

# BetterAid Spotlight on Transparency

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**Owen Barder: The concept of natural selection should be applied to aid programs so that only the most effective ones continue to be used. An increase in transparency and information about aid programs will benefit both donors and recipients. The International Aid Transparency Initiative is an important step by donor governments.**

Aid works, but it could work much better.

It is easy to see that aid can and does save and transform the lives of millions of people across the developing world. It improves access to health, education, clean water and sanitation. It gives people access to small loans that they can take out for their business or to get through lean times. It feeds people when they are hungry, and provides a safety net to prevent them falling into chronic poverty.

Some of the successes of aid have been spectacular. Aid financed the eradication of smallpox in the late 1970s. There are nearly 13 million fewer children out of school in sub-Saharan Africa than there were a decade ago. And over the last 20 years more than one billion people have gained access to improved sanitation.

And yet the media is full of examples where aid could have worked better, pointing the finger at badly designed and poorly delivered programmes, and sometimes at projects that have failed just through sheer bad luck. (Not all venture capital investments succeed, but we do not conclude that venture capital is pointless.) The failure of some aid projects is normal. What is not normal, however, is that aid is not living up to its potential. And it is easy to see why – and to see how to fix it.

Let's look at how the world around us works. New firms are started every day: it is their customers who decide their fate. Firms that are effective and meet their customers' needs, grow and prosper. Those that are not effective, go bust. In biology, complex organisms evolve through a process of variation and selection. Survival of the fittest ensures that the adaptations that work spread, while the less effective mutations die out. In political life, parties that meet their voters' aspirations get more votes and prosper. Those that pursue ineffective policies will decline until they change or die.

All complex systems need some combination of variation and selection, otherwise they stagnate and decay.

These evolutionary forces barely work in aid. Across the development system there is lots of variation, but almost no system to ensure effective selection. There is a huge proliferation of aid organisations, projects and approaches. But there is no mechanism to ensure survival of the fittest: no measure of success, no system for spreading successful innovations or for killing off the unhelpful, ineffective and perhaps even downright harmful mutations.

That is why aid transparency is so important. Information about aid funding and programmes empowers the intended beneficiaries, affording them greater political leverage and enabling them to put pressure on donor organisations. It allows funding decisions to be more closely linked to effectiveness. Tanzania-based Twaweza is an example of a new citizen-centred initiative which has set out to put this approach into practice across East Africa: making service delivery more transparent, thereby increasing political pressure on national and local political holders to improve the effectiveness and efficiency of services.

Everyone who cares about the future of foreign aid should support greater transparency: when taxpayers are able to see directly how their aid is being used, and the difference aid makes to so many lives, will they be happy to see levels of aid increased. Transparency of aid won't just make aid work better: it will be the basis of a new social contract between taxpayers in industrialised countries and the aid system.

Bureaucrats can think of plenty of reasons to oppose transparency: it might add to their workload, or result in the publication of information which could potentially be embarrassing. And yet governments are responding to growing demands for transparency across all areas of the public sector, leading to innovative websites like [recovery.gov](http://recovery.gov), the US government's website providing data related to Recovery Act spending. Very soon it will also seem strange that \$120 billion a year of official aid can be spent in developing countries with so little information published about where exactly that money is going. The lack of timely, detailed, comparable information about aid is becoming an increasingly old-fashioned paradigm – and this can only be a good thing.

Internationally, there are already positive moves towards making aid transparency the new reality. The International Aid Transparency Initiative (IATI), launched at the Accra High Level Forum on Aid Effectiveness, is making huge strides in the right direction. Since its launch in 2008, IATI has been signed by 18 donors, who collectively account for approximately half of global Official Development Assistance (ODA), and it has been endorsed by a growing number of developing countries. The hard work of developing a new standard for the publication of aid information is now underway. This global standard, when applied across the development system, will ensure that detailed aid information from different donor sources is easily comparable and accessible to everyone. The successes of aid will be highlighted and repeated, the failures exposed and terminated.

The well-documented and widely known shortcomings of the foreign assistance system have proven themselves stubbornly impervious to change driven by declarations and communiqués. Rather than trying to design a new system, let's focus on putting in place the drivers of evolutionary change – natural selection – which will enable the aid system to be more responsive to the people it is meant to support, and to adapt to a changing world. Greater transparency is the foundation of this change, towards a better aid system that the public trusts – and towards aid that finally lives up to its potential.

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