

## Remarks by Ruth Levine, Deputy Assistant Administrator Bureau for Policy, Planning and Learning

### Opening Up: Aid Information, Transparency and U.S. Foreign Assistance Reform

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Thank you for the invitation to speak today on this important topic. I am speaking on behalf of many colleagues who have labored far longer and harder than I within USAID and the USG more broadly to develop useful and accessible information sources, and I'd like to acknowledge their efforts, which are often unsung. I have certainly been impressed, since joining USAID earlier this year, with the effort that in-house experts, as well as staff at sister agencies, are putting into information-sharing.

I will say a few words about the concept of transparency, then about the nature of the technical challenges within the government, and then turn to what we within USAID specifically, and the U.S. government more generally, has committed to do. I will close with a few special requests to our friends in the policy research and advocacy communities who have already contributed in important ways toward the aim of greater access to high quality information.

Transparency – and by that I mean the proactive sharing of information about our policies, practices, actions, budgets, spending and performance – is both a responsibility of the public sector, and a means to achieve the improved development outcomes we all seek.

Very simply, as a taxpayer funded government agency, the U.S. Agency for International Development and our sister agencies have a responsibility to share information.

This responsibility of transparency is not new. What is new is the scale and reach that information technologies, and particularly the internet, now afford. The dramatic decrease in the cost of sharing information and the penetration of cell phones and internet access make possible a more data-rich type of civic engagement than ever before.

As the marginal cost of sharing information decreases, expectations about access to information are approaching infinity. "I can sit in Washington DC and see real-time traffic reports from San Francisco any time of the day or night," you can imagine people saying. "Why can't I see a map and photos of all the health centers that have been refurbished with PEPFAR dollars to treat patients with AIDS?"

One agency that was born in an era when greater transparency was expected, the Millennium Challenge Corporation, deserves a lot of credit for some of the special efforts it has made. The MCC uses a transparent system for country selection, with annual scorecards and third-party data. It shares with the public information not only about spending, but also about performance – near-term results, and longer-term impact – relative to targets established ex ante.

We are all finding how much interest is out there among the general public for information about international development. USAID data sets already available on DATA.gov, the [Open Government](#) website, include the U.S. [Official Development Assistance Data](#), U.S. [Trade Capacity Data](#), and U.S. [Overseas Loans and Grants](#) data (commonly known as USAID's "Greenbook"). The "Greenbook" provides a complete historical record of U.S. foreign

aid to the world, and consistently ranks among the top three most downloaded data sets of the thousands available on DATA.gov.

Beyond fulfilling a core public sector responsibility, provision of information also can drive better outcomes, although a fully compelling and evidence-based story is yet to be developed to tell us under what conditions this potential is realized. Access to information about government resource allocation empowers civil society watchdogs to advocate for governments to live up to rhetorical promises to reduce poverty through growth and improved governance. Access to information about planned capital investments can reduce the space for corrupt practices. Access to information about social service performance can permit parents and patients to hold officials accountable for poor outcomes.

We can all agree that there are many benefits to more transparency. With that motivation, the U.S. government has committed to being more transparent as part of the President's Open Government initiative and specifically as part of an agenda to improve aid transparency.

To be candid, getting where we all want to go will not be easy. With the number of agencies involved in foreign assistance and the complexity and variety of assistance programs, it is challenging for our current internal information systems to provide comprehensive and timely answers to the questions we are asking: What is the U.S. government spending? Where are we spending it? What are those dollars buying?

At USAID, for example, we can tell you how taxpayer dollars have been budgeted, appropriated, allocated, obligated, disbursed, and what inputs and outputs they financed – but there can be a considerable time lag between these steps due to the nature of the budgeting, appropriation, performance reporting process itself. USAID can get good information out of our budgeting and financial systems that is fairly up-to-date. But depending on the nature of the request, it can take time to pull the information from the appropriate system and validate it before sharing the data with stakeholders or the public.

And as for the breakdowns by country, which you would think would come naturally to a development agency: We initially report most of the resources by specific country programs, but that amount can sometimes miss funding from centrally-managed projects that may not report their spending or activities within country operational plans. And our performance reporting is done without geocoding that would permit us to easily map what activities have been done where. This is just within our agency – it gets even more complicated when we look at the U.S. government as a whole, and particularly the information that comes from agencies that have budget structures that work for their main business – domestic programs – better than for the international work they do.

I emphasize the point about information system design and capacity to highlight the effort that will be required to respond to the legitimate demand for more timely, comprehensive and detailed information about aid flows and performance. In just a few years' time, I suspect that it will seem extraordinary that the world can have been spending \$120 billion a year of official aid in developing countries without it being possible to find out in real time what is being spent by whom, for what purpose, and with what effect. But, because of a legacy of not collecting information in comprehensive systems, there is a lot of work to get from here to there.

Let me turn to what the U.S. is now doing in this area.

Within the context of the Paris Declaration on Aid Effectiveness, the Accra Agenda for Action, and the Pittsburgh G20 Leaders' Statement, we have heard stakeholders and partners call for improved transparency in international aid flows, and we have indicated our interest in responding to those calls.

To fulfill these commitments and in support of the President's Open Government initiative, the U.S. Government is taking action to improve aid transparency. For my own agency's part, USAID is supporting this government-wide effort and implementing additional steps toward greater transparency as part of this Administrator's reform agenda, "USAID Forward."

Led by the National Security Council and the Office of Science and Technology Policy, the U.S. subscribes to a long-term goal to institutionalize a process for collection and dissemination of data on international aid flows across U.S. agencies. The US Government has developed a USG-wide aid transparency policy with a set of initiatives underway to deliver on it; each of those initiatives is led by a different part of the executive branch.

The first principle of the U.S. Government's policy is openness. That said, in line with national security interests, there will be principled exceptions to proactively making information public.

We recognize that there are many people with an interest in knowing how aid money is being spent. But perhaps first and second among equals in the need to know are those in the governments, ministries, parliamentarians, and citizens of developing countries themselves, and U.S. taxpayers who provide the resources for assistance.

To meet the needs of both of these groups – and many others who have an interest in U.S. foreign assistance – we are working to develop open data sources that are accessible, comprehensive, comparable and provided at the level of detail, quality, and timeliness needed to enhance partner government development planning and empower citizens to hold their governments accountable.

We are starting where we can, making information that is currently available more accessible, and constructing a platform for sharing an expanded and deeper set of data in the future.

First, USAID has long had a great deal of information available on mission web sites and on its external network, but there has not been a systematic basis for the content on any of these sites. These sites will continue, as they often contain valuable site-specific information, but we are now trying to be more systematic on core information.

Second, as you know major international aid donors report official development assistance to the Organization for Economic Cooperation and Development, Development Assistance Committee (OECD/DAC). The U.S. government submission to the OECD/DAC on 2009 resource flows to the developing world will be made available at DATA.gov and on USAID's website by tomorrow (Friday, December 10).

Third, our colleagues at the Department of State, with input from USAID and other interagency partners, have created an easy to use website – the “Foreign Assistance Dashboard” – to provide a wide variety of stakeholders with the ability to examine, research, and track U.S. government foreign assistance. Dashboard version 1.0, planned for public release this month at www.foreignassistance.gov, will include State and USAID budget and appropriations data from Fiscal Year 2006 through the Fiscal Year 2011 request. Future iterations of the dashboard are expected to add more granular and timely data including financial, program, and performance data from all U.S. agencies that receive or implement foreign assistance funds. The Foreign Assistance Dashboard will be helpful to those particularly interested in U.S. government foreign assistance spending. I think you will agree, when you see it, that this is an exciting development, and will whet everyone's appetite for more.

Returning to those key stakeholders in developing countries, they want the complete picture of the resources going into the community or sector in which they are interested, whether originating from their government, international donors, and other channels. To make that possible, aid transparency has to go beyond donor agencies individually publishing more information; it has to be in a form that people in developing countries, faced with a growing array of donors, foundations and NGOs, can use. As I mentioned, many developing countries have aid management systems in place, but these vary significantly from one country to the next, making the job of donors willing to contribute information to those systems very labor-intensive. To reduce the transaction costs of providing and receiving information, it is most useful to have common standards.

Therefore we welcome the International Aid Transparency Initiative (IATI) efforts to create these common standards. The United States is not a signatory of the IATI because of largely procedural and budget issues, but we have played an active role in the Technical Advisory Group to shape the standard and ensure that we can use it to reduce transaction costs all around, including as we advance aid transparency efforts within the U.S. government. As we develop data systems and sources, they will be able to be cross-walked with those standards.

Aware of the need to be responsive to in-country needs, USAID is planning to better assess partner country demand for information and data and our capacity to respond on a whole-of-government basis by running pilots in at least three countries. Building on what many in this room and others have done, the pilots will attempt to learn what US aid information is most valuable to host country partners, including the government and civil society organizations (and by extension, citizens) and legislatures. We will test the capacity to deliver high-value, timely information from U.S. agencies active in a country. We will identify capacity constraints on the recipient government's ability to use the information for budgeting or planning. Together, the results of this work will inform how, when and what kind of information the U.S. government will provide to host countries when we scale up from the pilots.

Other actions in the U.S. government transparency agenda include encouraging the development of applications by private individuals and institutions to analyze the information being made available on the Foreign Assistance Dashboard and elsewhere, and the standardization in an OMB Bulletin of financial reporting requirements for foreign assistance across the U.S. government. Lastly, we hope to improve the capacity of both partner countries and ourselves to measure for and publish the results of our collective efforts.

In addition to supporting these U.S. government-wide aid transparency actions, USAID is also taking additional steps within our own policies and practices toward transparency as part of the “USAID Forward” reform initiatives.

Under USAID Forward the agency is committed to improve and streamline data collection on programs to inform decision making, and generate and capture knowledge to improve program impact. For example, we are working to increase host country capacity and use of host country systems and through that effort we expect to improve data collection and reporting at a local level.

In another example we are improving our agency evaluation policy. The new policy seeks to manage the weaknesses of current practice, such as the highly variable quality and quantity of evaluations and the lack of explicit standards for robust and appropriate methodology.

A commitment to transparency is expressed in the evaluation policy in two particular ways: First, by requiring that evaluations be “registered” at the time they are initiated. This takes a page from the clinical trials registries in the health sector, which were instituted to obviate the possibility that pharmaceutical companies and others testing new therapies would publicize only the successes and bury the failures. Second, by requiring that evaluation findings are made publicly available within a short time after they are finalized. We do this with full knowledge that this is a risky way to go about things, because there are many who are willing to use reports of poor performance as reasons to discredit and defund aid agencies – ourselves and others.

I hope this gives you a sense of where this Administration, and USAID in particular, is prepared to contribute to the aid transparency agenda. In closing, I'd like to ask the think tank and advocacy community for two things:

First, for your input in defining the highest priority information elements that from your points of view should be included in the subsequent versions of the Foreign Assistance Dashboard and institutionalized via the OMB Statistical Bulletin. Your contributions to the concept of “meaningful use” are very valuable. This input will be most valuable if you tell us not only the data fields you want, but also what the research and advocacy community could do with that data were it made available. In other words, what visualizations, citizen facing applications, or analysis would it make possible?

Second, for your efforts to accurately communicate to the audiences you reach what the data actually represent. Confusion about the host of terms used just for the funding flows data, let alone the performance data, can lead to inaccurate inferences. We will do our best to communicate clearly what the data definitions are, but as you use the data for your analyses, and communicate findings, please make sure that you are drawing accurate inferences based on those definitions.

In sum, we all share a common aspiration around information sharing. We might differ at the boundary points between “must have” and “nice to have.” We might have a deeper understanding than you do about how tricky and costly it is to get our siloed information systems to talk with one another, and you might have more insights than we do about how civil society can effectively use information toward very positive and constructive ends. But in the end, our interests are very much aligned and my USG colleagues and I look forward to working with you to advance this agenda.

Thank you.