

Strengthening Fiscal Ecosystems for Accountability and Equity:

Synthesis from case studies of
Brazil, Indonesia, and South Africa

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LIST OF ACRONYMS

ANC	African National Congress
BPK	Audit Board (Indonesia)
CSO	civil society organization
IBP	International Budget Partnership
IMF	International Monetary Fund
INTOSAI	International Organization of Supreme Audit Institutions
PFM	public financial management
SAI	supreme audit institution
TCU	Tribunal de Contas da União (Brazil)
UNDP	United Nations Development Programme

1. INTRODUCTION

How governments raise and spend public resources shapes their ability to deliver on policy objectives and determines whether the benefits of development are fairly distributed.

Today, shrinking fiscal space, rising inequality, and declining trust are making fiscal choices more contested and more consequential, often in ways that strain institutions and weaken government legitimacy. In this environment, familiar fiscal reforms are not enough. What is needed are new politically informed strategies aimed at strengthening fiscal accountability and advancing equity, so that public money is governed transparently, contested fairly, and raised and spent in ways that target public priorities and help rebuild citizens' confidence in their governments.

This paper advances and tests a fiscal ecosystem approach to strengthening fiscal governance for accountability and equity. We use the term “fiscal ecosystem” to describe the broad network of state and non-state actors that shape fiscal decisions and outcomes: not only core institutions such as finance ministries, legislatures, and supreme audit institutions, but also courts, oversight bodies, civil society, media, the private sector, and international actors. An ecosystem lens shifts the focus from the formal mandates of these actors to their *de facto* power, and from looking at them in isolation to considering the nature and depth of the relationships that link them together. In other words, we are interested in how actors interact in practice, how accountability relationships are activated or blocked, and how coalitions form to defend or disrupt entrenched fiscal bargains. We focus on accountability and equity as two desirable characteristics — and indeed outcomes — of fiscal ecosystems, which hold the key to renewing the “fiscal contract” that holds societies together (Timmons, 2005). In our approach, the extent to which fiscal policies and outcomes are seen as legitimate and addressing societal needs is a function of the strength of fiscal accountability processes — how inclusive and effective they are — and of their perceived fairness in distributing costs and benefits across the population — how equitable they are.

The paper was originally written to frame and guide discussions at the [International Dialogue for Strengthening Fiscal Ecosystems for Accountability and Equity](#) held in Switzerland in September 2025. The dialogue, hosted by the Trust, Accountability and Inclusion collaborative and the Swiss State Secretariat for Economic Affairs, together with the Gates Foundation and the Ford Foundation, convened practitioners and researchers to: (a) develop a shared vision for fairer, more accountable public finance, (b) compare how ecosystems function and evolve across countries, and (c) build alliances to test and refine ecosystem-based strategies in practice. This paper synthesizes three in-depth case studies of fiscal ecosystems in Brazil (de Renzio and Peres, 2025), Indonesia (Setiawan and Farhan, 2025),

and South Africa (Folscher et al., 2025). The paper has subsequently been revised and expanded to incorporate the insights and rich discussions at the dialogue. We hope it will become a useful resource for various stakeholders, including governments, international institutions, oversight actors, and civil society interested in why and how fiscal institutions change and how they can change for the better.

The paper is structured as follows. Part 2 introduces the fiscal ecosystem approach — what we mean by a fiscal ecosystem, how it is intended to operate in legal terms, where the idea emerged from, and how it adds value to political economy analysis and fiscal reforms. Part 3 synthesizes evidence from the three case studies, focusing on how fiscal ecosystems operate in practice, how institutional roles and responsibilities are changing, and what cross-cutting issues help explain similarities and differences across contexts. Part 4 distils lessons for practitioners seeking to improve fiscal accountability and equity.

2. OUTLINING A FISCAL ECOSYSTEM APPROACH

2.1 *What is a fiscal ecosystem?*

In every country, fiscal policy is a core function of government. The key aspects of the fiscal governance architecture are usually grounded in constitutional arrangements and are intended to create checks and balances over the management of public resources. The respective roles and behavior of key actors determine how fiscal policy decisions are taken and how public resources are raised and spent.

The core state actors include the ministry of finance, sector ministries, the legislature, and the supreme audit institutions (SAIs). The executive plays a key role throughout the budget cycle. The ministry of finance, in collaboration with other central agencies, is in charge of preparing the budget, while sector ministries lead on implementation and service delivery. The legislature approves the budget and oversees its use. An independent SAI verifies *ex post* whether public money was used legally and effectively and reports to the legislature, which is normally also responsible for monitoring follow-up of audit recommendations in the executive.

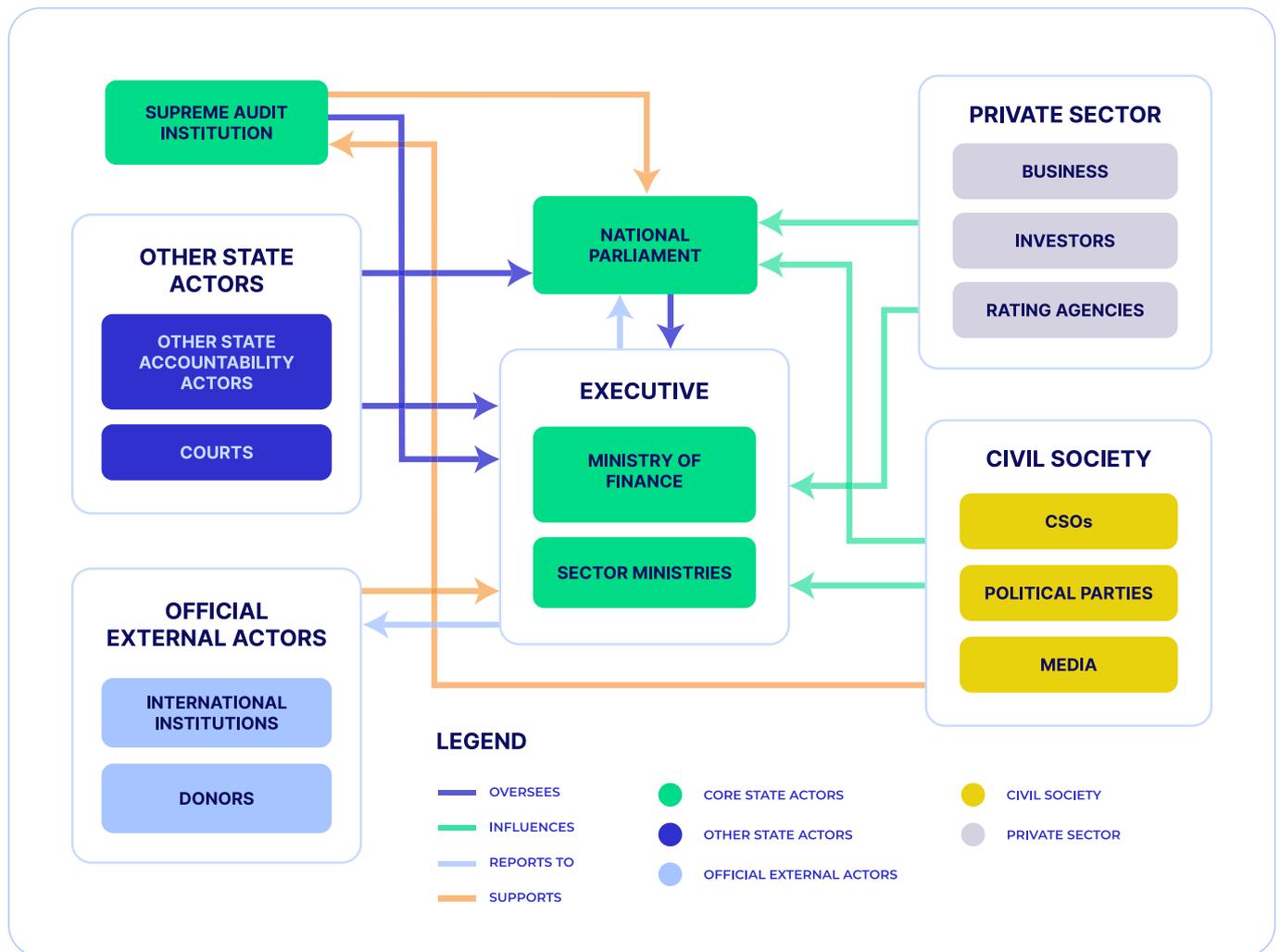
Other state actors also play important advisory, investigative, or judicial roles, such as legislative budget offices, independent fiscal councils, the courts and related institutions, and other ad hoc commissions with fiscal mandates (e.g. anti-corruption commissions or ombuds bodies). But fiscal policy is not shaped by the state alone. Businesses, investors, civil society groups, the media, and international actors all have a stake in and try to influence fiscal decisions and outcomes, directly or indirectly, through both formal and informal channels.

In this paper, the term “fiscal ecosystem” refers to this full set of actors and to the relationships that exist among them. We prefer the term “ecosystem” — rather than simply “system” — for three reasons: First, it highlights the interconnectedness and interdependence among the various actors. Second, it recognizes the fact that fiscal policies and outcomes are the result of a complex and dynamic process which is in constant evolution, involving all these different actors. The relationships that exist among the actors are not only likely to shift and change over time — both because of purposeful reform efforts and shifts in the underlying social and political context — but are also fraught by conflict and power struggles, as different actors position themselves to defend their roles, interests, and objectives. Third, it recognizes the broader environment in which the core fiscal actors operate. We look beyond the set of traditional fiscal institutions and how they work together to incorporate other actors that are not, strictly speaking, part of the public financial management (PFM) system, but define a broader environment that affects overall performance and outcomes.

Figure 1 provides an overall map of these actors and their relationships that is general enough to be valid across most countries, based on their legal frameworks or *de jure* arrangements. Clearly, some of the specific characteristics of core state actors will vary from country to country. For example, in some countries core fiscal and budgetary functions — such as planning, macroeconomic projections, budget formulation, and revenue administration — are spread across various ministries rather than unified within the finance ministry (Krause, 2025). The powers that legislatures have to amend the annual budget and to monitor its implementation also vary across countries (Wehner, 2006), as does the structure of the supreme audit institution — whether it has its own judicial powers or merely functions as an auxiliary body of the legislature (Stapenhurst and Titsworth, 2001). The roles played by other actors, both state and non-state, may also differ based on each country’s legal framework. Bodies like anti-corruption commissions only exist in some countries and may have different fiscal mandates. Participation in fiscal policymaking by civil society organizations or the private sector has legal backing in some countries but not others. And of course, countries that are part of supranational bodies like the European Union or the Western African Economic and Monetary Union face additional constraints in the conduct of their fiscal policy compared to other countries.

Figure 1. A general map of the *de jure* fiscal ecosystem

Source: Authors



In practice, of course, not only will the actors and their roles differ significantly across country contexts, but — as we will learn in this paper — there are substantial differences between their formal or legal (*de jure*) roles and their actual (*de facto*) roles.

2.2 What is a fiscal ecosystem approach?

The core insight that informs an ecosystem perspective is that fiscal decisions and outcomes are not driven by a single institution. Instead, networks of actors engaged in fiscal processes operate as a dynamic, interconnected ecosystem based on different roles, relationships, interests, and incentives. As such, fiscal policy decisions and outcomes are shaped by the complex interplay and balance of power among this broad range of actors. Shifting budget decisions and outcomes requires understanding and leveraging this ecosystem of actors in and around the budget process.

An ecosystem approach to fiscal policy recognizes the growing complexity of public finance systems, the expanding range of actors involved, and the interdependent relationships between them. The approach highlights how political economy dynamics — involving both informal and formal actors and relationships — shape fiscal decisions and outcomes. This perspective moves beyond a static, institution-by-institution model. Instead, fiscal systems are seen as dynamic ecosystems, where institutions both depend on and contest one another, adapting over time to reforms, political shifts, and broader social change. Power struggles are intrinsic to this process: equilibria are dynamic and change over time. Some equilibria may reinforce inequality and exclusion, while others can open pathways toward greater accountability and equity.

An ecosystem approach to fiscal governance reflects three core propositions:

- 1. *Inclusive budget processes strengthen accountability and equity.*** An ecosystem lens recognizes the growing diversity of state and non-state actors involved in public finance. It focuses on understanding how each actor can contribute to greater accountability and equity. The core idea is simple: the more inclusive the budget process — and the more equally power is distributed — the more likely that fiscal decisions will serve the public interest.
- 2. *An ecosystem approach focuses on relationships, not just actors.*** The heart of an ecosystem approach lies in understanding the formal and informal relationships between different actors, their interdependence, and the political dynamics that drive them. While budget processes remain contested spaces, an ecosystem perspective encourages strategic collaboration to advance shared policy goals.
- 3. *Context-specific combinations of institutions and incentives shape accountability.*** An ecosystem perspective does not constitute a formulaic approach with a set of principles and rules to be applied across countries. Instead, it offers a flexible way to find opportunities for reform, build alliances, align strategies, and push back against entrenched power, all while adapting to each country's unique political and institutional context.

An ecosystem approach does not discard previous fiscal reforms – rather, it aims to build on them. It incorporates and leverages the transparency gains of recent decades to promote openness, shift the balance of power, and make oversight more effective. While recognizing the importance of reforms aimed at ensuring fiscal responsibility, this approach questions their distributive impact and raises arguments for a more balanced and inclusive approach. The focus is on how actors can work together to shift outcomes and make fiscal systems more accountable and equitable.

2.3 The origins of a fiscal ecosystem approach

While we may be among the first to adopt and define the term “fiscal ecosystem”, some of the key ideas behind it have been around for some time. Our approach originally emerged from work at the International Budget Partnership (IBP) and is documented in a recent publication (Krafchik et al., 2025). From around 2010 onwards, IBP’s work with civil society groups across different countries ran up against some formidable obstacles. While levels of fiscal transparency were gradually improving across a broad swathe of countries, this was not delivering better results on accountability or equity. Evidence from IBP’s work showed that civil society campaigns were more likely to succeed if they worked in strategic collaboration with actors inside and outside government (Larsen, 2016; Van Zyl, 2014). Broader reviews of the impacts of fiscal openness reinforced this finding (de Renzio and Wehner, 2017; Haus et al., 2022): transparency matters, but progress on accountability and equity require citizen engagement, effective oversight, and an active media. Most of all, they require stronger relationships among multiple actors inside and outside government so that the necessary consensus and support for reforms can lead to real change.

Around the same time, other international institutions were reaching similar conclusions. Germany’s Good Financial Governance program (BMZ, 2014) stressed the need to approach public finance reforms from a systemic perspective, linking technical dimensions with normative and political economy dimensions and supporting actors across the spectrum of public finance functions, moving beyond the normal support to finance ministries. While this was promising, a joint study carried out with IBP highlighted the challenges of living up to these promises in country-level programming, where lack of coordination and an overly technical focus were still the norm (de Renzio, 2016). Similarly, the World Bank started increasing its engagement with Parliaments, SAIs, and later civil society, through its Global Partnership for Social Accountability, to complement its work with executives. The International Organization of Supreme Audit Institutions (INTOSAI) also started to explore broader partnerships with civil society as far back as 2011, eventually encouraging its members to actively create spaces for dialogue and collaboration with civil society groups (INTOSAI, 2021). Finally, the United Nations Development Program (UNDP) recently spearheaded two projects that explicitly adopt an ecosystem approach. Across six lusophone countries, the ProPALOP-TL project has been working contemporaneously with Parliaments, SAIs, and civil society groups in strengthening budgetary oversight.¹ And in a group of Pacific Islands, the Vaka Pasifika project has been promoting collaboration among different actors to improve accountable and responsive fiscal governance.²

¹See [here](#).

²See [here](#). For a report documenting lessons learned from the project using an ecosystems lens, see Denney et al. (2025).

Over the past decade or so, a number of innovative country-level partnerships have also emerged. SAIs are increasingly working with the public to select audit sites, with civil society organizations (CSOs) to conduct parallel and social audits, and with the media to disseminate audit findings, while using judicial processes to safeguard their independence (INTOSAI, 2021). Finance ministries are testing broader partnerships, too. In India, the Ministry of Finance has been working with line departments, auditors, and communities to monitor the massive National Rural Employment Guarantee Scheme (Pande, 2022). And across a few countries, IBP and its partners are promoting broad partnerships between community organizations and expert CSOs working with local governments, auditors, and the media to unblock service delivery for millions of informal dwellers, women farmers, and other underserved communities.³

Taken together, these efforts reflect a growing recognition that fiscal governance depends on the interplay of many actors. What remains missing, however, is a coherent conceptual framework. It is hard to find published research on fiscal systems or on the political economy of relationships between different fiscal actors in the public finance and related literatures. An exception to this might be the fiscal institutions literature. Doing justice to this broad literature exceeds the scope of this paper, but some of the most cited works explore the role that fiscal and budgetary institutions — including the relationship between the executive and the legislature — play in determining fiscal outcomes (Alesina and Perotti, 1999; Alesina et al., 1999; Persson and Tabellini, 2002; Poterba and Von Hagen, 1999; Hallerberg et al., 2003). This strand of the literature tends to focus quite narrowly on fiscal discipline, using variables like deficits and debt, rather than to explain broader fiscal outcomes (such as equity) or look at the wider political economy of relationships that shape these outcomes. Another strand of the literature considers the strengths and weaknesses of specific types of fiscal institutions, including ministries of finance (Allen et al., 2016; Krause, 2025), parliaments (Wehner, 2006; Anderson, 2009; Lienert, 2010), supreme audit institutions (Stapenhurst and Titsworth, 2001; Santiso, 2006; Berliner and Wehner, 2022), or civil society groups (Robinson, 2008; Van Zyl, 2014) – yet it provides limited evidence or insights about the functioning of their relationships with other actors in the fiscal ecosystem.

Ideas akin to a fiscal ecosystem approach are however emerging across the fields of public management, public policy, political science, and political economy. One strand — New Public Governance — emphasizes collaborative relations across sectors to enhance public value (Krogh and Triantafillou, 2024). While much of the New Public Governance literature is focused on Western democracies (Torfing and Triantafillou, 2013), its systemic approach makes it applicable to any context characterized by “a plurality of interdependent actors engaged in policy delivery and a plurality of policymaking processes cutting across politico-administrative levels” (Osborne, 2006:9), making it directly relevant to fiscal policy.

³See [here](#).

The accountability literature has also moved beyond the classic vertical (elections) and horizontal (oversight institutions) framework (O'Donnell, 1998) by incorporating diagonal accountability — the roles of CSOs and independent media in holding governments to account (Goetz and Jenkins, 2001; Lührmann et al., 2025). A recent review of available evidence from developing countries (Ferraz and Finan, 2025), shows how the interdependence of accountability relationships — and of the underlying political incentives — shapes governance outcomes. The authors conclude that “policies reinforcing the complementary nature of vertical, horizontal, and diagonal accountability are more likely to curb abuses of power and foster human development” (ibid.:47), a message that resonates with our ecosystem idea.

Other recent contributions stress the importance of state-society relationships. Jonathan Fox's work on state-society synergy (Fox et al., 2023) draws on case studies to show how “sandwich strategies”⁴ might allow reformers inside and outside the state to promote reform, contain or weaken vested interests, and drive inclusionary institutional change. Dan Honig's early work on relational state capacity argues that the quality of citizen-state interactions is central to state effectiveness, and that investing in these relationships can enhance development outcomes (Honig et al., 2025).

Further parallel work is emerging from complex systems theory. Eppel and Rhodes (2018) provide an overview of the state of the field, noting how complexity theory can help study complex sociopolitical systems where an “understanding of the whole cannot be based only on an understanding of the disaggregated parts because of the ongoing non-linear change caused by the interactions between the parts” (ibid.:950). A complex systems lens is therefore well suited to the study of fiscal ecosystems, where non-linear dynamics, path dependence, adaptation, and feedback loops are pervasive. Yuen Yuen Ang extends this thinking in her call for “adaptive political economy”, arguing for a new paradigm that recognizes that social systems are complex, and that economic and institutional changes do not happen sequentially but contemporaneously through a web of “interconnected elements that adapt to one another and the environment” (Ang, 2025:57). Her call for an “adaptive, inclusive and moral political economy” resonates strongly with our focus on accountability and equity as desirable results of a well-functioning fiscal ecosystem.

As can be seen, recent evolutions in both the theory and the practice of public finance — and public management more generally — point to existing gaps that our proposed fiscal ecosystem approach might help to fill.

⁴In Jonathan Fox's writing, sandwich strategies are alliances between reformers inside government and actors in society that simultaneously push for accountability from above and below.

2.4 What is the added value of an ecosystem approach?

An ecosystem approach to public finance looks beyond technical reforms within individual institutions to the wider network of actors; their roles, relationships, and incentives; and how these shape fiscal policy decisions and outcomes. Some of the ways in which this approach may add value include:

- **Recognizing interdependence:** Traditional PFM approaches tend to treat functions (budgeting, procurement, audit) as isolated processes. An ecosystem approach sees these as interconnected parts of a wider system that includes not just core state actors but also other state and non-state actors that are increasingly active in fiscal processes. The benefit of this approach is that it facilitates more holistic problem-solving and multi-level solutions that are likely to be more sustainable.
- **Revealing relationships and power:** By focusing on the relationships between actors in the fiscal ecosystem, in addition to the actors themselves, an ecosystem approach helps to illuminate how power and influence are distributed. It shows who really has power in public finance decisions by revealing hidden power dynamics and illustrating how informal norms, practices, and incentives influence fiscal outcomes.
- **Highlighting spaces for agency and change:** Many PFM reforms have failed because of a lack of political support. By illuminating relationships and power, an ecosystem approach shows where reform coalitions can be built, where the blockages or veto points are, and where there might be resistance to reforms. It shifts the focus from what kinds of technical reforms are needed to critical political questions about who needs to be engaged, influenced, and empowered — or disempowered — to make reforms politically feasible and sustainable.
- **Revealing reform pathways:** By looking at the whole system, an ecosystem approach helps to identify the systemic obstacles or actors that may block reform, and the new or overlooked actors whose influence in public finance may be growing. By bringing blockers, enablers, and emerging actors into the same frame, an ecosystem approach helps identify more practical reform pathways, showing where to push, where to build coalitions, and where to adapt strategy.

2.5 Testing the fiscal ecosystem approach through country research

To generate new evidence on how fiscal ecosystems actually work, the project undertook in-depth political economy research in three countries — Brazil, Indonesia, and South Africa — tracking how fiscal governance functions in practice and over time. The three case studies offer a cross-regional sample of middle-income democracies with broadly comparable fiscal foundations: capable finance ministries, active oversight institutions,

and diverse civil society groups with reasonable access to public budget information. At the same time, they differ in important economic, political, and socio-cultural ways. This combination — similar *de jure* fiscal architectures but distinct contexts — allows us to test whether pathways to strengthen accountability and advance equity converge or diverge across settings.

Brazil, Indonesia, and South Africa are also particularly revealing because each has experienced significant waves of open government reforms over recent decades, and each now faces renewed tensions — at times approaching fiscal crises — that are reshaping the roles, incentives, and balance of power of different actors within their fiscal systems. These dynamics make the countries well-suited to answer a core question of this paper: *How can systems that look similar on paper produce very different outcomes in practice, and what are the practical, politically feasible strategies that can strengthen fiscal accountability and equity in the real world?*

The case studies address four primary questions:

1. What are the origins and historical underpinnings of the fiscal ecosystem and of the key fiscal institutions as they exist today? How is the system intended to operate — what are the *de jure* roles and relationships between actors within the executive, oversight institutions, and non-state and international actors?
2. How does the fiscal ecosystem perform *de facto*? What are the political economy factors that constrain, strengthen, and determine the performance of the system in practice?
3. What major fiscal reforms were implemented in the case study period? In what ways and why have these reforms succeeded or failed, both in terms of their intended purpose and of strengthening accountability and promoting equity?
4. What opportunities, strategies, coalitions, and entry points are emerging that offer hope for future gains in accountability and equity? What recent promising initiatives or significant failures illustrate the findings of the case study (some of which will be described in more detail in a short set of mini case studies)?

Each case study was written by country-based practitioners or academic researchers with deep knowledge and experience of the country budget process, including the roles of both state and non-state actors in the process. The country research was based on a desk review of relevant literature and in-depth interviews with key actors, including current and former government officials in the executive and oversight institutions, as well as other stakeholders, including civil society, the private sector, international actors, and the media.

3. EMERGING FINDINGS FROM CASE STUDY COUNTRIES

3.1 Introduction to fiscal ecosystems in case study countries

The case studies of Brazil, Indonesia, and South Africa offer rich evidence on the evolution of fiscal ecosystems across three countries seen as heavyweights in their respective regions.⁵ In each country, fiscal ecosystems in their current form emerged over a decade between the late 1980s and the late 1990s in response to economic crises and political transitions. Over the following decades, they evolved following a somewhat similar cadence of reforms and challenges. Early reform efforts were focused on strengthening some of the core fiscal policy functions, giving finance ministries the means to maintain macroeconomic stability, while successfully promoting broader development efforts and pioneering fiscal transparency reforms. This was followed by the gradual opening of avenues for enhanced accountability, as oversight bodies and non-state actors gained the data, knowledge, and power needed to engage more meaningfully in fiscal policy debates. With such opening, however, also came contestation and conflict, as powerful actors in each country struggled to maintain — or gain — control over public resources.

Against the background of rising demands for additional public expenditures and stagnating or declining revenues, each country now faces a challenging political moment. In Brazil, the long-simmering crisis between the executive and legislature is coming to a head, as the Supreme Court looks to weigh in on the issue of parliamentary amendments. In Indonesia, President Prabowo formed a broad coalition to dampen political contestation, but he is struggling to contain sharply rising public discontent about his administration's fiscal choices. In South Africa, the African National Congress (ANC) lost its long-held majority in the 2024 elections. The subsequently formed Government of National Unity enabled President Ramaphosa to stay in power, but at the cost of significant opposition to the ANC's proposed economic and fiscal policies. These tensions surfaced in the complicated 2025 budget process and are likely to continue. This sense of crisis in the fiscal ecosystem of all three countries provides the backdrop for the analysis and recommendations in each of the case studies.

This section uses an ecosystem approach to explore the insights that emerge from the three case studies, and the opportunities and risks they pose for future reform paths. Section 3.2 looks at the roles played by the growing set of actors in fiscal ecosystems and the extent to which each actor might contribute to coalitions to strengthen fiscal ecosystems, accountability, and equity. In Section 3.3, we identify a set of cross-cutting themes that draw together common threads across the countries that can help inform strategies to advance accountability and equity.

⁵See [here](#).

3.2 The roles and relationships of actors in the fiscal ecosystem

The executive

The executive arm of government, with its vast powers in budget formulation and implementation, and its direct control over the management of public resources, plays a central role in fiscal ecosystems across the three countries studied. Fiscal and budgetary functions, however, are structured in different ways and are the domain of a variety of organizations. While in South Africa most relevant functions — including revenue policy and administration, planning (up to 2010) and budgeting, and treasury and debt management — have been mostly centralized under the National Treasury, in Brazil and Indonesia these have been divided across various ministries, at times preventing better coordination, coherence, and accountability. For example, the organizational separation of planning and budgeting functions in both countries (and in South Africa after 2010) has made it more difficult to link resource allocation with development objectives, undermining accountability for results.

Over the period considered, governments in all three countries prioritized investments in strengthening central fiscal agencies through reforms aimed at enhancing their powers, capacity, and effectiveness. These include the introduction of the Fiscal Responsibility Law in Brazil, early reforms after the Asian financial crisis in Indonesia, and the Public Finance Management Act in South Africa. These efforts helped finance ministries to consolidate their role as guardians of fiscal responsibility and of sound public financial management. In Indonesia and South Africa, trusted finance ministers served for long periods of time, including through several elections, bringing stability and leadership. Together with other reformers in the finance ministry, they were also drivers of major improvements in fiscal transparency.

The growing importance of finance ministries, however, has led to power struggles where finance ministries have found themselves under attack from various sides, including from actors within the executive. In South Africa, President Zuma tried to undermine and reduce the powers of the Treasury, for example by repeatedly attempting to replace finance ministers and by shifting the planning function to a newly created ministry. In Indonesia, the independence of the finance ministry also suffered political interference under both President Jokowi and now President Prabowo. Prabowo also recently established an agency that centralizes fiscal power in the Presidency and weakens institutional checks and accountability. In Brazil, the legislature (the National Congress) has been eroding the control of the executive over public finances by introducing mandatory parliamentary amendments — seriously undercutting government’s policy coherence and blocking measures aimed at restoring fiscal equilibrium.

In their efforts to reconcile the often-contradictory demands of pursuing policy objectives while preserving fiscal sustainability, executive actors will need to strategically manage their constitutionally mandated relationship with the legislature and their more informal relationships with other actors, including the private sector and civil society. Historically, access to ministries of finance has been closely guarded, but these ministries are today more likely to engage civil society and other non-state actors to promote fiscal accountability and equity.

The legislature

In all three countries, the legislature is the sole institution with constitutional responsibility for approving the annual budget and reviewing actual expenditure. However, the power and effectiveness of the legislature as the key budget oversight actor has fluctuated significantly over time. Today, for differing reasons in each country, the legislature is a relatively weak actor in advancing fiscal accountability and equity. In Indonesia, Parliament gained strength after President Suharto's fall in 1998, at times aligning with civil society, but has since been controlled by presidential coalitions and party oligarchs. In South Africa, for the first three decades of democracy, Parliament's budgetary oversight was constrained by the Westminster parliamentary system and by the enduring dominance of a single party. Parliament was briefly more assertive immediately after apartheid, but oversight weakened as the lines between the ANC and the state blurred, most clearly in the state capture⁶ era. In Brazil, the National Congress is fragmented and often captured by particularistic interests, and therefore more likely to wield its powers in ways that undermine fiscal accountability and equity.

Both Indonesia and Brazil have expanded the role and powers of the legislature at the cost of undermining transparency, accountability, and equity. In Indonesia, the Special Allocation Fund and the Aspiration Fund give the legislature control of specific budget allocations in ways that further entrench the clientelist logic of the system and undermine the separation of powers. In Brazil, Congress introduced a constitutional amendment that makes the execution of amendments proposed by individual parliamentarians or by parliamentary committees mandatory, meaning that the executive cannot block their implementation and must release the necessary funding. As a result, the Brazilian Congress now controls more than half of discretionary spending in the budget. The Supreme Court has stepped in to arbitrate.

⁶Under President Zuma, "state capture" in South Africa referred to the systematic takeover and manipulation of state institutions by a network of political and private actors for private gain, through patronage, strategic appointments, weakened oversight, and distorted procurement.

A weak legislature also impacts the role and effectiveness of other accountability institutions. Legislatures should provide an entry point for state and non-state actors to engage in the budget process. When they fail to do so, whether intentionally or not, the roles of both SAs and civil society are undermined. SAs depend on legislative pressure to enforce audit recommendations, but such pressure is often absent. Similarly, in all three countries the legislature provides only limited opportunities for meaningful civic participation, while being more open to influence by business lobbies. The weak role that legislatures play in upholding accountability is often linked to the contradictory role played by political parties, which work as conduits for political patronage and the defense of narrow interests rather than as platforms for broad representation and expressions of policy preferences. The underlying crisis of political representation, seen across the three case studies, goes beyond the scope of our research, but is an important factor that cannot be ignored or dismissed.

Despite these significant constraints, the legislative stage of the budget process is still the moment where the budget has greatest public visibility and opportunity for broad deliberation. Even under current political conditions, legislatures — and reform-minded members within them — continue to have important potential to promote fiscal literacy, amplify diverse voices, provide public access to state officials, and strengthen democratic deliberation.

Supreme audit institutions

In all three countries, SAs are constitutionally mandated to evaluate whether government spending complies with PFM laws and procedures and is accurately reported on. South Africa's Auditor General has also advanced performance auditing, an area where Brazil's Tribunal de Contas da União (TCU) has made more limited progress. Indonesia's Audit Board (BPK), however, lacks authority to audit government performance, constraining its effectiveness in evaluating budget execution.

Over time, SAs in all three countries have expanded their technical capacity, reporting standards, and visibility as part of the broader budget reform process. Yet their independence remains fragile in both Brazil and Indonesia. The Brazilian TCU faces politically driven leadership appointments, undercutting its legitimacy especially when decisions are politically sensitive. Indonesia's BPK suffers similar vulnerabilities, as members are nominated by political parties. In contrast, South Africa's Auditor General has preserved its independence by adopting a revenue model that charges auditees for annual compliance audits as would a private sector auditor. This relieves funding pressures and enables them to attract top staff by paying market salaries. South Africa's 2018 Audit Act also marked a breakthrough, empowering the Auditor General to sanction material irregularities by ordering departmental heads to recover funds from responsible officials, strengthening its independence and potential impact.

Despite their strong profiles, SAIs across all three countries struggle to have their recommendations taken seriously, as most go unheeded or unanswered. The weakness largely reflects the legislatures' failure to pressure the executive into compliance, reflecting existing political incentives. To try to overcome this problem, SAIs are investing in their own communications capacity and working more closely with civil society to collect data, choose and conduct audits, and disseminate audit findings.

Overall, SAIs have emerged as powerful players in the fiscal ecosystem, notwithstanding threats to their independence and impact. In contexts marked by extensive financial mismanagement and corruption, they are vital allies to non-state actors — and potentially ministries of finance — in advancing accountability and equity. Their increasing assertiveness, however, may also provoke resistance from the executive, as seen in the case of South Africa.

Civil society

Civil society was central to the political transitions of Brazil, Indonesia, and South Africa, and today comprises broad networks of organizations with diverse perspectives in each country. Civil society groups have both shaped and taken advantage of shifts in the fiscal environment in which they operate. Before each country's political transition, budgeting was largely closed to the public. Now, budget information is widely available, independent policy analysis more common, media coverage extensive, and public debate on fiscal issues more robust. This has created space for organizations to develop specialized budget expertise, contributing to a more pluralistic budget process. Initially dominated by elite organizations, participation has since expanded to a wider range of civic actors, who between them now provide policy analysis, track expenditures, build capacity, represent stakeholders, and advocate for reform. As a result, in each country civil society has led impactful campaigns, usually but not always advancing accountability and equity. Examples of success include securing better access to water and sanitation in selected informal settlements in South Africa's metropolitan cities, protecting constitutional budget mandates in Indonesia, and advocating for more progressive taxation reforms in Brazil.⁷

Although campaign strategies differed by country, some common success factors include (a) building coalitions linking state and non-state actors, including grassroots activists and auditors in Indonesia and South Africa, and subnational and national actors in Brazil and Indonesia; (b) pairing technical analysis with mobilization, as in the Treatment Action Campaign in South Africa; (c) working with investigative journalists to identify malpractice, amplify civic action, and constrain misuse of public funds; (d) using strategic litigation and

⁷The mini case studies in the appendix of each case study provide several examples of work led by civil society and other actors.

working with the courts to reinforce accountability in cases on parliamentary amendments (Brazil), anti-corruption (Indonesia), and constitutional obligations (South Africa); and (e) collaborating formally with SAIs in South Africa and informally in Brazil and Indonesia, which has contributed to strengthened oversight.

Despite these advances, civil society's overall impact on fiscal accountability and equity remains limited. Victories are isolated, difficult to scale, and vulnerable to reversal, as entrenched elites continue to dominate through informal channels. Major challenges to civil society influence also include sharply declining international donor support (with limited backfilling from local funding), resistant bureaucracies, weak legislatures, and limited institutionalized participation. Nonetheless, civil society has become a recognized *de facto* actor in the fiscal ecosystem across all three countries, seeking to scale its sustainability and impact through partnerships with other civic actors and with various state institutions.

The media

The media — public, commercial, community, and increasingly social — plays a major yet still underappreciated role in public finance. In Brazil, Indonesia, and South Africa, it is the main channel through which most of the public learns about the budget. All three countries have a vibrant press and increasingly robust debate on fiscal issues, supported by strong traditions of investigative journalism that has exposed extensive corruption.

Media ownership in all three countries is increasingly dominated by powerful elite interest groups with narrower interests, and in some cases links with political parties. Meanwhile, social media is increasingly where the struggle for public mobilization and influence takes place, with both progressive and conservative interests competing for attention. Social media in Indonesia, for example, is a powerful space for public mobilization, as civil society rallies around the slogan “no viral, no justice.” But competition is fierce as government uses influencers to promote government policy and suppress dissent. Similar dynamics exist in the other two countries, where evangelist churches (Brazil) and populist politicians (South Africa) flood social media with their messages, challenging other civil society interests to up their digital game.

The media is still an under-recognized actor in fiscal ecosystems — and one that can play a significant role in strengthening fiscal ecosystems both directly and indirectly through other actors. Like civil society, the media now matters in public finance, through its capacity to shape public awareness, debate, and mobilization.

The courts (and related actors)

In each of the three countries, there are several other actors that play a more limited — but nonetheless important — role in the fiscal ecosystem. These include the judiciary and

other statutory bodies with more specific oversight and investigative functions. Courts do not usually have a formal role in the budget process but may be called upon to arbitrate on fiscal matters in specific cases. In Brazil, for example, the Supreme Court is currently mediating between the executive and the legislature on the management of mandatory parliamentary amendments, and trying to define specific criteria that these amendments should meet to be considered valid. In South Africa and Indonesia, civil society groups used the courts to pressure governments to adopt important policy changes, such as upholding government obligations to realize socioeconomic rights. In South Africa, the courts have also imposed binding remedies when Parliament, the President, or other state actors failed in their constitutional budgetary obligations.

Other actors include ad hoc commissions for combating corruption or promoting human rights and access to information, ombuds and public prosecutors' offices, and other bodies with varied oversight and accountability functions related to the management of public resources or compliance with different types of budget-related legislation. Across the three countries, these bodies worked — of their own accord or often in collaboration with civil society groups — to address serious cases of mismanagement, fraud, and inefficiency in fiscal management, promoting accountability and offering citizens a direct route to challenge fiscal misconduct. While their interventions are often more reactive than proactive, the role that they can play in promoting accountability and equity should not be underestimated.

The private sector

Private sector influence on the functioning of the fiscal ecosystem, and therefore on fiscal policies and fiscal management, can take a variety of forms and involve a range of actors, from individual corporations to business associations of different kinds, credit rating agencies, and financial markets (both national and international). Many of these actors have a long history of strong influence over governments' fiscal policy choices, which they achieve through a range of formal and informal channels. The power of the private sector often lies in the bargaining power that it can deploy, whether linked to the economic importance of different sectors, the behavior of financial markets and its implications for public finances, or even more direct links such as the financing of political campaigns.

The influence of private actors can also come from informal networks that exist between political and economic or business elites, which is evident in all three countries, given policy and state capture in Brazil (e.g. on tax expenditures), South Africa (state capture), and Indonesia (tobacco excise duties). Given this power, private sector actors seldom need to collaborate with others in promoting their interests. However, these interests may align with those of others seeking greater accountability and fiscal responsibility. In some cases, the

private sector's interest in the maintenance of a stable macroeconomic environment can turn it into an ally of the finance ministry and of other actors promoting fiscal responsibility. And it may also be an ally of civil society in broadly promoting transparency, accountability, and good governance. At the same time, its focus on seeking preferential fiscal treatment — as documented in Brazil and Indonesia — can end up undermining both broader accountability and equity.

International actors

In the fiscal domain, a few international actors loom large. The International Monetary Fund (IMF) and the World Bank play a predominant role in financing, technical assistance, and standard-setting on all matters related to public finance. Several other international organizations and donor agencies are also relevant, including regional development banks and some bilateral donors. Early fiscal and economic crises in Brazil and Indonesia meant that both countries had active IMF programs — and committed to comply with related conditionalities, which often proved controversial in domestic public finance debates. In both cases, however, the governments paid off all IMF debt in the mid-2000s. Apart from a short-term emergency loan during the COVID crises, South Africa has primarily relied on the international finance institutions for policy advice.

Despite the absence of ongoing financial relationships, fiscal and PFM reforms in all three countries have been heavily influenced by international good practice standards promoted by international actors, and various donor agencies have consistently provided policy advice and technical assistance. These are the main channels through which international actors attempt to influence the functioning of the fiscal ecosystem and provide incentives for domestic actors to improve fiscal management practices, adopt recognized international standards, and attend to specific policy areas — such as climate change or gender equality.

While the direct influence of donor agencies across the three countries can be considered limited in general, they certainly help shape the context in which important fiscal reforms happen and they are gradually learning to work with other actors in the fiscal ecosystem at a country level. Several bilateral donors are more likely to provide support to individual actors within the fiscal ecosystem, such as SAIs, legislatures, and other relevant organizations. They are also almost solely responsible, with private foundations, for funding budget-related CSOs – something that should be considered when assessing the long-term sustainability of citizen voices in the fiscal ecosystem.

3.3 Cross-cutting issues and themes

Drawing on the evidence from the case studies and on the roles of different actors described above, this sub-section identifies seven themes that shape cross-country lessons and possible strategic paths towards stronger fiscal ecosystems.

Similar institutions, different trajectories

In almost all countries, governments follow some kind of annual process to organize the ways in which they raise and spend public resources. This commonality can lead to the view that budgeting processes, or fiscal ecosystems more generally, look quite similar across countries. When looking at *de jure* fiscal ecosystems across the three countries — what they look like based on the existing legal framework — that view makes sense. The main actors are the same and the key relationships are quite alike. In addition, over the period covered, all three countries either adopted or tried to adopt a similar set of reforms, often inspired by international best practices, ranging from fiscal rules and medium-term fiscal frameworks to results-oriented budgeting and fiscal transparency measures.

Yet, when we look at their trajectories over time and at their *de facto* functioning — how they work in practice — the differences between their fiscal ecosystems could not be more striking. In South Africa the evolution of the fiscal ecosystem was characterized by the strength of the National Treasury and by a parliamentary system yielding power to a dominant ruling party. In Brazil, post-dictatorship booms and busts underpinned moments of reform, while the executive and the legislature were engaged in a constant struggle for control over budgetary resources. In Indonesia, reforms have included strong international involvement and support, but political cycles brought upswings and downswings in overall fiscal accountability.

These differences are partly due to global shifts, and economic and political contexts across the three countries, and how these have shifted and changed over time. But they also have a lot to do with the ways in which formal and informal rules, norms, and institutions interact in each fiscal ecosystem, affecting the incentives that various actors face and their patterns of behavior across different stages of the fiscal policy and budget process. Crucially, politics itself — the distribution of, and contestation over, political power — helps shape how these rules and norms operate in practice. International good practice reforms are often blind to this tension, and most constitutions do not deal with how political parties might interact with the system. Yet it is precisely political dynamics that often influence whether reforms are taken up, reshaped, or resisted.

Consequently, accountability looks very different in law from how it works in practice. Parliaments often do not use their formal oversight powers or use them in ways that can in fact undermine accountability. SAIs look powerful on paper but are unable to hold the executive to account when needed, and their recommendations often go unheeded. Mechanisms for civil society groups to participate in budget processes may exist but may not offer meaningful influence. These gaps between the *de jure* and *de facto* functioning of fiscal ecosystems are a reminder that to promote accountability and equity, it is always better to develop a thorough political economy understanding of how fiscal ecosystems

evolved over time in response to changing contexts and under the influence of informal institutions, rather than rely on general formulas and off-the-shelf reform packages. This point has been made before but is worth making again: system reform should always start from keenly observing the ecosystem in action and understanding its trajectory and the relationships and incentives that drive it.

Competing and contradictory accountabilities

A key issue in thinking about how fiscal ecosystems promote accountability is asking the question, “accountability for what?”. The evidence from the case studies shows that in any country, at any moment in time, accountability demands pull governments in at least three different directions, meaning they are being held accountable for three different types of results. The balance among these competing and often contradictory demands ends up shaping governments’ fiscal policy decisions. Behind each accountability “pull” there are different sets of actors trying to influence government behavior, helping to answer another related question: “accountability to whom?”.

We can call the first type of accountability “fiscal accountability”, where governments are held accountable for responsible fiscal management — for example, not running large deficits, not accumulating large debts, and not allowing inflation to spiral. Finance ministries are often the ones working to defend this position, with support from certain parts of the legislature, the private sector (including financial markets), and international actors such as the IMF. The second type can be termed “development accountability” and relates to governments being held accountable for the achievement of positive development outcomes across key sectors, including addressing poverty and inequality. Planning ministries, key social sectors, CSOs, and some international actors are usually the main actors putting pressure on governments to follow this path. Finally, the third type of accountability can be defined as “political accountability” and corresponds to governments’ efforts to remain in power by responding to demands by groups of political “clients” or constituencies for resources, preferential fiscal treatment, or patronage of different kinds, in exchange for continued political support. Citizens in clientelist regimes, private sector actors, and elites are often the ones putting pressure on politicians in both the executive and the legislature to heed these demands.

These three types of accountability coexist in all countries and often compete with one another. A government compelled to exercise fiscal restraint may find it has insufficient resources to invest in, for example, development or patronage. If it wants to focus on development outcomes, it may need to loosen the strings of the fiscal purse. And if government needs to guarantee its own re-election, it may well decide to overspend in ways that are not conducive to long-term development or compatible with fiscal balance. How this battle plays out, and who holds more sway over the ecosystem, will determine

which kind of results will get more attention at any given moment. We see this happening across the three countries over the period covered by our research, as governments constantly try to balance the need to increase the public resources available for key development priorities, the need to keep public finances under control, and the push to respond to the political demands of important political constituencies and interest groups. On average, fiscal and political accountabilities tend to trump development accountability, as they often have more powerful sponsors and are driven by stronger short-term incentives. But under some circumstances and especially when the economic context is favorable, development accountability can gain more support. This was true in South Africa under the first decade of post-apartheid rule, in Brazil during the first Lula government, and in Indonesia post-Suharto. It could be argued that the COVID-19 pandemic also opened space for development accountability to dominate fiscal or political arguments, as governments focused on the very short-term goal of saving lives and livelihoods.

Looking at the future of fiscal ecosystems in the three countries, the big struggle will be to strengthen the demand for development accountability without ignoring the demands for either fiscal or political accountability. Understanding how these different “pulls” affect government behavior and the power of different actors to influence government policy choices is an important starting point for seeing when and how development accountability might gain strength and take precedence over the other two.

Crises as entry points

The fiscal ecosystems of Brazil, Indonesia, and South Africa, in their current shapes, were born during times of crisis and significant transition — the return to democracy after 20 years of military dictatorship in Brazil, the fall of the Suharto regime in the aftermath of the Asian financial crisis in Indonesia, and the end of the apartheid regime in South Africa. These crises and transitions provided the space needed to reinvent fiscal institutions and reshape fiscal policymaking, while recalibrating key accountability frameworks and relationships (e.g. strengthening the role of the legislature and other oversight bodies in Brazil and Indonesia, and shifting fiscal policy choices towards the needs of the majority black population in South Africa). Over the following decades, other crises (economic, fiscal, or political) often worked as triggers for further reforms that altered and adjusted the balance of power in the fiscal ecosystem of all three countries.

At present, there is a sense that the situation in each country is either close to or fast approaching another crisis point. The results of the 2024 elections in South Africa marked a significant turning point, as the ANC lost its majority for the first time since the end of apartheid in 1994. A new multi-party Government of National Unity has been formed after difficult negotiations, and the finance minister had to submit the 2025 budget to Parliament three times, due to significant disagreements in the governing coalition. In Brazil, the

ongoing impasse over parliamentary amendments has stretched the relationship between the executive and the National Congress almost to breaking point, leading to the intervention of the Supreme Court and to what many observers recognize as an unsustainable situation. Indonesian citizens organized massive protests against the budget policies introduced by newly elected President Prabowo last year, and many actors are worried about the very broad coalition supporting him and the potential for an autocratic slide.

The link between moments of crisis and reform opportunities has long been recognized in literature on the political economy of reforms. If crises become more frequent, they may provide some interesting openings for reforming fiscal ecosystems in ways that strengthen accountability and promote equity (or cement political authority and authoritarianism). In each of the three countries, the main priority looking ahead is to identify and support the key actors pushing for accountability and equity and assist them in building the tools, strategies, and coalitions necessary to leverage crisis moments when they occur – with the hope of bringing about a step change in the way fiscal ecosystems function.

Legislatures as stumbling blocks

In all three countries, the constitution envisions a strong, independent, and empowered legislature, capable of effective oversight in fiscal processes while creating spaces for SAs, civic actors, and the public to hold government to account. In practice, however, legislatures in Brazil, Indonesia, and South Africa too often fail to meet these mandates.

In Brazil, the legislature has been politically fragmented since the transition to democracy and was largely ineffective in using its extensive fiscal powers during the first period of executive dominance. Since 2015, it has increasingly reclaimed its authority but used it in ways that has at times undermined accountability and equity, for example through the political use of parliamentary amendments. In Indonesia, a once-assertive post-Suharto legislature is now dominated by presidential coalitions and party oligarchs. South Africa's Parliament also showed early signs of independence after apartheid but capitulated under President Zuma. Under a new coalition government, it seems to be building its role in fiscal governance, but its future role remains uncertain. Reform opportunities exist but will require confronting entrenched interests and practices that sustain current blockages.

The primary casualty of weak legislatures is the failure to hold the executive to account for the responsible collection, allocation, and expenditure of public resources. State capture in South Africa illustrates this dramatically, as do major corruption scandals in Brazil and Indonesia, which often implicate legislators themselves. A secondary casualty is the weakening and exclusion of other accountability actors. SAs depend on legislatures to press executives to act on audit findings and civil society relies on them as the primary channel for engagement. Yet in all three countries legislatures have proven unable, or unwilling, to follow up on audit recommendations or create sufficient spaces for civic participation.

Weak legislatures are a core systemic obstacle to fiscal accountability. While strong legislatures do not guarantee accountability, weak ones make accountability almost impossible. Addressing this dilemma — along with the incentives that drive counterproductive fiscal behavior — is essential to promoting accountability and equity. Given the legislatures’ role in advancing democracy, accountability, and equity, this is a challenge that cannot be ignored.

New actors, strategies, and partnerships

Despite the weakening of legislative accountability noted above, there are encouraging “green shoots” from accountability efforts in each country. As fiscal ecosystems grow and diversify, actors are forging new partnerships and coalitions that often bypass legislative blockages. The result is a more pluralistic, dynamic, and innovative fiscal ecosystem.

Growing diversity is fueling innovative, multi-actor coalitions often led by civil society. In Indonesia, fisherfolk unions work with civil society experts to use social audit data to engage the Ombudsman, Anti-Corruption Commission, and SAI to reform fuel levies vital to their livelihoods. In South Africa, the Asivikelane campaign combines community feedback and partnerships with nongovernmental organizations, the Auditor General, and other national and local actors to address water and sanitation service failures in informal settlements. Ilifa Labantwana works as a “systems facilitator” building trusting relationships with the Treasury, the Department of Basic Education, the Department of Social Development, diverse CSOs, and micro-enterprises to expand national budget allocations for early childhood development. In Brazil, a non-profit organization supported by several large companies was able to work with both the executive and the legislature to pass a long-delayed reform to make consumption taxes more transparent and efficient. While these are all impressive efforts, the challenge for these initiatives is sustainability and scale. Victories can be isolated, vulnerable to reversal, and often dependent on unstable external funding.

As fiscal ecosystems shift, executive and oversight agencies are also seeking ways to increase their influence through cross-sector partnerships. South Africa’s Auditor General is piloting formal partnerships with civil society to identify audit sites, collect complementary data, and disseminate results. Brazil’s TCU is informally deepening ties with CSOs and the courts. Meanwhile, finance ministries are also experimenting with participatory approaches — co-creating fiscal portals and opening formal consultation on medium-term frameworks and draft budgets. In Brazil, sectoral public policy councils have a long history as vehicles for participation and may well gain renewed importance if President Lula secures a second term in 2026.⁸

⁸For more details on policy councils, see [here](#).

While it is early in these processes, the above innovations, driven by multiple actors, expand opportunities for agency and influence in the ecosystem and indicate strategies and opportunities that may strengthen accountability and equity.

Arena shifting: When formal chains are blocked

A recurring dynamic across the three case studies is “arena shifting”, which describes how fiscal accountability contests move from one institutional forum to another, typically when the primary oversight route is blocked, captured, or strategically unpromising.⁹ For example, when parliamentary scrutiny is blocked, accountability efforts may move to other arenas — court processes are activated, audit institutions act more assertively, media-led investigations take place, or subnational spaces are explored. This helps to explain why countries with similar *de jure* systems can look different in practice and why reforms often proceed through unexpected pathways. One example was just discussed: when legislatures are a systemic obstacle to accountability, new partnerships often form that bypass legislative blockages, producing more pluralistic and innovative accountability practices.

In Brazil, arena shifting is most visible in how the growth of parliamentary amendments and the controversies around the *orçamento secreto* (secret budget) pulled the Supreme Court into a *de facto* fiscal governance role. As scandals and opacity mounted, the Supreme Court moved beyond resolving individual disputes to setting constraints and transparency conditions: blocking certain amendments, suspending execution of mandatory amendments until disclosure rules improved, and triggering monitoring by internal and external auditors. In Indonesia, arena shifting is less about one dominant institution and more about multiple diagonal routes that reformers cycle through when routine oversight stalls: strategic litigation, watchdog bodies, and public mobilization. CSOs have used the Constitutional Court judicial review to enforce constitutional spending mandates and limit legislative interference in detailed budget execution, moving disputes out of the budget committee bargaining and into constitutional adjudication. This was done partly because audit follow-up is constrained and politicized, reinforcing incentives to seek leverage elsewhere. In South Africa, arena shifting is most evident during periods where Parliament’s oversight was weakened by party discipline and executive dominance, setting off the relocation of accountability battles to courts and Chapter 9 (constitutional) institutions. The Nkandla episode is a good example: Parliament endorsed a report that effectively cleared the President, opposition parties litigated, and the Constitutional Court upheld the Public Protector’s remedial powers and found Parliament in breach of its constitutional duty, compelling changes to accountability rules.

⁹The term is used in work on depoliticization, where shifting an issue into a different arena changes decision-making authority and how conflict is managed (Flinders and Buller, 2006).

Taken together, these cases suggest that arena shifting may be an ecosystemic response to structural blockages, such as legislature weakness or politicization, and to the ways in which formal and informal power interacts with formal mandates. For an ecosystem approach, this is an important issue to understand. It directs attention to where accountability efforts can shift when formal chains break or get stuck, and therefore to which relationships and capacities matter most for sustaining accountability and equity.

The future is ecosystemic

Budget reforms over the past few decades have prioritized strengthening core state actors, with a particular focus on ministries of finance. This was essential work, urgently needed to ensure that central fiscal institutions were able to effectively manage public finances. All three countries can now rely on strong finance ministries that have weathered considerable political and economic turbulence. As the case studies make clear, however, further strengthening of fiscal ecosystems is both possible and necessary to deepen accountability and equity. The recommendations for future reform paths presented in the three case studies (and summarized below) show how an ecosystem approach can help move things forward. All three stress the need to move beyond single-institution reforms in favor of system-wide approaches where finance ministries, oversight institutions, civil society, and other actors play complementary roles.

- In **Brazil**, possible systemic reform paths include supporting the Supreme Court in imposing controls on congressional spending and reforming the outdated 1964 public finance law to reset the rules of the game. A national debate on budget reform could be leveraged through the media and public opinion to generate coalitions for change, with subnational governments as important engines of both political pressure and institutional innovation.
- In **Indonesia**, focusing on checks and balances is seen as a way to counter the impact of informal political capture. This would include rebalancing power by strengthening the independence of Parliament, the SAI, and other oversight actors. Alliances between formal oversight actors and civil society and the media would play a central role, as would peer learning and networks linking subnational and national fiscal institutions with reform champions in local and national government.
- In **South Africa**, the proposed approach focuses on embedding systemic accountability into the political cycle and existing institutional architecture. Incoming presidents would table a multi-year framework, bookended by independent public finance reviews at the end of each term. Parliament would require substantial technical support, committee structure reform, and insulation from political party dominance. Chapter 9 institutions (especially the courts and Auditor General) would

continue to enforce accountability. To shore up the role of non-state actors and the media, and bolster their financial sustainability, an independent fund pooling resources from global and local donors could be created.

Making progress requires recognizing that fiscal governance is not the sole preserve of the executive branch, nor is accountability the sole responsibility of the legislature. SAs, civil society, the media, the courts, private sector actors, and international organizations all play important roles in today's fiscal ecosystems. The way forward is to recognize the necessity of an ecosystems logic to fully account for the role of informal politics in shaping how institutions operate in a specific context, and to design reforms to strengthen fiscal accountability and equity accordingly.

4. LESSONS FOR STRENGTHENING FISCAL ECOSYSTEMS

Evidence from the case studies points to clear challenges and opportunities for how to strengthen fiscal ecosystems. In this section, we highlight lessons that may be useful for other countries. These lessons are intended to be tested, adapted, and refined across contexts rather than applied as a checklist. Taken together, they suggest a sequence for practice: start from how power works in reality, build politically credible coalitions, prepare for shifting opportunities and arenas, invest in ecosystem building as a reform strategy, and judge progress by whether accountability processes produce actual results.

Lesson 1: Start reforms from de facto veto points, not formal mandates

A ecosystems frame has to start with power: understanding where change gets blocked in practice. Across all three cases, the actors who can block decisions or redirect resources often sit outside the neat executive map, such as political party elites, coalition brokers, budget committee heads, private sector lobbies, and compliant parliamentarians. That's because fiscal ecosystems don't operate in a political vacuum: how they function depends as much on incentives, alliances, informal rules, and political settlements as it does on formal institutional design.

Reforms that begin with constitutional templates, legal frameworks, or procedural "best practice" can strengthen the ecosystem on paper while leaving the lived reality untouched — and may even reinforce rent-seeking and capture. A more effective starting point is grounded political economy analysis that identifies each system's *de facto* veto points: the actors and bottlenecks that can block, dilute, or redirect change regardless of formal mandates. This analysis can then guide reform design by clarifying who benefits and who loses, and what incentives and coalitions must shift to make accountability and equity gains feasible and durable.

Lesson 2: Build politically credible coalitions for accountability and equity

Governments in the case study countries are pulled by three competing accountabilities — fiscal, development, and political — that often collide in practice. The solution is not to romanticize development goals, but to make them politically rewarding and fiscally credible. Progress is more likely when equity-oriented reforms are translated into packages that address macro-constraints, specify trade-offs, demonstrate value for money, and align with political incentives such as visible service delivery gains or electoral advantage.

One hypothesis emerging from the case studies about how to strike this balance is that progress requires collaboration between an executive-level anchor with coordinating authority (President, Minister of Finance) or a functional substitute that can impose credible constraints (constitutional or high-level courts or other institutions that can set credible rules) and a diverse, supporting coalition (CSOs, SAIs, media, technocrats, reform insiders) that generates evidence, legitimacy, expectations, and costs of reversal.¹⁰

The role of legislatures in these kinds of coalitions is often complicated. Legislatures matter, but in all three cases they are often structurally weak or politically captured. Reform strategies should therefore follow a dual track: strengthen legislative independence and capacity where possible, while also strengthening other accountability actors and pathways — auditors, courts, media, academia, and civil society — that can act with legislatures or in parallel when parliaments stall.

Lesson 3: Plan for short reform windows and expect accountability to shift arenas

In Brazil, Indonesia, and South Africa, fiscal ecosystems have repeatedly been reshaped by crises, and major reform spurts have often followed emergencies. All three countries have fiscal crises playing out right now that can be leveraged. But reform opportunities also emerge from more routine entry points: budget cycle bottlenecks, court rulings, leadership transitions, or public controversies that force decisions and create openings.

The practical lesson is readiness. Reformers need to invest before the window opens through exploratory initiatives, a menu of implementable changes, pre-negotiated alliances across formal and informal actors, and a communication strategy with strong public narratives. They should also expect accountability fights to shift arenas. When parliamentary oversight is blocked, reform efforts often move to the courts, audit

¹⁰ Country examples that illustrate this proposition include the judicial, executive, and trade union actors working to dilute amendment power in Brazil; legislative and civil society actors collaborating to curtail legislative interference in budget allocations in Indonesia; and efforts by the Presidency, National Treasury, departments, experts, and CSOs to shape social grants in South Africa.

institutions, investigative media, or community action. Planning for this means mapping possible escalation routes in advance and then building bridges so that wins in one arena translate into stronger routine accountability practices (clearer rules, stronger reporting, tracking systems, and follow-through mechanisms) rather than remaining once-off events.

Lesson 4: Make ecosystem-building a deliberate reform strategy

A fiscal ecosystem approach questions the common sequencing model in which executive institutions are strengthened first and oversight and accountability institutions are addressed later. The case studies suggest a recurring risk in center-first reform strategies. They can produce capable finance ministries and stronger executive controls, but they can also leave legislatures, audit institutions, and other oversight actors structurally underpowered. The result is not a stronger system, but an imbalanced one. A fiscal ecosystem approach therefore treats institution-building as a parallel and relational task. It highlights the need to strengthen executive and oversight capacities together, while also investing in the linkages between them. The goal is not only stronger institutions but more frequent interactions between these institutions.

Across all three countries, the most promising “green shoots” already point in this direction: multi-actor coalitions, service delivery accountability campaigns, executive-think tank-community policy collaboration, and other accountability campaigns that create working links across institutions. The future of fiscal accountability is therefore less about inventing new institutions and more about scaling what already works in practice. But these initiatives frequently remain isolated, vulnerable to reversal, and dependent on unstable funding. Making ecosystem-building a deliberate reform objective therefore means investing in sustained funding, protection for accountability actors, institutionalized participation and dialogue spaces, stronger cross-actor coordination, and mechanisms for testing and adapting reforms over time. The goal is not just isolated wins but stronger ecosystems that can reproduce and scale them.

Lesson 5: Focus on whether accountability systems generate consequences, not just transparency

Across the case studies, transparency and auditing tend to advance further than enforcement: reports are published, irregularities are documented, hearings are held, and recommendations are made — but enforcing consequences is where reforms routinely stall. If ecosystem-building is the strategy, the test for any accountability reform is whether it reliably triggers a meaningful consequence: follow-up action, sanctions, recovery of resources, policy improvement, or durable change in behavior.

This shifts attention from reform inputs to system performance. Practitioners should treat feedback-loop tightening as an explicit reform objective and monitoring standard. The question is not only were new rules introduced, but whether the ecosystem is increasingly able to convert public information into scrutiny, scrutiny into pressure, and pressure into action. Where this chain breaks, reforms should focus on repairing the linkage.¹¹

5. CONCLUSION

The case studies of Brazil, Indonesia, and South Africa tell a story of public finance systems in transition. How far these transitions will go is still uncertain. What is clear is that real gains in fiscal accountability and equity are possible only if reform strategies engage with how fiscal governance works in practice, in addition to how it is designed on paper.

This is the central contribution of the fiscal ecosystem approach. It shows that public finance decisions and outcomes are shaped not only by formal institutions, but also by how a wider set of actors interact in practice — including executive agencies, legislatures, independent financial institutions, SAIs, courts, political parties, civil society, media, experts, and private interests. Across the three countries, this lens reveals a persistent gap between *de jure* accountability systems and *de facto* fiscal governance. Laws, mandates, and procedures matter, but they capture only part of what drives outcomes. Informal politics — patronage networks, coalition bargains, and institutional clashes — often determine how decisions are made, and whether they weaken transparency, blunt oversight, and divert resources from equitable priorities. This helps explain why reforms focused on only legal or procedural fixes so often produce limited or short-lived results.

At the same time, fiscal governance is not simply captured or broken. In each country, formal and informal coalitions are creating openings for accountability and more equitable outcomes, often by linking reform-minded actors inside the state with civil society, media, researchers, and other oversight institutions. These coalitions do not eliminate capture or conflict, but they can create new pathways for insight, dialogue, pressure, and follow-through. In this sense, public finance is becoming more public: more crowded, more visible, and more open to challenge beyond the traditional channels. This contestation is messy and does not automatically produce better outcomes, but it can create leverage for reform.

The cross-country lessons in Section 4 should be read not as a checklist, but as practical propositions for an emerging field of work. They point reformers towards a different way of

¹¹ This is why Indonesia's emphasis on strengthening the audit mandate and follow-up mechanisms and South Africa's push for parliamentary tracking and stronger enforcement powers for the Auditor General matter so much in practice.

working — starting from *de facto* power points; building coalitions that make accountability and equity reforms fiscally credible and politically viable; preparing for short-term windows and shifts across arenas; strengthening executive and accountability institutions in parallel rather than in sequence; and focusing on whether accountability systems generate consequences, not just transparency. Taken together, these propositions shift attention from isolated institutional fixes to the holistic performance of the system.

This paper is based on a limited number of cases and an approach that is still incipient, so while the fiscal ecosystem approach shows promise, it is not yet a settled framework or fully developed tool. It now requires disciplined experimentation across a wider range of countries to refine its concepts, sharpen its methods, and test which strategies travel, which depend on context, and what reform conditions make reform coalitions legitimate, effective, and durable. If this next phase is grounded in country practice and linked to a comparative learning agenda, the fiscal ecosystem approach can evolve from a useful diagnostic idea into a practical research and policy discipline that helps make fiscal decisions more contestable and more aligned with public priorities — in short, more accountable and equitable.

6. REFERENCES

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