|  |  |
| --- | --- |
| DFID_BLK_AW | Concept note |
| Date 10 January 2014 |
|  |

## Using open aid data to improve development impact

### The challenge

1. Using open aid data to improve development impact and support the Secretary of State’s priorities under the Aid Transparency Challenge.
2. Transparency is seen as a key contributor to development impact – a building block that enables citizen participation, government accountability and development assistance effectiveness. Over the past five years there has been good progress in increasing the supply of open data on aid spending, but less progress in increasing its use. Transparency advocates and civil society groups including Publish What You Fund, Oxfam America and the Collaborative Africa Budget Reform Initiative all highlight that while more data and tools for sharing data are important, [they are not enough](http://politicsofpoverty.oxfamamerica.org/2013/10/24/a-new-aid-transparency-index-what-comes-after-number-one/). If transparency is to enable improvements in development impact, then the data must be useful to partners in developing countries and used in ways that benefit them directly or indirectly. Increased data use will also help build knowledge of what works in the transparency field, build stronger support for this work and drive better data availability and quality.
3. DFID’s vision on transparency (the [Aid Transparency Challenge](https://www.gov.uk/government/speeches/justine-greening-launching-aid-transparency-challenge)) encompasses both supply and use of open aid data. Overall, we have made significant progress in improving the supply of UK aid data. The [Aid Transparency Index](http://ati.publishwhatyoufund.org/) demonstrates the UK’s continued lead in this area, both in demonstrating the reach and impact of our own work through publication of quality data, and in helping and encouraging others to do the same. We now need more effort on further stimulating use of this data either by southern groups directly, or in ways intended to benefit them – and from that strengthen the evidence of open data’s development impact. We propose to do this by establishing an Aid Transparency Impact Fund.

### Where are we now?

1. Working closely with DFID innovation and policy teams and a range of external networks experienced in open data and innovation, we identified key constraints and opportunities for increasing use of open aid data and examined four options for structuring the fund.[[1]](#footnote-1) We concluded that building on existing global initiatives in this area for increased efficiency and impact is the best option. Our proposed approach integrates the fund with two major initiatives – [Making All Voices Count](http://www.makingallvoicescount.org/) and the [Follow the Money](http://blog.okfn.org/2013/11/22/what-needs-to-happen-to-enable-citizens-to-follow-the-money-around-the-world/) network.
2. Making All Voices Count is a global fund that aims to play an important role in increasing government transparency and accountability, including through use of technology.[[2]](#footnote-2) It will award funds in three areas: Innovation – backing innovative ideas and technology solutions; Scaling – scaling successful initiatives and responses; Research and Evidence – building an evidence base as to what works and why. Follow the Money is a new global network of organisations pushing for the transparency needed to enable citizens to hold decision-makers to account for the use of public money.
3. There is significant scope to deliver tools, products, services and case studies more efficiently through an integrated approach, whereby the Aid Transparency Impact Fund harnesses momentum and enhances existing activities to address known key constraints in the areas of increasing open aid data use and strengthening impact evidence.

|  |  |
| --- | --- |
| *Key constraints* | *Aid Transparency Impact Fund mitigates by* |
| * limited awareness of open aid data and its potential, leading to limited demand
* limited understanding of southern groups’ practical data needs
* developing tools without sufficient understanding of user need
 | * awareness raising
* action research by southern/international pilots, identifying the practical accountability problems they want to address and matching them with developers and researchers who can assist and guide
* seed funding for early prototypes to help users understand their need better
 |
| * challenge of turning good technology ideas into sustainable products
 | * tailored support to generate pipeline proposals that can be taken to scale by applying for MAVC Innovation funds
 |
| * limited attention to generating, tracking and learning from change
 | * action research by southern groups assisted/guided by professional researchers
* tailored support to generate (i) case studies and (ii) pipeline proposals for MAVC Evidence funds
 |

1. The main objective of the Aid Transparency Impact Fund therefore is to extend the reach and impact of existing global initiatives in this area by:
* better identifying southern groups’ practical data needs
* improving the sustainability of potential technology solutions by generating pipeline proposals for MAVC Innovation funds
* strengthening the evidence base through tailored support to case studies and pipeline proposals for MAVC Evidence funds
1. Annex 1 outlines planned Fund activities. Outputs will include a Fund launch, formal collaboration with Follow the Money network (tbc), case studies and pipeline proposals for MAVC funds. We are proposing a two stage approach that gives us the flexibility to move rapidly and manage challenges around engaging partner countries and finding the best project methods. We will seek funding from DFID’s Policy Research Fund (PRF) for stage 1 to enable us to deliver short term action research. The PRF offers a fast track route for lower value projects which should enable us to commission and implement this stage reasonably quickly, once funding is approved. An indicative timeline for stage 1 delivery is 6 months over the period May to October 2014.
2. The immediate learning from this action research pilot will help refine our approach for stage 2. The two stages are linked but not dependent. As a higher value project, stage 2 will need to provide significantly more detail on methods, and may need to specify additional quality control mechanisms (such as a steering committee), before funding can be approved. An indicative timeline for stage 2 delivery is 18 months from July 2014, subject to the procurement route chosen.

### Next steps

1. We will give immediate priority to applying for Policy Research Funds to implement stage 1. At the same time, we will draft a detailed project specification and seek approval for funding from the Access and Beneficiary Feedback programme for stage 2. We will work with the communications team to begin developing a communications plan, including a Fund launch. We will continue to engage with key partners, exploring the possibility of a formal collaboration with the Follow the Money network and others to extend our reach beyond MAVC countries and deliver/fund events jointly.[[3]](#footnote-3)

### Annex 1 – Aid Transparency Impact Fund activities (stage 2)

**Aid Transparency Impact Fund pilot activities (stage 1)**

Increase data use & impact evidence

1. External engagement included interviews with aidinfo, Bond, Development Initiatives, Omidyar, Open Society Foundations and members of the International Development Sector Transparency Panel amongst others. [↑](#footnote-ref-1)
2. Making All Voices Count is supported by the UK Department for International Development, U.S. Agency for International Development, Swedish International Development Cooperation Agency, Open Society Foundations and Omidyar Network. [↑](#footnote-ref-2)
3. MAVC funds projects in 12 countries: Bangladesh, Ghana, Indonesia, Kenya, Liberia, Mozambique, Nigeria, Pakistan, Philippines, South Africa, Tanzania and Uganda [↑](#footnote-ref-3)