



Department
for International
Development



DFID's Transparency Agenda: one-year progress update

**Open aid, open societies: A vision
for a transparent world**



Photo credit: Coffey International, Sierra Leone

February 2019

1. Overview of Progress

1. In February 2018 DFID launched the [Transparency Agenda ‘Open Aid, Open Societies’](#). The Agenda set a clear ambition for the UK to “*push for a global transparency revolution*” in the availability and use of data to improve accountability, decision making and to help deliver sustainable development outcomes to people living in poverty. It is a crucial part of our commitment to deliver the Sustainable Development Goals (SDG), including to develop effective, accountable and inclusive institutions (Goal 16); empower all women and girls (Goal 5); and promote sustained, inclusive and sustainable economic growth (Goal 8).
2. The Agenda presents the UK’s ambition in three major areas:
 - **Improving the transparency of UK aid.**
 - **Strengthening global transparency initiatives** to drive global standards and implementation of transparency initiatives including beneficial ownership transparency, open contracting and commodities trading.
 - **Scaling up work on transparency in DFID’s partner countries**, including through DFID’s two Transparency Trailblazers, Ghana and Sierra Leone.
3. One year on, good progress has been made. We continue to enhance the quality and use of our own data; drive up global transparency standards; build the evidence base on global transparency initiatives; and support partner countries to close the transparency gaps that reduce governments’ responsiveness to citizens and increase opportunities for corruption.
4. Key achievements in 2018 include:
 - **Aid Transparency:**
 - DFID was rated ‘very good’, ranking third out of forty-five global donors in [Publish What You Fund’s 2018 Aid Transparency Index](#).
 - All new Accountable Grants, contracts, and multilateral funding arrangements now contain funding conditions on transparency expectations throughout the delivery chains.
 - **Global Initiatives:**
 - All but one of the twenty-one commitments in the [UK Anti-Corruption Strategy](#) that DFID is responsible for are on-track.
 - DFID continues to be a global leader in supporting global transparency initiatives, including generating evidence and learning to inform and enhance implementation. Initiatives include the [Extractives Industries](#) and [Construction Sector Transparency Initiatives](#) and the [Open Government Partnership \(OGP\)](#).

“Transparency transforms people’s lives for the better by enabling countries to collect taxes, improve public services, and ensure a level playing field in which businesses can flourish.”

Minister of State Harriet Baldwin,
6th February 2018

- **Transparency Trailblazer countries:**
 - In Ghana, citizens and civil society monitor petroleum revenue management through initiatives supported by DFID. Corruption related offences can now be prosecuted more efficiently following the establishment of the Office of Special Prosecutor.
 - Corrupt officials in Sierra Leone have been sanctioned as a direct result of data produced through the DFID-funded [‘Pay No Bribe’](#) digital platform, which maps real-time anonymous reports of bribes. This platform has also led the Anti-Corruption Commission to focus on petty corruption that undermines basic service delivery.
5. However, a global transparency revolution is an ambitious goal. We must work with our partners to do more to drive forward new global transparency standards to tackle corruption, improve the quality and value of our own data and support greater uptake and use of data.

2. Progress on Aid Transparency

6. The UK aims to be one of the world’s most transparent donors, because UK taxpayers and people in the countries our aid supports want to see where and how money is spent – and what it delivers. To achieve this, DFID will continue to increase the transparency of our delivery chain and demand high standards from our partners.
- DFID came third out of forty-five donors in Publish What You Fund’s Aid Transparency Index in 2018, reflecting the UK’s ambition on transparency of its Official Development Assistance (ODA).
 - All new DFID-funded Accountable Grants, contracts, and multilateral funding arrangements contain funding conditions on transparency expectations.
 - In 2018 the majority of multilateral organisations that we fund published information to the International Aid Transparency Initiative (IATI). We will press for further progress from those who are not yet publishing, and for greater quality from those that do.
 - DFID continued its active role as a member of the IATI, including holding the role of Technical Advisory Group chair and being part of the working group that considered its future institutional arrangements. We look forward to the development of the IATI strategic plan for the next phase and will continue to press for a greater focus on the use of IATI data to improve outcomes for developing countries.
 - DFID shared its data quality assessment tool with other donors and will continue to enhance the quality and accessibility of what it publishes.

3. Progress on Global Initiatives

7. DFID is a founding member of several well-established global transparency initiatives and is spearheading new global standards in the transparency of assets and contracts to tackle corruption. Through these initiatives we are supporting countries to implement their commitments arising from the London Anti-Corruption Summit in 2016 and set out in the 2017 [UK Anti-Corruption Strategy](#).
8. DFID's ongoing support to the **Extractives Industries Transparency Initiative (EITI)** and the EITI Board has contributed to the publication of EITI reports by 51 countries covering over US\$2.4 trillion in government revenues. The EITI reports which provide detailed disclosures have stimulated public debate, been used to recover significant revenues through remediation activities, and informed policy development and guidance to address leakages and improve governance of the sector.
9. **OGP** membership continues to grow, enabling citizens and governments to develop and deliver open government reforms that tackle corruption, improve public service delivery and enable citizens to hold their governments to account. As part of DFID's support to OGP, a new Multi-Donor Trust Fund has been set up to support the design and implementation of open government reforms.
10. DFID's support for the **Construction Sector Transparency Initiative (CoST)** has enabled our partner governments to reduce the losses from corruption and to enhance the value for money in public investment. For example, in Ethiopia, CoST's assurance team highlighted flaws in a proposed road project which led to the Government adopting an alternative design, delivering a cost saving of US\$3.5 million. In Malawi, CoST identified an increase of over US\$7 million on the rehabilitation of a 33km road; the Ministry of Transport and Public Works subsequently cancelled the original contract.

Open Government in Action

Since becoming a member of OGP, Elgeyo-Marakwet County in rural Kenya has introduced two-way communications with community members using WhatsApp — a widely-used messaging application — as a channel for real-time citizen engagement and rapid government response. This has enabled the government to track inquiries and responses and helped citizens to reach and challenge government officials.

In one example, a patient lodged a complaint about the shortage of drugs at the County's hospital. The next day the drugs were made available and changes were instigated to address the underlying problem.

[Open Government Partnership Impact Stories](#)

11. **Beneficial ownership transparency:** Over five million companies now have entries in the new [Open Ownership Register](#) supported by DFID. The Register makes it simpler to publish and access high-quality data about who owns and benefits from company ownership. We are also assisting countries to develop new national public registers of company beneficial

ownership. For example, the Nigerian Senate recently passed legislation requiring beneficial ownership data to be in their companies register.

Tackling Corruption

In October 2018, the Prime Minister's Anti-Corruption Champion, John Penrose MP, led the UK delegation at the International Anti-Corruption Conference in Copenhagen where he announced an international campaign to promote transparency of company ownership. He urged countries to follow the UK's lead.

"Transparency is our greatest weapon against criminals and the corrupt who seek to hide their wealth in dodgy anonymous shell companies. We need collective international action to publish beneficial ownership information, so more governments deny dirty money a hiding place."

John Penrose MP, Anti-Corruption Champion

[UK Anti-Corruption Strategy 2017-2022, Year 1 Update.](#)

12. **Commodity trading:**

The sale of oil, gas and mineral resources is a huge revenue generator for states, which is why DFID is working with partners to strengthen transparency in the sale of these resources. In 2018, we engaged in two international dialogues on commodity trading and worked with the Organisation for Economic Cooperation and Development (OECD) Development Centre to identify existing transparency and accountability gaps and practical steps to address these.

13. **Open contracting:** Through funding to the [Open Contracting Partnership](#), seven new agencies have begun publishing in line with the [Open Contracting Data Standard](#). Two pilot countries have commenced operations to increase the transparency and application of open contracting principles in the health sector. This will enable health care providers to identify inefficiencies and corrupt practices such as over-pricing or collusion so that they can reduce corruption, create fairer business environments and spend public resources more efficiently.

14. Our anti-corruption commitments also contribute to delivering on SDG 16 and the targets to substantially reduce corruption and bribery in all their forms, and to significantly reduce illicit financial flows by 2030.

4. Progress in Transparency Trailblazer Countries

15. To provide leadership within the DFID network and a focus on lesson learning in transparency and accountability programming, DFID identified two Transparency Trailblazer countries. Through consultations with country offices, Ghana and Sierra Leone were selected based on their innovative programming and potential to benefit from closer collaboration with the central teams working on transparency and accountability.

Ghana

16. DFID programmes contributed to three significant milestones in 2018:

- The Office of Special Prosecutor (OSP) was established to prosecute corruption related offences. DFID's Strengthening Action Against Anti-Corruption in Ghana (STAAC) programme was critical in drafting the Bill and brokering stakeholder consultations.
- Beneficial Ownership Transparency (BOT) Provisions have been included in the new Companies Bill.
- The Right to Information Bill, with strengthened provisions on asset management and recovery is awaiting Parliamentary approval.

17. In addition to progress made in developing formal structures and institutions to reduce corruption, DFID has supported initiatives to raise public awareness on corruption and for civil society and media organisations to monitor government actions. For instance, citizens and civil society are now more able to monitor Ghana's petroleum revenue management and hold the government to account:

- Around 1.5 million citizens accessed information on petroleum revenue management through sub-national radio discussions.
- Social media was used to expand and amplify citizens' voices on local impacts during a public hearing organised by the Environmental Protection Agency.
- The Ministry of Energy sought citizen inputs on the new Energy Policy through nationwide public forums.
- Working with local partners to ensure sustained advocacy, Ghana Oil and Gas for Inclusive Growth (GOGIG) contributed to the creation of the [online petroleum register](#). Following sustained advocacy Ghana introduced competitive bidding of oil blocks.

DFID Programmes supporting transparency and accountability:

- Strengthening Transparency Accountability and Responsiveness in Ghana Phase II (STAR-Ghana): £14,999,993 over 6.5 years.
- Ghana Oil and Gas for Inclusive Growth (GOGIG): £14,815,594 over 5.5 years.
- Strengthening Action Against Corruption in Ghana (STAAC): £9,799,998 over 5 years.

Sierra Leone

18. DFID programmes contributed to three major areas of progress in Sierra Leone in 2018:

- The Anti-Corruption Commission (ACC) increased its focus and impact on petty corruption through the 'Pay No Bribe' (PNB) digital platform.
- Sierra Leone improved its 'control of corruption' score, achieving 71% (up from 49% in 2018) in the Millennium Challenge Coordinating Unit 2019 assessment.
- Accountability institutions such as the Audit Service of Sierra Leone are now able to conduct technical audits in key sectors.

19. Progress is being made in addressing petty corruption, a longstanding and major challenge. The PNB digital platform supported by DFID maps real-time anonymous reports of bribes in health, education and the police, and publishes government responses. This is delivered through the ACC, which is increasingly tackling corruption and its impact on basic service delivery. Next year it will transition to focus on grand corruption.

Programmes supporting transparency and accountability:

- Strengthening Community-led Accountability to Improve Service Delivery: £9,510,762 over 4.5 years.
- Support to Anti-Corruption in Sierra Leone: £4,700,000 over five years.
- Strengthening Public Financial Management, Anti-Corruption and Accountability Institutions in Sierra Leone: £3,700,000 over 1.5 years.

20. To help strengthen accountability, DFID supports the Audit Service of Sierra Leone to conduct and follow

up on technical audits in relevant sectors. Civil society is vital in the accountability ecosystem and plays an important role in influencing and monitoring allocation of public resources, as well as gathering, using and publishing data. DFID supports civil society to collect data on access to basic services and use this data to lobby the government for action.

21. DFID and other government departments are delivering a wide range of transparency and accountability programmes across our portfolios. For example, through the Good Governance Fund, DFID and the Foreign and Commonwealth Office are supporting a scale-up of the ProZorro electronic procurement system, e-services and open data for the citizens of Ukraine. This has reduced the opportunities for corruption and contributed to savings for government and the private sector. In Nepal, DFID is helping the Ministry of Finance establish financial reporting systems for local governments where more than 17% of the total budget has recently been devolved to them. These systems work even for the most remote local governments and will help the Office of the Auditor General to audit local government spending for the first time. When completed, the system will make spending data available to the public on local government websites.

5. Forward Look and Priorities for 2019

22. 2018 has seen good progress in driving forward new initiatives to increase transparency and accountability and tackle corruption, whilst strengthening existing initiatives and the transparency of our aid. Yet there is more to do if we are to achieve our ambition of driving a transparency revolution.

23. Aid Transparency

- **Continue to improve DFID's own data, including by enhancing the quality of downstream partner data.**
- **Work closely with and support other UK government departments,** including through workshops and ongoing engagement as they endeavour to improve their transparency with the ambitious aim of ranking as 'Good' or 'Very Good' in the Aid Transparency Index by 2020.
- **Consider how better to use data to improve outcomes for people living in poverty,** including working closely with the Nepali government to use IATI data to help inform management of aid flows into the country.
- **As the International Aid Transparency Initiative (IATI) creates its next three-year strategy we will engage to ensure a focus on data quality and how the data can be used to benefit people living in poverty.**

24. Global Transparency Initiatives

- **Deliver on the [UK Anti-Corruption Strategy](#)** commitments to raise international standards, shape new norms, and tackle corruption both at home and in partner countries. We will work with other government departments to implement the [beneficial ownership campaign](#) to make transparency of company ownership a new global norm.
- **Invest in learning from global transparency initiatives and how open data and information are used to prevent and investigate corruption.** DFID will fund partnerships between law enforcement, civil society, the media and the private sector in at least four African countries identified as important partners in the fight against corruption. We will share lessons learned for better use of data to tackle corruption and increase accountability. We will support the first evaluation of the OGP.

25. Transparency and accountability programmes

- **Use the global transparency initiatives to deepen impact in our partner countries and spread high quality transparency and accountability programmes,** including through the OGP Multi-Donor Trust Fund and the Open Contracting Partnership.
- **Respond to the growing restrictions on civic space globally to build more open societies** through a new programme to support innovations in protecting open societies, including media freedom. We will develop programmes to support the Foreign Secretary's campaign for media freedom.

26. Building on knowledge events and lessons learned we will further develop the evidence base on global transparency initiatives, integrating lessons into policy and programming in our partner countries and centrally.