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OPENING UP:
AID INFORMATION, TRANSPARENCY, AND U.S. FOREIGN ASSISTANCE REFORM

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P R O C E E D I N G S

MR. UNGER: Thank you, everyone, for joining us. Welcome to Brookings. I'm Noam Unger. I'm a fellow in our Global Economy and Development Program, and I'm the policy director of our Foreign Assistance Reform Project.

Today's event is, I believe, quite timely because in terms of U.S. foreign assistance reform. President Obama came out with a new global development policy this fall. There are exciting and interesting reforms happening within USAID, and next week, I believe, the much awaited Quadrennial Diplomacy and Development Review will be released in full. The policy of the administration includes aid transparency in its agenda, and, so, this is an important discussion, and there's growing recognition of the importance of comprehensive, comparable, timely, and accessible aid information to effective development support.

It's important from the perspective of accountability both here in Washington and to the American public and Congress, and also in terms of accountability in developing countries. It helps citizens of developing countries hold their own governments to account in terms of the use of aid, but it's also important in terms of aid effectiveness with regard to coordination among donors. Donors have to consistently be able to communicate what they're trying to do with which resources over what period of time and with whom, and if we don't know the answer to basic questions, it makes it very difficult to do that.

So, to speak on this topic we have actually an excellent panel and quite a large panel, so, we'll try to keep to the timeframe so that we can really include the audience in a fuller participation fashion, but we'll begin with Karin Christiansen. She's the spirited director of Publish What You Fund. She has a fitting background as a top

rate development advocate and analyst founded in experiences working with developing country governments, the United Nations, and NGOs., and I won't go through everybody's full bio because I believe you have them in front of you.

We also have Ruth Levine. She helps lead the new Policy, Planning, and Learning Bureau at USAID. She's in my mind an example of the high caliber talent that is being drawn into USAID now, and prior to this position, she was a vice president at the Center for Global Development. So, after years of being on the side of proposing big and wonderful ideas, she now has the very fun task of trying to implement such ideas.

As our discussants, we have Minister Augustine Kpehe Ngafuan from Liberia. He oversees the national budget of Liberia and it is a very critical and hopeful time for that country. He's also the chairman of the board of the Liberia Bank for Development and Investment, and his perspective is incredibly important to current discussions here in Washington, D.C., because he deals with aid where it matters every day, and he is a wonderful resource on what we are doing well and what we're not doing well, and I also noted when I read his bio that he's an award-winning poet. So, if you are moved by today's discussion on aid transparency, that may be partially why.

We have Nancy Birdsall next to the Minister. She's very well-known to many of you, I'm sure. She's one of the foremost leaders on development thinking here and globally, and she's the president of the Center for Global Development, a tremendous institution by the way that provides trusted, rigorous analysis in a way that really does impact policies here in Washington and around the world.

And Dani Kaufmann to my right. As a senior fellow here at Brookings and our Global Economy and Development Program. He's internationally recognized as a leading thinker and analyst on issues of governance, corruption, and development, and

today is International Anti-Corruption Day, so, we're particularly happy to have Dani with us speaking on this topic today.

Let me just say a note on format. We'll have Karin go to the podium and speak on international aid transparency and particularly Publish What You Fund's recent aid transparency assessment across donors. It's the first of its kind, and then Ruth will talk about what the U.S. Government is doing to pursue transparency and the challenges. And then we'll have comments by each of our discussants, and then we will turn to the audience for a fuller participation, and we really look forward to that discussion and to your questions.

One last housekeeping note. Please, if you could, turn off your cell phones, BlackBerrys, mobile devices. They can be disruptive and they can also interfere with our AV system.

So, with that, let me turn to Karin.

MS. CHRISTIANSEN: I love the idea of aid transparency poetry. So, Minister, we will be hoping for some of that in the future. But if anybody else feels moved to aid transparency, please do send it.

And I'm very much going to focus on the report that we have done this year, which I think at the back of the room, there are copies of this available, I hope, for people. The main question I have for everybody here is how do we improve it? This is a first attempt, a first stab at trying to do this, and I'm going to talk through the methodology, but we very much want feedback today, but, also, afterwards on how do we do this better in the future? So, that's the kind of question I really would pose to everybody here.

So, just a very brief word on why we did this, and I know Ruth is going to talk a little bit more about why people are currently investing so much in aid transparency. Whether you're thinking of this from a U.S. taxpayers' perspective or from a Liberian taxpayers' perspective, knowing what's currently happening is incredibly important to using those resources more effectively. It's part of the results agenda, it's part of the accountability agenda, it's part of better governance agendas. If you've got 40 to 60 percent of your resources that are from aid, which is common in a group of countries, using your own domestic resources, as well as a government, you need to know what those are, et cetera, but to be very clear, aid transparency is not going to cause those things to happen. The way we tend to think about it is it's very hard to talk about more accountable aid, greater levels of effectiveness without it. So, it's a necessary, but not sufficient, condition perhaps to actually driving a lot of these reform agendas forward and accountability and anti-corruption agendas that are so pertinent on this day.

So, that's where we came to this question from, and really then attempting to have a look at how do we assess what current levels of transparency are? And the way we approached this was we have four principals at Publish What You Fund, the first two of which are that information should be proactively published and the second is that it should be comprehensively timely and accessible. That's what we wanted to assess, to actually whether we could make an assessment of that.

But what rapidly happened is we realized that wasn't possible, it wasn't actually possible to systemically go through and find that kind of information. So, this is the methodology we then developed very much from that. Cannot really be seen, but we've got seven indicators that we've clustered into three groups.

The first set of indicators is around commitment to transparency, and there's a bunch of different sources that we used for that from the IATTI secretary from Freedom of Information legislation and from aid data DAC-CRS.

This transparency to recipient governments, there were two big data sources used for that, the Paris Declaration Monitoring Survey and a very exciting, but not fully open, data source, which a group that worked with recipient governments devised, which is called the HIPC Debt Analysis Initiative, and they very much were looking at what governments perceptions of -- well, they were quite detailed surveying of governments' availability of information and then the last one was transparency to CSOs, and Billy Steely and Claudia Williamson's work on this and some surveying the EU Aid Watch Group have been doing, and that was extended by a bunch of other people, some of which are in this room, to different countries.

So, that's the basic methodology. We gave these three categories equal weighting, however, if you don't like that weighting, you can go to the Web Site and try out different weightings. So, it's very much that this is our prioritization, it was easiest to weight them equally, but other people will have different senses of which ones they think are most important. It's a bit like a sensitivity analysis effectively, but it does allow people to do that. And we did it for 30 donors. We did it for 30 donors because that's who we could do it for.

So, the findings from this report, the first one is that there's this lack of comparable and primary data to do this. What you're meant to do in an index is decide what you're trying to measure. Get the primary data for that, and derive an index up from that that represents that articulation of the problem. We couldn't do that. We had to work from this is the data available, let's turn those into an index. This is not uncommon in indexes, but it is a sort of fundamental problem that we encountered.

The second was that there's really a very large variation in donor transparency. But, interestingly, it's quite a lot across different donors. Multilaterals perform top and bottom, bilaterals that are very fragmented are also scattered across the spectrum. Project aids, donors, and more programmatic aid donors, so, countries that do budget support and countries that don't do budget support, again, are scattered across the spectrum. So, there's not a blatantly obvious set of performance that is about the donor per se. So, that's that, the ranking.

But, interestingly, there are weaknesses across all of the indicators, and I don't have a slide to show that because it doesn't work on a screen that big, but what's very interesting is that there are weaknesses across all the different indicators by all the different sets of donors.

So, just to briefly talk about the recommendations we made as a consequence of this, I think one of the things that we felt quite strongly that the variation showed is that donors can do this, our findings do suggest quite strongly that donors can make information available. So, this suggests that they should.

The second recommendation we made from this is that for more information to be better information, and I think all of us with an inbox know that more information isn't always better information, we really need a common standard that means you can map search reuse this information. There is a version where just everybody starts disclosing an awful lot more information, but trying to then build that together to make something meaningful is actually quite tricky, I think as USG itself knows, given the challenges that are faced across the agencies.

And the third recommendation we made was that we need this common standard to deliver for a number of different users, both recipient systems, particularly

budgets, and I hope the Minister will speak a little more about that, but, also, for donors, as well, the coordination challenges both inside donor agencies or inside governments, as well as between them.

So, what we'd really like, however, to do is in the future assessment actually be able to get this much greater coverage of information of types of donors. Thirty is not enough donors. There are a whole series of donors that are left out of this, including INGOs and other actors, international NGOs and charities that are giving funds. We would really like to be able to disaggregate performance by country or by program. It's quite clear that actually it could well be that the performance of any particular donors across this spectrum in different countries could be as big as the spectrum itself, that the World Bank or the U.S. and Cambodia could be very transparent and in Vietnam be very, relatively speaking, un-transparent, and that ability to disaggregate performance or levels of information by that kind of country level or program level is incredibly important to be able to say something much more real about what types of information are available to whom.

And we'd really like the coverage of this to extend not beyond these very large, generalized categories, but actually to specific types of information. There is a bit of that in the index, but, actually to be able to see what can be made available, I mean what you can get in terms of policy documents, in terms of financial information, and not just allocations, but also disbursements and procurement information, and also particularly perhaps monitoring results audit. So, the whole project cycle of information. And what we know is that most of that exists or is available, and this isn't talking things that donors don't currently actually have.

I'm just going to show you the U.S. slide because it might be of interest, and I'm sure there will be interesting questions. This is the U.S. performance on our index across the overall one where the U.S. performed slightly below average, and then some of the indicators mapped out below, and I'm happy to come back to this if there are questions. I mean, I think we feel that the spectrum does say something interesting, but all the countries in the middle, of course, could come out in a different order relatively easily.

This is also a very tentative piece of work that I'm a little bit wary of presenting because it's a bit early, but I thought this was an opportunity that was interesting. This is a completely different set of work that we've been doing with people like access info and its international budget partnership looking at what -- it was a survey of 85 recipient countries and what they knew about aid information when they were asked by their own citizens. So, with every caveat about what that actually means about what they may or may not know, there is some interesting variation and performance, and we need to look further into what this means, but it's clearly differentiated, I mean by PEPFAR, MCC, and USAID. There's something interesting going on with PEPFAR there, a country level Ministries of Finance, but it wasn't just Ministries of Finance who don't seem to know an awful lot. That's that big green uninformed category.

So, I'm going to leave it at that. please give us feedback, do have a play with the visualization and see where things end up when you reduce or increase the proportions of categories, and we very much look forward to hearing from people and the comments and discussion that follows.

MR. UNGER: Thank you, Karin. Ruth, why don't we just jump right into your discussion?

MS. LEVINE: Okay, sure. I have no PowerPoint. No, people will not be distracted by that. Okay.

So, thanks very much, Noam and others, for the chance to speak today at this event on an important topic, and thank you as I mentioned earlier, for the opportunity for the first time so far since joining the U.S. Government to have the experience of getting my remarks cleared by my management, by the State Department, by the National Security Council. It's been a great learning opportunity for me. (Laughter) And as a consequence, we will not be starting this with a joke about WikiLeaks. (Laughter) That wasn't part of the talk.

So, I am able to speak on behalf of my many colleagues in USAID and in the U.S. Government more broadly who are really working very, very hard on this agenda around greater information sharing in ways that people can effectively use it, and their work is, in fact, often going unsung. So, while I appreciate the comments that Noam made about new talent coming in, there's actually a huge amount of talent and skills within the government that's been dedicated to this effort for many, many years.

I'm going to say a few words about the concept of transparency and then turn to the nature of the technical challenges that we face in responding to the call for greater transparency and highlight what the U.S. Government is currently doing and is committed to doing in the near future. And I'm going to close with a few special requests to our friends in the policy research and advocacy communities.

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 it's a means to achieve the improved development outcomes that 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. The responsibility for transparency isn't new. What's new is the scale and reach that information technologies and particularly the Internet now afford. The dramatic decrease and the costs of sharing information at the margins and the penetration of cell phones and Internet technology, Internet access make possible a much more data-rich type of civic engagement than ever before.

As the marginal cost of sharing information decreases, the expectations about access to information are approaching infinity. So, people might say well, I can sit in my home in Washington, D.C., and at any hour of the day or night see the traffic pattern on some highway in California. Why can't I see where the health facilities are that PEPFAR money is going to refurbish? Not an unreasonable question. So, that appetite is very large.

One agency that was born in an era when greater transparency was expected, that's the Millennium Challenge Corporation, deserves a lot of credit for responding in a proactive way to these sorts of demands. The MCC uses a transparent system for country selection with annual scorecards and third-party data, shares public information not only about spending, but also about performance. Near-term results and longer-term impact relative to targets established ex ante.

We're all finding out about how much interest there is out there in the general public for information. Some of the USAID datasets that are available on data.gov, which is the open government Web Site, includes the official development assistance data, U.S. trade capacity data, U.S. overseas loans and grants data, and the data that we provide consistently ranks among the top three most downloaded datasets

of the thousands available on data.gov. So, this hunger for information about our international work is really significant.

Beyond fulfilling a core public sector responsibility, provision of information also has the potential to drive better outcomes as citizens and hold governments more accountable, including donors. I do think a fully compelling evidence-based story is yet to be developed to tell us where and under what conditions that potential is actually being realized.

I think we can all agree that there are many benefits to transparency, but to be candid, getting where we all want to go is not going to be easy. At USAID, for example, we can tell you how many taxpayer dollars have been budgeted, appropriated, allocated, obligated, disbursed, and what inputs and outputs they have financed, but there can be a considerable time lag between these steps due to the nature of all of those different elements, the budgeting, the appropriation, and so forth.

USAID can get good information out of our budgeting and financial systems that's fairly up to date, and there are some ability to sort of crosswalk with contracts and with the performance data, but depending on the nature of the request, it can take a considerable amount of time to pull out that information from the appropriate system and validate it before sharing the data with stakeholders and the public.

We really have a number of siloed legacy systems that have to have special patches put on to talk to each other. And some of our sister agencies, particularly those who primarily do domestic work, have even greater challenges when looking at breakdowns by country and so forth.

I want to emphasize the point about information system design and the capacity to highlight the amount of effort that's really required to respond to this legitimate

demand for more timely, comprehensive, and detailed information. In a few years time, I imagine that it's going to seem extraordinary that the world can have spent \$120 billion of official development aid without it being possible to find out in real time what's being spent by whom, for what purpose, and with what effect? But it will take awhile to get there.

Let me turn to what we're doing as part of the steps down that path. Within the context of the Paris Declaration on Aid Effectiveness, the Accra Agenda for Action, and the Pittsburgh G-20 Leader Statement, we're heard stakeholders and partners call for improved transparency in international aid flows. To respond to these calls and in support of the president's open government initiative, the U.S. Government is taking a series of actions. Led by the National Security Council and the Office of Science and Technology Policy, we subscribed to a long-term goal to institutionalize a process for collection and dissemination of exactly the data that is being talked about here today. And we've developed a set of initiatives to really put action behind that. The first principle of the U.S. Government's work in this area is openness. That's said in line with national security interests. There are principled exceptions to proactively making information public, which I'm sure you can all understand.

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

So, let me tell you a little bit about the specific steps. First, USAID has long had a lot of information available on mission Web Sites and on its external network, but there hasn't been a systemic basis for the content on any of these sites. The sites

will continue as they often contain valuable-specific, country-specific information, but we're now trying to be more systematic about the core information that's presented.

Second, as you know, major international aid donors report ODA to the OECD DAC. In the U.S. Government's submission to the OECD DAC on 2009 resource flows, which has just been completed, will be available on data.gov. I'm told by tomorrow we'll see about that. I'm sure people -- oh, now I'm being told today. Is that right? All right. Newsflash. Today.

Third, our colleagues at the Department of State with input from USAID and other interagency partners have created a very easy to use Web Site, the Foreign Assistance Dashboard, to provide a wide variety of stakeholders with the ability to examine, research, and track U.S. Government foreign assistance. The 1.0 version is planned for public release this month. Coincident, perhaps, with a QDDR release at www.foreignassistance.gov, and it will include state and USAID budget and appropriations data from fiscal year 2006 to 2011, to the 2011 request.

Future iterations of the dashboard are expected to add more granular and timely data, including financial program and performance data from all USG agencies that receive or implement foreign assistance funds. The Foreign Assistance Dashboard will be helpful to those particularly interested in U.S. Foreign Assistance spending, and I think you'll agree when you see it that both in terms of sort of communicating through data visualizations and providing a complete dataset for those who want to dig in deeper. It's really an impressive effort and no doubt will whet everyone's appetite for more.

So, returning to the key stakeholders in developing countries, they want a complete picture of the resources going into the community or sector in which they're interested, whether originating from government, international donors, or other channels.

So, to respond to that need, we have to go beyond individual donor agencies responding one-by-one in the ways that they report. Many developing countries had aid management systems in place, but these vary significant from one country to the next, making the job of donors willing to contribute information to those systems very time-intensive. So, to reduce the transaction cost of providing and receiving information, it's useful to have common standards. So, we welcome the international transparency efforts to create these common standards. The U.S. isn't signatory to IATI largely because of procedural and some budgetary issues, but we've played an active role in the technical advisory group to shape the standard and ensure that we can use it to reduce the transaction costs all around, including as we advance aid transparency efforts in the U.S. Government. As we develop data systems and sources, they will be able to be cross walked with those standards.

I know my time is up. Let me just take another minute to just finish telling you some of the concrete actions we're undertaking. Aware of the need to be responsive to in-country needs, USAID is planning to better access 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 over the next year, hopefully much shorter than a year, depending on budget that's available to support this. Building on what many in this room and others have done, the pilots will attempt to learn what USAID information is most valuable to host country partners and civil society groups in country will test the capacity to deliver high-value, timely information from U.S. agencies active in a country and identify capacity constraints on the recipient government's ability to use the information for budgeting and planning.

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, which is kind of like the bible 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 collected efforts. There's much I'd like to be able to talk about with a respect to the performance side of the equation, which frankly I think gets under-emphasized in these discussions about how much money is being spent. So, what are we supporting our partners to get for that money is a question that I think we could do a better job of answering? I'm happy in the Q and A to expand on that.

I hope this gives you a sense of where this administration and my agency in particular is prepared to contribute to the aid transparency agenda. And I think in the interest of time, I'll save my requests for the think-tank and advocacy groups until you ask me the question: So, what can we do for you? (Laughter) So, thanks a lot.

MR. UNGER: Thank you. Thank you, Ruth.

Now, I'd like to turn to the other end of our stage to Minister Ngafuan. If you could, in the course of your remarks, tell us how this is relevant to you and to the people of Liberia. Please, Minister.

MINISTER NGAFUAN: Well, thank you very much. Let me start by saying I'm grateful for this invitation from Brookings and the Publish What You Fund. Let me firstly recognize the persons of -- the Liberian Ambassador (inaudible) Ambassador Bou. Thank you for coming.

Well, I concur fully with the assessment from Publish What You Fund, especially when it states that aid transparency is a necessary condition for effectiveness because, for us, Liberia, let me inform you that we are a highly aid-dependent country. I don't want to go through the history of civil war, the destruction, and the reconstruction efforts. As we speak, we receive more flows to the country through aid than even our domestic revenue. So, it is very significant, although, the amount of passage through our budget has been very insignificant, but it is going up gradually. It was hovering between 2 to 5 percent. Now we are at 15 percent. We are hoping that as we improve our country's systems, more donors can use the country's systems.

We are now trying to implement the medium term expenditure framework, which will help us to plan on a multi-year basis. So, understanding what donors are estimating to give to our country, whatever sector helps us in the budgeted process to avoid what most ministries may do if we are not on top of information, double-dipping. They come to the Ministry of Finance and request for things that are funded by a donor. And, also, getting more information from donors doesn't really help us; it helps the donors themselves because it encourages specialization and lack of duplication because there are certain areas of sectors that are overly funded, and there are certain sectors that are not funded. Donors are attracted to the social sectors and sometimes there is a deluge of resources, and there are some sectors are very critical that are not funded, but donors understanding what others are doing not only helps us, but it helps donors, it creates an environment of specialization.

Most of what Publish What You Fund puts out is an assessment mirrors the reality in Liberia. I can tell you that what we've done thus far is that we have established an aid management unit, and that we have an aid database. The aid

database in establishing the aid database we got the endorsement of our major donors on the format, the level of information, this aggregated information, and, so, since most of the flows, the donors are given to Liberia of budget, one request that has come from the Liberian populous is to know at least what is happening. So, we have an annex to our budget just on donor flows, although the amounts are not executed through our systems, but just for information. So, at the back of our budget, we have this annex, but I can tell you that it's been a challenge to get information on a timely basis to report to our legislature and to report to our people.

So, there is this detachment by a typical Liberian when they hear about these big flows because sometimes they don't know what is going to happen, who is holding who accountable, and we feel that our donors are doing a very good job, and let me say here that our biggest donor is the U.S. Government given Liberia's special relationship with the U.S., and even just this week, USAID funded project for a fund to market role was just a launch in a critical county by the president. So, the U.S. is out there even supporting us in security sector refund, judicial refund, billing institutions.

So, but we have had some challenge in the speed with which we get information from USAID, the U.S. Government. So, one of the suggestions we bring forth is that maybe as we advance with President Obama's new initiative on transparency and what have you, it may be useful to have in-country, in recipient countries dedicated office because you have a host of U.S. agencies through which funding flows through the country. We have the U.S. Government, USAID, MCCC to deal with all of these different layers becomes a challenge, but if in-country information can be aggregated by some U.S. Government person and given to us, it helps us a whole lot so that we can come out quickly with information because we come up with a quarterly out turn on aid, but

sometimes if we don't have information from the most significant donors, we delay, and civil society has been on our backs on that.

One other suggestion I want to make is that in terms of U.S. Government aid, it always said that in Africa there has been governance issues, generally. Corruption, integrity problems, have dogged governments, and U.S. Government have taken actions to deal with that.

Now, so, we have a situation where most donors want to use parallel systems than government systems, but the key has to be that the parallel systems will give us better development outcomes than that government system that has been bypassed, otherwise, the moral justification of using the parallel system does not exist. So, there is a host of implemented agents through which fundings flow for implementation. Now, between those implemented agencies and the projects, the question is what actually gets spent? And from what we know, there are also integrity issues in those chains.

Now, we'd be happy where significant donors still require transparency from all implemented agencies as they require from government because in a country where government is taking steps to refund its systems, and let me say this: For a country that is democratizing, there are a lot of eyes that are on the cookie jar to prevent someone from taking something. Firstly, you have the legislature that is a significant player. Secondly, we have auditing systems, the supreme audit institutions. Thirdly, there is the media. And, fourthly, the best auditors in the world are the people. They need to know. Now, if these are these other parallel systems that are used, what minimally will require this that information is given to a government? So, let them be held accountable.

I once heard from an NGO head who was implementing a project from one of our donors and he was asked by the press as to details on the project amounts and what have you, and he said well, he didn't owe the press or the Liberian people any answers. He has reported to the donor, and that was it. So, how can we avoid that?

Now, as the U.S. Government takes steps to bring transparency to U.S. aid dealing with what should Congress know, what should the U.S. taxpayer know, I think that's a good step, but we need to also help the process, buttress it by making sure that the legislature in the recipient country, the people in the recipient country also know what the U.S. is doing because it helps to conduce aid effectiveness.

So, let me stop here for now and say that while we, developing countries, know, fully well that there've been all these foras on aid effectiveness, Paris club or the Paris Declaration, the Korea agenda, we're going to Korea next year. If you read these documents, I mean, they are clear as to what we should do. And I don't think it's a matter of not knowing what to do, it's a matter of looking at these protocol must-dos and taking actions because the gulf between commitments and reality if they get so wide, it doesn't help us, especially countries that are leading a democratic effort. So, thank you for this opportunity. In the question and answer, we'll give you more specifics. Thank you.

MR. UNGER: Great. Thank you very much.

Let me now turn to you, Nancy. Following-up on actually three very good inputs so far, to share your perspective with us, please.

MS. BIRDSALL: Okay, thank you, Noam.

Well, I want to start by congratulating Karin and her team for their report, and I want to make three points, and the first is in the shape of a story about what

happened to me in Liberia, which really made me mad. And it is the following: I was there in early 2007, so, it's almost four years ago now. The government under President Sirleaf Johnson was maybe a year or two old and struggling, and there were lots of donors running around, as you can imagine. The Liberians had just completed a really serious draft of their poverty reduction strategy paper in preparation for a major donor consortium meeting where there would be the pledges and the decisions about how much Liberia would get. And this PRSP included full information gathered over the last six or eight months by a beleaguered, tiny, Liberian team on revenues received and projected quarter by quarter for the previous year or two and going forward and expenditures previous year or two and going forward two, three, four years, tables, et cetera. So, I was looking for the information on what the donors had been spending and contributing and what the donors were saying they might spent over the next several years and it wasn't there. And, so, I started asking around, I went to the UNDP, and a lot of confusion. A lot of confusion. None of the donors seemed to really know in their collective wisdom. And in this PRSP draft, there was a very polite, subtle paragraph pointing out that although the Liberian Government had put together all its information, it had not been able to gather anything concrete about what the donors were doing. It sounds as though things are better. And now there's an annex that the Minister has described, and I congratulate you and your colleagues if you have managed to extract from the donors something real to put into that annex. And I hope one of the pilots that Ruth described about what countries perceive they need might be in a small country like Liberia that's heavily dependent on USAID. I think that's a fantastic idea.

So, my first point is just to repeat what Minister Ngafuan said. The people in the recipient countries need to know. That should be the priority in terms of transparency.

My second point is to say that the situation in terms of data and the way we're using it on transparency of donors is incredibly primitive. We're still in kindergarten. So, that's my second point. We're still in kindergarten.

Let me give you a couple of examples. Just as background, the U.S. is 22nd out of 31 donors in what we call Quota, which is I study that I do with Homi Kharas of Brookings that ranks donors across many different dimensions and indicators, including transparency. On our transparency indicators, the U.S. is 22nd out of 31, and in Publish What You Fund, it's 25th out of 31. It's very difficult to figure out why. At least they're close, and it's reasonably good for those countries that are at the top, too. Norway is second in one and eighth in the other, that sort of thing, although, there is some peculiarities. But what's interesting is the U.S. ranks very poorly because it hasn't joined the IATI, although Ruth mentioned there's some specific effort that the U.S. is supporting.

MS. LEVINE: We're very engaged. We're not a signatory.

MS. BIRDSALL: Not a signatory.

MS. CHRISTIANSEN: They get rewarded for that (off mike).

MS. BIRDSALL: And who knows why they're not. I'm sure Ruth knows why they're not. It's complicated, no doubt. Something to do with Congress or legal arrangements.

And the second reason the U.S. does very poorly is it failed to fill in the data that's submitted to the DAC the channels through which its aid flows. This goes

back to a point the Minister was making. Maybe because in Washington nobody knew or nobody could figure it out at the country level. In other words, how much money is going through NGOs, how much money is going through contractors, how much money is going directly to the government?

Well, that's all interesting and useful, but when my colleague, Rita Peracus, who's here, who will help me answer any questions about these details, when we tried to understand the extent to which our indicators in the Quota study, the quality of ODA, and Karin's indicators in the Publish What You Fund study, I mean, they're completely uncorrelated. Rank order correlation for several variable indicators was below .1. And there are so many indicators. So many that it's creating a burden on the official donors to respond to us and to report to the DAC without enough priority on telling the people in Liberia what's going on. So, that, I think, should be a major concern.

There are too many indicators, too many surveys, very high transactions cost, as Ruth mentioned, not enough priority on information relevant to the recipient governments and their citizens, not enough effort to exploit the potential for developing platforms that are not official. Why can't we have people in developing countries working inside and outside government putting data into not WikiLeaks, but some platform? So, that's my second point.

The third point is about what Ruth raised at the end. She made a passing reference to performance, the performance side, and I think what she means, and we did work together for many years, is that -- they're my words -- transparency about donor input is only one step in understanding whether development is working in countries and in regions. Whether and how donor inputs of money and advice combined with country inputs, which even in Liberia are greater, no doubt, to actually produce

outcomes on the ground that matter for people and that begin to transform societies and make them into modern states. We know even less about that than we know about whether donors are transparent. The whole point of transparency ultimately, as Noam said at the beginning, is that we begin to have measurement of performance of the translation of inputs into outcomes we care about.

So, I would say in doing this quota assessment with Homi Kharas, I woke up to the primitive state of information on donor transparency, and the not even yet primitive state of donor effort and information on spending on evaluation, effort on evaluation, focus on innovation where things aren't working, but if you haven't determined that things aren't working, you don't have much incentive to try to change. Are there grants that are made by donors to country institutions to do their evaluation? So, I conclude by saying first listen to the Minister on what the priorities should be.

Second, could Ruth please take leadership, as I know she is, not only on the transparency issue, but on evaluation and learning what are the measures we should all be looking at about donor input to evaluation effort and learning within countries?

And, third, could Karin get together with IATA and aid info and aid data and others who are working on transparency and lead us in the direction of the three or four key pieces of data that we want? Let me say mine I forgot. If you give me one more second. That every donor every quarter report to every recipient country within a month its disbursements over the preceding quarter by channel and by sector, and that every donor at the end of every year report on its annual disbursements with the adjustments and corrections that would no doubt be needed. We do that with the Bureau of Labor statistics, we do that in the U.S. Government very well. Maybe the U.S. could lead that

effort. That would telling recipient countries what they need, and maybe that should be a priority for the next PWFT report.

Thank you.

MR. UNGER: Thank you. And, Dani, you're going to show us a couple of slides, and then I'll just put out a couple of thoughts immediately after, and we'll turn it over for input from the audience because I think there are a lot of people here who are very knowledgeable and may have specific reactions to some of the things that have been said.

Dani, please.

MR. KAUFMANN: Noam has already warned me that we are running out of time, so, I'm going to be rather brief. Excuse me for skipping some slides have part of the discussion, and I will not keep the slide secret later. But let me first, I promised to say that it is a commendable effort and it puts the limelight on donor agencies to make them more accountable, or what Karin said, and then backed up by Ruth, which is very, very important.

For the sake of time, I'm now going to talk about all the great things. This is an effort that should be deepened, continued, and so on, but respond to Karin's request for suggestions for the next stage, including improvement because for any index to become durable to stick and have impact, the issue of depth, a rigor credibility, and why it's used is crucial. So, in that context, allow me to go straight into some challenges, some of which were already mentioned by the last three speakers, including the Minister and Nancy and so on.

But the one I would classify, Nancy mentioned among the forgotten transparencies, and for that, it would be very useful to have kind of a brainstorming

debate, what would constitute a fully transparent development agency? We so far, because as Karin suggested, they are only using available data. We may only be scratching the surface, the low-hanging fruit which is out there, but what would be the idea, what we're trying, very quickly, that the lot is missing? Let me just give three, quick illustrations.

There's a tendency in these exercises to focus on aid projects, but the fact is that many of these donor agencies do produce many other stuff, so, what happens in terms of evaluating the extent of censorship or absence of censorship in the broader analytical policy research and data work, including indicators that sometimes are produced or sometimes are censored at the last minute in the donor agencies themselves. So, it's very important to deepen the focus on the aid project and where the money goes, but that's not the only function and role fulfilled by the development agencies. This is neglected usually in these type of indicators.

Second, a neglect is because a tendency to focus on general and upstream financial information because that's easier to monitor and find, but as Nancy and the Minister mentioned, at the end of the day, the beneficiaries close to the project, if civil society is going to monitor what's happening with the project, they need a very detailed financial accounts on expenditures that are taking place then and there, and try to go to donors and find that information. It's extremely spotty Some are doing it because of the particular director in the field, but many and most are not doing.

Sensitive information is usually off limits, so, what about all the exceptions? I know very well the case of the World Bank, the whole investigative unit on corruption is off limits of any disclosure policies. So, how do we account for all those issues? So, anything related to corruption of limits would not be disclosed.

A country assistant strategy when the country objects, it doesn't get disclosed, even though the presumption in general is for disclosure. Board discussions, full fledged board discussions in these agencies are not usually disclosed does not get captured in this. Imagine how different an index would score if this missing element would also be accounted for. Instead of talking about 85 or 80 percent, we're maybe down to the 40. So, it already brings a great inflation far down if we thought that this was important. So, that's a challenge with the forgotten ones or the ones we cannot measure yet, but there's also some challenges with existing transparencies. There are different components of one overarching notion of donor transparency or are we talking about disparate notions. So, it's a question for Karin and others that produce these indexes when there are four different components. Are they all trying to encompass one overarching one, or these are totally separate and not necessarily related to each other.

Let me go straight to showing what I mean here rather than talk for too long. If we look at two of the dimensions in the Publish What You Fund effort in the index before us, which is very important, but the whole issue of transparency to civil society to weigh transparency by the donor, there's absolutely no correlation, is totally zero. So, even within major components, we think the same index, there is no link. Of course, one could say well, it's measured in different things and those two things matter, they just happened to have no link whatsoever, but it does pose a very serious conceptual and empirical issue in particular terms of how do you aggregate things like this and what does this mean when it's so little? In other fields, in other areas where we're doing this, and, so, and usually you do not find that phenomena. So, it is a challenge. But even we think the same parable, let's saying that we're trying to measure the availability of specific information.

Okay, there are two efforts that Karin and the team valiantly found. One is from the EU, another from professors and researchers at New York University, including Bill Easterly. If we correlate those two efforts which are trying to measure exactly the same thing, the correlation is nonexistent or even negative. France and Canada rate at the very top by the New York University and at the very bottom by the EU. Go figure. (Laughter) It's just one example. And Sweden is exactly the opposite, on the other extreme. So, it begins to suggest how difficult to measure this field of this very loose issues that we call transparency. So, what are we really trying to get at and how to do it is a major challenge. Nancy already mentioned the challenge if we look at your index with Homi or we look at Karin's index. Again, there are some countries like the U.S. where there's congruence but overall, takes rarely congruence and that is shown in this program.

One more. A challenge as it relates to aggregation issues. That gets technical. How to aggregate when one has these challenges, we can have this discussion in the discussion time later, but there are all kinds of issues with zombie variables, with what kind of weight and how does arise to weight the omitted variables, the missing data standardization, and so on.

Just to give one example about zombie, there are some variables where everybody scores basically perfectly, like the existent of disclosure policy of Freedom of Information Act except for two countries. All that does in an index is enormously penalize those two that do not do that and just give great inflation to everybody else. So, one has to be very careful with variables that are not normally distributed like this, but it's just one example.

Last, the question. If donor transparency is shown to be associated with good results, which over time, we would expect to be the case that we all believe in transparency, but the data suggests that it's too soon to tell. There are lag issues or measurement issues. We are doing an exercise of assessing the vulnerability to corruption of every \$8 given by different donors. Or it's still a research in progress, but just to suggest donors vary enormously in their ability to provide their dollars are allocated with the mind of not sending most of it to the most corrupt governments and to improve that over time versus others that send an enormous amount to very corrupt governments. We find that the correlation, if anything, is reversed in the sense that countries that are rated a bit higher on the transparency index also tend to allocate more to countries with more challenge or corruption because in this case, it's high corruption vulnerability in that. It's at the margin. It's not very much, but it certainly does not show that transparency is associated with (off mike) corruption vulnerability. But that would be the hope over time if more limelight is shown on this data is that this trend would be the reverse.

So, I would not be very worried by that, but the goods are not being delivered in terms of results yet. It's too soon. Similarly with maximizing efficiency, if I take Nancy's. One, there's little correlation, a bit more with fostering institutions. So, in some areas, there is some good links. In some others, not.

Let me conclude. First, great start. Should definitely be continued and deepened. Caution against let's not over-interpret results. This whole issue of potential great inflation in somebody rating 80 to 88 percent when we know that so much is missing and not being measured, and let's not have an undue focus and aggregate. That's not just for this index in general. We always tend to focus on the one aggregate

because it's very good for PR and the press. We need to look at the specific variables, we need to focus and improve on existing specific indicators, have confidence intervals, margins of error, which they are all there that would give more caution in terms of interpretation, review the whole aggregation effort.

And last, but not least, I would suggest, and it's in line with what others said and Nancy, that it would be good to discuss what kind of major push for additional indicators that would strengthen further this effort, measuring also the high-hanging fruit and not only the low-hanging fruit. Very much backstopping what Nancy said. The whole focus on evaluation. There is so little uniformed data which is comparable within donors and across donors on evaluating projects. It's a mess. The whole database in terms of evaluation. In fact, the World Bank, there I give kudos to my former institutions, is one of the better ones, although they have abandoned a cost benefit analysis, unfortunately, by and large, but they're still a uniformed.

And, last, but not least, for discussion, perhaps, it makes sense to join forces, different institutions to work a major consorted specialize survey for the difficult to measure type of information for donors so to strengthen these type of efforts.

Thank you.

MR. UNGER: Great. Thank you, Dani. Sorry to have to rush you, but there are a lot of good points that have been made.

If I tease out just a few, I gather that even at the kindergarten level, we already have great inflation, and we're terrorized by zombie variables. So, let me just put out a few concepts and then what I'd like to do is gather comments from people, and then we'll just come back and we'll have a wrap up because at this time I think that's what we need to do.

But a couple of points that I want to make is there are tradeoffs in terms of audiences, I'd like us to address the different between meeting the demands of a U.S. audience or perhaps specifically a congressional audience with regard to aid information transparency and meeting say the audience of the Liberian people or people across developing countries. Are there tradeoffs? And, if so, what are they and how do we actually meet with those, and it has relevance to this embrace of common standards that we would like to see.

This idea of a budget annex and the whole parallel systems of NGOs, contractors, and other aid flows, we have a lot of people here who I think may have some viewpoints on that, so, I hope that comes out in one of the comments. This idea of great inflation and the notion that aid transparency is really about much more than financial aid flows, but it's about planning and decision-making efforts, and if we look even within the experience of the Millennium Challenge Corporation, we do have experience with more transparency with regard to the rationale for decisions on aid allocations and aid distribution as opposed to just the information about those allocations and distribution.

And, lastly, I'd hope that when we come back to Ruth you can mention just at least some of the thoughts on expansion of the systems to cover all foreign assistance as opposed to just what you can grab within USAID or just within USAID and state and what are those plans that we're talking about should we be looking for? And I'll put the question to you in case nobody else does: How can we help?

So, let me first turn to people from the audience and see if we have any comments from the audience, and when you get the microphone that's going to come around, please do state your name and affiliation.

Let me turn to this gentleman right here. And please keep it brief in the interest of time. Thank you.

MR. TIN: Yes, Cho Tin, freelance correspondent (inaudible).

My question would be somewhat in line with Ms. Birdsall and Minister Ngafuan. In my 30-year observation, the big problem and the aid problem is transparency of donor country, and, also, that NGO quality is somewhat questioned and problematic. In AID, I would like to know how much for AID own program and how much is give to the NGO. Transparency and this Oxfam have said, at minimum, U.S. foreign aid should be transparent. I concur with that. And, also, corruption. When we talk about corruption, we always talk about this in recipient country, but a couple of months ago in seminar meeting here, the corruption of the donor country have been surfaced, and, also, we have lots of report about the corruption of U.S. program in Afghanistan and Iraq.

MR. UNGER: Those are a lot of comments. Let's try to collect more so that we can get more feedback.

MR. TIN: Yes, but --

MR. UNGER: (Inaudible) --

MR. TIN: (Inaudible) important.

MR. UNGER: Great, thank you very much.

MR. TIN: Okay, I'll stop here.

MR. UNGER: If you could pass the microphone just two down, we'll take another comment here, and then we'll go to a different part of the room.

Please.

DR. SURUMA: Thank you very much. Ezra Suruma from the Africa Growth Initiative and also from Uganda.

I fully sympathize with you, Minister, having been a minister of finance myself.

I would like to define transparency. As a recipient country, very simply as what I see, which aid do I see and which aid funds do I not see? The funds which come into the budget as a budget support, I see. Of course, it may not come, which case we will not receive, but if it's promised, we hoped it will come, then we see it. The aid that comes as bilateral support for some countries, it comes as specific project, the bridge or a road, I see. The road will be done at some point and we can say this was done by such and such a country. Loans, whether from a country or from a multilateral agency, we see. But, unfortunately, I have to agree with the Minister, I think, and say that there are certain things that we don't see, and we are not sure where they are and who is doing them and where they are doing them and when they are going to do them and whether they did them or not. That's definitely not transparent.

And I'm afraid, Ruth, that I have to say to you that your agency is one of the most opaque. We don't know what. We do meet with them sometimes and they tell us in broad terms what they are hoping to do. The exception, I think, would be PEPFAR. I think PEPFAR is really visible, and we do appreciate what PEPFAR is doing. So, I would say that's an excellent project, in my opinion. But I think USAID could do a lot more for us to see if transparency is simply defined, I don't know what we'd see. We would like you to help us a lot more to see what you are doing in our countries.

Thank you.

MR. UNGER: Great. Thank you.

Let's take, there's a woman in the back there.

Please.

MS. BARNES: Thank you. My name is Nicole Barnes from RTI International. I'd like to hear more from Ruth about what the think-tanks and implementing partners can do to support your work and also a bit more about the new emphasis on impact evaluation and some next steps and maybe new methodologies that we should be aware of and contribute to.

MR. UNGER: Great. Let me take two. This gentleman just here in the middle.

SPEAKER: Hi, my name is Aaron, and I'm currently an ODI fellow in the Malawi Ministry of Finance.

We operate the same aid management platform that they do in Liberia, and just as a contrast to your situation, the Government of Malawi has actually managed to set up a system where all donors report every month on every type of activity that they fund to a very detailed level. So, I think sort of in response to Ruth's challenge, the challenge is face in USA or the country level is perhaps not actually that big, which has managed to establish a very informal system of information exchange where they have now been very positive about their experiences in reporting to us each month. So, perhaps, this is just a process of motivating the country level officers to actually engage with the recipient countries.

MR. UNGER: Great. And two in front of you right here.

MS. ROGERS: Thank you. Jean Rogers from the Center for International Private Enterprise.

I think everyone in this room agrees that transparency is a great thing, but the benefits of transparency skew considerably depending on the perspective of the various audience, as Noam referred to them. and one perspective that I've not heard

addressed at all in this discussion is that human rights, democracy, activists, and similar civil society actors who see the kind of transparency you're talking about as painting a target on them, giving control to the government to shut down their efforts to target them for a host of pushback efforts that range from legal to violent, and I would like to see some consideration of what this does to those players.

MR. UNGER: Great. Well, thank you. Those are really good questions and quite a range of questions. Let me turn back to our panel for what will be the final comments for this event today. I'll start with Dani and then Nancy and then the Minister and then Karin, and we'll end with you, Ruth. And, perhaps, Dani, if you could take on this question of corruption here and this notion of accountability, not just for flawed and corruption in developing countries, but in the aid donors themselves and specifically in the U.S. context in the course of your comments.

And, Ruth, I think there were some points that were specifically made to you, as well.

So, please, let's just start down the line. Please, Dani?

MR. KAUFMANN: First, on the corruption angle, I think that's why it is important if we are assessing donor aid, a question what is the sensitivity, if any, of the donor to corruption in the right program? And that's why we're trying to measure the corruption, availability of aid, and then asking the question what that variation across donors in terms of their vulnerability to corruption and sensitivity corruption or complete indifference to corruption and allocated resources. What is it related to in the home donor country, and we find incipiently interesting stuff in terms of the extent of voice, democratic accountability, and free press in the donor country. So, we need to link both. I totally agree. And need to look at that link in that context, and that also relates to the

last question, a very good remark from the CIPE staff. It would be interesting to eventually incorporate into these indexes on both of your side to what extent these programs are supporting free press, media development, another transparency effort in their donor programs. So, do these money, not only is transparent, but is it also being leveraged to support that? Unfortunately, my own institution, my former institution, the World Bank, which I enormously respect and did enormous, great things, but has shied away over the past few years in terms of any support for any programs related to media freedoms and media development for political and other reasons.

And that relates to my last point on this very issue, which is it would be very useful to try to measure in the next stage of measuring transparency of donors to the extent to which both the liberations and the vote by board of governance and all these donor agencies are made public. So, it's clearly known who and what is voted against and in favor, including these issues of, for example, is media freedoms, are they supported or not? None of that is being nowadays in that, and a lot of that is being censored and not been getting out in terms of information. That's a point for Ruth, a request. I hope that this big effort on impact evaluation is not another effort that leads to complete non-comparability in terms of data, ability to evaluate a project across, but instead, it will be fantastic to know one particular project how well it did, but it may have application. Taking it to an extreme impact evaluation has suffered from a problem of lack of comparability across projects for the whole agency to see how it is doing, and a lack of applicability in terms of lessons for the future. I'm not saying that that's going to happen, but depending on how impact evaluation is interpreted, it could very easily lead that path. Very expensive, very beautiful research studies for every project, but the

applicability for any other project for the future offer capability would be absent. So, it's a plea to have more of a uniformed data which then the efforts of Karin and others can use.

MR. UNGER: Great. Thank you.

Nancy, please.

MS. BIRDSALL: On your question, Noam, about tradeoffs, I think that Congress gets and asks for a huge amount of information that is all about inputs and tracking the money, and I think from the development community ought to come a lot more deep think about what does Congress really want and what do the taxpayers in the U.S. want? Information on whether it's working on what Ruth called "performance" on outcomes to offset what otherwise Andrew Natsios, we have a paper on our Web Site that he did for us about what he calls the counter bureaucracy, which is the Office of the Inspector General and the GAO and that USAID, over many years, was tortured by, he asserts -- he's a former USAID administrator, as many of you may know. So, I don't see a big tradeoff on if we could get moving on what everyone really wants as opposed to what happens, which is in the desperate effort to oversee with a kind of audit function Congress asks for tracking the money and gets that information, but that is not very useful to civil society or thinkers or academics or scholars or the development community either in the U.S. or in the recipient countries.

Second, I really think Dani made an absolutely fundamental point here that transparency is not only about the data we already have that's in the credit or reporting system at the DAC, that really we should also be looking at the extent to which there's censorship and corruption that is legal because of some other question, something that is defined as okay in the U.S., but the community might feel is incredibly

inefficient or worse. So, I think that deserves a lot of thought, and I hope Karin and colleagues will worry about that. Very hard to quantify, of course.

And, third, on impact evaluation, I'm so glad the question was asked, and some of you might know that Ruth, when she was at the Center for Global Development, did a very important report called "The Evaluation Gap" about the lack of incentives for people to be doing impact evaluation, and that gave birth to an institution called the IIE, the International Initiative for Impact Evaluation, which the World Bank has not joined, although IIE is a global public good in itself. I don't think that USAID has joined. But, hopefully, it might. I think everyone in this room who's interested in transparency ought to be interested in the point of it, which is to learn, that the community learn from what works on the ground and should be lobbying that these institutions join with many developing country governments, with the Hewlett Foundation, the Gates Foundation, with the U.K. Ruth knows that others that have already joined this institution and help strengthen it.

MR. UNGER: Great. And I'm sensitive that we're actually past the close of our time and people do have other places to be, so, if we could be brief with our last few wrap up comments, but we do want to hear from you, Minister. Please.

MINISTER NGAFUAN: Well, thank you very much. Just to join on the path that the former minister of Uganda got on, we want to see more. One of the things we want to see and know more about is the nature of initiative costs in these donor-funded arrangements. The more we know about that, the better because that way you have a lot of waste and abuse. Even it's good for Congress and taxpayers of the donors to understand that and focus on that. It has to save more money that can go for more roads and more bridges.

I take note of the comment made by the lady concerning pushing transparency so much on "human rights organizations" and others that in an environment where government is dictatorial it may give unintended consequences. Yes, while we note that, we have to be careful that as a country it takes steps to get generally transparent that shouldn't be an oasis of opaqueness, like because what happens is that everyone is in a society. The people in the society know that some "human rights officer" or advocate gets money from a donor and takes the money and build houses and mansions, and the donor doesn't do anything about that. What it does is that you create incentive for corruption. The person gets shielded. So, what we request is that the similar requirements of transparency that you push on government, push it on those implementing partners because I can give you a story. Recently, I think the U.S. Government arrested some individual, a Liberian, who was implementing projects and he was basically going in and taking pictures on different projects funded by different donors and lying. He'd just been arrested and put in jail for 20 years, but people on the ground know them more, so, the more you share that information, the better. Such that human rights organizations and NGOs in this equation will understand that an impact has to be on the ground. So, the government is an issue. Government is trying to correct problems, but if you are in the equation, those concerns of transparency, anticorruption are as relevant to you as they are on government.

MR. UNGER: Thank you. Well, thank you, and Karin, please.

MS. CHRISTIANSEN: Just three quick things, although just quickly on the fear of harm point, which I think the freedom of information community, has thought through, and, frankly, we should just flip the same criteria that they use, which is fear of harm into proactive disclosure. So, things will not be disclosed by the U.S. Government

is there is fear of harm to individuals by that disclosure, as well as national security type of objectives, but I think that's the obvious one, but I think we also need to remember the volume associated with human rights types spins the issues you're talking about is very, very small. So, fear of harm needs to be exempt, but this isn't the majority of the resources we're talking in the aid sector. They're small, but they're very important resources, but they're not about service delivery, they're not about salaries and wage rates for significant numbers of nurses and where schools are going and that kind of thing.

Just one quick thing that I wanted to reflect on, the relationship between recipient country transparency and donor country transparency, there's a really interesting piece of work called the Open Budget Index, which monitors the transparency of recipient country budgets. That correlates worryingly strongly with high aid dependence. Now, what's going on there? We don't frankly know. There could be lots of different things like we are aiding some of the less functional governments in the world. That's probably a good thing, because otherwise -- and there's no point in giving aid to Norway or Denmark. The point of aid is development impact. Those are the countries that need it. Is lack of aid transparency causing lack of budget transparency? Well, from what the Minister said, actually, it's part of the problem for that. So, there are lots of different things going on there that I think we need to actually worry quite a lot about, that relationship.

And I think the results and the impact one is incredibly important. We've been very careful to say that's the stuff that needs to get disclosed. And as I wasn't a professional evaluator, but I've done a bunch of evaluations, and I really love evaluators. They're an incredibly important group of human beings. And 60 percent of the time of an

evaluation is spent on trying to figure out what happened at the moment, in my experience. That's ridiculous. The questions they should be asking are did it work better than other things? Was it the right thing to be doing? But, right now, that constructing what happened is the main proportion evaluation efforts. And we can't benchmark. You can say this project worked, but did it work better than the other one next to it? Was it a good use? It may have worked because you spent \$1 million per capita, which I hope it would if it was that much. We don't know until we can actually get that chain of inputs to outputs and relativize it; evaluation is not going to yield the ability to then change and really make better decisions. Everybody here knows that, but I think it's such a central part of this.

And then to your last question on tradeoffs, because I think it's a really, really important one, we were very worried about this at the beginning, and one of the things that's happened in aid info, and there's lots of work being done on different types of needs, and it's really interesting. People say they want to do very different things with that data, have very different sets of objectives that they have with information, but what's strikingly similar once you get under the linguistic and rhetorical differences, the types of information people want are actually really similar. They want to do very different things with them. Very different things with them, but there's a real similarity that's coming out there about what's needed, which I think is fortunate. Otherwise, this agenda, the tradeoffs become very, very difficult.

But I think the other big thing, and this is where I don't like the one big survey idea, because I think what we need to be shifting to is publish once and then all of us can use that information in many different ways and many times. USAID is already disclosing huge amounts of information in lots of different places, and Bill here does a

huge effort in trying to make the most sense of some of the central information. We know this information is out there. It's a lot about getting it structured in ways that it's more efficient and effective to use it, and also that people aren't having to do it. We know that they can, and I think Malawi is an incredibly good example of that.

MR. UNGER: Great. Well, let me turn to Ruth before we really get kicked out of the room and everyone really misses their lunch plans.

MS. LEVINE: Thank you for your input. (Laughter)

MR. UNGER: Ruth, there were a lot of really good points that are made, and I know you're not going to be able to cover them all.

MS. LEVINE: Sure I can. (Laughter)

MR. UNGER: But if you could wrap up with them.

I do want to mention one thing, the Minister noted that he wanted to mention and pass me this note, and it's important, and that is that Liberia will exceed to the International Aid Transparency Initiative before the end of this month, and, so, that is an important point worth noting and very valuable. (Applause)

Ruth, please, and then we will adjourn.

MS. LEVINE: Wow. Well, I am not going to handle these questions in the detail that they deserve. Three quick points. One on evaluation. We're in the final stages of developing a new evaluation policy that will articulate methodological and other standards with respect to impact or cause and effect evaluation and performance evaluation, which is really the bread and butter of what we do. We are not going to be doing rigorous impact evaluations as the mainstay of our work. What we're going to be doing is the more mixed methods approach to looking at nearer-term results compared to what we expected programs and projects to deliver. Those performance evaluations

need to have high methodological standards, and, so, actually much of the effort that I and my colleagues have been putting in is looking at what those need to be and less, in fact, on the rigorous impact evaluation, although leaving lots of space for those to be done in selected cases.

The two transparency-related parts of the evaluation policy have to do with requiring the registration of evaluations at the outset modeled after the clinical trials registry for pharmaceutical research so that findings are not suppressed essentially when the evaluations are completed, and then requirements with respect to rapid disclosure of findings and in cases where it's possible making the data available for reanalysis. So, I think the new evaluation policy will respond in many ways to the kind of impulse toward transparency.

The issues about country level, can you see what USAID is doing? Well, first of all, USAID is doing about 60 percent of what PEPFAR is funding. So, when you talk about that you can see what PEPFAR is doing, USAID is implementing a good share of that. But the point is taken that there's a huge amount of variation in how much information is made available from USAID about both retrospective spending and performance and future plans.

There is, depending on many factors having to do with both the aid emission and the country itself. We're going to be looking at some of those factors in the country pilots and trying to understand in different types of settings what the structures need to be in place to respond to the very legitimate information needs. We also have efforts in procurement reform and in development of multi-year country strategies that are done in collaboration with governments that are new efforts you won't be seeing for some months or even a year. The results of those

efforts, but there's certainly under this administrator and this administration an effort toward a closer engagement in most countries with the national governments.

And then quickly with respect to what you can do for us, I'll limit it to one thing, which is that when the Foreign Assistance Dashboard is made available to the public, explore it, use it, and then there's a little comment button on the home page where you can offer your suggestions for how it can be improved in subsequent versions, improved in the sense of expanded with a respect to the number of agencies, deepened with a respect to the detail and type of data, and then made more accessible in different types of data visualizations and data forms for the provision of data. So, that's one way in which you can really assist us to make sure that subsequent versions of the dashboard that is being led by the Department of State, F Bureau is as robust and responsive as possible.

MR. UNGER: Great. Well, thank you very much. Thank you, all, for staying so long. That's a real testament to the fact that was, perhaps, poetry about aid transparency today. (Laughter) And the conversation will continue. Thank you.
(Applause)

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I, Carleton J. Anderson, III do hereby certify that the forgoing electronic file when originally transmitted was reduced to text at my direction; that said transcript is a true record of the proceedings therein referenced; that I am neither counsel for, related to, nor employed by any of the parties to the action in which these proceedings were taken; and, furthermore, that I am neither a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.

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