Opening Governance: 
Promoting Transparent & Accountable Financing for Development

The US and Mexican presidencies of the G8 and the G20 come at a turbulent time for the world economy, where the magnitude of risk is matched only by the wealth of opportunities to reshape global, national and local governance structures. Governments and citizens are driving improvements to their countries’ governance systems throughout the world, shaping and demanding open, transparent, accountable and effective governance. The G8 and G20 should pursue a three-pronged approach to support this growing momentum by:

(1) Promoting transparency in relation to budgets, extractives, and development assistance;

(2) Encouraging members of the G8 and G20 to increase support to civil society and oversight institutions; and

(3) Demonstrating the value of open governance and the Open Government Partnership.

1a) Promote Budget Transparency

Budget transparency – and fiscal transparency more widely – is critical to the effective governance of public resources. Greater budget transparency enables citizens to actively and effectively participate in budget processes and also to hold their governments accountable for the effective use of public resources. To drive progress on budget transparency, the Global Initiative on Fiscal Transparency is developing global norms and sharing experience about how such norms can be implemented effectively at the country level.\(^1\) All G8 and G20 members should participate in the Global Initiative on Fiscal Transparency and make their budgets public. They should also commit to increase their support for fiscal transparency reforms in developing countries.

1b) Promote Natural Resource Revenue Transparency

Greater transparency around governments’ natural resource revenues (oil, gas, minerals and forests) can enable citizens to hold their governments accountable for their effective usage. The United States and the European Union have taken major steps towards implementing “Publish What You Pay” legislation that requires companies to publish their payments to country governments on a project-by-project and country-by-country basis. Separately, a number of G20 countries – including the US – have also signed up to the Extractive Industries Transparency Initiative. Building on this momentum, the G8 and G20 should endorse legally binding country-by-country and project-by-project reporting requirements for all companies operating in the extractives and forestry industries that are registered in their markets.

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\(^1\) The Global Initiative on Fiscal Transparency is currently led by the governments of Brazil, the US and the UK with strong involvement from the World Bank, the IMF, the UN and civil society.
1c) Promote Aid Transparency

When governments provide information about what assistance they are providing, to whom, for what and when, recipient governments can better allocate their own spending, other donors can better coordinate their programs, and local citizens can hold their governments accountable for money spent. At the Busan High Level Forum on Aid Effectiveness, providers of development assistance committed to make their assistance transparent, with a number of countries also signing up to the International Aid Transparency Initiative (e.g., the US and Canada). **G8 and G20 members should implement the Global Partnership for Effective Development Cooperation and endorse and implement the International Aid Transparency Initiative.** Recipients of development assistance should be transparent about the aid that they receive and the results that it achieves.

2) Step-Up Support to Oversight Bodies and Civil Society

The G8 and G20 can play a key role in delivering greater transparency about the availability and use of public resources. To secure true accountability and more effective use of public resources, civil society organizations, parliaments, and audit institutions must have the capacity to utilize available information. **The G8 and G20 should endorse and provide financial support for an appropriately-governed Global Partnership for Enhanced Social Accountability.** In addition, members should commit to providing increased support to oversight bodies and civil society to complement the assistance they provide to deliver essential services.

3) Kick-Start a Race to the Top on Open Governance

The US and Mexico are enthusiastic participants in the Open Government Partnership (OGP). For the US, President Obama attended the launch of OGP in September 2011 and USAID Administrator Shah has led the way in linking the open governance and global development agendas. Mexico, for its part, has a commitment to promoting open government as part of its OGP Action Plan. Under their G8 and G20 Presidencies – working alongside the Brazilian and UK Chairs of OGP – the US and Mexico have a major opportunity to initiate a race to the top on open governance, using OGP to leverage faster progress towards open, transparent, accountable and effective governance.

The US and Mexico should encourage members of the G8 and G20 to participate in the Open Government Partnership and to implement their action plans. Beyond this, they should bring together groups of like-minded countries – governments and civil society organisations – to establish OGP affinity groups to make progress on specific issues such as transparency around extractive revenues, budgets, and aid. Members could commit to: putting in place “Publish-What-You-Pay” legislation; making their budgets public; implementing the International Aid Transparency Initiative; providing support for civil society and oversight institutions; and implementing other commitments that will contribute to opening government. **Through this, the US and Mexican presidencies will kick-start a process that will demonstrate the value of open governance and OGP participation to the wider G20 membership.**

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2 See [http://www.opengovpartnership.org/countries/united-states](http://www.opengovpartnership.org/countries/united-states) for the USA’s OGP Action Plan.
4 For further examples, see [http://www.transparency-initiative.org/reports/opening-government](http://www.transparency-initiative.org/reports/opening-government)