



STRENGTHENING FISCAL ECOSYSTEMS FOR ACCOUNTABILITY AND EQUITY

AN INTERNATIONAL DIALOGUE

BERN, SWITZERLAND
22 - 25 SEPTEMBER, 2025



EXECUTIVE SUMMARY

The Fiscal Ecosystems Global Dialogue brought together 36 representatives from across the fiscal accountability landscape—including governments, supreme audit institutions, parliaments, civil society, academia, donors, and international partners. They convened in Gerzensee, Switzerland from 22-25 September 2025.

The discussions centered on the recognition that fiscal policies and outcomes are shaped by networks of actors, relationships, and coalitions rather than by any single institution. While progress has been made in strengthening finance ministries, expanding fiscal transparency, and enabling more civic participation, participants acknowledged that gains in fiscal accountability and equity remain fragmented and fragile, with systemic shifts proving difficult to sustain.

During the Dialogue, participants reflected on why progress has stalled: persistent power imbalances, limited participation, and political and technical constraints that undermine legislatures, audit institutions, and civic oversight. Despite these challenges, there was broad agreement that accountability and equity can be strengthened when state and non-state actors collaborate around shared goals.

Using this framing, participants explored country cases from Brazil, Indonesia, and South Africa, identifying recurring patterns and entry points for reform. These insights will inform further work on how to apply and test the fiscal ecosystem approach in practice.

Six **key work streams** emerged as a result of the dialogue:

1. *Value Proposition* – Articulating and communicating the purpose and benefits of the fiscal ecosystems approach.
2. *Building Momentum* – Strengthening partnerships and communication to socialize and scale the approach.
3. *Resourcing* – Mobilizing funding and institutional support to sustain work across levels.
4. *Applying the Approach* – Testing and adapting methodologies in countries and institutions.
5. *Research Agenda* – Deepening the evidence base and refining frameworks.
6. *Measuring Success* – Developing a theory of change, outcomes, and indicators for system transformation.

The dialogue closed with a shared commitment to continue building alliances, testing practical innovations, and learning together.



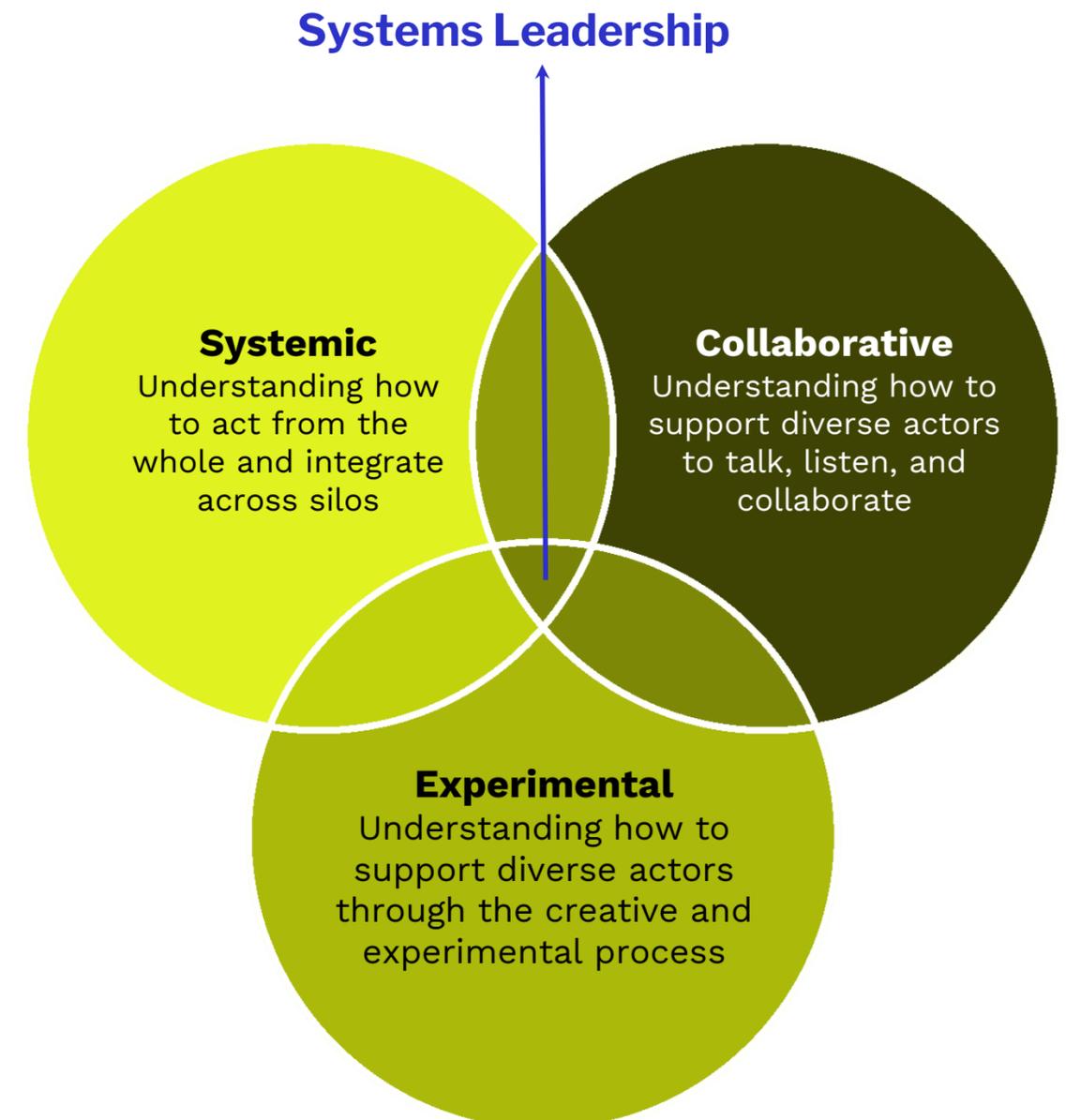
DIALOGUE REPORT

INTRODUCTION & BACKGROUND

The Fiscal Ecosystems project emerged from the recognition that public finance reforms require more than technical fixes. They demand systemic collaboration across the many institutions and actors involved.

Supported by SECO, Ford Foundation, and the Gates Foundation, and implemented by the TAI Collaborative with research partners in Brazil, Indonesia, and South Africa, the initiative explores how fiscal ecosystems can evolve to advance accountability and equity.

The dialogue was designed as a generative learning space, bringing together research insights with lived experience from ecosystem actors. The dialogue applied Reos Partners' systems change methodology, emphasizing three core principles: systemic (seeing the whole system), collaborative (working across difference), and experimental (learning by doing).



DIALOGUE CONTEXT AND FRAMING

The opening day established the tone for the week through framing remarks by Franziska Spoerri (SECO) and Warren Kraftchick (TAI). A core theme positioned for the dialogue was adopting an ecosystem lens by understanding fiscal accountability AND EQUITY as the outcome of dynamic relationships among many interdependent actors rather than the product of any single institution.

This approach was based on several propositions:

- Inclusive budget processes are essential to strengthen accountability and equity.
- Relationships and incentives, not just formal structures, determine how systems behave.
- Context matters and each country's institutional mix and political economy shape what change is possible.

A 'Cynics and Believers' exercise created productive tension between skepticism and hope. Cynics voiced concerns about ambition, feasibility, and the absence of key decision-makers, while Believers emphasized opportunity, influence, and the shared hunger for new ideas. These two energies, doubt and belief, were recognized as essential to rigorous and honest collaboration.



INSIGHTS FROM DIALOGUE INTERVIEWS

A synthesis of stakeholder interviews conducted was presented to provide participant perspectives of fiscal ecosystems and challenges as well as hopes for future progress. The analysis revealed recurring patterns:

- Fiscal accountability is generally viewed as a mature field in terms of transparency tools and technical reform efforts, but one that remains stifled by limited reforms, political constraints, and superficial transparency.
- Actors are interconnected but institutional silos and poor coordination hinder effective functioning.
- An evolving definition of ‘fiscal ecosystems’ as coalitions or platforms, with emphasis on the rules, norms, and enabling environments is required.
- Lack of trust between government institutions and civil society, combined with power imbalances, is one of the biggest obstacles to building effective fiscal ecosystems.
- Cross-sector collaborations and grassroots initiatives offer potential for systemic reform, alongside a focus on trust-building and accountability.
- Strong desire for dialogue that is strategic, inclusive, and focused on actionable next steps with calls for more open conversations about power, trust, and the rules of engagement within ecosystems.



SENSEMAKING AND SHARED UNDERSTANDING

Participants physically mapped the fiscal ecosystem by occupying 'lands' that represented different actor groups—executive, legislature, civil society, international institutions, supreme audit institutions, and others. By stepping into both familiar and uncomfortable lands, participants experienced the tensions, values, and blind spots of their institutional identities.



Insights from the Lands Exercise

(Strengths, Value, and Challenges across the Fiscal Ecosystem)

- **International Institutions** – Bring cross-country perspective and political-economy insight; valued for knowledge and credibility. *Challenge:* often viewed with suspicion.
- **Civil Society** – Represents citizens' lived realities; anchors social justice and equity. *Challenge:* mutual mistrust among organizations limits collaboration.
- **Executive** – Leads reform and connects domestic and international agendas. *Challenge:* perceived as controlling; constrained by mandates and trade-offs.
- **Legislature / Parliament** – Provides democratic legitimacy and oversight. *Challenge:* short-term political incentives hinder long-term accountability.
- **Supreme Audit Institutions (SAIs)** – Offer independent, objective oversight and shift focus toward performance and value. *Challenge:* limited independence and/or enforcement capacity and persistent misperceptions of their role.
- **Other Actors (Academia, Think Tanks, Partners)** – Bridge worlds and generate evidence; bring independent frameworks. *Challenge:* often distant from implementation realities.

COUNTRY RESEARCH PRESENTATIONS

Country research presentations deepened understanding of institutional dynamics:

- **Brazil** – navigating intergovernmental transfers, elite bargains, and the role of the private sector.
- **Indonesia** – managing informal power, political reshuffling, and military-linked SOEs.
- **South Africa** – confronting weak parliamentary accountability and lingering state capture.



CROSS COUNTRY SYNTHESIS

A synthesis of cross country themes was presented, and shared 6 emerging issues from the country papers:

- **Similar Institutions, Different Trajectories:** Reforms must be grounded in sound political economy analysis that traces how fiscal ecosystems have evolved and operate in practice. Understanding these dynamics offers a crucial leverage point for influencing their future direction.
- **Crises as Entry Points:** In all three countries, past reforms were triggered by crises. Each is once again at a moment of disruption that could be used to realign fiscal ecosystems toward greater accountability and equity.
- **Competing and Contradictory Accountabilities:** Fiscal and political accountability often take priority over developmental and equity goals, with limited exceptions. The challenge is to shift incentives so that development accountability is fiscally sustainable and politically feasible.
- **Legislatures as Stumbling Blocks:** Political incentives and weak capacity frequently constrain legislatures from advancing development accountability. Strengthening their role as constructive agents of oversight remains a key challenge.
- **New Actors, Strategies, and Partnerships:** Encouragingly, new configurations are emerging—between SAIs and civil society, executives and advocacy groups, and courts mediating across actors—offering fresh entry points for systemic change.
- **The Future is Ecosystemic:** The evidence points to an ecosystemic future: one where coalitions of state and non-state actors work collectively to rebalance power and advance accountability and equity.

Across cases, participants questioned whether crises are prerequisites for reform and how to reframe parliaments as partners rather than obstacles.

EMERGING THEMES AND PRIORITIES

Discussions reflected and coalesced around critical themes emerging for discussion. Seven priorities for deeper exploration were identified:

- 1. Defining the Gap (Promised vs Delivered)** - Identifying the gaps between budgetary promises and actual flows, and the reasons behind them. How can we enable public finance to deliver?
- 2. Identifying Effective Entry Points** - Points that have leverage and multiplier effects
- 3. Clarifying the concept of Fiscal Ecosystems** - including the actors and assumptions
- 4. Collaborating for Effective Ecosystems** - how best to collaborate for effective and efficient fiscal ecosystems
- 5. Defining Accountability: To Whom and For What**
- 6. External Shocks and Emerging Trends** - How the funding crisis will impact domestic ecosystems (shifts in global funding, impacts on civil society, international donors, multilateral system)
- 7. Understanding Progressive Political Coalitions** - Discussing how progressive political coalitions come together

These priorities shaped subsequent synthesis and design sessions.



SUMMARY OF INSIGHTS FROM DISCUSSIONS ON THEMES EMERGING

Topic 1: Defining the Gap (Promised vs Delivered)

- Participants explored the many “gaps” within fiscal ecosystems.
- These include the technical–political gap, where technocratic reforms often ignore political realities; the delivery gap, between what citizens are promised and what governments actually deliver; and the relational gap, between ministries, oversight bodies, and citizens themselves.
- Closing these gaps requires working with the power dynamics that shape each relationship.
- The group highlighted the value of acting “at the margins” — making small but strategic moves that align political and developmental priorities.
- When enforcement and sustainability overlap, a “sweet spot” emerges where the political cycle and development cycle reinforce each other rather than compete.

Topic 2: Identifying Effective Entry Points

- Entry points are moments or spaces where change becomes possible. They may arise from crises or reforms, from institutions seeking change, or from processes such as diagnostics.
- The group stressed that the goal is not to pilot isolated projects but to unlock systemic blockages, enhancing leverage and multiplier effects.
- Effective entry points require trust, connectors, and champions — individuals or institutions who can convene others around a shared opportunity.
- These windows of opportunity must be matched with readiness and a methodology to identify them from the bottom up, using local knowledge and political-economy insight.
- Sustaining change depends on building a platform where diverse actors are already prepared to act together.

SUMMARY OF INSIGHTS FROM DISCUSSIONS ON THEMES EMERGING

Topic 3: Clarifying the Concept of Fiscal Ecosystems

- The group clarified that fiscal ecosystems extend beyond Public Financial Management (PFM). PFM is one component; the broader ecosystem includes the full spectrum of fiscal policy, political incentives, and social actors.
- “System” implies fixed processes, while “ecosystem” emphasizes adaptability, relationships, and context. Because no single blueprint fits all, the approach must remain flexible and problem-driven.
- Equity surfaced as an aspirational outcome, a reminder that while many constitutions enshrine fairness, real outcomes remain uneven. The fiscal ecosystem lens aspires to reconnect fiscal policy with social purpose and fairness, even when full equity is beyond immediate reach.

Topic 4: Collaborating for Effective Ecosystems

- Collaboration is not automatic; it requires shared interest, trust, and willingness to share power. The group asked whether all actors truly benefit from collaboration, acknowledging that dominant players may perceive it as a threat.
- To move beyond individual partnerships toward network-level collaboration, six conditions were identified:
 1. An enabling environment that invests in institutional capacity and credibility;
 2. Inclusive communication and access to information;
 3. Intentional power-shifting that creates space for marginalized voices;
 4. Sensitivity to timing and flexibility, as not all actors need to be involved at all times;
 5. A clear focus and core group to anchor the effort; and
 6. Appropriate formalisation and knowing when to crystallise relationships and when to stay informal.

SUMMARY OF INSIGHTS FROM DISCUSSIONS ON THEMES EMERGING

Topic 5: Defining Accountability: To Whom and For What

- Participants reframed accountability as a mechanism rather than an outcome — a web of relationships that collectively shapes system performance. Every actor is accountable to someone for something, and together these relationships produce the overall outcome.
- When equity or effectiveness is missing, it signals that some of these mechanisms are broken or misaligned. Reform therefore requires examining where accountability fails and redesigning those relationships, not merely adding new rules.
- The South African example illustrated how constitutional commitments to equity mean little without aligned incentives, political will, and operational mechanisms to deliver them.

Topic 6: External Shocks and Emerging Trends

- Participants mapped the polycrisis environment shaping fiscal ecosystems: shifting tax bases, declining aid, digital disruption, shrinking civic space, demographic transitions, climate shocks, deglobalisation, and geopolitical tension. Crises, they argued, are no longer episodic but continuous. The challenge is to anticipate and adapt, building resilience and feedback loops that sustain fairness and collaboration under stress.
- They warned of deep relationship gaps and public disempowerment, which can narrow focus and erode trust. To counter this, actors must deliberately foster shared reality — spaces for joint sense-making and iterative learning.
- Rather than waiting for the next shock, systems should be designed to evolve with it, aiming for a “higher equilibrium” of equity and inclusion.

SUMMARY OF INSIGHTS FROM DISCUSSIONS ON THEMES EMERGING

Topic 7: Understanding Progressive Political Coalitions

- A progressive coalition is one that is inclusive in purpose and function, particularly toward the most vulnerable. “Political” refers to recognising power and using it constructively; “coalition” acknowledges that transformation cannot be achieved alone.
- Effective coalitions require clarity of purpose and concrete goals — not abstract ideals like transparency, but outcomes people care about. Leadership plays a pivotal role: convening across difference, articulating shared purpose, and nurturing the emotional as well as intellectual bonds that sustain collaboration.
- Such coalitions are dynamic and adaptive, realigning as contexts shift. Their durability lies not in fixed membership but in the trust, connectors, and shared purpose that keep the gears turning long after formal power changes hands.



CONVERGING AND PRIORITIZING

Based on the insights from the group work, participants prioritised questions to identify workstreams, by exploring “how might we...” questions from the discussions. These guiding questions shaped the co-creation process and framed the emerging workstreams for systemic action.

Value Proposition

- How might we deepen our understanding of the value of the ecosystem approach for different actors?

Building Momentum

- How might we forge new internal and external relationships to capitalize on that value?
- How might we support legitimate connectors who build trust and align interests around shared goals?

Resourcing

- How might we mobilize and sustain resources for this work?
- How might we establish mechanisms to keep supporting each other beyond the dialogue?

Research Agenda

- How might we improve evidence on institutional interactions and power dynamics?
- How might we leverage national and global research to deepen understanding and measure success?

“How might we...”

- *How*
- *Might (experimental word)*
- *We (us together)*

Applying the Approach

- How might we promote a better understanding of what a fiscal ecosystem approach means in practice?
- How might we test and adapt the framework in research and non-research countries?
- How might we identify effective entry points that create leverage, address broken relationships, and work through power rather than around it?

Measuring Success

- How might we know whether we are achieving development outcomes?
- How might we capture and learn from incremental change through continuous iteration?



DETAILED WORKSTREAMS

WORKSTREAMS & OUTCOMES

| Workstream | Purpose & Contribution | Short-Term Outcomes (by Mar 2026) | Medium-Term Outcomes (by Oct 2027) | Possible ideas for Indicators of Success |
|-----------------------------|--|--|--|--|
| 1. Value Proposition | Define and advocate the <i>value</i> of the fiscal ecosystem approach to create excitement, attract funding, and open entry points for engagement. | Refine and localise the concept in 3–6 pilot countries; identify target audiences and motivations (e.g., tax reform, domestic resource mobilisation); align advocacy with user needs; embed value proposition in synthesis document. | Launch advocacy at global and regional platforms; synergy with Building Momentum workstream; co-create coordination and monitoring mechanisms. | Pilot and actor feedback; uptake of the concept across countries and institutions; evidence of integration into research and communications. |
| 2. Building Momentum | Generate visibility, participation, and institutional commitment around the fiscal ecosystem approach; “light the spark.” | Establish advisory structure and communication plan; develop audience-specific materials and handbook outline; deepen engagement in 3 case-study countries and 3–5 new ones; link to ongoing networks (OGP, OECD, UNDP). | Publish handbook and methodology; active work underway in 4–5 countries and 3–5 global institutions; approach influences one major thematic area (e.g. debt sustainability, extractives governance). | Publication of handbook; adoption by institutions and countries; demonstration of ecosystem approach in multiple contexts. |
| 3. Resourcing | Build coordination, visibility, and funding mechanisms to sustain the initiative globally and locally. | Create shared materials (walking deck, presentations); host convenings (virtual/in-person); map similar initiatives; define outreach channels and communication platform. | Framework embedded in bilateral and multilateral funding; expanded use across countries and sectors; active funder community. | Number of funders and countries engaged; level of financial commitment; visibility of framework in partner initiatives. |

WORKSTREAMS & OUTCOMES

| Workstream | Purpose & Contribution | Short-Term Outcomes (by Mar 2026) | Medium-Term Outcomes (by Oct 2027) | Indicators of Success |
|---------------------------------|---|--|--|--|
| 4. Applying the Approach | Test and refine the fiscal ecosystem methodology through experimentation in countries and institutions. | Finalise approach and mapping tool; identify countries, topics, and actors; begin pilots (e.g., WB/IMF JDRMI); document gaps and entry points. | Application of the framework in multiple countries and institutions; learning integrated into refined model; disseminate successes. | Framework applied in X countries; lessons captured and shared; evidence of institutional behaviour change. |
| 5. Research Agenda | Strengthen evidence, methods, and learning across the initiative; build and sustain an active research network. | Finalise country papers and synthesis; improve methodology; broaden dissemination through forums and blogs; create network of researchers and practitioners. | New case studies with stronger comparative focus; expanded thematic scope (subnational, SOEs, central banks); ongoing collaboration between researchers and reformers. | Published papers and events; network activity; methodological uptake by external researchers. |
| 6. Measure Success | Define a Theory of Change and results framework to track progress and impact of the fiscal ecosystem approach. | Develop draft Theory of Change, outcome mapping, and progress markers; pilot metrics on collaboration and institutional change.. | Finalise and disseminate framework and tracking tool; establish baseline and indicators for countries adopting the approach. | Governance, accountability, and fiscal indicators; human development progress; documented “change stories” of collaboration. |



ROADMAP 2025 - 2027

FISCAL ECOSYSTEMS ROADMAP: 2025–2027

This proposed roadmap synthesizes the commitments, workstreams, and timelines emerging from the Fiscal Ecosystems Global Dialogue. It outlines the collective journey from research to implementation and measurement of impact.



- Finalize research outputs and strengthen research method
- Develop value proposition, Theory of Change and Results Framework
- Form advisory structure
- Secure funding partnerships
- Virtual Check in with group to review progress and commitments early 2026

- Pilot methodology in countries
- Integrate key actors, and institutional commitments
- Strengthen data-sharing
- Begin progress tracking
- Set up Advisory Structure

- Document lessons
- Expand comparative analysis
- Refine Theory of Change
- Align institutional practices
- Take stock - develop next phase of work.

FISCAL ECOSYSTEMS ROADMAP: 2025–2027

| Workstream | 2025 – Establishing Foundations | 2026 – Experimentation & Early Application | 2027 – Consolidation & Scale-Up |
|---------------------------------|---|---|--|
| 1. Value Proposition | Refine and localise concept in 3–6 pilot countries; embed in synthesis paper; continue to develop overarching idea connecting practices and literature; identify advocacy targets and motivation movements (e.g., DRM, tax reform). | Test refined value proposition through pilots and case studies; integrate user feedback; strengthen advocacy and communication materials. | Present outcomes at global and regional platforms; demonstrate tangible examples of impact; embed refined concept in policy dialogues and global research. |
| 2. Building Momentum | Form advisory group; establish communications plan; draft outline for Fiscal Ecosystem Handbook; engage networks such as OGP, OECD, and RPF. | Expand engagement to 3–5 additional countries; publish pilot updates and first draft of handbook; connect to institutional and thematic networks. | Publish and launch Fiscal Ecosystem Handbook; showcase results and thematic applications (e.g., debt, extractives, health); build sustained partnerships. |
| 3. Resourcing | Create “walking deck” and outreach materials; host initial convenings (TAI hub, WB/IMF Spring Meetings); map aligned initiatives. Secure Multi-year funding for phase 2. Secure institutional hosting | Align funders around shared priorities; track commitments; support pilot funding and convenings. | Secure multi-year funding; embed fiscal ecosystem framework into donor and IFI operations; expand resource base. |
| 4. Applying the Approach | Finalise methodology and mapping tool; identify pilot countries and institutions; design experiments. | Launch pilots in selected countries and initiatives (e.g., IBP/NRGI/WB/IMF JDRMI); capture early learning; refine methodology. | Ideas towards institutionalising and scaling the approach across sectors and regions; consolidate lessons from pilots; adapt framework for broader use. |
| 5. Research Agenda | Complete country research and synthesis paper; refine analytical framework; expand researcher network; publish blogs and forums. | Extend research to new countries and topics; host annual learning seminars; connect researchers and practitioners. | Publish comparative studies; expand thematic research (subnational, SOEs, central banks); integrate findings into ongoing learning platforms. |
| 6. Measuring Success | Develop draft Theory of Change; map early outcomes and progress markers; identify collaboration indicators. | Pilot the results framework in selected countries; refine indicators and feedback loops; capture interim change stories. | Finalise and disseminate results framework; establish baselines and country progress reports; showcase documented examples of systemic change. |

ACTOR GROUP REFLECTIONS & COMMITMENTS

Actor groups convened to reflect and discuss possible institutional commitments.

- **Civil Society:** Civil society organisations committed to applying the fiscal ecosystem approach within their ongoing work by identifying spaces for experimentation, cross-sector collaboration, and deeper engagement with legislatures. They will amplify the approach through wider dissemination, act as connectors between institutions, and contribute their analytical and on-the-ground insights to complement country research.
- **Supreme Audit Institutions (SAIs) and Legislative:** SAIs reflected on the need to broaden their role from oversight to insight by moving beyond compliance to promote learning, collaboration, and systemic improvement. They aim to engage more actively across the ecosystem, using audit findings as inputs for dialogue and reform. Strengthening capabilities, fostering trust, and replicating collaborative approaches at country level were identified as key priorities, alongside the need to move from independence to inter-dependence.
- **Academia:** Academic partners committed to advancing comparative research on fiscal ecosystems, completing synthesis papers, and expanding cross-country collaboration. Bilateral research initiatives could deepen analysis and foster global dialogue between scholars and practitioners.
- **International Institutions:** Institutions agreed to better align diagnostic tools with the fiscal ecosystem context and actors. They expressed an intention to work with/acknowledge broader group of actors in designing and implementing tools, identifying 1–2 countries for joint demonstration projects. They aim to connect the dots across initiatives (e.g., Coalition for Reforms, Fiscal Transparency Initiative) and use regional platforms to promote coherence. Recognising collaboration challenges, they emphasised realistic expectations and stronger mechanisms to sustain engagement. There was also acknowledgement that there is a lot that they can do to strengthen existing resources that have broad reach.
- **Donors:** Donors committed to strengthening coordination and expanding engagement around the fiscal ecosystems agenda. They will share the emerging synthesis with other funders, hold bilateral discussions to align priorities, and support integration of the approach within multilateral and country-level initiatives. Their role will focus on mobilising resources, fostering collaboration, and sustaining momentum across institutions and regions.

KEY OUTCOMES AND NEXT STEPS

Key outcomes and next steps:

- A conceptual framework to be defined for fiscal ecosystems grounded in systems thinking.
- Updates to country papers and cross-country synthesis.
- Agreement on six workstreams and a preliminary roadmap.
- Commitment to joint experimentation and dissemination.
- Recognition of the need for political coalitions and cross-actor collaboration.
- Plans to create communication and coordination mechanisms (e.g., WhatsApp group, research updates, future convenings).

The next phase will focus on finalizing research outputs, piloting applications in selected countries, documenting early lessons, secure funding, and identify institutional partners for managing and hosting the work.

The dialogue closed with gratitude, laughter, and a sense of renewed purpose. Participants shared reflections underscoring both the intellectual rigor and emotional connection of the week.

***“I forgot how isolated we are.
With like-minded people it feels
possible.”***

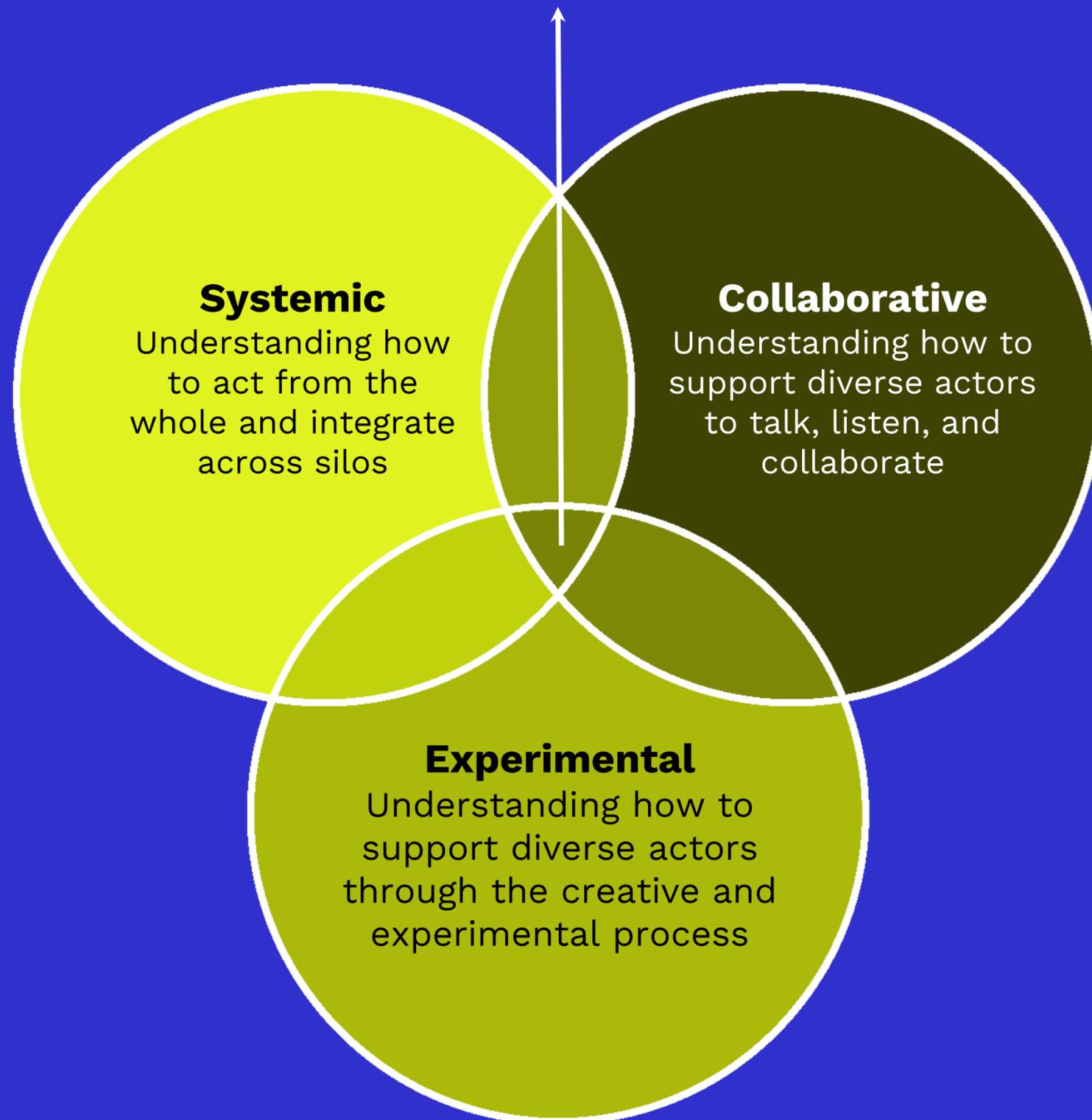
***“It takes an ecosystem—the one in
this room and the ones we are each
a part of”***

***“This is not the beginning
of the end—this is the end
of the beginning.”***



APPENDIX A: WORKSHOP CONTENT SLIDES

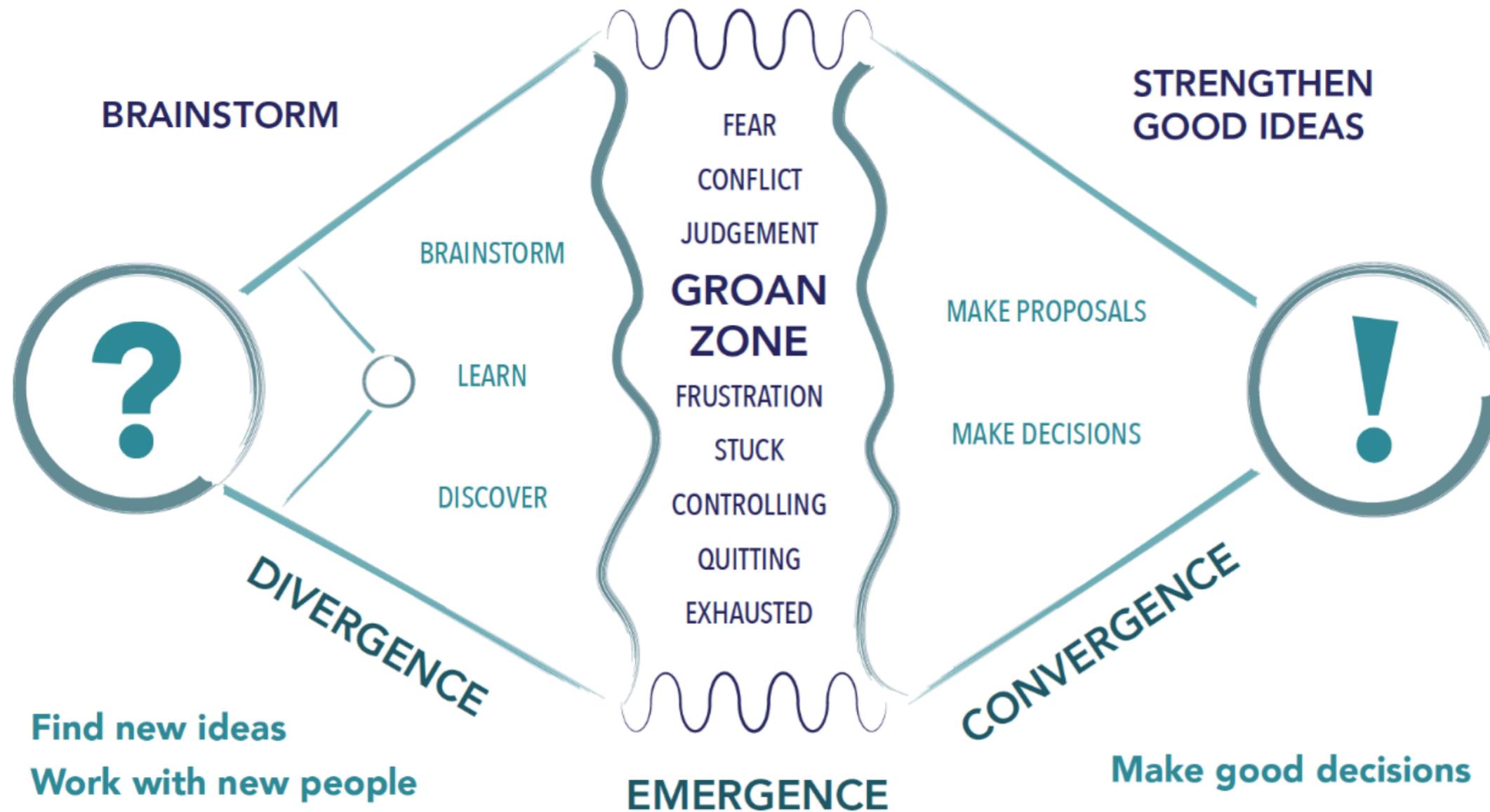
Systems Leadership



Enabling Systems Transformation by Working in Three Interconnected Ways

When integrating these three approaches, one can replace gridlock with constructive engagement, translate one vision into many actionable pathways, and achieve solutions that are durable, inclusive, and scalable.

WORKSHOP APPROACH



From the Facilitator's Guide to Participatory Decision-Making by Sam Kaner et al

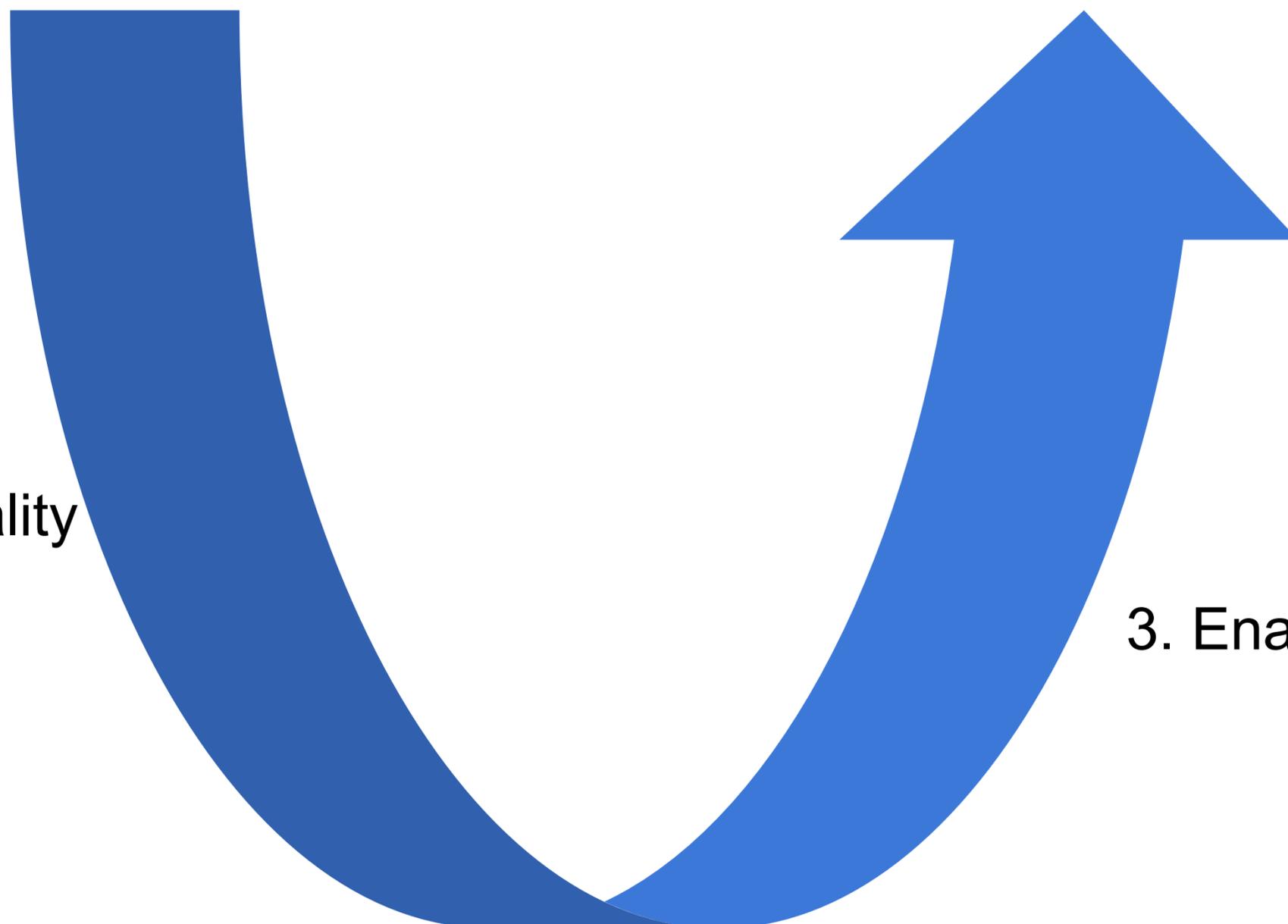
Problem

Solution

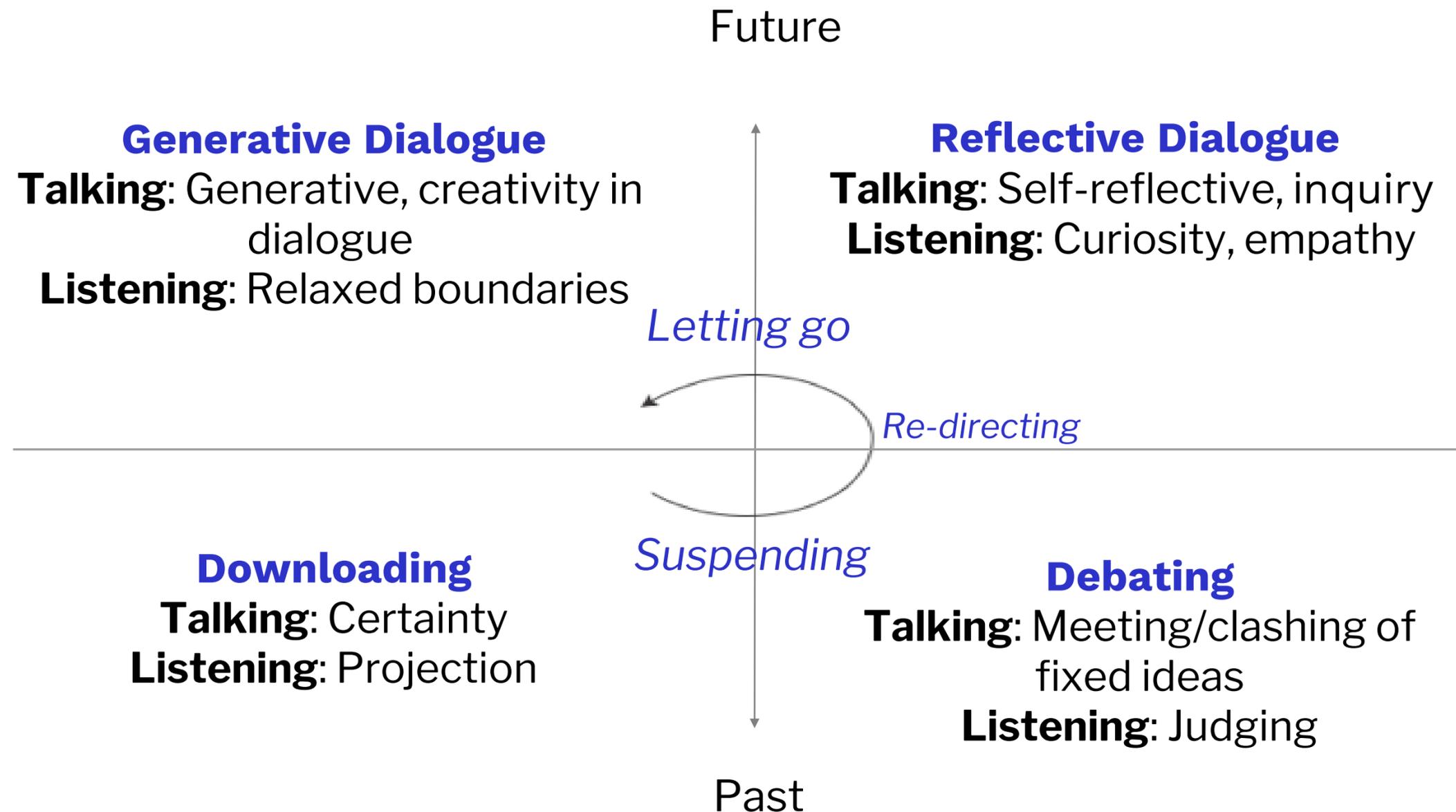
1. Uncovering Reality

3. Enacting Change

2. Retreat + Reflect



THE FOUR WAYS OF TALKING AND LISTENING



ON COLLABORATION: STRETCHING IS UNCOMFORTABLE

Conventional Collaboration

Stretch Collaboration

Focus on the good and
the harmony of the team
(one superior whole)

HOW WE RELATE WITH OUR
COLLABORATORS

**Embrace conflict and connection
(multiple diverse wholes)**

Agree on the
problem and solution
(one optimum plan)

HOW WE ADVANCE OUR
WORK

**Experiment our way forward
(multiple emergent
possibilities)**

Change what other
people are doing (one
paramount leader)

HOW WE PARTICIPATE IN
OUR SITUATION

**Recognize our own role in the
current situation (multiple co-
creators)**

REOS' THEORY OF SYSTEM TRANSFORMATION: FIVE LEVELS OF CHANGE

1. Landscape

Represents the ultimate outcomes of a systemic initiative—such as reduced carbon emissions, improved justice, biodiversity restoration. It is also the context in which an initiative takes place and which needs to be *navigated*.

2. Culture

Culture encompasses the narratives, identities, paradigms, and values that shape how people see and interpret the world. All structures and systems are rooted in and sustained by culture, but culture is not static, it can be *shifted*.

3. Structures

This refers to the "rules of the game"—policies, institutions, processes, power dynamics, resource flows, and infrastructures. These structures uphold current systems and create both constraints and possibilities for change. They are *created* and can be reconstituted by humans.

4. Niche Innovations

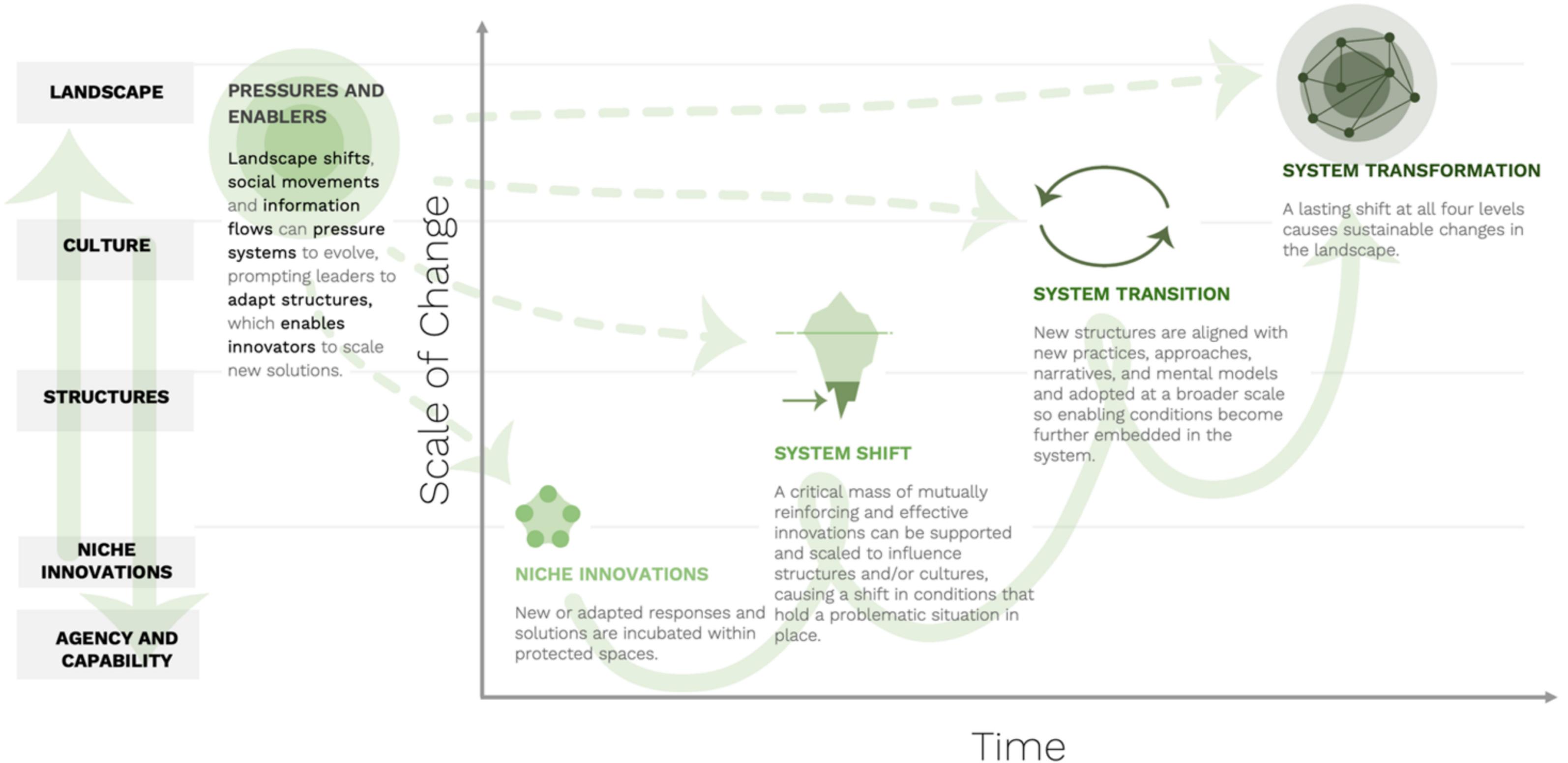
These are solutions that address root causes or unblock stagnant systems. Niche spaces protect and incubate innovations, which—if conditions are *supportive*—can scale to influence larger systems and shift dominant cultural narratives.

5. Agency and Capability

Transformation requires individuals and collectives to develop both inner agency (e.g., influence, commitment) and practical capacity (e.g., skills, knowledge). At a collective level, transformation is also *enabled* through trust, shared understanding, and collaborative practice.



Reos' theory of how systemic change happens in complex systems





APPENDIX B: DETAILED BACKGROUND & CONTEXT

WHY ARE WE HERE?

- We are an unusual gathering. It is rare that such a broad cross-section of those engaged in public finance have an extended opportunity to talk together.
- Goal: Use our diverse perspectives to discuss openly how public resources might be better raised, managed, and spent to strengthen accountability and equity.
- Public finance is evolving fast, as is the world. Our task is to make sense of these changes and how to work with them to maximize the impact of public resources at a critical moment.

WHY DOES THIS CONVERSATION MATTER NOW?

- Democracies are under strain; trust in government is falling while class, race, and gender inequalities are rising.
- Fiscal space is tight, sharply reducing the resources available to governments to deliver critical public goods.
- It is possible for budgets to tackle democracy and equity simultaneously; if governments align budget choices and collective needs; but it is not a given. (See Brazil, Indonesia, and South Africa now.)
- Accountability and equity are key: How can we shift balance of power to increase chances of fiscal choices in the public interest?

WHAT PROGRESS HAVE WE MADE?

- Ministries of Finance are stronger, more independent custodians of public money.
- Fiscal transparency is more widely valued and practiced.
- More diverse civic actors bring expertise and public voice to fiscal discussions. Media is more focused on public resources with investigative capacity to expose corruption (and then there is social media....)
- Supreme Audit Institutions are more recognized, assertive, and inclusive.
- Some legislatures show signs of more critical engagement.

WHERE ARE WE STUCK?

- Results are mixed. Gains are often isolated, and hard to sustain. Systemic shifts remain elusive.
- Finance ministries struggle to reconcile fiscal discipline and development mandates, amidst intense pressure from inside and outside government.
- Transparency gaps persist; participation opportunities are limited.
- SAIs face compromised independence, inadequate resources, and blocked impact.
- Legislatures are undermined by political and technical constraints.
- As a result, vested interests retain disproportionate power.

WHAT ARE WE LEARNING?

- Fiscal systems are struggling to deliver accountability and equity
- Transparency is necessary but insufficient.
- No single institution can shift power alone.
- Durable impact can emerge when state and non-state actors join forces.

WHAT IS AN ECOSYSTEM PERSPECTIVE? (1)

- Core insight: Fiscal decisions and outcomes are not driven by a single actor or institution. Networks of actors with different roles and relationships operate as a dynamic, interconnected ecosystem.
- Decisions and outcomes are shaped by the complex interplay and balance of power amongst this expanding group of actors.
- Shifting budget decisions and outcomes requires understanding and leveraging this ecosystem through the budget process.
- Who is in: core state, oversight, non-state, and international actors.

ECOSYSTEM PERSPECTIVE (2)

- **Proposition 1:** Inclusive budget processes strengthen accountability and equity.
- **Proposition 2:** Focus is on formal and informal relationships and incentives, not just actors. Encourages outward orientation.
- **Proposition 3:** Context matters—country-specific combinations of institutions and incentives shape accountability. (No formula – a way to recognize reform opportunities, alliances, and institutions.)

ECOSYSTEM PERSPECTIVE (3)

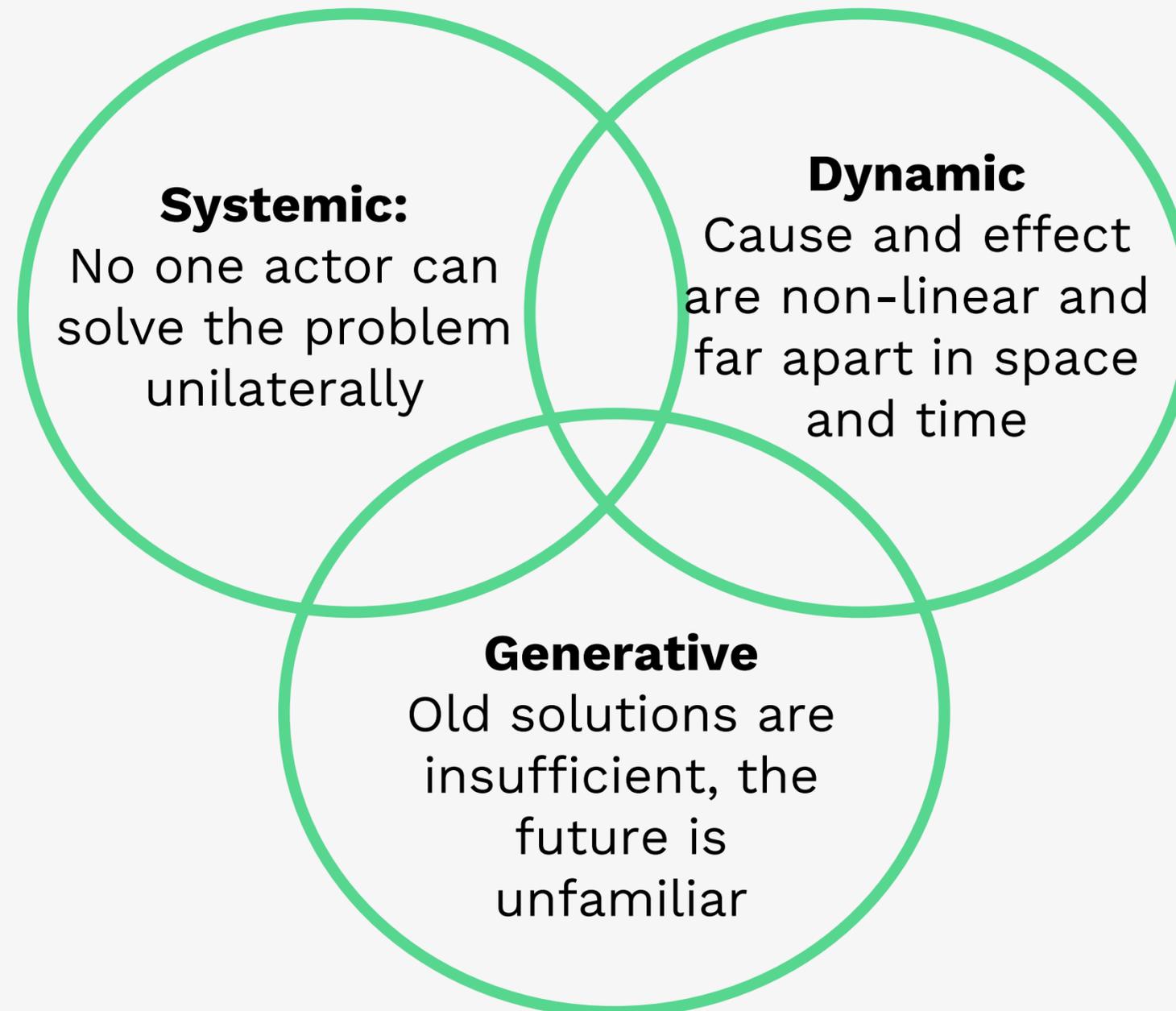
Approach suggests **three shifts** in how we work:

- Focus on system reforms, not siloed institutional fixes. Institutions are important but not enough – relationships are key.
- Apply deep political - economy analysis: mapping power, understanding how incentives drive behavior – might reveal reform paths.
- Reframe objectives beyond fiscal discipline to include accountability and equity – may open spaces for inclusive processes and improved outcomes.

WHY DID WE CHOOSE THIS METHOD?

- Traditional reforms centered on the executive; accountability actors and systems under-recognized.
- An ecosystem lens reveals relationships, interdependence, and leverage points.
- Aligns with emerging practice and literature.

PRECONDITIONS TO A COMPLEX PROBLEM: 3 TYPES OF COMPLEXITY





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