TOWARDS TRANSPARENT AND ACCOUNTABLE DEVELOPMENT CO-OPERATION

The universal post-2015 development era will require stronger partnerships and accountability to one another. Transparency of development activities is a critical ingredient for building meaningful partnerships that are based on mutual trust. To this end, UNDP has a long-standing commitment to transparency and leads a global initiative to increase it – the International Aid Transparency Initiative (IATI) - to strengthen transparency in development co-operation. As a member of the IATI since its creation in 2008, UNDP has made itself readily available to outside scrutiny through the assessment tools of its partner constituencies. In addition to improving its own transparency, UNDP has supported a number of programme countries in efforts to strengthen the transparency of development co-operation they receive.

Open.undp.org, UNDP’s online portal allows open, comprehensive public access to data on more than 10,000 active UNDP projects, and publishes over US$5.8 billion in project data.

This brief discusses the critical ingredients needed for greater transparency in development co-operation: (1) better data, (2) better information management and (3) better access. The combined efforts of all development actors towards improved data, information management and access can facilitate the processes of increased transparency, which is then translated into strengthened accountability systems at all levels.

“IATI offers a standard for providers of development co-operation to publish detailed data at activity or project level including budgets, strategic documents, financial transaction history, sub-national geocoded data, sectors and classifications, conditions and results. In addition to the information shared at country level by development partners through country’s AIDMS[Aid Information Management Systems], IATI includes details published by CSOs[Civil Society organisations], giving governments important insight into the broader picture of development spending in their countries.”

(Isaora Zefania Romalalahy, Head of Aid Coordination Permanent Secretariat, Office of the Prime Minister, Madagascar, Accra Workshop March 2015)

Better Data

In the past few years, the Official Development Assistance (ODA) provided by traditional development partners has been complemented by the expansion of other forms of development finance. While ODA remains an important source of financing for development, South-South Co-operation has been expanding rapidly. In 2011, it represented more than 10 per cent of the global public finance flows for development co-operation, estimated at between 16-19 billion USD, in addition to vast in-kind contributions, which are hard to quantify in monetary value. Private aid, including philanthropy, has also grown to USD 60-70 billion annually. In addition, Foreign Direct Investment inflows to developing countries reached 759 USD billion in 2013.

The diversification of development finance is already a reality at the country level, resulting in the presence of increased number of partners and modalities of development co-operation. The need for better quality data on development co-operation flows is paramount for countries to effectively assess, allocate and manage available resources to implement the ambitious Sustainable Development Goals.

While diverse stakeholders have different information needs, there exists some commonality. These needs include: comprehensive information about where, when, how and on what development co-operation funding is spent; timely and up-to-date information; comparability of data across providers; and reliability in forecasting future development co-operation flows.

The global drive for aid transparency, led by initiatives such as IATI, has greatly increased the availability of usable data in a
common format. The IATI standard has been instrumental in this endeavor. With over 340 organisations publishing data on development co-operation in one place and one format, the IATI registry now has a critical mass of data on development co-operation.

To further drive improvements to data quality and use, Aid Information Management System (AIMS) providers have begun to support the establishment of automatic data exchange in the Democratic Republic of Congo (DRC), Rwanda, Burkina Faso, Chad, Côte d’Ivoire, Madagascar and Senegal. The experience from Rwanda demonstrated that automatic data exchange is possible, but only a small percentage of data exchange was successful due to lack of complete data. A similar challenge was also encountered in the DRC. However, when data that is timely, comprehensive and forward-spending is made available, this automatic import becomes more useful in making data accessible to country planning and accountability systems. For instance, Myanmar successfully completed the first automatic import of IATI data: the process achieved a 100 per cent success rate in importing IATI data that is timely, comprehensive and forward-looking into its system. This has allowed for considerably increased access to IATI data at country level. With concerted effort by all stakeholders, developing countries are now seeing more opportunities to directly access the timely, comprehensive and forward-looking data. UNDP, in collaboration with AIMS providers and the IATI Secretariat technical team, is also currently exploring support for automatic data exchange in Bangladesh and several other countries.

**Box 1: IATI Compatible AIMS in Myanmar**

Working closely with the IATI Secretariat, the Government of Myanmar with support from Catalpa, developed Myanmar’s Mohinga AIMS. This system allows Myanmar to monitor aid programs and spending in a way that’s smart, simple and secure. The Mohinga AIMS is built to be “IATI native”, meaning that the way it stores data directly corresponds with the requirements of the IATI standard. Work is now underway to simplify the ability of users to import internationally-reported aid data directly from the IATI Registry into the local Mohinga app.

In February 2015, Catalpa completed its first import of IATI data into the Mohinga AIMS. This process was achieved with a 100% successful import of the UK Government’s Department for International Development’s IATI data. As a result, DFID offices in Yangon didn’t need to manually enter the data for 226 activities and 935 financial transactions. Further work is currently underway to allow other development partners to facilitate the import of their own IATI data into Mohinga AIMS.*

Source: [http://www.catalpa.io/blog_iati.html](http://www.catalpa.io/blog_iati.html)

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**Better Information Management**

In more than 80 countries, governments have worked to set up databases, websites and other information management systems, such as AIMS, to effectively track, monitor and analyse resources flows to their countries so as to effectively manage their development resources. Several countries have also used the IATI standard to strengthen their own AIMS, including Bangladesh, Malawi, Madagascar and Myanmar.

UNDP has supported various efforts in over 50 programme countries to increase the transparency of development co-operation flows. Drawing on its breadth of experience, important lessons learned include the following:

- Strong leadership combined with appropriate legal and regulatory frameworks is of critical importance for effective management of information on development co-operation. Nigeria provides a good example of such strong leadership. Spearheaded by its National Planning Commission (NPC), Nigeria is in the final stage of approving a policy on ODA, which aims to enforce the compliance of donor reporting in-country.

- Strengthened capacity for data analysis and management of the system is a pre-requisite for successful AIMS implementation and sustainability.

- It is crucial to strengthen functionality and institutionalise the use of systems in national accountability processes. For example, Cambodia’s ODA database integrates indicators relating to effectiveness of co-operation, which supports the strengthening of mutual accountability processes.

**Box 2: Development of AIMS in Bangladesh**

Bangladesh has recently developed its own AIMS following the IATI standard. To further streamline the process of development partners reporting required data to the national AIMS, Bangladesh is planning to use the IATI data store to automate data entry into the system, which will reduce the reporting burden on providers and consequently increase access to data.

Source: Ministry of Finance of Bangladesh

With domestic resources growing in scale and importance, the need for more integrated reporting systems is vital to the management and monitoring of resources flows from various sources. In a number of countries, work is underway to integrate AIMS with national Integrated Financial Management Systems, for example in Rwanda. Similar work is also being undertaken in Malawi to allow the government to have a complete picture of all funding flows – both internal and external.

To support more inclusive and evidence-based decision-making processes, easily accessible and timely data on all forms of development resource flows is key. Open data allows enhanced accessibility of data by the public and plays a critical role in informing strategic analyses conducted by external actors and supporting inclusive government decision-making processes.
A number of countries have gone public with their AIMS. Nepal, through its Central Bureau of Statistics, has made data resources more widely and easily accessible to the general public, feeding broader demand for government data on aid from academia, development providers, civil society, the private sector and other government agencies. Equally important, strengthening the analytical capacity of all stakeholders including parliamentarians, local governments, CSOs and the private sector is a way to promote its increased usage.

Conclusions

Current challenges facing development financing mechanisms are often associated with inefficient or inadequately allocated resources. Increased transparency of development finance flows can unlock potentially large efficiency gains by improving the allocation of resources.

Moreover, greater transparency, through better data, better information management systems and better access, can provide a powerful impetus for all development actors to be accountable for development results.

Better data that is timely, comprehensive and which includes forward-spending information is essential to further strengthen the usability of data to meet the needs of countries. The IATI Standard supports this, and all development stakeholders are encouraged to publish data in a common format through the IATI standard.

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