How Transparent is UK Aid;
Submission to the IDC inquiry into the effectiveness of UK Aid - April 2020

1. About Publish What You Fund

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

We work to ensure that all aid and development data is transparent and available, usable and used. We believe that this kind of data has the potential to be transformative and contribute to better development outcomes and the Sustainable Development Goals (SDGs). We combine robust research and technical expertise with targeted advocacy in order to make aid and development efforts more transparent and effective.

We are an independent NGO and have been central to the aid and development finance transparency movement since 2008. Our head office is in London and we maintain representation in Washington DC, where our work is supported by Friends of Publish What You Fund.

2. Our submission

a. Introduction

The UK government’s 2015 aid strategy included the re-commitment to spend 0.7% of gross national income on official development assistance (ODA). It also set out a cross-government approach to aid spending, drawing on the expertise of government departments other than the Department for International Development (DFID). In 2018 DFID spent 75% of the aid budget and the remaining 25% was spent by 14 different government departments. These ODA-spending departments now need to meet ODA transparency standards. The provision of transparent aid data allows both aid recipients and taxpayers to scrutinise how aid is being spent and assess if it is being delivered effectively and providing value for money. The 2015 aid strategy set a target for all government departments to be ranked as “Good” or “Very Good” in the Aid Transparency Index within five years.

In order to assess progress against this target, DFID asked Publish What You Fund to carry out a review of UK aid transparency. Between April and October 2019, we used our Aid Transparency Index methodology to score departments against transparency indicators and rank them according to their levels of transparency. The process involved engagement, data collection, feedback and an independent review. We were asked to assess ten of the government departments that are spending significant amounts of ODA. We also carried out narrative reviews of two of the new cross government funds – the Conflict, Stability and Security Fund (CSSF) and Prosperity Fund. Our findings, “How Transparent is UK Aid? A review of ODA spending departments” were published in January 2020.
Based on the findings of this research, and insights gained throughout the process, we hereby submit evidence to the inquiry with a specific focus on the following question:

“How effective and transparent is the UK aid spent by the Department for International Development (DFID) compared to aid allocated to other Government departments and to the cross-Government funds?”

b. How transparent is UKAID?

Our research identified that three government departments have reached the level of transparency set out in the 2015 UK Aid Strategy. DFID maintained its “Very Good” score, ranking first among the departments – a noteworthy finding given the volume and complexity of the aid flows managed by DFID compared to other departments. The Department of Health and Social Care (DHSC) came in second place, also with a “Very Good” score, while the Department for Business, Energy and Industrial Strategy (BEIS) ranked third, with a score in the “Good” category. This was a significant achievement for DHSC and BEIS, as it was their first assessment.

Some departments being scored for the first time were also able to achieve positive results, scoring in the upper half of the “Fair” category. These were the Department of Digital, Culture, Media and Sport (DCMS), the Department for Environment, Food and Rural Affairs (DEFRA) and the Home Office.

The Foreign and Commonwealth Office (FCO) improved on its “Poor” ranking from the 2018 Index, moving into the “Fair” category for the first time, in joint seventh place with the Ministry of Defence (MOD). This was largely thanks to more regular publication of data to the International Aid Transparency Initiative (IATI) registry. The MOD was last assessed in the 2014 Index when it scored “Very Poor”. Its score in the “Fair” category in this assessment is a significant improvement. The MOD is now publishing detailed information about its projects and policies to the IATI registry and could further improve its score by increasing the regularity of its publication and publishing more project documents.

All assessed departments are now publishing data to the IATI registry. The Department for Education (DFE) and Department for Work and Pensions (DWP) started publishing to IATI for the first time, but publish infrequently and with limited data about their projects, scoring them in the “Poor” and “Very Poor” categories respectively. A large part of their ODA spend is on in-country refugees and asylum-seekers, which is based on estimates of the number of users or claimants. As such it is more difficult for them to produce detailed project information and documentation. However, it is important that they provide as much information as possible about the way their ODA resources are used.
Performance (project information used to track performance and impact) was the worst scoring component across all departments. Four of the departments scored no points for any of the performance indicators. Three departments published good quality results data: DFID, Home Office and BEIS, and three published reviews and evaluations of their projects: DFID, DHSC and BEIS.

There were two rounds of data collection and the departments significantly improved their scores during the process. The average score across departments increased from 41.9 from the first data collection to 56.5 from the second. During the process departments also significantly increased the amount of data they are making publicly available on the IATI registry.

While it is important to recognise the hard work and achievements of the departments to make significantly more and better data available about their ODA policies, projects and programmes, there is much still to be done in order to reach the government’s own targets. Three of the departments reached the target, but seven departments fell short and will need to make significant improvements.

c. Recommendations

While we have provided the report’s detailed recommendations below we wanted to take this opportunity to present our most pressing concerns regarding the transparency of UK Aid at this time.

- **The UK’s Aid Strategy and the transparency targets enshrined therein**: It is evident from our work, and from stakeholder feedback received throughout the process, that the presence of targets in the 2015-2020 UK Aid Strategy provided the political incentive necessary to ensure that transparency was prioritised (albeit the Aid Transparency Review was only launched in the final year of the current strategy). In turn resources were allocated, project teams built, and systems adapted in order that Her Majesty’s Government could try to meet these targets. DFID played a significant role in supporting the OGDs as they built their understanding and familiarised themselves with the concepts of aid transparency. Meanwhile Publish What You Fund engaged with all departments and responded promptly to enquiries. These combined efforts have resulted not only in the commendable progress illustrated by our research, but also in substantial momentum around aid transparency within Her Majesty’s Government as evidenced by new Cabinet-level Transparency Champions’ meetings (two have been held to date) and the continuation of the HMG Transparency Working Group which includes 17 ODA spending government departments plus the Treasury. Later this year a new UK Aid
Strategy will be produced. **We strongly recommend that the IDC push for specific, measurable and time-bound aid transparency targets for all ODA spending departments and funds in the new UK Aid Strategy.**

- **UK Aid Transparency – only as strong as its weakest link:** It is commendable that the UK government has prioritised aid transparency of late, regardless of which government department is spending the funds. However, a large quantity of UK Aid is disbursed either through multi-lateral agencies, multi-lateral development banks and other major development actors. These “tier one” suppliers represent both a risk and an opportunity to the efficacy and governance of UK Aid. We understand that there were plans in place to include transparency targets in the log frames used by DFID to manage such agencies. **We advise the IDC to seek a response from DFID as to when and how they intend to ensure that UK Aid remains transparent when it is delivered through these large development partners (noting also that the UKAID Transparency Review did not evaluate the significant proportion of DFID’s budget disbursed by CDC).**

The reports’ detailed recommendations were as follows:

- Departments should maintain and embed publishing practices into administrative systems, so that publishing frequency is maintained. Departments should also maintain and improve data quality.
- Those departments that achieved good results should share lessons and good practice with lower-scoring departments through the cross-government transparency working group.
- In some cases, organisational cultural changes will be needed for departments to publish evaluations and results – particularly when these show projects under-performing or failing.
- Departments should use the aid data that their own and other departments are now publishing.
- Departmental sign-off procedures should be adapted to allow regular publication to IATI while making sure that sensitive information is adequately reviewed or protected.
- Document publication should be improved to provide consistent, useful project information.
- Departments should implement policies that allow the publication of more granular project information and performance-related data, as well as project contracts and procurement information.
- There have been challenges around forward-looking data during this review, but more could be done by several departments to publish forward-looking line-item budgets at the project-level.
- The Treasury should publish the rationale behind its aid allocation and prioritisation decisions.
- It is important that the UK’s next aid strategy maintains the commitment to aid transparency. Measurable transparency targets for aid spending departments are an effective way of doing this.
- This report also includes specific recommendations for CSSF, Prosperity Fund and the ten departments reviewed.