

Summary of CABRI Position on Aid Transparency

The report considers aid transparency as ‘...an indispensable pillar for the achievement of sustainable development in Africa’, highlighting its relevance for meeting international commitments on country ownership and the alignment of aid to country priorities.

Although donors made specific commitments to publicly disclose ‘regular, detailed and timely information’ in the AAA, there was no definition given for what this would mean in practice or what would count as strengthened processes. The report aims to provide this detail, including a set of minimum requirements that donors need to meet and calling for a clear set of rules for country governments to follow.

For donor information flows:

Comprehensive aid information is required, meaning it needs to be on plan, on budget and on report for country budgeting and accountability purposes. This includes a regular flow of information for:

- All aid that funds the provision of goods and services of a public nature, whether provided in agreement with the government or not;
- On all aid, regardless of the aid type, modality or disbursement channel;
- By all donors (including emerging donors, multilaterals, bilaterals and private); and throughout the budget cycle (on commitments, on disbursements and on actual use of funds).

Reliable aid information is required. CABRI recognises the challenge in providing forward information on aid given donors’ own budget cycles but this should not prevent them providing indicative forward information, including:

- Donors and country governments agreeing on common criteria for assessing and signalling the status of forward medium-term information and how it is to be used;
- Donors indicating the status of forward medium-term information and ensuring it becomes more reliable closer to the fiscal year so that information for the upcoming fiscal year is fully reliable by the time of the country budget being finalised.
- Information on actual disbursements and the use of aid, either by the donor itself or by a third party, must be reliable.

Timely aid information is required, meaning it needs to be available in time for it to be incorporated and reflected throughout the recipient country budget cycle. Recipient countries require:

- Indicative projections on all aid when their budget processes start;
- Reliable information on expected flows for the fiscal year, and no less than three months before the budget is tabled in the legislature;
- Information on changes to expected flows relevant to the fiscal year and as soon as the changes occur, including for off-budget programmes;
- Preliminary information on actual disbursements and spending for off-budget aid on a quarterly basis (at minimum); followed by verified information as soon as its available.

Useful aid information is required so it can be aligned with country budgets and supports recipient countries internal, legislative and accountability processes. Recipient countries require:

- Aid information (particularly off-budget aid) to be classified consistently to align with the country categories and classifications used for budget allocation and accountability processes;
- Clarity on the aid type, modality and disbursement channel and information on the intended objectives, expected and actual results and any conditions attached to each aid flow;
- Information on the role of different institutions (to identify who is responsible for managing the programme, who receives money and who implements the activities); and
- All documentation from the aid project cycle (including appraisal, programming, review and evaluation docs) for projects that are implemented under an agreement with the government.

Accessible aid information must be available to all stakeholders. The requirements include:

- Routine flows of information to central government to enable comprehensive budgeting and reporting at the country level;
- Flows of information between donors operating at the country level;
- Timely availability of information at the international level to enable country-level checks on the transparency of governments and promote integrity in country-level management of aid.

For donor systems:

CABRI calls for changes to how donors manage aid processes at both HQ and country level. Specifically:

- Personnel in field offices need the authority to release information and in response to specific requests without having to refer back to HQ;
- Personnel in field offices must be familiar with the country's budget cycle and process;
- Donors use donor/government and donor/donor coordination structures at the country level so that information flows to the recipient government are complete, timely and of a good quality;
- Donors move to using country systems to manage aid flows so that its on treasury and on account and in alignment with country budgets.

Required country institutions:

The integration of aid information in country budgets is highlighted as a key factor in achieving aid transparency. Poor availability of aid information can undermine this, but responsibility also lies with institutional arrangements in countries. The key issues to address are:

- The fragmentation of aid information, aid management processes and aid institutions;
- The lack of integration with budget management systems; poor information flows on aid within the government; and
- The creation of processes to ensure country demand for aid information and accountability for aid.

Aid information rules:

CABRI calls for a set of rules on aid information for country governments to follow so their responsibilities in providing, collecting, collating, validating and disseminating aid information are clear. The rules need to:

- Spell out what information is required from whom, to whom, how and in what formats;
- Clarify who is responsible for the aid information and its alignment with country budgets;
- Define what the aid information provision in financing agreements should cover and establish mandates for their negotiation and signing;
- Clarify the responsibilities of joint donor/government forums and management mechanisms;
- Formalise mechanisms for collecting aid information and the instruments for disseminating the information to domestic stakeholders;
- Establish the use of unique aid project numbers;

The rules need to be made public and given a legal basis, including public finance management legalisation, including explicit policies relating to the requirements for donors and other country role-players; and an explicit reference to how aid information will be included in the budget.

Systems to manage aid information:

The paper recognises that in order to establish strong demand for and better aid information, countries must establish systems to collect and collate aid information from donors routinely, throughout the budget cycle, and to align aid information with country budgets. This includes establishing mechanisms to collect information in the budget cycle and may involve having to adjust their planning and budget allocation and monitoring processes in order to include aid information in a systematic way, including developing a useful way of reporting aid to parliament and the wider public.

CABRI acknowledges that the principles it sets out are demanding and proposes a set of action points to encourage progress. These includes focusing initially on working with the recipient country's most

significant and/or willing donors, including CSOs; focusing on off-budget aid as the area most in need of improvement; using donor league tables and benchmarking mechanisms where possible and promoting public disclosure. CABRI countries commit to developing a collective voice on these issues in international forums to ensure that any country initiatives are supported through international good practice.