

# Transparency and US Foreign Aid

*New legislation—the Foreign Aid Transparency Act of 2013—would open the books on US foreign aid.*

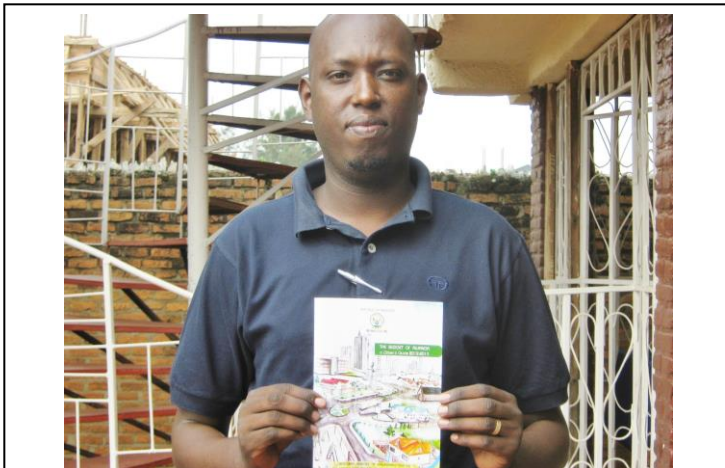
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More accessible and timely information on US foreign aid will be extremely useful to partner governments, civil society, and US taxpayers. More transparency will enable people in countries receiving poverty-reducing aid to hold their governments accountable for how they invest US resources.

The US is the world's largest bilateral donor of poverty assistance. But it is shocking how little information the US government actually releases about where US aid dollars are going and what the results are.

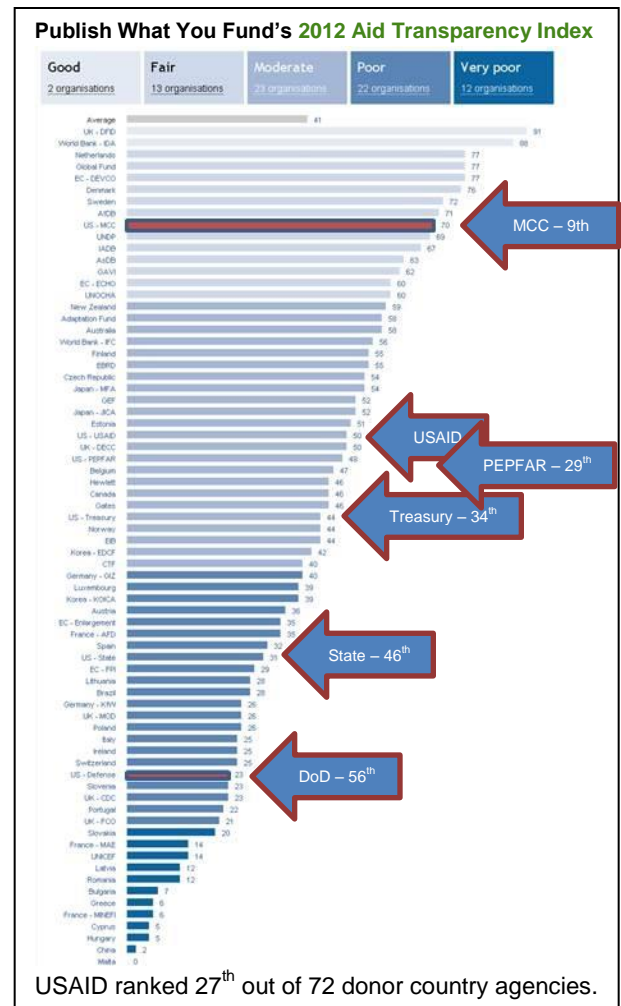
On the surface, the US shares plenty, through many websites and documents. The problem is that the US doesn't share important details for most of its aid. In addition, data is often inaccessible, late, and incomparable to data of other donors.<sup>1</sup>

Anti-corruption activists shining the light on wrong-doing, farmers trying to decide what crops to plant, or government officials trying to manage their economy, all need information on what the US is funding in their countries.<sup>2</sup>



People like **Alexis Nkurunziza** (above), a Rwandan researcher and human rights advocate, are calling for more information on US aid to improve accountability in their countries. Currently Rwanda relies on foreign aid for over 40% of its national budget.

Read more at: [oxfamamerica.org/aidworks](http://oxfamamerica.org/aidworks)



USAID ranked 27<sup>th</sup> out of 72 donor country agencies.

<sup>1</sup> See <http://www.publishwhatyoufund.org/index/2012-index/>.

<sup>2</sup> See examples of what this lack of transparency means on the ground in Oxfam America's 2009 report, "Ownership in practice: The key to smart development" available at [www.oxfamamerica.org/files/ownership-in-practice.pdf](http://www.oxfamamerica.org/files/ownership-in-practice.pdf).

## Oxfam Supports the Foreign Aid Transparency and Accountability Act of 2013

The “Foreign Aid Transparency and Accountability Act of 2013” will open the books on US foreign aid, and make sure US aid is working as well as it can to fight poverty.

As introduced, the legislation (H.R. 2638 and S. 1271) would require the President of the United States to:

1. Establish and implement **uniform guidelines** – with measurable goals, performance metrics, and monitoring and evaluation plans – across all US foreign assistance programs; and
2. Ensure the **Foreign Assistance Dashboard** contains **detailed information** regarding US foreign assistance on a program-by-program and country-by-country basis and is updated quarterly by those federal agencies administering foreign aid.

The bill would further require that analysis be undertaken by the Government Accountability Office to inform Congress on relevant agencies’ adherence to these benchmarks.

Oxfam enthusiastically supports this effort to require the US government to publish timely and comprehensive data on where US aid dollars are going, as well as require quality evaluations to see if aid dollars are delivering results.

What does the lack of transparency mean on the ground?<sup>3</sup>

- In **Kenya**, a PEPFAR focus country, government officials can’t track how the US is supporting HIV.
- In **Afghanistan**, civil society groups claim that 60 percent of US aid flows back to the US; some in government believe it’s 90 percent.
- In **Cambodia**, not having a clear sense of USAID’s direction generates uncertainty—civil society groups are concerned about what they perceive are closer ties between the US and the government of Cambodia, and some government officials perceive USAID to be too close to nongovernmental organizations.
- In May 2012, **16 leading anti-corruption activists** from developing countries signed a letter to Congress in support of the USAID Forward reform initiative, stating that “USAID’s over-reliance on contractors makes it more difficult for us to ‘follow the money.’”<sup>4</sup>



Unless recipient countries receive comprehensive, accessible, timely, and comparable information from donors, people in countries receiving US aid can’t hold their governments accountable for how they invest aid resources.

Governments, in turn, can’t plan, use aid resources to strengthen their economies, or explain to their populations what they are doing with aid. Not telling countries what the US is doing also fuels mistrust and misperceptions, even when the US may have all the right intentions.

Aid is most effective when it empowers individuals, groups or other local actors to take action and change their circumstances. Transparency of poverty-reducing aid is an important way for the US government to enable this, helping to build systems of checks and balances in countries around the world.

<sup>3</sup> The data presented here in the first three bullets draws from 2009 field research across six countries, where Oxfam America surveyed 200 people in governments, civil society, and US aid agencies and implementers.

<sup>4</sup> Oxfam America (2012). “Letter to Congress: Work with us to fight corruption and injustice” <http://www.oxfamamerica.org/campaigns/files/fight-corruption-ad/>



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