The Aid Transparency Index;

Salvaging the $50m global aid dataset

June 2022

The role of the Aid Transparency Index has changed. For many years it was the tool which encouraged donor agencies to start publication of their aid activities using the IATI open data standard, and subsequently to encourage improvements in the quality of that publication. Following ten years of effort this has resulted in the existence of a global dataset which, while not perfect, is now being used for policy analysis and research across a range of topics including COVID spending, Women's Economic Empowerment and Global Health investment. The dataset is relied upon by partner governments' aid management platforms, by donor agencies themselves, and by local NGOs in aid recipient countries to track funding and ensure accountability.

The progress, however, has been uneven and quality is not where it needs to be. Between editions of the Index many major aid agencies don't update their data, and for those that do, the quality, completeness and timeliness of their data declines significantly. The Index covers the agencies that account for 84.4% of all activities published to the registry. Today, the Index's primary role is to protect the rapidly deteriorating global aid dataset.

Section 1: What is at stake?

The global aid dataset, published in the IATI open data standard, is the result of ~12 years of investment costing upwards of $50m[i]. In 2020 alone the IATI Secretariat received $2.7m from its members and other sources. The outcome of this investment is a dataset spanning the majority of aid activities undertaken by the world's major aid agencies. As of 31 December 2020 data is available on over one million (1,028,237) development and humanitarian activities. In total 1,241 organisations have published data in compliance with the IATI Standard on their development and humanitarian spending and activities[ii]. When we last checked, the organisation files of the various publishers housed 22,300 strategy documents and $2.6 trillion of global donor budget information.

As the quality and quantity of data has increased so has its use. For some time donors have used IATI data to underpin their data portals which are used to both communicate with tax payers but also provide information to internal stakeholders. Meanwhile partner countries have increasingly relied on IATI data to supplement their aid management platforms. Local CSOs[iii] have used IATI data as a source of information for understanding and tracking aid projects, and holding donors to account. However, in the past 2 years the global aid data set has reached a level of maturation, which while not perfect, is sufficient to enable analysis and insight previously unthinkable. As a result there has been a blossoming of additional significant use examples including tracking of Women's Economic Empowerment funding[iv], analysis of government policy shifts[v], and large scale research on health spending and COVID as featured in the Lancet[vi].

Section 2: How is the data deteriorating?

We have clear evidence that data quality declines during the periods between Indexes, and then improves significantly when organisations are assessed in the Index. Each edition of the Index involves two periods of checking publisher data. The first of these will normally take place ~18 months following the production of the previous Index. By comparing the average scores of agencies between these two points we can map a deterioration in the quality of the information they are publishing. We then also consider the fact that many agencies invest in improvements to their data just prior to the start of each Index process so we have added estimated scores to illustrate this. Over the past five years the picture approximates the chart below, with the blue line showing actual data quality and the dotted orange line illustrating the downward trend between editions of the Index:

Changes in data quality between editions of the Aid Transaprency Index

While the chart above shows the impact of the Aid Transparency Index on data quality as an average across all agencies, below we have presented the data by individual agency to illustrate the extent to which their data deteriorates between editions of the Index. Almost none of the 47 publishers assessed in the Index improves their data during the period where no Index assessment is being carried out, illustrating that data improvement only happens exceptionally in the absence of the Aid Transparency Index.

Change in data quality between editions of the Aid Transaprency Index (final data pull in 2020 vs first data pull in 2022)

Finally, the next chart illustrates the improvement in data quality observed during the six month period in which we run the Aid Transparency Index process:

Change in data quality during the Aid Transparency Index process (2020)

Note: China, UAE, FCO (2022 only), DFID (2022 only) have been removed from the above analysis to aid readability.

It should be noted that of the six indicators which see the largest drop in quality, four of these are highly valued by stakeholders and include sub-national locations, objectives, reviews and evaluations and budgets. The cause of the deterioration in quality depends on the publisher. Some agencies, including major ones, will not significantly update their data between editions of the Index, partly because without the incentive of the Index assessment departments cannot raise the necessary resource. Sometimes it is as simple as transparency focal persons moving onto other roles or organisations, with their replacements not subject to any incentive to work on transparency until the Aid Transparency Index looms. But the implication here is no new projects, no new budgets, no new evaluations being published in the IATI data. Others, typically those that are more regular publishers or have aligned their internal systems with their IATI publication, may only review their own data around the time of the Index. Even with these reviews, the Index still identifies many quality issues which have gone unnoticed, plus, importantly, instances of publishing errors, broken links and sometimes entire datasets with issues[vii]. The Index remains the most important, and arguably only, consistent and active feedback tool in the aid transparency realm (as opposed to passive feedback tools such as the Validator and Dashboard which require publisher action to be of use).

Some major publishers may hire consultants or initiate pushes to raise the standard of their data quality at other times and for other reasons. However, we are not aware of any concrete examples of this happening or any other process/initiative that systematically drives improvements in this way. We would be very interested to hear of other examples if any can be provided.

Section 3: Beyond data quality

Independent academic research has proven that the Index shapes donor behaviour primarily via direct effects on executive decision makers: the diffusion of professional norms, organizational learning, and peer pressure.[viii] While other mechanisms for monitoring data quality (e.g. our own tools, the IATI Dashboard, and the Validator) do exist they seem to be slowing the deterioration but are by no means preventing it.

The Index can still drive change beyond just the quality of data. We've seen that recently with inclusion of the Networked Data test which has increased the focus of the IATI community on traceability and linking of data. As well as increasing the use of organisation references across the dataset, this has also led to a [new methodology for identifying government entities](#) being taken forward. Our approach to splitting of DFIs' portfolios into public and private investments has also led to improved publication of information about private sector activities and a renewed focus on how IATI can be used for transparency of the vast flows of money that are channelled through DFIs. In many of these cases the Index has taken on, and led change, in areas that have remained stagnant within the community for many years. Likewise while there are some laggards (China), other new donors are increasing their score in the Index (Saudi Arabia).

One other benefit the Index offers is that it provides detailed definitions of acceptable documents and data types. For example: results, conditions, evaluations – and we do this in consultation with publishers. Our definition of data quality (good transparency) is widely recognised – as evidenced by the inclusion of scores in official targets e.g. the 2015 UK aid strategy included Index score targets.

The Index process also identifies other auxiliary transparency issues, problems with D-Portal, engagement on the standard, the IATI dashboard. The Index process also allows us to maintain open source tools such as Canary, DQT and Decipher.

Section 4: The future of the Index

The Index is in its tenth year. During this time it has evolved. It has undergone two methodology reviews to ensure that it remains relevant and rigorous. We have invested in software not only to increase the efficiency and reduce the cost of the Index, but also to provide tools for publishers to review and improve their own data (see Tracker, DQT, Canary and Decipher).

Given the constraints of the IATI Standard and the ways in which publishers apply it, along with the natural limitations of what a quantitatively-rigorous Index can achieve, we're relatively confident that the Index methodology is close to optimum given its duel mandate to encourage publication and maintain the quality of the global aid dataset. However within the limitations placed upon the Index there are variables that can be tweaked. The most obvious of which is to apply the Index methodology to a broader set of publishers - potentially all publishers. To apply the whole Index methodology to the entire publisher list is not feasible – to review 47 agencies in 2020 required a team of 7 people, plus 34 independent reviewers. In total more than 20,000 documents were manually reviewed. However, it is potentially feasible to run the automated data tests for the entire IATI publisher list, while continuing to apply the full methodology including manual sampling and reviewing to the largest aid donors.

Section 5: IATI's Position

IATI's 2020-25 strategy recognises data quality as the primary challenge. One of IATI's three objectives is to "drive a significant improvement in the quality of data published to IATI". The new strategy then states:

"By 2025, we will support current and new publishers to meet the highest standards of data quality through improved tools and guidance, establish our own metrics and use the IATI Dashboard to measure progress more effectively and assist publishers to publish better data".

In the statement above "our own metrics" refers to the development of something that IATI Secretariat calls the Data Quality Index. Early consultations indicate that 1) this is not an Index (there will be no scoring nor ranking) but rather a refresh of the existing dashboard, 2) proposed measures are being heavily influenced/softened by IATI's members, mainly donors, 3) it offers no new incentives for improvement, so there is no reason to believe that the new dashboard will lead to any greater change in data quality than is the case with the existing dashboard. Work on the Data Quality Index was recently put on hold.

In early 2021 we approached IATI's Board to talk about a mutually beneficial partnership, with IATI providing ~$300k per year, which would secure the future of the Aid Transparency Index. For context, for the last two financial years for which IATI has provided information, the Initiative's annual underspend averaged US$1,386,961. Despite a supportive Executive, IATI's Board declined to meet on this issue, and then in writing explained that they would not support such a partnership for the following reasons:

1. The Aid Transparency Index does not meet all of IATI's needs (we understood this to mean it doesn't cover all IATI publishers, and perhaps some of the measures are not those which IATI would choose). The Board then explained that "as agreed at the 2020 MA and in our Strategic Plan, IATI is establishing its own Data Quality Index and you would hopefully have seen that a consultation with members on what that will look like is now underway"
2. The IATI Board believes that the fundamental value of the Aid Transparency Index lies in its independence and therefore funding by IATI would not be appropriate (despite us receiving funds from, and carefully managing conflicts with, the EU and UK governments).

The discussion stalled as a result of Publish What You Fund joining, and contributing significant time to the IATI Institutional Working Group from June to December 2021.

In 2022, as the extent to which the dataset had deteriorated became apparent, Publish What You Fund contacted the IATI Board to reopen discussions. We shared a series of examples of the extent to which the data was deteriorating. The Board's response was firstly to refer our communication to the IATI Technical team, and then, as a final step, to arrange a call with Board members and data quality focal persons. There was no change in IATI's previous position.

The amount which the IATI Secretariat invests into Data Quality has reduced significantly (despite substantial underspends and large financial reserves). In 2018/19 the sum invested was ~$380k. In 2019/20 this was more than halved to ~$170k. As of March 2022 there is nothing to show for this investment either in terms of improved data, or indeed in terms of reporting given that the relevant fields in IATI's results framework have not been completed.

Despite having a mandate to improve data quality, and significant resources[ix] to make this happen by preventing the decline of the Index, the IATI Secretariat has declined to offer any support. Meanwhile with a new board, and an immediate need to fund a new contractor to run the Initiative (following the rejection of the UNDP led bid to continue leading the initiative in early 2022), there is significant risk that as before, IATI will not invest the requisite time to address the deterioration of the dataset, however this time the Index won't be there to help arrest the decline. Our aim is to support the new board in addressing this challenge while our resources enable us to do so.

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[i] The IATI initiative has received member contributions upwards of $17m. Meanwhile publisher investments in systems and technical consultants over this period is estimated at $30m+.

[ii] https://prod-iati-website.azureedge.net/prod-iati-website/documents/IATI_Annual_Report_2020_W8ty3Yh.pdf

[iii] CODE Nigeria

[iv] https://www.publishwhatyoufund.org/projects/womens-economic-empowerment/

[v] https://www.savethechildren.org.uk/blogs/2021/the-impact-of-uk-aid-cuts and https://devinit.org/documents/907/Cuts-to-the-UK-2020-aid-budget.pdf

[vi] https://www.thelancet.com/journals/lancet/article/PIIS0140-6736(21)01258-7/fulltext

[vii] Examples redacted pending launch of the 2022 Aid Transparency Index

[viii] https://www.researchgate.net/publication/334493170_A_Race_to_the_Top_The_Aid_Transparency_Index_and_the_Social_Power_of_Global_Performance_Indicators

[ix] At the 16th March 2022 Board Meeting the IATI Board reviewed the initiative's current financial position: "The Secretariat provided an update on the closure of 2021 finances. 3.6 million USD were carried over to 2021 and income received was 2.8 million USD. Expenditure in 2021 was 2.2 million USD and cash position is 3.9 million USD, including the 600k USD contingency reserve. For 2022, the contingency reserve is increased to 1 million USD so 2.9 million USD is currently available for programming. The spending rate in 2021 was 80% of the revised budget"