

Better  
information,  
better aid

August

2008

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This document sets out aidinfo's initial findings on the case for greater transparency of aid information. It was prepared in anticipation of the third High Level Forum on Aid Effectiveness in Accra.

Consultation  
paper, Accra

aidinfo 

## aidinfo and how to get involved

aidinfo is an initiative to accelerate poverty reduction by making aid more transparent. The aidinfo programme is led by Development Initiatives Poverty Research, part of an independent UK-based organisation that has been working with the OECD's Development Assistance Committee (DAC), bilateral donors, governments of developing countries and NGOs on statistical and policy analysis for aid and poverty reduction for over 20 years.

A comprehensive research programme is under way to establish the evidence for decisions on greater aid transparency. We are researching the needs of current and potential users of aid information to find out what they currently have access to, what they need, how they would use it and what difference it would make. We are also researching the options for donors – the information they gather and what would be involved in adapting their systems to make that information more accessible. We are working with the academic and policy community to establish the evidence base on the potential benefits of aid transparency.

If you can help us with this research, we would like to hear from you. Our current thinking is set out in this document but we are open to new and different ideas and approaches.

You can contact us, and contribute to the discussion, online at <http://www.aidinfo.org> where you will find lots more information, research, discussion and links, and opportunities to contribute.

Alternatively, you can email us: [aidinfo@devinit.org](mailto:aidinfo@devinit.org) or call us (and we will call you back): +44 1749 671342. Or you can write to us: Development Initiatives, Keward Court, Jocelyn Drive, Wells, BA5 1DA, UK.

aidinfo team

August 2008

## Executive summary

1. Improved transparency of aid information would contribute to faster poverty reduction by making aid more effective and accountable. Poverty reduction would be accelerated by:
  - more responsive services, more accountable government and country ownership
  - improved performance of aid agencies
  - reduced scope for corruption
  - better linking of aid to results
  - improved quality of investment decisions
  - better macroeconomic management
  - reduced overhead costs in aid
  - more trust and stronger partnership between donors and recipient countries
  - more research and evaluation leading to improved lesson-learning
  - increased public support for aid in donor countries.
2. Increased transparency of aid is a specific commitment in the [2005 Paris Declaration](#) and of the draft [Accra Agenda for Action](#).<sup>1</sup> It is also a necessary condition for making progress across all five of the Paris principles of ownership, harmonisation, alignment, managing for results and mutual accountability.
3. Greater transparency of aid information will have a significant impact when the information can be accessed through a variety of means by people in developing countries as well as in donor countries, in a form that is useful to them. This will enable them to use the information to make aid work better for them.
4. We are conducting detailed surveys of users of information, in developing countries and in donor countries, to find out what exactly they need to help them to make aid more effective. So far, we have found that the main needs for more information are:
  - more detail about how aid is being spent<sup>2</sup>
  - more up-to-date information (ideally, information in real time)
  - more timely and detailed information about anticipated future aid flows
  - a way to trace aid as it moves from one organisation to another, from funder to intended beneficiary
  - broader coverage including bilateral donors, multilateral organisations, foundations and NGOs
  - sufficient detail so that information can be organised according to local definitions
  - easier access to the information in formats which can be integrated into local systems.

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<sup>1</sup> The Paris Declaration was endorsed at the second High Level Forum on 2 March 2005. The draft Accra agenda for action was drawn up in advance of Accra's third High Level Forum, September 2008

<sup>2</sup> For example, more detailed sector classifications, the names of the implementing organisations, more detailed long descriptions, actual transaction dates and amounts, expected outputs and more precise geographical locations

5. We are also working with donors to find out what information they already have and can make available. We have found that a surprising amount of information is already published, either online in project documents or collected through multiple, parallel reporting systems. Unfortunately, because of the way it is published, much of this information is out of date by the time it is available, and it is difficult to access, compare and aggregate. Other information that is needed to make aid more effective is already collected by donors for their internal purposes but is not currently published in the detail required.
6. If this information were accessible in a more organised way this could both reduce the transactions costs for donors, who repeatedly have to provide the same information in slightly different forms, and significantly increase the value of the information to users, and so make a bigger contribution to aid effectiveness.
7. There are some specific steps that can be taken in the short term to improve aid reporting. These are set out in this paper.
8. Substantial gains will come from extending existing agreements about formats and definitions, and then allocating the modest additional resources in donor agencies needed to implement them, so that aid information can be published in a more organised, timely and accessible way.
9. There are no significant technical or political barriers to this, nor would it be very expensive. The barriers have been lack of coordination among donors; and inadequate attention to and resources for improving information systems. What is needed is sufficient political commitment to transparency for donors to work together, consulting developing country partners and other users of information, to agree together how to extend existing definitions and formats for publication of aid information. These agreements should be implemented by bilateral and multilateral donors, foundations, NGOs and implementing agents.
10. We estimate that the majority of donors – who account for about four-fifths of global aid – could with modest additional investment adapt their systems to make more up-to-date and detailed information accessible in a common format. For the other donors this would require stronger political commitment and additional resources to improve their systems. Although there will be some additional costs, there will be savings elsewhere by reducing parallel, manual reporting. And the administrative costs are small relative to the potential benefits from improved effectiveness.
11. Improvements in aid will follow from widespread access to aid information through a variety of different tools that make relevant information available in appropriate ways. If donors provide the underlying aid information in a timely, well organised and easy-to-access way, so reducing the barriers to using the information, then a rich variety of such applications can be created by the public sector, private sector and civil society organisations. As well as improving access to aid information, donors should support the development and implementation of these systems.
12. This paper sets out the findings of the aidinfo programme to August 2008. We welcome contributions, ideas and additional information.

## Why is transparency important?

13. Transparency of aid is a means to an end: it improves lives by enabling people to make sure that aid is used better. It helps to reduce poverty because it improves decision-making, improves the partnership between donors and developing countries, increases accountability and ownership, reduces duplication and waste, and so increases the impact of aid.
14. Transparency can increase the impact of aid spending by enabling citizens to hold service providers to account. For example, in the late 1990s, the Ugandan government initiated an information campaign to boost the ability of schools and parents to monitor the government's handling of a large school grant programme funded by a group of donors. The results were dramatic: the amount of money reaching schools increased from 20% in 1995 to more than 80% in 2001.<sup>3</sup> A modest investment in transparency of resource flows resulted in a very large increase in the effectiveness with which those resources were used. In general, transparency about the amount of money provided, to whom and for what purpose, enables the intended beneficiaries to demand the services that it is intended to fund.<sup>4</sup>
15. Transparency also increases the impact of aid by improving the performance of aid agencies. A recent quantitative study of 39 donors found a strong positive correlation between transparency and other dimensions of effective donor behaviour, such as low overhead costs and better choice of aid instrument.<sup>5</sup> Easterly and Pfutze suggest this explanation for their findings:

### *The feedback deficit in aid*

*“Domestic government bureaucracies in democratic countries have some incentive to deliver the services to the intended beneficiaries because the ultimate beneficiaries are also voters who can influence the budget and the survival of the bureaucracy through their elected politicians. ... However, the peculiar situation of the aid bureaucracies is that the intended beneficiaries of their actions – the poor people of the world – have no political voice to influence the behaviour of the bureaucracy.”*

**William Easterly and Tobias Pfitze, *Where does the money go?*, 2008**

*“To remedy the feedback problem [a lack of accountability for aid], a plausible partial solution is to make the operations of the aid agency as transparent as possible, so that any voters of the higher income country who care about the poor intended beneficiaries could pass judgement on what it does. In turn, with greater transparency it becomes possible to look at other elements of best practice ...”<sup>6</sup>*

<sup>3</sup> Jakob Svensson and Ritva Reinikka, The power of information: evidence from a newspaper campaign to reduce capture, 2004, World Bank Policy Research Working Paper Series. No 3239

<sup>4</sup> See also Martina Bjorkman and Jakob Svensson, Power to the People: Evidence from a Randomized Field Experiment of a Community-Based Monitoring Project in Uganda, 2007, C.E.P.R. Discussion Papers

<sup>5</sup> William Easterly and Tobias Pfitze, *Where does the Money Go?*, 2008

<sup>6</sup> Note that Easterly and Pfitze identified a correlation between transparency and effectiveness; but they did not look for evidence that greater transparency is the cause of greater effectiveness

#### 4 | Why is transparency important?

16. Transparency of aid limits the scope for corruption by exposing financial flows to public scrutiny. Analogous to the Extractive Industries Transparency Initiative (EITI), which seeks to limit rent-seeking and corruption related to oil and other revenues, so greater transparency of aid limits the scope for aid to be diverted or wasted.<sup>7</sup>

17. Increased access to aid information facilitates linking aid to results. Without information about where aid is being spent, by whom and for what, it is very difficult to trace through the effects of the aid to the outputs and outcomes it is intended to deliver. Better aid data would enable inputs to be more closely linked to outputs and to permit more robust statistical relationships to be established between aid inputs, outputs and outcomes. Greater transparency of aid information is a necessary component of a systematic effort to link aid to results.<sup>8</sup>

18. Transparency improves the impact of aid by improving the quality of investment decisions. Information about what is being delivered, and by whom, enables governments, donors, NGOs, foundations and the private sector to coordinate with each other at local level. They can reduce duplication, identify areas of unmet need, share services (e.g. using a rural distribution network to deliver a variety of goods) and ensure that complementary inputs are provided (e.g. the government can employ teachers where a donor builds a school).

19. Access to information about aid facilitates macroeconomic management. The central bank needs information about aid inflows to enable it to stabilise exchange rates in the face of large, high value foreign currency inflows, and to sterilise the inflationary impact of additional liquidity.<sup>9</sup>

#### ***"We may be illiterate but we are not stupid"***

*"We would like to tell you the story of \$150m going up in smoke," said the young villager. "We heard on the radio that there was going to be a reconstruction programme in our region to help us rebuild our houses after coming back from exile, and we were very pleased."*

*This was the summer of 2002. The village was in a remote part of Bamiyan province, in Afghanistan's central highlands, and several hours' drive from the provincial capital - utterly cut off from the world. UN agencies and NGOs were rushing to provide 'quick impact' projects to help Afghan citizens in the aftermath of war. \$150m could have transformed the lives of the inhabitants of villages like this one.*

*But it was not to be, as the young man explained. "After many months, very little had happened. We may be illiterate, but we are not stupid. So we went to find out what was going on. And this is what we discovered: the money was received by an agency in Geneva, who took 20% and subcontracted the job to another agency in Washington DC, who also took 20%. Again it was subcontracted and another 20% was taken; and this happened again when the money arrived in Kabul. By this time there was very little money left; but enough for someone to buy wood in western Iran and have it shipped by a shipping cartel owned by a provincial governor at five times the cost of regular transportation. Eventually some wooden beams reached our villages. But the beams were too large and heavy for the mud walls that we can build. So all we could do was chop them up and use them for firewood."*

**Clare Lockhart, The Failed State We're In, Prospect Magazine, 29 May 2008**

<sup>7</sup> Klaus Deininger and Paul Mpuga, Does Greater Accountability Improve the Quality of Delivery of Public Services?, World Development, Volume 33, Issue 1, January 2005, pp171-191. Also see Johann Graf Lambsdorff, Corruption in Empirical Research – A Review, 1999  
<sup>8</sup> Brian Hammond, Linking Resources to Results, OECD DAC, June 2007 (<http://www.oecd.org/dataoecd/9/29/38934946.ppt?contentid=38934947>)  
<sup>9</sup> Gupta, Sanjeev, Powell, Robert and Yang, Yongzheng, The Macroeconomic Challenges of Scaling Up Aid to Africa, IMF Working Paper No. 05/179, September 2005

Effective fiscal management requires finance ministries to have accurate information about actual and planned flows.

20. Easier access to information about aid would also reduce overhead costs for donors and for developing countries by cutting out duplicative parallel reporting. There are more than 50 countries that operate decentralised aid management systems such as the Aid Management Platform (AMP), Development Assistance Database (DAD) and bespoke systems for individual countries.<sup>10</sup> These systems are populated manually and maintained by staff of donor agencies and developing countries, and require substantial and sustained effort to ensure that they remain current and comprehensive. We estimate that donor agencies will make net administrative savings within a few years if they implement systems to provide more timely information to these databases automatically.
21. As well as directly improving the impact of aid, and reducing overhead costs for donors, greater transparency underpins rigorous research and evaluation necessary for lesson-learning. This in turn enables aid to be used more effectively in future to achieve results. For example, we are documenting the case of an NGO that is studying the impact of improved sanitation on saving children's lives in Zambia and Madagascar. Because the existing DAC classification of aid spending does not distinguish between investments in water supply and investments in sanitation, it is extremely time-consuming and expensive to investigate the statistical relationship between sanitation investment and infectious disease.
22. As well as making aid more effective and so accelerating poverty reduction, a powerful case for greater transparency of aid can be made on grounds of the public's right to information. Taxpayers in donor countries are entitled to know how their taxes are being spent in developing countries. Citizens in recipient countries are entitled to know what is being done in their country and by whom. A group of international NGOs is launching the Publish What You Fund initiative, which argues that the principles of freedom of information should be applied to aid. Publish What You Fund argues for transparency of decision-making and for the publication of strategies, evidence and analysis underpinning aid decisions as well as for publication of detailed aid spending information.
23. We expect that greater transparency will help to build public support for aid. Evidence from opinion polls suggests that the public knows little of the role of government aid in promoting development. The public are not unsympathetic to the need to help people in developing countries, but they express doubts about whether the money actually reaches the intended beneficiaries. Transparency of aid information which gives the public confidence that the aid really does reach its target should therefore build greater public confidence in government aid programmes.

**The right to information**

*"The Publish What You Fund Principles have been developed out of recognition that special efforts are needed to promote the transparency of aid and to ensure that all sectors of society have equal access to information, particularly the communities which aid is designed to benefit."*

**Publish What You Fund Principles, draft of July 2008**

<sup>10</sup> Conversation with UNDP officials, July 2008

24. Increased access to aid information would also enable parliaments, civil society and the public to hold donor governments to account for meeting their international and domestic political commitments on international development. In the absence of detailed and up-to-date information, civil society groups cannot readily analyse whether governments are living up to their commitments, or in some cases legal requirements, either to spend the aid they have promised and to allocate it to particular priorities. For example, it is not possible to monitor whether donors have met their detailed sectoral commitments until 12-15 months after the event.

***Holding donors to their promises***

*Under the current arrangements for the publication of aid data, it will not be known whether donors have met their Hong Kong Aid for Trade commitments to increase aid for trade by 2010 until the figures are released early in 2012 – by which time it will be too late to do anything about it ...*

### Transparency of aid and the Paris Declaration on Aid Effectiveness

25. The 2005 Paris Declaration on Aid Effectiveness contains a specific commitment on the part of donors to greater transparency of aid flows.<sup>11</sup> Just as importantly, transparency of aid information would make a substantive contribution to the achievement of each of the five organising principles of the Paris Declaration: ownership, harmonisation, alignment, managing for results and mutual accountability.

#### ***Ownership***

Lack of transparency around aid flows is a barrier to partner country attempts to exercise effective leadership over their development policies. Lack of knowledge about existing and future aid flows and projects compromises partner countries' efforts to plan and co-ordinate development actions. Improved aid information is one important way in which donors can meet their commitment to strengthen partner country leadership over development policies.

#### ***Alignment***

Aligning aid with country systems requires that aid is transparently included in budget planning, execution and audit, even if the aid funds themselves do not flow through government systems. Donors are committed in the Paris Declaration to provide reliable indicative commitments of aid over a multi-year framework; to rely to the maximum extent possible on transparent partner government budget and accounting mechanisms and to implement harmonised performance assessment frameworks in public financial management. Delivering these objectives will require greater aid transparency.

***Paris Declaration: existing commitment to transparency***

*“Donors will ... 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.”*

**Paris Declaration, March 2005**

#### ***Harmonisation***

Information about aid in an easily comparable format is an essential underpinning of efforts to harmonise development assistance. A variety of country-specific aid management systems have been developed to bring together information about donor spending to facilitate coordination.

<sup>11</sup> Paris Declaration, March 2005, para 49

But while these tools add value, they have also frequently proved burdensome and difficult to maintain.

### **Managing for results**

Greater clarity on how, when and on what aid has been spent is an essential component of any effort to assess the results of aid expenditure. Donors committed themselves in the Paris Declaration to align resources to country performance assessment frameworks, which must include accounting for aid resources if they are to be meaningful. Improved information on the implementing channels associated with aid would enhance diagnostic reviews of the results of aid disbursements and enable more systematic tracking of results. Greater availability of data would also facilitate statistical and econometric analysis to link aid to results.

### **Mutual accountability**

The Paris Declaration explicitly recognises that donors must provide timely, transparent and comprehensive information on aid flows to enhance mutual accountability and transparency in the use of development resources, and to strengthen public support for national policies and development assistance. Information is needed both to hold developing country governments to account for the way that they use the resources within their control, and to hold donor governments to account for living up to their promises. Greater transparency provides a basis for a more effective partnership between donors and developing countries.

#### **Transparency and the Paris Principles**

*Transparency of aid information is not merely a specific commitment in the Paris Declaration. It is also a necessary condition for making progress across all of the Paris principles and aid effectiveness agenda.*

## **What additional information is needed by users of aid information?**

26. The benefits of greater transparency of aid information described above will only be achieved if the type of information that is provided, and the way it is provided, meets the needs of the people who will use it in developing countries and in donor countries. It is not sufficient that donors merely publish more information: the right information has to be easily accessible in the right form.
27. The aidinfo team has started detailed work with a range of stakeholders in donor and developing countries to assemble evidence about how they use aid data, and to understand their priorities for greater transparency. This evidence should inform decisions about the ways in which aid is made more transparent, so that the potential benefits can be achieved. This work has already suggested a number of consistent themes about the improvements that would most meet the needs of different groups of stakeholders.
28. We have heard from all stakeholders, with a variety of different emphases, that they would benefit from a combination of the following improvements in transparency of aid information:
  - a. more detailed information
    - information users need more fine-grained information about the purposes to which aid is spent, the geographical location, and the recipient of the money
  - b. information about future aid flows

8 | What additional information is needed by users of aid information?

- authorities in developing countries, other donors and civil society all give high priority to having more reliable, more detailed information about planned aid
- c. real-time data
  - detailed information is at present only available with a one or two year lag, by which time it is, for many purposes, out of date
- d. consistent formats
  - data should be published in consistent, accessible, comparable formats to make it easier to add up, compare and analyse, and to read it straight into accounting systems and other applications. The information should be presented in ways that make it possible for it to be reconciled with classifications and systems used in the recipient countries
- e. traceability and comprehensiveness
  - common project identifiers would allow money to be tracked through the aid system and so increase accountability and enable aid to be tracked through to results. This also requires that the same levels of transparency are adopted by multilateral donor agencies, NGOs, foundations, implementing agencies, and contractors so that aid can be tracked as it passes from one organisation to another
- f. standard output indicators
  - a number of organisations are interested in using standard indicators to enable them to estimate and compare the impact of aid. There is some international progress on this (for example, through DevInfo) and it is important to coordinate with those activities.

**Information needed to improve health**

*“The health department here has just \$1.25 per person to spend each year. So we have to make every penny count. If we know where donors are working, we can avoid duplication and target our money on the people that wouldn’t otherwise be reached. That means we need very detailed information about exactly what services are being provided by agencies, and where.”*

**Evidence to aidinfo from a health ministry economist in sub-Saharan Africa**

**Governments in developing countries**

29. There is considerable variation both within and between developing countries in their need for additional information.
30. Finance and budget ministries are mainly interested in country-level aid information in sufficient detail to facilitate integration with their own budget systems, strengthening budget preparation and accounting processes. They place a large premium on having timely access to current data, and reliable estimates of future spending. Many want aid to be ‘on budget’ – that is, shown in budget documents so that overall spending priorities are informed by donor and well as government spending.<sup>12</sup> In the case of Rwanda, just 51% of estimated total official development assistance (ODA) inflows in 2007 were recorded in the national budget. Less than one-seventh of project-support funding was shown in the budget. To ensure that they are allocating resources to places of greatest need, governments need to know which services are being provided by donors and where. Because budget classifications and fiscal years differ among countries, finance ministries need aid information that is consistent with the budgetary classifications they

<sup>12</sup> Note that ‘on budget’ is not the same as ‘budget support’. Aid can be on budget without the money passing through government systems

use, or which can easily be mapped to their budget systems. Exact dates of disbursement are important to finance ministries because they can affect fiscal aggregates (e.g. if a large disbursement might fall either side of a fiscal year-end).

31. Central banks are predominantly interested in aggregate flows, especially where aid is large enough relative to other transactions to affect exchange rates or domestic liquidity. In these cases, precise dates and amounts of current and near-future transactions are important for orderly management of financial markets, and to manage the possible effects on competitiveness of aid inflows.
32. For line ministries, and some budget ministries, more detailed information about aid spending is important for planning and coordination. This information is required to avoid duplication, to put government services in places of unmet need, and to plan complementary investments (e.g. hiring and training health workers to staff a clinic financed by a donor). For this to be effective, timely and detailed sub-sectoral and geographical information is required about past, current and future spending plans.

### Civil society organisations

33. Transparency of aid information helps service delivery NGOs to harmonise their development activities with government and donor activities. Additionally, where NGOs are used as an implementation channel, better information on current and future flows helps them to plan and increase their effectiveness. Information on implementing channels helps to reinforce mutual accountability between NGOs and the governments of both developing and donor countries.
34. Advocacy and research NGOs need up-to-date, detailed and comparable information about spending. Without this, research is less robust, or significantly more costly and time-consuming than it needs to be. aidinfo is documenting the example of a UK-based NGO, which is looking at the extent to which spending on sanitation projects is aligned with the incidence of water-borne diseases in a number of developing countries. This research has been handicapped by the lack of detail in project sector codes reported to the DAC which make no distinction between sanitation projects and water-supply projects. Furthermore, because there is no sub-national geographical coding, it is difficult to assess whether resources are being deployed in the areas of greatest need. The researchers have had to undertake labour-intensive searches of descriptive fields and project documentation in order to obtain partial information. With better data, many weeks' manual effort could have been avoided, and more robust conclusions reached.
35. Civil society organisations have an important role to play in tracking spending through the aid system. At present, there is often no way to find out which implementing agency has received the money. This makes it hard to avoid double-counting, and makes it impossible to follow the money down to the intended beneficiary. If the money could be easily traced it would be possible to see whether it was reaching people on the ground, which enables people to act as watchdogs for waste, inefficiency and corruption.

## 10 | What additional information is needed by users of aid information?

36. The ability of parliaments and civil society in developing countries to hold both donor and partner governments to account for service delivery is a key driver of improved public services. This is made difficult or impossible by lack of detailed, timely and consistent data.<sup>13</sup>
37. Civil society organisations in donor countries need more information to hold donor governments to account for meeting the political and legal spending commitments they have made. At present it is not possible to assess whether sector-specific commitments on ODA have been met until 12 to 15 months after the deadline for achievement of the commitment has passed. For these NGOs, it is a high priority to make aid data available more quickly. These advocacy NGOs would also make use of more detailed information about the terms on which aid is provided, for example to enable them to calculate the implicit level of concessionality, to monitor the impact of conditionality and to track the extent of tying.

### **Donor governments and international organisations**

38. As well as being providers of aid information donor governments and international organisations are also prolific users of each other's information. Information about the activities of other donors is an important part of the context for decisions about where and how to spend aid. This requires detailed information about particular interventions, including geographic location. Donors use information about each other's aid to enable them to harmonise and to reduce overlap. The transaction costs involved in harmonisation could be significantly reduced if information were more readily available.
39. As donors are paying greater attention to systematic measurement of results, there is growing demand from development agencies and multilateral institutions for standardised indicators of outputs and outcomes which can be aggregated and compared. Rigorous impact evaluation would be made more reliable and easier to undertake if aid data were widely available. Furthermore, to estimate the contribution that a particular donor has made to progress in a particular sector, it is important to have an estimate of the size of the donor's contribution in proportion to the aid provided by others.
40. For those donors that provide mainly programme aid, such as budget support, it is increasingly clear that empowering civil society in developing countries to demand improvements in the allocation and use of resources is an essential complement to the provision of resources to government. Transparent aid information, along with improved information on expenditure of domestic resources, is an investment in the power of civil society organisations in developing countries to hold their own governments to account.

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<sup>13</sup> John Clark, The state, popular participation, and the voluntary sector, World Development Volume 23, Issue 4, April 1995, pp593-601

## Summary of user needs

Possible improvements	Partner governments	Donor governments	NGOs/civil society
<p><b>More detail</b>                      Full compliance with existing DAC standards, plus more detailed sector and purpose codes, location coding, financial details, conditions and other terms, actual disbursements. Sufficient detail is needed for aid to be reconciled with budget classifications and timing</p>	<ul style="list-style-type: none"> <li>• Enhances ability to plan and execute budgets</li> <li>• Facilitates ownership of development priorities</li> <li>• Permits alignment with budget, medium term expenditure framework (MTEF) and national development strategy</li> <li>• Improves coordination of government, donor and civil society activities</li> <li>• Enhances mutual accountability</li> </ul>	<ul style="list-style-type: none"> <li>• Easier to link spending to results</li> <li>• Accountability to own citizens</li> <li>• Builds support for development</li> <li>• Improves harmonisation of donors</li> <li>• Improves accountability of partner country governments</li> <li>• Increases impact of aid spending by improving service delivery</li> <li>• Facilitates research and learning</li> </ul>	<ul style="list-style-type: none"> <li>• Enables NGOs to put pressure on governments for delivery</li> <li>• Enhanced ability to carry out research</li> <li>• Improved accountability of donor governments for keeping promises</li> </ul>
<p><b>Predictability</b>                      Publication in some form of anticipated spending for next three years, though in less detail than for current and past spending</p>	<ul style="list-style-type: none"> <li>• Increased productivity of public spending</li> <li>• Improved macroeconomic management</li> </ul>	<ul style="list-style-type: none"> <li>• Improves harmonisation of donor activities</li> <li>• Increases impact of aid spending</li> </ul>	<ul style="list-style-type: none"> <li>• Better harmonisation of NGO-funded activities with activities funded through ODA</li> <li>• Improved accountability of donor governments for keeping promises</li> </ul>
<p><b>Timeliness</b>                      As near to real-time publication as possible</p>	<ul style="list-style-type: none"> <li>• Enhanced ability to budget</li> <li>• Better macroeconomic management</li> <li>• Reduced duplication</li> <li>• Greater accountability for service delivery</li> </ul>	<ul style="list-style-type: none"> <li>• Improves harmonisation</li> <li>• Accountability to own citizens</li> </ul>	<ul style="list-style-type: none"> <li>• Better research</li> <li>• Improved harmonisation</li> <li>• Accountability of donors</li> </ul>
<p><b>Common formats</b>                      Consistent, comparable data, easier to access (i.e. machine readable)</p>	<ul style="list-style-type: none"> <li>• Easier aggregation and comparison</li> <li>• Reduced transactions costs</li> <li>• Greater diversity of applications to use aid data</li> <li>• Ability to map information to local definitions</li> </ul>	<ul style="list-style-type: none"> <li>• Reduced transaction costs in publishing data</li> <li>• Opportunities to benchmark and compare across donors</li> </ul>	<ul style="list-style-type: none"> <li>• Easier research and aggregation</li> <li>• Ability to benchmark and compare across donors</li> <li>• Reduced transactions costs</li> <li>• Greater diversity of applications to use aid data</li> </ul>
<p><b>Traceability and comprehensiveness</b>                      Publication of recipient organisation and use of a common set of unique identifiers for aid flows. Common levels of transparency by multilateral organisations, NGOs, foundations, implementing agencies and contractors</p>	<ul style="list-style-type: none"> <li>• Cost-effectiveness comparisons</li> <li>• Reconciliation between amounts disbursed with amounts received</li> <li>• Reduces corruption</li> <li>• Increased competition among service delivery</li> </ul>	<ul style="list-style-type: none"> <li>• Enables tracking of results</li> <li>• Reduces corruption</li> <li>• Greater accountability to taxpayers</li> <li>• Facilitates lesson learning</li> </ul>	<ul style="list-style-type: none"> <li>• Improved visibility of the effectiveness of NGOs where they are used as an implementing channel</li> </ul>
<p><b>Standard indicators</b></p>	<ul style="list-style-type: none"> <li>• <b>Output and outcome monitoring less onerous and intrusive than conditionality on inputs</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>Opportunities to benchmark and compare</b></li> <li>• <b>Information to make the case for aid</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>Opportunities to benchmark and compare</b></li> <li>• <b>Information to make the case for aid</b></li> </ul>

## Think local, act global

41. One of the important objectives of greater transparency of aid is that the information should be used within developing countries to promote greater effectiveness and accountability of governments, service providers and donors. To achieve this goal, the data has to be accessible and presented in ways that are relevant to that particular community. For example, spending data has to be presented consistently with local budget classifications and budget cycles so that it can be used in aid management systems. The information should be presented in local language, and consistent with local accounting conventions. Transparency of aid will increase the effectiveness of aid only if the mechanisms for accessing the information are locally-owned, and designed for local circumstances to meet local needs.
42. This is one reason why more than 50 different aid management systems have been implemented across the developing world, including AMPs and DADs and a range of bespoke systems. Though they share many common features, they are adapted for the particular needs of policy-makers in the country concerned. The UNDP has played an important role in helping to develop, implement and enforce these aid management systems, which have made a significant difference to the availability of aid information at country level.
43. This decentralised approach is important, because it is locally owned and responds to local needs. But there are disadvantages to relying on these databases as the solution to aid transparency:
  - a. in almost every case it has proved an unenviable and expensive task to maintain the data; donors do not always give it sufficiently high priority
  - b. as a result, data is generally incomplete, sometimes with significant gaps, and there are no resources to validate and check the data – comparisons with data provided centrally to the Creditor Reporting System (CRS) reveal considerable discrepancies.
  - c. some donors, especially non-traditional donors, do not comply at all
  - d. there is frequently double-counting as multiple agencies report the same expenditure
  - e. in general, the databases are updated manually by donors; this usually involves retyping the information from their internal systems into the local system, involving substantial transactions costs repeated across every donor across 50 countries
  - f. Some national aid management systems are open to the public but some are not – in Ethiopia, for example, the information in the AMP is not available to civil society, parliament or the public
  - g. the information is insufficiently detailed for many purposes – it does not generally include exact geographic location, nor does it allow aid to be traced from the original source of funds to the intended beneficiaries
  - h. these systems do not meet the needs of other key users of data, such as NGOs, researchers, donors, and taxpayers in rich countries – for example, the databases do not readily permit aggregation and comparison across countries.
44. It is important too that improved aid transparency is grounded in the specific needs of particular countries. Solutions must be local, allowing local stakeholders to access the information they need in ways that are convenient and relevant to them. Aid management systems play a crucial role in providing information for partner governments. But these systems only partly meet the needs of governments, and the current arrangements for maintaining those leads to duplication and high administration costs. Donors and partner governments should look for ways to act

globally to create a platform that supports and simplifies the creation and maintenance of these local aid management systems, and other local applications that are responsive to local needs.

## **Evidence about what donors publish, and what more is possible**

45. All DAC donors currently report some information about individual projects to the DAC CRS and this is the current standard for access to aid information. However, this process is far from perfect. The data is published with a one-to two-year lag, there is limited coverage, insufficient detail, only partial compliance and there are persistent issues over quality and completeness. Many donors do not report to the DAC at all.
46. The shortcomings of the CRS as a source of data should not be seen as a criticism of the DAC, nor of the many staff in donor agencies who work hard to provide high-quality information to the DAC reporting system. Rather it is a reflection of the relatively low priority that has been given in some donor agencies to reporting detailed and timely information. The DAC will continue to have a pivotal position in setting standards for data publication and for improving the quality of data; and while DAC databases will play a vital role providing authoritative information on aid and other official flows, these should be complemented by a wider range of data providers and diverse applications that draw on information provided by donors to aggregate, trace, interpret and present information in a variety of different forms.
47. As well as reporting to the DAC CRS database, donors already make a large amount of aid information available in a variety of different ways. In particular:
  - in around 50 developing countries, most donors provide information directly to a local aid management system organised by the partner government
  - most donors publish quite detailed project information on their websites as documents, and summarise these in annual reports
  - some donors publish more contemporaneous data to the Accessible Information on Development Activities (AiDA) database (part of the Development Gateway) or to the UN OCHA Financial Tracking System (FTS) database of humanitarian aid.
48. In addition to the data that is already published, donors capture data within their own systems for internal management and reporting, some of which remains unavailable outside the organisation. Advances in technology mean there are opportunities to improve the supply of more detailed and timely data, without the large cost and effort required in the past.

## **Political feasibility of greater transparency**

49. Our impression from discussions with donors so far is that there are few political or policy constraints that would make it difficult for most donors to publish information about current and past aid programmes. Much of this information is already eventually made public. Indeed, there is considerable appetite among policy-makers in donor agencies for greater transparency of their aid information. Such reservations as have been expressed have related more to the feasibility and cost of publishing more information, not to the desirability of doing so.
50. There is more uncertainty about the prospects for greater transparency of future spending plans. While donors recognise the substantial benefits to developing countries of greater predictability, they balance these with a perceived need for flexibility and the need to protect

political and legislative decision-making processes. However, many donors are already releasing quite detailed future spending plans, in particular through country-level aid management systems or in projected funding of multilateral organisations. Clearly, the amount of detail that donors can publish about future plans will be less than for current and past activities; and for many donors it will be important that this information is clearly understood to be a projection rather than a firm commitment. The DAC is currently developing a new system for collecting information from donors about future aid intentions which seeks to balance the need for more transparency with donors' legitimate worries about forward commitments.<sup>14</sup>

### Technical feasibility and cost

51. Donors have many competing claims on scarce administration resources, and so proposals to collect and publish more information about aid must not impose costs that are disproportionate to the benefits. It is important to avoid proliferation of reporting requirements and systems; indeed, it would be desirable to rationalise and simplify existing duplication and parallel reporting.
52. The vast majority of the information needed by users is already gathered by donors in their internal management information systems. For example, donors already record within their accounting systems the dates of transactions and the identity of the organisation to which the money has been paid, although this information is not generally published. For this information, it is technically feasible to gather the information and make it available.
53. But not all of the data that users seek is presently captured in a systematic, structured way (e.g. many donors do not have systematic ways to track results), and some data is not captured at all (e.g. geographical locations). Where data *is* captured, there are inconsistencies between donors, and sometimes within donor countries, between definitions and formats. For example, there are different interpretations of 'commitment' and 'project', and different donors have slightly different definitions of sectors, though nearly all map their classifications to the existing standard CRS purpose codes.
54. Furthermore, even where data *is* currently captured and published (for example through the DAC CRS system) there are numerous problems of data quality that need to be addressed. Information provided by donors reporting to the DAC is often incomplete (e.g. whole tables or information about implementing agency and channel of delivery are missing) or inadequate (e.g. descriptions of projects). This is not through lack of effort or professional skill on the part of the DAC, but rather a reflection of the lack of priority and resources allocated to the relevant teams and systems in some donor organisations.

<sup>14</sup> 2008 Survey of Aid Allocation Policies and Indicative Forward Spending Plans, ([www.oecd.org/dac/scalingup](http://www.oecd.org/dac/scalingup))

55. The DAC is in the process of designing and implementing a new system (CRS++) that will replace the CRS system. This will allow the DAC's aggregate statistics to be built up from detailed project information, and so guarantee consistency of data, increase the focus on the accuracy and comprehensiveness of project-level data, and reduce transactions costs.
56. Collecting and publishing more detailed, timely and better organised information will require priority to be given to transparency. Some agencies will need to invest more in their internal systems and processes for capturing, verifying and publishing data. Of the bilateral donors that we have looked at:
- about one-quarter, responsible for about half of all global aid, already have centralised management information systems that support both internal and external reporting processes and will be able to report to the new CRS++ system. For these donors, it will be inexpensive to publish more detailed and more timely information.
  - about one-half, responsible for about 30% of global aid, have management information systems that are able to report to CRS++ to some extent, but only with separate reporting systems and manual intervention. These donors have the necessary data and infrastructure to deliver improved transparency of aid information, but it will require some investment in systems to move to more automatic reporting.
  - the remaining one-quarter, responsible 20% of global aid, do not currently have well developed management information systems. For these donors, reporting to the DAC is already a time-consuming, manual process and proposals to improve transparency of aid information would represent a more significant challenge. The complexity for these donors is increased because in many countries multiple agencies are involved in administering and reporting aid. Some of these donors who do not currently have management information systems are planning to introduce one.
57. Many donors will be implementing, upgrading and improving management information systems in the coming years. It would be helpful to have an agreement in advance about the information that they should capture and the format in which it should be made available so that these needs can be built into the specifications of their future systems. For donors that are not planning to introduce a management information system, it is possible to develop alternative tools that would enable these donors to collate and publish aid data in a consistent format which could be less expensive and onerous than manual processing.
58. Overall then, for donors responsible for about 80% of all aid, it would be possible to publish much more information, in a more accessible and timely manner, with very modest additional investments. There will also be offsetting savings to donors. Shortcomings in the existing frameworks for reporting aid information result in manual, labour intensive parallel reporting to country-level systems, which impose substantial, though often hidden, costs, at field level. As well as the time and effort needed by donor field staff to report to country systems, many donors also finance consultants in developing countries who maintain these systems.

### *Other donors – multilateral organisations and non-DAC donors*

59. There are, in general, no political or technical obstacles to detailed reporting by multilateral agencies. The main development banks all have comprehensive project databases that contain most of the information needed, though they would need to be adapted to deliver consistent, detailed and timely information in a common format. However, reporting by multilateral agencies to the DAC CRS is patchy at present: some organisations comply in full, some do not. The problem is that insufficient political priority has been given to transparency of aid information.
60. Early indications from non-DAC donors, including some foundations, are that they are willing to be part of a process to define and implement a new aid transparency standard.

### **Summary of technical feasibility**

61. The professionals involved in statistical reporting by aid agencies are unanimously passionate about improving their data and making it more available, and they welcome the additional interest and profile that interest in aid transparency is generating. We have found no significant technical or political barriers to improving reporting: and the additional costs are modest. Further analysis is needed of the specific challenges and bottlenecks donors are facing to get a better picture of what can be achieved, and what support is necessary to deliver more accessible aid information.
62. aidinfo plans to look at the costs and benefits of the required investments in more detail. A qualitative assessment suggests that such an investment would be very good value for money. If we assume (very conservatively) that increased transparency would result in a one-off increase in the impact of aid of just 0.1%, then the investment in systems would pay for itself within a few months. Furthermore, the existing proliferation of multiple systems and parallel reporting imposes costs on donors which could be avoided with a better-organised framework for reporting. We also believe that there are opportunities to share lessons and good practice, and possibly systems, amongst donors which will accelerate change and reduce costs.

### **Proposals for next steps**

63. We have set out above our preliminary findings that:
  - a. aid would be more effective, and poverty reduced more quickly, if there were greater transparency
  - b. the variety of users of aid information need more accessible, detailed, timely, and consistent information to enable them to make aid work better
  - c. it is both technically and politically feasible for donors to respond to these needs; and donors are willing to do so. Much of the information is already published, but the way this is organised makes it both expensive to produce and difficult to use. The barriers to progress are not cost, or technical feasibility, but attention to the issue and coordination among donors.

64. We do not propose the creation of a new database or a new system. Our proposals aim to reduce parallel reporting, not add to it.
65. We set out below some quick wins towards greater transparency, together with a proposal for a better-organised way to publish aid information, which would underpin the development of the variety of systems that would meet the needs of users, particularly those in developing countries.

### Quick wins

66. Some improvements can be made easily and quickly by individual donors, perhaps with external assistance. For example:
  - a. completion of project long descriptions
    - some donors do not always report long descriptions of projects to the CRS (for example, because of lack of resources to translate their internal records into English). It would be immensely helpful to have more complete reporting of the long descriptions from all bilateral and multilateral donors, inclusion of geographical locations or other geo spatial data as a matter of course, and contact information or links to donor project documents. Where the problem is lack of resources to translate internal records or to input data, this could be remedied by using external resources, and perhaps translation software, to translate the existing information.
  - b. reporting on implementing agency
    - some donors complete the 'Implementing Channel of Delivery' field in detail, giving the name of the government department, NGO, or research institution. Others classify their spending into 'public sector', 'NGO' etc; others do not supply any data at all. This information is a vital first step for tracking how aid is used. It is also needed to avoid double counting, and it can reveal in much more detail the earmarked funding flowing to multilateral agencies that is included in bilateral ODA.
  - c. immediate publication of information reported to the CRS
    - at present, CRS data is available with between a one and two year lag. Some donors are able to make this information available much more quickly, but the data is not available to the public until all the donors have reported and the data has been verified and cleaned up by the DAC.<sup>15</sup> Provided that users are aware of the limitations of the data – notably that it is incomplete and lacks verification – it would be useful to them to have access to the information as soon as it has been made available.
  - d. Comprehensive compliance with DAC reporting requirements
    - bilateral donors do not all fully comply with DAC reporting requirements. Reporting by multilateral donors that are not members of the DAC is voluntary and there is considerable variance in the extent to which they comply with the reporting standards. In most cases, the shortcomings in reporting are simply the result of lack of resources provided for statistical and technical staff in the agencies concerned. Both bilateral and multilateral donors could, in the first instance, give this higher priority, and allocate

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<sup>15</sup> For example, at the time of writing, Denmark had provided CRS data for the first half of 2008 but the latest information available to users of the CRS relates to 2006

more resources to enable the agencies to comply in full with the directives for CRS reporting.

67. External support, such as technical advice or help with systems, could be made available to donors to implement these changes.
68. However, while it is important to improve reporting through the CRS, this is no substitute for providing comprehensive, detailed, timely and accessible information to nationally-owned aid management systems, grounded in local circumstances. The recommendations that follow are intended to address these broader needs.

### **Development of a common format for sharing all aid information**

69. Increased transparency will accelerate the reduction of poverty by enabling people to make aid work better. To achieve this, relevant information needs to be accessible to a variety of different organisations and individuals, all of whom have varied priorities for the content and format of information, and different capacities to access it. Greater aid transparency must be designed to meet these local needs.
70. At the same time, it is important that donors do not have to comply with many different reporting requirements to different users, which would add to their costs and complicate the task of making information available.
71. In some ways the present arrangements represent the worst of all possible worlds. Much of the information needed is already published, at considerable expense and effort from donors, but it is not organised in a way that enables stakeholders to use it to make aid more effective. For example:
  - the most comparable and usable source of data is published through the DAC – but there is a delay of up to two years before it can be accessed, the level of detail is not as great as required and access is inflexible (though improving)
  - the information given by donors to country-level systems is sometimes not available to the public – the data generally cannot be read electronically and because each database is set up slightly differently, it cannot be used for cross-country comparisons or regional or international level analysis
  - the documents published by donors on websites and annual reports can only be accessed individually, and definitions vary between donors, so the information cannot be readily added up or compared, nor reconciled with other sources of data
  - the information does not use common definitions – for example, terms such as ‘commitment’ and ‘project’ have many different meanings within donor agencies, as well as between donor agencies. This means that if a user attempted to use existing information held by each agency to compare commitments between donors, or to add up the commitments made by a variety of donors to a particular country, the resulting analysis would be inconsistent and misleading.<sup>16</sup> Similarly, different agencies use different definitions of sectors, disbursements, conditions and so on.
72. As a result of these shortcomings, the information that is already published is of limited value to a wide range of users including partner country governments and civil society organisations.

<sup>16</sup> CRS reporting addresses these differences by requiring members to report to agreed definitions in the statistical reporting directives

73. A key step to making this information accessible, timely and more useful for the wide variety of different users, without adding to the burden on donors, is for donors to publish information in more detail electronically using common definitions, and in a common format. These definitions and formats would extend and implement existing agreed definitions, such as the agreed DAC reporting directives, to enable aid information to be mapped to a broader range of systems.<sup>17</sup>
74. The availability of this information in an organised way would massively reduce the barriers to potential users of information, who would be able to access it through a variety of different ways that meet their specific needs. A finance ministry could bring the data directly into their country-level aid management system, or into their budget planning system; a parliamentarian could see a website summarising what is happening in each sector in their country; an NGO focusing on a particular sector could build a website that publishes the details of projects across a range of countries; and taxpayers in donor countries could see where the money they pay in taxes is being spent. All these applications would be cheap and easy to design and build, provided that the information was available in a reliable, common and open format.
75. We are not proposing a new database or a new system for the reporting of aid data. Nor are we proposing that donors should attempt to report information separately to each organisation that wants to use it, in a format tailored for them. Instead we are suggesting that the donors should agree to extend the existing common definitions and formats and that they set up a system that translates their own internal data into those classifications and formats. This data in a common format would then be a single reporting channel for each donor, which would be available online for the many users of data to access in the way they need.
76. In the same way that the world wide web revolutionised the way in which we all access information, it is becoming clear that the development of common formats that allow information to be read across different websites and other information systems (such as databases) will enable many more people to access information easily and cheaply and to make much more meaningful use of that information.
77. This can be achieved by enhancing and extending the existing definitions and reporting mechanisms, in particular the DAC reporting requirements; and this is essential to avoid duplication. The DAC CRS database would be able to access the same data from donors – there would be no need for donors to report separately. The DAC would continue to perform its vital role of analysing, comparing and validating the data. Users who wanted to work only with verified data could continue to go to the DAC for that. The extended mechanisms would be designed to meet the various needs of country-level systems as well, so that donors can rationalise the efforts they currently have to make to report to each system manually.
78. For this to happen, it is essential that those bodies that are already engaged in collating and publishing aid data – particularly the DAC on the donor side, and UNDP, which has invested heavily in developing country-based systems – continue to play a leading role in the development of common definitions and formats. Furthermore, to ensure that the format meets the needs of a wide variety of users, it is essential that it is developed on the basis of wide consultation with donors, partner countries and civil society organisations in both the North and South. As we hope that the common format will eventually be used by all aid providers, it is

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<sup>17</sup> International Development Markup Language (IDML) and Statistical Data and Meta Data Exchange (SDMX) are both technically promising initiatives on which this can be built; but they require greater political support and more investment

important that non-DAC donors, private foundations and NGOs are also involved in the consultation process.

79. In addition, plans should be drawn up to provide the necessary training and technical support to ensure that users, particularly in the South, are able to access, understand and make maximum use of the data available to them. With information available electronically in a common format, a wide variety of services could be developed easily and cheaply by different organisations so that people get the information that is relevant to them in a form that they can use; and donors can facilitate this process.
80. The basis for a common data format already exists. The DAC reporting directives have been translated into a set of technical specifications for data publication; these will need to be updated and extended to meet the needs of partner country systems.<sup>18</sup> The common definitions and format would be designed to encompass the existing reporting requirements to the DAC and other bodies, and to meet the diverse needs of country-level systems. This data format would be accompanied by an agreed way to publish this information in an accessible electronic format.
81. The technical work to develop agreed definitions and a common format would need to be complemented by high-level political commitment to implement and adhere to this agreed format for external reporting. This could be backed up by independent scrutiny (which would be facilitated by the open publication of the data) and by peer review.
82. An agreement to a common format should include not only the traditional DAC donors but also multilateral organisations, non-traditional aid donors, philanthropic foundations, and NGOs and private charities. Donors would implement this format for aid information publishing themselves, and they would also expect that their implementing agents, such as NGOs and private contractors, should do the same, so that aid can be traced through from the original funder (in many cases, taxpayers) to intended beneficiary.

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<sup>18</sup> IDML, developed by the Development Gateway, is used as the basis for many country-level systems and for AiDA

83. Common definitions and a common format for reporting aid information are a global public good that would be of enormous benefit for a wide range of organisations and systems. Donors would be able to simplify and streamline their reporting. The DAC and UNDP, both of which would play major roles in defining the common formats and promoting compliance with it, would benefit from improvements in the quality of donor reporting. Within recipient countries, AMPs would be able to access the data they need directly, without requiring separate manual reporting by donors. It would unlock the potential for innovation by the private sector, civil society and research organisations. It would make it possible for a variety of other applications to be developed, from accounting systems to websites, integrating aid data with other information to improve the effectiveness and accountability of aid.
84. In addition to defining and implementing a common format, donors should support a variety of applications that use this information to make it available in ways that are suitable and convenient to different users. These might include increasing support for global platforms such as the DAC databases, the Development Gateway and the Global Development Commons initiative of the US Government. It might also include supporting national platforms such as aid management systems in country, or investing in budgeting and accounting systems so that these systems can use the data. Donors should also include support for local civil society organisations to access and use the information in their own context, including training and support for using the information and developing new tools.

### **Preliminary conclusions**

85. Improved transparency of aid information would accelerate poverty reduction by making aid more effective and accountable. The case for greater transparency of aid information is persuasive.
86. Users of aid information want more accessible, more detailed, more up-to-date, more consistent information that they can translate into local formats and definitions; they want to be able to trace money from the funder to the intended beneficiaries; and they want more reliable information about future aid flows.
87. Donors generally support greater transparency of aid information. They already publish a lot of the information needed, but there is presently no way to organise it in ways that make it easy to use, and the reporting burdens are growing.
88. There would be substantial benefits from defining and implementing common definitions and a common format for reporting aid information to be implemented by all donors, including bilateral and multilateral donors, foundations, NGOs and implementing partners. There are no significant political or technical barriers to this, nor would it be very expensive: what is needed is attention to the issue and coordination among donors.
89. With greater political commitment to transparency donors could make aid information available in the detailed and accessible formats required. This would be a very cost-effective investment in better aid. The paper also sets out some specific steps that can be taken in the short term to improve aid reporting.