

# Annotated bibliography on aid transparency

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## Stating the case for aid transparency

**Ballesteros, A. and V. Ramkumar (2010)** *Governing Climate Finance: The Importance of Reporting Guidelines and Review Mechanisms to Ensure Transparency and Accountability*, Budget Brief No.11 2010, International Budget Partnership, Washington, D.C., available at:  
<http://internationalbudget.org/budget-briefs/brief11/>

In this brief, the authors argue that, in the light of the international community's pledges on combating climate change, and alongside decisions on how resources to combat climate change will be financed, agreements must be reached on how to ensure transparency in climate finance. Transparency in this regard needs to improve both by donors and recipients to enable sound decision making about distribution and use of resources, public participation, and adequate oversight. The brief contains a list of recommendation of how to improve transparency in climate finance.

**Barder, O. (2009)** *Beyond Planning: Markets and Networks for Better Aid*, Center for Global Development, Working Paper 185, Washington, D.C., available at:  
<http://www.cgdev.org/content/publications/detail/1422971/>

In this theoretical piece of research, the author argues that greater aid transparency would help solve three problems facing today's aid architecture. Transparency would help mitigate aid's negative impact on institutions and accountability by helping citizens hold institutions accountable. "The most important accountability relationship is between the government of a developing country and its citizens; but to the extent that important decisions are in practice taken by foreign donors, some mechanism is needed to link accountability for those decisions to the impact on beneficiaries." According to the author, transparency would also help solve problems of aid short termism and unpredictability; and the problem of donors' insufficient focus on results and learning.

**Collaborative Africa Budget Reform Initiative (2011)** *CABRI Position of Aid Transparency*, Pretoria, available at: <http://www.publishwhatyoufund.org/news/2011/06/cabri-position-aid-transparency-released/>

In this position paper, CABRI puts forth a set of prerequisites for donor countries as well as recipient governments on their roles in furthering aid transparency. On the part of donors, aid information must be made (1) comprehensive (enabling information to be integrated on plan, on budget and on report for country budgeting and accountability purposes); (2) timely, (available in time for country budget processes); (3) reliable (up to date and reflecting the actual money flows that occur); (4) useful (aligned with country budgets and supporting country internal, legislative and social accountability processes); and (5) accessible (routinely available to all stakeholders). On the part of recipient country governments, clear rules must be established on the flow of aid information (from donors, internally, and on reporting aid domestically). These rules on aid information flows must also be made public and given a legal basis. Finally, countries must put in place effective country aid information systems, which, in turn, should be linked, harmonised or integrated with budget information systems.

**Darbishire, H. (2010)** *Proactive Transparency: The future of the right to information? A review of standards, challenges, and opportunities*, Governance Working Paper series, World Bank Institute, Washington, D.C., available at:  
[http://www-wds.worldbank.org/external/default/main?pagePK=64193027&piPK=64187937&theSitePK=523679&menuPK=64187510&searchMenuPK=64187283&theSitePK=523679&entityID=000333038\\_20100916002141&searchMenuPK=64187283&theSitePK=523679](http://www-wds.worldbank.org/external/default/main?pagePK=64193027&piPK=64187937&theSitePK=523679&menuPK=64187510&searchMenuPK=64187283&theSitePK=523679&entityID=000333038_20100916002141&searchMenuPK=64187283&theSitePK=523679)

This report looks at the drivers of proactive disclosure of information by governments, and the benefits that transpire from such transparency. It identifies four drivers of proactive transparency: (1) a government's need to inform the public of laws and decisions—and the public's right to be informed; (2) a demand for information to hold governments accountable between elections; (3) the evolution of public participation in decision-making, which depends on information being available; and (4) a guarantee that the public is informed about how to access government services. Benefits that transpire from increased availability of information include more accountable spending of public funds, and better information management and greater efficiency on the part of public authorities. Automatic availability of information also ensures that there is equality of access for all members of society, and it makes it harder for public officials to deny the existence of, or to manipulate, information.

**Kharas, H. (2011)** *Transparency: Changing the Accountability, Engagement, and Effectiveness of Aid*, in H. Kharas, K. Makino and W. Jung (Eds.) *Catalyzing Development: A New Vision for Aid*, The Brookings Institution, Washington, D.C.

In this book chapter, Homi Kharas highlights the changing aid environment – from a few big donors who mastered the Marshall Plan, to a new ecosystem of aid actors, such as emerging economy donors, multinational corporations, and mega philanthropists – which increasingly challenge the traditional ways of ensuring aid transparency. The author argues that technological change, such as geo-referencing, opens up the possibility for far-reaching improvement in the transparency and quality of aid data, especially if new sources of information, like beneficiary feedback and local evaluation, are collected. In terms of concrete actions to improve aid transparency, Kharas argues for 1) non-DAC donors to work towards releasing aid information; 2) an increase in the share of private development assistance reported to standard; 3) a standardised format for local databases, preferably linked to budgets and geocoded, to be developed, and 4) an international development evaluation initiative to be launched.

**Kharas, H. and N. Unger (2011)** *A Serious Approach to Development: Toward Success at the High Level Forum on Aid Effectiveness in Busan, Korea*, Policy Paper 2011-02, The Brookings Institution, Washington, D.C., available at: [http://www.brookings.edu/papers/2011/0415\\_busan\\_success\\_kharas\\_unger.aspx](http://www.brookings.edu/papers/2011/0415_busan_success_kharas_unger.aspx)

In the lead-up to the fourth High Level Forum on Aid Effectiveness, this report suggests a number of key issues for future aid and development policy making. On transparency, the report states the following: “Transparency is one ‘low hanging fruit’ that has the potential to dramatically improve development outcomes. Budget transparency, that includes information on domestic resources in developing countries and non-concessional external flows, would in turn require aid transparency.”

**McGee, R. (2010)** *Review of Impact and Effectiveness of Transparency and Accountability Initiatives: Annex 5 Aid Transparency*, Prepared for the Transparency and Accountability Initiative Workshop October 14-15, 2010, available at: <http://www.ids.ac.uk/index.cfm?objectid=7E5D1074-969C-58FC-7B586DE3994C885C>

This aid transparency/accountability review finds three separate strands of activity within the area of aid transparency/accountability: longstanding NGO accountability work, the more recent official aid accountability agenda, and the new aid transparency movement, and these strands function largely in isolation of each other. These different strands have given rise to a highly varied literature. The author argues that much of this literature lacks explicit theories of change on how transparency leads to accountability and this becomes problematic in attempts to track or demonstrate impacts. Indeed, the author points to limited evidence of impact in the field of aid transparency/accountability. Therefore, one major conclusion and future recommendation stated by the author is “the need to unpack assumptions about the full range of users and stakeholders that underpin the design of these initiatives, with particular attention to citizens and their organisations in north and south.”

**Moon, S. and T. Williamson (2010)** *Greater aid transparency: crucial for aid effectiveness*, ODI Briefing Paper No. 35, International Budget Partnership, Overseas Development Institute and Publish What You Fund, London, available at: <http://www.odi.org.uk/resources/details.asp?id=4673&title=aid-transparency-aid-effectiveness>

This Brief focuses on the link between donor aid and recipient country budgets, and the role that greater transparency about aid can play in improving budget transparency, the quality of budgetary decisions, and accountability systems. With incomplete or inaccessible information on aid flows, neither legislatures, nor civil society are able to hold aid dependent governments to account for the delivery of the planned outputs and services. This is particularly problematic in countries for which a large part of the budget comes from international aid. The authors argue that there are practical problems in delivering transparent aid in a way that also supports greater budget transparency, such as donor and government planning horizons and financial years being different, donors not being willing to provide information to recipients on intentions, only commitments, and donor classification of aid expenditures being different from the budget classification used by the recipient governments. These problems can, according to the authors, be tackled at two levels. At country level, recipient government and donors need to work closely together to align the timing of information flows, and map donor aid information on to the budget classification of the recipient. At the donor headquarters level, donor aid systems need to be able to provide information to accommodate different planning horizons, financial years and varying technical requirements of the systems of the countries to which they provide aid.

**Mulley, S. (2010)** *Donor aid: New frontiers in transparency and accountability*, Transparency and Accountability Initiative, London, available at: <http://www.transparency-initiative.org/reports/donor-aid-new-frontiers-in-transparency-and-accountability>

This paper provides an overall picture of the aid transparency and accountability debate. Among other things, the author highlights three problems arising from a lack of transparency in aid: (1) the ‘efficiency problem’, meaning that without transparency it is difficult to know how efficient aid flows are; (2) the ‘effectiveness problem’, where a lack in aid transparency can impede efforts to make it more effective, e.g. by impeding coordination among donors; and (3) the ‘empowerment problem’, pointing to the missed opportunity of citizens holding their governments to account when aid transparency is lacking.

**Oxfam America (2011)** *The politics of partnership: How donors manage risk while letting recipients lead their own development*, Boston, MA, Washington, D.C., available at: <http://www.oxfamamerica.org/publications/the-politics-of-partnership-how-donors-manage-risk-while-letting-recipients-lead-their-own-development>

This report, based on field research in Ethiopia, Guatemala, Haiti, Malawi and Tanzania concerns the building of partnerships between donors and recipients of aid, especially referring to the US as a donor country. It sets out nine recommendations for how better partnerships can be built, including one on encouraging and supporting transparency. The transparency section argues that donors should lead by example in improving the transparency of how they manage foreign aid, not simply reporting total sums of aid given by sector, but also who is implementing what, when, in which provinces and towns, how, and with what outcomes. Also, in terms of US aid transparency, the report highlights some recent advances, such as the foreign assistance “dashboard” and the bi-partisan Foreign Aid Transparency and Accountability Act of 2012 (H.R. 3159), which would require all agencies to report foreign assistance data.

**Oxfam America (2010)** *Information: let countries know what donors are doing*, Boston, MA, Washington, D.C., available at: <http://www.oxfamamerica.org/publications/information-let-countries-know-what-donors-are-doing>

Based on conversations with stakeholders in aid recipient countries and American donors agencies alike, Oxfam sets out a series of recommendations on how to make aid from the United States more effective. Increased transparency of US development assistance as well as support for efforts to improve transparency of recipient governments are two of the recommended policy reforms communicated in this report.

**Publish What You Fund (2010) *Briefing Paper 1: Why Aid Transparency Matters, and the Global Movement for Aid Transparency***, London, available at: [http://www.publishwhatyoufund.org/files/BP1\\_final.pdf](http://www.publishwhatyoufund.org/files/BP1_final.pdf)

This brief explores the benefits of aid transparency as well as who benefits from it, what information needs to be disseminated, and what the international aid transparency movement looks like. In terms of benefits and beneficiaries, the authors argue that (1) aid recipient governments would benefit because aid transparency is essential for the efficient and effective use of resources, and enables evaluation and learning from donor interventions; (2) donors and aid agencies would benefit because they need readily available information on aid funding to make sense of priority areas and to harmonise their efforts with others; (3) southern citizens and their representatives would benefit because information on aid can be used to demand accountability from donors as well as their own governments; and (4) northern citizens and their representatives would benefit as more information about aid can encourage active engagement in the aid sector, as well as help parliamentarians to effectively oversee public funds.

**Publish What You Fund (2010) *Briefing Paper 2: Aid Transparency and Aid Effectiveness***, London, available at: <http://www.publishwhatyoufund.org/resources/papers/>

This brief focuses on the relationship between better information about aid and delivering on aid effectiveness. The authors argue that information about aid is a prerequisite for enabling successful adherence to the international commitments agreed in Paris and Accra.

**Ramkumar, V. and P. de Renzio (2009) *Improving Budget Transparency and Accountability in Aid Dependent Countries: How Can Donors Help?*** Budget Brief No.7 2009, International Budget Partnership, Washington, D.C., available at: <http://internationalbudget.org/budget-briefs/brief7/>

Analysis on transparency, using the Open Budget Index, shows that in-country budget transparency is inversely associated with level of aid dependency, and that a country's budget transparency score declines as their degree of dependence on aid increases. Based on this observation, the authors argue that donor agencies should play a more supportive role in furthering transparency practices. Four recommendations are given to this end: (1) donors can influence recipient governments' capacity and commitment to make budgets more transparent; (2) donors can support other actors (civil society, legislatures, etc.) in making better use of available budget information; (3) donors can change their own practices with regard to transparency and accountability. "Whenever possible, donors should channel aid flows through government budget systems, for example, by using budget support mechanisms of different kinds. When this is not possible, donors should ensure that the systems and procedures utilized for their projects and programs are as compatible as possible with those of recipient government budget systems"; and (4) donors can conduct analysis on the ways in which aid affects budget transparency and accountability in poor countries.

## **Empirically assessing the case for aid transparency**

**Christensen, Z., R. Nielsen, D. Nielson and M. Tierney (2011) *Transparency Squared: The Effects of Donor Transparency on Recipient Corruption Levels***, Paper prepared for the 2011 meeting of the International Political Economy Society, Cambridge, Massachusetts, November 12-13, available at: [http://s3.amazonaws.com/aiddata/TransparencySquared\\_aiddata.pdf](http://s3.amazonaws.com/aiddata/TransparencySquared_aiddata.pdf)

This empirical paper finds that an increase in aid transparency may have a relatively large and positive effect on curbing corruption in aid recipient countries. The authors use panel regression analysis on a sample of 95 countries between 1989 and 2004 to test the association between an increase in donor transparency on the project level (using information obtained in AidData) and levels of recipient country corruption. They find statistically significant evidence of a causal relationship between aid transparency and recipient country corruption. The authors thus conclude that “if donors really want to reduce corruption among their aid recipients... then donors themselves may significantly dampen corruption by making their aid more transparent in the first place.”

**Collin, M., A. Zubairi, D. Nielson and O. Barder (2009)** *Costs and Benefits of Aid Transparency*, aidinfo, Wells, available at: <http://www.aidinfo.org/report/costs-benefits-analysis>

This empirical paper provides an estimate of the scale of aid money that could be saved from being captured and diverted by making aid more transparent. Using the DAC’s Creditor Reporting System, the authors conservatively estimate that about USD 17 billion a year (or 18% of total aid from 22 donors) of aid is of the kind that could be susceptible to capture (aid to the education, health, agriculture and rural development sectors which is classified as flowing through the public sector or non-governmental organisations). Setting the estimates of the percentage of this type of aid being diverted to 25% (which is based on estimates from previous studies, especially Public Expenditure Tracking Surveys), would indicate that aid of the size of USD 4.4 billion is at risk of being captured. The authors estimate that much greater transparency, as set forth by the International Aid Transparency Initiative (IATI), would result in a reduction in capture by 30%. Thus, building on the above-stated approximations mentioned, the authors estimate that the reduction in capture of aid as a result of much greater transparency might be in the order of USD 1.3 billion per year.

**De Renzio, P. and D. Angemi (2011)** *Comrades or Culprits? Donor Engagement and Budget Transparency in Aid Dependent Countries*, Working Paper 2011/33, Institut Barcelona D’Estudis Internacionals, Barcelona, available at [http://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=1959925](http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1959925)

In this empirical paper on aid and transparency, the authors use statistical evidence and country case studies to gain an understanding of why aid dependent countries are less transparent (measured by the Open Budget Index) than countries that are not as dependent on donor funding. They find that, rather than volume of aid, it is the quality of aid together with the local political context that affects levels of budget transparency in recipient countries.

**The Informal Governance Group and Alliance 2015 (2010)** *Aid and Budget Transparency in Mozambique: Constraints for Civil Society, the Parliament and the Government*, report available at: <http://betteraid.org/en/news/aid-and-development/350-aid-and-budget-transparency-in-mozambique.html>

Despite donor commitments from the Paris Declaration on Aid Effectiveness and the subsequent Accra Agenda for Action, this report shows that aid to Mozambique continues to lack transparency. This lack of aid transparency contribute to constraints faced by governments (in preparing and implementing the budget), by the parliament (in their oversight role) and by civil society (in monitoring the budget process). The report makes a set of recommendations: (1) donors need to provide more timely information about predictable aid and channel more of their aid through government systems; (2) the government should publish revenue reports; (3) parliamentarians needs to take a more proactive role in demanding accountability and transparency from the government and donors; and (4) civil society should better engage in budget monitoring.

**United States Government Accountability Office (2012)** *Humanitarian and Development Assistance: Project Evaluations and Better Information Sharing Needed to Manage the Military's Efforts*, GAO-12-359, Washington, D.C., available at: <http://www.gao.gov/products/GAO-12-359>

The U.S. Government Accountability Office (GAO) has undertaken an analysis of interagency transparency across three major U.S. implementers of foreign assistance: the Department of Defense, the Department of State, and USAID. The GAO found that the three aid agencies do not have full visibility over each other's assistance efforts, stating that no framework, such as a common database, currently exists for the agencies to readily access information on each others' efforts. In turn, the report argues that such lack of transparency could result in a fragmented approach to U.S. assistance and therefore recommends that the Department of Defense, the Department of State, and USAID improve information sharing.

**United States Government Accountability Office (2011)** *Opportunities to Reduce Potential Duplication in Government Programs, Save Tax Dollars, and Enhance Revenue*, GAO-11-318SP, Washington, D.C., available at: <http://www.gao.gov/assets/320/315920.pdf>

This report provides a brief analysis of two US agencies responsible for providing aid to Afghanistan – USAID and the Department of Defence – highlighting the risk for ineffective aid and duplication that arises from the lack of intra-agency transparency on aid.

**Wathne, C. and E. Hedger (2009)** *Aid Effectiveness through the Recipient Lens*, ODI Briefing Paper No. 22, Overseas Development Institute, London, available at: <http://www.odi.org.uk/resources/details.asp?id=2746&title=aid-effectiveness-recipient-lens>

This briefing paper highlights key findings from in-person interviews with politicians in Ethiopia, Sierra Leone and Zambia. It identifies key areas which are touched upon by the Paris Declaration but which need more in-depth focus than current declarations offer. One of these areas is aid transparency. The research shows that, from a recipient perspective, information on aid needs to be disaggregated by sector, actor and purpose. In addition, there needs to be more information on whether funds are allocated to the country office, the government, NGOs and/or other implementers, and whether funds are earmarked for technical experts or training. Finally, recipients wish for more transparency about decisions made by donors, for example, why disbursement does not match commitment.

## Assessing donor transparency

**AccessInfo Europe (2009)** *Not available! Not accessible! Aid transparency monitoring report*, Madrid, available at: [www.access-info.org/en/aid-transparency](http://www.access-info.org/en/aid-transparency)

In this report, AccessInfo Europe presents the findings from a pilot monitoring of levels of aid transparency across five major bilateral donors: Canada, France, Norway, Spain and the UK. Relying mainly on information found (or not found) on these donors' websites, the authors found (1) a very low level of availability and accessibility of information; (2) where information was available it was incomplete and lacking in detail as to be almost worthless for any stakeholder; (3) where aid agencies had created country profiles or portals which pooled information about relevant recipient countries, researchers were able to find more and higher quality information; (4) information was not easily accessible, buried deep inside government websites or databases; and (5) very little information was found on the aid agency websites about anti-corruption mechanisms and measures taken by agencies to promote integrity in the disbursement of aid funds.

**AidWatch (2011)** *Challenging Self-Interest: Getting EU Aid Fit for the Fight against Poverty*, CONCORD, Brussels, available at: <http://eurodad.org/?p=4540>

This report contains an aid quantity analysis as well as an aid quality analysis. Part of the aid quality analysis is dedicated to aid transparency of EU donor countries. The report provides an assessment of aid transparency among EU donors and the assessment is based on the availability of 35 specific types of information at organisational, partner country and project or activity level. The results show that there exists a wide spectrum of aid transparency practices across the EU donors, and that no EU donor currently publishes all 35 types of information about aid for its biggest recipient country. The types of information that are hardest to obtain across donors were found to be country audits, whether or not aid for a specific activity is tied, project impact appraisals, project design documents, activity budgets, contracts, Memoranda of Understanding or equivalent agreements, results and outcomes of activities, and evaluations.

**AidWatch (2012)** *Making Sense of EU Development Cooperation Effectiveness*, CONCORD AidWatch special report on the post-Busan development effectiveness agenda, Brussels, available at: <http://www.concordeurope.org/187-aidwatch-special-report-2012>

The report includes a qualitative assessment of the effectiveness of EU aid. It looks at the role of the EU at both the global level as a major multilateral donor and in relation to its development cooperation policies. The report includes two thematic chapters focusing on aid transparency and joint programming. It includes a ranking of European donor aid transparency using data from Publish What You Fund's *2012 Aid Transparency Index*. It includes recommendations for improving aid transparency: (1) the EU needs to keep up the momentum on aid transparency and publish ambitious implementation schedules by December 2012; (2) by the end of 2013 all European providers should have started publishing their International Aid Transparency Initiative components of the common standard; and (3) national implementation plans for the wider development effectiveness agenda should be made public.

**Birdsall, N. and H. Kharas with A. Mahgoub and R. Perakis (2010)** *Quality of Official Development Assistance Assessment*, Center for Global Development, Washington, D.C., available at: <http://www.cgdev.org/content/publications/detail/1424481/>

The authors conduct a Quality of Official Development Assistance assessment (QuODA) by constructing four dimensions of aid quality based on 30 separate indicators and ranking donors accordingly. The four dimensions are: (1) maximising efficiency; (2) fostering institutions; (3) reducing the burden on recipients; and (4) transparency and learning. Data for the indicators come from the OECD-DAC's Creditor Reporting System and AidData, among other sources. The transparency and learning dimension is measured using seven different indicators. These are: (1) member of IATI; (2) recording of project title and descriptions; (3) detail of project descriptions; (4) reporting of aid delivery channel; (5) share of projects reporting disbursements; (6) completeness of project-level commitment data; and (7) aid to partners with good monitoring and evaluation frameworks.

**Easterly, W. and C.R. Williamson (2011)** *Rhetoric vs Reality: The Best and Worst of Aid Agency Practices*, World Development, Vol. 39, No. 11, pp. 1930-1949, available at: <http://www.sciencedirect.com/science/article/pii/S0305750X11002026>

This paper attempts to measure to what extent donors follow best practices. It rates bilateral and multilateral donor agencies on the subjects of aid transparency, specialisation, selectivity, ineffective aid channels and overhead costs. Transparency is understood here as the ability to gather information about the agency, such as employment numbers, budgetary data, and overhead costs. To measure donor transparency, the authors use two different information gathering strategies: (1) they measure donors' reporting habits to the OECD International Development Statistics, and (2) they enquire about agency overhead costs by seeking information from each agency's website and annual reports, and requesting information by sending individual emails to the agencies. In terms of findings on donor transparency, the authors state that "less than half of the agencies directly contacted for this study actually responded. This

general finding lends support to the conclusion that agencies are not merely as transparent as they need to be, making consistent and accurate monitoring all the more difficult.”

**Easterly, W. and T. Pfutze (2008)** *Where does all the money go? Best and worst practices in foreign aid*, Journal of Economic Perspectives, Vol. 22, Issue 2, pp. 29-52, available at:  
<http://pubs.aeaweb.org/doi/pdfplus/10.1257/jep.22.2.29>

The authors provide an estimation of the extent to which donor agencies themselves are transparent. They focus on transparency with regard to employment issues in donor agencies, e.g. number of consultants, rather than transparency of their aid. The authors create a donor transparency index based on information they are able to find on donors websites and by the answers they received from an email enquiry. They found that, using this methodology, only 10 out of the 31 agencies assessed passed the transparency test, with a large number doing extremely poorly.

**Faust, J. (2011)** *Donor Transparency and Aid Allocation*, Discussion Paper 12/2011, German Development Institute, Bonn, available at:  
[http://www.die-gdi.de/CMS-Homepage/openwebcms3.nsf/\(ynDK\\_contentByKey\)/ANES-8NUE5M?Open](http://www.die-gdi.de/CMS-Homepage/openwebcms3.nsf/(ynDK_contentByKey)/ANES-8NUE5M?Open)

This study provides an empirical analysis of the relationship between donor country transparency (measured by levels of perceived corruption in the donor country) and proportion of aid that is based on needs and recipient-country adherence to good governance. The statistical analysis supports the proposition that transparent information on aid flows can lead decision-makers to back development-oriented aid allocation, assuming that they fear a critical response from watchdog NGOs, the press or parliament. Put differently, if transparency in donor countries is poor, the impact of special interests easily leads to the diversion of aid from developmental objectives.

**Freedom Forum (2012)** *A Pilot Study Situation of Aid Transparency in Nepal*, Kathmandu, available at:  
<http://freedomforum.org.np/content/publications/books/finish/15-books/241-study-report-situation-of-aid-transparency-in-nepal-.html>

The study includes seven donor agencies, with a mix of multi- and bilaterals. It looks at specific information items using data collected via desk reviews, surveys and interviews. It includes a mix of capital and district examples to get some indicative results for what information is available and who is asking for it. Overall, the study finds that none of the agencies provided complete budgetary information. Most of the beneficiaries (90%) said they have information on project name, project objectives and project beneficiaries, however only 30% were aware of project budgets; but most of the project offices (nearly 64%) claimed that they share information on project budgets with the beneficiaries. Knowledge of the International Aid Transparency Initiative was mixed. The study highlights that donors are trying to make more information available, but that it's hard to find the right person to ask and stakeholders at the regional and district level need the information in their own language.

**Ghosh, A. and H. Kharas (2011)** *The Money Trail: Ranking Donor Transparency in Foreign Aid*, World Development, Vol. 39, issue 11, pp. 1918-1929, available at:  
<http://www.sciencedirect.com/science/article/pii/S0305750X11002014>

This paper presents an aid transparency index that measures and ranks 31 bilateral and multilateral donors on the transparency of their aid activities. The Transparency Index uses publicly available annual information from the Development Assistance Committee's Creditor Reporting System (CRS) and AidData and rates agencies on six measures of transparency that intend to capture the 'culture of transparency' in an agency. The six indicators are: (1) whether the donor is a member of the International Aid Transparency Initiative; (2) proportion of projects for which three key fields in the AidData database are filled out; (3) average character count of the project long description in AidData data; (4) percent of projects reporting



the aid delivery channel; (5) completeness of project level commitment data; and (6) share of net ODA that donors give to recipients with good monitoring and evaluation framework.

**OECD (2011)** *Aid Effectiveness 2005-10: Progress in Implementing the Paris Declaration*, Paris, available at: [www.oecd.org/dataoecd/25/30/48742718.pdf](http://www.oecd.org/dataoecd/25/30/48742718.pdf)

This report contains an assessment of the extent to which commitments on aid transparency, which form part of the Accra Agenda for Action (AAA), have been implemented. In particular, the AAA commits donors to “publicly disclose regular, detailed and timely information on volume, allocation and, when available, results of development expenditure.” In this regard, the report particularly highlights five instruments used to achieve greater aid transparency: (1) reporting to the OECD statistical system; (2) the International Aid Transparency Initiative; (3) individual donor initiatives; (4) aid transparency indices; and (5) aid information management systems in partner countries. According to the report, these instruments constitute “promising examples of efforts to improve transparency around aid although it is too early to tell whether these efforts are leading to tangible improvements.”

**OECD (2008)** *2008 Survey on Monitoring the Paris Declaration: Making Aid More Effective by 2010*, Paris, available at: [http://www.oecd.org/document/0/0,3746,en\\_2649\\_3236398\\_41203264\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/document/0/0,3746,en_2649_3236398_41203264_1_1_1_1,00.html)

Based on a set of indicators, this report provides an assessment of the progress made in meeting the various items agreed in the 2005 Paris Declaration on Aid Effectiveness. The issue of aid transparency is most closely linked to indicators 3 and 7 which concern accounting for aid flows. Indicator 3 focuses on whether partner country national budgets are accurate and include comprehensive statements of aid flows, and the assessment shows that realism of the country’s budgets improved from 42% in 2005 to 48% in 2007. In other words, despite the progress achieved, more than half of all aid flows to the government sector are still not recorded in country budgets. Indicator 7 looks at whether aid flows were disbursed on schedule, and accurately recorded in country accounting systems, and focuses specifically on in-year predictability of aid flows to the government sector. The assessment shows that some progress had been made between 2005 and 2007 in making aid more predictable: from 41% in 2005 to 46% in 2007 of scheduled aid reported as disbursed in the government accounts.

**Grimm, S., with R. Rank, M. McDonald and E. Schickerling (2011)** *Transparency of Chinese Aid: An analysis of the published information on Chinese external financial flows*, Publish What You Fund and the Centre for Chinese Studies, London, available at: <http://www.publishwhatyoufund.org/resources/papers/>

There are many myths and misconceptions about the level of information publicly available on Chinese aid. The purpose of this report was to map and assess the levels of aid information made available across Chinese agencies that engage in various forms of international cooperation. The research found that the Chinese government, overall, publishes less data on development assistance than traditional DAC donors. However, more data is available than was previously thought and the aid transparency trend seems to be going in the right direction. That said, data is particularly difficult to obtain at the recipient country level and about conditions attached to lending, and the report argues that there might be political reasons to keep the availability of information limited in this regard. An increase in demand for information at recipient country level may be the best way forward to ensure improvements in Chinese aid transparency.

**Publish What You Fund (2010)** *Aid Transparency Assessment 2010*, London, available at: <http://www.publishwhatyoufund.org/resources/papers/>

This report assesses the level of aid transparency achieved by 30 aid agencies (bilateral, multilateral and other agencies). Based on eight data sources, seven indicators are assessed. The indicators are grouped under three categories: donors’ overall commitment to aid transparency; transparency of aid to recipient government; and transparency of aid to civil society. The research found a lack of comparable and primary

data across donors making it impossible to systematically assess all aspects of donor aid transparency at recipient country level. It also found that there is wide variation in levels of donor transparency with the highest performing donor achieving more than double the transparency score of the lowest. Finally, the research found donors to show significant weaknesses across all indicators. Based on these findings, the report recommends donors to make more information available; make more and better information available to a common standard; and ensure the International Aid Transparency Initiative delivers for everyone.

**Williamson, C. R. (2010)** *Fixing Failed Foreign Aid: Can Agency Practices Improve?* AidData Conference Papers, Available at: [http://s3.amazonaws.com/aiddata/Williamson\\_aiddata.pdf](http://s3.amazonaws.com/aiddata/Williamson_aiddata.pdf)

In this research paper, the author creates an index on which donors (bilateral and multilateral) are assessed according to best practice. The areas of assessment are aid transparency, specialisation, selectivity, ineffective aid channels and overhead costs. In this report transparency is understood as agency transparency and entails the ability for those outside the organisation to obtain access to information such as a detailed breakdown of employees and staff and a breakdown of overall agency expenditures, including aid disbursements, administrative costs and expenditures on salaries and benefits. Three measures are used to assess donor transparency in this regard: one relying on OECD International Development Statistics, one using project level aid data from AidData, and the last one relying on contacting donor agencies directly. The assessment found that bilateral agencies in general outperformed multilateral agencies in terms on transparency.

**Wood, B.; J. Betts; F. Etta; J. Gayfer; D. Kabell; N. Ngwira; F. Sagasti; and M. Samaranayake (2011)** *The Evaluation of the Paris Declaration, Final Report*, Copenhagen, available at: <http://pd-website.inforce.dk/content/content-en.html>

This independent evaluation of the commitments made in the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action highlights the importance of aid transparency in two of its five recommendations. Recommendation 2 states that “transparency has emerged repeatedly throughout the Evaluation as the indispensable foundation for effectiveness and mutual accountability”, and Recommendation 5 states that “for any new international processes for future aid effectiveness efforts, the key foundation must be a firm base of transparency on all financing and activities at both the international and national levels.”

### Assessing different aid information systems

**aidinfo (2010)** *Show me the money: IATI and aid traceability*, aidinfo Briefing Paper, March, Wells, available at: <http://www.aidinfo.org/report/show-me-the-money>

This briefing note considers how the International Aid Transparency Initiative could make aid flows traceable in order to enable citizens to follow aid from the original donor through the delivery chain to the intended beneficiary. Being able to track aid throughout the often long delivery chains is central to achieving aid transparency, improving accountability and effectiveness, and limiting abuse. This paper argues that to achieve this, the IATI standard should include a mechanism to enable aid flows to be traced from one organisation to another and should include detailed information about individual transactions and geographical locations. The report lists a number of advantages, but also challenges, for donors to providing more detailed data for aid traceability.

**Dian Agustina, C. and A. Zaki Fahmi (2010)** *Aid Information Systems*, in W. Fengler and H. Kharas (Eds.) *Delivering Aid Differently: Lessons from the Field*, The Brookings Institution, Washington, D.C.

Aid information systems have the potential to play a key role in supporting aid effectiveness by increasing transparency, accountability and effectiveness in the use of funds. This book chapter reviews five information management platforms used for tracking development aid. The authors highlight several problems with the current systems concerning their timeliness, quality, coverage, double counting, inclusion of off-budget items and their lacking of geographic mapping capabilities. Based on this review, the authors derive seven lessons for ensuring the effectiveness of aid information systems: 1) a strict quality control and proactive data-gathering approach is vital; 2) a financial tracking system works best if donors and NGOs are obliged to submit all their project details; 3) the database should be kept simple and avoid attempting to capture all available information; 4) there should not be an over-reliance on IT. All information systems need a dedicated labour-intensive team responsible for tracking the money; 5) links between data collection, analysis and reporting need to be established in order to better allocate resources and improve coordination; 6) solid reporting can play a crucial role in decision-making; and 7) the global aid information managing system provided by the OECD needs revamping if it is to fully capture the flows of aid to developing countries.

**International Aid Transparency Initiative (2011)** *Complementary roles for the OECD-DAC Creditor Reporting System and the International Aid Transparency Initiative*, available at:

<http://www.aidtransparency.net/news/new-papers-on-iatl-and-the-crs-and-aaa>

This paper explains the differences between the OECD-DAC's Creditor Reporting System (CRS) and the International Aid Transparency Initiative (IATI). In short, while the CRS is a database which provides consistent and coherent information about aid spending by DAC donors, IATI is an open information standard which publishes timely and detailed management information and which can be used by all providers of development assistance. The paper highlights that the two approaches are not competitors but complement one another, meeting distinct and important needs.

**International Aid Transparency Initiative (2010)** *IATI Country Pilot Synthesis Report May-June 2010*, available at: <http://www.aidtransparency.net/resources>

In 2010, the International Aid Transparency Initiative standard was pilot tested on a set of recipient countries with data provided from five donors. This report provides a synthesis of the country case studies emerging from this test phase. The objectives of the pilot were to assess the feasibility of the draft IATI standard, and identify the opportunities and impact of adopting the standard on country processes. The case studies found that IATI has the potential to add significant value to existing information systems and processes through (1) raising the profile of the importance of providing information on aid flows, which in turn, should add political pressure and incentive; (2) providing greater breadth on information; (3) providing greater consistency of data being used across government and within the country; and (4) through providing a clear implementation framework for public disclosure of information by donors, which will enhance country-level reporting arrangements and processes.

**International Aid Transparency Initiative (2011)** *Mapping IATI to donors' Accra commitments on transparency*, available at: <http://www.aidtransparency.net/resources>

This paper explains how the International Aid Transparency Initiative (IATI) can help donors deliver on their commitments to transparency set out in the Accra Agenda for Action from 2008. It argues that donors can adhere to the commitments by implementing the IATI standard, which provide for (1) regular and timely publication, with information published "as soon as possible, and at least quarterly"; (2) publication of detailed data on aid volume and allocations; (3) publication of results information where this is contained in documents, with provision for the optional recording of indicators; (4) publication of documents containing conditions, with the option of publishing conditions linked to disbursements; (5) publication of detailed transaction-level data on commitments and disbursements; and (6) publication of forward indicative

aggregate budgets by country, on a commitment or disbursement basis, or both, on a rolling 3-5 year basis where they exist, or for as many future years as possible.

**Martin, M. (2010)** *Review of Progress in International and National Mutual Accountability and Transparency on Development Cooperation*, Background Paper for Development Cooperation Forum High-Level Symposium, available at: [www.un.org/en/ecosoc/newfunct/pdf/ma\\_study-status\\_and\\_progress.pdf](http://www.un.org/en/ecosoc/newfunct/pdf/ma_study-status_and_progress.pdf)

Based on a survey assessment of 8 different aid transparency initiatives (AidData, AIDA, AMP, DAD, the OECD-CRS, PLAID, the EC Joint Research Centre's TR-AID, and the UN-OCHA Financial Tracking System), this study looks at the extent to which transparency initiatives are in line with best practices. Based on this assessment, the author concludes that (1) information provided by international transparency initiatives needs to be broader; (2) information needs to be more timely and aligned, and from wider sources; (3) accessibility and dissemination of aid information need to be improved; and (4) going forward, the top priority is to ensure that (especially programme country) stakeholders have the capacity to use the information for accountability purposes.

**Moon, S. with Z. Mills (2010)** *Practical Approaches to the Aid Effectiveness Agenda: Evidence in Aligning Aid Information with Recipient Country Budgets*, Working Paper 317, International Budget Partnership, Overseas Development Institute and Publish What You Fund, London, available at: <http://www.odi.org.uk/resources/docs/5874.pdf>

Realising that a significant amount of aid is not delivered through recipient countries' national budgets, there has been an international call for better alignment of aid. However, generic donor categorisations of aid are often applied at country level, even though these do not relate meaningfully to recipient governments' budget classifications. This technical research paper focuses on using aid transparency to gain better aid alignment by examining alignment between recipient budget classifications and existing international aid classifications. The empirical analysis was undertaken primarily to demonstrate the similarities and differences between country budget structures and international classifications. To do this, the author looked at a set of aid recipient countries and assessed the usefulness of the data classifications of the OECD-DAC Creditor Reporting System and the UN Classification of the Functions of Government system, and developed a draft set of generic functional definitions that best align with the administrative structures of the countries in the sample.

**OECD/DAC (2010)** *Potential and Feasibility of the International Aid Transparency Initiative (IATI)*, written by Jean-Louis Grolleau, independent consultant for the Working Party on Aid Effectiveness, Paris, available at: <http://www.oecd.org/dataoecd/56/46/46892161.pdf?contentId=46892162>

This report, commissioned by the OECD Development Co-operation Directorate, gives an outline of the origin of the International Aid Transparency Initiative, the motives for its launch and a description of its features and the methods it uses to gather and disseminate different items of information on international aid. The report also describes the fundamental changes proposed for data providers and users. The report remains sceptical about the virtues of IATI, arguing that it is neither practicable nor sustainable, and that "in trying to satisfy everyone, IATI is in danger of satisfying no one". The report instead argues that donors should build on, and improve, what reporting structures are already in place.

**Petras, R. (2009)** *Comparative Study of Data Reported to the OECD Creditor Reporting System (CRS) and to the Aid Management Platform (AMP)*, Development Gateway and OECD, available at: <http://www.oecd.org/dataoecd/0/27/43908328.pdf>

This paper analyses the differences in aid data recorded in the OECD's Creditor Reporting System (CRS) versus aid data captured at the country level in Burkina Faso and Malawi. The author examined to what extent these datasets vary, and whether the data captured locally meet the criteria for a useful country-

level dataset. The author found that overall aid flows captured in the CRS relative to country systems are of the same order of magnitude, and have a comparable breakdown on key characteristics (aid by donor and sector). However, the research also reveals that compared to the CRS, the country systems in Burkina Faso and Malawi contain more up-to-date information, categorise some information in different ways to comply with government reporting requirements, and follow the government fiscal year rather than the calendar year. Moreover, information is more detailed at the project and transaction level, and offers more precise exchange rates than are used in the CRS. In conclusion, the analysis shows that the CRS and local aid information management systems have distinct and important roles, and that understanding the purpose and limitations of each is key for users of aid information.

### Assessing the (aid) transparency-accountability link

**Björkman, M. and J. Svensson (2010)** *When is Community-Based Monitoring Effective? Evidence from a Randomized Experiment in Primary Health in Uganda*, Journal of the European Association, Vol.8, Issue 2-3, pp. 571-581, available at: <http://onlinelibrary.wiley.com/doi/10.1111/j.1542-4774.2010.tb00527.x/abstract>

In response to substandard public service provision in many developing countries, a growing number of experts argue that more emphasis must be placed on strengthening beneficiary control, i.e., strengthening providers' accountability to citizens/clients. This empirical research uses randomised field experiment to measure the impact of a Ugandan pilot project (citizen report cards) aimed at enhancing community involvement and monitoring in the delivery of primary health care. The authors found that some communities were better at pushing for improvements in health care delivery than others. They also found that income inequality and ethnic fractionalisation adversely impacted on collective action at community level for improved service provision.

**Columbia University, Hertie School of Governance and Transparency International (2012)** *Transparency, Accountability and Cooperation: A Case Study of New and Old Development Providers*, Berlin, available at: [http://www.transparency.org/news/feature/transparency\\_and\\_accountability\\_in\\_development\\_where\\_do\\_we\\_stand](http://www.transparency.org/news/feature/transparency_and_accountability_in_development_where_do_we_stand)

This study sets out to better understand what is happening both in policy and practice with making development flows more accountable and transparent. It includes a comparative analysis of traditional and emerging donors in four countries: Colombia, Liberia, Nepal and Sri Lanka. The donors selected to be assessed are Brazil, China, Germany, India and the U.S. 11 common indicators are used using a two-step process of online research combined with interviews with representatives and stakeholders from the respective countries. The report finds that all donors included in the study have suboptimal levels of transparency and accountability for their development cooperation activities in all four countries. Overall, Germany performs the best in meeting most of the indicators. The shortfalls in transparency and accountability are not standardised across all the countries. China, Germany, India and the U.S. all perform better on some of the measurements depending on the countries receiving their cooperation. The study makes five key recommendations: (1) Adopt and implement the International Aid Transparency Initiative to report all development flows; (2) ensure that information is consistently and proactively made public; (3) guarantee the public's engagement and ownership of development activities; (4) bring new and traditional development actors into the same cooperation structures; and (5) leverage international processes to deliver on development commitments.

**Francken, N., B. Minten and J.F.M. Swinnen (2009)** *Media, Monitoring, and Capture of Public Funds: Evidence from Madagascar*, World Development, Vol. 37, issue 1, pp. 242-255, available at: <http://www.sciencedirect.com/science/article/pii/S0305750X08001435>

Using a budget tracking survey, this paper investigates the role of media and monitoring in reducing corruption and capture of public expenditures in the education sector in Madagascar. The findings suggest

that both top-down and bottom-up monitoring are important in reducing the risk of capture. In terms of bottom-up monitoring, the research found that the presence of media reduces the probability of local capture. However, this impact was found to be conditional upon characteristics of the population, i.e. when many poor are illiterate, the impact of newspaper and poster campaigns is limited, and radio and television are more important media tools.

**Olken, B.A. (2007)** *Monitoring Corruption: Evidence from a Field Experiment in Indonesia*, Journal of Political Economy, Vol. 115, no. 2, pp. 200-249, available at: <http://econ-www.mit.edu/files/2913>

This much-referenced research paper presents a randomised field experiment on reducing corruption and leakage in Indonesian village road projects. It looks at whether and how corruption can be reduced by top-down monitoring, i.e. central government audits, and by bottom-up monitoring, i.e. community participation in the monitoring process. The author found that top-down monitoring through increased probability of external audits substantially reduced missing funds in the project. On the other hand, the evidence on grassroots participation, or bottom-up monitoring, showed that increasing grassroots participation in monitoring reduced missing expenditures only under a limited set of circumstances.

**Reinikka, R. and J. Svensson (2004)** *The Power of Information: Evidence from a Newspaper Campaign to Reduce Capture*, World Bank Policy Research Working Paper No. 3239, World Bank, Washington, D.C., available at: [http://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=610280](http://papers.ssrn.com/sol3/papers.cfm?abstract_id=610280)

In this well-referenced research paper, the authors evaluate the effects of increased public access to information as a tool to boost public service delivery and reduce capture and corruption of public funds in Uganda. In the late 1990s, the Ugandan government initiated a newspaper campaign to boost schools' and parents' ability to monitor local officials handling of a large school-grant programme. The authors show that capture was reduced from 80% in 1995 to less than 20% in 2001 and thereby indicate the potential effectiveness of such bottom-up transparency and accountability initiatives.

### News articles and blogs on aid transparency

**Barder, O. (2012)** *What happened in Busan?*, Owen Abroad, 11 December, available at: <http://www.owen.org/blog/5131>

In this blog, Owen Barder identifies progress on transparency to be one out of four significant outcomes from the Fourth High Level Forum on Aid Effectiveness in Busan. He argues that since the Third High Level Forum in 2008, transparency has shifted from the periphery to the centre of the discourse on aid effectiveness and that this shift owes a great deal to leadership by Sweden and the UK, and the World Bank and EU, as well as civil society organisations aidinfo, Development Gateway and Publish What You Fund.

**Barder, O. (2011)** *Eight lessons from three years working on transparency*, Owen Abroad, 22 February, available at: <http://www.owen.org/blog/4433>

In this thought-provoking blog, Barder reveals the eight most important things he has learned about transparency in general, and aid transparency in particular. These are: (1) to make a difference, transparency has to be citizen-centred not donor-centred; (2) today's ways of publishing information serve the needs of the powerful, not citizens; (3) people in developing countries want transparency of execution not just allocation; (4) show, don't tell (donor agencies will have to adapt rapidly to become platforms for citizen engagement); (5) transparency of aid execution will drive out waste, bureaucracy and corruption; (6) social accountability could be Development 3.0 (increased accountability to citizens may be the key to unlocking better service delivery, improved governance and faster development); (7) the burden of proof should be on those who advocate secrecy; and (8) give citizens in developing countries the benefit of the doubt (the fact that transparency alone will not solve every problem should not be an excuse for aid

agencies to shirk their responsibilities to be transparent). On why aid transparency is so important, Barder states: “How dare we urge countries to improve their budget systems and lecture them about the efficient allocation and execution of their budget while refusing to provide them with the information they need to do so? How dare we demand more productive public spending, while providing none of the certainty and stability they need to get the maximum value? How dare we lecture developing countries on the need to be accountable while denying citizens and Parliaments the information they need to make an informed judgment about budget allocations?”

**Barder, O. (2011)** *The open data revolution comes to aid*, aidinfo, 29 November, available at: <http://www.aidinfo.org/the-open-data-revolution-comes-to-aid.html>

Guest blogging for aidinfo, Barder argues that with the International Aid Transparency Initiative (IATI) an open data revolution is coming to aid. He notes that the increased availability of aid information will provide ammunition for many different stakeholders with various information needs at country level. “The twenty four donors who have signed IATI should be congratulated for their efforts to make data available. The payoff from that effort will come when we all start to use the data to understand aid better: to see what is working and what is not, and to hold the aid system to account, so leading to improvements in the effectiveness of aid. IATI removes the most significant barriers to entry for a wide range of diverse applications.”

**Barder, O. (2011)** *Show, don't tell*, Public Service Review: International Development Issue 18, 11 April, available at: [http://www.publicservice.co.uk/article.asp?publication=InternationalDevelopment&id=506&content\\_name=Aid Transparency&article=16164](http://www.publicservice.co.uk/article.asp?publication=InternationalDevelopment&id=506&content_name=Aid%20Transparency&article=16164)

In this piece, Owen Barder argues for aid transparency to be citizen-centred not organisation-centred: to service the needs of the user. Since the users of aid information in recipient countries want to know what is happening in their country, sector or community, and since individual donor agencies cannot meet all these user needs directly, the author argues the case for the International Aid Transparency Initiative (IATI). The author explains that IATI will enable donors to make information available in a way that allows citizens to adapt the data to fit their particular needs.

**Drummond, J. (2011)** *Transparency Will Help the Aid Debate Grow Up – And Help it Grow Old and Die*, Huffington Post, 29 November, available at: [http://www.huffingtonpost.co.uk/jamie-drummond/aid-debate-transparency\\_b\\_1116203.html](http://www.huffingtonpost.co.uk/jamie-drummond/aid-debate-transparency_b_1116203.html)

According to Drummond, aid critiques have survived and thrived in part because of insufficient transparency. Therefore, the central challenge, and the central opportunity, is around the need for a radical aid transparency agenda. He argues that by doing more to embrace transparency and accountability, the aid community will make a much better case for why it should be sustained and increased, not cut. So, among other things, all aid budgets must be made transparent and as soon as possible. “We need to see real information about specific projects and programmes – including what's been spent, who received it, what impact it has had, and what's in the pipeline.”

**Forstater, M. (2012)** *The role of transparency in managing climate finance*, Climate Knowledge and Development Network, 26 November, available at: [http://cdkn.org/2012/11/opinion-the-role-of-transparency-in-managing-climate-finance/?loclang=en\\_gb](http://cdkn.org/2012/11/opinion-the-role-of-transparency-in-managing-climate-finance/?loclang=en_gb)

This blog outlines why transparency in climate funding is important, what tracking work is already being undertaken and why it will get more difficult as countries start scaling-up to mobilise USD 100 billion a year of ‘new and additional’ funding. The author proposes that approaches developed for aid transparency could be used to unlock climate finance data to meet the needs of many different users, without blurring the boundaries of what can be counted as climate finance for the purposes of the Copenhagen Accord.

**Glennie, J. and C. Provost (2010)** *We need greater transparency over aid budgets*, The Guardian Poverty Matters Blog, 28 October, available at: <http://www.guardian.co.uk/global-development/poverty-matters/2010/oct/28/aid-budgets-transparency>

In this blog, the authors argue that there is one area where there is consensus across the board, from donors to recipients, civil society to private sector (at least in public): that budget information (income and expenditure) should be put into the public domain. Without information on budgets, the poor and marginalised find it harder to hold the powerful to account. In a similar way, greater transparency allows citizens in donor countries to help ensure their government's aid spending has maximum impact. "It is actually scandalous that aid transparency is not yet routine, but bureaucratic lethargy is hard to break when there is not serious political pressure. Perhaps if domestic budget cuts continue in donor countries, more pressure will be put on governments to open up about their foreign aid spending."

**Hagan, E. (2013)** *On citizen engagement and "feedback loops"*, Disruptive Witness, 25 January, available at: <http://www.ericahagen.com/?p=164>

In her blog, Hagan refers to citizen feedback on development and aid projects as being a "holy grail" for aid. She outlines why the development community has struggled to make progress on this issue, using the example of her work with [Map Kibera](#). A key issue is underestimating the complexity of the communities development projects are trying to target. Anonymous feedback can help address some of the political issues that might stop people from participating otherwise; but this removes the ability to capture detailed feedback on specific interventions. Other ideas include using "citizen journalists" and information centres, and creating a loop about government and large donor projects, similar to the concept behind [FixMyStreet](#). The author concludes that engaging people, soliciting and publicising their views, and collecting accurate data is time-consuming and requires more attention from the donor and tech community.

**Jayasuriva, D. (2012)** *A way forward for increased aid transparency*, Development Policy Blog, 16 February, available at: <http://devpolicy.org/a-way-forward-for-increased-aid-transparency/>

In this blog, Dinuk Jayasuriva argues that in the same way shareholders are able to hold private business to account through having access to independent company audits, taxpayers and aid recipients should be able to hold aid agencies to account through greater public availability of independent evaluations. The author concludes that while publishing independent evaluations may not lead to better aid, it will definitely lead to more transparent aid.

**Parrish, S. and Hall-Matthews, D. (2012)** *After the cake and candles what next for IATI publishers?*, aidinfo and Publish What You Fund, 22 November, available at: <http://www.publishwhatyoufund.org/updates/by-topic/iati/after-cake-and-candles-what-next-iati-publishers/>

In this joint blog, Simon Parrish and David Hall-Matthews celebrate that 100 organisations have started publishing to the IATI Registry. They note that some prominent champions of aid transparency within the donor and NGO community have led the way but that there remain some notable exceptions, meaning that aid providers remain a long way from answering partner country demands for accessible, meaningful and useful data. The authors highlight three main areas that require attention: a continued push for new publishers to the Registry; a stronger focus on data quality; and improving access to and use of the data.

**Schwegmann, C. (2011)** *This is how aid transparency could look!*, aidinfo, 17 January, available at: <http://www.aidinfo.org/this-is-how-aid-transparency-could-look.html>

In this blog, Claudia Schwegmann highlights a selection of new innovations in the area of aid transparency coming from civil society. In particular, the author looks at the Haiti Aid Map, set up by InterAction – the largest alliance of US-based NGOs working in development cooperation. The Haiti Aid Map was set up in an



effort to improve development cooperation in Haiti and offers relatively detailed information about geographic location (department and commune), activities, project duration, budget, contact information, name of the donor, the implementing agency and the number of people reached. Other innovations mentioned in this blog come from the Dutch NGO platform AKVO which provides detailed budget information, e.g. how much money is spent on material, running costs and staff salaries, and from the German organisation 'betterplace' which allows private donors to publicly ask questions about a project.

**Shaman, D. (2011)** *Should accountability for Civil Society Organizations receive the same attention as it does for International Financial Institutions?*, aidinfo, 5 May, available at: <http://www.aidinfo.org/guest-post-should-accountability-for-civil-society-organizations-receive-the-same-attention-as-it-does-for-international-financial-institutions.html>

In this blog former World Bank manager, David Shaman, argues that the attention to improving transparency in large international financial institutions (IFIs) and bilateral donor agencies should be broadened to include civil society organisations (CSOs). "CSOs should think carefully about how they may demonstrate their accountability, not just with their donors and foundations, but with stakeholders in the field and IFIs at the bargaining table. The more metrics CSOs can provide that demonstrate this, the more powerful is the case they can make to prove their legitimacy in demanding that IFIs must demonstrate and improve their own accountability." As a way to boost accountability for CSOs and IFIs simultaneously, the author suggests creating a seat on the World Bank's Board of Executive Directors for a civil society representative. This, he argues, would provide oversight and input on Bank decisions and thereby increase the institution's accountability as well as increase CSO accountability because this actor would now have a role in the decision-making process.

**Wardhaugh, A. (2011)** *Access to Data Transforms Lives*, Development Outreach, September 20, available at: <http://wbi.worldbank.org/wbi/devoutreach/>

In this piece, Alasdair Wardhaugh, the Leader of the Secretariat of the International Aid Transparency Initiative (IATI), tells the story of how IATI came to be and what concrete benefits it will bring. The author argues that while open data is not a panacea and cannot alone guarantee good development outcomes, there is real demand for open data on aid and development. Wardhaugh states that access to aid data increases accountability, helps countries make best use of scarce aid resources, increases the impact of aid in reducing poverty, improves lives in developing countries, and maintains domestic support for aid at times of financial stringency. The author also addresses concerns about the costs of implementation, and points at research showing that the efficiency savings of implementing IATI are likely to pay for the transitional costs within 1-2 years.

## International commitments on aid transparency

### Paris Declaration on Aid Effectiveness

Available at: <http://www.oecd.org/dataoecd/11/41/34428351.pdf>

The Paris Declaration on Aid Effectiveness was signed in 2005. A commitment to improve aid transparency is stated under 'mutual accountability': "A major priority for partner countries and donors is to enhance mutual accountability and transparency in the use of development resources. This also helps strengthen public support for national policies and development assistance. Donors commit to: Provide timely, transparent and comprehensive information on aid flows so as to enable partner authorities to present comprehensive budget reports to their legislatures and citizens."

### The Accra Agenda for Action

Available at: <http://www.oecd.org/dataoecd/30/63/43911948.pdf>

The Accra Agenda for Action (AAA) was signed at the Third High Level Forum on Aid Effectiveness in 2008. It is a set of commitments from donor and partner countries. The AAA introduced into the Paris Process for the first time specific commitments on aid and budget transparency. Donors in particular are committed to the public disclosure of regular, detailed and timely information on volume, allocation and (where applicable) results of aid expenditure, and to the provision of 3-5 year forward planning budgets. There is no monitoring mechanism for the AAA commitments on transparency (they are not included in the Paris Monitoring Survey) but it is often used as a reference point for why activities on aid transparency have increased, and particularly in relation to the International Aid Transparency Initiative.

#### **Busan Partnership for Effective Development Co-operation**

Available at: [http://www.aideffectiveness.org/busanhlf4/images/stories/hlf4/OUTCOME\\_DOCUMENT\\_-\\_FINAL\\_EN.pdf](http://www.aideffectiveness.org/busanhlf4/images/stories/hlf4/OUTCOME_DOCUMENT_-_FINAL_EN.pdf)

This document details the commitments made at the Fourth High Level Forum on Aid Effectiveness in 2011. With regard to aid transparency, donors made time-bound commitments to fully publish their aid information to the common standard set out by the International Aid Transparency Initiative. “We will agree on this standard and publish our respective schedules to implement it by December 2012, with the aim of implementing it fully by December 2015.” The document also states that transparent practices form the basis for enhanced accountability and constitute the foundation for effective development cooperation.

#### **Commonwealth Statement on Accelerating Development with More Effective Aid**

Available at:

<http://www.thecommonwealth.org/files/240259/FileName/CommonwealthStatementonAcceleratingDevelopmentwithMoreEffectiveAid-Final15September2011.pdf>

“We reaffirmed our commitments on transparency and predictability in the Accra Agenda for Action in 2008 and urged that these commitments be implemented in a timely fashion. To accelerate progress within the Commonwealth, we have agreed to collectively support the adoption of IATI or an IATI-compatible common standard to ensure that efforts on aid transparency have the maximum impact.”

#### **G8 Declaration on Renewed Commitment for Freedom and Democracy**

From the G8 Summit in Deauville, May 26-27 2010, available at: <http://www.g20-g8.com/g8-g20/g8/english/live/news/renewed-commitment-for-freedom-and-democracy.1314.html>

“We will improve transparency of our aid information. In particular, we will make further efforts on publishing information on allocations, expenditure and results. Information will be provided in accessible formats that deliver on the needs of partner countries and citizens. In this respect, it is important that partner countries also improve transparency. We recognise that individual countries will proceed at their own pace but we will lead by example through increasing transparency in this area and work with others in advance of the Fourth High Level Forum in Korea in November 2011.”

#### **The Dar es Salaam Declaration on Budget Transparency, Accountability and Participation**

Available at: <http://www.makebudgetspublic.org/the-dar-es-salaam-declaration-on-budget-transparency-accountability-and-participation>

The Declaration was made in November 2011 by nearly 100 CSOs and 12 international organisations at the first Global Assembly for Budget Transparency, Accountability and Participation, held in Dar es Salaam. It calls for budgets to be transparent, “comprehensive, encompassing all revenues and expenditures, regardless of their origin — including international aid, para-statal funds and the management of internal and external debt.” To achieve this, it calls upon international governmental institutions and donors to:

“Provide governments with timely, accurate and comprehensive information on the foreign aid flows that they are providing, in formats that are compatible with government budget systems and processes”.

## National/regional commitments on aid transparency

### Australian Aid Transparency Charter

Available at: <http://ausaid.gov.au/country/pdf/ausaid-transparency-charter.pdf>

Australian Aid will implement the Charter by: “Regularly updating information and data about AusAID country program activities – including expenditure, results and annual performance reports, within more comprehensive webpages; fully participating in the International Aid Transparency Initiative that provides data for comparison and critical analysis of aid program results; publishing local language summaries of Australian aid programs in local media and on the webpages for Australia’s major aid programs; publishing annual targets for improvement of transparency in the aid program; increasing the number of documents published in AusAID’s Information Publication Scheme; and welcoming public feedback on this Charter and our performance against it.”

### European Union Transparency Guarantee

Available at: [http://consilium.europa.eu/uedocs/cms\\_data/docs/pressdata/EN/foraff/126060.pdf](http://consilium.europa.eu/uedocs/cms_data/docs/pressdata/EN/foraff/126060.pdf)

“In order to increase aid transparency, the EU will: Publicly disclose information on aid volume and allocation, ensuring that data is internationally comparable and can be easily accessed, shared and published; make available to all stakeholders indicative forward-looking information on development expenditure at country level on an annual basis; make available to partner countries disaggregated information on all relevant aid flows, so as to enable partner countries to report them in their national budget documents and thus facilitate transparency towards parliaments, civil society and citizens.”

### Swedish Aid Transparency Guarantee

Available at: <http://www.sweden.gov.se/content/1/c6/14/78/49/e57ec892.pdf>

“The Swedish aid administration will share information generously. Aid information subject to the principle of public access to official documents will be made available online in an open format. The idea is to make it possible to follow the whole chain of aid information, from overall decisions to implementation and monitoring. Tax revenue used for development cooperation will be traceable. Sweden will encourage other development actors and partners, including multilateral organisations and civil society organisations, to increase transparency. In the long term, aid information will be made available in each partner country and will, when possible, be published in both Swedish and English.”

### UK Aid Transparency Guarantee

Available at: <http://www.dfid.gov.uk/What-we-do/How-UK-aid-is-spent/What-transparency-means-for-DFID/UK-Aid-Transparency-Guarantee/>

“We will publish detailed information about all new DFID projects and programmes on our website, in a common standard with other donors; information published will be comprehensive, accessible, comparable, accurate and timely; information will be published in English and with summary information in major local languages, in a way that is accessible to citizens in the countries in which we work; we will allow anyone to reuse our information, including creation of new applications which make it easier to see where aid is being spent; and we will provide opportunities for those directly affected by our projects to provide feedback on the performance of projects.”

### UK Open Government Partnership aid transparency commitments

Available at: <http://www.opengovpartnership.org/countries/united-kingdom>

The UK is committed to “publish aid information from all government departments who spend overseas development assistance (ODA) in line with the International Aid Transparency Initiative (IATI) standards, extending coverage to other departments in addition to the Department for International Development. Within 12 months, we will have agreed a clear timetable for publication of aid information with relevant departments.”

**U.S. Department of State, Quadrennial Diplomacy and Development Review, 2010**

Available at: <http://www.state.gov/documents/organization/153108.pdf>

“USAID will commit to a new standard of transparency by providing clear information about commitments, programs and results on a timely basis... To ensure that data is shared consistently, USAID will prepare joint guidelines on the release of information such as country strategies, budgets, project descriptions, implementers, scheduled and actual disbursements, procurement actions, and results indicators, while protecting sensitive information about our partners... And to make our work more transparent to wider audiences, the Office of Foreign Assistance Resources at State is launching a publicly accessible web-based “dashboard” that will allow all to see State and USAID foreign assistance data, including development and security assistance, and ultimately extend to include other agencies providing foreign assistance.”

**U.S. Open Government Partnership aid transparency commitments**

Available at: <http://www.opengovpartnership.org/countries/united-states>

The US is committed to “release and implement Government wide Reporting Requirements for Foreign Aid. These requirements will direct all Federal agencies that administer foreign assistance to provide timely and detailed information on budgets, disbursements, and project implementation. Agencies will be responsible for providing a set of common data fields that are internationally comparable. The information collected through the above initiative will be released in an open format and made available on a central portal – the Foreign Assistance Dashboard (ForeignAssistance.gov) – that will be updated quarterly.”

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