Open Aid Data – *Cui Bono?*: 
A Case Study of Donors in Nepal

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Dr. Catherine Weaver  
Associate Professor, LBJ School of Public Affair  
Co-Director, Innovations for Peace and Development  
Co-Director, AidData Center for Development Policy Lab at UT  
The University of Texas at Austin  
ceweaver@austin.utexas.edu

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Acknowledgments

This paper presents one chapter out of a longer report produced by the Policy Research Project team at the LBJ School of Public Affairs at The University of Texas at Austin, USA. The PRP draws from over 100 primary interviews and investigates three case studies of donor demand for and use of open aid data in Nepal, Uganda, and Washington, DC. This PRP was researched and co-authored by 18 masters students under the supervision of Dr. Catherine Weaver between September 2014-2015. The lead researchers and authors on the Nepal case study are: Krista Rasmussen, Nadia Sabata Pereyra, Robbie Paras, Erin Cusack, Shelby Carvalho, Zehra Akbar, and Catherine Weaver. Other authors of the PRP report include: Amelia Pittman, Geneva Smith, Steve Damiano, Kelly Steffen, Ariel Anib, Tanlyn Roelofs, Nkechi Charles, Katy Wang, Luis Soberon, Annie Dupre, Jackie Homann, and Sarah Pruitt.

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Executive Summary

In the past decade, the big data revolution has redefined how governments and citizens interact to promote transparency, accountability, and social innovation. Through major global initiatives such as the Open Government Partnership, governments have committed to disclosing information — including data on budgets, contracts, and procurements — to allow citizens to see where and how tax and aid dollars are spent. The ability to access this information in turn enables citizens to more fully participate in governance processes through better informed advocacy, improved mechanisms to identify and fight corruption, and the harnessing of technology to improve lives.

Open data, broadly described as knowledge that is free to access, use, modify, and share, is the cornerstone of this growing movement.¹ Historically, governments have led the way in opening data, and in the last ten years, the international development sector has followed suit. Following a series of high-level aid effectiveness forums, including in Paris 2005 and Accra 2008, the international donor community launched major efforts to increase access information on development data and, more specifically, international aid spending. These ranged from international forums like the International Aid Transparency Initiative (IATI), multilateral initiatives like the World Bank’s open data and mapping for results (M4R) programs, and national platforms such as the UK’s DevTracker open aid platform. Likewise, aid-receiving countries have pursued open data initiatives by adopting in-country aid information management systems (AIMS) to better capture timely and comprehensive data on the on- and off-budget aid in their countries.

The opening of aid data is seen as essential to increasing transparency in the aid management, eventually leading to greater aid effectiveness and improved development outcomes. More specifically, among donors, this increased transparency is expected to improve coordination and minimize redundancies in donor funding, highlight gaps and inefficiencies in aid allocation and in service delivery, improve monitoring and evaluation of programs, and – ultimately - increase donor accountability by empowering citizens and governments with information about aid in their countries.

However, the burgeoning supply of open data has outpaced rigorous studies of the demand for, and use of, such data. In turn, the open aid data movement has reached a critical juncture that calls for closing the feedback loop. More simply put, who are the consumers of aid data and how are they using it? Are the systems developed to supply data meeting or generating specific demands for, and use of, the data? And what is the evidence thus far linking open data and transparency initiatives to more informed decision-making and coordination?

Objectives of the PRP Report

As the primary suppliers of aid data, donor agencies play a crucial role within the open aid ecosystem through international registries like IATI and in-country aid information management systems. Yet the nascent literature on the impact of open data writ large is focused on the demand and use by governments, civil society, non-government organizations, journalists, and citizens. With few exceptions, donor use of open aid data remains largely unstudied.²

This report aims to fill the gaps in the open data literature by analyzing donors’ demand and use of aid data. Specifically, informed by the open data theory of change, our research seeks to delineate the ways in which donors use aid information management systems (AIMS) and other open data sources to inform their decision-making by providing information on other donor activities in countries in ways that are intended to enhance donor coordination, help to better target aid allocation to the sectors and regions of greatest need, and provide information to foster citizen feedback and improved monitoring and evaluation of project impacts.

² See the various research reports published through the Open Data Research Network at http://www.opendataresearch.org/project/2013/oddc.
The research for this report was undertaken by a group of graduate students working jointly on a yearlong Policy Research Project (PRP) at the Lyndon B. Johnson School of Public Affairs at the University of Texas at Austin. Through a rigorous review of studies on open data use and impact, the team identified donors as a key potential beneficiary or user group of open aid data. However, while donors’ awareness, demand and use of open aid data has been widely assumed, it has not been substantiated through empirical research. To better assess the demand side of the open aid theory of change, the team adopted a qualitative methodological approach driven by two objectives. First, to gain a mission-level perspective on existing and potential donor use of open aid data (particularly publicly accessible in-country aid information management systems) team members conducted over 75 interviews with individuals in 36 different donor mission and NGO offices in Nepal and Uganda. Second, to better understand the awareness and use of open aid data at the donor country level among key principals responsible for aid appropriations and legislation, team members conducted approximately 40 interviews and consultations in Washington, DC with subject matter experts in both Congress and the broader development aid community. While resource and access constraints impeded use of more systematic surveys, quantitative design, and a larger number of case studies, we hope this inquiry into donor use of open aid data makes a significant contribution to the emerging literature on open data use and suggests fruitful avenues for future research.

This paper presents our findings from the Nepal case study (Chapter 4). Please note that this chapter was finalized before the devastating earthquake on April 24th in Nepal. In light of this recent development, we recognize that our findings may not reflect the changing the situation on the ground.
CHAPTER 4: NEPAL

In 2010, the Government of Nepal (GoN) launched the Aid Management Platform (AMP) to increase transparency in development assistance and to help cope with existing aid fragmentation. Since then, the GoN has used information from the AMP to inform policies and better manage aid allocation. Although international donors supply the data for open aid systems such as the AMP, little work has been done to examine their use of open aid data. This chapter analyzes the results of interviews with key donors and other stakeholders in Nepal, by exploring the question of how access to open aid data affects donor behavior, particularly regarding allocation decisions and donor coordination.

This chapter first examines the history and political culture of Nepal and local transparency initiatives. It then discusses the results of donor interviews in Kathmandu, Nepal, conducted in December 2014 and March 2015. Finally, it provides conclusions that indicate that donors are largely aware and supportive of aid transparency policies, but access to open aid data in Nepal has not yet discernibly influenced donor behavior or altered practices of information sharing and coordination between donors.

Background

Nepal is a landlocked country with a population of around 30 million people. Nepal is one of the world’s poorest and least developed countries, with a GDP of less than $20 billion, a poverty headcount of over 25% of the population, and a GNI per capita of only $730 (in current US$ of as 2013). At the same time Nepal has made considerable progress recently towards a more inclusive democracy, following centuries of monarchical rule, violent conflict, and economic instability.

Until 1990, Nepal was governed by a small group of elite, high-caste families. In 1990, citizen unrest forced the king to hold open national elections. The elections, however, failed to satisfy the population’s high expectations. In 1996, a rebel Maoist movement launched a civil war to overthrow the monarchy and establish a socialist republic. The war ended in 2006 with a peace accord and the establishment of an interim constitution. The most recent elections in 2013 were considered free and fair and carried out in a peaceful manner. Today, Nepal is a federal democratic republic and is led by a president and elected Constituent Assembly.

Although Nepal is classified as a fragile state because of its recent history of conflict, it has had relatively stable economic performance and positive improvements on poverty and development

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1. Between 2003 and 2010, the percentage of people in Nepal that live on less than $1.25 per day fell from 53 to 25 percent, meeting the first Millennium Development Goal ahead of schedule. Education and health indicators have also improved. Nepal has a 95 percent enrollment rate in primary education and has met gender parity in primary school enrollment and completion. From 1996 to 2011, maternal mortality fell from 538 deaths per 100,000 live births to 380. Even with these improvements, Nepal remains one of the least developed countries in the world and its economy and private investment lags behind its neighbors. World Bank (2014), “Country Partnership Strategy for Nepal, FY 2014 – 2018”.

2. At the same time Nepal has made considerable progress recently towards a more inclusive democracy, following centuries of monarchical rule, violent conflict, and economic instability.

3. Today, Nepal is a federal democratic republic and is led by a president and elected Constituent Assembly.
goals since its transition to a multi-party democracy. Even with these improvements, Nepal remains one of the least developed countries in the world, and its economy and private investment lags behind its neighbors. Since the 1950s, foreign aid and external support have been an important component of Nepal’s development. The United States was the first bilateral donor to provide development assistance to Nepal and largest financial contributor until 1965. Today, foreign aid accounts for 26 percent of the national budget, with an aid per capita of $31. Beyond foreign aid, agriculture is the primary source of employment for 70 percent of the population and accounts for around one-third of the GDP. Remittances from workers abroad also contribute around 25 percent of Nepal’s GDP and play a significant role in the economy.

**Nepal’s Open Data Environment and Commitment to Aid Transparency**

Right to information was established as a fundamental right in the 1990 Constitution, but was initially met with minimal enforcement. In 2006, Nepal introduced a formal Right to Information (RTI) provisions into the new constitution. Since 2008, the National Information Commission has been responsible for upholding the RTI. Its tasks include inspecting and ensuring maintenance of documents and records, creating timeframes for information to be released to the public, and getting parties to fulfill obligations of RTI, through coordination and recommendations in the context of government information policy. Despite the existence of the commission, the implementation of the RTI has been slow in several government agencies due to insufficient resources or training to provide information quarterly or to maintain updated public information systems. In addition, a general lack of awareness in civil society prevents people from demanding information under the RTI.

According to subject experts we interviewed, the GoN seems reluctant to promote RTI, although some ministries have started to do so. The Ministry of Finance (MoF) has been the first ministry to proactively provide information on its activities every three months. In particular, in the years following the ratification of RTI, aid transparency in Nepal gained momentum. This support of open aid stemmed from key awareness campaigns led by local and international partners [See Figure 4.1].

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4 Between 1990-2006 there were several key cases that highlighted the need for the right information to be protected and enforced, among them a petition to the Election Commission and a second case on denied information on an agreement between the GoN and India. Adhikari, Bipin. (2011) A Constitutional and Legal History of the RTI in Nepal. Towards Open Government in Nepal. Freedom Forum. pp.187-190
In response, in 2010 the GoN established an Aid Management Platform (AMP) to meet the needs of development planning of the country, and to help cope with existing aid fragmentation. The GoN installed the platform in April 2010 in the Foreign Aid Coordination Division (FACD) of the MoF, with the support of United Nations Development Programme (UNDP), the UK Department for International Development (DFID), the Danish Ministry of Foreign Affairs (DANIDA), and the technical assistance of Development Gateway (DG). The GoN made the AMP public in July 2013 with geo-coded information, budget integration and a public website, and it presented the AMP 2.0 version in December 2014. [See Table 4.1] It currently includes 23 major donors in the country and 80 International Non-governmental Organizations (INGOs). Prior to the April 2015 earthquake, the GoN planned to mandate all aid organizations in the country to report to the AMP.

Our research reveals that the AMP has contributed to a better understanding of the relation between aid priorities of the government and donors, ostensibly helping to achieve the Paris Declaration goals of greater government ownership and enhanced donor alignment and coordination around national priorities. With the information from this platform, the GoN enriched the publication of Development Cooperation Reports (DCR) and shaped the discussion of a 2014 Development Cooperation Policy that replaced the existing one (Foreign Aid Policy of 2002). In the 2012/2013 DCR, the International Economic Cooperation Coordination Division

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5 The most recent version of the AMP was launched in December 2014 at the 7th Annual Aid Management Program Good Practices Workshop, jointly organized by the MoF and the Development Gateway. This workshop included participants from 11 countries. The AMP 2.0 includes updated dashboards, maps, reports and other new features.
(IECCD) noted that through AMP they had greater access to donor partners’ (DPs) aid allocation information, especially off-budget aid and technical assistance. xiii

### Table 4.1: AMP 2.0

**AMP version 2.0**

<table>
<thead>
<tr>
<th></th>
<th>Description</th>
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<tbody>
<tr>
<td>Aid Data Map</td>
<td>Each project links to a project with details such as financial flows, activities, donor agencies involved, implementing partners and dates of implementation of the project.</td>
</tr>
<tr>
<td>Dashboard</td>
<td>Filtering options to customize maps (funding type, sector, program, activity, funding type, etc.) help the user create.</td>
</tr>
<tr>
<td>Reports</td>
<td>Tool to visualize aid allocation in terms of top donors, regions and sectors, as well as aid flows predictability and funding types in the periods of 2001 to 2017 and 1997 to 2017, respectively.</td>
</tr>
<tr>
<td>News</td>
<td>5 report functions: on-off budget projects by Ministry, all projects by donors, commitments for ongoing projects in the current fiscal year and all projects by district.</td>
</tr>
</tbody>
</table>

Besides the broad support to aid transparency in Nepal, other open data and parallel government transparency initiatives like the Open Government (OGP), the International Budget Partnership (IBP), and Open Contracting Partnership (OCP) have developed in the country with different degrees of success. The vast majority of these initiatives have been championed by the same civil society organizations working on the open aid front, namely the umbrella coalition of Open Nepal whose members include Freedom Forum, the NGO Federation of Nepal, and Young Innovations. xiv Together, these groups have formed a strong advocacy network in support of Nepal’s participation in global transparency forums and activities. They have also created a vibrant open data ecosystem to translate and disseminate open budget, open contracting, and open government data to the public.

Nepal has been a leader in the open budget movement, working collaboratively with the IBP to use budget analysis and advocacy as a tool to improve effective governance. Since 2008, Freedom Forum and IBP have partnered to produce the Nepal’s Open Budget Survey that monitors and assesses whether the GoN is releasing budget information XV On the open contracting front, Nepal has also been leading the way in the international transparency arena. In 2013, AidData, the Open Aid Partnership (OAP), and the GoN worked on a pilot exercise to collect, code, and map procurement data in Nepal in three key sectors: Water and Sanitation, Transportation, Energy, and Education. xvi OAP and other partners are now pursuing paths to
scale up this data collection, which could make Nepal one of the first developing countries to publish comprehensive procurement data according to international data standards.\textsuperscript{xvii}

The one area where Nepal has trailed movements in other countries is in the broadest of the parallel transparency movements: open government. Nepal is eligible to join the growing members of 65 OGP-partner countries, as it meets the stipulated criteria for fiscal transparency, access to information, asset disclosure, and citizen engagement.\textsuperscript{xviii} Despite growing support from CSOs, to date, Nepal has not moved forward on making the public commitments necessary to join OGP, such as endorsing a high-level Open Government Declaration or delivering a country action plan.\textsuperscript{xix}

In sum, Nepal’s political environment has become more transparent over the past 20 years as a result of increased citizen activism, engaged journalists, and larger global pressure. Today, Nepal is often cited as an example of progress on transparency in the developing world. Once Nepal was recognized for these efforts, the transparency movement became a self-fulfilling cycle that has pushed the government and citizens to make Nepal even more transparent. In reference to Nepal’s progress on transparency, the Finance Secretary, Mr. Yub Raj Bhusal said, “nobody has imposed reform on us. We have agreed jointly and commit ourselves to implement them.”\textsuperscript{xx}

**Overview of Nepal Fieldwork**

Two separate teams traveled to Kathmandu, Nepal over the course of the PRP. On December 7-17, 2014, the first team conducted a pilot round of semi-structured interviews and participated in the AMP workshop, co-sponsored by Development Gateway and the Nepal MoF. At the AMP workshop, the team members served as rapporteurs and were able to informally interact with all the participant delegations from 11 countries in the three-day workshop. The first team also conducted a pilot round of interviews with key donors. The second team traveled to Kathmandu on March 15-21, 2015, to conduct another round of semi-structured interviews, targeting a representative sampling of donors from multilateral and bilateral agencies, as well as NGOs. In total, both teams met with 37 individuals\textsuperscript{6} from 21 multilateral and bilateral donor agencies and NGOs [See Table 4.2]. All told, the donors we interviewed represent approximately 85% of the foreign assistance provided to Nepal.

Each semi-structured interview lasted an average of one hour and was conducted by pairs of researchers from the University of Texas LBJ School. To respect our interviewees’ request to keep information confidential, we have not made any direct attributions. However, the full list of interview names and agency affiliations is provided in final PRP report (forthcoming). The interviews also followed a research question protocol (also outlined in the forthcoming PRP report). Overall, the goals of the interviews were to discern where open aid information becomes relevant for donors in their internal decision-making, intra-donor coordination and interaction with government officials, implementing partners, and civil society.

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\textsuperscript{6} A mix of finance and administrative officers, program staff, and heads of organizations.
The next section presents our key findings, which are divided into five main topics: Nepal’s information ecosystem, donor mechanisms for coordination, awareness and use of the AMP, the government-donor relationship, and the transparency movement within Nepal. The final section provides an analysis of key findings and conclusions.

### Table 4.2: List of Interviewed Agencies

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<th>Billateral Donors</th>
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<tr>
<td>• DANIDA</td>
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<td>• Department of Foreign Affairs and Trade, Australia</td>
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<td>• German Embassy, Development Cooperation Unit</td>
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<td>• Japan International Cooperation Agency</td>
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<td>• KfW Development Bank</td>
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<tr>
<td>• Korean International Cooperation Agency</td>
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<tr>
<td>• Swiss Development and Cooperation Agency</td>
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<td>• UK Department for International Development</td>
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<td>• USAID</td>
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<th>Multilateral Donors</th>
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<tr>
<td>• Asian Development Bank</td>
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<td>• European Union</td>
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<td>• United Nations</td>
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<tr>
<td>• International Labor Organization</td>
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<td>• International Organization for Migration</td>
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<tr>
<td>• United Nations Children's Fund</td>
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<tr>
<td>• United Nations Population Fund</td>
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<tr>
<td>• United National Development Programmes</td>
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<td>• World Bank</td>
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<tr>
<th>NGOs</th>
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<tr>
<td>• Development Gateway</td>
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<td>• Freedom Forum</td>
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<td>• Kathmandu Labs</td>
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<td>• Young Innovations</td>
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### Key Findings

#### Donors’ Data Needs and Sources

Before discerning under what conditions donor partners (DPs) are or are not using open aid data in Nepal, we sought to understand in general what information or data DPs needed for their various tasks and decisions, as well as the data sources they most frequently use for these purposes. Donors indicated two primary sources of information for their data needs: government
sources for demographic data, census data, and on-budget financial information; and donor sources for project-level data, including information on aid, project locations, survey data, and monitoring and evaluation (M&E) results.

Almost all DPs indicated using government-published data for planning and reporting purposes. This type of information includes statistics on population, labor, employment, health, education, and other socio-economic indicators. DPs cited national databases such as GoN’s Central Bureau of Statistics, the Nepal Rastra Bank (also known as the Central Bank of Nepal, which compiles national economic data and reports), and sector-specific ministries (finance, health, education, etc.) as resources for this type of data. A number of DPs also mentioned referring to official published documents such as the Nepal Portfolio Performance Review (NPPR) in order to align proposed projects with the government’s priority areas.

For national budget and aid figures, several DPs mentioned using the MoF’s Red Book and White Book, annual publications that compile the amounts of national expenditures. Of the two, the Red Book is more comprehensive and includes the budget allocations and line items for all ministries and departments, as well as information on the national debt. The White Book includes a detailed breakdown of projects financed by foreign assistance. Both the Red Book and White Book can be downloaded from the MoF’s website. Some donors also mentioned using information systems such as the Education Management Information System (EMIS) and the District Planning and Monitoring Assessment System (DPMAS). These systems provide sector-specific data and they are not used universally.

When explaining why they accessed data from these government sources, DPs mentioned two major reasons: accessibility and reliability. Information from these databases and ministry websites are easily accessible online and in published documents. At the same time, most DPs did not question the quality or accuracy of the data and thus had few qualms about using it (even while lamenting some gaps in the data).

Beyond government data, DPs – especially program staff and department heads – cited project-level data from their own project databases, as well as other donors,’ as important for information-sharing and decision-making. Project-level data include budgetary information, demographics of beneficiaries, project locations and geographic information, and survey data. M&E results from relevant projects are also key resources, as DPs want to know and share positive and negative outcomes of projects, lessons learned, and best practices. One DP mentioned that reusing M&E and survey results of fellow donor saves time and resources, and builds a foundation of shared knowledge among the donor community. DPs also often refer to other donors’ country strategic documents for a big-picture assessment of a particular donor’s strategic goals and alignment with GoN’s priorities, which some DPs cited as important for avoiding duplication efforts and to identify key areas for cooperation.

Universally, donors use their own internal databases and other donors’ websites to obtain project-level data and country strategic documents. Every donor agency has its own internal database (such as United Nations’ Global Atlas or World Health Organization’s (WHO)

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7 Dustin Homer and Dina Abdel Fattah, Understanding Government Data Use in Nepal: Report on a Study Conducted for DFID (Washington, Development Gateway, Inc.: 2014)
Institutional Repository for Information Sharing (IRIS)), but almost all of them are not public-facing portals. USAID and DFID have publicly accessible databases that house their own agencies’ project information, and several DPs cited these as useful resources.

Finally, DPs also rely on **direct interaction** with fellow donors to get the information they need. Donor coordination mechanisms, both formal and informal, are essential in how DPs obtain and share information. These mechanisms are explained more in depth in the next section.

**Donor Coordination**

*All donors suggested that planning and coordination decisions depend on information garnered through close, interpersonal coordination mechanisms and formal donor sector working groups.*

There are several forums for coordination in Nepal that target different decision levels. Country level coordination takes place in the International Development Partners Group (IDPG). Several donors interviewed had active participation in sector level coordination through sector working groups. In this context, donors come together to discuss evolving changes in the field and new initiatives, to provide information on potential projects, or exchange recent evaluation results. In particular, the sector working groups for education, health and agriculture are long established and highly used mechanisms. Donors also participate in thematic working groups that focus on cross-cutting or topical development issues such as disaster relief or climate change mitigation/adaptation. Some donors referred to coordination at the project level, with funding or implementing partners (IPs). Within the rural transportation sector, for example, donors invite all interested parties to participate in project steering committees to learn about the development of a new project, even if the donor is not directly involved in the project. The government has also taken a lead in bringing donors together for joint discussions. Donors suggested that a strong coordination exists also between government and DPs through local donor meetings organized by the MoF twice a year, the Nepal Development Forum (NDF), and the NPPR process.

Overall, these forums and interpersonal donor networks are the preferred sources of information for identifying what donors are doing and where, which presents opportunities for

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9 The NPPR is a joint forum of the GoN and the development partners held in the last several years. Its objective is to improve the performance of the projects and programs that are funded by development partners. All partners working in Nepal are invited to the annual meeting, but there are 12 core members representing 80% of foreign aid investments in the country. The direct outcome of this meeting is the NPPR Action Plan with specific doable and measurable actions, including the identification of responsible agencies and timelines that focus on key areas such as public financial management, procurement, human resources management, management for development results and mutual accountability. The implementation of the Action Plan is monitored jointly under the leadership of the MoF periodically. Ministry of Finance. “Nepal Portfolio Performance Review.” Government of Nepal, 2014.
collaboration/coordination, and identifies areas of possible duplication. The IDPG and sector working groups were reported to be the primary spaces for exchanging information on donor activities, including evaluation reports and planned programming, as well as key forums for discussing challenges to implementation and aid effectiveness in the country.

Donors argued that coordination has positively evolved over the last decade in Nepal. Several interviewees (who had comparative experience in other countries) suggested that their own agencies and others have been responsive to the mandates of the Paris Declaration. Donors that had a long-term perspective on the evolution of donor coordination in Nepal also explained that more platforms for common discussion are now available and more results-based evaluation reports are shared, which guides effective project design and implementation.

All donors interviewed agreed that in Nepal, donor coordination -- with its mix of close, interpersonal relationships and systematic, organized mechanisms -- provides reliable sources of information. In their experience, existing open aid platforms, such as the AMP, do not provide the level of richness and detail of the information gathered through established coordination mechanisms. Relatedly, donors suggested that the reporting requirements to provide such detailed information would be too great a burden and still not fully capture the needed data such as forward spending and evaluation information. In addition, since coordination forums are a source of information that pre-dates the AMP, many donors did not express a need for a separate resource.
**Figure 4.2: Donor Coordination Landscape**

**AMP Reporting and User Experiences**

*Donors are committed to reporting timely aid data, despite several perceived constraints in complying with reporting requirements. However, difficulties in reporting data spillover to donors’ attitudes about using the data for their own purposes. They are skeptical about their potential use of the AMP, even if these issues are addressed. Despite weak recognition of the AMP’s direct benefits to donors’ information environment, donors still play a large role in supporting and advancing open aid data in Nepal.*

There is observable variation between donors in terms of their respective agency’s experience reporting to the AMP and their willingness to report this data in a timely manner. These experiences are affected by a number of factors: technical constraints, such as agency level internet connectivity and/or security measures that make reporting cumbersome and time-consuming; confusion over fiscal year timelines, disbursement categories, and other classifications within the AMP system; the degree of compatibility of data within internal systems and the data reporting standards of the AMP system; and the level of internal support for
data reporting. In addition to these constraints, there is some discernible variation in donors’ reported level of engagement with the MoF, as evidenced by their awareness of, and participation in, AMP trainings and workshops.

Beyond technical problems or issues with accessibility, the vast majority of donors said that most their difficulties reporting to AMP are due to the underlying structure of reporting classifications in the AMP and nonalignment with internal donor reporting systems. Most donors note that they often have to alter or finesse their data to comply with reporting categories in the AMP, which may lead to perceived inaccuracies or discrepancies in reporting. These issues were particularly pronounced for multilateral donors, multi-donor trust funds, donors giving on-budget aid, and implementing agencies.

For example, donors such as the International Labor Organization (ILO) do not fit neatly into the “donor” or “implementing agency” category, which complicates reporting to the AMP and leads to what donors argue are misrepresentations of their total assistance. Another commonly reported problem is the issue of double counting. For example, the World Bank often administers multi-donor trust funds in Nepal. When it comes time to report these multi-donor funds to the AMP, several donors will record the total trust fund amount as their individual contribution. Finally, multilateral organizations often cited concerns with reporting of their on-budget aid, since the government inputs this information directly rather than the donor.

Overall, donors claim data reliability, granularity, and timeliness are major challenges to overcome before the open data provided by the AMP are preferred over internal DP or government systems. Interviewees suggested that confidence in open data can be improved with more monitoring, validation processes, reminders to donors to report in a timely manner, and more training. Opinions on this subject were somewhat divided, however, with some pointing to donors as the culprit for “putting forth the minimal effort to report,” while others claimed the government was to blame. It was also unclear the extent to which donors are taking advantage of the training currently offered by the MoF.

Even with these issues, almost all donors acknowledged the benefit of the AMP, saying the AMP is a good tool for government, is user-friendly, and straightforward (although a few donors said the opposite: some say it is complicated to use). They also noted that improvements have been made, particularly insofar as double counting has been addressed and minimized. Some donors were highly satisfied with the technical assistance of the MoF in solving these issues and providing clear guidelines.

Overall, however, donors stressed that existing coordination channels are currently meeting their data needs and they do not yet see the distinct value added of AMP or other open data sources, such as IATI or AidData (about which there is low awareness). They are somewhat dubious that the AMP and other open data sources will assume larger role in their information ecosystems in the near future, even if many of these issues are addressed. At the same time, they are optimistic that even as the AMP is not used as a direct source of key information for donors in their aid planning and management, it is a significant tool for the government to attain comprehensive information on donors’ activities in Nepal and thus important for government-donor coordination, oversight and management.
Preliminary and Potential Use of the AMP

According to one of the donors we interviewed, “we’ve been doing donor mapping long before AMP, it just may not have been as comprehensive.” As this comment illustrates, there is a longstanding tradition of donor mapping in Nepal, but this has been done by collecting data directly through contacts in other donor agencies and existing donor coordination mechanisms discussed earlier in this chapter. Donors rely on sources of information on aid other than open aid platforms for a number of reasons. To a certain extent, resistance to using the AMP is linked to persistent concerns over quality of data mentioned earlier. Furthermore, consolidated information in public portals often loses the kind of detail and accuracy to meet donors’ data needs. Furthermore, independent of data accessibility and quality issues, the vast majority of donor agency staff said that they preferred direct interpersonal contact with other DPs or MoF. This is perceived as key to developing technical-level relationships based on data sharing and informal cooperation that are highly valued in the diplomatic context of foreign aid. In this way, open aid platforms could be seen as a competing, rather than supplementary or complementary, source of aid data.

Despite the overall trend and preference for using interpersonal and informal networks to access aid information, donors did highlight early uses and uptake of the AMP. Most DPs stated that they used open aid data as points of reference for reports and publications, such as country strategy documents, annual reports, and the National Development Policy Cooperation Report. Several interviewees signaled that AMP has also been useful in responding to external inquiries from donor headquarters. Since these requests are frequent, and often unpredictable, having a ready external source of snapshot aid information in Nepal, (e.g. summary statistics on top sectors, donors, and projects) greatly facilitates intra-organizational information exchanges. A few sources said that aid data occasionally informed donor discussions regarding future planning, particularly at higher levels of strategy such as the NDF or the NPPR.

Apart from current uses of aid data, DPs are optimistic about the potential usefulness and impact of open aid data. When asked which aspect of open aid data they found most promising, interviewees almost universally pointed to the geospatial data and mapping functions of the AMP. A majority of interviewees suggested that maps would likely make their decision-making easier and more efficient. However, the interviewees had not personally explored this functionality yet, so it was impossible to test this hypothesis. A couple of donors also highlighted the potential utility of incorporating more rich and detailed reporting categories into the AMP, such as forward spending or performance monitoring outcomes. In articulating these aspirations, however, donors conceded that the donor capacity to report this information in a timely manner was limited, and possibly out of reach for most agencies due to human resource constraints.

Sustaining Aid Transparency

The perceived sustainability of the AMP is essential to both incentivizing timely reporting to the system and in turn the use of the data generated by the AMP. Donors see the MoF as approachable and as champions of open aid, but generally lacking sufficient staff and technical capacity to fully “own” and sustain the system. Donors consider political commitment as critical
sustaining open aid in Nepal: nearly all interviewees commented that the GoN needs to take a stronger initiative in furthering its open aid data platform through building internal capacity, fostering a “culture of data analytics and use,” and involving additional bodies other than the MoF, such as line ministries. Involvement of the National Planning Commission (NPC) was seen as especially critical in improving aid planning and coordination, given their impact on line ministries and sector planning. Finally, some donors expressed concern that the GoN needed to identify an internal source of funding for the AMP so that this platform was financed through a permanent line-item in the national budget line-item rather than through donor funding.

To address some of these concerns about sustainability, most donors expressed the need for more training within DPs, INGOs and within other levels of government (e.g. NPC, line ministries, parliament, and local branches of government). They argued that additional trainings could improve awareness and use of the AMP, as well as the data quality of the system, but these trainings must be frequent enough to overcome high turnover of the one or two individual reporters within each DP agency and within government ministries. Donors also suggested extending this training beyond the AMP focal points to include training and awareness building among program level staff. Program staff not only brings a different perspective on project planning and implementation, but they also have different potential uses of the data, which they will likely bring to their job tasks and roles.

**Government Relationship with Donors**

*Donors readily recognized the value of open aid data for the GoN, which has helped government decision-making processes and relationship with donors.*

Donors identified the GoN as a primary beneficiary of open aid platforms and transparency movements. Several donors suggested that, as a result of complete and accurately reported aid information, the government is better informed and thus can provide better aid allocation guidance to DPs. According to some interviewees, open aid platforms can also enable better planning and mutual accountability between donors and the GoN in line with the objectives stated in the NPPR. xxii

The GoN has used the AMP and related reports to inform their planning and coordination with donors. For example, the DCR used AMP data to determine that one-third of the $960 million received in foreign aid was disbursed off-budget. The government has also used open aid information to advocate for certain projects or sector investments, as well as to pressure donors to move towards more on-budget aid allocation. Open aid data from the AMP, IATI and donors’ websites has provided significant guidance to craft a new development cooperation policy that tackles some of the structural issues of foreign aid in Nepal.xxii

Through the data collected in the AMP, the government also identified that aid in Nepal was highly fragmented. Aid fragmentation translated into high transaction costs in managing aid loans and grants, and additional reporting and auditing burdens for the GoN and DPs. For this reason, thresholds for loans and grants were built into the government’s 2014 Development Cooperation Policy (a decision that is not popular with many donors who have in the past provided grants, concessional loans and all other loans, under the newly established floors of $5,
Despite the positive changes in development policy, some donors warned that the GoN needs to take more ownership in setting aid priorities and in directing development assistance in Nepal to improve aid allocation effectiveness.

Many donors claimed that the existence of open aid initiatives such as the AMP have strengthened the relationship between donors and governments. Meetings between the MoF and donors are more frequent, and the MoF is more informed and more responsive to donor requests. Ongoing AMP-related workshops and other forums also provide a regular opportunity for MoF officials and AMP focal persons within agencies to voice their concerns, and make changes to, current aid policies and practices in-country.

Donors agreed that the GoN is a most likely user of the AMP, given its responsibility in allocating money and resources in alignment with their national priorities. There is some sense among donors that open aid information is helping to improve government’s decision making and dialogue with local stakeholders. The MoF has enhanced its budgeting and planning capacities as well as strengthened the relationship with donors through existing and new cooperation forums. Nonetheless, some donors expressed concern over the scope and depth of the use of aid information by the GoN, especially in the context of the NPC, line ministries, and parliament. Several donors perceived that open aid data is more for public knowledge than for policymakers, and thus open aid data (and open data at large) had yet to make a discernible impact on policy decision-making at the government level (especially local or Village Development Committee level).

Mainstreaming use of open aid data across Nepal’s government, including Parliament, may face challenges. Some donors (unprompted) suggested that a culture of data-driven decision-making is absent in Nepal’s young institutions. This is not only due to the historic issue of corruption and accountability in the government, but because many officials lack the requisite skill sets to engage in sophisticated data analysis. This was reiterated by the MoF delegation during the AMP workshop (as well as by other MoF representatives from other countries), where participants cited analytical capacity and technical constraints (such as lack of computers, well trained staff, server capacity, etc.) as major barriers to use of the AMP. This is consistent with the findings of Homer and Abdel-Fattah (2014).

The thresholds were established by type of assistance as follows: “The grant assistance of less than US$ 5 million will not be utilized except for the Sector Wide Approach Program (SWAp), Pool Fund, climate change, sustainable development grant, small grant for community development, small grant for rural infrastructure development, co-financial arrangements, humanitarian assistance, technical assistance, and capacity development. (…) Concessional loan of less than US$ 10 million per Stand Alone Project will not be mobilized. However, the Government can accept such loan if it is accompanied by high knowledge and technology. This threshold will not apply for the projects that fall under Sector Wide Approach (SWAp), Pool Fund, and Co-financing model. (…) Except the concessional loans, Government will not utilize other loan assistance that is less than US$ 20 million per project/programme. (…) Development partners will be encouraged to pool technical assistance fund in the Technical Assistance Pool Fund. The Government and Development Partners will jointly prepare the framework of the Technical Assistance Pool Fund mechanism. Technical assistance from the development partners can only be accepted when the technical capacity for a project’s implementation is not available within the Government system.”

*Development Cooperation Policy*, pp. 7-9.
A Paradox of the Transparency Movement?

Donors regard Nepal’s culture of openness and high interest in governance reforms under the new constitution as driving forces in the country’s transparency movement. Yet paradoxically, the investment and focus on transparency may have dampened donors’ use of data from open aid platforms, insofar as the broader transparency movement has created alternative, more comprehensive and trustworthy channels for information sharing.

Nepal is in a state of political transition following the Nepalese Civil War, which multiple donors see as fostering a conducive environment for the transparency movement. Citizens who were active in the political transition are now more invested in holding their government accountable and ensuring that their voices are heard. Donors see that citizens are now accustomed to demanding their rights. This has translated to a greater demand for open data, initially from the government but now more broadly, including from the donor community. In addition, Nepalese now have more access to information due to increased access to the internet, exposure to Western norms, and the growing freedom of the press and media to conduct investigative reporting.

More specifically, some interviewees point to members of Nepal’s technology community as leaders in the transparency movement, because of their ability to adapt and keep up with the dynamic nature of the work. One interviewee mentioned that many people involved in the movement, for example with open-street mapping in Nepal, do not do it professionally, but instead participate out of their own interest as citizens to create a resource that the public can use to hold their government accountable.

That said, even with a knowledgeable and tech-savvy portion of the population, a large part of the population cannot interpret available data and must therefore rely on data intermediaries. This is particularly true among local journalists. Journalists often have low analytical capacity with respect to data analysis, but can interpret data with help from data intermediaries, such as Freedom Forum. With this assistance, journalists in Nepal can take on an activist role through investigative reporting on development issues. This in turn can foster citizens’ demand for transparency and accountability.

Overall, this broader push for transparency in Nepal has opened channels for improved information sharing between donors. Since the early 2000s, donors noted a shift toward an increase in donor friendliness, openness to sharing information, and responsiveness with other donors, the government, and CSOs. Because of the transparency movement in Nepal, donors now freely share results, attend sector-working groups, and actively coordinate with other donors. According to some donor staff who have worked in other countries, donor coordination mechanisms, both formal and informal, are stronger and more active in Nepal. As a result, donors believe their current data needs in regards to aid information are adequately met. These established channels and mechanisms for transparency, therefore, reduce the need for using data from a parallel system, such as the AMP.
Conclusion

This section returns to the paper’s original research questions and hypotheses. To what extent, if at all, does open aid data, though national systems like the AMP or global systems such as IATI and AidData, figure into the information ecosystems of donor agencies? And how does the access to open aid data impact donor effectiveness, as measured by changes in monitoring and evaluation practices, the internal operations of donor organizations, alignment of aid priorities, and aid coordination?

The open aid theory of change, discussed in the PRP Report’s Chapter Two, hypothesizes that access to aid data improves donor coordination, which in turns leads to more effective aid through more efficient targeting, allocation and pooling of aid funds. Contrary to the predicted expectations, there is little evidence among donors in Nepal that access to open aid data has shaped donor coordination. The existence of open aid information, such as the AMP, has not appeared to change intra-donor relations, as these relationships and coordination mechanisms in Nepal were previously strong and pre-date the existence of the AMP. At this time, instead of using the AMP, donors continue base their planning and coordination decisions on information garnered through close, interpersonal coordination mechanisms between donors.

We also found some evidence of where open aid does or does not yet affect other aspects of donor decision-making and behavior. With respect to monitoring and evaluation, our interviews reveals that most donors see open aid data in its current form to be too high-level (aggregated) for use in performance or impact assessments. Such utility for M&E is also dampened by the existence of established channels (namely sector working groups and the IDPG) for sharing information on indicators, results, and ways to improve projects. Interviewees suggested that to incorporate enough information into the AMP to meet donors’ needs for monitoring and evaluation would be too arduous of a reporting requirement and would not likely match the quality of information currently available.

Nonetheless, we found that Nepal has a number of conditions that have created an enabling environment for transparency initiatives and strong donor coordination writ large that suggests a positive picture for the future use of open aid data. These lessons may in turn provide insight for promoting open aid use in other countries. We highlight here three particularly important conditions:

- **The presence of strong political commitment and government buy-in for aid data.**
  
  From the beginning of the aid transparency movement, the GoN has taken an active leadership role in signing on to various transparency initiatives and in opening up government information to the public (e.g. right to information laws). In addition to strong political support for transparency, the MoF has actively promoted a government-run aid information management system to the public and donors. The leadership of particular champions within the MoF and the lack of employee turnover have ensured continuity in their interactions with donors.
• **The presence of an emerging civil society and tech-savvy open data community.** As summarized earlier in this chapter, donors regard Nepal’s culture of openness and high investment in governance as driving forces of the transparency movement. Citizens are invested in holding their government accountable, there is also a strong tech community (citizens, CSOs, university students) that is demanding open data, and the media has taken an active interest in reporting on stories of government transparency.

• **The presence of appropriate incentive structures for governments and donors.** Foreign aid represents a significant share of Nepal’s national budget. For this reason, the government is interested in creating more open and transparent financial systems to effectively plan and manage the national budget. On the donor side, the GoN has established reporting requirements and policies that compel donors to cooperate with the government in releasing aid data. For example, in 2014 the MoF initiated a new mandatory reporting policy for all donors that contribute technical assistance to Nepal. While there is no formulaic prescription for what types of incentive structures work in different contexts, it is clear that both governments and donors need to have some incentives in place to ensure that aid data systems work as intended. These incentives appear to exist in Nepal, at least at the time of our study.

Although these conditions foster the development of aid data platforms, they also may limit donors’ use of the systems for decision-making. Contrary to expectations, the presence of strong donor networks and coordination mechanisms appear to dampen, rather than enhance, donor demand and use of open aid data. Donor see the aid data provided in public portals to be parallel to, and often less useful than, sources of information obtained through donor networks, such as working groups or the IDPG, and donors’ internal tracking systems. In a different developing country context that has weaker donor coordination mechanisms, aid management systems may have a different effect. To paraphrase one donor, “in Nepal, where donor coordination is so good, there are many reliable sources of information apart from the AMP. In countries where donor coordination is weak, the AMP may be more useful or necessary.”

In addition, the type of donor actor and the unit where decision-making occurs matters in whether or not aid data improves donor coordination and aid effectiveness. For example, IPs are a distinct category of donor actor that may benefit from the AMP. Since IPs are aid project implementers rather than primary funders, they are one step removed from the aid decision-making process and are not always connected to donor information sharing networks. As a result, the AMP can be a useful tool for IPs, including INGOs, who would not otherwise have access to reliable information on donors’ funding and projects. A secondary potential benefit of aid data for IPs is that tools like the AMP expedite the aid project approval process and improve the government’s coordination of IPs and donors. Almost all IP interviewees stated that the government is now better informed about the geographic regions and sectors where donors operate, which makes the government better able to link IPs to donors that match their regional and sectoral priorities.

Consistent with this finding, the unit or level of analysis for decision-making also matters in the demand for, and utility of, aid data. Many donors have decision-making and budget execution processes in place at the headquarter level. Bottom-up, local aid data from in-country systems
such as the AMP are less likely to influence these higher aid allocation decisions and more likely to inform decision-making at the level of individual project concept or design, coordination, and implementation. To date, the interviews suggest that open aid data are most useful at the project concept or design phase, when individual donors or IPs try to identify future contracting opportunities or gaps in supply and demand of aid-funded services in order to carve out niche areas of work. Nevertheless, some donors mentioned the use of geospatial aid data in particular sector group settings, such as the Agriculture and Food Security Working Group, which also might suggest that aid data are more relevant to certain sectors.

Overall, donors believe open aid data principally benefits CSOs, government and implementing partners. Among donors, there is growing awareness of the AMP and the efforts of the GoN to improve data quality and provide more frequent trainings. Even though access to aid data has not directly changed donor coordination, evaluation or internal operations, it has had an indirect effect on donor behavior through government coordination of aid policy. Open aid is playing a crucial role in the government’s management of aid allocation to avoid fragmentation and further align foreign assistance with national priorities. Donors at large were this optimistic about the potential role of the AMP in fostering donor coordination with the GoN, in optimizing the work of IPs and in ensuring aid effectiveness through a better-informed national government and CSOs.

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