Open the Books on US Foreign Aid

The Foreign Aid Transparency and Accountability Act of 2013 will provide the data people need to effectively use aid in bringing about development.

JUNE 2014

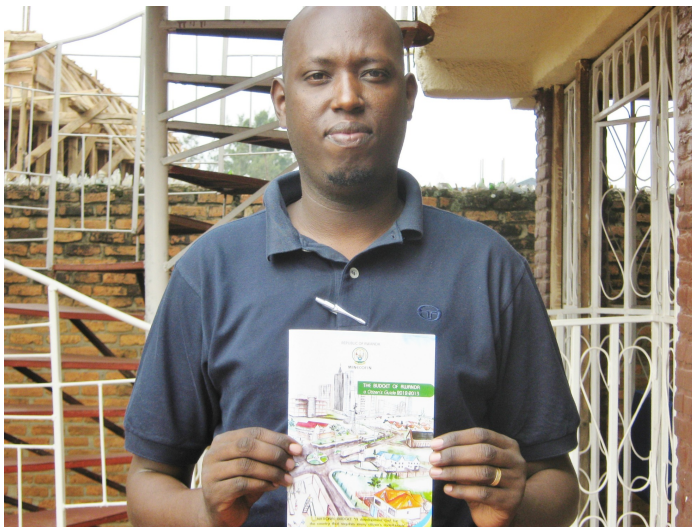
Aid is not the solution to poverty—people are. That is why government officials, entrepreneurs, and everyday citizens need more timely, detailed, and comparable information about where US resources are going.

More transparency enables people in countries receiving poverty-fighting aid to hold their governments accountable for how they invest US resources.

But it is shocking how little information the US government – *the world's largest bilaterial donor of poverty assistance* – actually releases about where US aid dollars go and what results they achieve.

WHAT DOES A LACK OF AID TRANSPARENCY MEAN ON THE GROUND?[1]

- In **Afghanistan**, civil society groups claim that 60 percent of US aid flows back to the US; some in government believe it's 90 percent.
- In **Kenya**, a PEPFAR focus country, government officials can't track how the US is supporting HIV.
- In **Cambodia**, not having a clear sense of USAID's direction generates uncertainty—civil society groups are concerned about what they perceive are closer ties between the US and the government of Cambodia, and some government official perceive USAID to be too close to nongovernmental organizations.
- In May 2012, **16 leading anti-corruption activists** from developing countries signed a letter to Congress in support of the USAID Forward reform initiative, urging that local actors must be able to "follow the money" to hold governments accountable to their own people.[2]



People like Alexis Nkurunziza (above), a Rwandan researcher and human rights advocate, are calling for more information on US aid to improve accountability in their countries. Currently, Rwanda relies on aid for almost 40% of its national budget.

Read more at: oxfamamerica.org/aidworks

[1] Data from 2009 research surveying 200 people in government, civil society, US aid agencies, and implementers, across six countries.

[2] Oxfam America (2012). "Letter to Congress: Work with us to fight corruption and injustice." http://www.oxfamamerica.org/static/media/files/fight-corruption-ad.pdf.

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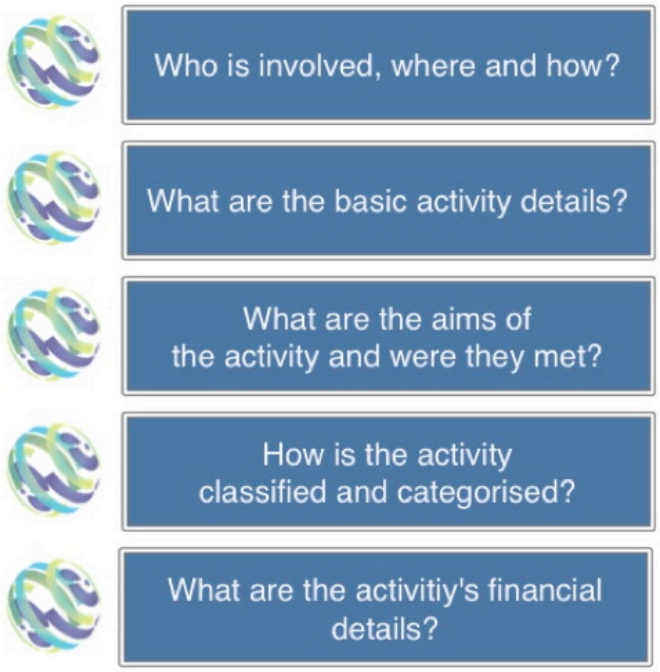
TRANSPARENCY STANDARDS FOR INTERNATIONAL AID

The International Aid Transparency Initiative (IATI) is a common, open format for publication of aid data. The IATI standard includes **financial flows, results information, budgets, timelines, project descriptions and documentation, activity and sector codes, and geographic data.**

The US signed on to IATI in 2011, and set a goal of full implementation by 2015.[1] But US progress is slow and incomplete.

To get maximum value from IATI, it's essential that US foreign aid agencies publish the full range of information contained in the IATI standard.

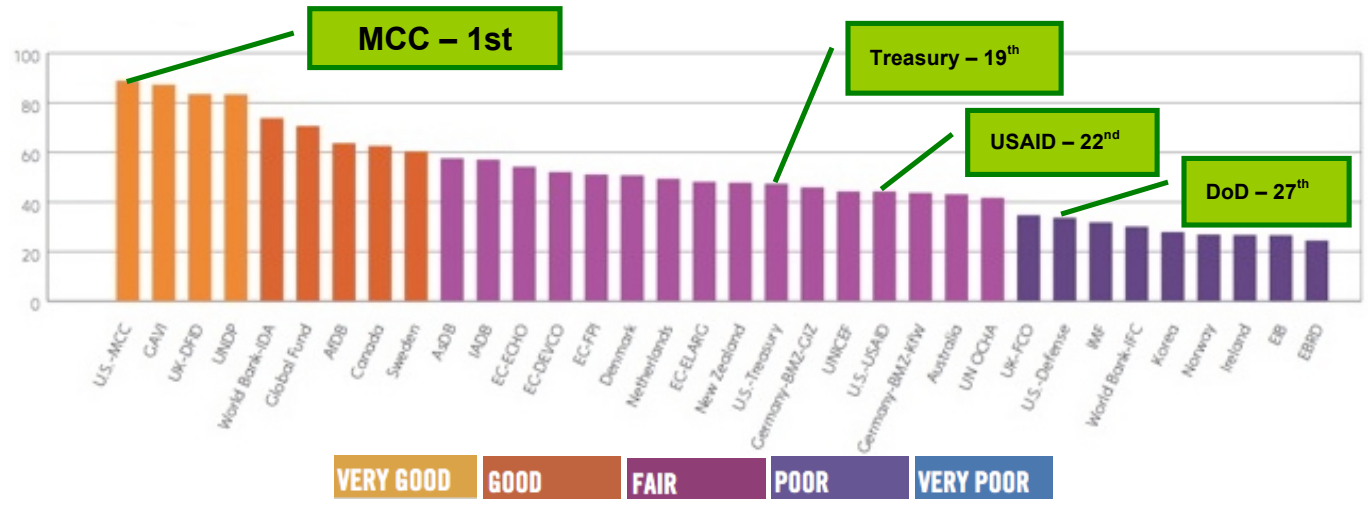
The International Aid Transparency Initiative (IATI) makes aid information easier to access, use, and understand.



HOW DOES THE US GOVERNMENT RANK?

On the surface the US shares plenty of aid information, through many websites and documents. Some parts of the US government do better than others. For example, the US Millennium Challenge Corporation (MCC) is ranked #1 in the world for transparency. Meanwhile, the State Department and PEPFAR (the US program to fight HIV/AIDS) are ranked "poor" and "very poor," respectively.[3]

Aid Transparency Index Rankings 2013, by Publish What You Fund
(Graph shows 34 out of 67 donor organizations scored)



[3] See http://ati.publishwhatyoufund.org/.

Oxfam Supports the Foreign Aid Transparency and Accountability Act of 2013

The "Foreign Aid Transparency and Accountability Act of 2013" will open the books on US foreign aid, and make sure US aid is working as well as it can to fight poverty.

As introduced, the legislation (H.R. 2638 and S. 1271) would require the President of the United States to:

*1. Establish and implement **uniform guidelines** – with measurable goals, performance metrics, and monitoring and evaluation plans – across all US foreign assistance programs; and*

*2. Ensure the Foreign Assistance Dashboard contains **detailed information** regarding US foreign assistance on a program-by-program and country-by-country basis and is updated quarterly by those federal agencies administering foreign aid.*

The bill would also require the Government Accountability Office to report to Congress on how agencies involved in foreign aid adhere to these benchmarks.

Oxfam enthusiastically supports this effort to require the US government to publish timely and comprehensive data on where US aid dollars are going, and quality evaluations to see if aid dollars are delivering results.

WHY IS TRANSPARENCY CRUCIAL TO AID'S SUCCESS?

Anti-corruption activists shining light on wrong-doing, farmers trying to decide what crops to plant, and government officials trying to manage their economy, all need information on what the US is funding in their countries.[4]

Unless recipient countries receive comprehensive, accessible, timely, and comparable information from donors, people in countries receiving US aid can't hold their governments accountable for how they invest aid resources.

Governments, in turn, can't adequately plan how to use aid resources to strengthen their economies, or explain to their citizens what they are doing with aid.

Education reform activist Elizabeth Missokia is calling for better information about US aid to improve accountability at home. "Over 40% of Tanzania's budget comes from foreign aid . . . It's for us as citizens and CSOs to be able to follow and hold government to account . . . how do we do that unless the donors also publish what they fund?"
Read more at: oxfamamerica.org/aidworks

Not telling countries what the US is doing also fuels mistrust and misperceptions, undermining the relationship that is key to effective development cooperation.

[4] See examples of what this lack of transparency means on the ground in Oxfam America's 2009 report, "Ownership in practice: The key to smart development" available at http://www.oxfamamerica.org/explore/research-publications/ownership-in-practice-the-key-to-smart-development/.

WHAT'S EVEN MORE IMPORTANT THAN DATA?

Closing the feedback loop to turn information into power.

Oxfam America has been talking with local leaders in developing countries to find out how they could use aid data to strengthen country systems and empower citizens. US policy makers, expert data analysts, and partner country government and civil society leaders agree that it's time for the US to move beyond transparency for its own sake and focus on putting aid data to use—and citizen feedback is key to making aid data useful for development. To get there, the US should:

- **Put aid on the map:** Geocoding and maps give citizens the context they need to assess how funds are spent.
- **Publish often:** Getting data out quickly and regularly ensures that dialogue among donors, governments and citizens is informed by the most up-to-date information.
- **Get citizens involved:** Aid effectiveness depends on citizen engagement, not just good relations between donors and recipient governments. Aid data should be published with citizen engagement in mind.
- **Go local:** Aid data should be released in local media, and through local civil society networks. Using established means and channels of communication will get data to the people who need it faster than new donor platforms.
- **Ask people what they need to know:** Different local stakeholders have different information needs. Oxfam recognizes that the US is taking steps to talk directly to would-be aid data users, and this should continue.
- **Make local accountability the priority:** Data that lets Congress and taxpayers track US aid funds is important, but speaking to the US audience must not crowd out efforts to supply timely, detailed and useful information to partner country citizens who are working hard to demand accountability from their own governments.

* * *

Aid is most effective when it empowers individuals, groups or other local actors to take action and change their circumstances.

Transparency of poverty-reducing aid plays a critical role in empowering people to take action and reinforce the checks and balances in their own countries that are essential to lifting themselves out of poverty.

Note: Oxfam America does not take US federal funds, but we do support effective development programs.

Transparency in US foreign aid is key to development cooperation that strengthens the state-citizen compact in partner countries—a government's commitment to fulfilling its responsibilities and the people's efforts to hold their government accountable.

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