

## **Publish What You Fund input on proposal for a revised transparency indicator**

We welcome the initiative taken by the IATI Secretariat to contribute to the current review of the Global Partnership (GPEDC) transparency indicator. We strongly agree that the development community should hold itself to account for the commitments made at Busan and the transparency indicator is a crucial part of this peer review process and the Global Partnership's monitoring framework.

On a technical level we support the view that the proposal should build on the methodological work that has been done to date using existing published data to the common standard, without re-visiting first principles. In addition the proposal should respond to the concerns raised by partner countries and civil society organisations to ensure that the indicator meets the needs of all development stakeholders, not just those of the organisations that are being assessed. The background paper "Progress Since Busan on Transparency and Accountability" prepared for the High Level Meeting in Mexico<sup>1</sup>, highlights that while there has been a good start in implementing the common standard by a leading group of development providers, *there is still not enough timely, comprehensive, comparable and forward-looking information on development cooperation being published* for partner countries to be able to use for their own strategic planning and budgetary purposes.

It is also important that lessons are learnt from the indicator-piloting phase, which lacked a transparent and clearly communicated strategy, timeline and process for consultation. While we agree that the aim should be for the indicator to become a useable data quality tool, the IATI Secretariat and its membership need to give equal thought to developing a strategy for how this proposal will feed in to the Global Partnership's broader review process and how IATI's experience can best inform discussions on the post-2015 agenda for sustainable development. In the lead up to the 2015 Busan deadline, IATI's focus should be on raising awareness of IATI among non-publishers and in supporting members to improve the quality of their publication.

This paper provides an analysis of the IATI Secretariat's proposal for a revised GPEDC Transparency Indicator and recommends some further improvements to the methodology. The first section summarises key points from both a methodological and a process perspective, followed by a more in-depth analysis of the proposed changes.

### **Summary of comments on methodology**

We welcome the majority of the proposed revisions, which will enable a better measurement of progress in meeting the commitment outlined in paragraph 23c) of the Busan Outcome document, which the indicator aims to assess. To summarise:

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<sup>1</sup> [http://www.publishwhatyoufund.org/files/2014/04/Transparency-and-accountability-discussion-paper\\_FINAL.pdf](http://www.publishwhatyoufund.org/files/2014/04/Transparency-and-accountability-discussion-paper_FINAL.pdf)

- We welcome the addition of the data quality dimension but are concerned that it could carry less weight than the other dimensions, particularly given its impact on the usability of the information. More detail is needed on how this will be measured and factored into the overall methodology.
- The addition of results, conditions and geo-coordinates are all positive steps forward.
- So is changing the time period for calculating forward-looking data to take into account information for current year + 2 years ahead (currently information can be counted as “forward-looking” even though by the time it is published it is actually historical).
- We support the new frequency measure for IATI publishers as it should be more accurate compared with the current measure.
- We also welcome bringing forward the period for calculating time lag for CRS publishers.
- While the proposal recognises the importance of the information being online, we strongly disagree that reporting time rather than publication time “could be accepted” given that reported data is not publicly accessible within the same timeframe.

### **Process and next steps**

The indicator methodology and the results of the initial monitoring assessment were not shared with all development stakeholders until the Global Monitoring Report itself was published, a few days before the High Level Meeting in Mexico, resulting in general dissatisfaction with both the results and the process. In the light of this experience, we would like to stress the need for a full and transparent consultation with all stakeholders on the review of the indicator, both within the IATI community and as part of the Global Partnership. It is important that the IATI Secretariat, together with its members, defines a clear strategy and timeline for this process.

### **Specific comments on proposed revisions to methodology**

#### Coverage of actors in the assessment

The text included in the proposed revisions seems to suggest that IATI publishers that do not report to the CRS could also be included in the assessment (for example, references to using organisation’s annual reports to calculate total spend figures); however the criteria for selecting which organisations will be assessed is not explicitly outlined in the proposal. The previous assessment covered all providers of ODA that had endorsed the Busan Partnership Agreement and had produced implementation schedules. The proposal also does not address whether there will continue to be a single assessment for bilateral providers (i.e. one per country).

- We welcome extending the coverage of the assessment beyond Busan endorsers with implementation schedules, but this needs to be clarified. The methodological and resource implications of this should also be considered.
- Not disaggregating by agency for bilateral donors remains a weakness of the indicator given the differences in the quality of information published by individual government agencies, especially to IATI. In order for the assessment to be accurate, agencies must be disaggregated; they could then be subsequently aggregated to provide a single “country” measure, although a methodology for aggregation should be spelt out.

### Weighting of indicators

A placeholder has been added for a fourth dimension for data quality and the proposal highlights the need to examine quality tests currently used by CRS and IATI to see if a common approach can be adopted (e.g. on completeness of textual information and presence of key fields based on activity status). However, this dimension could carry less weight than the data-driven dimensions.

- We welcome the addition of the data quality dimension but are concerned that it could carry less weight than the other dimensions, particularly given its impact on the usability of the information.

### Coverage ratio (activities published to IATI as a proportion of total activities)

The proposal suggests using a single measure of coverage ratio for all three dimensions (timeliness, level of detail, forward-looking). For bilateral CRS reporters this means comparing CRS Year-1 Country Programmable Aid (CPA) disbursements with Year-1 IATI CPA disbursements and expenditures. For other providers, it means comparing Year-1 total operational spend derived from other public documents with IATI Year-1 total disbursements and expenditures.

For Multilateral Development Banks (MDBs), it proposes adding CPA proportion of Other Official Flows (OOF) to CPA proportion of ODA, to take into account non-concessional flows.

- While it is logical to use a single measure of coverage ratio for all three dimensions of the indicator, using CPA instead of ODA has both advantages and disadvantages. The positive is that non-ODA flows that are country-programmable will be captured. The downside is activities such as bilateral contributions to multilaterals and other non-CPA activities will be excluded.
- We welcome including OOF for multilateral donors.
- Several IATI publishers still do not publish disbursement and expenditure transactions, but do publish other fields such as commitments or activity budgets. While all publishers should be using transaction elements, under this methodology their IATI coverage ratio will continue to count as 0 and only their CRS data will be taken into account (where it exists) if they do not. We would therefore recommend that if disbursements and expenditures are unavailable, budgets, and eventually commitments are used instead.

### Comprehensiveness (level of detail of information)

The proposal includes specific rules for individual fields that would not be expected to exist for every activity. It removes the following fields from the assessment: participating organisation (accountable and extending); other activity identifiers; activity description in recipient country language; sector agency; planned disbursement; reimbursement; related activity. It adds conditions, results and location coordinates in to the assessment.

- We welcome additions of specific rules for individual fields based on activity type or status, as this provides a more accurate assessment.

- We have no particular objections to the removal of most fields mentioned above other than;
  - planned disbursements. The logic provided for removing this is that it is not applicable to many publishers and doubles up as forward-looking dimension. This is contrary to the IATI logic, which differentiates between forward-looking activity budgets and providing specific dates for disbursements.
  - description in recipient country language. This is important information at country level and should be retained; a methodology for assessing this may require manual sampling.
- We support the addition of results, conditions and geo-coded data in the methodology – this is a big step forward.
- We disagree with the logic of weighting all fields equally and combining all project documents into a single field. Weighting all fields equally still means some types of information are more heavily weighted than others. For example, publishing various basic classifications (collaboration type, flow type, finance type, aid type, tied aid status) carries five times as much weight as all activity documents combined or results data.

### Frequency

The proposal calculates frequency based on when the observed most recent transaction date changes, i.e. assuming that all data is refreshed to that date and when the organisation started publishing to IATI. For CRS it brings forward dates for calculating scores by one quarter each, i.e. highest scores are awarded if information on the previous calendar year is available in January the following year. The proposal recognises that the time lag to report to CRS is relevant only if the information is also online within the same time lag, although the proposal notes that scoring the reporting time lag instead of the publishing one could be accepted.

- We support the proposed frequency measure, which is an improvement on the existing measure; however resources will need to be prioritised to implement it.
- We also welcome bringing forward the reporting period for CRS publishers – this is a very positive step.
- However we strongly disagree that reporting time instead of publication time could be accepted. The information is only useful to most actors if it is publicly available.

### Forward-looking data

The proposed change extends the years covered to Current Year, Year +1 and Year +2. For country budgets the numerator should be the number of country budgets in the organisation file for IATI publishers and the denominator should be the number of country records in the organisation file for the year being calculated. For FSS, the numerator should be (for each forward year) the number of partner countries for which only aggregate information is available and the denominator should be the number of partner countries for which only aggregate information is available for the base year.

For activity budgets: for IATI publishers, the numerator should be total number of activities that count as CPA containing an activity budget and the denominator is the total number of planned/current activities within the year being calculated. For FSS, the numerator should be (for each forward year) the number of activities with forward-spending figures and the denominator should be number of activities included in CPA in the base year.

- We welcome the change in calculating what constitutes as 1, 2 and 3-year forward-looking budgets.
- The changes in calculating the coverage for country and activity budgets are also positive.

#### Data sources

We support the proposal to include annual reports or other public documents for calculating total operational spend for non-CRS publishers but otherwise to continue focusing on IATI and CRS/FSS data.