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Social Affairs

CEPA strategy guidance note on

Fiscal and budget transparency

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The [United Nations Committee of Experts on Public Administration \(CEPA\)](#) has developed a set of principles of effective governance for sustainable development. The essential purpose of these voluntary principles is to provide interested countries with practical, expert guidance on a broad range of governance challenges associated with the implementation of the 2030 Agenda. CEPA has identified 62 commonly used strategies to assist with the operationalization of these principles. This guidance note addresses fiscal and budget transparency, which is associated with the principle of transparency and can contribute to strengthening the accountability of institutions. It is part of a series of such notes prepared by renowned experts under the overall direction of the CEPA Secretariat in the Division for Public Institutions and Digital Government of the United Nations Department of Economic and Social Affairs.

In reading this guidance note, individuals in government ministries and agencies who are less familiar with the topic will be able to understand the fundamentals. Those who have perhaps taken initial steps in this area with limited follow-through or impact will be able to identify how to adjust elements of their practice to achieve better results and to better embed and institutionalize the strategy in their organizations. Those who are more advanced in fiscal and budgetary transparency will be able to recognize the practices which contribute to its success.

Understanding the strategy

At the core of fiscal and budget transparency are questions about the availability and quality of information related to public finances. In practice, the strategy means that the public has a right to know everything about public resources, including how funds are raised, managed, allocated and to what ends they are used.

As defined in the International Monetary Fund's (IMF) [Fiscal Transparency Handbook](#) (2018), fiscal transparency refers to the information available to the public about the government's fiscal policymaking¹ process. It refers to the clarity, reliability, frequency, timeliness, and relevance of public fiscal reporting and the openness of such information.

- *Clarity* is the ease with which reports can be understood by users.
- *Reliability* is the extent to which reports are an accurate representation of a government's fiscal operations and finances.
- *Frequency* (or periodicity) is the regularity with which reports are published.
- *Timeliness* refers to the time lag involved in the dissemination of these reports.
- *Relevance* refers to the extent to which reports provide users (legislatures, citizens, and markets) with the information they need to make effective decisions.
- *Openness* refers to the ease with which the public can find information, and influence and hold governments accountable for their fiscal policy decisions.

The public sector² is comprised of a number of government units, each with their own roles and responsibilities. For fiscal transparency, information must be comprehensively provided on each and every one of these government units, individually and collectively, such that one can gain a holistic understanding of the workings of the executive branch. Some of these government units are fully funded from the executive branch's central budget, some are partially funded, and others have completely separate budgets. Budget transparency relates to the units that are funded from the central budget, referring to the publication of full

¹ Fiscal policy is the use of the level and composition of the general government and public sector spending and revenue—and the related accumulation of government assets and liabilities—to achieve such goals as the stabilization of the economy, the reallocation of resources, and the redistribution of income (IMF [Government Finance Statistics \(GFS\) Manual](#), 2014). Fiscal policy thus refers to government taxation, borrowing, spending, and the investment and management of public resources.

² The United Nations' [System of National Accounts](#) (2008) explains the distinction between the government sector, the rest of the public sector, and other sectors of the economy. The IMF's [GFS Manual](#) (2014) explores these distinctions further, together with the treatment of the different levels of government and social security funds.

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information across the complete budget cycle, from a pre-budget statement, through to the proposed and approved budgets, in-year and annual fiscal outturn reports, and audit reports.

Fiscal transparency includes budget transparency, and in addition, requires that quality information is made available on government units that have separate budgets. This is because units that have separate budgets can perform specific tasks for the government at non-market related prices and/or may be subsidized by the government to undertake functions that the government provides guarantees for, among other functions. Fiscal transparency ensures that the fiscal position of the whole of government can be assessed including the fiscal risks that institutions with separate budgets may be posing.

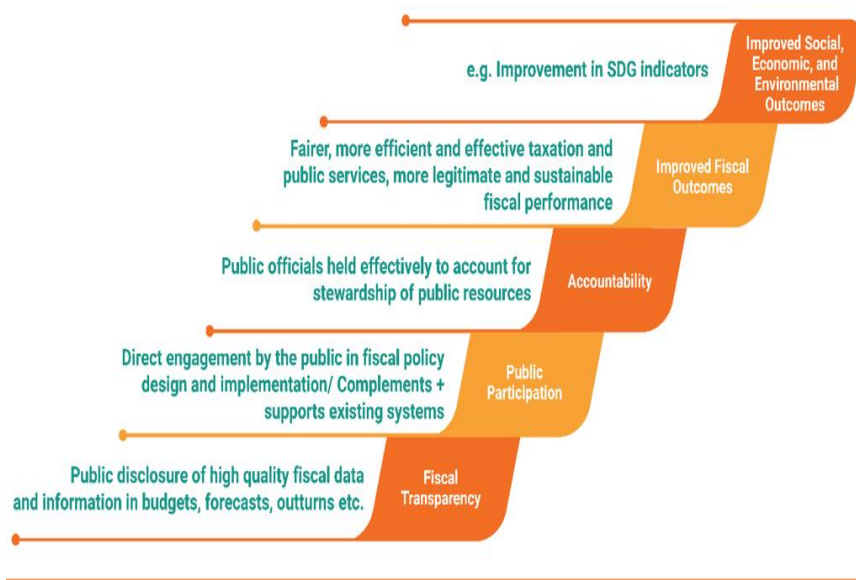
There are numerous important stakeholders that are directly responsible for, or facilitate, fiscal transparency including government institutions, legislatures, independent fiscal institutions,³ supreme audit institutions, civil society, the media, international institutions and donors, and the general public. The legislature and the supreme audit institution are the two key oversight bodies tasked with holding the executive to account for managing public resources, for which access to fiscal information is crucial. Stakeholders should collaborate to establish, sustain and enhance fiscal transparency. This is an essential means in ensuring that all those with a stake in, who are affected by, or who are intended to benefit from fiscal policies, have a voice in the decisions that may affect their lives.

As Figure 1 below shows, the theory of change begins with fiscal transparency as a basic foundational principle, that then builds up through public participation and accountability to improved fiscal and development outcomes, including those related to the Sustainable Development Goals (SDGs). It posits that the availability of information regarding public finances facilitates its active use by the public, improving the allocation and flow of resources, fostering a culture of responsiveness and accountability in government, ultimately enabling better management of public resources and enhanced social outcomes.

Access to fiscal information is needed to facilitate effective public participation. Public participation refers to the variety of ways in which non-state actors directly interact with public authorities with respect to the design, implementation and review of fiscal policies by any form of communication. While quality information is required for the public to be able to engage in discussions and deliberations, public participation provides opportunities for these discussions to take place, allowing society to have a say on how the government uses scarce resources to achieve societal goals. This helps ensure that budget trade-offs—limited resource availability means that increases in spending in some areas are at the expense of spending in

³ Independent fiscal institutions, such as parliamentary budget offices or fiscal councils, are publicly funded, independent bodies under the statutory authority of the executive or the legislature, that provide non-partisan oversight and analysis of, and in some cases advice on, fiscal policy and performance.

Figure 1. Theory of change: From fiscal transparency to policy impact



Source: [GIFT Expanded High-level Principles on Fiscal Transparency, Participation and Accountability](#) (2018).

other areas—are in the public interest, and that fiscal policy implementation challenges are resolved over time. This is based on the fundamental premise that the executive branch simply cannot do everything on its own. Fiscal transparency helps ensure that public policy decisions are informed and that governments can take better decisions and implement them with the support of informed social actors that demand, and then use information to advocate for social change, engage with, and hold governments to account. Public participation can be seen as a link in the chain between fiscal transparency and more effective accountability for public financial management and effective service delivery.

Fiscal transparency provides oversight institutions including parliaments, supreme audit institutions, and the public with the information they need to hold governments accountable in their management and use of public resources.

As such, fiscal transparency entails multiple benefits. In the context of the SDGs,⁴ it is critical for evaluating the degree to which governmental commitments to developmental goals are supported by adequate resources and that those resources are executed to achieve those purposes. Transparent and inclusive fiscal policy supports healthy public finances, better fiscal outcomes and more responsive, effective and equitable public policies. It is a critical precondition for public participation and accountability regarding public finances. Having access

⁴ The United Nations Committee of Experts on Public Administration’s [‘Principles of effective governance for sustainable development’](#) include accountability that comprises integrity, transparency and independent oversight.

to quality information on public finances empowers stakeholders to provide feedback to influence fiscal policy formulation and resource allocation to make it more responsive to the public's preferences. Fiscal transparency coupled with effective public participation is vital to enhance inclusiveness, enabling all actors, including traditionally excluded and vulnerable groups and individuals, to have a voice in fiscal policy, including budget decisions, that affect their interests and living standards. Fiscal transparency can thus foster trust in government and help create a culture where people's views and interests are respected. Clarity about the use of public resources is also necessary to hold public representatives and officials accountable for their effectiveness and efficiency, which helps to prevent corruption and ensure that public funds are used with integrity and high standards.

Public sector situation and trends

Fiscal transparency assessments

A government's fiscal transparency can be assessed based on whether the country has legal and institutional mechanisms that give the public access to fiscal information (governance), and on the quantity and quality of the different types of fiscal information that governments make available to the public (availability).

Fiscal transparency assessments help to identify reforms that should be undertaken to improve fiscal transparency. They also facilitate coordination of external support for reforms, and the monitoring and evaluation of reform progress through subsequent repeat assessments.

Aggregate country-level measures of fiscal transparency generally do not measure the specific outcomes of fiscal transparency reforms or their impacts, and typically do not reflect variations within countries or across sectors. In this regard, assessments that focus on particular sectors/areas are important in providing a more complete picture of fiscal transparency.

Internationally recognized fiscal transparency assessments are described below. Multiple assessments can be performed, with the reviews generally providing distinct yet complementary contributions.

The [International Budget Partnership's Open Budget Survey \(OBS\)](#)

The OBS measures the openness of national budgets across the budget cycle. It is currently the only independent, comparative, and regular measure of budget transparency and oversight in the world. It measures government practices against international norms and standards:

- Budget transparency indicators assess the public availability of eight key budget documents— Pre-budget statement, Executive's budget proposal, Enacted budget, Citizens' budget, In-year reports, Mid-year review, Year-end report, and Audit report—

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which taken together provide a complete view of how public resources have been raised, planned, and spent during the budget year.

- Public participation indicators assess the degree to which the executive, the legislature, and the supreme audit institution each provide opportunities for the public to engage during the different cycles of the budget process; including the quality of participation mechanisms used.
- Oversight indicators assess the role that legislatures and supreme audit institutions play in budget processes and the extent to which they can provide robust oversight of the budget. There are also indicators pertaining to independent fiscal institutions.

The OBS is completed by independent civil society researchers. Once completed, it undergoes a rigorous review process to ensure accuracy and comparability across countries. All governments are invited to review the draft OBS.⁵ Some of the survey results are summarized in a transparency score called the Open Budget Index (OBI). The OBI scores countries on a scale from 0 to 100, grouping countries according to their level of transparency. By doing this, the OBS provides the only global quantitative score of fiscal transparency. Among others, this index⁶ allows for the identification of country, regional, and global trends. For each round of the OBS, the IBP produces a [report](#) on the global findings of the multi-country study as well as summaries of country-specific assessments, providing recommendations for individual countries to improve their scores. Limitations of the OBI include that it is focused on the availability of eight key budget documents without an in-depth, quantified analysis, including on the outputs that budgets seek to fund.

The [International Monetary Fund's Fiscal Transparency Evaluations \(FTE\)](#)

The IMF's [Fiscal Transparency Code \(FTC\)](#) is the internationally recognized standard for the disclosure of information about public finances, and is endorsed by the international membership of the IMF and World Bank under the Standards and Codes Initiative. The FTC comprises a set of principles built around four “pillars”: fiscal reporting; fiscal forecasting and budgeting; fiscal risk analysis and management; and resource revenue management. [Fiscal Transparency Evaluations \(FTEs\)](#) assess country practices against the FTC providing countries with:

- A comprehensive assessment of their fiscal transparency practices against the various standards set by the Code;

⁵ The OBS 2019 Methodology can be found at this [link](#).

⁶ The 2019 OBI rankings can be found at this [link](#).

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- A rigorous and quantified analysis of the scale and sources of fiscal vulnerabilities, including measures of the coverage of fiscal reports, the quality of fiscal forecasts, and the size of unreported contingent liabilities;
- An accessible summary of the strengths and weaknesses of country practices related to fiscal transparency and their relative importance. This is achieved through a set of summary “heatmaps,” which facilitate benchmarking against comparator countries, the identification of reform needs, and the prioritization of recommendations; and
- An optional sequenced action plan to help define reform priorities designed to address the main shortcomings in fiscal transparency.

FTEs are carried out at the request of governments and form part of the IMF’s policy dialogue and capacity-building efforts with its member countries. FTEs are country specific, taking into account individual country capacities, and focus on outputs rather than processes, leading to the clear identification of reform priorities. They support the identification of fiscal transparency strengths, weaknesses, and challenges as well as the prioritization and delivery of technical assistance by the IMF and other development partners. They place greater emphasis on fiscal transparency issues that are macro-critical and complement other public financial management standards and frameworks that might cover some elements of fiscal transparency. FTEs are limited because they do not evaluate internal management processes and outputs at the micro level.

The [Public Expenditure and Financial Accounting \(PEFA\) Program Framework](#)

The PEFA framework provides a basis for assessing and reporting on the strengths and weaknesses of public financial management systems by measuring performances against a set of indicators across the range of key public financial management institutions, systems, and processes.

The [PEFA framework](#) has been used extensively across countries, at different levels of income and in different regions around the world. In recent years, PEFA has been expanded with supplementary assessment tools on gender, climate and guidance for sub-national governments with a particular focus on service delivery. In many of its public financial management indicators, the framework addresses questions of public access to public finance information as well as the issue of the quality of information, but it is limited with regard to fiscal transparency because it does not focus on, or provide, specific recommendations on these issues. PEFA assessment reports can however be used to conduct research and analyses, and in conjunction with other assessments such as the OBS to get a deeper understanding and assessment of fiscal transparency and public participation in a country.

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The [Organization for Economic Co-operation and Development \(OECD\) Budgetary Governance Reviews](#)

The OECD focuses its efforts on the governance and decision making of budgeting. The OECD looks at good practices in budgeting and provides guidance to governments on designing, preparing, approving, implementing, and reviewing budgets to ensure they are effective, efficient and relevant.

It has developed [10 Principles of Budgetary Governance](#) from the lessons and insights it has gained from cross-country experiences. One of these principles is dedicated to ensuring that budget documents are open, transparent, and accessible. Another principle refers to the provision of a participative, inclusive, and realistic debate on budgetary choices. It looks at the opportunities for parliament and its committees, civil society, and the public to be involved at key stages of the budget process.

The majority of the OECD review reports are made publicly available and published in the [OECD Journal on Budgeting](#). The OECD principles are supported with guidance and resources on transparency, financial management, budget performance, and independent oversight. In addition, the OECD publishes targeted reviews on individual areas related to fiscal transparency, such as in-depth reviews of independent fiscal institutions.

United States Department of State [Fiscal Transparency Reports \(FTR\)](#)

The [Department of State](#) reviews the fiscal transparency of governments receiving United States government foreign assistance and publishes an annual fiscal transparency report ([FTR](#)). To do this, a survey is sent to United States embassies and consulates in 140 countries as identified in the 2014 FTR plus Equatorial Guinea, collecting data on fiscal transparency. The Department then uses this data to assess whether governments meet minimum requirements of fiscal transparency. For the purpose of the FTR, the minimum requirements of fiscal transparency include having key budget documents that are publicly available, substantially complete, and generally reliable. The review includes an assessment of the transparency of processes for awarding government contracts and licenses for natural resource extraction. The report categorizes countries into whether they meet the minimum requirements of fiscal transparency or not. Countries which do not meet the requirements are further divided between those that made significant progress towards those requirements and those that did not. It includes a description of how governments fell short of the minimum fiscal transparency requirements, and outlines any significant progress being made to publicly disclose national budget documentation, contracts, and licenses. It then provides specific recommendations for short- and long-term steps governments should take to improve fiscal transparency.

IMF and partner organizations [Tax Administration Diagnostic Assessment Tool \(TADAT\)](#)

TADAT provides an assessment of tax administration, identifying the relative strengths and weaknesses in systems, processes, and institutions. Several of its indicators are directly related

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to fiscal transparency, including those related to the rule of law, and dimensions that cover interactions between tax administrations and taxpayers, and the publication of financial and operational performance reports. The assessment is conducted at the request of individual countries. An assessment team, together with the country's officials, uses the TADAT methodology to assess the health status of the country's tax administration system using collated evidence from desk research and field office visits. The results are then documented in a Performance Assessment Report.

IMF [Public Investment Management Assessment \(PIMA\)](#)

The PIMA framework assesses strengths and weaknesses across all stages of the management of public investment. It evaluates a country's infrastructure governance, namely, the procedures, tools, and decision-making and monitoring processes used by governments to provide infrastructure assets and services to the public. The framework covers the whole investment cycle, across three main stages (planning, allocation, and implementation), and fifteen institutions. Each institution is assessed on both institutional strength (the organization, policies, rules and procedures on paper) and effectiveness (the degree to which the intended purpose is being achieved in practice or whether there is a clear useful impact). PIMA evaluations help identify reform priorities, and propose practical, sequenced steps for their implementation. Several of the aspects covered in the framework are directly related to fiscal transparency, including publication of comprehensive investment strategies and plans, disclosure of total project costs and breakdowns over the medium-term, publication of appraisal methodologies, explicit selection criteria and access to procurement information.

Global Data Barometer [Public Finance Module](#)

The Public Finance Module, one of the most recent assessments, co-developed with the [Global Initiative for Fiscal Transparency](#) (GIFT) aims to improve the comparative understanding of public finance data, and to contribute to overall [Global Data Barometer](#) assessments of data for the public good. Building on extensive research of norms and standards, this module looks specifically for evidence that governance frameworks exist for the publication of detailed, disaggregated, and machine-readable data on key aspects of government finance; and that data is actually available in a granular, machine-readable, and timely form. Additionally, thematic modules on company information, political integrity, and public procurement contain links to the public finance module, looking at questions of interoperability between budgeting, spending, and procurement, and the inclusion of public infrastructure projects and unique counterparty identifiers in published data.

Continuing or emerging trends at the global level or within different groups

In review of the IBP's [OBS 2019](#) and the U.S. Department of State's [FTR 2021](#), it can be seen that although there have been modest global improvements in fiscal transparency, consistent with trends over the last decade, levels of fiscal transparency remain limited. This has been reiterated in IBP's May 2021 study titled: [Managing COVID Funds: The Accountability Gap](#)

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that documented the introduction of almost 400 emergency fiscal policy packages aimed at addressing the impact of the COVID-19 emergency from March to September 2020 in 120 countries.

The OBS 2019 measured the highest global level of budget transparency since the launch of the survey in 2006. Several regions have shown steady upward trends, particularly in Eastern Europe and Central Asia; East Asia and the Pacific; and Latin America and the Caribbean. For the 77 countries assessed in every round between the 2008 OBS and the 2019 OBS, the average OBI score increased by 20 percent, from 41 to 49 out of 100. Despite this, the average score for these countries still falls short of 61, which is considered the minimum level of budget transparency that allows for meaningful public engagement throughout the budget process. A mere 31 of the 117 surveyed countries had 2019 OBI scores indicating sufficient levels of budget transparency. The FTR 2021 also found that just over half, or only 74 of the 141 governments assessed, met the minimum requirements for fiscal transparency.

As shown in the 2019 OBS, governments often fail to publish key budget documents, with one-third of the eight key budget documents that should be published worldwide, not being available to the public. Even when budget documents are published, they tend to release more information during the formulation and approval stage of the fiscal policy cycle than they do on implementation, which undermines government accountability for spending the budget as approved by the legislature. In a similar vein, few of the countries surveyed provide opportunities for public participation in the budget, and when they do, they tend to be provided during the formulation and approval stage of the fiscal policy cycle.

Fiscal transparency practices are not well-established or institutionalized in some countries. OBI country trends over time show consistently low scores in some countries, while others have actually experienced significant regressions in fiscal transparency over time. Some countries have simply stopped publishing budget information over the years, while in others, there is uncertainty regarding the publication of budget documents, with the publication status of key budget documents changing repeatedly. This is problematic, as actors in the fiscal ecosystem require the regular and timely publication of budget documents in order to effectively monitor what governments do with public resources.

IBP's COVID-19 study, which focused on the three pillars of accountability that underpin the [OBS methodology](#) (public access to relevant information, adequate oversight arrangements, and opportunities for citizen engagement), showed that more than two-thirds of the governments within the study, across different regions and income levels, only provided limited or minimal levels of accountability in the introduction and implementation of early COVID-19 fiscal policy responses. Similarly, the OECD's September 2020 study, [Legislative budget oversight of emergency responses: Experiences during the coronavirus \(COVID 19\) pandemic](#), showed how the oversight process was put under stress and disrupted, with governments asking legislatures to accommodate swift policy action, either by speeding up legislative or budget procedures, or by improvising new ones.

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On a positive note, OBS findings do show that faster progress in improving fiscal transparency is possible, if a country's leadership prioritizes open budgeting actions. Many countries within the [Open Government Partnership](#) have included fiscal transparency commitments in their Country Action Plans, including Colombia, whose [Action Plan 2020-2022](#)⁷ contains two commitments that place transparency, accountability and participation at the center of efforts to rebuild in the wake of the pandemic. Importantly, examples of strong fiscal transparency are found in nearly all regions of the world, in countries at different stages of development. This is encouraging as it demonstrates that it is possible to achieve fiscal transparency in diverse country contexts. Regarding public participation, several countries are piloting new forms of public participation⁸ that are likely to yield positive results, for example New Zealand, where national consultations were held on priorities and indicators for the country's inaugural Wellbeing Budget.

Evidence of impact

The link between fiscal transparency and improved public financial management and development outcomes has been the subject of several studies, with evidence generally showing a positive association between fiscal transparency and improved fiscal policy outcomes, governance, and socio-economic and human development indicators. However, only a few studies credibly identify causal effects in the form of reduced corruption, enhanced electoral accountability, and improved resource allocation. These positive associations have several qualifiers, and evidence in some areas is based on a small number of studies.

Regarding macro-fiscal outcomes, evidence is generally based on broad measures of transparency. The evidence highlights how specific and locally relevant disclosures, especially on budget execution and audits, can improve governance outcomes. Mechanisms enabling direct citizen participation in fiscal policy and budgetary decisions facilitate feedback loops that make governments more responsive to the public's needs and priorities. However, while public participation seems to be a trigger for the long-term benefits of fiscal transparency, research on the links between transparency and participation is scarce. Further research is also needed on the links between fiscal transparency interventions and their impact in terms of governance and development outcomes. Some of the studies conducted are referenced in table 1 below to illustrate the available evidence on the likely benefits of fiscal transparency.

⁷ For further reading see: '[Transparency and Accountability In public Finances in Colombia](#)' Open Government Partnership (2021).

⁸ These country experiences are profiled in the [Open Budget Survey 2019](#) report from pages 53 to 56.

Table 1. Fiscal transparency interventions and governance outcomes

Expected impact of fiscal transparency ⁹	Mechanism at work
Higher tax collection ¹⁰	When governments are more inclusive and transparent, citizens have greater trust in them and are more willing to pay their taxes, which can reduce enforcement costs and increase collections.
Increased demand for sovereign debt and lower borrowing costs ^{11 12}	The amount that lenders are willing to lend and to charge borrowers for doing so, largely depends on the risk associated with that lending. A lack of fiscal transparency creates uncertainty and increases risk perceptions. A lack of transparency also increases the cost of monitoring a country, and monitoring influences a country's behaviour, which in turn affects its credit spreads.
Lower misallocations and capture ^{13 14}	Budget information disclosure can reduce misallocations and promote accountability by helping oversight institutions to hold governments to account, as well as by incentivizing citizens to monitor governments, and public officials to refrain from corrupt behaviour. Public access to information can be a powerful deterrent to the capture of funds at the local level, as the public knows the budgets allocated to the local projects they have an interest in, as well as the anticipated outputs/outcomes of these projects. They can then closely monitor actual progress on these projects. Also, when officials know they are being closely monitored, they are less likely to engage in corrupt activities. For instance, it has been found that an increase in government audits leads to a significant decrease in expenditure that goes missing.
Greater electoral accountability of public institutions ¹⁵	When information regarding the performance of public institutions is made publicly available, media, interest groups, and concerned communities are likely to use this information to exert pressure on public authorities to respond, explain, justify and eventually correct themselves. This raises the costs of continuing

⁹ De Renzio, P. and J. Wehner (2015). "[The Impacts of Fiscal Openness: A Review of the Evidence](#)" Incentives research.

¹⁰ Touchton, M., B. Wampler and T. Peixoto (2019). "[Participatory Institutions and Tax Compliance in Brazil](#)" World Bank Group Policy Research WP 8797.

¹¹ Glennerster, R. and Y. Shin (2008). "[Does Transparency Pay?](#)" IMF Staff Papers 55(1): 183-209.

¹² Kemoe, L. and Z. Zhan (2018). "[Fiscal Transparency, Borrowing Costs, and Foreign Holdings of Sovereign Debt](#)" IMF WP/18/189.

¹³ Reinikka, R. and J. Svensson (2011). "[The Power of Information in Public Services: Evidence from Education in Uganda](#)," Journal of Public Economics 95(7-8): 956-966.

¹⁴ Olken, B. (2007) "[Monitoring Corruption: Evidence from a Field Experiment in Indonesia](#)," Journal of Political Economy, 115(2): 200-249.

¹⁵ Ferraz, C. and F. Finan (2008). "[Exposing Corrupt Politicians: The Effects of Brazil's Publicly Released Audits on Electoral Outcomes](#)," Quarterly Journal of Economics 123(2): 703-745.

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	to provide poor institutional performance records. For instance, audit reports can be used by the public to judge the performance of public institutions that are being audited .
Budget credibility ¹⁶ and improved development outcomes ^{17 18 19}	Fiscal transparency reduces the government’s informational advantage making it more likely that it will implement and undertake its programmes in line with its publicly released plans/projections as contained in its budgets, as it is aware that its progress is being monitored by the public. Fiscal transparency coupled with public participation can lead to improved development outcomes, as it empowers the public to not only understand the priorities that the government is pursuing but also to contribute to these choices, by providing the government with feedback. As such, government policies are more likely to be appropriately designed to meet the public’s needs and consequently to lead to enhanced developmental outcomes. For example, studies have found that fiscal transparency is associated with higher budget execution rates in the health and the education sectors, and better projections of GDP growth and inflation.

Methods of implementation

International fiscal transparency standard setters include the [IMF](#), [OECD](#), [GIFT](#), [PEFA](#), [International Public Sector Accounting Standards Board](#) (IPSASB), [International Federation of Accountants](#) (IFAC), and the [International Organization of Supreme Audit Institutions](#) (INTOSAI). International civil society organizations have also developed measurements that have become standards, for example, the [IBP](#) and the [Global Data Barometer](#). As a result, there are a multiplicity of international norms and standards on fiscal transparency that have been developed by institutions with recognized authority, providing detailed and specific guidance for good practices.

International statistical standards should be used to compile financial and fiscal statistics, including the IMF’s [Government Finance Statistics \(GFS\) Manual](#) (2014). It contains core standards that are widely adopted across the main fiscal transparency instruments, including on the classification of the government sector and the public sector [based on the [United](#)

¹⁶ Sarr, B. (2015). “[Credibility and Reliability of Government Budgets: Does Fiscal Transparency Matter?](#)” IBP WP 5.

¹⁷ Touchton, M. and B. Wampler (2014). “[Improving Social Well-Being Through New Democratic Institutions](#),” *Comparative Political Studies* 47(10): 1442-1469.

¹⁸ Gonçalves, S. (2014). “[The Effects of Participatory Budgeting on Municipal Expenditures and Infant Mortality in Brazil](#),” *World Development* 53: 94-110.

¹⁹ World Wide Web Foundation (2018). “[Open Data Barometer - Leaders Edition](#),” World Wide Web Foundation.

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[Nations' System of National Accounts](#) (2008)]; the classification of the levels of government, and the economic and functional classification of expenditures [based on the [UN Classification of the Functions of Government](#), (COFOG)]; and a classification of revenues.

Information should also be prepared according to accounting standards, subject to internal controls and audit. Standards in this regard include the IPSASB's [Handbook on International Public Sector Accounting Pronouncements](#) (2020) that contains accounting standards for public sector entities; and the [INTOSAI Framework of Professional Pronouncements](#) (IFPP) that contains professional public audit principles, standards and guides.

There are also sector specific initiatives/standards, such as:

- [Extractive Industries Transparency Initiative](#) that provides transparency standards for countries with large natural resource sectors;
- [International Aid Transparency Initiative](#) standard that comprises a set of rules and guidance on how to publish useful development and humanitarian data;
- [Open Contracting Data Standard](#) that is guided by [principles](#) designed to make contracting more competitive and fair, support global transparency and open government movements, and guide governments and stakeholders in data disclosure to enable understanding, effective monitoring, efficient performance and accountability for outcomes; and
- [Construction Sector Transparency Initiative](#) that requires the publication of key information, including on the purpose, scope, costs and execution of public construction projects, through the different stages of the project cycle from pre-contract to post-contract.

Given the multiplicity of norms and standards, one of GIFT's first initiatives when it was established in 2011, was to review them for comprehensiveness and consistency. This prompted the development in 2012 of its [High-Level Principles on Fiscal Transparency, Participation and Accountability](#), that sit at the top of a hierarchy of principles, standards and norms, and assessments of country practices. These principles were recognized in the United Nations General Assembly in December 2012 ([UNGA Resolution 67/218](#)). In 2016, after an extensive public consultation process, GIFT launched a further set of principles focusing on public participation, titled: [Principles of Public Participation in Fiscal Policies](#). In 2018, GIFT published an [Expanded Version of the High-Level Principles on Fiscal Transparency, Participation and Accountability](#) explaining the role played by the High-Level Principles since 2012 in promoting greater fiscal transparency globally, and setting out the relationship between each of the high-level principles and the corresponding international standards, norms, assessments, and country practices to which they relate. This version allows a quick overview of the multiplicity of instruments in relation to each other, and facilitates the identification of effective entry points to more detailed sources of information and guidance. Importantly, the

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Expanded version also captured the major changes that took place to international fiscal transparency standards and assessment tools after the issuance of the High-Level Principles in 2012. A useful updated [Summary of the Expanded High-Level Principles on Fiscal Transparency, Participation and Accountability](#) provides the 1) principles; 2) rationale; 3) applicable international norms and standards; and 4) assessment framework.

The OECD's [Budget Transparency Toolkit](#) (2017) was designed with the participation of the GIFT Network, to help navigate the various global fiscal transparency institutions, standards, and guidance materials, by using a structure, developed by the OECD, based around five key institutional or sectoral areas. This Toolkit and the Expanded Version of the High-Level Principles are complementary.

There is extensive guidance provided in international norms and standards that assist in the attainment of fiscal transparency. There are also several separate guides/technical tools available to assist governments in meeting fiscal transparency principles, for example: the IBP's [Guide to Transparency in Government Budget Reports: Why are Budget Reports Important, and What Should They Include?](#) that describes the importance of eight key budget documents. The IBP's²⁰ [Guide to Transparency in Public Finances Looking Beyond the Core Budget](#) goes beyond the eight key budget documents to examine other areas of public finance that are less well understood, including extra-budgetary funds, quasi-fiscal activities, tax expenditures, contingent liabilities, and future liabilities.

Traditionally, fiscal transparency norms and standards focused on the publication of quality information at specific points in time. Technological advancements have however made the publication of open data—digital data of a public nature that is accessible online and that can be used, reused or redistributed by any person—possible. As stated in the OECD's [Budget Transparency Toolkit](#) (2017), making budget data publicly available in an open digital form provides the public with a valuable resource to analyze, evaluate and participate in public budgeting. As such, fiscal transparency standard setters have increasingly been calling for the publication of open data.

All fiscal data, including budget-related data, should be open by default so that it can be used in a routine manner for the purposes of scrutiny, accountability and public debate. Open data assists in understanding the broader dynamics or daily events that are integrally connected to the fiscal policy cycle. The publication of fiscal information in open formats increases the inputs available to all, thereby encouraging the analyses of information through the re-use of information, facilitating fiscal policy and budgetary decisions based on comprehensive, timely information.

²⁰ For further reading see also IBP's "[Guide to Transparency in Government Budget Reports: How Civil Society Can Use Budget Reports for Research and Advocacy](#)".

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A well-functioning financial management information system (FMIS) can, although it is not a pre-condition for, be a significant enabler of fiscal transparency. It can help the executive to collect, store, produce, and publish quality fiscal information at all stages of the fiscal policy cycle. It can provide quality real-time information that can automatically be made public. Fiscal transparency websites/portals/mobile applications, at times built on an FMIS, can also be used to provide comprehensive and up-to-date data in a variety of formats, allowing anybody to search and download regularly updated fiscal information.

Publishing data online is made significantly easier if it is already compiled, standardized, and digitized. The Open Data movement has assisted in this regard by developing standards and principles for online data and information disclosure. There are also specific tools that have been developed in recent years to assist governments in opening their data, including:

- The World Bank's [Open Government Data Toolkit](#) that facilitates understanding the basic precepts of open data as well as the planning and implementation of an open government data program.
- The OECD's [Open Government Data Project](#) that contributes to international efforts on the impact of open data policies, strategies and initiatives.
- GIFT's [Open Data Tutorial](#) that promotes and assists in the opening up of budget data.
- GIFT's [Tutorial on fiscal transparency portals: A user-centered development](#) that aims to bridge the gap between the supply and demand for fiscal information, by proposing an approach to publishing fiscal information that reflects user needs. The Tutorial stresses that as any digital tool intended for publication is made for the purpose of reaching users, it is vital to not only think about users, but to actively engage them in development through a user-centered process.

Gaps in fiscal transparency

Gaps have been identified in the fiscal transparency field, including those related to tax transparency, and the link between fiscal transparency and SDG processes, public financial management reforms as well as the political economy. These are described in the paragraphs that follow.

Tax transparency

While fiscal transparency norms and standards addressing government expenditure are well established, those on the revenue side of the fiscal equation do not adequately recognize the kinds of tax information that the public may need to be able to engage with tax policy and tax reform processes. The GIFT network is currently working on addressing this gap. In July 2021, it published a compendium called [Making Tax Work: A Framework for Enhancing Tax](#)

[Transparency](#).²¹ The compendium details a range of issues surrounding tax reporting and information standards, and examines the systematic appraisals of tax systems required to enhance and enable tax transparency. Further research includes work done by the IBP's [Tax Equity Initiative](#) to determine the information and tools that civil society organizations need to engage in constructive dialogue with governments on tax reform and administration. This work formed the basis for GIFT's publication of the draft [Transparency Principles for Tax Policy and Administration](#) in August 2021. These principles are going through an open consultation process with fiscal transparency standard setters, government revenue authorities and other key stakeholders before being finalized and adopted.

Link between fiscal transparency and SDG processes

Even where fiscal transparency mechanisms are in place, they frequently are not linked to SDG processes. In the SDG context, it is particularly important for governments to publish data on the incidence of their tax systems, and the impact of government spending on socio-economic outcomes. Although little information is generally available on the costing of SDG priorities in budgets or showing the impact of budgets on specific sectors, several countries are using, for example, gender budget statements or budget statements for indigenous peoples, children or other groups to gain insight into the differentiated impacts of public spending. In this regard, international organizations, such as the United Nations Development Programme (UNDP) and the [OECD](#), provide specialist expertise and resources on SDG budgeting, gender budgeting, green and climate budgeting, and well-being budgeting to help governments increase the capacities required to link budgets with the achievement of strategic development outcomes at the local and country levels. (See the section on international development cooperation.)

Link between public financial management reforms and enhanced fiscal transparency

Ongoing public financial management reforms that have been found to be important in facilitating transparency improvements in some countries²² include the development of medium-term budgetary frameworks; the introduction of systems that produce program and performance data that link spending with results; the introduction of budget classification systems that allow for the detailed breakdown of revenues and expenditures; the adoption of technology-based financial management systems that make tracking public resources at different stages of the budget process quicker and more effective; as well as the adoption of open data principles and the use of open data tools like fiscal transparency portals that facilitate fiscal transparency. While public financial management reforms can facilitate transparency

²¹ Baker, A. and R. Murphy (2021). "[Making Tax Work: A Framework for Enhancing Tax Transparency](#)," GIFT.

²² Folscher, A. and P. de Renzio (2017). "[The Road to Budget Transparency: Learning from Country Experience](#)," IBP.

improvements, with studies²³ showing that low-performing systems seem to be linked to low OBI scores, they do not automatically lead to such improvements. There is no direct relationship between public financial management capacity and fiscal transparency, meaning that one does not necessarily need to have high public financial management capacity to be fiscally transparent and that fiscal transparency can often be achieved without requiring specific public financial management reforms. For instance, there are a number of cases where governments have systems in place and sufficient capacity to produce the information that has been found to be irregularly disclosed, meaning that governments are perfectly able to produce information on time, and in fact do so in most cases, but may decide not to.

Political economy and the success of fiscal transparency reforms

While some fiscal transparency reforms have been successful, a large number of other efforts have not. This is because fiscal transparency has a political dimension, as the settings and achievement of fiscal transparency objectives can affect bureaucratic and sectoral interests and as such depend strongly on those who manage public finances. Political leaders and bureaucrats behave in different ways depending on power dynamics, what their incentives are, and whether fiscal transparency benefits, or negatively affects them. Therefore, there is a need to examine the underlying factors and dynamics that contribute to whether a technical action/reform is actually initiated, whether its development and implementation is successful, whether the decision is taken to publish information as well as whether reforms are sustained over time.

Factors often leading to a lack of or instability in fiscal transparency, represent challenges that must be overcome to enable irreversible fiscal transparency improvements. These challenges include: a general failure to recognize the importance of fiscal transparency for the better use of public resources; failure by leaders to drive the implementation of appropriate fiscal transparency reforms; absence of fiscal transparency fundamentals such as the lack of fiscal transparency rules/procedures and legislation; failure of bureaucratic/institutional systems; and the lack of demand for fiscal information. Weak or inconsistent demand for fiscal information from actors outside the executive branch weakens incentives for executives to ensure that documents are produced and published on a regular and timely basis. Case studies have helped to more tangibly identify the role political economy factors play in fiscal transparency.

²³ [“Financing Development for Children in Africa: The state of budget transparency and accountability in the continent.”](#) IBP and UNICEF (2017).

Case studies

GIFT provides a compilation of cases and good practices on advancing fiscal transparency towards developmental goals that can be accessed on its [website](#). In addition, in its [Expanded Version of the High-Level Principles on Fiscal Transparency, Participation and Accountability](#) it provides practical examples in respect of each principle. The OECD's [Budget Transparency Toolkit](#) provides innovative examples of how various countries have succeeded in implementing fiscal transparency tools or topics. The [Open Government Partnership](#) also provides access to examples of fiscal openness reform in member countries.

Political economy insights from case studies

Regarding the role of the political economy in fiscal transparency, in an [Overview and Synthesis: The Political Economy of Fiscal Transparency, Participation, and Accountability Around the World](#),²⁴ the authors examined case studies in eight countries (Brazil, Guatemala, Mexico, Senegal, South Africa, South Korea, Tanzania and Vietnam) that led to the identification of four main "causal triggers" for advances in fiscal openness. These were reiterated in a subsequent study in six countries (Argentina, Ghana, Indonesia, Mexico, the Philippines and Uganda²⁵). The triggers are as follows:

1. Political transitions that bring an end to autocratic rule, together with alternating political party rule. The regime transitions in Brazil, Mexico, South Africa and South Korea, by the end of last century provide examples of this.
2. Political and corruption scandals. Widely publicized cases of corruption can lead reform-oriented actors to react strongly and compel governments to improve public access to fiscal information. For example, in the Philippines, the emphasis placed on transparency improvements by the Aquino administration reflected election promises to fight corruption and improve governance.
3. Fiscal/economic crises can trigger transparency improvements, as a part of reforms to address the causes of such crises or because of the pressure put on the executive branch to demonstrate clearly how limited resources are spent in times of scarcity. For example, reformers in Indonesia and South Korea reacted to the 1997 Asian Financial Crisis by introducing wide-ranging reforms that deepened fiscal transparency.

²⁴ Khagram, S., P. de Renzio and A. Fung (2013). "[Overview and Synthesis: The Political Economy of Fiscal Transparency, Participation, and Accountability Around the World](#)," Chapter 1 in *Open Budgets: The Political Economy of Transparency, Participation, and Accountability*. Brookings Institution Press.

²⁵ Folscher, A. and P. de Renzio (2017). "[The Road to Budget Transparency: Learning from Country Experience](#)," IBP.

For further reading see G. Michener (2015). "[Why Policymakers Commit to Transparency: Legitimacy, Insurance, Monitoring and the Importance of the News Media as Mediator](#)," GIFT and IBP.

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4. External influence through international norms or more direct donor support. For example, in Guatemala, Mexico, South Africa, South Korea and Vietnam, the norms and standards promoted by, among others, the IMF through its Fiscal Transparency Code, constituted a standard that bureaucrats adopted to signal good governance practices.

These triggers were often found to interact in complex combinations and to shape reform trajectories in different countries by fostering or impeding advances in fiscal transparency. Together they create opportunities and shape incentives for key actors in the fiscal eco-system to take action in designing, implementing and sustaining reforms designed to promote fiscal openness. The emergence and evolution of the political economy for fiscal transparency will likely be a complex process, with the political conditions, factors, and mechanisms that trigger initial improvements potentially being quite different from those that contribute to their entrenchment and broadening over time.

Practical actions to enhance fiscal transparency

Practical actions that governments can take to advance fiscal transparency include:

1. Building support within the executive to improve fiscal transparency. This is in line with findings in OBS reports that show that faster progress in improving fiscal transparency is possible if a country's leadership advances open budgeting actions. Case studies²⁶ have generally shown that more successful governments have been able to tackle and overcome challenges to transparency by building the capabilities of finance ministries to deliver transparency improvements. Transparency reforms should ideally be led by capable and committed individuals, commonly known as "transparency champions", that formulate strategies that show the benefits, provide focus, and allow for accountability in reform efforts.²⁷ In Mexico, for example, champions informally approached the leaders of other units in government whose cooperation was required to set up a transparency portal in 2011. In such cases, champions enjoyed the support of the highest-ranking officials in the finance ministry, as well as the support of the political leadership at crucial stages. Transparency champions were notably absent in the case study countries that did not break or could not sustain an OBI score indicating sufficient levels of fiscal transparency.
2. Appointing a dedicated team of specialist civil servants focusing on fiscal transparency reforms that have the requisite technical capacity. The importance of setting up dedicated teams, tasked with promoting and coordinating efforts to improve fiscal

²⁶ Folscher, A. and P de Renzio (2017). "[The Road to Budget Transparency: Learning from Country Experience](#)," IBP. See also: Khemani, S. (2019). "[What is State Capacity?](#)" World Bank Group.

²⁷ de Renzio, P. (2017). "[Why OPEN Government? Looking at incentives for fiscal openness through the eyes of experts and reform champions](#)," GIFT and IBP. See IBP interviews with some fiscal transparency champions at this [link](#).

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transparency, was seen in Mexico, the Philippines, Uganda and Benin. These teams should ideally be led by transparency champions.

3. Targeting low-hanging fruit. Some actions to improve fiscal transparency are fairly straightforward, do not require detailed reforms and can be implemented quickly by the executive. For example, in some cases, fiscal transparency can be improved by taking relatively simple actions to extract and publish information already produced by the government for internal use.
4. Institutionalizing fiscal transparency, including by embedding fiscal transparency in legal frameworks, formal procedures, and systems so that the information is consistently produced and then ‘automatically’ published. Studies²⁸ have found that any specification in law that requires a document to be prepared is likely to result in it being published at least for some time. The link between the strength of transparency provisions in legal frameworks and actual transparency in practice seems to depend on the level of political commitment to implement the legal provisions and on the administrative culture that makes it easier for governments to go beyond legal requirements and publish additional budget information. It is however important that focus is not only applied on developing and improving laws, but also on their implementation.
5. Building support for reforms from actors outside the executive. The executive cannot single-handedly undertake complex reforms to effectively advance fiscal transparency. It should thus actively seek exchanges, synergies, and the support of other actors to ensure that reforms meet the needs of all actors.²⁹ This increases the likelihood that fiscal transparency actions will be sustained and that reforms will be successful.
6. Building bridges to civil society. The likelihood of fiscal transparency actions and reforms being successful depends largely on whether there is a demand for information from the public, and whether the information provided meets those needs, such that it is actually used once published. Reformers should thus focus their fiscal transparency efforts on making information available that is of particular interest

²⁸ Folscher, A. and P. de Renzio (2017). “[The Road to Budget Transparency: Learning from Country Experience](#).” IBP. See also: de Renzio, P., D. Hiller and S. Hasan (2017). “[Taking Stock of the Volatility of Budget Transparency](#).” IBP.

²⁹ For further reading see:

de Renzio, P. (2016). “[Creating Incentives for Budget Accountability and Good Financial Governance Through an Ecosystem Approach: What Can External Actors Do?](#)” IBP and Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ).

Heald, D. (2015). “[Surmounting Obstacles to Fiscal Transparency](#),” Incentives research.

Rudiger, A. (2018). “[State of the Field Review: Fiscal Transparency and Accountability: Research Note for the Fiscal Futures’ Scenario Planning Workshops](#),” Carnegie Endowment of International Peace, the IBP and the Transparency and Accountability Initiative.

Kosack, S. (2015). “[On Incentivizing Useful Budget Transparency](#),” GIFT and IBP.

to the public. This includes information related to spending on particular sectors, or tracking budget implementation throughout the year, and connecting budgets to certain policy goals and outcomes that affect people's lives, such as the SDGs. Case studies³⁰ show the benefits of reformers engaging with civil society and provide key lessons. In Mexico, the Philippines and Uganda, dedicated transparency units sought dialogue with relevant civil society actors to ensure that transparency responded to real needs and that the information published would be used. The case studies highlight virtuous cycles of demand and supply of budget information due to engagement with civil society. In Mexico, the political transition spurred civil society and the media to use budget information to hold the government accountable. As this group of people expanded, a positive feedback cycle was created: the demand for more and better information increased, and more and better information was made available.

7. Making use of the guidance, support and networks provided by international institutions and donors, including by adopting fiscal international transparency norms and standards. It is however key that good practice norms and standards should not just be met by countries on a technical level, but actually have an impact on the ground, towards the attainment of development goals. *See section below on fiscal transparency networks.*
8. Designing reforms to ensure that the local context is taken into account. Studies³¹ have shown that reforms may not be successful if country contextual factors are overlooked. This is often the case when institutional changes and reforms that are successfully implemented in developed countries are applied to other countries, regardless of their specific problems and contexts. Reformers should lead on the identification of problems to be resolved, on clearly defining fiscal transparency objectives, as well as

³⁰ For further reading see:

Folscher, A. and P. de Renzio (2017). "[The Road to Budget Transparency: Learning from Country Experience](#)," IBP.

Larsen, J. (2016). "[You Cannot Go it Alone: Learning from Cooperative Relationships in Civil Society Budget Campaigns](#)," IBP.

de Renzio, P. (2016). "[Creating Incentives for Budget Accountability and Good Financial Governance Through an Ecosystem Approach: What Can External Actors Do?](#)" IBP and Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (GIZ).

van Zyl, A. (2013). "[Getting a Seat at the Table: Civil Society Advocacy for Budget Transparency in "Untransparent" Countries](#)," IBP.

³¹ For further reading see:

Andrews, M. (2010). "[How Far Have Public Financial Management Reforms Come in Africa?](#)" John F. Kennedy School of Government, Harvard University.

Pritchett, L., M. Woolcock and A. Andrews (2010). "[Capability traps? The mechanisms of persistent implementation failure](#)," Center for Global Development.

Fritz, V., M. Verhoeven and A. Avenia (2017). "[Political Economy of Public Financial Management: Experiences and Implications for Dialogue and Operational Engagement](#)," World Bank Group.

de Renzio, P. and D. Angemi (2011). "[COMRADES OR CULPRITS? Donor Engagement and Budget Transparency in Aid Dependent Countries](#)," IBP.

- on the design and implementation of actions/reforms to overcome problems and attain objectives. This should be done in constant collaboration with other key stakeholders to ensure that problems are correctly identified, and that potential solutions meet needs and are agreed upon, increasing the probability of reforms being successful and impactful.
9. Prioritizing and sequencing reforms. A country's unique political, institutional, and capacity characteristics are key when designing and sequencing action or reform programs, as they form the basis of what the country's needs and priorities are and what actions can be practically undertaken.
 10. Taking advantage of political windows of opportunity to tweak designed reforms. The opportunities for reforms can vary considerably over time. It is thus of the utmost importance that reformers understand the role the political economy plays and take it into account when designing reforms. This is so that they are able to take advantage of windows of opportunity. They should thus be continually attentive to and seize these windows to tweak and implement designed actions or reform initiatives towards fiscal transparency. During periods outside of windows of opportunity, there should also be a deliberate focus on developing a transparency reform agenda and on monitoring and seeking to counteract risks of transparency backsliding. It may also be worth pursuing incremental or smaller improvements, perhaps at a slower pace.
 11. Monitoring and institutionalizing transparency improvements to ensure that they are sustained. During the implementation of transparency improvement actions or reforms, there should be continual monitoring and review against objectives. Ongoing iteration, monitoring, learning, feedback, and adaptation during implementation is key to countering unforeseen events, risks, and constraints, and to leveraging opportunities. Tracking what meaningful transparency improvements are made and sustained along the way is also critical for incentivizing reforms, as well as for planning further steps. It provides the opportunity to understand what has been achieved, and to learn and make corrections where and when necessary. Ideally, reform programs need to be dynamic and responsive to their own impact as much as to changing circumstances. Fiscal transparency assessments assist in this regard. Once reforms are complete, new processes typically take time to be fully embedded, thus leaving them at considerable risk of backsliding. As such, reformers should focus on the sustainability and continued implementation and use of past transparency initiatives, as much as they do on the introduction of new initiatives.

Peer-to-peer learning and research

International and regional organizations—including bilateral and multilateral donors and agencies, private foundations, and international non-governmental organizations—support improvements in fiscal transparency.

International actors provide guidance in meeting fiscal transparency standards through handbooks, toolkits and other guidance material. For example, the IMF’s 2018 [Fiscal Transparency Handbook](#); the OECD’s 2002 [Best Practices for Budget Transparency](#) and 2017 [Budget Transparency Toolkit](#); and PEFA’s 2020 [Handbook Volume IV - Using PEFA to Support Public Financial Management Improvement](#). Professional associations such as [IFAC](#) and [INTOSAI](#) advance accounting and auditing standards to support transparent financial reporting and produce relevant resources.

These organizations typically publish credible, non-partisan and technically rigorous information and research. This information can be used by country reformers to show the benefits of reform and to get support to undertake reforms. These organizations can also directly provide advice, training, capacity support, peer-learning opportunities as well as other resources on key aspects of reform for different actors that have technical gaps.

Transnational coalitions and networks, which link foreign and international institutions, including governments with civil society groups, assist governments to become more open and inclusive, by providing them with practical and relatable examples. Examples of these networks include the following:

- The United Nations System is active in promoting budget transparency. Chapter 4 of the Department of Economic and Social Affairs’ (UN DESA) [World Public Sector Report 2021](#) stresses the importance of transparency for public trust in government, particularly in institutional responses to COVID-19. UN DESA has collaborated with the IBP in several initiatives (e.g., workshops and communities of practice) related to SDG budgeting, budget credibility and auditing. The [United Nations Children’s Fund](#) (UNICEF) offers a variety of [analytical tools](#) to measure and monitor public resources, maximize their impact and increase financing for children. [UNDP](#) supports knowledge sharing through different [initiatives](#) and the [SDG Finance Collaborative](#), among others.
- The [IBP](#) has partnered with civil society organizations around the globe that are engaged in budget analysis and advocacy, and have an interest and commitment to transparency, participation, good governance, and poverty reduction. The IBP works in [collaboration](#) with multiple actors to advance open, inclusive budgeting processes. It provides [training](#) and makes available many [resources](#) valuable to those seeking to advance fiscal transparency.

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- [GIFT](#) is an action-network to achieve sustained, measurable improvements in fiscal transparency, accountability and inclusive participation; by advancing incentives, norms, peer-learning, collaborative assistance and new technologies. It brings governments, civil society organizations, international financial institutions and other stakeholders together, and facilitates meaningful dialogue on fiscal openness. The IMF, World Bank Group, IBP, IFAC, Department of Budget and Management of the Philippines, Federal Secretary of Budget and Planning of Brazil, and the Treasury Secretariat of Mexico are the lead stewards of GIFT, which comprised 54 [members](#) in 2021. Tools developed by GIFT stress the need for user-focused fiscal transparency, and emphasize meaningful fiscal transparency. Peer learning focuses on the benefits of fiscal transparency in practice, providing possibilities and aspirations for members and partners of the network, effectively creating a race to the top, leading to innovation and sustained gains. In 2020/21, with the support of the United States State Department, GIFT developed a *Fiscal Transparency for Development* online course, covering the meaning of fiscal transparency, its importance, the role of key actors, best practice norms and standards, and its measurement and enhancement measures. From 2022, the course will be open to all for registration.
- GIFT and IBP's [Fiscal Openness Accelerator](#) project, supported by the United States Department of State and the Open Governance Partnership Multi-Donor Trust Fund managed by the World Bank, aims to deepen work in improving transparency and enhancing public participation in fiscal policies. It seeks to build the technical capacity of selected governments to improve their fiscal transparency and to implement mechanisms for public participation in the elaboration of fiscal policies.
- The [OECD Committee of Senior Budget Officials](#) (SBOs) is composed of budget directors and other senior officials from OECD countries. The SBO committee meets annually to address key budgeting concerns and relevant policy options. Members of this network emphasize the benefits in terms of designing the most suitable reform programs, including support in undertaking and sustaining such programs and stressing the importance of good budgeting practices to politicians. The committee also maintains regional and thematic networks that contribute to more transparent and accountable budgeting, such as those on Financial Management and Reporting, Parliamentary Budget Officials and Independent Fiscal Institutions, and Performance and Results.
- The [Collaborative Africa Budget Reform Initiative](#) (CABRI) works with African finance and budget ministries in developing and implementing reforms that lead to more functional public financial management systems. Naturally this includes a focus on fiscal transparency and accountability as intrinsic elements of good public financial governance.

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- The [Open Government Partnership](#) (OGP) is where government leaders and civil society advocates promote transparent, participatory, inclusive and accountable governance. The OGP is currently comprised of 78 countries and 66 local governments along with thousands of civil society organizations.
- Additional examples of regional bodies are provided by the [West African Economic and Monetary Union](#) and the [Central African Economic and Monetary Community](#), which adopted directives on public financial management that included provisions on fiscal transparency. Their gradual implementation has been one of the key drivers of the gains observed in transparency in that region.³²

International development cooperation

The United Nations supports countries in enhancing fiscal transparency and strengthening the role of oversight institutions and civil society in the fiscal policy process. [UNDP](#) assists in the development of policies with a high degree of transparency and accountability, leadership skills, partnering abilities, institutional capabilities, and in building resilience to achieve the SDGs. Its work is concentrated in three focus areas: sustainable development; democratic governance and peace building; and climate and disaster resilience. It has released two papers on Budgeting for SDGs, presenting models of budgeting that countries can consider adopting. In addition, the [Finance Sector Hub](#) has also developed various methodology tools and service offers addressing other aspects of Financing for SDGs, including on budget revenues and debt instruments, aligning with and unlocking private sector financing for SDGs, Integrated National Financing Frameworks, impact measurement, etc. UNICEF supports governments (e.g., [Eastern and Southern Africa](#)) to make domestic resources and budgets work better for children, including by enhancing budget transparency. UNICEF collaborates with the World Bank in [Public Expenditure Reviews](#) in education, and has supported IBP's OBS and work on budget credibility.

Donors have invested increasing resources in enhancing fiscal transparency in developing countries. For example, the World Bank's [Open Government Data Toolkit](#) facilitates an understanding of the basic precepts of open data and how to plan and implement an open government data program, while avoiding common pitfalls. It provides information and links to key open data initiatives and resources including [OpenSpending](#), the [World Bank's BOOST initiative](#), [Civic Commons](#), and links to resources such as Open Knowledge Foundation's [Open Data Handbook](#). GIFT's [Open Fiscal Data Schema](#) builds on these initiatives, providing a simple, free, open, technical specification for publishing government budget and spending

³² Sarr, B. (2014). "[Are New PFM Reforms in the WAEMU and the CEMAC Working? Lessons from the Open Budget Survey](#)." IBP.

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data. The World Bank also supports countries to conduct [PEFA](#) assessments and publishes [Public Expenditure Reviews](#) on the effectiveness of public spending.

Other donors whose technical assistance has focused directly or indirectly on fiscal transparency include the [Department for International Development](#) (DFID), the [European Commission](#), [USAID](#), the [Inter-American Development Bank](#) and the [IMF](#). In 2018, for example, DFID set a taxation and finance unit to enhance the focus on transparent and effective public expenditure, including on improving the transparency of extractive industries in developing countries. The IMF's [FTEs](#) support the prioritization and delivery of technical assistance to improve fiscal transparency. Besides the World Bank and the IMF, the European Commission, France, Norway, Slovakia, Switzerland and the United Kingdom support PEFA. The Inter-American Development Bank through the [Transparency Fund](#) provides support to all borrowing member countries, including both public and private entities, to implement projects related to fiscal transparency.

Bilateral donors have also supported civil society organizations working on fiscal transparency. For example, DFID, USAID and the French Ministry of Foreign Affairs have supported the IBP's OBS. Foundations such as Open Society, Hewlett, or Ford support civil society activities to advance fiscal transparency reforms through their grant programs. A multi-donor collaborative, [Transparency and Accountability Initiative](#), supports an international budget oversight platform and sustainable funding in the budget sector.

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