Issues in Aid Transparency:
Can aid data bridge the aid accountability gap?

Reflections on a meeting of the IATI Technical Advisory Group

Brian Tomlinson
AidWatch Canada
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The International Aid Transparency Initiative (IATI) After Five Years

In its latest review of donor progress in delivering on commitments to aid transparency, the UK-based Publish What You Fund's *Aid Transparency Index* ranked Canada 8th out of 67 donor countries and organizations. The Aid Transparency Index measures the degree to which donors have fully published aid data and information to a common standard created by the International Aid Transparency Initiative (IATI), which Canada joined in December 2011 at the Busan Fourth High Level Forum on Aid Effectiveness, a global forum that has been working for the past decade to improve conditions for delivering aid resources.

DFATD was quick to claim that Canada was living up to its commitments, headlining its press release, "Canada Recognized for its Aid Transparency and Accountability." According to Minister Paradis, "We are an active partner in the global effort to improve development transparency. In this way we help ensure that all taxpayer dollars are making a real difference in the lives of the world's poorest and most vulnerable people."

Indeed since 2011 the Canada, or more particularly former-CIDA, has made major advances: It not only publishes its aid data and information to the IATI Standard, it has also made fully accessible and downloadable its project browser of all operational, terminating and recently closed projects. The project browser is complemented by similar access to historical aid data back to 2005, including sector coding, implementing partners, purpose coding and annual disbursements on a project-by-project basis. DFATD officials update the project browser information daily. In addition, each year former-CIDA (now DFATD) publishes its comprehensive annual Statistical Report on International Assistance. The latter is mandated by the ODA Accountability Act to be published no later than one year following the close of the fiscal year.

Relative to other donors, Canada has made very significant progress in giving access to comprehensive data and some descriptive information on it existing and past aid projects.[1]

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[1] To date only former-CIDA projects are published to IATI. The creation of DFATD may provide the opportunity to publish Canadian ODA activities programmed by the former-DFAIT. While ODA activities by the Department of Finance should also be included, these are exclusively with the World Bank and could also be captured if the World Bank published its projects to IATI. The World Bank current maintains an accessible and detailed database on all projects.

DFATD demonstrated its commitment to IATI by hosting the IATI Technical Advisory Group (TAG) during the last week of January, the first time the TAG has met outside of Europe. The TAG brings together more than 200 participants from donors, partner countries and civil society organizations. On the agenda were workshops on improving the technical aspects of the Standard, improving the quality of the data that is published, broadening the inclusion of data publishers to CSOs, and assisting partner countries to access IATI data for their country in their government information management systems.

Preceding TAG meeting, DFATD also sponsored a 36-hour "codathon" with about 100 Canadian and international technical experts and policy makers to generate new tools, innovations and ideas in the fields of open data and aid transparency. The results of the *Open Data for Development Challenge* were a fascinating array of visualizations and issue-oriented combinations of aid data that demonstrated the *potential* of open data and IATI for understanding current trends and policy directions for aid flows. But unfortunately the TAG workshops during the following two days revealed major issues on the road to realizing this potential. Five years after launching IATI in 2008 and after major investments by donors and some foundations and CSOs in publishing aid data to IATI, the international community is still very far from reliable and comprehensive aid data, accessible to the end-users of aid information.

TAG participants, including many from civil society, have very ambitious goals for aid transparency and therefore for IATI. Transparency in itself is seen as a key and essential pillar of development; it is put forward as a necessary condition for enabling effectiveness, accountability and social change. As is evident in the statement of Minister Paradis above, transparency is also uncritically conflated with accountability as if the former automatically leads to the latter.

The ambition of IATI is to convince all aid donors, <u>including</u> major foundations, CSOs and the private sector, to organize their electronic data for all their current aid <u>activities</u>, sometimes numbering in the thousands, according to an agreed common standard, and publish this data for all to access.[2] Because the standard is common and the data is

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[2] The **IATI Standard** includes organizational information on the donor, including basic documents on mandate, institutional priorities and at least three-year forward planning budget information (at the partner country level). Most of the Standard focuses on activity-level information (the activity can be defined by the publishing donor) such as name, country and sub-national location of the activity, aid type (grant or loan) and financing type, terms and conditions for this financing, sector information (using the DAC sector codes), start/end dates, total commitment and disbursement information, activity budget, activity narrative documents such as reports, and activity results. This information should be updated by publishes at least quarterly. For details on the content of the Standard see http://iatistandard.org/. While some of this information is provided by official donors to the DAC Creditor Reporting System, the level of detail, the timeliness and the ability to trace an aid transaction through a number of implementing partners to the end beneficiary distinguishes the IATI Standard from the DAC database, which remains a highly reliable source of aid data for individual DAC donors.

published in a common electronic format, timely information on aid at the activity level across all donors would be accessible to all. It should be adaptable to the interests of the end user, whether the interest is a particular donor, a particular sector across donors, or a complete picture of all country level flows for developing country. Moreover all activity-level transactions, including disbursements by each intermediary, would be traceable from the original donor to the end beneficiary.

IATI is a noble ambition well worth pursing for several reasons. First and foremost, access to information on the use of public resources for development cooperation is a citizen's right. Understanding of the trends and policies affecting allocations of public resources for aid, included resources raised from the public by private organizations, requires access to detailed data and information that can be adapted and analyzed independently by end-users wherever they may live. Such access is indeed an important, albeit as we shall see insufficient, basis for improving democratic accountability for aid, whether on the part of Canadians or citizens of developing countries where aid is intended to have beneficiary outcomes.

While democratic inclusion of people in development is essential, all developing country governments also have obligations to meet minimum human rights standards for education or health for all their citizens. In the poorest countries, aid resources are an important resource in meeting these obligations. But in most developing countries, governments are simply unable to trace or be aware of hundreds of external often substantial aid flows and programs. These gaps seriously undermine already limited capacities to develop appropriate plans for health services, agriculture or education priorities to further the country's development goals.

In fact, a major driver for IATI is this concern by partner countries for the traceability of donor aid and the need for government-managed information systems that capture all aid transactions for their country. The idea is that IATI strengthens donor accountability to developing country governments on the ground. Canada is working with a number of IATI-publishing donors, the IATI Secretariat and Publish What You Fund to develop a program that will automatically link IATI aid data from all publishers to the specificities of coding in an individual country budget information system.

While these goals are clearly commendable and deserve support, there are significant issues in realizing the promise of IATI. And if this ambition were to be achieved, does more data necessarily strengthen accountability? First some issues affecting the current capacities of IATI to deliver transparency.

Current Issues for Transparency through IATI

1) Data quality

There was general agreement at both the Montreal Open Data Challenge and the TAG meeting that the current quality of data (both the fields that are completed by publishers and the explanatory quality of the information provided) is very weak. It is not yet possible to use this data reliably by aid analysts. Countries continue to rely on manually collecting information on aid flows from donors at country level. In 2008 the Accra IATI Statement promised both more timely operational data for aid actors, particularly developing country governments, but also improved transparency for "mutual accountability" and for citizens in developed and developing countries to access "information on how foreign aid is spent." But aid analysts wanting comprehensive and *reliable* data on aid flows for accountability are still reliant on the OECD DAC aid statistics and the sites of individual donors.

Why is this so? One reason is the almost exclusive emphasis of IATI on maximizing as soon as possible the number of donors who would publish their data to the Standard. The number of publishers currently stands at 215, of which 159 are CSOs, which seems like success.[3] But to enable this result, the British aid agency, DFID, which has been the leading donor behind IATI since its launch in 2008, made publishing to IATI a condition of funding for its CSO funding windows. At the same time, to encourage as many donors as possible to publish, the IATI Steering Committee agreed that a donor could publish activities in as many fields of the Standard *as the donor chose*, as long as there was a schedule for meeting the Standard eventually. Many donors chose to publish only what they currently publish to the OECD DAC CRS and many UK CSOs not unsurprisingly published the minimum to retain access to DFID funding.

Hence the goal of maximizing publishers has produced a nice short term "result" – 215 publishers in about 2 years – but at the expense of data quality, with many fields not necessarily completed or filled with too general (meaningless) descriptive statements, in the end affecting the data's reliability for end users. Because publishing is fully voluntary for the donors (but not for CSOs seeking funding by DFID!), the TAG and the IATI Secretariat are left admonishing publishers to improve the quality of their data, but with no real recourse to ensure that this happens any time soon. In addition, several fields that were important for CSOs in the process of agreeing to the Standard, such as listing donor conditions and results for aid transactions, were only included as *optional* fields. Again this was done to maximize acceptance of the Standard by a diversity of donors, including the World Bank. It is likely that few donors will publish conditions relating to its aid, while only a very few have published limited results information.

While voluntary participation based on a commitment to transparency is the basis for sustainability, improvements in quality may soon make it increasingly difficult to make believable "use" cases for publishing. Much more efforts by civil society and other

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[3] As of February 5, 2014, there are 42 donors and multilateral organizations, 9 private sector organizations, 5 foundations and 159 CSOs including academic institutions publishing their data to the IATI Standard. There is only one Canadian organization, Engineers without Borders, publishing, although CCIC has indicated that it will also publish its information to IATI in the coming year.

stakeholders in educating organizations' leadership and constituencies on the essential importance of transparency for effective and accountable development cooperation, with perhaps less emphasis on maximizing the numbers of publishers, along with concerted civil society demands for useful reliable data, may be an approach that is more sustainable for transparency and the overarching goals of strengthening accountability.

2) Traceability and other uses of IATI data

As noted already, among the main donor proponents of IATI, traceability of donor funding is the major concern. This is an important purpose for improving the effectiveness of aid. But the impact on the structure of the Standard has created the real potential for "double counting" aid disbursements for other purposes. Traceability requires that each organization in the aid chain publish the disbursement related to a given activity and the activity ID provided by the donor. In this way the aid chain is traceable to the beneficiary.

However, if an end-user wants to aggregate disbursements for any other purpose, the danger of double-counting these disbursements is a constant and significant concern. Technical experts at the TAG meeting gave assurances that this problem can be overcome, but it has been an issue underlying the use of IATI data for several years now. Traceability, while important, is primarily a donor/government issue – accountability is equivalent to following the money. But there are other, equally important questions that potential users might want to address requiring the aggregation of IATI data – what is the relative amounts of money going to a different sectors, how much money is going to a given country and for what purposes from all aid actors. These questions are equally important for informing diverse interests in accountability, which in turn is affect by much more than data whatever its form (see the final section). IATI has the potential to bring a much greater diversity of important aid actors (CSOs, foundations, etc) beyond the DAC official donors into the "data tent". But at the moment, even high quality IATI data would not be able to answer most of the questions above reliably, given the potential for double counting disbursements because multiple actors claim the same disbursement.

3) Access to IATI Data

While perhaps understandable in the early stages of IATI, the investment of resources in IATI for the past five years has been on developing the Standard, the technical aspects of publishing donor data, and extending the number and range of publishers. These areas are now well advanced technically, although with already observed limitations to data quality. The result is a Standard that has been developed and promoted with very little deliberate input from end-users beyond an early survey of partner country governments and one-off CSO consultations in 2009.

Many different CSOs was invited to a major conference launching the IATI process in The Hague in 2009, where southern CSOs were quite vocal. While supporting the development

of the IATI Standard for comprehensive data on aid flows, CSOs stressed the importance of a simultaneous priority on building user-friendly tools for CSOs to access this data for different purposes in their country. This advice unfortunately was largely ignored. The IATI Secretariat and the IATI Steering Committee (made up of donors, CSOs and partner countries who publish to IATI and/or are members by paying a fee to IATI) agreed to leave it mainly to the private sector to develop applications for accessing the data. It is only late in 2013 that a few of these applications have begun to appear.[4] So far applications have limited flexibility or were designed with particular purposes built-in, which may or may not be the intentions of an end user for the IATI data. No robust user-driven application for accessing IATI data is currently available on the IATI site and other applications may not be even known to end-users.

The success of IATI will be judged by CSOs on the accessibility of reliable data by a wide variety of potential users, particularly those in the developing world. With a deeper commitment to transparency through IATI, publishers can certainly improve the quality of the data published. But as was evident at the TAG meeting, currently only technical programmers and expert data users, mainly in the North, and some partner country government (with technical assistance from donors, the IATI Secretariat and Development Gateway) are able to effectively access the IATI data. This will only change if there is significant investment in flexible applications for accessing downloadable IATI data, easily found on the IATI web site. Such applications will need corresponding donor investment in intermediary organizations in developing countries trained to use this data on behalf of a variety of interested aid beneficiaries. Work on appropriately flexible tools must be systematically informed by a wider variety of potential end users in both developed and developing countries.

4) CSO transparency and IATI

Several partner country representatives at the TAG meeting were explicit in stating that one of the incentives for their investment of time and resources into IATI was the prospect of capturing data on International NGOs working in their country. It is estimated that CSOs annually deliver between $50 billion and $75 billion in resources for development cooperation. Given this significant role in development, many CSOs are well aware that as donors and development actors they have significant gaps in their own transparency and accountability, particularly to beneficiary populations.

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[4] For example, the IATI home page has no obvious icon or menu for an end user to access the data. If the user is familiar with IATI and knows to go to "Register/Data", there is a basic search function for the registry. A few other tools such as AidView, IATI Explorer, and Open Aid Search have been developed based on usually the organization's own notions of how end-users might want to use IATI data. Similar to Canada, several donors have developed their own sites for access to their IATI data, such as DFID's Development Tracker, the Netherlands' OpenAid NL, UNOPS and UN-Habitat. Among the CSOs publishing to IATI CORDAID in the Netherlands has made its data accessible through its web site.

In recent years at the global and country level, several CSO/INGO initiatives have emerged to improve transparency and accountability. An important example is the annual reporting (including peer review) by 28 INGOs against a standard agreed in [INGO Accountability Charter](#), which provides valuable information on the internal policies of these organizations. Many CSOs in both northern and southern countries have been [promoting and improving awareness](#) of the implications of the [Istanbul Principles for CSO Development Effectiveness](#) for CSO practices, including transparency and accountability. And support programs have been initiated by CSO-member Councils in several donor countries,[5] including CCIC, to educate and promote the IATI Standard among CSOs in their country.

Despite interest in IATI and its goals for CSOs, CSOs have also raised a number of issues in publishing to the IATI Standard. An early one, driven by the move by DFID to make IATI publishing a condition of funding, was the obligation to publish motivated by funding rather than an improved commitment to transparency. From an [early study of some of these CSOs](#), one UK CSO interviewee opined, "you may be winning the game of compliance, but you are not winning the hearts and minds; people are doing it because they have to, and are not really seeing the benefits. Focusing on strengthening commitment – hearts and minds – may be slower, but will create better benefit and more acceptance in the organization that it is worth doing, and therefore more sustainable."

A number of CSOs joined together in an informal [IATI CSO Working Group](#) to share issues and strategies in promoting IATI among CSOs. This Working Group emphasized that IATI needed to acknowledge CSOs as distinct development actors with diverse mandates. The Working Group produced a consensus [Protocol on Implementing the IATI Standard by CSOs](#), which was presented to the IATI Steering Committee in November 2012. The *Protocol* strongly endorses the IATI Standard for CSO transparency rooted in a strong organizational commitment to transparency and accountability. It calls for voluntary publishing to the Standard by CSOs, supported by CSO and donor investment to deepen organizational commitment and policies for transparency, along with practical tools to enable publishing to IATI by diverse CSOs. It calls for respect for some distinctive roles of CSOs, particularly those involving advocacy and empowerment for change, which may affect the CSO approach to transparency.

An important consideration for CSOs developing policies on transparency on program activities is the educated informed consent of CSO counterparts in developing countries. The CSO Protocol asks the question about "who owns the data." More broadly, within the open data movement there are emerging discussions on the risks and ethics in open data for development. [Linda Raftree](#) from Plan International USA, for example, raises the concern

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[5] Active programs to promote CSO transparency of their program activities by publishing data to the IATI Standard is underway in [BOND](#) (UK), InterAction (US), [PARTOS](#) (the Netherlands), , and within several INGO families such as [Plan International](#) and [World Vision UK](#). In the South, *[Rendir Cuentas](#)*, a regional initiative in Latin America, brings together 25 civil society networks in eight countries to improve standards of national CSO transparency and accountability, in sometimes-difficult political environments in that region.

that proponents of open data "are not ensuring that activists have enough information to make an informed choice about their involvement." These concerns are real. Recent evidence collected by the Civil Society Platform for Development Effectiveness (CPDE) on closing space for CSO point to a growing list of 23 countries that have enacted various types of legislation and other measures restricting foreign funding of CSOs (quoting ICNL). This evidence also references recent documentation of more than 413 threats on civil society organizations and activists in 87 countries in a 22-month period up to October 2013 (quoting CIVICUS). Raftree goes on to highlight the comment of a participant at a recent open data workshop, "human rights and accountability work are about changing power relations. Those threatened by power shifts are likely to respond with violence and intimidation…" What then are the implications for transparency for CSOs supporting this work through funding relationships?

A focal IATI goal for developing country governments, as noted earlier, is to access current information on all aid flows into their country, including implementing country-level CSOs and geo-location data on where these activities are being implemented. An important consideration for CSOs considering publishing to IATI must therefore be informed prior consent by all counterparts, based on a full understanding of the purposes and possible uses of IATI data. This position does not imply that CSOs should not publish to IATI. CSOs may choose for example to not publish partner-level details (recognizing that this would limit traceability). Currently IATI publishers are allowed exclusions (and donors do make exclusions themselves), based on a written exclusions policy. But should the publishing organization alone decide what is to be excluded? Is the very act of exclusion a signal for those in developing countries who may not respect the rights of organizations to receive funding and of peaceful assembly and speech? If one sees development as "informed risk-taking," these are important questions with no simple answer, ones that ultimately should only be answered by those affected.

On the positive side, there are many reasons why CSOs should take action to improve their transparency and should publish most if not all of their project/program information to the IATI Standard. As the Dutch CSO, CORDAID, demonstrates, IATI publishing can be an important part of a comprehensive commitment to providing open access to information about the organization for both stakeholders and beneficiary populations, which users are able to access and format according to their own purposes. Transparency enhances CSO credibility and legitimacy with other development stakeholders, particularly in advocating for greater donor transparency and accountability. Transparency on the part of CSOs-as-donors has the potential to contribute to an empowerment of southern CSOs and more equitable partner relationships. A fuller picture of the activities of CSOs in a given developing country can also improve the quality of CSO programs through improved coordination both in-country and in joint policy actions on issues affecting development progress. Some CSOs such as InterAction in the US have been producing interesting maps locating US CSO activities based on geo-coding of these activities.

But at the same time, CSOs will need support in understanding IATI, what to consider in moving towards an organizational policy on open data, and how best to publish their program data to IATI. Existing IATI support programs through CSO platforms such as InterAction in the US, BOND in the UK, or Partos in the Netherlands, with the last two supported by their respective donor, are examples of efficient means for extending IATI among CSOs. These experiences are currently being shared through the CSO IATI Working Group, which met alongside the TAG in Montreal.

Transparency and Accountability

Finally, what does it all mean for accountability?[6] If Canada is to be the measure, not a great deal. Aid transparency to date is mostly about improving access to timely data about aid programs, which should be comprehensive and comparable among all donors. While this information is an important ingredient, accountability is about creating opportunities in which those responsible are fully answerable to citizens and beneficiary populations for the purposes, the means and the specific commitments for aid resources. Here, access to relevant policies and guidelines, detailed country program strategies, aid conditions and project documentation, as well as perspectives of affected organizations, constituencies and beneficiaries are essential. They form the basis for creating and processing the requisite knowledge about a given aid program or priority, which in turn can lead to informed dialogue and commentary.

For many donors, and certainly this includes Canada, access to this level of aid program information for true accountability is very much lacking. The Asia Development Bank on the other hand publishes all project documentation on its web site. In Canada, analysts must resort to access-to-information requests to obtain information that should be on the public record, often to wait months and sometimes years, only to receive highly redacted documents.

Data and documents are essential preconditions for accountability, but equally important is regular access to decision-makers in government and institutions for structured consultations on aid programs and future directions. All governments at the 2011 Busan High Level Forum committed to supporting "democratic ownership," which includes structured institutionalized participation of CSOs and other stakeholders in establishing development priorities. Evidence to date however, collected recently by CPDE, notes only modest progress in a few countries. And when consultations occur, government closely controls the timing, content, and format, select the participants and shape the outcomes of these events. This has certainly been the experience of most CSOs in Canada over the past eight years.

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[6] A useful overview of these issues can be found in the various contributions to special issue on the impact of transparency and accountability initiatives in the *Development Policy Review*, 2013, 31 (S1), [gated academic journal]with an introductory essay by John Gaventa and Rosemary McGee.

The launch of the International Aid Transparency Initiative in Accra in 2008 was full of promise and opportunity to address many of the substantive gaps in both aid statistics and documentation of aid programs. Five years later, it retains much of this promise, has made good progress in building a confluence of interest and commitment among official donors, created an impetus to address transparency by CSOs, and has offered periodic glimpses into its potential to provide more comprehensive aid information for end-users. But regrettably it also remains very much a work in progress. In order to realize its original potential all those involved in the TAG and the IATI Steering Committee will need to more explicitly address some difficult core issues that continue to beguile transparency in the aid system. Only then may IATI underpin improved accountability and performance/effectiveness of all aid actors.