

Aid Transparency Index – Methodology review

Guidelines document

November 2016

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Introduction

In April 2016, at the launch of the Aid Transparency Index, we announced our intention to review the Index methodology.¹ We gave more detail on our plans in a blog published in October 2016 on our website.² This document presents the new proposal for the 2017 Aid Transparency Index and for subsequent years.

These guidelines highlight proposed modifications to the existing methodology on categories used in the Index, the list of indicators, the weighting and scoring systems, as well as on areas of work on which we would like to improve or explore further. The changes reflect the priorities announced at the launch of the 2016 Index where Publish What You Fund outlined its intention to raise the bar, following three ambitious goals: raising the **visibility** and **quality** of data on aid and development finance and working towards removing barriers to data **use**.³

These guidelines are divided into five parts, in line with the proposed modifications to the methodology:

1. We are proposing to change the **categories** of the Index to reflect how aid transparency is understood by data users. This is primarily a change in presentation and will not affect Index scores.
2. We are proposing minor changes to the **indicators** being assessed in order to ensure that the list of indicators remains relevant and comprehensive.
3. We are proposing to change the **weighting** attached to specific indicators, to reflect the priorities identified by data users. The overall effect is to reduce the weight placed on organisational commitments and planning, and put more weight on finance and budgets, local level monitoring, joining-up data and performance.
4. We are proposing to change the **scoring** system to introduce two minimum thresholds for IATI publication.
5. We are consulting on **additional areas** where we are not currently proposing changes to the methodology but are inviting comments. This includes issues like data use and sampling.

For each section, there is a set of questions for which we would appreciate your specific comments. However, we also value general feedback and suggestions on the overall approach of the Aid Transparency Index.

Please feedback [via our online form](#), which will remain open until January 3rd.

Other aspects of the methodology remain unchanged. A detailed version of the existing methodology is available online at <http://ati.publishwhatyoufund.org/approach/methodology/>

Process

This document has been developed following a four-week initial consultation period. During that time, Publish What You Fund's research team has spoken with over 30 independent experts, activists and partner countries' governments in over ten countries including Afghanistan, Bangladesh, Burkina Faso,

¹ See 2016 Aid Transparency Report, p. 9: http://ati.publishwhatyoufund.org/wp-content/uploads/2016/02/ATI-2016_Report_Proof_DIGITAL.pdf

² See www.publishwhatyoufund.org/updates/news/reviewing-methodology-aid-transparency-index/

³ For more details on visibility, quality and use, see www.publishwhatyoufund.org/updates/blog/new-strategy-new-development-landscape/

China, Germany, Mexico, Mozambique, Senegal, the United Kingdom, the United States, Uruguay and Vietnam.

We are now moving to an open consultation period in which we invite individuals and organisations to submit their feedback to the proposals contained in this document. The timeline is described in the table below:

Stage 1	October 2016	Consultation with a selected group of people in partners countries, independent experts and peer reviewers
Stage 2	November – January 3rd	Open consultation on the proposals included in the guidelines document along with an online questionnaire
Stage 3	Early 2017	New methodology and timeline for next Index agreed

Please note that this consultation process does not cover the specific tests supporting data collection. Instead, we want to first focus the discussion on the general principles guiding the Index methodology and the broader aid transparency agenda. Once the new methodology has been agreed and the timeline for the next Aid Transparency Index communicated, we will publish details of the tests on Github and invite feedback.

Part 1- Categories

This section highlights changes to the categories that structure the Aid Transparency Index. The objective is to ensure that the categories describe the key components and principles of aid transparency simply and accurately. We are proposing to change the **categories** of the Index to better reflect how data is structured and used. This is primarily a change in presentation and will not affect Index scores.

In the existing methodology, categories of the Aid Transparency Index are broken down by commitments, organisation and activity-level data, as well as into sub-categories. This organisation reflects the way the data is structured in the IATI Standard but is not always easily understood by a broader audience. We propose to replace these categories with components that better capture the principles of aid transparency and are more relevant to a non-specialist audience.

What is aid transparency?

Key components

The interviews we have conducted suggest that there are six components of aid transparency:

- **Commitments** refers to commitments to aid transparency from the organisations included in the Index.
- **Organisation planning** refers to all the documents an organisation produces to plan its development and cooperation activities.
- **Finance and budgets** refers to data published to follow the money, from the total budget of a given organisation down to individual transactions for each development activity.
- **Local level monitoring** refers to essential disaggregated data needed by development actors in-country to be fully aware of all development activities being implemented. This includes

information such as the title of a project to more fundamental data such as sub-national locations or sectors.

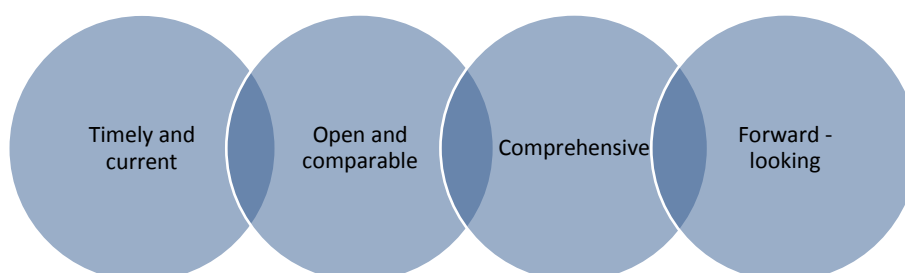
- **Joining-up beyond aid** refers to the diverse nature of flows, activities and actors within the development sector and the need for data on these to be linked and connected to provide a full picture.
- **Performance** refers to data and documents that are essential to assess whether a project has achieved its development objectives.

We have summarised these components in the diagram below:



Key principles (which remain unchanged)

The Aid Transparency Index is based on the four principles of development effectiveness agreed in the Busan Partnership Agreement: country ownership, focus on results, partnerships for development, and transparency and shared responsibility.⁴ The principle of transparency and shared responsibility is described in paragraph 23 of the Busan Agreement and requires that data meets four criteria:



Question 1 - Do these key components and principles make sense to you and fully capture what aid transparency is about?

⁴ See the full document here: <http://www.oecd.org/dac/effectiveness/49650173.pdf>

Part 2 – Indicators

This section reviews and highlights changes to the list of indicators which constitute the Aid Transparency Index. We are proposing minor changes to the **indicators** being assessed in order to ensure that the list of indicators remains relevant and comprehensive. These should ensure the Index captures essential aid transparency information that enables all stakeholders to monitor development activities.

Indicators highlighted in blue show where changes are being proposed for the new methodology. These changes reflect the feedback received in the first round of the consultation. The Index assesses varied organisations, however, the first round of consultation confirmed that all indicators listed below remain relevant to the organisations assessed. All organisations are encouraged to aim for full compliance to the Standard. As such, the same methodology is applied to all of the major development actors included in the Index. Where relevant, clarifications have been added to the definitions of these indicators.

Definitions for each indicator are available at:

<http://ati.publishwhatyoufund.org/approach/indicators/> .

Indicator	Notes
FOIA	
Implementation schedule	To be replaced – see part 4
Accessibility	
Organisation Strategy	
Annual report	
Procurement policy	
Country/sector strategy or MoU	Either one or the other will be accepted
Total organisation budget	
Disaggregated budget	
Audit	
Project level Budget	
Budget documents	
Commitments	
Disbursements and expenditures	
Procurement Indicator	Creation of a procurement indicator to group contracts and tenders together. See weighting for more details
- Contracts	
- Tenders	
Title	
Description	Information will be collected through titles and objectives
Objectives	
Dates	
- Planned	
- Actual	
Current status	
Contact detail	
Sector	
Sub-national location	
Tied Aid	
Conditions	
Implementer	
Collaboration Type	Information essentially covered by a combination of other indicators in the joining-up and basic level monitoring categories
Unique ID	
Flow type	
Aid type	
Finance type	
Budget ID	
Impact appraisals	
Evaluations	
Results	
Total indicators: 33	

Question 2: Does the list of indicators capture the data you need to monitor development activities, help with decision making and/or holding development actors to account?

Please feedback [via our online form](#), which will remain open until January 3rd.

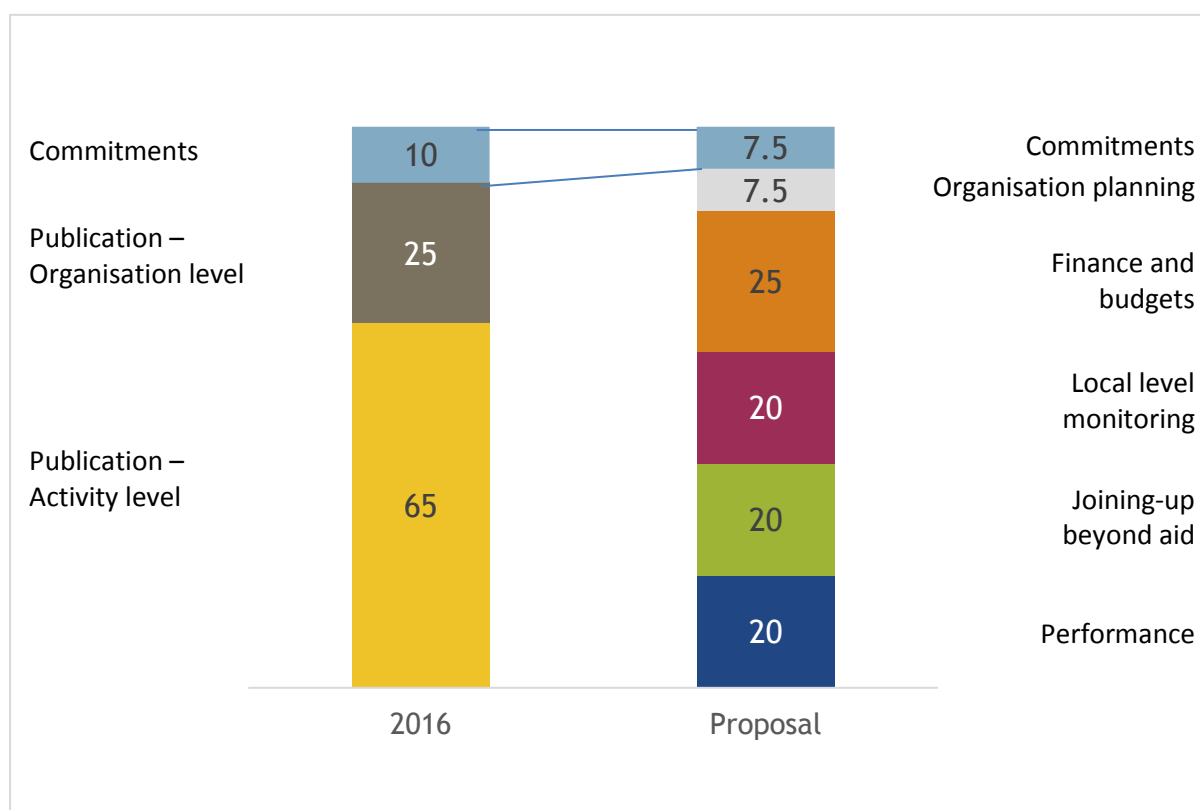
Part 3 – Weighting system

This section highlights changes proposed to the weighting system of the Aid Transparency Index.⁵ We are proposing to change the **weighting** attached to specific indicators, to reflect the priorities identified by potential data users, from donors to governments and civil society organisations. The overall effect is to reduce the weight placed on organisational commitments and planning, and put more emphasis on finance and budgets, local level monitoring, joining-up data and performance.

These changes are based on feedback received in the first round of consultation.⁶ In line with the goals and priorities set for this methodology review, the proposal focuses on improving data quality. It better reflects the needs of partner countries and in-country civil society organisations which we have consulted. It also puts greater emphasis where more and better data is needed. The publication of that data should provide a comprehensive picture of development activities along with the tools to ensure improved development outcomes.

Proposal

Weighting for categories



NB: For this chart we have assumed that the changes proposed in sections 1 and 2 above have been implemented.

⁵ Details on the weighting system used in the 2016 Aid Transparency Index can be found in the Technical Paper, p.5 onwards: <http://ati.publishwhatyoufund.org/wp-content/uploads/2016/04/Technical-paper-2016-FINAL.docx>

As in previous years, commitment to aid transparency remains important, but the feedback we have received to date suggests that the aid transparency agenda is now sufficiently well-established for organisations to be primarily assessed on their actual publication. Although organisation-level publication (such as annual reports) are important, information on individual development projects is critical in order for information to be useful to recipient country governments, civil society and other stakeholders. We are therefore proposing to reduce the weighting attached to indicators in the 'commitments to aid transparency' and 'organisation planning' categories, while assigning an equal or higher weighting to indicators in the 'local level monitoring', 'joining-up beyond aid' and 'performance' categories that were outlined in section 1.

[Detailed weighting for indicators](#)

(For further detail, please see table on following page)

- **Commitments:** Reduced weighting for each indicator within the category.
- **Organisation planning:** Reduced weighting for each indicator within the category.
- **Finance and budgets:** Equal or higher weighting for each indicator in the category, with the exception of tenders. This is to reflect the priorities expressed by the interviewees in the first stage of the consultation and through other initiatives. The importance of finance and budget data remains a high priority, especially at the project level. This is an area where further progress is required, as suggested by the results of the 2016 aid Transparency Index.⁷ The tender indicator is the only exception in this category, as our consultations suggest that contracts are more valuable for accountability purposes.⁸
- **Local level monitoring :** This category is split into two:
 - Indicators that provide basic information on a project and have been so far widely published, such as titles and contact details. These are still essential but their weights have been reduced to focus on indicators that have been historically under-published and under-scored and where demand from development actors in partner countries has been constant.
 - Indicators that are essential for monitoring purposes and from a use angle, such as sub-national locations, sectors, and implementers. These have been assigned higher weightings to reflect the needs of partner countries and potential data users.
- **Joining-up beyond aid:** higher weighting for each indicator in this category, except for conditions. This reflects the increasing amount of data published in the IATI standard, which allows for the data to be joined up with aid information, budget and financial management information systems.
- **Performance:** Higher weighting for each indicator in this category. This reflects priorities expressed by partner country governments and civil society organisations as well as data users more broadly.⁹

Question 3: Do you have any comments on the changes proposed to the weighting system?

⁷ See the report of the 2016 Aid Transparency Index: http://ati.publishwhatyoufund.org/wp-content/uploads/2016/02/ATI-2016_Report_Proof_DIGITAL.pdf

⁸ See for example the work done by the Open Contracting Data Standards Initiative: <http://standard.opencontracting.org/latest/en/>

⁹ See for example, our analysis on results: www.publishwhatyoufund.org/updates/by-topic/iati/open-results-information-what-do-we-know/

Indicator	2016	Proposal	Sparkline
Commitments			
Quality of FOIA legislation	3.33	2.5	
tbd	3.33	2.5	
Accessibility	3.33	2.5	
Organisation planning			
Organisation strategy	2.5	1.25	
Annual report	2.5	1.25	
Allocation policy	2.5	1.25	
Audit	4.17	1.25	
Procurement policy	2.5	1.25	
Country or sector strategy	2.5	1.25	
Finance and budgets			
Total organisation budget	4.17	4.17	
Disaggregated budget	4.17	4.17	
Budget	3.25	3.33	
Budget docs	2.17	3.33	
commitments	3.25	3.33	
disbursements and expenditure	3.25	3.33	
Procurement		3.33	
_contracts	2.17	2.50	
_tenders	2.17	0.83	
Local level monitoring			
Title	1.63	1	
Planned dates	1.63	1	
Actual dates	1.63	1	
Current status	1.63	1	
contact details	1.63	1	
sectors	1.86	4	
sub-national location	1.86	4	
Unique ID	1.63	4	
Implementer	1.63	4	
Joining-up beyond aid			
flow type	1.86	3.33	
aid type	1.86	3.33	
finance type	1.86	3.33	
tied aid status	1.86	3.33	
conditions	4.33	3.33	
budget id	3.25	3.33	
Performance			
objectives	2.17	5	
impact appraisal	4.33	5	
evaluations	2.17	5	
results	4.33	5	

Part 4 – Scoring

This section highlights proposed changes to the scoring system as a result of the changes explained above. In line with the objective of raising the bar and making more and better data on development activities available, we are proposing to change the scoring system to introduce two minimum thresholds for IATI publication. The aim is to better capture the visibility of development and aid data published by a given organisation. By visibility, we mean the proportion of an organisation's total portfolio published in the IATI standard. The objective is to reward organisations that publish timely, comprehensive and forward-looking open data for as much of their portfolio as possible.

Increasing the visibility of development and aid data

Publish What You Fund actively supports the standardisation of donor reporting by encouraging publication with the IATI Standard. Under the current scoring approach, any IATI publication is automatically awarded 50 out of 100 points for a given indicator.¹⁰ This has been very helpful in incentivising IATI publication but did not reward those that published a greater share of their portfolio to the IATI Registry over the years.

To address this limitation, we are proposing that data published to the IATI Registry will only be awarded the 50 IATI format points if:

- It meets a minimum *threshold of quality* for a given indicator and;
- It meets a minimum *threshold of visibility* for a given organisation

The minimum *quality threshold* for each indicator to be scored as an IATI publication is set at 20%. It requires that at least 20% of the activities published to the IATI Registry pass the data quality tests for a given indicator. For example, for sub-national contracts, an organisation will only receive the IATI publication format score (i.e., a minimum of 50 points) where 20% of the activities that have been coded with this information pass data quality tests.¹¹

The minimum *visibility threshold* requires that at least 50% of an organisation's total budget is reported using the IATI Standard before the format points are awarded. The 50% threshold is derived as an initial bench using the average of Country Programmable Aid (CPA) across all DAC donors. However, given that CPA does not apply to all organisations, we will be looking to refine this threshold as part of the consultation.

It should be noted that this measure does not seek to provide an accurate measurement of the extent to which data published to the IATI Registry is representative of an organisation's portfolio. However, it provides a benchmark at which to assess where and to what degree further visibility improvements are needed.

This method would require that we have access to both current disbursements and expenditures in IATI and accurate budgets for the current year. For many organisations both values cannot be found.

¹⁰ For further details on the existing scoring approach, refer to our Technical Paper:

<http://ati.publishwhatyoufund.org/approach/methodology/>

¹¹ The threshold was adopted following a series of tests using multiple options with data collected for 2016 Aid Transparency Index. 20% appeared to be the minimum threshold which would encourage most organisations to publish more indicators across activities in the IATI Standard. For a list of the tests used in the 2016 Aid Transparency Index, please see: <https://github.com/pwyf/2016-index-data-quality-tests>. Note that these are subject to change for the next Aid Transparency Index and will be discussed at a later stage.

We will take the opportunity during the consultation process to ask donors directly to cooperate and work with us to identify missing budgetary data.

To summarize, we are proposing to add two pre-conditions to the existing scoring approach. Data published in the IATI Standard will be scored as such only if it meets the threshold of quality minimum (20%) and threshold of visibility minimum (50%).

Question 4: Do you have any comments on the changes proposed in the scoring approach? Would you have alternative suggestions on how to incorporate greater visibility in the methodology?

Please feedback [via our online form](#), which will remain open until January 3rd.

Part 5 – Improvements and new areas of work

This section presents additional improvements we would like to implement or new areas we would like to explore. The first round of consultation encouraged us to further investigate and consult more broadly on these issues. Below are some options for suggested topics and we welcome feedback. Based on a full assessment of the feedback received, Publish What You Fund will make the final decision on which areas it might be feasible to incorporate into the methodology at the end of the consultation period.

Data use, aid transparency and beyond

In the commitments category of the Index, we are looking into a replacement for the now-outdated implementation schedule indicator. The first sections of these guidelines supported further work to increase the visibility and improve the quality of data on aid and development. This section looks at the third dimension: usability.

We are making the following suggestions:

- To look at and discuss with each organisation whether data use is part of a given organisation's strategy and assess how ambitious it is (for example, by planning for internal use of the data by the organisation, its country offices as well as implementers, and by supporting data use by partner countries and civil society organisations) as well as looking at concrete example of internal and external uses.
- To look at the broader open data and transparency commitment of a given organisation and how active a role it plays in these initiatives (which could include but are not limited to IATI, OGP, and Open Contracting) to demonstrate that commitment to transparency includes but also goes beyond IATI and the data published should echo and connect with other initiatives
- To conduct more in-depth analysis of the needs and existing initiatives to promote data use from an in-country perspective. These could then be included in the analysis and the final report of the Aid Transparency Index, but not incorporated into the methodology itself.

Question 5: If you had to choose from these suggestions, which one would you choose and why? Any other suggestions or thoughts?

We particularly welcome feedback on concrete examples from organisations that have taken some of the steps mentioned above to illustrate how this is being done and the impact it has on the transparency agenda.

Sampling

Under the current methodology, manual sampling is conducted for a total of 14 indicators which refer to documents. Data published to the IATI Registry on results, sub-national location and conditions are also sampled to ensure it meets the criteria for those indicators. These are manually checked to verify that they contain the required information to score for the indicator. A minimum of five documents/activities need to meet the required criteria to score for the indicator. For IATI publishers, the documents are randomly selected from those projects that pass the tests for the relevant indicator.

We acknowledge that this approach will not necessarily give a true picture of the amount of information being published at the activity-level. The ultimate constraint is not being able to identify all current activities being delivered to all countries or sectors. Without that information being provided in a well-structured format, it is impossible to randomly sample for an 'average' country and an 'average' project. The approach taken is therefore a purposive sampling approach. We recognize that our sampling approach may introduce a positive bias for the publisher, as it is likely that donors publish the most information about their largest recipients. On balance, though, we think this is a better approach than selecting random, smaller countries, which would likely have a negative bias and reveal less about that donor's overall aid transparency.

With more and more data published by a number of organisations to the IATI Registry over the years, sampling has also become more important to ensure the information published is what it should be.

There are three options here:

1. To acknowledge this is a trade-off but the existing methodology is appropriate for the Index
2. To balance the positive bias by selecting both a major and a smaller recipient country
3. To select a number of countries (based on budgets and needs) where most of the organisations included in the Index work and restrict ourselves to this list.

Question 6: If you had to choose from the options above, which one would you opt for and why? Any other suggestions or thoughts?

Please feedback [via our online form](#), which will remain open until January 3rd.

Others

Additional areas of work have been mentioned to us in the first round of the consultation. These are listed below. While we acknowledge these are important aspects of the aid transparency agenda, others are currently working on the challenges attached to each of these. It is unlikely that we would incorporate any of these into the Index methodology at this stage but we will follow these areas of work to potentially include them as illustrations of ways in which the data collected for the Index can be used. These projects could serve to develop our analysis and final report of the Index or form the basis for future research projects.

Traceability

International development is often characterised by long delivery chains. For example, several donors might contribute to a multi-donor trust fund, which contracts an international NGO, which in turn uses a local NGO partner, which hires local contractors to deliver services. Being able to track aid throughout this complex implementation chain is central to achieving transparency, and to improving accountability and effectiveness. If you are interested in this question and want to investigate traceability and look for ideas on how best to follow development cooperation from the original donor through the delivery chain to the intended beneficiary, you can join the discussion here: <http://discuss.iatistandard.org/t/what-will-traceability-look-like/400>

Joining-up – IATI and other standards

While more and more valuable data is becoming available, much of it tends to be developed in parallel and ends up being published in different formats and to different standards. Major development actors for example publish data on the IATI Standard but also on other standards such as the Open Contracting Data Standard. Specific projects such as the Joined-up Data Standards (JUDS) look at ways in which particular standards can be joined up with one another. More information is available here: <http://juds.joinedupdata.org/> .

SDG monitoring

In December 2015, the IATI Standard upgraded to version 2.02 to enable publishers to record activities against the Sustainable Development Goals (SDGs), and/or targets and indicators. This will further enhance IATI's capacity to support governments in meeting and monitoring the SDGs at country level.¹² While Publish What You Fund fully supports this upgrade, it does not want to duplicate the work of the IATI community. The data collected through the Aid Transparency Index primarily serves to assess the overall level of transparency of major development providers. The methodology upon which the Index is based helps drive the publication of high quality data. In that sense, the data collected though the Index can be used for further analysis by our research team and others in separate projects to monitor the SDGs.

Please feedback [via our online form](#), which will remain open until January 3rd.

¹² www.aidtransparency.net/news/iati-upgrade-to-version-2-02-goes-live