

Aid Transparency Index 2018 EU Brief

Introduction

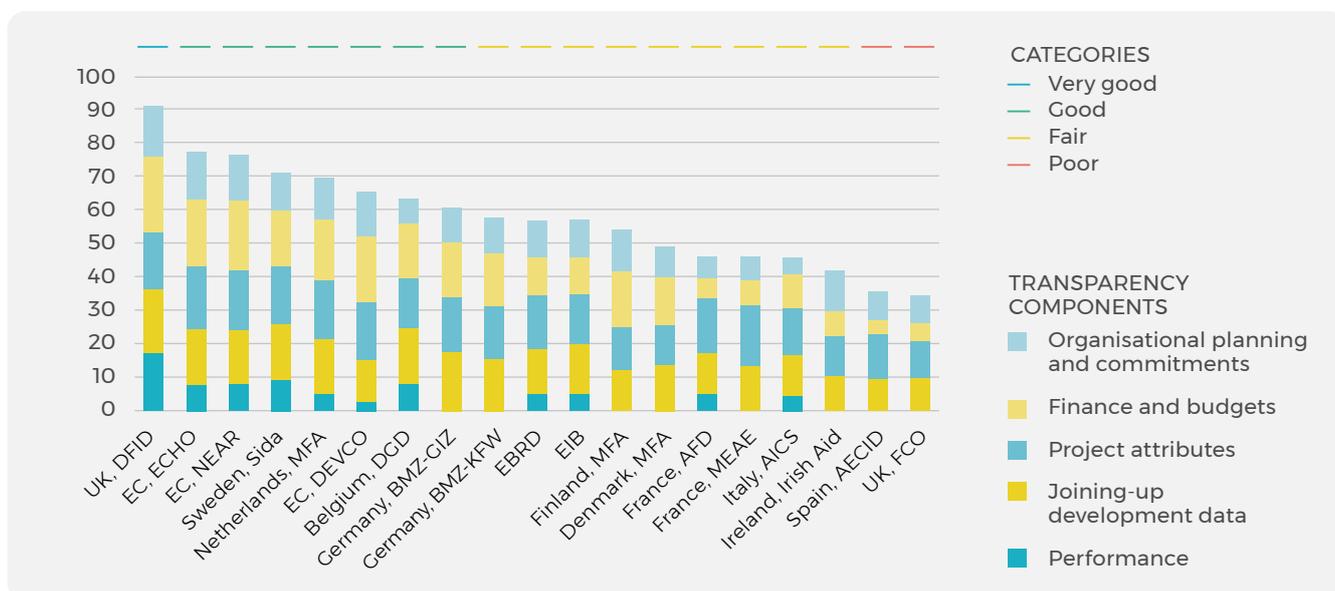
2018 is the last year before the European Union (EU) undergoes major changes, as the United Kingdom (UK), one of its largest contributors, prepares to leave. The past few years have been challenging for the EU in other ways too. Its institutions and member states, have, for example, struggled to provide adequate responses to the flux of refugees coming into Europe. This has caused questions at the public and political level as to how aid and development finance budgets are being used in response to this crisis.¹

At the same time, however, the EU, which collectively remains the largest aid and development donor in the world, has shown leadership and set high expectations. Building on progress made in the past decade, it adopted a new Consensus on Development in 2017.² Among other things, this saw the EU renew its transparency commitment

to ‘cover the full range of development resources’, including new instruments such as Trust Funds.³ It also developed a results framework with a view to demonstrate impact and improve accountability.⁴ In contrast to stagnating ODA flows among many EU member states, the EU recently proposed a 26% budget increase for external action as part of its post-2020 Multiannual Financing Framework.⁵

Given this context, it is essential to ensure that European aid budgets, their priorities and delivery, match actual development needs and address inequality and poverty reduction abroad. Transparency is the necessary foundation stone for enabling key actors to use the available data and identify the impact and effectiveness of development aid. The Aid Transparency Index aims to shed light on those who do this well and others who could do better.

2018 Aid Transparency Index results



Overall performance of EU donors

With a total average score of 57.95 percentage points, the three European Commission (EC) agencies, two European Development Banks and the development-spending organisations of eleven member states perform relatively well and slightly above the total average of 57.57 percentage points for the Index overall.

UK-DFID is leading the way as the only European donor included in the 'very good' category. Seven organisations are in the 'good' category, including all EC agencies. The 'fair' category is the largest, with nine organisations, including both European Development Banks. Two organisations, Spain-AECID and the UK-FCO, come last in the 'poor' category. No European donor is in the 'very poor' category this year.

Key findings

All European donors included in the Index now publish information on their aid and development finance activities in an open and comparable format. Italy-AICS was the last one to join the International Aid Transparency Initiative (IATI) in 2017 and published its first datasets in the Standard in the same year.

More European organisations provide timely information on their development activities. Twelve organisations now publish data on a monthly basis, up from seven in 2016. Ireland-Irish Aid, Spain-AECID and UK-FCO are the only three European organisations publishing annually or less frequently.

The three EC agencies remain in the 'good' category, but EC-ECHO is leading the way this year, closely followed by EC-NEAR and EC-DEVCO.

Both European development banks, the EBRD and the EIB remain in the 'fair' category, although EBRD's total score overtook the EIB by a margin.

There are still strong disparities across the board, however, as performances range from 'poor' to 'very good' with more than 50 percentage points difference between the highest and lowest performers.

THE TRANSPARENCY OF TRUST FUNDS

In November 2015, the European Union set up at record speed the €3.4 billion EU Emergency Trust Fund for Africa (EUTFA) with the official objective to 'help address the root causes of destabilisation, displacement and irregular migration, by promoting economic and equal opportunities, security and development'.⁶ Trust funds are instruments that pool together resources from various donors in response to rapid crisis and post-emergency response. They are increasingly promoted as the most adequate, rapid and flexible collective solutions to immediate development and humanitarian problems. To date, 147 different programmes across Africa have been approved to be financed via the EUTFA.⁷

However, the EU Parliament and others pointed out that flexibility and speed do not automatically translate into development impact and sustainability.⁸ As these Funds bypass usual EU budget procedures in the interest of speed, there is a lack of clarity on how well these funds will be spent, in response to identified development needs. Without more and better evidence on these funds, their impact remains hidden.

Greater transparency is important in particular to assess whether the intended development objectives are on track to being met. It is also an opportunity to share information with partner country governments and civil society organisations on how these funds are being spent and on what so they can hold EU institutions and its member states accountable. As the EU recognises the need for greater transparency for these funds and develops new platforms to share information on them⁹, it also needs to ensure that available information is open, timely, detailed and consistent across sources to be reliable and used. EU institutions should build on their expertise in publishing in the IATI Standard and promote high levels of transparency for these funds.

In some instances, it is also true of organisations in the same country. While UK-DFID scored highest, the UK-FCO, another UK government department with increasing responsibility to disburse aid and development funds, comes last.

Focus on two key areas of aid transparency: finance and budgets and performance

Disparities and data gaps become clear when looking at specific components. While most EU organisations perform relatively well at providing information relating to organisational planning and commitments, project attributes and joined-up data, major differences arise when looking at financial and budgetary data, as well as performance indicators. Providing information on the total budget of a given organisation down to individual transactions for each development activity allows all those who are interested to follow the money to ensure it is spent where it is needed the most. In addition, performance-related information is critical to track a project's progress and learn from its successes and failures. On the financial and budgetary component, four organisations – UK-DFID, EC-ECHO, EC-NEAR and EC-DEVCO – score above 70 percentage points. By contrast, eight organisations score 50 percentage points or less. For example, seven organisations, including both EU development banks, do not score on disaggregated budgets at all.

Differences become even more apparent when looking at performance-related information where the total average for EU organisations is only 20 percentage points. UK-DFID is the only organisation providing information on all performance-related indicators in the IATI Standard. No other organisation scores for reviews and evaluations and eight organisations do not score at all on the performance component, including both German organisations. France-MEAE does not score either, while France-AFD publishes objectives only.

Conclusion and Recommendations

CLOSE THE GAP AND SHARE BEST PRACTICE

The 'very good' and 'good' performances of some European donors, as well as improvements over the years shown by most, demonstrate that aid and development finance transparency is rightly still prioritised in the EU. Above all, it shows that high levels of transparency are achievable. The EU, as a community and area of cooperation between influential development actors, is in prime position to provide a platform to share best practices – for example within the European Commission's Inter-service Working Group – and drive improvement further to deliver on its commitments.

IMPROVE ON THE PUBLICATION OF PERFORMANCE-RELATED INFORMATION

Demonstrating impact, results and providing evidence of what worked and where is high on the EU agenda as signalled by the adoption of the EU International Cooperation and Development Results Framework. However, with a few notable exceptions, the evidence and data to demonstrate the implementation of this agenda and enable others to assess whether objectives have been met, is missing. All European donors should now make the publication of this information a priority.

DELIVER ON THE TRANSPARENCY AGENDA BY PROMOTING THE USE OF AVAILABLE INFORMATION

Transparency should not be simply seen as a compliance mechanism. For it to fulfil its true purpose in leading to accountability and supporting improved development outcomes, European donors should publish data on their aid and development activities and promote its use. Internally, these donors should actively promote the data that is available to support evidence-based decision-making and improve coordination within and beyond the EU. Externally, EU donors, could, for example, continue the conversation with partner country governments and civil society organisations after the publication of data and explore online and in-person feedback loops for its use within clearly established timeframes.

- 1 See for example the 2017 Concord and Aidwatch report: concordeurope.org/wp-content/uploads/2017/10/CONCORD_Aid_Watch_Report_2017_web.pdf?d65bd5&d65bd5
 - 2 See: ec.europa.eu/europeaid/policies/european-development-policy/european-consensus-development_en
 - 3 See para 115 and 80 www.consilium.europa.eu/media/24011/european-consensus-for-development-st09459en17.pdf
 - 4 See: ec.europa.eu/europeaid/staff-working-document-launching-eu-international-cooperation-and-development-results-framework_en
 - 5 Complete version of the proposed framework available here: ec.europa.eu/commission/publications/factsheets-long-term-budget-proposals_en
 - 6 ec.europa.eu/trustfundforafrica/sites/euetfa/files/eu_emergency_trust_fund_for_africa_07-05-2018.pdf
 - 7 *Ibid.*
 - 8 See the EU Parliament report www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+REPORT+A8-2016-0221+0+DOC+XML+V0//EN or GHA's report www.ghadvocates.eu/wp-content/uploads/2017/09/Misplaced-Trust_FINAL-VERSION.pdf
 - 9 See for example the dedicated website to the EUTFa ec.europa.eu/trustfundforafrica/content/homepage_en
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About Publish What You Fund

Publish What You Fund is the global campaign for aid transparency. Launched in 2008, we envisage a world where aid and development information is transparent, available and used for effective decision-making, public accountability and lasting change for all citizens.

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