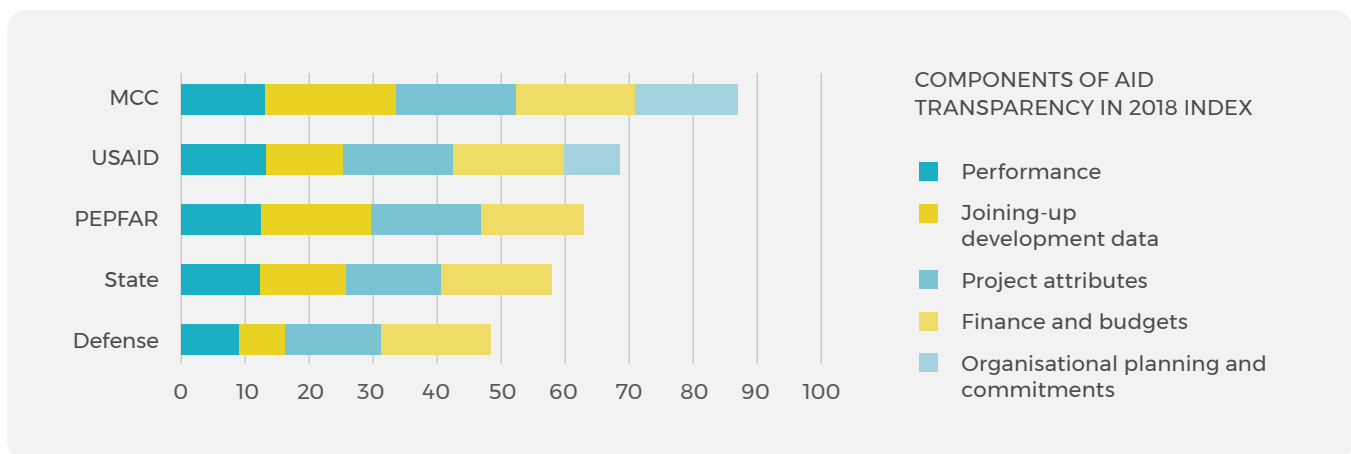


# Aid Transparency Index

## 2018 US Brief

Over the past ten years, the United States (US) has worked to increase the transparency of its foreign assistance. Through a variety of efforts – including joining the International Aid Transparency Initiative (IATI) in 2011 – US agencies involved in foreign aid programs have published more data and more documents, which have unlocked detailed information about spending, strategy, implementation, and progress. The road has not been uniform, nor is it complete. However, this effort has established a norm of transparency that should be cultivated and strengthened and now applied to the growing streams of other aid and development finance.

### PERFORMANCE OF US AGENCIES



## US Government Transparency Today

Four US agencies and one initiative are included in the 2018 Aid Transparency Index.<sup>1</sup> The overall results show continued improvement, although at different rates. MCC, a consistent leader in global aid transparency, remains in the “very good” category. The biggest improver in the US is USAID, jumping from “fair” in the 2016 Index to the middle of the

“good” category. PEPFAR has also moved into the “good” category. State and DOD remain in the “fair” category.<sup>2</sup> In addition to the performance snapshots below, further analysis can be found in the individual donor profiles as well as in the comparison with other international donors in the Index report and on the website.<sup>3</sup>

## MCC: Score: 87.0 Ranking: 5

MCC continues to be a global leader in transparency. It remains within the “very good” category and ranks fifth globally.

For the first time, MCC began reporting directly to IATI, rather than through State’s “F” Bureau. Managing its own IATI publication has given MCC greater control over what, how, and when it posts its information. MCC has also taken other steps to improve its transparency, including the publication of its revised Policy for Monitoring and Evaluation,<sup>4</sup> ensuring all projects follow its monitoring and evaluation plans.

MCC has also made improvements to its aid information, including publishing more open and comparable data, such as sub-national locations. Further, and consistent with best practice, all MCC data sets pull from the same base data, thus avoiding the inconsistency problems that hamper other US agencies. Other agencies should strongly consider this practice.

Despite its wealth of published data and documents, MCC does not consistently share all of its available information on the IATI Registry. For example, while it routinely posts its evaluations to its website, not all of them are published in a timely manner to the IATI Registry. Additionally, while disaggregated budgets and country strategies are provided in the IATI Standard, the Index tests for these also rely on the presence of the ‘recipient-country’ element. These were missing from all MCC activities on the IATI Registry, but are found on the organization’s website. Finally, partly due to its business model of funding compacts through the Millennium Challenge Accounts (MCAs), detailed information about individual projects and activities is only sometimes available. MCC should continue working with the MCAs, enabling more granular information from the sectors and individual projects to be published to the IATI Registry.

### NEW PUBLISHERS TO IATI

Since the 2016 Index, two US agencies (MCC and USAID) now publish directly to the IATI Registry rather than going through State’s “F” Bureau. This has had a positive impact on both data timeliness and quality. Further, Oxfam America has also joined IATI, publishing information on 99 projects from its fiscal year 2018 budget, representing 80% of its work.

## USAID: Score: 68.7 Ranking: 16

USAID is the biggest improver among the US agencies, putting itself solidly in the “good” category. This achievement is partially due to its efforts to improve its data quality as well as publishing directly to the IATI Registry for the first time, thus allowing it to post more quickly and correct its own data.

USAID continues to share useful information on organizational planning, commitments, and strategies. More importantly, since the 2016 Index, USAID has improved critical project-level data such as objectives, country strategies, and sub-national locations of individual activities. In addition to continued improvements on these data sets, USAID should also focus on systematically publishing other information, such as co-operative agreements and contracts, which contain significant and useful information.

The single factor most limiting USAID’s transparency efforts is the lack of a project management system that combines financial, planning, project, and evaluation data. USAID should prioritize the implementation of its Development Information Solution (DIS), allowing USAID to coherently consolidate, share, and use the full breath of its aid information.

### IMPORTING IATI DATA

USAID is working to import IATI data into the Government of Bangladesh’s Aid Information Management System, which it uses to track and manage foreign aid. This new process has eliminated manual data entry, saved staff time, and improved overall data quality and usefulness.

## PEPFAR: Score: 63.4 Ranking: 19

PEPFAR has made a small number of improvements, putting it in the “good” category for the first time.

PEPFAR performs comparatively well on organizational planning and commitments information. It has improved some of its financial information, such as project budget documents. However, significant and basic project-level information is still lacking. For example, descriptions are incomplete and sub-national locations are not comprehensively shared.

Given PEPFAR’s data-driven culture, it would be extremely helpful for it to join-up its IATI data with other detailed project data, thus maximizing the usefulness of PEPFAR’s data and analysis.

## State: Score: 58.2 Ranking: 21

State remains in the “fair” category.

State provides useful organization budget data, including details on country and sector allocations. However, like many other US agencies, the publishing of forward-looking budget information is limited.

The quality and usefulness of State’s information remains problematic. It does not regularly update its information which can mislead users. For example, projects are incorrectly listed as being in implementation despite being closed. Moreover, State

does not publish performance information, such as objectives and results, which makes it difficult to assess the effectiveness of its aid or to learn from its approach. Finally, State does not provide any sub-national locations, making it difficult for users to know where projects are based.

State’s limitations partly result from data fragmentation across different budget and financial systems, as well as the fact that data is siloed in different individual bureau systems. In its 2015 Foreign Assistance Data Review, State identified the need to develop a standard foreign assistance management and business process, which would harmonize how data is recorded across bureaus. However, little progress has been made since 2015.<sup>5</sup>

### BUDGET DATA

Through [ForeignAssistance.gov](http://ForeignAssistance.gov), State publishes high-quality budget data. Users can download “planned” data which is disaggregated by agency and by partner country since 2004.

## DOD: Score: 48.6 Ranking: 30

DOD is the lowest-scoring US agency and remains in the “fair” category.

Overall, DOD has made improvements in some of the more basic elements, including titles, contact details, and commitments. Despite these gains, DOD’s data continues to have gaps. With a relatively small amount of effort these issues could be addressed, thereby improving the usability of its information. DOD should regularly update its data to ensure that dates and activity statuses are correct, so users know what projects are being implemented or closed. It should also add project descriptions and improve its financial and budgetary transparency, including project budgets. DOD does not score at all on performance-related data.

## Overall Reflections and Recommendations on US Data

US agencies have come a long way since the beginning of Publish What You Fund's first full Index in 2012. Significantly more data is available on IATI and the US is enabling those agencies with the internal capability to publish directly to IATI, positively impacting data quality. Informed by our own use and feedback from other US data users, Publish What You Fund recommends that US agencies consider the following:

- **Ensure the Basics are Right.** Titles, start and end dates, and activity status are essentials for IATI users. This information should be readily available and published according to the Standard. Additionally, this information needs to be updated to reflect changes in implementation status.
- **Address the Fragmentation of Systems and Data.** The US publishes an enormous amount of aid data, but it is fragmented in how it is collected internally and how it is shared publicly.

Internally, agencies collect and store their data on a number of different databases. These sources often keep their data in different formats, making it difficult and time consuming to report information in a comprehensive manner. A significant part of the solution lies in system improvements, which will help agencies to maintain the data in a way that ensures quality and maximizes the ability to automate publication. USAID's proposed DIS will – for the first time – give USAID a much-needed project management system; any other data improvements will be marginal until then. State has recognized the need to better harmonize its data publication, but implementation has been slow. An Inspector General's report recently noted that State was unable to track accurately its own foreign assistance spending, criticizing the department for its lack of progress

and leadership on this issue.<sup>6</sup> These systems improvements need to be a priority.

In addition to the internal collection issues, information on the funding and implementation of programs is scattered across a number of different websites.<sup>7</sup> While much of this information is useful, its value depends on users knowing about individual sites, as well as how to use them.

Finally, there is the problem of publishing inconsistent aid data on different sites. For example, there are presently two official sources of US foreign assistance spending – State's Foreign-Assistance.gov and USAID's Foreign Aid Explorer. This "dueling dashboards" problem – whereby there are sometimes large discrepancies in what is purported to be the same data – creates significant confusion for users and wastes scarce aid dollars.<sup>8,9</sup> In the Foreign Aid Transparency and Accountability Act (FATAA), Congress requested State and USAID to resolve this problem by the end of FY '18.<sup>10</sup> The Modernizing Foreign Assistance Network has also addressed this issue through the publication of "Principles for An Effective Dashboard",<sup>11</sup> setting out data elements and processes that would be helpful to users. Although work within US agencies is underway, no solution has been announced.

### USAID: USING THE DATA

In connection with drafting its new Country Development Cooperation Strategy documents, USAID is now piloting the use of IATI data. The aim is to help US missions access better data on development projects and spending by all donors within a particular country. Using such data should provide the missions with a one-stop shop regarding what is being planned and spent and for what purpose. It will also help identify any issues with respect to the IATI data store that can then be addressed by the IATI Secretariat.

- **Use the Data.** Regular data use is central to improving its quality. By ensuring the data is used by important stakeholders, including US agency staff, partner countries, and civil society, US agencies can receive regular feedback on any issues with respect to the quality of the data, so that they can be identified and corrected.

Putting this into practice means more than just publishing data. Agencies should take additional steps to promote its use and accessibility, including through their missions, to partner countries, and civil society.

- **Share More Documents.** IATI is more than a source of data – it's a library. The US agencies are particularly effective at sharing organizational-level documentation. All agencies share allocation policies which outline how and where they will spend their funds. Further, USAID publishes its country strategies and MCC shares its agreements with partner countries.

However, agencies do not comprehensively share their pre-project impact appraisals, evaluations, tenders, contracts, or co-operative agreements. These documents are a treasure trove of useful information on a project's rationale and objectives. US agencies should prioritize their publication.

### RECENT US LAWS AND LEGISLATION WITH TRANSPARENCY REQUIREMENTS

#### Foreign Aid Transparency and Accountability Act (FATAA):

FATAA requires all government agencies administering foreign assistance to publish their data on a regular basis. (P.L. 114-191, 114 Congress)

#### Reinforcing Education Accountability in Development (READ) Act:

The READ Act includes a framework for accountability and transparency for foreign assistance funding in education. (P.L. 115-56, 115 Congress)

#### Better Utilization of Investments Leading to Development (BUILD) Act:

This legislation to create a new development finance institution (DFI) includes a clause mandating the maintenance of a publicly available, machine readable database with country level information that is linked to an official USG website. (S.2463 and H.R. 5101, 115 Congress)

## The Next Steps for the Aid Transparency Agenda?

Transparency in traditional aid flows is now established as a necessary foundation for accountable and effective development. But what happens to that norm when different flows of money – such as DFI funds and blended finance – become an increasingly larger part of the development finance landscape? How do we ensure that different dollars coming from different sources are smartly leveraged and used for the purpose that best suits the source?

Globally, ambitious goals have been set for eradicating extreme poverty. The 2015 Addis Ababa Financing for Development Conference and the subsequent follow up reviews have recognized and encouraged the use of different streams of resources in order to meet the 2030 Sustainable Development Goals (SDGs).<sup>12</sup> However, UN reviews found that these financial means are not on track to meet these ambitious goals.<sup>13</sup> Adding to this, the latest Official Development Assistance (ODA) preliminary figures for 2017 show that aid has flat-lined.<sup>14</sup> If the 2030 SDGs are to be reached we will need to mine all of the potential resources – ODA and otherwise – and ensure that these financial streams work together to best leverage their respective added value. This means improving the transparency and quality of all of this data.

This also applies to one specific and growing area of both need and funding – international humanitarian aid. The Global Humanitarian Assistance 2017 Report (2017 GHA Report) finds that humanitarian aid has grown from \$16.1 bn in 2012 to \$27.3 bn in 2016, with the US being the largest donor at \$6.3 bn.<sup>15</sup>

In an effort to improve the effectiveness and delivery of humanitarian aid, 59 donors and aid organizations have signed the “Grand Bargain” commitments.<sup>16</sup> They agreed to shift away from “delivering aid to ending need” in order to bridge

humanitarian and development approaches. The first commitment to this “new way of working” was for increased transparency and better data, including a commitment to use IATI as the basis for publishing quality data.<sup>17</sup>

The 2017 GHA Report found some progress in meeting this commitment, with 37 of the 51 organizations publishing some data to IATI, and over 60% of those organizations publishing humanitarian data. Although the commitment is not yet met, an early assessment found improved transparency, monitoring, and accountability.<sup>18</sup> Work is also underway to improve the use of IATI for humanitarian reporting. USAID, for example, is participating in a joined-up data pilot with the UN’s Office for the Coordination of Humanitarian Affairs, working with its Financial Tracking System to automate the use of IATI data as a primary source. The goal is to reduce information gaps, realize efficiency gains, and improve the quality, availability, and use of humanitarian data.

If the development finance landscape continues to open up to a wide range of financing, then all donors will have to tackle the issue of transparency as it applies to these flows. It will not be enough to have foreign assistance data that is timely, comparable, and accessible if other related finances are not. The US has started to move in this direction. The potential creation of a new US DFI in the BUILD Act provides Congress with the opportunity to establish a robust transparency requirement that will help ensure that the most appropriate flows are used for the optimal outcomes. Meeting the transparency commitments of the “Grand Bargain” should improve US humanitarian data, giving US agencies and implementers the ability to improve the effectiveness of this important aid function.

The challenges of today’s and tomorrow’s development needs cannot be met without full transparency both to maximize cooperation and to leverage resources and delivery. Ensuring the transparency of all these financing flows should be the next goal for the transparency agenda.

## About Publish What You Fund

Publish What You Fund is the global campaign for aid transparency. Launched in 2008, we envisage a world where aid and development information is transparent, available, and used for effective decision-making, public accountability, and lasting change for all citizens.

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Special thanks also go to the Board of Friends of Publish What You Fund: George Ingram, Ben Leo, Larry Nowels, Paul O’Brien, Nora O’Connell, Tessie San Martin, and David Saldivar. Find out more at [www.friendsofpublishwhatyoufund.org](http://www.friendsofpublishwhatyoufund.org)

- 1 The Department of Defense (DOD), the Millennium Challenge Corporation (MCC), the Department of State (State), the United States Agency for International Development (USAID), and the President’s Emergency Fund for AIDS Relief (PEPFAR). In the 2016 Aid Transparency Index, the US Treasury was also included. The selection of agencies for the 2018 Index is based on revised criteria. For the 2016 US Brief and updated methodology see: [www.publishwhatyoufund.org/the-index/index-archive](http://www.publishwhatyoufund.org/the-index/index-archive)
- 2 Direct comparisons between 2016 and 2018 Index scores cannot be made due to the revised methodology.
- 3 For the website visit: [www.publishwhatyoufund.org/the-index/2018](http://www.publishwhatyoufund.org/the-index/2018). For the report visit: [www.publishwhatyoufund.org/reports/2018-Aid-Transparency-Index](http://www.publishwhatyoufund.org/reports/2018-Aid-Transparency-Index)
- 4 See: [www.mcc.gov/resources/doc/policy-for-monitoring-and-evaluation](http://www.mcc.gov/resources/doc/policy-for-monitoring-and-evaluation)
- 5 US Office of Inspector General (2017), *Compliance Follow-Up Review: Department of State is Still Unable to Accurately Track and Report on Foreign Assistance Funds* (“2017 OIG Report”), see: [www.stateoig.gov/system/files/isp-c-17-27.pdf](http://www.stateoig.gov/system/files/isp-c-17-27.pdf)
- 6 2017 OIG Report at pp. 4-5.
- 7 For example, the US foreign assistance budget is housed on [ForeignAssistance.gov](http://ForeignAssistance.gov); detailed, verified obligations and disbursements are on [Foreign Aid Explorer \(https://explorer.usaid.gov/\)](https://explorer.usaid.gov/); and documents, such as evaluations, are found on the [Development Experience Clearinghouse \(https://dec.usaid.gov/dec/home/Default.aspx\)](https://dec.usaid.gov/dec/home/Default.aspx)
- 8 *Redesign Data: Dueling Dashboards*, see: [www.publishwhatyoufund.org/whats-solution-us-dueling-dashboards](http://www.publishwhatyoufund.org/whats-solution-us-dueling-dashboards)
- 9 Friends of Publish What You Fund (2016), *How Can Data Revolutionize Development?* See [https://docs.wixstatic.com/ugd/9a0ffd\\_2ce18150803b48989905acabf9bb91d6.pdf](https://docs.wixstatic.com/ugd/9a0ffd_2ce18150803b48989905acabf9bb91d6.pdf)
- 10 See: P.L. 114-191, 114 Congress
- 11 <http://modernizeaid.net/wp-content/uploads/2018/05/PRINCIPLES-FOR-AN-EFFECTIVE-DASHBOARD-FINAL.pdf>
- 12 See, e.g., the 2017 and 2018 UN Report of the Economic and Social Council forum on financing for development follow up, June 8, 2017 available at: [www.un.org/ga/search/view\\_doc.asp?symbol=E/FFDF/2017/3](http://www.un.org/ga/search/view_doc.asp?symbol=E/FFDF/2017/3) and April 19, 2018 at: <https://undocs.org/E/FFDF/2018/L.2>
- 13 Ibid. 2017 Report at paragraph 2 and 2018 Report at paragraph 4.
- 14 OECD (2018), *Development aid stable in 2017*, accessed at: [www.oecd.org/newsroom/development-aid-stable-in-2017-with-more-sent-to-poorest-countries.htm](http://www.oecd.org/newsroom/development-aid-stable-in-2017-with-more-sent-to-poorest-countries.htm)
- 15 Global Humanitarian Assistance Report 2017 (“GHA 2017 Report”), Development Initiatives. See: <http://devinit.org/wp-content/uploads/2017/06/GHA-Report-2017-Full-report.pdf> at p. 7
- 16 The agreements were set at the World Humanitarian Summit in May 2016. The current list of signers can be found here: [https://interagencystandingcommittee.org/system/files/grand\\_bargain\\_signatories\\_and\\_membership\\_-\\_1017\\_pg\\_-\\_pdf\\_-\\_docx.pdf](https://interagencystandingcommittee.org/system/files/grand_bargain_signatories_and_membership_-_1017_pg_-_pdf_-_docx.pdf) (as of June 1, 2018)
- 17 GHA 2017 Report at 84.
- 18 Ibid.

**“The more we know about how money is channelled through the global humanitarian system, the better equipped we are to allocate resources effectively and measure results. For donors to provide more flexible and predictable funding they need reliable, real-time, prioritised, comparable and open data on the needs that they are being asked to finance and the results produced by their funding.”**

High Level Panel on Humanitarian Financing Report to the Secretary-General, 2016, p.16

**“Especially important is that the data [in the BUILD Act] be publicly available on a project basis, not just by country, and that the data be timely, comprehensive, and comparable, consistent with the Foreign Aid Transparency and Accountability Act.”**

George M Ingram, MFAN Co-Chair, May 10 2018, Statement before Senate Foreign Relations Committee