



The GIFT High Level Principles on Fiscal Transparency, Participation and Accountability

Juan Pablo GUERRERO
guerrero@fiscaltransparency.net

May 2014

Overview

2

- What is GIFT?
- Why a new set of principles on fiscal transparency?
- The High Level Principles
- Gift Agenda for 2014-1016

Fiscal Transparency Challenges

3

- *Budget transparency is improving in many countries; but the rate is uneven and slow*
- *The challenge is complex and broad: a range of multiple stakeholders is required to address it*
- *A number of norms & assessments on fiscal transparency establish different standards & ignore important issues (participation / checks & balances)*

Why was GIFT established?

4

- *Increase the pace of improvement in fiscal transparency around the world*
- *Bring together a broad range of stakeholders*
- *Improve global norms /good practices for fiscal transparency and agree on general principles in order to send a clearer message & offer stronger good practices*

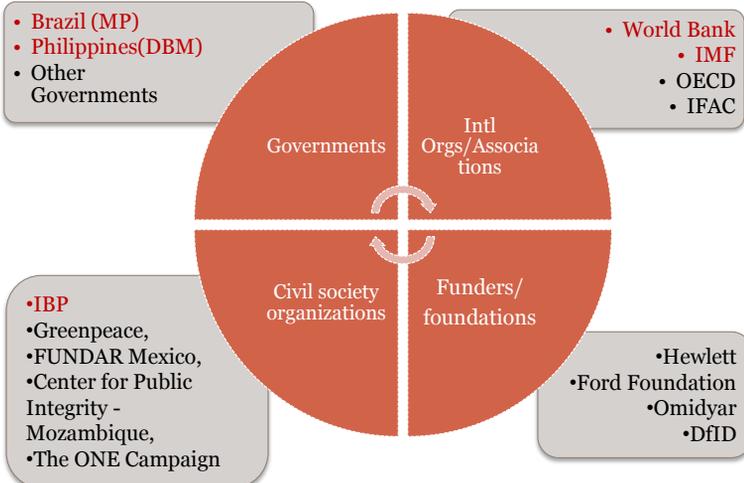
The GIFT Value Proposition

5

***This multi-stakeholder action-network
will contribute to
significant improvements
in fiscal transparency & public engagement
in the world
by advancing incentives, norms,
technical assistance and new technologies.***

GIFT Stewards

GLOBAL INITIATIVE FOR FISCAL TRANSPARENCY



6

Red type indicates Lead Steward

Gift Achievements 2011-2013

7

- Global Norms Development – High Level Principles, Public Participation Research
- Global Political Agenda Setting – UNGA Resolution, G20, OECD
- Norms coherence – promoting convergence between IMF Code, PEFA, OBI, OECD High Level Principles of Budgetary Governance
- Open Government Partnership-GIFT Fiscal Openness Working Group

Why a new set of Fiscal Transparency Principles?

8

- Growing multiplicity of standards and norms
- Aim to convene authors & improve coherence, comprehensiveness and alignment of existing norms & standards
- Identified gaps and overlaps (post-GFC; new emphasis on public participation)
- Draft adopted by GIFT Stewards & endorsed by UN General Assembly December 2012

The High Level Principles

9

- **10 is the magic number**
- **Preamble, plus 2 parts:**
 - Access to Fiscal Information (principles 1-4)
 - The Governance of Fiscal Policy (principles 5-10)
- **Bookended by two ‘new’ rights principles:**
 - A public right to fiscal information (from ICCPR Art. 19)
 - A right to participate directly in fiscal policy design and implementation (drawn from ICCPR Art. 25)

Access to Fiscal Information

10

- **P1: Everyone has the right to seek, receive and impart information on fiscal policies. National legal systems should establish a clear presumption in favour of the public availability of fiscal information without discrimination. Exceptions should be limited in nature, clearly set out in the legal framework, and subject to challenge through low-cost, independent and timely review mechanisms.**

Access to Fiscal Information

11

- P2: Governments should publish clear and measurable objectives for aggregate fiscal policy, regularly report progress against them, and explain deviations from plans.
- P3: Presentation of high quality financial and non-financial information on past, present, and forecast fiscal activities, performance, fiscal risks, assets and liabilities.
- P4: Governments should communicate the objectives they are pursuing and the outputs they are producing with the resources entrusted to them, and endeavour to assess and disclose the anticipated and actual social, economic and environmental outcomes.

Governance of Fiscal Policy

12

- P5: All transactions should have their basis in law.
- P6: Government sector clearly defined, and financial relationships with private sector disclosed, conducted openly, and follow clear rules and procedures.
- P 7: Roles and responsibilities for fiscal activities clearly assigned between the legislature, the executive and the judiciary, between national and each SNG, between government and rest of public sector, and within the government sector.

Governance of Fiscal Policy

13

- P 8: No government revenue should be raised or expenditure incurred or committed without the approval of the legislature. The legislature should be provided with the authority, resources, and information required to effectively hold the executive to account for the use of public resources.
- P9: The Supreme Audit Institution should have statutory independence from the executive, and the mandate, access to information, and appropriate resources to audit and report publicly on the raising and commitment of public funds. It should operate in an independent, accountable and transparent manner.

Direct public participation

14

P 10: Citizens and non-state actors should have the right and effective opportunities to participate directly in public debate over the design and implementation of fiscal policies

Expanded High Level Principles

15

- Intended to support dissemination and application of the Principles (Guide, not Manual)
- For each principle, discusses:
 - Why important
 - Definition of key terms
 - Origins
 - How reflected in current norms and standards
 - Selected country examples
 - Sources of further information and guidance

GIFT Agenda for 2014-16

16

- Framework and action agenda for strengthening incentives & disseminate good practices (Open Government Partnership Fiscal Openness Working Group; private sector; aid)
- Norms & good practices development: participation; legislative oversight; public service delivery; environmental impacts
- Research on causes and impacts of FT: to better understand how & why countries are likely to adopt these standards
- Broaden and deepen GIFT membership (Governments, INTOSAI, IPU, private sector, etc.)

OGP: Fiscal Openness Working Group

17

- Regional meetings in May-June
- Analysis of OGP documents:
 - Independent monitoring reports on 8 cohort 1 (founding) countries
 - Independent monitoring reports on [36] cohort 2 countries
 - Second National Action Plans for cohort 1 countries
 - Draft National Action Plans for cohort 2-4 countries
- Analysis of FT commitments by country and region:
 - Relevance
 - Ambition
 - Implementation
- Promote peer discussion, learning, govt./CSO interactions
- Encourage more ambitious plans and implementation
- Support good performers, prompt laggards
e.g. Croatia (strong performer); Nordic race to bottom

References

18

- UNGA Resolution on fiscal transparency, participation and accountability:
- Expanded High Level Principles:
<http://fiscaltransparency.net/2013/07/expanded-high-level-principles-on-fiscal-transparency/>
- GIFT Stocktake of global norms: Phase I and II reports: <http://fiscaltransparency.net/working-groups/advancing-global-norms/>
- Report on strengthening incentives for fiscal transparency:
<http://fiscaltransparency.net/category/gift-documents/>

Gift Funding/In-Kind Resources

19



International Budget Partnership
World Bank



WORLD BANK GROUP

International Monetary Fund

Government of Brazil

Hewlett Foundation

Omidyar Network

Metanoia Fund



GLOBAL
INITIATIVE FOR
**FISCAL
TRANSPARENCY**

