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**Options paper**

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| **Project Name**  | Aid Transparency Challenge Fund |
| **Date** | 16 September 2013 |
| **Version** | 1.0 |
| **Status** | Draft |

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| **Problem analysis** | Developing countries face significant challenges in accessing up to date information about development assistance – information they need to plan and manage those resources effectively. Similarly, citizens in developing countries and in donor countries lack the information they need to hold their governments to account for use of those resources.Making development assistance information easier to access, understand and use means taxpayers and beneficiaries can more easily hold DFID, recipient governments and implementing partners to account for using funds wisely and improving development outcomes. It also enables international development actors to coordinate and plan their activities better. As the UK achieves the milestone of providing 0.7% of GNI on development assistance from 2013, this greater transparency and openness is a crucial element of helping to ensure we get best value for every pound spent. |
| **Proposed intervention** | DFID establishes an Aid Transparency Challenge Fund to stimulate developers to create tools promoting the use of open development assistance information. These tools must benefit the end recipients of development spending, directly or indirectly. |
| **Business justification** | The Aid Transparency Challenge commits DFID to establishing a fund to stimulate work by developers to create tools promoting the use of open development assistance information. As part of our Open Data Strategy, we have committed to support the establishment of a fund to support developers to produce innovative and useful tools to make use of International Aid Transparency Initiative (IATI) data. These tools must show direct or indirect benefits to the end recipients of development assistance.  |
| **Project scope** | The project supports production of tools (e.g. products, apps, services) promoting the use of open development assistance information. Information that is publicly available is not necessarily ‘open’. For the purposes of this project, open information is:* **available** as a whole in a convenient and modifiable form at no more than reasonable reproduction cost, preferably by downloading over the internet
* provided under terms that permit **reuse and redistribution** including the intermixing with other datasets
* **machine-readable**
* available to **everyone** without discrimination against persons, groups or fields of study

The International Aid Transparency Initiative (IATI) has developed a common, open standard specifically for publishing development assistance information. Tools supported by the fund must promote use of IATI data which could be mixed with other open data as appropriate. For example, open development-related information on budgets, extractives, land, tax, anti-corruption, etc. could be mixed with IATI data to increase open fiscal information.Tools should stimulate demand and use of development assistance information to benefit end recipients. Increasing the supply of this information, by supporting greater traceability and results reporting for example, is not the main focus of this project.Stimulating demand for this information depends on understanding and designing for user needs, not for technological function. Tools should therefore be underpinned by a clear definition and segmentation of the specific users and need they are designed to serve and, from that, a clear articulation of the outcomes to be achieved (e.g. increased civic engagement, improved government accountability, improved public services). The project should focus on the needs of people in partner countries which could potentially include any of the following groups: partner country governments, intermediaries (e.g. teachers, social workers), professional data users (e.g. journalists, parliamentarians, lawyers, academics) and CSOs. DFID country offices will be encouraged to participate, for example in helping to identify needs and develop initiatives specific to their local context, or by using local developers. |
| **Current evidence base** | Evidence on the impacts of development assistance transparency is weak. The reasons for this include:* this is a relatively new area of intervention
* studies have tended to focus on the consequences of a lack of aid transparency rather than the benefits of promoting greater transparency
* few development assistance transparency interventions are underpinned by an explicit theory of change that makes clear what change will be achieved and how
* the positive impacts expected from these interventions are often treated as too self-evident to require articulation
* the absence of clear expected outcomes becomes problematic in attempts to track change or impact

Further analysis may be needed of transparency initiatives that are intended to benefit, or be useable by, southern citizens or social actors - whether through representations to their governments, to publicly-funded international NGOs, or to donors directly. Many development assistance transparency initiatives include these actors among their intended users, beneficiaries or stakeholders. There is some evidence to suggest that understanding these actors’ needs, and how to approach them, needs to be grounded more firmly in empirical experience and less in suppositions, from project planning stages onwards. (Mulley, 2010; McGee and Gaventa, 2010). |
| **Why DFID should engage** | There has been more of a focus on increasing the supply of information rather than improving the demand and use of information in developing countries. Through initiatives such as IATI, donors are making more information available but have been less successful at stimulating use of this information by people in developing countries and listening to and acting on their feedback. Providing information on resource flows without engaging citizens in developing countries and their representatives is unlikely to lead to greater accountability and improved development outcomes. This intervention seeks to address the gap between availability/accessibility of open development assistance information and its use by beneficiaries.There are significant barriers to the participation of people in partner countries, and often even intermediaries such as parliaments and civil society lack the capacity to oversee public spending and use development assistance information to monitor decision-making. At the same time, achieving beneficiary participation is often time-consuming and resource intensive, and so could risk being deprioritised by donors. This makes DFID leadership in this evolving area of development assistance effectiveness imperative.  |
| **Delivery options** | See outline at annex 1.Option 1 focuses more on what we want to do (create tools), while assumptions about how the desired outcomes will be achieved remain implicit. This makes it harder to select appropriate outcomes at the planning stage. In addition, there is evidence from similar projects that the tools created through taking this type of approach are often not sustainable and/or create little or no tangible change. This is also a crowded field – a rapid initial mapping found 20 existing tools in this area – and we would need to be clear how new tools would add value to existing tools.Option 2 aims to mitigate risk and build more appropriate shared expectations around outcomes by increasing supplier and user involvement from an early stage. Consultation with suppliers at the concept stage could help harness a wider range of expertise to shape what outcomes will be achieved and how, and clarify who potential suppliers could be. This would be supplemented by work with a small number of DFID country offices to create user profiles to help ensure tools developed are informed by real user need rather than assumptions about need. This could also help build country ownership of the tools created and increase the likelihood of their use. Option 2 would take longer to deliver than Option 1.Option 3 focuses more on what we want to achieve (improved accountability and development outcomes in the long term) and builds a theory of change to make the assumptions about how this will be achieved explicit. Working through a theory of change process gives a clear and testable theory about how change will occur, a framework for monitoring and evaluation, and provides the basis for both accountability and learning. It also helps support plausible expectations of achievable outcomes by showing the links between the outcomes that the project can directly influence, and those positive longer-term changes to which it might contribute. Option 4 reduces the risk of duplicating effort in a crowded field and could potentially be delivered quickly, depending on the collaboration chosen. However, risks around implicit and inappropriate outcomes could remain, making it harder to track change or impact. |
| **Key risks and assumptions** | Assumptions* More tools to access open development assistance information leads to greater use of information
* Greater use of information leads to enhanced accountability and better development outcomes
* There is a need to develop new tools rather than improve use of existing tools
* DFID country offices can participate in the project

Risks* Unable to engage end users sufficiently
* Poor understanding of problem/need leads to inappropriate activities and outcomes
* Tools created are not sustainable and/or create little or no tangible change
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**References**

Mulley, S. (2010) *New Frontiers: Aid and Donor Finance* Transparency and Accountability Initiative

McGee, R. and Gaventa, J. (2010) *Review of Impact of Effectiveness of Transparency and Accountability Initiatives* IDS

**Annex 1**

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| Option | Approach |
| 1. Prizes to stimulate developers to create tools
 | Commission services to manage and deliver fund.Stage 1* map existing open development spending tools
* review tools’ impact, particularly for end recipients

Stage 2* international development data jam(s) bringing together relevant stakeholders and structured along international development challenges (e.g. eliminating extreme hunger, reducing child mortality) to generate ideas for what can be done with open development assistance information within 90 days to make a real impact
* working prototypes for top ideas/ new tools in 90 days (option for funded or voluntary activity)
* hackathon to create usable software for top ideas
* datapalooza showcasing data driven innovations from data jam(s) and hackathon
* full production of best innovation
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| 1. User profiles and tools
 | Consult suppliers at concept stage on delivery options. Commission services to manage and deliver fund.Stage 1* work with DFID country offices to create real user profiles
* map existing open development spending tools
* review tools’ impact, particularly for end recipients

Stage 2Learning from stage 1 shapes stage 2:* international development data jam(s) bringing together relevant stakeholders and structured along international development challenges to generate ideas for what can be done with open development assistance information within 90 days to make a real impact
* working prototypes for top ideas/ new tools in 90 days
* hackathon to create usable software for top ideas
* datapalooza showcasing data driven innovations from data jam(s) and hackathon
* full production of best innovation
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| 1. Case studies
 | Commission services to manage and deliver fund.Work with a small number of DFID country offices using a theory of change approach to plan the work ahead, and to monitor and report its effects.With each country office, and their stakeholders, agree longer-term aim and desired outcomes, then agree the activities and outputs that will achieve change. Identify other groups we need to involve to achieve the desired outcomes. The theory of change becomes the basis for deciding on what services to design or outputs to deliver, when, and to whom, and what resources are needed. The fund will provide tailored hands-on support to the projects for 1 year. This could include technical support to develop tools, workshops and one to one support to increase skills and confidence in using open data, outreach to raise awareness, etc. |
| 1. Build on existing work
 | Build on existing work in this area by providing intellectual and/or financial support to supplement current or planned activities. Examples of existing work could include:Aidinfo labs and Open Knowledge Foundation are developing an **Open Data Toolkit** which will include collections of training materials and tools that enable those with the greatest need for data to put it to work in ways that support poverty eradication.**Making All Voices Count** is a global initiative that supports innovation, scaling-up, and research to deepen existing innovations and help harness new technologies to enable citizen engagement and government responsiveness.Two of the three areas in which it will award grants are particularly relevant:Innovation: the development of new products and services of **new products** and services the development of **new products** and servicesResearch and Evidence: build an evidence base and contribute to theory-building in the general field of voice and accountability, and specifically for the incipient fields of practice of tech and Open Government, which are relatively evidence-free zones |