Beyond Busan: The Case for Including Other Public Flows for Development

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Why Development Aid Transparency?

• Transparency for public flows for development is non-negotiable
  – irrespective whether they are ODA or OOF
• Growth in the number of players in development finance
  – (their flows could fall into ODA or OOF)
• Whether OECD DACs existing standards or categorisations are inclusive enough to integrate the non-DAC donors financial flows
• Existence of the IATI
  – An instrument to improve aid data transparency and reform the way aid data is disclosed.
## Creditor Reporting System: What’s public and what’s restricted?

<table>
<thead>
<tr>
<th>Access</th>
<th>Database</th>
<th>Flow of resources</th>
<th>Main uses of the data</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public</td>
<td>CRS/Aid</td>
<td>• Official development assistance</td>
<td>• Sectoral and geographical distribution of aid</td>
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<td></td>
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<td>• Official aid</td>
<td>• External indebtedness</td>
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<td></td>
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<td>• Tying status of aid</td>
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<td>• Terms and conditions of aid</td>
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<td>• Relating aid inputs to policy priorities</td>
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<tr>
<td>Restricted</td>
<td>CRS/OOF</td>
<td>• Other official flows (except export credits)</td>
<td>• Sectoral and geographical distribution of other official flows</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>• External indebtedness</td>
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<tr>
<td></td>
<td>CRS/Export credits</td>
<td>• Official export credits</td>
<td>• External indebtedness</td>
</tr>
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<td>• Private loans and credits under official guarantee or insurance</td>
<td>• Exposure and new obligations of export credits (Trade Directorate)</td>
</tr>
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</table>

**Source:** OECD (2007)
State of Transparency other than ‘ODA’

• Access to information on “other official flows” and officially supported export credit of DAC donors is restricted and not public in nature

• As Chinese Exim bank concessional loans are now classified as foreign aid they will not fall under DAC’s “officially supported export credit” category---disclosure of which is not mandatory for DAC members.
So What’s the Game Changer?

• The lack of consensus between DAC and non-DAC donors of what constitutes ‘official development assistance’ should not be the limiting factor to disclose information.

• Whether non DAC donors lines of credit are classified as aid or not is less important than whether they are transparent.

• And the same holds true for opening up of officially supported export credit data of DAC donors which is hidden.
What means are available?

• At the National level
  – For example the Export Credits Guarantee Department (Regulation and Reporting) bill going to the UK parliament on 11/11/2011 contains transparency requirements as well as regulations. It calls for ‘the publication of an audit of all sums owed to the department, an annual impact assessment and a real-time disclosure policy on all supported projects’

• At the International level
  – The OECD’s guidelines for Export Credit Arrangements (OECD 2011) seek to provide a framework for the ‘orderly use’ of official export credits and a ‘level playing field’
What means are available? (contd..)

• If IATI were to address export credits and lines of credit, what should it do?
  – Perhaps IATI could try to come up with a publication format which would be clear and uncomplicated for the audit of all sums owed to the export credit guarantee departments of the donors and a real-time disclosure policy on all supported projects?
  – IATI could have a critical role since transparency is important and they have already been mandated to do so.
What could HLF4 achieve?

• An important step at HLF4 would be to acknowledge the importance of creating transparency of “other public flows for development” as well as of aid.

• To carry on the momentum built in the Paris Declaration and Accra Agenda for Action and to go beyond Busan HLF 4 by widening the transparency regime.

• Since IATI is officially designated as the vehicle for fulfilling the existing commitments of transparency, widening of the transparency regime would only further strengthen IATI.

• Will integrate all public flows from DAC & Non DAC donors without entering into debate of ODA, OOF, export credit or S-S Cooperation