ICEFI (Central America), SENKAS FITRA (Indonesia), FUNDE (El Salvador), the Alliance (Global Emerging Markets Investors interested in governance). Global Integrity (U.S.) also continues to express an interest in partnership with GIFT.

More generally, the stewards welcomed a propitious and productive atmosphere for the meeting that triggered good discussions and encouraged participants to continue working together, in what was considered a new phase in the progress of the network. Stewards have become much more willing to focus on the substance of the issues discussed at the meetings, and there was a genuine exchange between stakeholders.