Transparency of Development Aid

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Why to make development aid transparent? Currently, no one really know, how much money is spent, where and for what.

Transparency of international development aid contributes to achieving desirable results of development aid and is essential for raising funds from the public and maintaining public support.

In most cases, not even recipients governments have a thorough understanding of where all the funding is directed. This undermines the entire potential and effectiveness of aid efforts. If citizens in donor and recipient countries had more information, they would be able to assess whether funding for development aid had the best impact possible.

1. Benefits of making development aid transparent

- better coordination of donors,
- fewer cases of duplication of provided aid, aid not being provided to some countries/regions/sectors and not provided to others,
- better predictability of aid in the recipient country,
- reduced risk of corruption in both donor and recipient country,
- availability of data for research and study,
- right of taxpayers to information on the use of public money.

2. Who benefits from transparent aid?

Donors
- who might be able to improve the use of allocated funding and coordinate their activities with other donors active in the given recipient country.

Public in the donor country
- that has better understanding of the significance of development aid, making active involvement possible.
Recipient countries
- who governments will be informed about intentions of donors and amounts of funding planned for investment in their country - thus allowing them to better plan investments in individual industries.

Public in the recipient country
- may attempt to reduce corruption in the country by following the flow of funding from donors - without such information, it is unable to check the work of public institutions.

To ensure that access to information is given to all four groups, information needs to be easy-to-understand, accessible, comparable and made available in a timely manner.

3. International framework

In the area of development aid, discussions on transparency have been going on since 2005, when the Paris Declaration of Aid Effectiveness was adopted, with the following Accra Agenda for Action (AAA) in 2008, including the following in article 26:
“Donors will provide full and timely information on annual commitments and actual disbursements so that developing countries are in a position to accurately record all aid flows in their budget estimates and their accounting systems.”

In 2010, EU Council approved the Conclusions on Mutual Accountability and Transparency and its member states made a commitment to disclose information on the amounts and purpose of bilateral development aid.

In December 2011 the 4th High Level Forum on Aid Effectiveness in Busan, Korea, at which it was expected that the Paris Declaration would be evaluated and a new framework would be formulated for making aid more effective. Transparency became one of the key conditions for increasing the quality and impact of aid.

4. IATI - International Aid Transparency Initiative

Since 2008, this issue has been dealt with by a group of donors and partner countries as part of the International Aid Transparency Initiative. IATI is not another database, such as that maintained by DAC OECD. Rather it provides standards for publishing information on development aid. Donors publish information just once – in an agreed format of data – on their own websites. Location of such data is then recorded in the central IATI register, which functions as index for the users. Information is published under open license, which means it may be further processed and combined with other data.

To this day, IATI has been signed by 20 donors, including the European Commission.
The differences between OECD databases and the IATI information system are as follows:

**DAC OECD** administers two information databases:
- “DAC aggregates” – aggregated information from 44 donor countries (including Slovakia)
- “Creditor reporting System (CRS)”, which contains information on specific activities (programs, projects, etc.) of 24 donors. Slovak Republic makes the transition to reporting information in compliance with CRS. In the SAMRS Agency, an internal database of bilateral aid has been developed in line with the OECD DAC reporting methodology.

IATI is not a database. Rather it is an open information standard. It is complementary to CRS and most project data is the same. CRS is a statistics mechanism with reporting only after the close of the financial year. That means it does not contain information from the current year. The last available CRS data comes from 2009. On the other hand, data following the IATI standard is provided in real time.

**IATI standards prescribe that the donor reports:**

- regular information, updated at least once every quarter,
- detailed data on financial allocations, commitments, contracted and paid out amounts,
- information on aid results,
- information on conditions of provided aid, and
- approximate budgets, by country, for the next three years if possible.

A donor institution, which commits to join AITI, **publishes on its website a database of projects** with the following information on individual projects/programs:

- Name of the reporting organization
- Project title and description
- Country
- Industry focus
- Beginning and ending date of the project
- Current status of the project: running / completed
- Expected/achieved results
- Cross-cutting theme
- Total budget
- Amounts paid out, by year
- Type of aid: subsidy/tender,....
- Project documentation (e.g. evaluation report,....)

The project database makes it possible to select information by interest of the user, by country, or by industry.
**Recommendations:**

Slovak Republic is well positioned to make the commitment to follow the IATI standards and start implementing them in the coming years. Every donor interested in the IATI system is offered technical assistance and consultancy by this institution’s secretariat in Great Britain.

Contact: [www.aidtransparency.net](http://www.aidtransparency.net), [iati@aidtransparency.net](mailto:iati@aidtransparency.net)

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**5. Analysis of transparency of Slovak development aid**

**Transparency at policy and programme levels**

The website [www.slovakaid.sk](http://www.slovakaid.sk), administered by the Slovak Agency for International Development Cooperation, makes available the following strategic documents, prepared by the Ministry of Foreign Affairs of Slovakia:

- Acts and regulations dealing with development aid
- Mid-term Strategy for official Slovak development aid, listing territorial and major sector priorities
- National programme of official development aid (with an annual budget and outlook for the next three years), which defines recipient countries and main sector focus of the aid for the given country
- the document Information on official development assistance of the Slovak Republic (the latest updated report, prepared by the Ministry of Foreign Affairs of Slovakia for 2010 is available at the website “Rokovania vlády SR” (Slovak Government Proceedings) or at the “Portál právnych predpisov” (Legal Regulations Portal)

**Recommendations:**

The annual report of the Ministry of Foreign Affairs of Slovakia *Information on official development assistance of the Slovak Republic* needs to be made available also at the [www.slovakaid.sk](http://www.slovakaid.sk) website, as it is the most complete and most detailed official report.

The website [www.slovakaid.sk](http://www.slovakaid.sk) needs to be structured more clearly so it is more user-friendly. Currently, documents are located in various parts of the website – some of them in the “Dokumenty a legislativa” (Documents and Legislation) section, other in “Knižnica súborov” (Library of Files), including, for example, annual reports.

The English version of the website [www.slovakaid.sk](http://www.slovakaid.sk) does not include translated documents for download (apart from the Mid-term ODA Strategy documents for 2009-2013, which is available in the *Countries* section). The website provides no more than a short English-language summary of the material without detailed financial data or information of its approval. To **improve coordination and harmonization of aid with other donors** and considering recipients countries and their citizens have
the right to information on development aid provided to their country by Slovakia, it is necessary to made information and documents available also in English language.

Transparency at the project level

a) Bilateral development projects

The Slovak Agency for International Development Cooperation has administered projects since 2007. At its website it publishes this information at the project management level, in line with the Act on subsidies from the Ministry of Foreign Affairs of Slovakia:

- information on calls for proposals,
- eligibility and application evaluation and selection criteria,
- the list of received and the list of approved applications for subsidies.

In addition, the section *Knižnica súborov* (*Library of Files*) makes available the annual reports of SAMRS Agency, listing all implemented projects, by year.

Summary information on implemented projects in a given country is provided in the section *Krajiny* (*Countries*) of the website, with PDF file available for download, including tables of projects, by year, for the given country. Information is available for years up to 2010, with no information about sector focus. Also, the PDF format does not allow further processing of contained information.

The English language version of the website does not make that information available in English.

Sample table of projects implemented in Sudan:

<table>
<thead>
<tr>
<th>ORGANIZATION</th>
<th>ODA BUDGET</th>
<th>PROJECT TITLE</th>
<th>BEGINNING DATE OF THE PROJECT</th>
<th>ENDING DATE OF THE PROJECT</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2007</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Integra Foundation</td>
<td>€115,899.89</td>
<td>Community development in Southern Sudan through enterprise development – construction of mill and bakery</td>
<td>1 February 2008</td>
<td>31 October 2009</td>
</tr>
<tr>
<td><strong>2009</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SAVIO o.z.</td>
<td>€147,633.00</td>
<td>St. Joseph Vocational Training Centre – automated workshop</td>
<td>1 November 2009</td>
<td>30 November 2010</td>
</tr>
<tr>
<td>eRko – Movement of Children Christian Communities</td>
<td>€144,635.00</td>
<td>Training Centre of St. Peter Claver in Rumbek, Southern Sudan</td>
<td>1 January 2010</td>
<td>still running</td>
</tr>
<tr>
<td>Trnava University, Faculty of Health Care</td>
<td>€149,858.00</td>
<td>Capacity building in nursing, birth</td>
<td>1 January 2010</td>
<td>still running</td>
</tr>
<tr>
<td>and Social Work</td>
<td>assistance, and community health care</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>----------------</td>
<td>--------------------------------------</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>2010</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SAVIO o.z.</td>
<td>€137,741.62 Primary education for pupils in Manguo-Maridi 15 November 2010 still running</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SAVIO o.z.</td>
<td>€185,263.00 Revival of agriculture using modern technology in Maridi 15 November 2010 still running</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

In SAMRS Agency, an internal database has been developed to cover bilateral aid from Ministry of Foreign Affairs of Slovakia, using ODA reporting methodology in compliance with OECD DAC. Since 2011, all applications for subsidies include project sector codes following the CRS methodology.

**Recommendations:**

- to develop a simple database of projects at the website www.slovakaid.sk with search functionality for projects, by year, country, sector and name of the implementing organization. Until then, it is recommended to make available updated summaries of implemented projects, by country, in a more usable Excel format, translated in English at the English language version of the website,
- to make available project evaluation reports (in April 2011, the first evaluation report was prepared for projects in Afghanistan).

**b) Micro grants for local organizations in recipient countries**

Micro grants in the amounts up to €5000 are administered by embassies of Slovakia. Since this is the only financial tool available directly to local organizations in recipient countries, the possibility to apply for such funding should be communicated transparently in relevant countries. In 2010, close to €500,000 was allocated for micro grants. The summary of approved micro grants is included in the Information on official development assistance of the Slovak Republic and in the SAMRS Annual Report.

Summary of information available about the opportunity to apply for mini grants from individual embassies of the Slovak Republic, administered in 2010:

- Embassy of the Slovak Republic in Nairobi – information, procedures for submitting applications, application form – in Slovak and in English
- Embassy of the Slovak Republic in Beograd – information, procedures for submitting applications, application form – in Slovak and in Serbian (available from Slovak language version of the website)
- Embassy of the Slovak Republic in Podgorica – application form at the Slovak language website without further explanation, English language version of the website does not exist
Embassies of the Slovak Republic in Minsk, Sarajevo, Bucharest, Kiev, Skopje – no information available, preparations under way to display SlovakAid banner – currently not functional

Recommendation:

- all embassies should make available in English/local language full information, just like it is done by the embassy in Nairobi - to ensure open access to information for local applicants.

6. Open Government Partnership\(^1\) international initiative

In September 2011, Slovak Republic joined the international initiative called by the founding countries “Open Government Partnership”. In the first year, the initiative has been joined by 40 countries who signed this declaration.

Cooperation of countries who signed this initiative is based on four basic points.

The first one is **making public better informed about activities of the government, particularly regarding fiscal transparency** – in this case it is more than just making information accessible which Slovakia has already done through legislation in the past. This initiative involves a state policy to proactively and systematically publish information on state expenditures in format which is easy to access to the public and which allows for simple assessment of effectiveness in implementing individual state policies.

The second point is to support citizen participation and the third one is to implement the highest standards of professional integrity in public administration in the Slovak Republic.

The fourth point is **to increase openness and accountability of the government through new technologies**. Present-day technologies offer new ways of sharing information, ensuring citizen participation and cooperation with citizens on joint projects. This point deals with the use of new technologies for developing on-line communication, and exchange of information in much faster and flexible environments than was the case up to now.

An important part of this initiative is the so-called **Action plan**, which needs to be developed in the upcoming months. The task of developing the basic framework of this plan and specific action steps has been assigned to the Plenipotentionary of the Slovak Government for the Development of Civil Society.

The commitment of the Slovak Republic to follow IATI standards would send one of the most significant signals that Slovakia is taking its international commitments seriously.

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\(^1\) Source: Speech by Prime Minister Iveta Radičová at the conference “Relations between the State and the Civil Society - Are We Ready to Cooperate?”, 29 September 2011.
Annex

Sample from the database of projects funded by the British Department for International Development DFID:

- Project Search

Enter keywords
Show all projects or browse by Locations
- Bangladesh
- India
- Kenya
- Nigeria
- Pakistan
See all locations

Sector groups
- Agriculture
- Conflict, peace and security
- Education
- Health
- Water supply and sanitation
See all sector groups

Sample information from DFID database on an individual project:

Kenya

Title: HIV/AIDS Prevention & Care Phase 1, 2 and 3
Decreased risk of HIV transmission in selected high transmission areas.
Status: Second phase

Project start/end date:
01/03/1995 - 31/12/2009
Project budget: £45,369,697
Budget spent to Date: £45,369,697
The project status is currently: Complete

Project Details
Project Reference: 103533
Country: Kenya
Region: Africa: South of Sahara
Sector Group: Population policies/programmes and reproductive health
Principal Sector: STD control including HIV/Aids 100%
Project documents: