

## SMART DEVELOPMENT IN PRACTICE

# Aid transparency: When developing countries lead, will the US follow?

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Mozambique receives development aid from over 30 donors; the US is the largest bilateral donor to the country. Yet ordinary Mozambican citizens and even government ministers can have a hard time finding out what the US is giving, where the money goes, and how much is being spent. One effort to increase the transparency of aid to Mozambique is the new ODAmoz Web site. ODAmoz—the Official Development Assistance to

Mozambique database—was launched by the Mozambican government and donors in 2007. ODAmoz is searchable by province, sector, donor, and even the Millennium Development Goal the aid is designed to address. It's an important step to promote transparency given that roughly half the Mozambican national budget comes from foreign aid.

### As good as the donors make it ...

ODAmoz is far from perfect. Its creators are discovering that the database is only as up-to-date and comprehensive as the data that donors submit. According to ODAmoz staff, the US has distinguished itself by consistently failing to submit up-to-date and complete information about its aid. That said, ODAmoz gets no information at all from China, Korea, Brazil, Russia, or India. ODAmoz does not capture private aid actors. Even knowing roughly projected aid flows for the coming years would be enough to enable the Mozambican government to do its own financial planning, but donors have not yet been able or willing to provide this. Still, the ODAmoz project is a promising step in aid transparency. And ODAmoz is not the only Aid Information Management System: Cambodia and Nicaragua also have easy-to-use online databases.

### Why isn't the US leading the charge?

US embassies often call on developing countries to be more transparent, so it would be logical to expect the US to lead by example. The US does report to ODAmoz, but there are a number of obstacles keeping the information from telling the full story.

#### 1. Incentive is to Report to Washington, not Country

ODAmoz looks to the US Agency for International Development (USAID) for its data because USAID is the US's official development agency. But USAID missions are increasingly stretched to implement more programming with fewer people. Intensive reporting burdens required by Congress, presidential initiatives, the F Bureau, and USAID headquarters in Washington interfere with aid practitioners' ability to use a promising on-the-ground tool like ODAmoz. The USAID mission in Mozambique calculates that it spends the

equivalent of 603 workdays per year on reports to Washington, but only 15 workdays reporting to the Mozambican government and other aid donors.

## 2. No Single Source for US Foreign Aid

It is hard for ODAmoz to get US data when there are more than 15 US government agencies working in Mozambique operating without a coordinating umbrella. PEPFAR, one of three large presidential initiatives in Mozambique, is implemented by five different US agencies. This hodgepodge of actors makes it difficult for USAID to aggregate data on US giving. The Millennium Challenge Corporation (MCC) regularly reports to ODAmoz separately from USAID, but other agencies do not. So ODAmoz features MCC numbers and some USAID numbers, but no numbers from Defense, Peace Corps, or other US agencies operating in Mozambique.

## 3. US Reports on a Delay

USAID Missions may not have their budgets until late summer in a given fiscal year. And because it's not unusual for Washington to reprogram funding that was previously appropriated but not yet obligated, Missions are often reluctant to report numbers to ODAmoz. When USAID Missions don't have finalized budgets, they can't report on future spending, and they are constantly playing catch-up, both with their own planning and in reporting to ODAmoz. This leaves ODAmoz with no future projections of US funding to Mozambique past 2007, whereas they have aid projections from Canada, the UK, and Japan as far out as 2010.

A community watching a play about HIV prevention in Quelimane province, Mozambique. The US funds this program, but still does not report complete information about this and other HIV prevention activities to ODAmoz.

*Raquel Gomes / Oxfam America*



## Making our aid transparent is a no-brainer

Making ODAmoz more accurate would improve the effectiveness of US development aid. The USAID mission in the country could target American resources by sector and region to complement, and not duplicate, what the government and other donors are doing and planning to do. When a country like Mozambique takes the initiative to coordinate its donors, it should be rewarded with timely reporting. Full US participation in ODAmoz, even if the numbers are only preliminary, would show the world that the US practices what it preaches when it comes to transparency. Making our aid transparent is just plain smart thinking, or what we at Oxfam call [smart development](#).