

International Aid Transparency Initiative

Summary

The International Aid Transparency Initiative aims to improve aid through greater transparency to accelerate the reduction of poverty. Making comprehensive, timely and detailed information about aid available in a form that is easy to access will contribute to more effective aid, limit opportunities for corruption, and improve budgeting, accountability and ownership by developing countries.

The International Aid Transparency Initiative brings together donors, partner countries, civil society organisations and other users of aid information to agree a set of common standards for sharing information about aid. These standards will build on existing global and country systems and standards.

Goals

More accessible information about aid will increase aid effectiveness and so help to accelerate poverty reduction. It will:

- improve decision-making;
- create stronger pressures for better delivery,
- build national and international accountability for how aid is used,
- enable aid to be linked to results;
- limit the scope for corruption, duplication and waste; and
- improve research and learning.

IATI responds to growing calls from taxpayers, civil society organisations, partner governments and the private sector for greater transparency of aid. These demands include greater transparency of how aid is spent, evidence of the results achieved, and the conditions under which it is provided.

Aid transparency, combined with transparency over use of domestic resources, puts governments and citizens in a stronger position to plan, manage and account for the resources invested in poverty reduction. For aid this means increasing predictability and improving access to high quality, timely, information – from pledges and commitments through to allocations, disbursement and expenditure.

Donors who take part in IATI are working together to make aid more transparent. They will give more priority and additional resources as necessary to accurate, detailed and comprehensive external reporting. They are consulting partner governments, parliaments and civil society organisations, so that donors and implementing agencies can agree standards for sharing aid information in ways that are relevant for a variety of purposes.

Details

The Accra Agenda for Action reasserts the importance of transparency and accountability for improving aid effectiveness:

“24. Transparency and accountability are essential elements for development results. They lie at the heart of the Paris Declaration, in which we agreed that countries and donors would become more accountable to each other and to their citizens. We will pursue these efforts by taking the following actions:

a) We will make aid more transparent. Developing countries will facilitate parliamentary oversight by implementing greater transparency in public financial management, including public disclosure of revenues, budgets, expenditures, procurement and audits. Donors will publicly disclose regular, detailed and timely information on volume, allocation and, when available, results of development expenditure to enable more accurate budget, accounting and audit by developing countries.

and 23 c) "Donors will align their monitoring with country information systems. They will support, and invest in strengthening, developing countries' national statistical capacity and information systems, including those for managing aid."

IATI is a way for donors to implement these commitments. It is taking place in two phases:

- In Accra, donors launched a process which consults developing country governments, civil society, and other users of aid information to establish what information is needed and in what format. On the basis of this they will build on existing reporting systems to develop and agree a set of common standards for sharing information about aid. Comprehensive aid transparency requires the cooperation of all bilateral donors – traditional and newer actors, multilateral organisations, foundations, and service delivery organisations in the development and implementation of these standards and format.
- Donor organisations then implement, possibly over several years, the agreed common standards. They will commit themselves to giving additional priority, and if necessary resources, to making more comprehensive and detailed information available externally.

The standards expected to be agreed under the International Aid Transparency Initiative are in four parts:

- Agreement on **what will be published**, for example detailed project information, expected outputs and outcomes, and conditions;
- **Common definitions** for sharing information, to enable better comparability between donors and countries;
- A **common electronic data format** that will facilitate the sharing of aid information and reduce transactions costs;
- A **code of conduct** setting out what donors commit to publishing, how this will be made available, and how donors will be held accountable for compliance.

IATI will build greater political and institutional commitment among policy makers, in support of their technical staff, in donor agencies to implement and adhere to the new standards and format. It does not propose the development of a new aid database, and it does not seek to develop parallel standards and systems for aid reporting. It will deepen and extend existing standards and systems (including the DAC, AIDA and country level systems). While some additional administrative resources may be needed, these costs should be more than offset by reduced parallel reporting and elimination of labour-intensive manual data collection and reporting.

Increased transparency of aid information will be valuable only if it meets the specific and varied information needs of governments, parliaments, and civil society in each

country context. It is essential that there is meaningful consultation so that the content and format for donor reporting are based on detailed evidence from users about what information is required, and in what form.

Subject to further evidence about what is important to users and what donors are able to deliver, donors might commit to making available in an accessible format: :

- More timely information;
- More comprehensive coverage, especially of multilateral aid, all bilateral donors and foundations;
- More detailed project and background information on aid activities;
- Common project identification codes to enable aid to be traced from one organisation to another, and to eliminate double-counting;
- Financial and other conditions attached to aid and expected project outputs and outcomes.
- More detailed identification of purpose (i.e. subsector codes), location, and specific identification of the organisation receiving the payment;
- Consistently applied definitions of concepts such as “commitment” and “project”; common ways to specific intended outputs;
- To the extent possible, more reliable and specific information about intended future aid country by country.

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