# *IATI inputs to Elements Paper on Financing for Development*

*to inform the Co-Facilitators of the FfD4 Outcome Document in their preparation of an elements paper*

*October 2024*

### Executive Summary

As the Fourth International Conference on Financing for Development (FfD4) approaches, the global financing landscape demands an ambitious and integrated framework. The complexities of financing global public goods—such as climate action, health systems, and digital infrastructure—require a radical shift from the traditional focus on Official Development Assistance (ODA). This evolving landscape presents an urgent need for transparency, accountability, and a commitment to innovation in tracking and mobilizing diverse financial flows.

The International Aid Transparency Initiative (IATI) has a central role in this transformation. By providing a robust platform for reporting and tracking international financing, IATI can help ensure that financial flows align with the Sustainable Development Goals (SDGs), creating accountability and fostering informed decision-making across multiple stakeholders. IATI's open data standards, capable of tracking investments from public, private, and non-governmental actors, can serve as the backbone for a more transparent and effective development system.

IATI offers the operational experience and multilateral platform to be pivotal in operationalising Integrated National Financing Frameworks (INFFs). By providing the open, comprehensive data for all international development financial flows in real-time, IATI’s open data standard ensures that governments can integrate all international resources—whether traditional ODA, private sector investments, climate finance, or South-South cooperation—into their financing frameworks. This enhanced transparency fosters accountability, strengthens governance, and empowers countries to take full ownership of their development agendas, all while ensuring alignment with global public goods (which can be reported under SDG 17.3.1). IATI data is already being reported on climate action and the IATI Standard has been utilised in previous reporting frameworks, including the United Nations system-wide reporting of financial data and the Grand Bargain’s reporting of humanitarian financing.

There are actionable reforms for the international community to consider.

1. **A new commitment is needed to ensure all international resources for sustainable development and global public goods are transparent.** Since 2015, the complexity of the international financing landscape has grown exponentially, requiring greater transparency to enhance effectiveness and trust in international cooperation.
2. T**he global community should commit to publishing data on all international resources via the International Aid Transparency Initiative (IATI).** Already, 1,700 entities—including governments, MDBs, foundations and investment funds—have endorsed IATI’s data Standard by publishing $3.5 trillion. Their efforts have extended transparency beyond traditional ODA reporting.
3. **By publishing to IATI, governments gain greater visibility of resources at the country level through a single, comparable standard.** Every year more governments leverage IATI’s unparalleled timely, forward-looking and project-level dataset for budgeting and development planning. IATI data also offers value for informing Integrated National Financing Frameworks (INFFs).
4. **IATI’s flexible open data Standard provides a framework for tracking financing for global public goods, which can be reported under SDG 17.3.1.** IATI data is already being reported on climate action and the IATI Standard has been utilised in previous reporting frameworks, including the United Nations system-wide reporting of financial data and the Grand Bargain’s reporting of humanitarian financing.

### A global financing framework

The 2024 Financing for Sustainable Development Report (FSDR) highlighted that the landscape of development finance has become more complex. As new actors and diverse funding sources enter the development space, the need for reliable, high-quality data on financial flows has become critical.

Although the AAAA Outcome Document recognised the importance of transparency and the publication of “timely, comprehensive and forward-looking information on development activities in a common, open, electronic format”, governments still lack access to this critical data.

Furthermore the 2024 Financing for Sustainable Development Report (FSDR)—highlighted that “there has been limited progress on country ownership” and said this agenda along with the effectiveness agenda needed to be revitalised. Without governments knowing what resources are coming into their countries, when and for what purposes, they lack the information to align them with domestic resources and national development priorities, undermining the principles of country ownership and effectiveness.

Resources for global public goods is growing, with innovative instruments being used to mobilise such financing. These resources need to be visible to governments at the country level and transparent for public scrutiny to build trust in this emerging form of international cooperation.

For governments to effectively align these resources with their national development priorities, they need reliable, real-time data on financial flows. INFFs serve as the backbone for this coordination by allowing countries to manage, plan, and monitor financing from both public and private sources, including international development cooperation, domestic resources, and global public goods. However, without transparency, the alignment of these resources becomes a significant challenge.

IATI encourages all organisations involved in providing and implementing international resources to address poverty and crises—such as donor governments, development finance institutions, and foundations—to publish data throughout international delivery chains. This data is shared using the IATI Standard, a framework designed to ensure that development and humanitarian information is useful and accessible. Once published, IATI data is freely available online for anyone to access.

IATI's data platform offers a solution. By adopting IATI's open data standards, countries can incorporate all international financial flows into their INFFs, providing greater visibility and oversight at the country level. IATI ensures that data is timely, forward-looking, and project-specific, enabling governments to track how resources are allocated and ensure they align with national development strategies. This transparency is critical to revitalizing the AAAA agenda, particularly in fragile and conflict-affected contexts where resource allocation needs to be closely monitored to ensure impact.

### II. Action Areas

**A) Domestic Resources**

Countries will be able to make better informed decisions on their domestic resource mobilization efforts by having access to accurate, timely and comprehensive international financing data. Ensuring the publication of international financial flows, public and private, to the IATI Standard is a critical part of supporting countries in the decision-making processes for the strategic planning, management and mobilization of domestic public resources.

**B) International Private Business and Finance**

Encouraging private sector participation in development financing is essential. This includes fostering an enabling environment for businesses to invest in sustainable initiatives, supporting blended finance mechanisms, and aligning corporate social responsibility with national development goals and bridging the SDG financing gap. By publishing and demonstrating the impact of private investments through IATI, stakeholders can assess their contributions to development objectives and ensure accountability.

**C) International Development Cooperation**

A new era of international development cooperation will depend on a common platform to ensure the quality of cooperation and its impact across traditional development assistance, humanitarian assistance, and in delivering global public goods, including novel planetary and digital public goods.

Already, 1,700 entities—including governments, MDBs, foundations and investment funds—have endorsed IATI’s data Standard by publishing $3.5 trillion and extending transparency beyond traditional ODA. By publishing to IATI, governments gain greater visibility of resources at the country level through a single, comparable standard. Every year more governments leverage IATI’s unparalleled timely, forward-looking and project-level dataset for budgeting and development planning. IATI’s flexible open data Standard provides a framework for tracking financing for global public goods, which can be reported under SDG 17.3.1.

In-country dialogues on effective development cooperation that are evidence-based and multi-stakeholder can strengthen planning, budgeting, implementation, and allocation decisions. Integrated National Financing Frameworks (INFFs) are crucial tools for enhancing effective development finance. IATI provides an open data standard and platform for anchoring effective development cooperation across all forms of international financing, fully aligned with INFFs to increase the impact of all types of development cooperation.

**Proposed Targets**:

* 100% of existing and new Integrated National Financing Frameworks (INFFs) reference IATI data as a source of information.
* All international financial resources must be published according to the International Aid Transparency Initiative (IATI) standard.

**D) International Trade as an Engine for Development**

International trade is a powerful driver of economic growth and poverty reduction. We must work toward enhancing trade capacities in developing countries, ensuring they can effectively participate in global value chains. This includes simplifying trade regulations, reducing tariffs, and addressing non-tariff barriers. Tracking trade-related financing through IATI data could be leveraged to generate insights into how trade contributes to sustainable development goals.

**E) Debt and Debt Sustainability**

Addressing the challenges of debt sustainability is critical for many developing countries. We must prioritize transparent lending practices and ensure that debt is used to finance development rather than hinder it. Developing countries need access to debt relief mechanisms and financial tools that promote sustainable growth. IATI can provide a vital platform to showcase international public investments that can be leveraged by the private sector to inform concessional financing.

**F) Addressing Systemic Issues**

We must tackle systemic issues that hinder development finance. This includes further increasing the voice and representation of developing countries in development financial institutions and fora and strengthening accountability across all forms of development financing. The publication of financial data to the IATI Standard across the development finance ecosystem would ensure that recipients of development finance would be empowered with more comprehensive, accurate, usable and timely data to inform their negotiations and multilateral engagement. The use of IATI data also supports national and international accountability, monitoring and follow-up processes.

**G) Science, Technology, Innovation, and Capacity Building**

Investing in science, technology, and innovation is essential for driving development and achieving the SDGs. This includes fostering partnerships between governments, academia, and the private sector to promote research and development. IATI data can play a vital role in this technology and innovation ecosystem, supporting new tools with a multilaterally assured standard for interoperable data.

### III. Emerging Issues

#### Scaling up integrated development financing frameworks

Integrated national financing frameworks (INFFs) should be the primary financial planning tool at the centre of country-level efforts to deliver the FfD4 agenda, guiding public, private, domestic and international financing policy for sustainable development. The success that many countries have realised in mobilising and aligning financing for sustainable development through these frameworks since they were introduced by UN Member States in the Addis Ababa Action Agenda. Progress in strengthening the national financial architecture can reinforce and catalyse accelerated reform of the international financial architecture.

#### Enhancing Development Effectiveness

FFD4 presents a unique opportunity to ensure that development effectiveness, a focus on quality and on countries’ leadership on their development strategies continue to be recognized as important and integral parts of the broader discussion on development finance. To embark on this new era of development effectiveness, FFD4 provides the opportunity to:

* Protect the integrity of and reaffirm commitment to the effectiveness principles. The internationally agreed development effectiveness principles - country ownership, focus on results, inclusive partnerships, transparency and mutual accountability - are foundational to long-lasting results amid changing needs and in an environment of scarce resources. They build on decades of experience of what works and are relevant to all types of development finance beyond Official Development Assistance (ODA).
* Work towards providers converging around ambitions to improve impact and partnerships. Those engaged in aid/development effectiveness made similar, but slightly different commitments to providers of South-South Co-operation (e.g., in BAPA+40). Despite different histories, the challenges they face are similar. Recognizing differences and promoting a common understanding among various actors, could be a prelude for greater harmonization and donor coordination.
* Further international dialogue on how to make development co-operation effective across priority sectors and policy areas. This could include in areas such as private sector engagement, climate action and finance, job creation and promoting marginalized groups, as well as on practical steps to ensure development cooperation aligns with priorities by local actors at country level and focuses on leaving no one behind.
* Evidence-based, multi-stakeholder dialogues in countries on effective development co-operation that are linked up to existing platforms and activities, and influence planning, budgeting, implementation and allocation decisions. Such dialogues at country level can in turn inform inclusive and open global dialogue on emerging challenges and opportunities to increase the impact of all types of development co-operation.

Since 2015, significant improvements have been made in open data standards, with IATI emerging as a key player in publishing detailed, comparable financial data. Publishing all forms of international financial data through IATI will reinforce development accountability and effectiveness, particularly by connecting development assistance, humanitarian aid, and the financing of global public goods, including climate and digital public goods.

### IV. Data, Monitoring, and Follow-Up

The importance of robust data, effective monitoring mechanisms, and systematic follow-up processes cannot be overstated in the context of financing for development. As the global community mobilizes resources to achieve the Sustainable Development Goals (SDGs) and addresses the complexities of today’s challenges, the need for accurate, accessible, and actionable data is paramount. The International Aid Transparency Initiative (IATI) plays a crucial role in facilitating this data ecosystem by providing a framework that supports transparency, accountability, and evidence-based decision-making.

#### A. Enhancing Data Accessibility

1. **Promoting Open Data Standards**: IATI promotes the use of open data standards to ensure that development finance information is accessible and usable by all stakeholders. By adopting the IATI Standard, development actors can publish their data in a consistent format that is easily comparable and interoperable with other reporting frameworks, such as the OECD's Development Assistance Committee (DAC) and the United Nations' Sustainable Development Goals (SDGs).

*Example:* The United Kingdom's Foreign, Commonwealth & Development Office (FCDO) publishes its aid data according to the IATI Standard, allowing for easy access to information on funding flows, project details, and results achieved. Since 2012, **r**ecipient organisations of aid from the UK have also published to the IATI Standard.[[1]](#footnote-2) This transparency enables civil society organizations and local governments to track funding and hold development partners accountable.

1. **Enabling Data Portals and Dashboards**: IATI enables the development of data portals and dashboards, including [d-portal.org](https://d-portal.org/ctrack.html#view=search) and [Country Development Finance Data](https://countrydata.iatistandard.org/) that visualize financial data and project outcomes. IATI manages its own tools and dashboards that empower stakeholders to analyse trends, assess the effectiveness of interventions, and identify gaps in funding.

*Example:* The US Government’s data portal, [Development Cooperation Landscape tool,](https://foreignassistance.gov/donor#:~:text=Explore%20what%20other%20development%20organizations%20are%20doing%20in%20a%20country%20(as%20reported%20in%20the%20International%20Aid%20Transparency%20Initiative).%20Data%20can%20be%20compared%20across%20sectors%2C%20organizations%2C%20and%20activities%20in%20a%20highly%20visual%20and%20interactive%20dashboard.) provided by USAID and the U.S Department of State supports government staff to access IATI data on the spending and activities of other development organisations. Their online data portal aims to improve the collaboration of US agencies with other organisations delivering development activities within the same developing country[[2]](#footnote-3).

#### B. Monitoring and Evaluating Development Outcomes

1. **Setting Indicators**: IATI encourages financing data to be linked to the SDGs. By aligning financial data with specific outcomes, stakeholders can evaluate the effectiveness of investments and ensure that financing is directed toward achieving sustainable development.

*Example:* The African Development Bank has adopted the IATI Standard to publish data on the result of their development spending [[3]](#footnote-4). The Bank’s data portal, [Map Africa](https://mapafrica.afdb.org/en) offers a clear view of how IATI data is being used to monitor the implementation of their “High 5 Priority” development outcomes: Light up and Power Africa, Feed Africa, Industrialize Africa, Integrate Africa, and Improve the Quality of Life for the People of Africa.

1. **Real-Time Reporting**: One of the strengths of IATI is its capability for real-time data reporting. Development actors can update their financial information regularly, allowing for timely assessments of funding flows and their impacts.

*Example:* GAFS — The Global Alliance for Food Security (jointly convened by the World Bank Group and the German G7 Presidency) — is using IATI to access real-time data to act swiftly in response to emerging food crises. IATI provides weekly updates on data published on the spending and activities of Food and Nutrition Security to GAFS Global Food and Nutrition Security Dashboard[[4]](#footnote-5). GAFS is this data to inform its Food Security Crisis Preparedness Plans (FSCPPs), which have already been created by 25 countries[[5]](#footnote-6) and over 60 additional countries expected to develop plans by 2030.

#### C. Promoting Accountability

1. **Engagement with Stakeholders**: IATI emphasizes the importance of engaging various stakeholders—governments, civil society organizations, the private sector, and local communities—in the monitoring and evaluation process. By involving diverse voices, the accountability framework is strengthened, and development actors are encouraged to align their efforts with local priorities.
2. **Feedback Mechanisms**: Establishing feedback mechanisms allows stakeholders to provide input on the effectiveness of development interventions and the use of financial resources. IATI can facilitate these mechanisms through its data standards and reporting framework. IATI encourages countries to implement citizen feedback tools that gather insights on the impact of development projects. Feedback from country dialogues can be incorporated into future planning and budgeting processes, ensuring that development finance meets the needs of communities effectively.

#### D. Supporting National Ownership of the 2030 Agenda

1. **Integrating National Financing Frameworks (INFFs)**: IATI supports the implementation of Integrated National Financing Frameworks (INFFs), which help countries identify financing needs, assess resource mobilization strategies, and align investments with national development priorities. IATI’s data provides critical inputs for these frameworks, enhancing their effectiveness and relevance.
2. **Capacity Building for Data Utilization**: IATI recognizes that data alone is not sufficient; stakeholders must also be equipped to use it effectively. Capacity-building initiatives focus on enhancing skills in data analysis, interpretation, and utilization for decision-making. IATI offers training workshops for government officials and civil society organizations, equipping them with the skills needed to analyze IATI data and utilize it in their advocacy and decision-making processes. This capacity-building effort ensures that data-driven approaches are integrated into national and local development strategies.

*Example:* IATI holds regular regional workshops to provides training on using IATI data for planning, budgeting, accountability, and advocacy[[6]](#footnote-7). These workshops work with diverse stakeholders across government, civil society and development partner representatives.

V. Overarching reflections

The need for robust data, effective monitoring, and transparent follow-up processes is critical for the future of development finance. IATI is well-positioned to play a central role in this ecosystem by providing a comprehensive platform for tracking and reporting international financing flows. By emphasizing transparency, accountability, and evidence-based decision-making, IATI can drive the effectiveness of development efforts and contribute significantly to achieving the SDGs and addressing the complex challenges facing our world today.

FFD4 presents a unique opportunity to reposition transparency, accountability, and data-informed decision-making at the heart of development finance. As the global community seeks to mobilise the necessary resources to achieve the SDGs and fund global public goods, it is crucial that development cooperation increases in volume and improves in quality and impact. The following key issues capture a proposal for action:

1. **A new commitment is needed to ensure all international resources for sustainable development and global public goods are transparent.** Since 2015, the complexity of the international financing landscape has grown exponentially, requiring greater transparency to enhance effectiveness and trust in international cooperation. The global community should further substantiate its commitment to transparency by publishing data on all international resources to the IATI Standard. This standard ensures data is interoperable with other reporting standards including the OECD, UN OCHA and the SDGs, in an open, common, electronic format. Transparent reporting of aid flows helps reduce fragmentation, streamline cooperation among various actors, and build trust between donors, governments, and civil society.
2. **The global community should commit to publishing data on all international resources via the International Aid Transparency Initiative (IATI).** The publication of all international financial data to the IATI Standard will strengthen financial accountability, by promoting access to reliable data and statistics that enable all stakeholders to track progress, understand trade-offs, and create mutual accountability. Already, 1,700 entities—including governments, MDBs, foundations and investment funds—have endorsed IATI’s data Standard by publishing $3.5 trillion. Their efforts have extended transparency beyond traditional ODA reporting. This can connect traditional development assistance, humanitarian assistance and the delivery of global public goods, particularly if efforts are concurrently made to strengthen capacity and use of the data.
3. **By publishing to IATI, governments gain greater visibility of resources at the country level through a single, comparable standard.** Every year more governments leverage IATI’s unparalleled timely, forward-looking and project-level dataset for budgeting and development planning. IATI data also offers value for informing Integrated National Financing Frameworks (INFFs). By publishing to IATI, governments gain greater visibility of resources at the country level through a single, comparable standard. Transparency fosters country ownership by providing governments and local stakeholders with the data needed to plan, implement, and monitor their development agendas. This is critical for enhancing aid effectiveness in vulnerable regions and ensuring that financing addresses the unique and dynamic needs of each country.
4. **IATI’s flexible open data Standard provides a framework for tracking financing for global public goods, which can be reported under SDG 17.3.1.** IATI data is already being reported on climate action and the IATI Standard has been utilised in previous reporting frameworks, including the United Nations system-wide reporting of financial data and the Grand Bargain’s reporting of humanitarian financing. By making financial information publicly available, IATI data empowers a wide range of stakeholders—from government officials to civil society, private sector, and academia—to engage in informed dialogue and hold decision-makers accountable. This inclusive approach strengthens policy-making processes and helps ensure that development efforts leave no one behind.

1. <https://www.iatiregistry.org/> [↑](#footnote-ref-2)
2. https://iatistandard.org/en/news/usaid-tool-launched-to-help-staff-use-iati-data/ [↑](#footnote-ref-3)
3. https://iatistandard.org/en/about/case-studies/afdbs-iati-portal-improves-development-investments/ [↑](#footnote-ref-4)
4. [*https://www.gafs.info*](https://www.gafs.info/home/) [↑](#footnote-ref-5)
5. Burkina Faso, Cabo Verde, Cameroon, Central African Republic, Comoros, Democratic Republic of Congo, Djibouti, Dominica, Ethiopia, Grenada, Haiti, Kenya, Liberia, Madagascar, Malawi, Mozambique, Niger, Sierra Leone, Somalia, South Sudan, St Lucia, St Vincent & the Grenadines, Tajikistan, Yemen. [↑](#footnote-ref-6)
6. <https://cdn.iatistandard.org/prod-iati-website/documents/IATI_Annual_Report_2022_EN.pdf> [↑](#footnote-ref-7)