# Luminate

Building stronger societies

Financial Transparency
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**Strategic Plan**
2018–2022

# Financial Transparency

During the last strategy period (May 2014 – October 2018):

## $35M

investment capital deployed

## 32

non-profit organisations supported

## What has changed?

Historically, our Fiscal Governance work was focussed on advocating for disclosure of government revenues, for citizens to have a voice in resource allocation, and for openness of procurement processes. In the last several years, there have been many changes within the field, including significant positive progress (e.g., adoption of open contracting standards, beneficial ownership rules). We've also seen, however, that shifts in national political context can quickly erode gains in compliance and that transparency alone is not enough.

## What will we do about it?

| Observation | ⟩ | New strategy |
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| After a decade of progress, there have been substantial drops in transparency compliance | | Fund research to better understand incentives/disincentives of public institution compliance; pair standards for openness with increased focus on accountability and enforcement |
| Pursuing 'total resource flow transparency' may result in superficial rather than meaningful change; must be linked to work that drives the uptake of the data | | Take targeted approaches rather than chase full visibility; support efforts to ensure uptake of data and to drive accountability and responsiveness |
| Despite improved transparency, the prevalence of corruption does not appear to be declining; we are wary of 'scandal fatigue' | | Support efforts to couple anti-corruption movements with strong infrastructure and ecosystems; work with local organisations who engage citizens directly in accountability campaigns |
| Organisations and civil society actors are confronted with shrinking civic spaces and the 'weaponisation' of the anti-corruption agenda where those fighting corruption end up being targets of the State | | |

## What's next?[1]

## Our goal

We empower citizens by promoting transparency, accountability, and participation around the flow of public resources and by supporting efforts to combat corruption.

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| **Hypothesis** | Continuing to support transparency efforts will help individuals and intermediaries understand public resource flows, and will reinforce the foundations of financial transparency. | By explicitly targeting corruption with a focus on enforcement actions (e.g., sanctions), we can help to drive enhanced responsiveness at an institutional level. | Pushing for accountability at the regional and local level can be an important pathway to pursue improvements in service delivery - especially for marginalised populations - and to establish linkages across borders and sectors. |
| **Success** | E.g., increased transparency at country and global levels about receipt and uses of government revenue. | E.g., increase in prosecution and penalties for financial crimes such as money laundering and bribery. | E.g., rise in prevalence of local groups participating in decision-making about public finance and the delivery of services. |
| **Disconfirm** | E.g., backsliding progress on government disclosure; increased distrust of government or "informed disenchantment." | E.g., influence of money in politics becomes so pervasive that only very powerful actors can counter-balance. | E.g., citizens know more about where money is going, but struggle to translate this knowledge into service delivery improvements. |

1 For each impact area, we have listed our working hypotheses, which inform our investment decisions, as well as examples of what evidence might lead us to believe our theory of change is on track ("success") and examples of what evidence or occurrences might lead us to believe we were wrong and should change course ("disconfirmation").