

Mr Erik Solheim  
Chair of the Development Assistance Committee  
Organisation for Economic Co-operation and Development

CC: Mr Maher Mamhikoff, Chair, WP-STAT  
Mr Jon Lomøy, Director, DCD

## **WP-STAT PROPOSAL: MEETING THE INFORMATION NEEDS OF DEVELOPING COUNTRIES**

Dear Mr Solheim,

In December 2011 in Busan, South Korea, donors committed to improve data on development co-operation in a way that would “meet the information needs of developing countries and non-state actors, consistent with national requirements”<sup>1</sup>. On 2-3 November – four years since that commitment and two months before its December 2015 deadline – DAC members could decide on a proposal representing a big step towards this shared goal. We are writing to you to ask for your support on the proposal at the upcoming WP-STAT meeting, to ensure aid can be mapped to partner country budget classifications.

A large number of donors, partner countries and civil society organisations have worked together over the last four years to ensure that the data donors provide will meet the information needs of partner countries<sup>2</sup>. In the spirit of the Busan agreement, we have worked to ensure that we draw on the strengths of existing systems – the OECD DAC’s Creditor Reporting System (CRS) and the International Aid Transparency Initiative (IATI). A key focus has been ensuring that aid activities can be mapped to partner countries’ own budget classifications. Only in this way can we understand the totality of resources available for development in any given country and ensure scarce resources are used most effectively.

Early on in the work it became clear that, though the existing CRS classifications get us a long way to mapping to budgets, in several key areas (particularly governance and justice, law and order) the purpose codes are far too broad to know in enough detail the purposes of a donor’s aid activities. It is also important to know whether a donor’s activities involve capital or recurrent spending. There have been three detailed studies commissioned since 2010 to develop the methodology, including a desk study testing the mapping against some 35 country budgets<sup>3</sup>. In the last year, the methodology was successfully tested in rigorous pilots in five countries with five donors.

The work was verbally introduced to the OECD’s Working Party on Development Finance Statistics (WP-STAT) in April 2014, with complete proposals presented in September

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<sup>1</sup> Busan Partnership for Effective Development Co-operation, §23c

<sup>2</sup> The working group included: CABRI, Canada DFATD, DFID, European Commission, Gates Foundation, Germany BMZ, International Budget Partnership, MCC, Overseas Development Institute, Publish What You Fund, Sida, UNDP, USAID, World Bank

<sup>3</sup> Mokoro – Study on better reflecting aid flows in country budgets to improve aid transparency and public financial management. August 2012

2014 and May 2015<sup>4</sup>. The proposal does not break any time series and can be implemented at each donor's own pace. Costs are negligible and benefits large.

The proposals have changed very little since they were first introduced. The minutes from the most recent meeting in May of this year recall that "ten members stated they agreed with the proposal in principle as it would enhance the transparency of aid and represent a substantial contribution of the WP-STAT to help achieve the Busan agreements 'to meet the information needs of developing countries'". Members further agreed that the proposal "was urgent in view of the December 2015 deadline for delivering on the Busan commitment". At their next meeting on 2-3 November, WP-STAT members have the opportunity to decide on a proposal that has been carefully developed and rigorously tested with widespread support.

We urge you to lend your support to this proposal – based both on the merits of the proposal itself, and as a powerful signal that the OECD will fulfil its important role in meeting the information needs of developing countries.

Yours sincerely,

**Winnie Byanyima** – Executive Director, Oxfam International

**Neil Cole** – Executive Secretary, Collaborative Africa Budget Reform Initiative

**Harpinder Collacott** – Executive Director, Development Initiatives

**Kristina Klein** – CEO, Open Knowledge Foundation Germany

**Warren Krafchik** – Executive Director, International Budget Partnership

**Rupert Simons** – CEO, Publish What You Fund

**Cobus de Swardt** – Managing Director, Transparency International

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<sup>4</sup> Aligning Aid with Partner Country Budgets: A proposal to WP-STAT – DCD/DAC/STAT/RD(2015)3/RD3