Briefing on the International Aid Transparency Initiative prepared for Round Table I of the High Level Event on South-South Cooperation

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By the IATI Secretariat
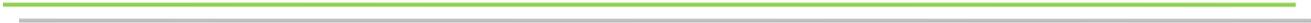
The history, scale and value of South-South Cooperation

South-South Cooperation (SSC) has a long history, as reviewed by the UN Secretary General in his October 2009 report: *Promotion of South-South Cooperation for development: a thirty- year perspective*. The number of countries involved in South-South Cooperation has expanded significantly over that 30-year period, and Southern providers of development cooperation play an increasingly important role both at a global level, with Southern contributions estimated between US$9.5bn andUS$12.1bn in 2006[1], and at country level, where they can be the largest single bilateral provider to individual partner countries.

The cooperation they provide is particularly valued by recipient countries as it complements and adds value to aid flows from traditional donors. The perspective of Southern providers is especially valuable to the development dialogue, since many were – and others still are – aid recipients themselves, so can offer insights that draw on this experience.

The central importance of SSC has been endorsed in a series of international conferences over the past decade, most recently at the Nairobi High Level Event on SSC in December 2009. The outcome document from Nairobi[2] acknowledged the need to enhance the development effectiveness of SSC by continuing to increase its mutual accountability and transparency, specifically encouraging SSC providers to improve data collection at the national level.

SSC is the subject of work-streams by both the UN Development Cooperation Forum (DCF) and the Working Party on Aid Effectiveness (WP-EFF), whose Task Team on SSC is organising the High Level Event on South-South Cooperation and Capacity Development (HLE Colombia) as a means of taking forward the commitments made in the 2008 Accra Agenda for Action with regard to SSC.

Growing interest in reporting of South-South Cooperation

These initiatives reflect a growing interest in improved reporting of SSC for the following reasons:

- It is increasingly unsatisfactory for statements about development cooperation to be based only on the aid flows reported by the 24 Development Assistance Committee (DAC) donors;
- Improved reporting would highlight the growing importance of Southern donors;
- A growing number of countries are calling for more sustained dialogue, peer learning and partnership from the Africa, Asia and Latin America and Caribbean regions, and there is also demand for cross-regional cooperation/learning;

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[1] *Background Study for the Development Cooperation Forum: Trends in South-South and triangular development cooperation*, April 2008. These figures are measured on a different basis to Official Development Assistance and so are not directly comparable with flows as measured by the OECD Development Assistance Committee.
[2] *Report of the High-level United Nations Conference on South-South Cooperation, 1-3 December 2009* - http://daccess-dds-ny.un.org/doc/UNDOC/GEN/N09/662/87/PDF/N0966287.pdf?OpenElement

- There is genuine demand for enhanced information on South-South flows from recipient countries as a means of improving national planning, decision-making and budgeting – (for example, this emerged as a key issue from the International Aid Transparency Initiative (IATI) regional country consultations led by UNDP in 2009).

Information already available on South-South Cooperation

Some information from Southern providers is already available, for example:

- Table 33 of the annual DAC *Development Co-operation Report* includes aggregate data from a number of non-DAC members including Czech Republic, Hungary, Iceland, Israel, Kuwait, Poland, Saudi Arabia, Slovak Republic, Chinese Taipei, Thailand, Turkey and the UAE;
- Some providers publish information via their websites (e.g. Brazil, Kuwait and Turkey) while others have developed their own database for reporting on their cooperation (e.g. Mexico);
- Several report data to individual country-based Aid Information Management Systems (e.g. Brazil, China, India and the Russian Federation amongst many others);

- Nearly all have provided at least some information on their humanitarian contributions to the UN OCHA's Financial Tracking System (FTS).

Lack of comprehensive, comparable data from Southern providers

While the information currently available from Southern providers of development cooperation is useful, it is incomplete and, for recipient countries, falls short of the scope and detail which they need for planning purposes. More Southern providers are now making information about their development cooperation publicly available – Mexico is only one recent example – but as they do so, the need for agreed standards and definitions to describe this cooperation becomes more apparent. There are clearly institutional and technical barriers to such standardisation, especially as Southern providers of development cooperation are very diverse, including, for example, both Arab countries that have a long history of providing development finance and the emerging economies of the G20.

The International Aid Transparency Initiative

IATI was launched at the Accra High Level Forum on Aid Effectiveness in September 2008 and is a multi-stakeholder initiative aimed at increasing the transparency of aid information as a means of increasing the impact of aid on poverty reduction. Currently, IATI has 18 members, 13 of them DAC donors plus multilateral agencies including the World Bank, the Asian Development Bank, UNDP, GAVI and the Hewlett Foundation. Some 13 developing countries have endorsed IATI, including our host country, Colombia.

The initiative is serviced by a small secretariat comprising DFID, UNDP and the not-for-profit Development Initiatives for Poverty Research (DIPR) and is run by a multi-stakeholder steering committee, which meets three or four times in the year.

> **IATI Steering Committee Membership**
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> Australia, Betteraid, Burkina Faso, Civicus, Colombia, Development Gateway Foundation, Development Initiatives Poverty Research, Dominican Republic, European Commission, Germany, Ghana, Hewlett Foundation, Malawi, Montenegro, Nepal, Netherlands, Papua New Guinea, Publish What You Fund, Rwanda, Transparency International, UNDP, United Kingdom, Vietnam and World Bank.

The Steering Committee is assisted on technical work on the IATI standards by the multi-stakeholder Technical Advisory Group (TAG), membership of which is open to all interested parties.

IATI recognises that many different stakeholders want access to aid information for many different purposes, and believes that no single database can meet all of these diverse needs. Rather than imposing a one-size-fits-all approach, IATI recognises the importance of tailoring information to the needs of individual partner countries, and ensuring compatibility with national budgets and Aid Management Systems (AIMS). IATI is therefore proposing an alternative approach, whereby members who voluntarily sign up to the initiative will take direct responsibility for publishing their aid information according to an agreed standard. The standard, being developed at present, will comprise of four parts:

1) Agreement on what information will be published;

2) Agreement on common definitions;

3) Agreement on a common, electronic format;

4) A code of conduct

The principle behind this approach is "publish once, use many times" – meaning that aid information will only need to be published once, in a standardised form, after which it can be used and re-used many times by different stakeholders for different purposes. Members will publish their aid information (either on their website or via a third party) and register the location of this information with the IATI Registry, which will act as a catalogue, enabling users to find the information they are looking for. While some users may wish to obtain information directly from the Registry, many will prefer to get their information from information intermediaries, who will take the raw aid data, combine it with other information and re-package it for specific purposes, for example, to provide information on specific sectors, countries or themes.

IATI will build on and support country based AIMS, national budgets and the DAC Creditor Reporting System (CRS) databases. While partner countries who wish to do so will continue to collect data for manual input into their AIMS as now, it is hoped that in future, once the necessary technology has been developed and tested, they will have the option of electronic data transfer from the IATI Registry directly into their AIMS, at least for IATI donors. This will reduce transaction costs on both sides. Meanwhile, for DAC donors, DAC reporting will continue as now, but since there will be considerable overlap between the data required by IATI and the data required by the DAC, this will minimise the additional work required of donors.

Potential advantages of IATI's approach for Southern providers

The IATI approach offers a number of potential advantages for Southern providers:

- It is an entirely voluntary initiative, with phased implementation timetabled from end 2010 to end 2012;
- Each provider will retain control of their own aid information without having to involve an outside organisation in submitting/uploading its information;
- Publishing data on their own websites, with links to IATI, will increase visibility for their co-operation efforts;
- The IATI model will enable decentralised collection of data from multiple agencies, for those that do not want to create a central point of coordination across government;
- The registry model could also encompass non-financial cooperation between countries, for example, capture information from those who want to record experience-sharing visits or workshops to promote peer learning.

Ways for Southern providers to become involved in IATI

Participation in IATI is open to all interested parties, and IATI would welcome engagement with Southern providers in any of the following ways:

- As full members of the Initiative – which would mean signing the IATI statement (available at http://aidtransparency.net/wp-content/uploads/2009/06/iati-accra-statement-p1.pdf) and committing to a timetable for implementation;
- As observers of the Initiative – which would allow them to comment on draft proposals and attend Steering Committee meetings (but not to vote at these meetings);
- As members of the Technical Advisory Group (TAG), which is currently drawing up detailed proposals for all four parts of the IATI standard; [3]
- By participating in IATI consultations and other fora where the IATI is discussed;
- By publishing information about their development cooperation in line with the IATI standard.

More generally, IATI recognises that it has much to learn from engaging with Southern providers on the wider issue of transparency– one of the highlights of the October 2009 IATI Conference was a presentation on the Brazilian portal on domestic transparency, and IATI is keen to learn lessons from this and other domestic and international transparency initiatives.

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[3] Membership of the TAG is open to all, including non-signatories, and Southern providers would be welcome to attend future TAG meetings and provide comments on draft proposals.

Support available from IATI

IATI is currently undertaking a series of fact-finding missions to signatory countries to learn about their existing information systems and to discuss any changes that will be required to help them report aid information in an IATI-compliant way. IATI would respond positively to any requests for similar fact-finding missions from Southern providers in future.

Once the IATI standard has been agreed, IATI is considering the development of an information systems package that would help signatories – and potential signatories – to report information consistent with the IATI standard. If there is sufficient interest from Southern providers, there may be scope to develop a specific package aimed at meeting their needs, and addressing the specific challenges that they face in reporting SSC.

Finally, IATI is already in touch with a number of different initiatives that seek to improve the reporting of SSC, including work led by the UN DCF, the South-South Cooperation Unit of UNDP, the DAC and AidData - a collaboration between Development Gateway and US academics who have developed the PLAID (Project-Level Aid Database). IATI is committed to engaging with each of these initiatives, and welcomes this opportunity to contribute to the High Level Event in Colombia.

For further information, please contact the IATI Coordinator, Romilly Greenhill – r-greenhill@dfid.org.uk or visit the IATI website - http://aidtransparency.net/