**DRAFT MINUTES**

**Lead Stewards Meeting**

25 January 2023 | Wednesday | 8:30 – 10:00 AM EDT

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| **Attendee name** | **Organization** |
| Rolando Toledo, Robin Gumasing, Ericka Blas, Kathleen Nagales, Claire Bautista | Department of Budget and Management (DBM), Philippines |
| Otavio Neves, Leonardo Sales, Leila Bezerra Motta | Office of the Comptroller General, Brazil |
| Lorena Caballero, Alicia Gómez | Secretaría de Hacienda y Crédito Público (SHCP), México |
| Warren Krafchik, Sally Torbert, Claire Schouten | International Budget Partnership (IBP) |
| Cigdem Aslan, Sailendra Pattanayak, Lorena Rivero | International Monetary Fund (IMF) |
| Roby Senderovich | World Bank (WB) |
| Laura Leka | International Federation of Accountants (IFAC) |
| Raquel Ferreira, Aura Martinez, Marianne Fabian, Albertina Meana, Juan Pablo Guerrero | Global Initiative for Fiscal Transparency (GIFT) |

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| **1.0 Welcome remarks** | |
| 1.1 | Juan Pablo welcomed everyone to the meeting. |
| 1.2 | The following meeting agenda was adopted:   * Opening and acceptance of agenda * Updates around the table * GIFT Work Plan for 2023 * Leadership change in IBP and GIFT |
| **2.0 Updates around the table** | |
| 2.1 | **Brazil**  Otavio Neves and Leonardo Sales stated that several activities have been initiated towards overcoming fiscal transparency challenges, including:   * The reinstatement of an online platform where invoice information is published, with the aim of fostering civil society organization (CSO) interest; * Exploring the possible implementation of priority area budget tagging. To facilitate this, information will be sought regarding international experiences taking advantage of GIFT activities on the topic. UNICEF is also being engaged in respect of child and youth budget tagging, with work being done on a posteriori budget tagging towards publishing this information on the fiscal transparency portal; * In the second semester of 2023, a study will be conducted on budget tagging towards advocating for the Ministry of Planning to include this methodology in the national budget system; * Activities will be undertaken to improve budget dataset quality and fiscal credit transparency, in line with legislation.   GIFT requested further information on the fiscal credit project and offered to invite Brazil representatives to any peer-learning activities GIFT hosts pertaining to international experiences on SDG budget tagging. |
| 2.2 | **Philippines**  Rolando Toledo shared that the Philippines has undertaken a number of activities, including:   * Reconstituting the Fiscal Openness Working Group, tasked with working towards opening spaces for citizens to be engaged in budget processes. Specifically, this Working Group aims to draft fiscal openness policies, monitor their implementation, as well as coordinate actions among the different units within the DBM, other government units, as well as with other stakeholders towards institutionalizing such efforts. * The DBM is also initiating the rollout of the CSO Desk, which will be the focal unit for CSO budget concerns. It will also undertake CSO capacity building activities. * As part of the fiscal year 2024 budget preparation process, the form utilized to capture CSO inputs on new and ongoing projects, with the aim of closing feedback loops, has been revisited and revised. * The public financial management (PFM) Roadmap on Citizen Participation has also been drafted and aims to improve the country’s public participation score in the Open Budget Survey (OBS) by engaging executive and oversight institutions in the process. Under this Roadmap, participatory governance metrics developed by the Department of the Interior and Local Government, with support from the United Nations Development Programme, will be implemented. * Project Digital Information for Monitoring and Evaluation (DIME), which uses technology (e.g. satellite, LIDAR) for the real-time monitoring of the physical progress of infrastructure projects, will be revived. * The Fiscal Openness Action Plan is being reformulated to focus on integrity, timeliness, accessibility of budget data in open formats, as well as on the presence of responsive mechanisms to address citizens’ requests for budget information. * *Usapang Budget* is beingimplemented*,* an initiative which popularizes budget information and engages the public in meaningful budget conversations using talk shows on public spending topics as part of the Philippine Open Government Partnership caravans. This initiative will be led by DBM in partnership with the National Economic and Development Authority * DBM is currently in active discussions with different development partners and stakeholders towards bringing back participatory budgeting for fiscal year 2025. Under these mechanisms, priority projects will be identified with citizens at the city, provincial, and regional levels, and incorporated in the national budget. The direct transfer of funds to local government units is seen as a potential way to implement these projects. |
| 2.3 | **Mexico**  Lorena Caballero shared that the following fiscal transparency advancement activities are being undertaken:   * The Ministry of Finance and Public Credit is going to re-launch the fiscal transparency portal towards improving user experiences. The launch is set to take place in the first semester of the year. * There is also a plan to replicate climate change tagging methodology to include tagging on other cross-cutting budget topics, such as tagging resources for children, in line with information shared at the last UNICEF/GIFT Egypt mission that took place in Mexico City. The following links to 2022 documents published by the Ministry on the current methodology were also shared (available only in Spanish):   + Guía para la identificación de acciones y cuantificación de recursos vinculados con la adaptación y mitigación de los efectos del Cambio Climático (Guide for the identification of actions and quantification of resources related to the adaptation and mitigation of the effects of Climate Change), disponible en la siguiente liga:   <https://transparenciapresupuestaria.gob.mx/work/models/PTP/Capacitacion/Anexo_Transversal_CC/Guia.pdf>   * + Manual del Usuario de la herramienta de capacitación para la identificación y cuantificación (Identification and Quantification Training Tool User Manual), disponible en la siguiente liga:   <https://transparenciapresupuestaria.gob.mx/work/models/PTP/Capacitacion/Anexo_Transversal_CC/Manual.pdf>   * The Ministry is also improving capacity building efforts on fiscal transparency for subnational governments. New digital tools are being developed to bring information closer to local authorities. These will be launched together with the new fiscal transparency portal. * During the second semester, activities will be undertaken to improve Mexico’s Open Budget Index score. Advice will be sought from the GIFT network specifically towards establishing public participation mechanisms in the budget process. * There is on-going collaboration with subnational governments towards the potential development of a new knowledge product on the transparency of subnational government spending.   Juan Pablo Guerrero stated that GIFT would support these efforts, and proposed that a webinar be jointly organized for the re-launch of the portal. |
| 2.4 | **IMF**  Sailendra Pattanayak provided the following updates:   * Fiscal Transparency Evaluations (FTEs) are used to identify fiscal transparency gaps towards developing reform strategies to address these gaps, and informing country specific capacity building support requirements. Since the last Lead Stewards meeting, the IMF finished the FTEs for El Salvador and Guatemala (publication pending). FTEs for Panama and Cabo Verde are currently in the pipeline. * The IMF continues to hold regional seminars on fiscal transparency. For instance, in 2023, there will be a peer-learning seminar among West African Countries to be held in Cameroon in partnership with the Africa Training Institute. The seminar is open to government agencies including, ministries of finance, supreme audit institutions, and anti-corruption bodies. * A policy paper on debt transparency is due to be approved by the IMF Board in February/March. This paper is particularly relevant given that many countries are facing debt distress, and one key issue is the lack of debt transparency. For example many debt contracts have critical information that are not disclosed to the public, but with costs to the countries’ fiscal systems. The paper will highlight these issues, propose measures, including how to incentivize creditors and debtors towards being more transparent, and develop a framework towards more granular reporting on debt instruments and debt contracts. * A [*How to note: How to Make the Management of Public Finances Climate Sensitive—“Green PFM*](https://www.imf.org/en/Publications/Fiscal-Affairs-Department-How-To-Notes/Issues/2022/12/08/How-to-Make-the-Management-of-Public-Finances-Climate-SensitiveGreen-PFM-525169)” was published in December 2022. It contains guidance on how to integrate climate considerations in the budget cycle. This guidance will feed into the IMF’s capacity development work in many countries moving forward. * The IMF is developing a paper on how to use different digital technologies to improve PFM and transparency, as well as, digitalization guidelines, with transparency as a key attribute. To facilitate dialogue on the guidelines, the IMF will organize workshops in Vietnam (for Asia), Colombia (for South America), and in Mauritius (for Africa). During these workshops, the IMF aims to get participant feedback towards further improving the draft guidelines.   On a related topic, Juan Pablo Guerrero spoke about organizing a discussion towards the development of principles on fiscal transparency for emergency responses. He stated that the IBP can take the lead in this effort. |
| 2.5 | **IBP**  Sally Torbert shared the following updates:   * Research has started on the next phase of the OBS, with results to be released in spring of 2024. There are also plans to update governments on the OBS timeline and coverage. In terms of country coverage, while significant funding was secured from UNICEF and the U.S. Department of State, support from the UK Foreign, Commonwealth & Development Office (FCDO) is currently uncertain. Given this, tentatively only 109 countries will be covered in the next OBS round. Research on the 16 countries remaining will be delayed until additional FCDO support for the OBS is confirmed. Additional updates on the OBS coverage will be provided in the first quarter of 2023. * IBP works towards strengthening and engaging CSOs in the budget process in more than 20 countries through the Collaborating for Open and Accountable Budgets (COAB) project. COAB fosters collaboration by encouraging governments and CSOs to develop roadmaps on reforms. National meetings were held in countries including: El Salvador, Nigeria, and Georgia. It is anticipated that this project will be extended for another three (3) years towards deepening collaboration with CSOs and collaborating with governments to provide tailored support for the specific advocacy needs of civil society. There is also an initiative to expand this project to 13 more countries in the MENA (including Egypt and Tunisia) and Balkan regions (including Bosnia and Herzegovina, North Macedonia, and Serbia). * IBP is in the second phase of the Budget Credibility Initiative, that explores the causes and consequences of, as well as ways to improve budget credibility, looking specifically at chronic deviations from the budget approved by the legislature during budget implementation. IBP has been working on this with countries including: Indonesia, Nigeria, Senegal, South Africa, Mexico, and Mongolia. IBP will organize a cross-country learning event in February to bring together findings from previous phases, and towards developing a learning product, a ‘Budget credibility toolkit for CSOs’. A series of briefs on how budget credibility impacts the ability of governments to achieve the SDGs will also be published. Thirteen briefs have already been published, while another 10 are to be started. * The Partnership also holds engagement with supreme audit institutions (SAIs) on budget credibility challenges. IBP hosted a co-creation process with SAIs around the world on how to engage governments towards addressing budget credibility challenges. IBP is currently developing a handbook on how to undertake budget credibility audits. The draft handbook is currently being peer-reviewed, and is hoped to be a useful resource on the topic once published. |
| 2.6 | **IFAC**  Laura Leka shared the following updates:   * IFAC continues to focus on supporting stronger PFM and greater transparency and accountability in the public sector. * IFAC published a global guide on professionalization, launched in Mumbai in 2022, during a session on public sector priorities, trust, sustainability and accountability. This report outlines what professionalization means in the public sector context, its benefits, and offers a high level roadmap to support good practice. As professionalization remains a key theme for IFAC in 2023, one of the key messages in IFAC’s global campaign pertains to increasing the number of professional accountants in the public sector to support PFM reforms. Often, PFM reforms focus on structures, systems, and processes. IFAC hopes to rebalance the reforms not only to focus on process, but also on people and on the importance of them having the right skills and capabilities. * IFAC signed a memorandum of understanding with donors and initiated capacity building in two pilot countries (Burkina Faso and Ghana) on strengthening the accountancy profession infrastructure. |
| 2.7 | **WBG**  Roby Senderovich shared that a global forum on anti-corruption and integrity is being organized. While the date of the event is still to be determined, the World Bank invited GIFT/IBP and its members to assist in organizing this effort. |
| **3.0 GIFT Work plan 2023 and Budget** | |
| 3.1 | Members of the GIFT team discussed the activities and updates in the GIFT Workplan 2023 which focused on the following priority goals:   1. To advance transparency and public participation in fiscal policies in international norms and at country level. 2. To increase and improve peer-learning, knowledge exchange, technical collaboration, and harnessing digitalization to increase access to meaningful information and engage the public. 3. To consolidate GIFT as a cohesive action network of champions, set to become a source of knowledge, experience, innovation, and practices that have impact.   A copy of GIFT’s workplan and budget can be accessed [here](https://drive.google.com/drive/u/1/folders/14Cteg7XlJrEpFoe64cvj4BQfT_qAFBUW).  During the meeting, the Lead Stewards were also invited to review GIFT’s new Guide on Advancing Fiscal Transparency for Development and attend the online launch in February 2023. |
| **4.0 Leadership transition in IBP and GIFT** | |
| 4.1 | The World Bank expressed appreciation to Warren Krafchik for his leadership, most especially in forming a global coalition on fiscal openness, and in leading the creation of the IBP. GIFT was an important subproduct of this.  In addressing challenges on leadership and funding, the World Bank representative shared that it may not be a good time to change GIFT’s leadership. There is a need to firstly get more donors on board. Funders support not only good ideas, but good people. The change in leadership may not provide a good message to donors, potentially creating a gap in funding. Roby Senderowitsch thus suggested renewing Juan Pablo Guerrero’s term for another three (3) years, to provide more leadership predictability.  Juan Pablo Guerrero expressed gratitude to the World Bank’s support and stated that he is committed to staying in GIFT until such time that funding for the next couple of years (at least 18 months) is secured, which will provide sufficient time for a new director to take over, adapt, and ensure the sustainability of the Network.  From his recent experience, Warren Krafchik of IBP shared that what donors are normally looking for is transparency, clear rules and plans with regard to transitions. Organizations go through changes, and people go through similar transitions. Transition space should be provided in a way that suits both personal and organizational needs. What is more important is to have clarity on the terms of how a transition is going to happen, and share this information with donors. The concerns on transition are understandable, but donors can also be open to new leadership taking over. As such, it would be beneficial to put together a plan that provides transparency and surety to donors.  Juan Pablo Guerrero shared that he plans to meet with the new IBP Director and Board to discuss and present options on the way forward (including World Bank’s suggestion), towards developing a clear transition plan. GIFT’s future entails securing a transparent, well-planned, and sustainable transition. This plan will be presented and discussed before the first semester of the year. |
| 4.2 | Juan Pablo Guerrero expressed appreciation to Warren Krafchik, stating that GIFT was his brainchild, just like the OGP. As such, the field and the community will always be grateful to him. Moving forward, the network will continue to come to him and seek his advice on strategic direction. He then requested updates from Warren with regard to the onboarding of the new Executive Director, Ana Patricia Muñoz, who will assume office on February 1.  Warren Krafchik emphasized her experience in creating partnerships and her strong technical background on racial equity, which will be important to IBP in establishing programs for the next 10 years. She also has experience in taking over from an organization founder, which is particularly relevant. Her full CV can be accessed [here](https://docs.google.com/document/d/13sbv6Ivk7LUYftEj0-VC0vrnHuea82dV/edit?usp=share_link&ouid=113920636991068090627&rtpof=true&sd=true).  Warren Krafchik will be spending the first week of February with Ana Patricia Muñoz and the new IBP Board Chair, Sofía Sprechmann. In the second week of February, he will meet again with Ana Patricia and Juan Pablo detailing GIFT's history, the challenges, and her potential role in championing the GIFT network. Other senior members of the IBP including Anjali Garg, Sally Torbert and Claire Schouten will continue to strengthen the relationship with GIFT, such that GIFT will continue to be a close partner of the IBP for many years.  Juan Pablo asked for Warren’s advice on a good time to meet with the IBP Board. The new chair of the Board, Sofía Sprechmann, is the Secretary General at CARE International, and is a passionate advocate for CSO engagement in budgets. The first IBP Board meeting will take place at the end of March in London, with a focus on strategic planning. Warren will check if there is time for GIFT to have a session in this meeting. An alternative option is the mid-year meeting of the board.  On behalf of IBP, Warren thanked the Lead Stewards for their contributions in launching GIFT and for their partnerships that sustained the Network for the past 10 years. The quality of the work and partnerships is what has kept GIFT strong. The transition challenges will not stop GIFT from continuing its key contribution in the public finance field. He also expressed gratitude to Juan Pablo for ably steering GIFT network, stating that GIFT was merely a small idea from a series of meetings when he took over, but over the past years, he has breathed life to the Network.  Juan Pablo thanked Warren and took the time to also express appreciation to Albertina Meana, the current Program Coordinator of GIFT, who has also just been promoted to Senior Finance Officer in the IBP. Albertina facilitated the efficient organization of all administrative and logistical requirements of GIFT events in the past years. He congratulated Albertina on her promotion and wished her well in her new endeavor. |
| **5.0** | **Summary of action items** |
| 5.1 | * GIFT requested more information on Brazil's fiscal credit project and offered to invite Brazil representatives to any peer-learning activities GIFT hosts pertaining to international experiences on SDG budget tagging. * GIFT proposed that a webinar be jointly organized with Mexico on the re-launching of the fiscal transparency portal set to take place in the first semester of 2023. * Links to materials on the updates shared by the Philippines were requested in the chat. * The WBG invited GIFT/IBP to assist in the global forum on anti-corruption and integrity. The final date of the event is yet to be determined. * GIFT will present options on the way forward and a proposed leadership transition plan for the consideration of Ana Patricia Muñoz, the new Executive Director of IBP, and the members of the IBP Board.   + Warren Krafchik and Juan Pablo Guerrero will meet with the IBP Executive Director in February.   + Warren Krafchik will assist in identifying a suitable time for a GIFT leadership meeting with the IBP Board of Directors. |