



# Aid Transparency Assessment 2010

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# Acknowledgements

This is the first Publish What You Fund assessment of donor behaviour on aid transparency. It is the most methodical and complete analysis of donor aid transparency to date and allows us for the first time to reflect more systematically on donors' commitment to aid transparency in policy and practice, with an emphasis on transparency to recipient governments and civil society.

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# Acronyms and Abbreviations

AAA	Accra Agenda for Action	HRI	Humanitarian Response Index
AfDB	African Development Bank	IATI	International Aid Transparency Initiative
AsDB	Asian Development Bank	IDB	Inter-American Development Bank
CBP	Capacity Building Project	IGO	International Governmental Organisation
CGD	Center for Global Development	MDGs	Millennium Development Goals
CIDA	Canadian International Development Agency	MOPAN	Multilateral Organization Performance Assessment Network
CRS	Creditor Reporting System (of the OECD Development Assistance Committee)	NGO	Non-Governmental Organisation
CSO	Civil Society Organisation	NYU	New York University
DAC	Development Assistance Committee (of the OECD)	ODA	Official Development Assistance (definition of OECD Development Assistance Committee)
DARA	Development Assistance Research Associates	OECD	Organisation for Economic Co-operation and Development
DATA	Debt, AIDS, Trade and Africa (now the ONE campaign)	PDMS	Paris Declaration Monitoring Survey
DFID	Department for International Development (UK government)	QuODA	Quality of Official Development Assistance
EC	European Commission	TAG	Technical Advisory Group (of the International Aid Transparency Initiative)
EU	European Union	TR-AID	"Transparent Aid" (system of the European Commission)
EUAW	EU AidWatch	UK	United Kingdom
FOI(A)	Freedom of Information (Act)	UN	United Nations
FTS	Financial Tracking Service	UNDP	United Nations Development Programme
GAVI	Global Alliance for Vaccines and Immunization	UNICEF	United Nations International Childrens' Fund
HIPC	Heavily Indebted Poor Countries	U.S.	United States

# Executive summary

This assessment is the first attempt to undertake a detailed comparative stock take of the current levels of aid transparency. Aid transparency matters for many reasons – from improving governance and accountability and increasing the effectiveness of aid to lifting as many people out of poverty as possible. While some aid is helping address some of the most difficult problems in the most challenging places in the world, we also know that aid is not always delivering the maximum impact possible.

The understanding emerged that aid transparency is fundamental to delivering on donors' aspirations and the promise of aid. The commitments donors made to improve their aid effectiveness in the 2005 Paris Declaration are important and welcome. The recognition that donors were struggling to deliver on those commitments<sup>1</sup> resulted in a new focus on aid transparency in 2008 within the Accra Agenda for Action and with the launch of the International Aid Transparency Initiative (IATI).

The methodological approach taken is fundamentally driven by a lack of primary data availability. We wanted to assess levels of publication for the full range of information types in terms of their comprehensiveness, timeliness and comparability – assessing donors on the first and second Aid Transparency Principles, as detailed in Box 1.

We found eight data sources which provided coverage of the major donors. These are generally considered reliable and robust data sources that are non-duplicative, although they may be complementary. From this we derive seven indicators which fall into three main categories of the assessment: donors' overall commitment to aid transparency; transparency of aid to recipient government; and transparency of aid to civil society. The sources we use most regularly are the OECD DAC Creditor Reporting System (CRS); the Paris Declaration Monitoring Survey (PDMS); the HIPC Capacity Building Project (HIPC CBP); the OECD DAC Predictability Survey; the EU AidWatch 2010 survey; and information from the IATI Secretariat on participation in IATI.

The assessment covers 30 aid agencies based on those that are most commonly represented in our data sources. The data sources listed above do not cover all major official donors and we struggled with data gaps. We carefully considered how to scale and weight the assessment and took a decision not to rescale our indicators. We have, however, weighted our indicators on the basis that we have large amounts of data for some aspects of transparency and limited amounts of data for other aspects. The weighting given to each of these indicators and the source data for each of the indicators is shown in Figure 1 overleaf.

## Box 1

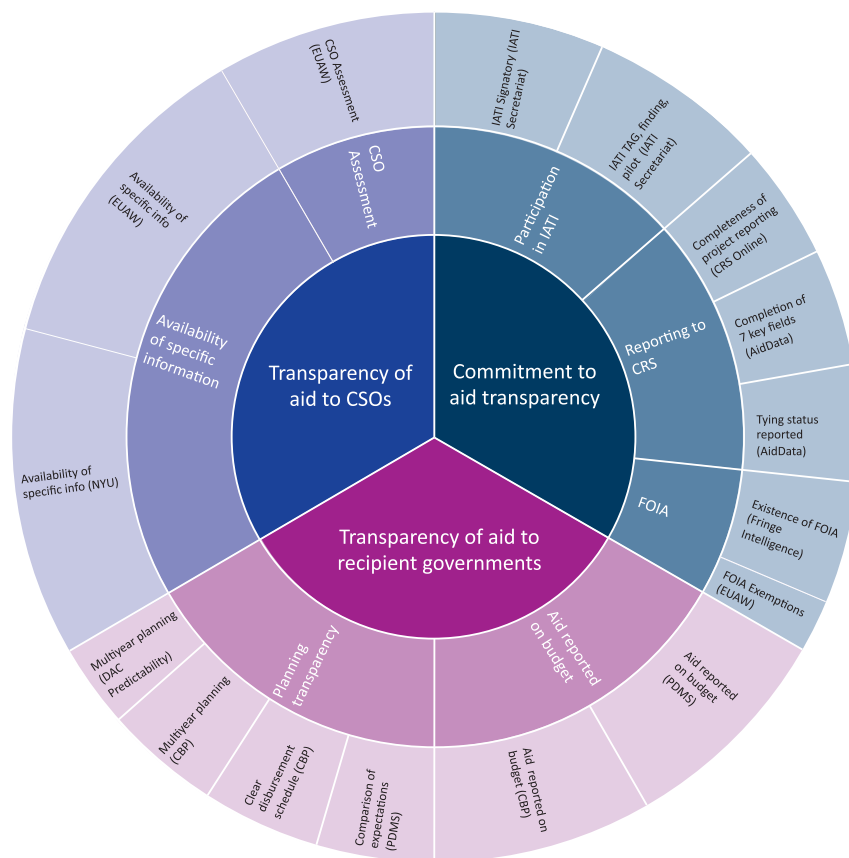
### The Publish What You Fund Aid Transparency Principles

Publish What You Fund has developed a set of four principles that should be applied by all public and private bodies engaged in the funding and delivery of aid, including donors, contractors and NGOs.

- 1. Information on aid should be published proactively** – a donor agency or organisation should tell people what they are doing, for whom, when and how.
- 2. Information on aid should be comprehensive, timely, accessible and comparable** – the information should be provided in a format that is useful and meaningful.
- 3. Everyone can request and receive information on aid processes** – ensure everyone is able to access the information as and when they wish.
- 4. The right of access to information about aid should be promoted** – donor organisations should actively promote this right.

<sup>1</sup> See 2008 Survey on Monitoring the Paris Declaration.

**Figure 1**  
Indicators, weighting and data sources – visual representation



## Findings

### Finding 1

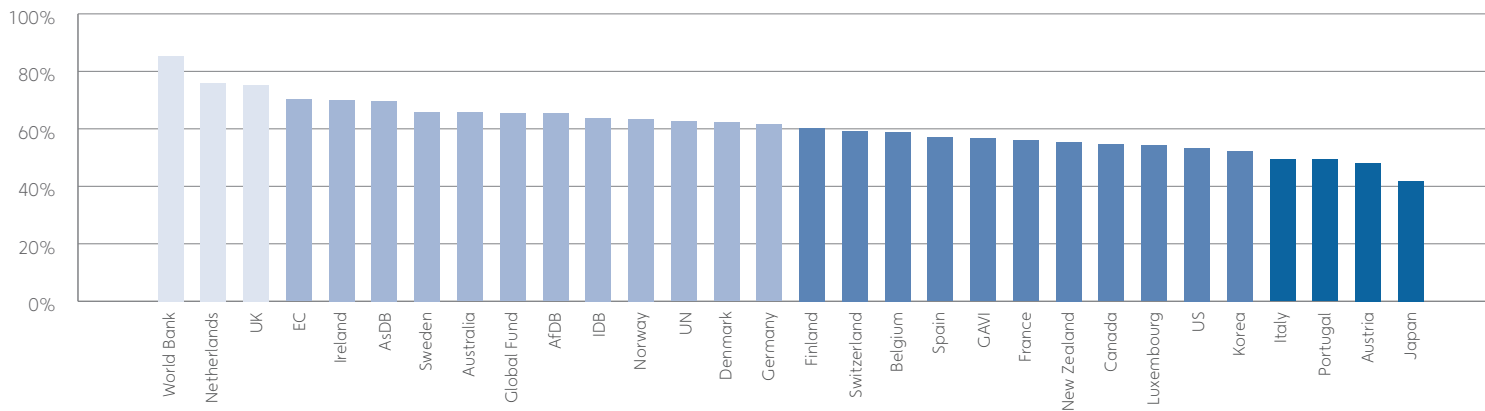
#### There is a lack of comparable and primary data

As set out in Section 1: Approach and Methodology, we rapidly discovered that **there is currently no systematic, disaggregated way of assessing the transparency of donors**. We wanted to assess levels of public availability for a range of information types (including aid strategies, policies, procedures, flows, conditions, assessments and evaluations, procurement information, consultation documents and integrity procedures) in terms of their comprehensiveness, timeliness and comparability.<sup>2</sup> However, there are no existing primary datasets available that allow for an assessment of the country-by-country, programme-by-programme, or recipient-by-recipient level of proactive disclosure of each type of aid information for a large range of donors.

Thus the only assessment of aid transparency we could make was to draw indicators from existing datasets, covering a range of different time periods, which are generally only available at a highly aggregated level and cover a number of different years. It was the best available approach and has received the support of our Peer Reviewers. It allows us to reflect on the relative success of donors in making information available, and to whom.

However, drawing together these different data formats, sources and timeframes into a comprehensive assessment proved challenging. The methodological details of this are set out in Annex 1. In these existing data sources we also **found comparability of data to be a problem** – differing formats and lack of clarity about the data specification required extensive work, checking and research to inter-relate them in a meaningful way.

## Overall score



### Finding 2

#### There is wide variation in levels of donor transparency

The chart above shows the variation in the scoring between donors. The highest performing donor (the World Bank) achieved more than double the transparency score (85.4%) of the lowest (Japan with 41.9%). Large and small donors appear throughout the ranking, as do multilaterals and bilaterals, while the average aid transparency score across all donors in the assessment is 60.8%. The performance of donors can be grouped into four levels of scoring in the assessment. However, some donors perform at a consistent level across indicators whereas others have specific areas of weakness. The detailed score for each of the 30 donors assessed are set out in Section 5: Individual Donor Profiles.

#### Group 1: Above 75% (World Bank, Netherlands, UK):

These donors demonstrate commitment to aid transparency but each have areas for improvement, for example in reducing the number of exemptions in their Freedom of Information legislation (or disclosure policy for multilateral agencies) for aid information disclosed, and reporting to the CRS.

#### Group 2: Above the donor average of 60.8% (EC, Ireland, AsDB, Sweden, Australia, Global Fund, AfDB, IDB, Norway, UN, Denmark and Germany):

These donors generally show an explicit commitment to aid transparency but they are inconsistent in their current levels of performance on the availability of information. Good performance in one area is usually counterbalanced by poorer performance elsewhere.

**Group 3: Below the donor average of 60.8% (Finland, Switzerland, Belgium, Spain, GAVI, France, New Zealand, Canada, Luxembourg, U.S. and Korea):** This group contains donors that are scoring poorly in either commitment to or current levels of aid transparency. For this group, where transparency to their domestic stakeholders such as civil society is low, it appears to be even less likely that recipient country governments have access to aid information.

#### Group 4: Below 50% (Italy, Portugal, Austria and Japan):

The poor performance in this group is consistent across their low scores on the full range of indicators. Commitment to aid transparency also appears to be very weak amongst these donors with no engagement with the international standard formation process to date through the International Aid Transparency Initiative.

<sup>2</sup> These types of information are taken from Publish What You Fund's First Aid Transparency Principle and has largely been reflected in the 'long list' of the IATI initial proposals on what information should be published. We wanted to assess them in relation to Principle 2: that information on aid should be comprehensive, timely, accessible and comparable.



### Finding 3

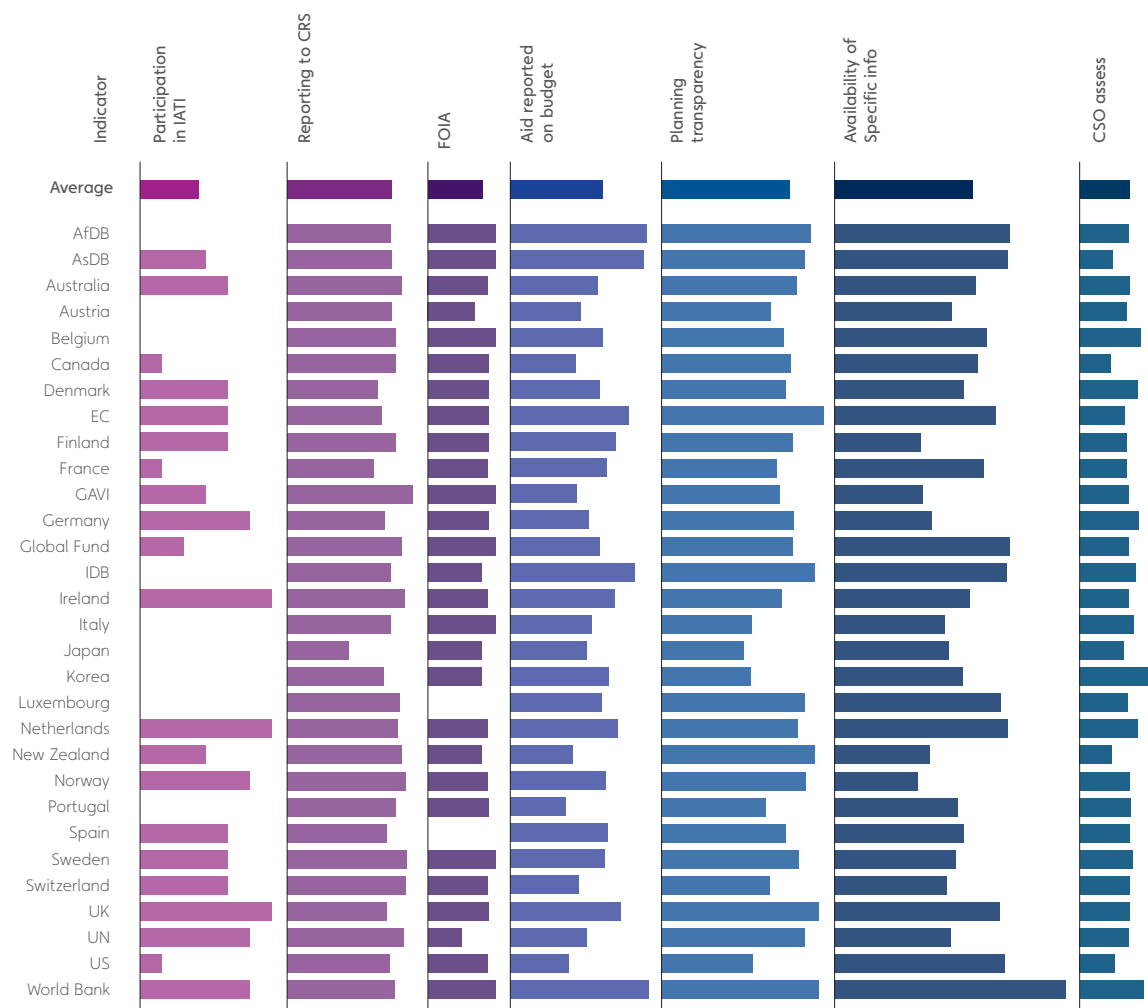
#### Donors showed significant weaknesses across indicators

There is also significant variation in performance across the indicators we assess in this report. The space provided for each indicator in the graphic below is proportional to its weight in the assessment. The graphic shows the extent to which each donor 'filled up' the available score for each indicator. The AfDB for instance, does not participate in IATI at all and so no bar shows. The World Bank scored 100% of the possible score for 'availability of specific information' so filled the space completely.

#### Category 1: Commitment to Aid Transparency, average score 66.5% (indicators 1a, 1b and 1c)

Of the three categories against which we assess donor performance, the strongest relative performance is for their overall commitment to aid transparency, which we measure by participation in the International Aid Transparency Initiative (indicator 1a), by full and timely reporting to the DAC Creditor Reporting System (1b) and by the existence of some form of Freedom of Information legislation (1c).

There is clearly a significant commitment from donors towards the development of an international aid transparency standard with 21 out of 30 donors **participating in IATI** in some way (17 are signatories, and a further four have participated in another way). However, the average score of 44.4% on this indicator reflects that donors are not participating sufficiently in IATI thus far.



Although the average score for **reporting to the CRS** is 82.4%, within that there is some notable variation. The gaps in reporting limit the comprehensiveness and comparability of the information, which combined with the up to two year delay to publication, ultimately jeopardise the overall usefulness of the dataset as a whole. The quality of information available through the CRS is dependent on the quality of information delivered by donors and the variation in reporting suggests a lack of commitment to aid transparency.

With an average score of 80.7%, most donors have some kind of freedom of information legislation or equivalent policy framework that enshrines the right to their information. It is concerning that there appear to be a number of donors that do not have any relevant policy and procedures on disclosure and access to information. There is currently no systematic analysis of the quality and use of exemptions on these policies; however CSO analysis suggests some ongoing concerns on the use of exemptions in the disclosure of aid information.

### **Category 2: Transparency of Aid to Recipient Governments, average score 54.9% (indicators 2a and 2b)**

Donors generally performed less well in respect of their **transparency towards recipient governments**. This second set of indicators reflects the extent to which donors provide information which recipients capture in their annual budget (2a) and the future aid information recipients need for forward planning (2b). The two main data sets used here are collected at the country level.

Indicator 2a, **aid reported on budget**, is drawn from recipients' own assessments of their donors' reporting to them as part of the HIPC CBP and from scoring the mismatch between what donors and recipient governments report in the Paris Declaration Monitoring Survey as aid to the government. This is a partial proxy but the performance here is disappointing, particularly given the Paris Declaration targets of 85% for aid reported on budget by 2010.<sup>3</sup> Our findings in 2008 only shows 47.7%. It is clear that donors continue to struggle with this critical element of transparency.

The second indicator, 2b, **planning transparency**, suggests that recipient governments are receiving limited amounts of usable information about future aid flows. The score on this indicator was poor given that the average of 62.2% includes a number of multilateral donors and some bilateral donors who already agree their spending plans over three year time frames and the existing 2010 targets within the Paris Declaration on predictability of aid.

### **Category 3: Transparency of Aid to Civil Society, average score 60.9% (indicators 3a and 3b)**

This third set of indicators reflects the extent to which donors make aid information available to civil society. Indicator 3a is made up of an academic assessment and a CSO survey of the **availability of specific information** from donors made available proactively online or reactively on request. Indicator 3b is **CSO's overall assessment of donors transparency** generally and at country level.

In general, these assessments are consistent with other indicators. They suggest that even if there is a high-level engagement in improving aid transparency among donors, there are currently still availability and accessibility issues in relation to civil society and the general public. The average score for the availability of specific information was only 59.8% and CSOs assessed donor transparency at 62.9%.

All donors assessed now have websites; however key types of specific aid information are not found to be easily available. They often do not contain disaggregated data and are not fully up to date. Generally some measures are being taken to be proactive about the right to access aid information (but not in recipient countries), but there were particular concerns about the timeliness of information, and that late disclosure was not allowing enough time for consultation and inputs into plans.

Overall, donors are generally considered to be becoming slowly more transparent by their domestic civil society partners.

<sup>3</sup> 2008 Survey on Monitoring the Paris Declaration: Making Aid More Effective by 2010, OECD, p. 14.

## Conclusions

From these findings we draw the following two conclusions and have then developed recommendations to respond to them in the next section.

### Conclusion 1: The lack of primary data means that it is not currently possible to assess donor aid transparency in the degree of detail that would be desirable

It is not currently possible to systematically assess all aspects of donor aid transparency at recipient country level as there is such a paucity of comparable country-by-country, programme-by-programme data. We have used the best available information to compare some donors on some elements of aid transparency; however key issues such as the variation within donors (such as the Uganda office versus the Tanzania office) are not captured. In future we would like to work with others to build a fuller and more 'optimal' assessment that begins to address some of these concerns. Our ideas on how we would like to go about this are set out in Section 3: Findings, Conclusions and Recommendations.

### Conclusion 2: Even so, we know enough to be confident that there is room for improvement across all indicators assessed

The disparity in performance between Groups 1 and 4 is striking, and the variation in performance across the indicators is also large. All donors need to achieve similar

levels of performance to Group 1. There do not appear to be any obvious underlying patterns or determinants of how well different donors score across the different indicators. Both larger and smaller donors as well as different types of donors (multilateral and bilaterals), appear at various places in the spectrum of overall results and across all the different indicators.

Less transparent donors jeopardise the usefulness of the data provided by more transparent donors, because they undermine the ability to get a comprehensive and thus relative picture of everything from volume to the ability to monitor and evaluate the results and performance of different projects or policies.

## Recommendations for donors on improving aid transparency

### Recommendation 1: Donors have demonstrated they can make information available, so they should

Conclusion 2, that there are very different levels of achievement across the indicators but there does not appear to be an obvious pattern in terms of the size, type or fragmentation of donor, suggests that there is potential for higher levels of aid transparency to be achieved across the board.

Thus with sufficient commitment at the political and technical level significant improvements could be made. Recommendation 2 and 3 below explore this in more detail. Some of the obvious basic requirements for greater aid transparency that should be rapidly addressed include:

- Out of date and hard to navigate websites require updating as they are central to the perception of transparency as well as the reality of making available aid information accessible.
- Those ranked poorly by CSOs may want to address their relationship with civil society.
- Those donors that do not have a freedom of information or equivalent disclosure policy should address this gap urgently.
- These policies and corresponding procedure should be examined to ensure the rules support the proactive disclosure of the full range of documents.
- All donors should ensure that the presumption of disclosure is made in the application of exemptions on aid information.

## Recommendation 2: Make more and better information available to a common standard

Although a number of donors do perform well on these indicators, the assessment is not based on the 'optimal' approach we would have preferred in order to assess current levels of aid transparency, as set out in Section 1. While it is not possible to currently evaluate how well donors are doing on the comprehensive, timely and comparable provision of information, it is clear from the report that they are certainly not doing so systematically. This is in part due to weaknesses in the current system of information provision (for example CRS data generally being between 18 months to two years out of date) and partly due to variable donor performance (variability in reporting the tying status of aid means the data is not comprehensive). However, what is clear from this work, and the assessments made by Access Info, DARA as well as the work of the IATI Technical Advisory Group<sup>4</sup> is that **donors do mainly have this information in their systems** (see below for full list of information types under discussion).

**Crucially, however, a common standard is essential for transforming more information into better information. This makes information mappable, useable and searchable. The principle underlying a common format is that it allows aid agencies to publish once, use many times – both themselves and for other stakeholders.**

Work on the possible benefits of greater aid transparency found that they fell into two broad categories "(1) efficiency gains (such as reduced administration costs, less duplicate reporting, better planning of aid programmes); and (2) effectiveness gains (such as improvements in services resulting from greater accountability, and microeconomic and macroeconomic improvements from greater predictability)." <sup>5</sup> A series of less tangible benefits have also been identified: the possibility of enhanced aid allocation – between countries, donors and sectors, better research, monitoring, evaluation and possible impact benchmarking, as well as supporting a greater willingness to give aid.

Consequently donors need to invest in building a common format to get the most out of increases in proactive disclosure of aid information, making it possible to deliver on the potential of greater aid transparency and yield the most efficiency and effectiveness gains it offers.

## Recommendation 3: Ensure IATI standard delivers for everyone

The IATI standard will be agreed in December 2010, and there are a few crucial months left in which to invest and ensure that IATI delivers on the promise of greater aid transparency. Given the number of donors involved and the investments made to date, it is important for donors to follow through on the opportunity presented by an existing process (rather than inventing a new fora or processes).

Donors need to participate in IATI and ensure the standard delivers in a number of crucial areas:

- As previously discussed, most if not all the information under discussion exists in some form inside donor systems. Consequently donors need to ensure any agreed standard is based on and fits with the **reality and practice of donors' internal systems** – from accounting, to project management to monitoring and evaluation systems. Without this grounding in actual practice, there are serious risks that the donors will struggle to disclose to the standard, instead of it making things easier and streamlining information availability.
- The format agreed needs to also deliver on **major external reporting formats** required from donors such as the DAC CRS, the IMF's government financial statistics functional classification and the UN's Financial Tracking System in order to ensure that time and resources savings are attained for donors.
- In the run up to the next **High Level Forum on Aid Effectiveness in Korea in November 2011**, it is essential that publishing information in the IATI standard assists donors in delivering on the Paris Declaration and the Accra Agenda for Action aspirations and commitments. The transparency to recipient government indicators in this report are closely linked to Paris alignment targets for aid on budget and predictability. Beyond that, if information is not comparable and timely between donors, coordination conversations that lead to greater harmonisation cannot progress to actual improvements in the division of labour. For highly aid dependent recipients, discussions of their ownership of the development process remain hollow without usable information on aid.

<sup>4</sup> The four donors (Germany, Netherlands, UK, World Bank) visited during the 2009 IATI donor fact finding missions were found to be generally well placed to comply with IATI. Most of the information is captured in centralised systems, and timely publication of basic project information and financial flows is achievable. Most donors are still deciding how to meet the Accra commitment to provide indicative 3 year rolling expenditure or resource allocation plans. There are conducive disclosure policies in place because of Freedom of Information Acts and a commitment to transparency. However, the move from reactive to proactive disclosure highlights that in many cases decisions will need to be made about exactly what restrictions might apply.

<sup>5</sup> Collin, Zubairi, Neilson and Barder, The Costs and Benefits of Aid Transparency, AidInfo, October 2009, p. 4.

Accountability, let alone mutual accountability between donors and recipients, cannot occur without the ability to identify and track what is happening or not.

- A particularly important area is information comparability – which means ensuring the **compatibility of aid data classifications with recipient country accountability and budget systems**. Without this element the Paris agenda is hard to achieve as noted above. More fundamentally, the IATI standard needs to ensure the critical link between improving donor aid and building the accountability of recipient governments to their citizens can be made. If recipients do not know what donors are doing it is hard for them to optimise the use of their own tax resources and be accountable to their taxpayers. Ensuring the agreed standard maps to national budgets is a pre-requisite for improving use of their own resources in highly aid dependent countries.<sup>6</sup>

### What's needed for future aid transparency assessments?

Leading on from our first conclusion about the lack of comparable and primary data sources, a fuller assessment of aid transparency would ideally cover all donors worldwide, including non-governmental organisations (NGOs), all donor government agencies including emerging donors, humanitarian agencies, private companies doing charitable work, contractors and others. Such an assessment would also disaggregate donor performance by recipient country at least, so we could discover variation in transparency within agency, whether they are equally transparent, and about their aid to, for example, Afghanistan, Liberia or Uganda. It would also ideally cover a range of information types, as set out in Box 2.

## Box 2

### First Aid Transparency Principle: Information on aid should be published proactively

Public bodies engaged in funding and delivering aid, and those who deliver aid on their behalf, should proactively disseminate information on their aid and aid-related activities. They should develop the necessary systems to collect, generate and ensure the automatic and timely disclosure of, at a minimum, information on:

- **Aid policies and procedures** including clear criteria for the allocation of aid;
- **Aid strategies** at the regional, country and local; and programmatic, sectoral and project levels;
- **Aid flows** (including financial flows, in-kind aid and administrative costs), including data on aid planned, pledged, committed and disbursed, disaggregated according to internationally agreed schema by region, country, geographic area, sector, [disbursement/delivery] modality and spending agency;
- **Terms of aid**, including aid agreements, contracts and related documents, for example, information on all conditions, prior and agreed actions, benchmarks, triggers, and interim evaluation criteria; and details of any decisions to suspend, withdraw or reallocate aid resources;
- **Procurement** procedures, criteria, tenders and decisions, contracts, and reporting on contracts, including information about and from contractors and sub-contracting agents;
- **Assessments of aid and aid effectiveness** including monitoring, evaluation, financial, audit and annual reporting;
- **Integrity procedures**, including corruption risk assessments, declarations of gifts and assets, complaint policies and mechanisms and protection of whistleblowers;
- **Public participation**: opportunities for public engagement in decision-making and evaluation, consultative/draft documentation, copies of submissions to the consultation processes, and reports on how inputs were taken into account;
- **Access to information**: organisational structure, contact information and disclosure mechanisms and policies.

The only restrictions on the proactive publication of this information should be based on limited exceptions consistent with international law and subject to consideration of the public interest in the disclosure of information.

All public bodies engaged in aid, in donor and recipient countries, should publish an index of the types of information that they hold, and wherever possible these should be organised so that all the documents linked to a particular country, programme or project can be identified.

<sup>6</sup> See Williamson and Moon, "Greater Aid transparency: Crucial for aid effectiveness", Project Briefing 35, Publish What You Fund, the Overseas Development Institute and International Budget Partnership, January 2010; and Moon, S. with Mills, Z., "Practical Approaches to the Aid Effectiveness Agenda: evidence in aligning aid information with recipient country budgets", Working Paper 317, Publish What You Fund, the Overseas Development Institute and International Budget Partnership, July 2010.

In the medium term we would like to work with others to construct a time-series dataset which would allow for an annual assessment of aid information availability country-by-country and programme-by-programme.

Key elements Publish What You Fund would like to address are:

- Tracking delivery on high-level donor commitments to aid transparency, specifically the final agreement of the International Aid Transparency Initiative, as well as any additional types of information or information quality issues that have been left out of the IATI final agreement.
- Extend coverage to as many different aid agents as possible, including ideally all the major traditional bilateral donors, multilateral agencies, other bilaterals such as China and other emerging donors, foundations, NGOs, contractors, for-profit agencies, humanitarian and potentially even security and defence aid.

A central premise for such an approach would be collecting information by recipient country, and for centrally allocated sectoral spending by programme. Donor agencies transparency could thus be assessed much more practically, in each recipient country or for each “vertical” programme. This would give a much more powerful analysis and the

ability for donors to learn and change more rapidly, making it possible for the accuracy to be monitored both by the donors in that country as well the citizens of countries receiving aid and citizens of donor countries. This is a large-scale project, depending on the evolution of IATI, and would need investment.

We hope that this and potential future assessments, and the lessons learned from the hurdles we faced in creating it, will support those delivering and receiving aid in their efforts to improve transparency, and in turn the use and impact of those scarce and precious aid resources.

# Section 1. Approach and Methodology

This section sets out the approach we took to assessing aid transparency, and outlines the methodology we developed to do so. More details of the methodology can be found in Annex 1.

## Why assess donors' efforts to be transparent?

Aid transparency matters for many reasons – from improving governance and accountability and increasing the effectiveness of aid to lifting as many people out of poverty as possible. We hope that this assessment, and the lessons learned from the hurdles we faced in creating it, will support those delivering and receiving aid in their efforts to improve transparency, and in turn the use and impact of those scarce and precious aid resources.

Aid, used well, has enormous potential to contribute to positive changes. While some aid is helping address some of the most difficult problems in the most challenging places in the world, we also know that aid is not always delivering the maximum impact possible. Lack of transparency in the aid system is a critical challenge to improving the impact of aid, undermining our ability to assess what is contributing to change most. At best, the lack of timely, comprehensive and comparable information about aid activities is reducing efficiency and limiting effectiveness which means donors, their taxpayers, or recipient countries and people are not getting the best value for money. At worst, the lack of transparency could be leading to aid efforts that fragment accountability and waste the time, energy and resources of all stakeholders, including some of the poorest people on the planet. Most importantly, lack of information means aid

activities might actively undermine one another, therefore limiting the contribution to the common goal of fighting poverty.

The commitments donors made on aid effectiveness in the 2005 Paris Declaration are important and welcome. The recognition that donors were struggling to deliver on those commitments<sup>7</sup> resulted in a new focus on aid transparency in 2008 within the Accra Agenda for Action and the launch of the International Aid Transparency Initiative. The understanding emerged that aid transparency is fundamental to delivering on those commitments. Aid transparency rhetoric now needs to be transformed into action. In undertaking this first assessment, we hope that we are contributing to that transformation. Publish What You Fund is dedicated to playing an active and constructive role in working to deliver comprehensive, timely and comparable aid information. We are well aware of the investment aid agencies are making in this area. We hope this report can play a part in helping to identify areas for learning and improvement, and plot a course for the future.

## Why does aid transparency matter?

The most effective aid is aid that is harmonised and coordinated among donors, is managed for maximum impact and results, and is aligned to recipient countries own plans and systems. These goals all require a free flow of appropriate information between the relevant parties. In highly aid dependent environments, it is hard to see how greater aid effectiveness, better accountability and governance, and improved development impact can be achieved without greater transparency of aid activities. Transparency of aid information is thus a necessary (but by

no means sufficient) condition of effective aid that has the greatest impact on development. One study found that increased aid transparency from all DAC donors could raise the value of their aid by the equivalent of a permanent global increase in aid of 2.3%.<sup>8</sup>

However, for the benefits of greater transparency to be maximised, it needs to be timely, comprehensive and comparable. The particular power of greater aid information comes from the ability to map it to other information – to other flows and expenditure and to measures of results and impacts. Comparability is what transforms more aid information to be better information. Being able to compare aid information between donors and with recipients is a pre-requisite for better donor coordination and division of labour, for the alignment of aid with recipient country budgets, planning and accountability systems and for the ability to benchmark performance and assess results. This move from more and better information unlocks the potential of real value-for-money and accountability gains for both recipient and donor country tax payers.<sup>9</sup>

This impact of special interests is relevant wherever public resources are distributed – including development assistance.

## Why aid transparency matters to key stakeholders

More and better information is needed by a range of different stakeholders. While the uses and needs of that information vary, the underlying data they need is strikingly similar.<sup>10</sup>

<sup>7</sup> See 2008 Survey on Monitoring the Paris Declaration.

<sup>8</sup> Collin, Zubairi, Neilson and Barder, The Costs and Benefits of Aid Transparency, AidInfo, October 2009.

<sup>9</sup> The estimated savings from implementing IATI (USD 7m) would pay for the costs (USD 6m) in one year and represents good value for money. See Collin, Zubairi, Neilson and Barder, The Costs and Benefits of Aid Transparency, AidInfo, October 2009.

<sup>10</sup> For more on this see paper by Development Initiatives, International Aid Transparency Initiative: Scoping paper for consultation, April 2009; and Publish What You Fund Briefing Paper 1, Why Aid Transparency Matters, and the Global Movement for Aid Transparency, 2010.

- **For donors**, for example, a lack of information about current and future aid allocations has helped create the phenomenon of donor 'orphans' or 'darlings' – whether of a particular country, sector, issue or ministry.<sup>11</sup> For donors to make sense of their priority areas while coordinating their efforts with others, they need timely information about one another's activities. It is to the donors' advantage to be informed in order to make the best use of their money, time and expertise, and to ensure a collective balance of investment between different donors, sectors and regions. They can also not begin to seriously assess the results and impact of their efforts adequately without knowing what others are spending and investing, or how to benchmark the results of their efforts to aid actors and government agencies.
- **For aid-dependent recipient governments**, a lack of aid information undermines the use of their resources. Currently, they struggle to know with precision how much aid is being invested in their country, from whom and how it is being spent. Improving the transparency of aid is essential for governments to plan with precision and make efficient and effective use of resources. Lack of information is currently affecting everything from macro-economic planning and stability, fiscal policy and service delivery, to monitoring and evaluating the impact of their own spending.
- Greater aid transparency is a pre-requisite for **southern civil society**, including NGOs, parliamentarians and direct beneficiaries, to engage with and hold their governments, donors and service providers to account.

It is also necessary for holding recipient governments to account over discrepancies between aid received and aid spent on behalf of beneficiaries. By exposing whether donor funds are used for the purpose intended, aid transparency is one way of reducing waste and corruption. While challenges remain, there is some evidence of an increase in the quality of public engagement in aid and in the implementation of government policies when there is greater information available.<sup>12</sup>

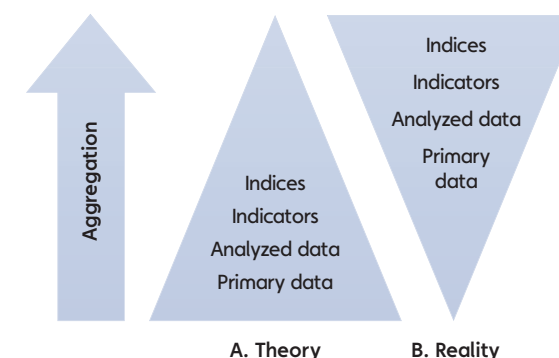
- **Northern civil society** and parliamentarians similarly struggle to fulfil their potential role in promoting great aid accountability and effectiveness. Better information about expenditures and results can be used to monitor the impact of aid spending, limiting the role of special interest groups and increasing participation. By making aid information more accessible, donors can encourage active citizen engagement with the aid and development sector.

## Methodology

This assessment is the first attempt to undertake a detailed comparative stock take of the current levels of aid transparency. The methodological approach taken is fundamentally driven by a lack of primary data availability. The figure opposite illustrates the challenge faced when working in a data poor environment.

**Figure 2**  
Developing indicators with a lack of primary data

Source: Segnestam, 2002.



We wanted to assess levels of publication for the full range of information types in terms of their comprehensiveness, timeliness and comparability – assessing donors on the first and second Aid Transparency Principles in Box 1. We wanted to undertake an assessment of the proactive disclosure of each type of aid information, at a country-by-country, programme-by-programme and recipient-by-recipient level (for more details on the future of aid transparency see Section 3, page 30).

However, there are no datasets that allow us to do this and consequently the methodology selected draws on the eight data sources we could find. From these datasets we developed seven indicators which fall in three broad categories.<sup>13</sup> These three main categories of the assessment are donors overall commitment to aid transparency; transparency of aid to recipient government; and transparency of aid to civil society.

<sup>11</sup> Taken from Publish What You Fund Briefing Paper 1.

<sup>12</sup> McGee, R. et al. 'Assessing Participation in Poverty Reduction Strategies: a desk-based synthesis of experience in sub-Saharan Africa', IDS Research Report 52, Institute of Development Studies, 2002.

<sup>13</sup> Data was drawn from official sources, civil society sources and independent/academic sources, outlined in the Data Sources (Annex 1). Because of the lack of information, only certain donors were assessed, as outlined in Which donors do we cover? (Section 1). These sources were weighted according to the formula outlined in Figure 7 on page 67: Weighting.



The lack of primary data is of course part of the problem of aid transparency and as such it is unsurprising that it presented a serious challenge to this exercise from the outset. More information on the methodological challenges encountered in compiling this assessment, as well as suggestions for addressing these issues, can be found in Section 3: Findings, Conclusions and Recommendations and the annexes.

## The data sources

There are eight data sources that we found to provide good coverage of the major donors. These are generally considered reliable and robust data sources that are non-duplicative, although they may be complementary. A number use data from 2008 as the most recent data available, however the year of data collection varies from 2006 to 2010. Some are one-off exercises; some are annual or biannual undertakings. The data were in differing formats, covering different donors, with varying levels of methodological clarity and sometimes considerable differences in how they treated key questions (such as how to treat multiple UN agencies).

Methodologically there were particular gaps with which to assess multilateral agencies. For instance, not all data sources provide data on the various Development Banks – some only provide information on the concessional arms of the Development Banks. UN agencies are sometimes treated as one aggregate body in our data sources, and

other times as separate agencies. This is due to the lack of consistent and accessible information. We have dealt with these issues as judiciously as possible and noted in Annex 2 what we have done. There are also several unavoidable data gaps, the methodology for which is shown in Annex 3.

The sources we use most regularly are the OECD DAC Creditor Reporting System; the Paris Declaration Monitoring Survey (PDMS); the HIPC Capacity Building Project (HIPC CBP); the OECD DAC Predictability Survey; and information from the IATI Secretariat on participation in IATI.

Detailed information on each of the data sources we have used is contained in Annex 1.

## Other related data sources not used in the indicators

There are data sources that deal with donor transparency that we decided not to include in our quantitative comparison of donors. Generally the reason was that the data sets cover different donors, making comparison difficult. In other cases, it is because of duplication or because the data is not accessible. However, some of these sources contain useful information that we have included in each of the individual donor profiles in Section 5. More information on other related data sources can be found in Annex 1.

### Box 1

#### The Publish What You Fund Aid Transparency Principles

Publish What You Fund has developed a set of four principles that should be applied by all public and private bodies engaged in the funding and delivery of aid, including donors, contractors and NGOs. These should work side by side with freedom of information laws, governance integrity and engagement with aid effectiveness organisations

1. **Information on aid should be published proactively** (see Box 2 on page 30) – a donor agency or organisation should tell people what they are doing, for whom, when and how.
2. **Information on aid should be comprehensive, timely, accessible and comparable** – the information should be provided in a format that is useful and meaningful.
3. **Everyone can request and receive information on aid processes** – ensure everyone is able to access the information as and when they wish.
4. **The right of access to information about aid should be promoted** – donor organisations should actively promote this right.

## Which donors do we cover?

The assessment covers 30 aid agencies based on those that are most commonly represented in our data sources.

- **Bilateral agencies:** Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Ireland, Italy, Japan, Korea, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, UK, U.S.
- **Multilateral agencies:** African Development Bank, Asian Development Bank, Inter-American Development Bank, World Bank, United Nations.
- **Other agencies:** European Commission, GAVI Alliance, the Global Fund to Fight AIDS, Tuberculosis and Malaria ("Global Fund").

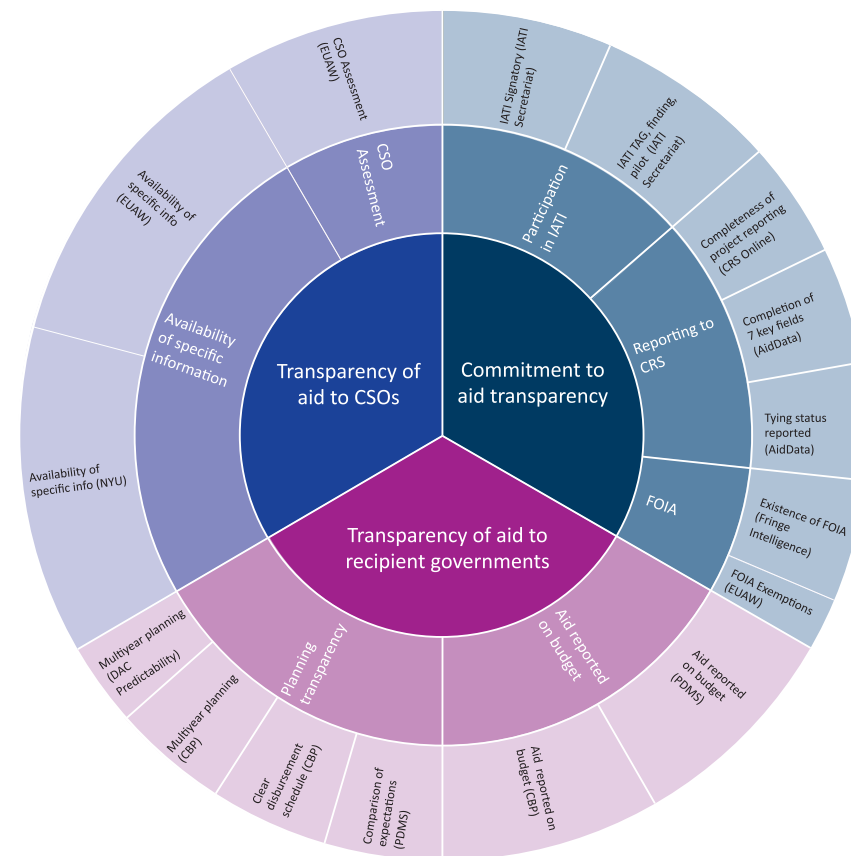
Ideally we would assess all types of donors, including NGOs, private foundations and other types of aid providers. However, information availability is primarily limited to the largest and most traditional donors, thus highlighting the transparency problem we are dealing with. Even the data sources listed above do not cover all major official donors and we struggled with data gaps (see Section 1 and Annex 3 for more on donors covered and how we dealt with data gaps).

## Scaling and Weighting

We have carefully considered how to scale and weight the assessment and have taken a decision not to rescale our indicators. We have, however, weighted our indicators on the basis that we have large amounts of data for some aspects of transparency and limited amounts of data for other aspects. To weight each data source equally would promote some aspects at the cost of others. The draft weighting given to each of these indicators (and the source data for each of the indicators) is mapped in the pie chart opposite.

Figure 3

Weighting of indicators and sources – visual representation



## Section 2. Indicators

Publish What You Fund searched out data to develop indicators to compare the transparency of 30 major bilateral and multilateral donors on existing good practice. The range of measures that donors should be taking already to deliver on existing commitments to aid transparency fall across seven weighted indicators in three categories:

1

High level commitment to aid transparency

1a. Participation in the international standard-building process of the International Aid Transparency Initiative

1b. Reporting to OECD Development Assistance Committee (DAC) Creditor Reporting System

1c. Freedom of Information Act (or equivalent)

2

Transparency to recipient government

2a. Aid reported to recipients' budgets

2b. Planning transparency

3

Transparency to civil society

3a. Availability of specific information

3b. CSO assessment of donor transparency

These indicators assess a number of elements of aid transparency, although they are clearly far from exhaustive and may not apply to all types of donors or aid actors. International NGOs, for instance, do not report to the DAC's Creditor Reporting System, so future versions of any aid transparency assessment may not use all these measures.

The table below outlines in greater detail what these indicators can tell us about donors' aid transparency. For more detail on the data sources and methodology see Annex 1.

Table 1  
Summary table of indicators

Category 1: High level commitment to aid transparency		
The first set of transparency indicators reflects the extent to which donors are supporting existing initiatives in the donor community that promote aid transparency.		
Indicator	Reasons	Data sources
<div>Indicator 1a: Participation in IATI, composed of:<ul style="list-style-type: none"><li>IATI signatory</li><li>Participation in Technical Advisory Group (TAG) meetings, funding IATI, participation in IATI country pilots</li></ul>(Data source: IATI Secretariat)</div>	IATI is the international forum on developing aid transparency standards. Donors participate in this forum to varying degrees. We are using participation in IATI as a proxy for aid transparency being taken seriously by the organisation. IATI is the only forum working on an international standard for publishing aid information and ensuring that it delivers for the systems and needs of donors as well as those of recipient organisations and countries. Not participating in this forum is thus taken as a sign of a lack of commitment to aid transparency.	The IATI Secretariat via its website provides meeting minutes and documents (as of July 2010).

Indicator	Reasons	Data sources
<p><b>Indicator 1b:</b> <b>Reporting to the DAC's CRS, composed of:</b></p> <ul style="list-style-type: none"> <li>• Completeness of project reporting (CRS Online)</li> <li>• Completion of 7 key administrative fields (AidData)</li> <li>• Completion of tying status fields (AidData)</li> </ul>	<p>The Creditor Reporting System is a mandatory reporting platform for OECD DAC donors. The information in the CRS is publically available and an important element of current information on aid transparency. We take completion of the required fields as a signal that the donor takes providing aid information seriously. It is worth noting that the usefulness of the entire CRS database is undermined if information is incomplete. Non-OECD donors are not required to report to the DAC although a number submit some information anyway. We have taken steps to ensure that these organisations are not penalised (see <b>Data Gaps</b>, in Annex 3).</p>	<p>CRS Online provides access to the data of the DAC's Creditor Reporting System, including aggregate Official Development Assistance (ODA) statistics and data on individual project activities. We have used 2008 data – the most recent available.</p> <p>AidData data gives a measure on how well donors use the DAC's Creditor Reporting System and whether or not they complete certain key fields (also using the CRS 2008 data).</p>
<p><b>Indicator 1c:</b> <b>Freedom of Information Act (FOIA), composed of:</b></p> <ul style="list-style-type: none"> <li>• Existence of a FOIA or equivalent (Fringe Intelligence)</li> <li>• Exemptions to the Act for aid information (EU AidWatch)</li> </ul>	<p>The existence of a Freedom of Information Act, or an equivalent information disclosure policy for multilateral agencies, is taken here to demonstrate a degree of high-level commitment to aid transparency. However, not all FOIAs are created equal and this not a proxy for the quality of the FOI legislation. In the absence of systematic comparative research into the quality of FOIA text and practice,<sup>14</sup> we use CSOs assessments on whether there were any exemptions in national FOI legislation that restricted access to aid information under the law. Responses were scored according to whether there were reported to be no exemptions, some exemptions, serious exemptions or no FOIA.</p>	<p>The Fringe Intelligence Special Edition provides information on the existence of Freedom of Information Acts (the linked information was updated in September 2010 but is not yet available online).</p> <p>EU Aidwatch's 2010 Survey canvasses CSO opinion on donor behaviour and has a section on transparency. We also sent this section of the survey to selected non-European donors.</p>

<sup>14</sup> We hope that this information might be available in the future and welcome the new Right to Information Legislation Rating methodology recently launched by Access Info Europe and the Centre for Law and Democracy (Canada).

## Category 2: Aid transparency to recipient governments

The second set of indicators reflects the extent to which donors provide recipient governments with necessary aid information in a useful manner.

Indicator	Reasons	Data sources
<b>Indicator 2a:</b> <b>Aid reported on budget</b> <ul style="list-style-type: none"> <li>Aid on budget (PDMS)</li> <li>Aid on budget (HIPC CBP)</li> </ul>	<p>Aid recorded in the national budget is largely (although not only) due to donor efforts to share information with the relevant parts of recipient government. We take aid reported on budget as the best available proxy for donor transparency to recipient governments. Building recipient government capacity means avoiding setting up parallel systems that undermine and distract from the national budget process. This indicator is derived from two measures of the same issue coming from different perspectives. The first, from the PDMS, captures the mismatch between what donors and governments reported in the survey. We have used the underlying data to develop our own indicators. More detail is provided on this in Annex 1 on page 68. The second is the assessment by recipients of their donors' reporting to them as part of the HIPC CBP. Both data sets are collected at the country level.</p>	<p>The most recent Paris Declaration Monitoring Survey from 2008 includes data on the extent to which aid is recorded in the national budget (which in turn relies on donors being transparent with recipient governments about their intentions and on having aid systems that do not bypass governmental budget systems).</p> <p>The HIPC Capacity Building Project (HIPC CBP) collects data on a rolling basis from 33 recipient governments. It includes an assessment of the proportion of each donor's aid recorded in the national budget.</p>
<b>Indicator 2b:</b> <b>Planning Transparency, composed of:</b> <ul style="list-style-type: none"> <li>Comparison of expectations (PDMS)</li> <li>Multiyear planning (HIPC CBP)</li> <li>In-year disbursement timetable (HIPC CBP)</li> <li>Multiyear planning (DAC Predictability)</li> </ul>	<p>The extent to which donors share their forward plans and resource allocations with government affects the extent to which aid-dependent governments can plan their own budgets.<sup>15</sup> The comparison of donor and recipient expectations about future aid is particularly interesting. We use the underlying PDMS data to develop our own indicator to calculate the extent to which recipient and donor expectations of aid flows match. More detail is provided on this in Annex 1 on page 69.</p> <p>Two key components of forward flow information are included in the HIPC CBP. The first element is the percentage of the donor funds committed as part of a multi-year programme (as opposed to on an annual basis). The second element is the percentage of funds that have predefined clear disbursement timetables during the year and whether they are in line with budget timetables (as opposed to irregular disbursements at the discretion of the donor).</p> <p>Although the DAC Predictability Survey does not directly capture aid transparency to recipient governments, it tells us whether donors can make sufficiently robust forward plans themselves which they could then share with recipients.</p>	<p>The 2006 Paris Declaration Monitoring Survey includes data on donors and governments expectations about future aid disbursements.</p> <p>The HIPC Capacity Building Project, collecting information from 33 recipient governments, provides data on governments' assessments of both in-year disbursement schedules and multi-year plans of their donors.</p> <p>The 2009 DAC Predictability Survey (covering years 2009–2011) provides information on the extent to which donors can give information to the DAC on their future commitments.</p>

<sup>15</sup> Donors have committed to do this as part of the 2005 Paris Declaration and the 2008 Accra Agenda for Action.

<sup>16</sup> We can only perform this calculation on 2006 PDMS data as in subsequent survey years donors reported on calendar years only.

### Category 3: Aid transparency to civil society

The third set of transparency indicators reflects the extent to which donors make aid information available to civil society.

Indicator	Reasons	Data sources
<b>Indicator 3a:</b> <b>Availability of specific information</b> <ul style="list-style-type: none"> <li>Academic assessment of availability (NYU)</li> <li>CSO assessment of availability (EU AidWatch)</li> </ul>	<p>This is a direct assessment of the availability of specific types of aid information from donors made available proactively online, or reactively on request. Institutions should have systems of dealing with all information requests regardless of the source of the request. This indicator draws together academic research from New York University (NYU) testing the availability of a range of specific information types and CSOs assessment of seven specific types of information and how easy it was to find them, both general documents and country-specific documents.</p>	<p>NYU – Easterly &amp; Pfutze (2008) followed by Easterly &amp; Williamson (2010) surveyed the availability online or on request of certain types of information from donors.<sup>17</sup></p> <p>EU Aidwatch's 2010 Survey provides CSO perceptions of donor transparency including their assessment of donors' disclosure levels. The survey was also sent to selected non-European CSO platforms.</p>
<b>Indicator 3b:</b> <b>CSO assessment of donor transparency</b> (EU AidWatch)	<p>In questions of transparency, perceptions matter and are part of fostering demand and supply of more and better information. The survey established CSO opinions on a number of aspects of aid transparency including on whether they were proactive about disclosing information, various aspects of the website, monitoring and evaluation and the direction of change of the agency.</p>	<p>This part of EU Aidwatch 2010 Survey asks CSOs to assess the donor on several aspects of transparency and was again extended to a number of CSO platforms beyond the EU.</p>

<sup>17</sup> The findings were presented first in 'Where Does the Money Go? Best and Worst Practices in Foreign Aid' (2008), and followed by 'Rhetoric versus Reality: The Best and Worst of Aid Agency Practices' (forthcoming, 2010).

## Section 3. Findings, Conclusions & Recommendations

This section sets the overall findings, conclusions and recommendations from the assessment drawing on the Approach and Methodology detailed in Section 1 and the Results detailed in Section 4.

### Findings

#### Finding 1: There is a lack of comparable and primary data

As set out in Section 1 Approach and Methodology, we rapidly discovered that **there is currently no systematic, disaggregated way of assessing the transparency of donors**. We wanted to assess levels of public availability for a range of information types (including aid strategies, policies, procedures, flows, conditions, assessments and evaluations, procurement information, consultation documents and integrity procedures) in terms of their comprehensiveness, timeliness and comparability.<sup>18</sup> However, there are no existing primary datasets available that allow for an assessment of the country-by-country, programme-by-programme, or recipient-by-recipient level of proactive disclosure of each type of aid information for a large range of donors.

Thus the only assessment of aid transparency we could make was to draw indicators from existing datasets, covering a range of different time periods, which are generally only available at a highly aggregated level and cover a number of different years. It was the best available approach and has received the support of our Peer Reviewers. It allows us to reflect on the relative success of donors in making information available, and to whom.

However, drawing together these different data formats, sources and timeframes into a comprehensive assessment proved challenging. The methodological details of this are set out in Annex 1. In these existing data sources we also **found comparability of data to be a problem** – differing formats and lack of clarity about the data specification required extensive work, checking and research to inter-relate them in a meaningful way.

#### Finding 2: There is wide variation in levels of donor transparency

The highest performing donor (the World Bank) achieved more than double the transparency score (85.4%) of the lowest (Japan with 41.9%). Large and small donors appear throughout the ranking, as do multilaterals and bilaterals, while the average aid transparency score across all donors in the assessment is 60.8%. The performance of donors can be grouped into four levels of scoring in the assessment. However, some donors perform at a consistent level across indicators whereas others have specific areas of weakness. The detailed score for each of the 30 donors assessed are set out in Section 5: Individual Donor Profiles.

##### Group 1: Above 75% (World Bank, Netherlands, UK)

These donors demonstrate commitment to aid transparency but each have areas for improvement, for example in reducing the number of exemptions in their Freedom of Information legislation (or disclosure policy for multilateral agencies) for aid information disclosed, and reporting to the CRS.

##### Group 2: Above the donor average of 60.8% (EC, Ireland, AsDB, Sweden, Australia, Global Fund, AfDB, IDB, Norway, UN, Denmark and Germany)

These donors generally show an explicit commitment to aid transparency but they are inconsistent in their current levels of performance on the availability of information. Good performance in one area is usually counterbalanced by poorer performance elsewhere. Many of these donors participate to some degree in IATI and report to the CRS but with varying levels of comprehensiveness. Many struggle with transparency to civil society.

##### Group 3: Below the donor average of 60.8% (Finland, Switzerland, Belgium, Spain, GAVI, France, New Zealand, Canada, Luxembourg, U.S. and Korea)

This group contains donors that are scoring poorly in either commitment to or current levels of aid transparency. Some even lack basic freedom of information legislation (e.g. Luxembourg, Spain). For this group, where transparency to their domestic stakeholders such as civil society is low, it appears to be even less likely that recipient country governments have access to aid information.

##### Group 4: Below 50% (Italy, Portugal, Austria and Japan)

The poor performance in this group is consistent across their low scores on the full range of indicators. Commitment to aid transparency also appears to be very weak amongst these donors with no engagement with the international standard formation process to date through the International Aid Transparency Initiative.

<sup>18</sup> These types of information are taken from Publish What You Fund's First Aid Transparency Principle and has largely been reflected in the 'long list' of the IATI initial proposals on what information should be published. We wanted to assess them in relation to Principle 2: that information on aid should be comprehensive, timely, accessible and comparable.

### Finding 3: Donors showed significant weaknesses across indicators

There is also significant variation in performance across the indicators we assess in this report. For details of how each indicator is constructed and the data sources used see Table 1 at the end of section 2.

#### Category 1: Commitment to Aid Transparency, average score 66.5% (indicators 1a, 1b and 1c)

Of the three categories against which we assess donor performance, the strongest relative performance is for their overall commitment to aid transparency, which we measure by participation in the International Aid Transparency Initiative (indicator 1a), by full and timely reporting to the DAC Creditor Reporting System (1b) and by the existence of some form of Freedom of Information legislation (1c).

There is clearly a significant commitment from donors towards the development of an international aid transparency standard with 21 out of 30 donors **participating in IATI** in some way (17 are signatories, and a further four have participated in another way). However, the average score of 44.4% on this indicator reflects that donors are not participating sufficiently in IATI thus far.

Although the average score for **reporting to the CRS** is 82.4%, within that there is some notable variation. The gaps in reporting limit the comprehensiveness and comparability of the information, which combined with the up to two year delay to publication, ultimately jeopardise the overall usefulness of the dataset as a whole. The quality of

information available through the CRS is dependent on the quality of information delivered by donors and the variation in reporting suggests a lack of commitment to aid transparency.

With an average score of 80.7%, most donors have some kind of freedom of **information legislation or equivalent** policy framework that enshrines the right to their information. It is concerning that there appear to be a number of donors that do not have any relevant policy and procedures on disclosure and access to information. There is currently no systematic analysis of the quality and use of exemptions on these policies; however CSO analysis suggests some ongoing concerns on the use of exemptions in the disclosure of aid information.

#### Category 2: Transparency of Aid to Recipient Governments, average score 54.9% (indicators 2a and 2b)

Donors generally performed less well in respect of their transparency towards recipient governments. This second set of indicators reflects the extent to which donors provide information which recipients capture in their annual budget (2a) and the future aid information recipients need for forward planning (2b). The two main data sets used here are collected at the country level.

Indicator 2a, **aid reported on budget**, is drawn from recipients own assessments of their donors' reporting to them as part of the HIPC CBP and from scoring the mismatch between what donors and recipient governments report in the Paris Declaration Monitoring Survey as aid to the government. This is a partial proxy but the performance

here is disappointing, particularly given the Paris Declaration targets of 85% for aid reported on budget by 2010.<sup>19</sup> Our findings in 2008 only shows 47.7%. It is clear that donors continue to struggle with this critical element of transparency.

The second indicator, 2b, **planning transparency**, suggests that recipient governments are receiving limited amounts of usable information about future aid flows. The score on this indicator was poor given that the average of 62.2% includes a number of multilateral donors and some bilateral donors who already agree their spending plans over three year time frames and the existing 2010 targets within the Paris Declaration on predictability of aid.

#### Category 3: Transparency of Aid to Civil Society, average score 60.9% (indicators 3a and 3b)

This third set of indicators reflects the extent to which donors make aid information available to civil society. Indicator 3a is made up of an academic assessment and a CSO survey of the **availability of specific information** from donors made available proactively online or reactively on request. Indicator 3b is **CSO's overall assessment of donors transparency** generally and at country level.

In general, these assessments are consistent with other indicators. They suggest that even if there is a high-level engagement in improving aid transparency among donors, there are currently still availability and accessibility issues in relation to civil society and the general public. The average score for the availability of specific information was only 59.8% and CSOs assessed donor transparency at 62.9%.

<sup>19</sup> 2008 Survey on Monitoring the Paris Declaration: Making Aid More Effective by 2010, OECD, p. 14.



All donors assessed now have websites; however key types of specific aid information are not found to be easily available. They often do not contain disaggregated data and are not fully up to date. Generally some measures are being taken to be proactive about the right to access aid information (but not in recipient countries), but there were particular concerns about the timeliness of information, and that late disclosure was not allowing enough time for consultation and inputs into plans.

Overall, donors are generally considered to be becoming slowly more transparent by their domestic civil society partners.

## Conclusions

From these findings we draw the following two conclusions and have then developed recommendations to respond to them in the next section.

### Conclusion 1: The lack of primary data means that it is not currently possible to assess donor aid transparency in the degree of detail that would be desirable

It is not currently possible to systematically assess all aspects of donor aid transparency at recipient country level as there is such a paucity of comparable country-by-country, programme-by-programme data. We have used the best available information to compare some donors on some elements of aid transparency; however key issues such as the variation within donors (such as the Uganda office versus the Tanzania office) are not captured.

In future we would like to work with others to build a fuller and more 'optimal' assessment that begins to address some of these concerns. Our ideas on how we would like to go about this are set out in this section on page 30.

### Conclusion 2: Even so, we know enough to be confident that there is room for improvement across all indicators assessed.

The disparity in performance between Groups 1 and 4 is striking, and the variation in performance across the indicators is also large. All donors need to achieve similar levels of performance to Group 1. There do not appear to be any obvious underlying patterns or determinant of how well different donors score across the different indicators. Both larger and smaller donors as well as different types of donors (multilateral and bilaterals), appear at various places in the spectrum of overall results and across all the different indicators.

Less transparent donors jeopardise the usefulness of the data provided by more transparent donors, because they undermine the ability to get a comprehensive and thus relative picture of everything from volume to the ability to monitor and evaluate the results and performance of different projects or policies.

## Recommendations for donors on improving aid transparency

### Recommendation 1: Donors have demonstrated they can make information available, so they should

Conclusion 2, that there are very different levels of achievement across the indicators but there does not appear to be an obvious pattern in terms of the size, type or fragmentation of donor, suggests that there is potential for higher levels of aid transparency to be achieved across the board.

Thus with sufficient commitment at the political and technical level significant improvements could be made. Recommendation 2 and 3 below explore this in more detail. Some of the obvious basic requirements for greater aid transparency that should be rapidly addressed include:

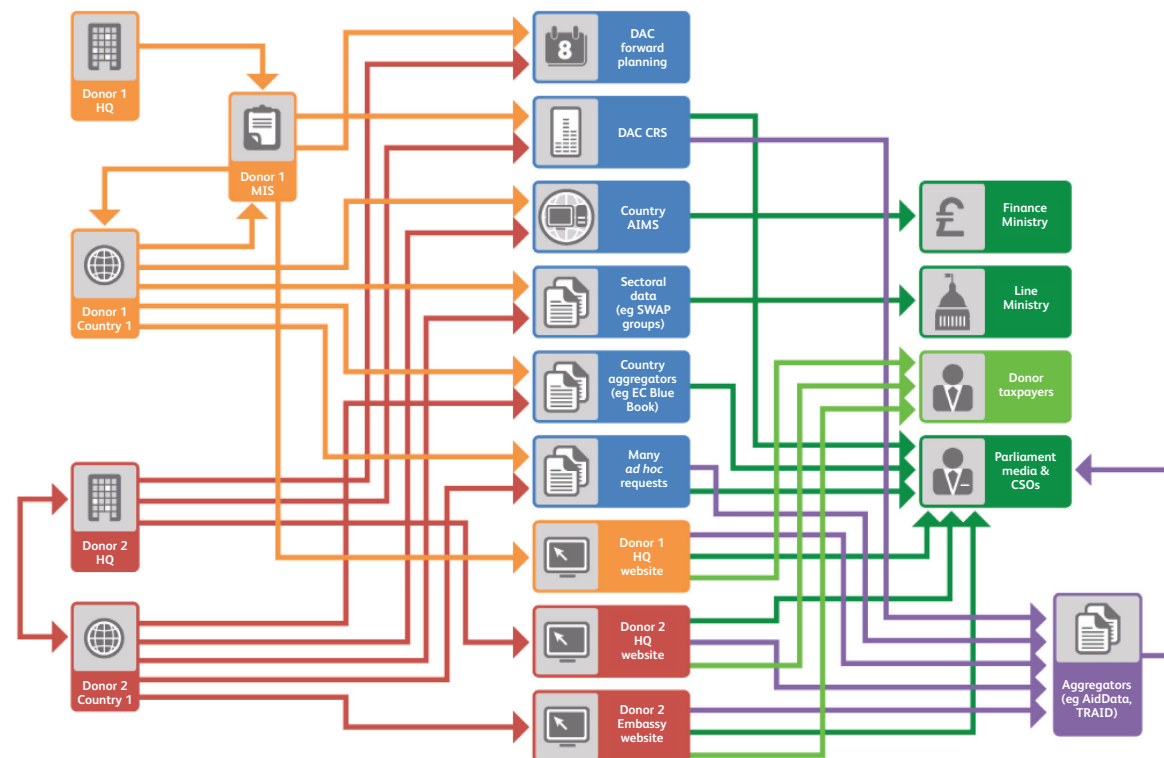
- Out of date and hard to navigate websites require updating as they are central to the perception of transparency as well as the reality of making available aid information accessible.
- Those ranked poorly by CSOs may want to address their relationship with civil society.
- Those donors that do not have a freedom of information or equivalent disclosure policy should address this gap urgently.
- These policies and corresponding procedure should be examined to ensure the rules support the proactive disclosure of the full range of documents.
- All donors should ensure that the presumption of disclosure is made in the application of exemptions on aid information.

## Recommendation 2: Make more and better information available to a common standard

Although a number of donors do perform well on these indicators, the assessment is not based on the 'optimal' approach we would have preferred in order to assess current levels of aid transparency, as set out in Section 1. While it is not possible to currently evaluate how well donors are doing on the comprehensive, timely and comparable provision of information, it is clear from the report that they are certainly not doing so systematically. This is in part due to weaknesses in the current system of information provision (for example CRS data generally being between 18 months to two years out of date) and partly due to variable donor performance (variability in reporting the tying status of aid means the data is not comprehensive). However, what is clear from this work, and the assessments made by Access Info, DARA as well as the work of the IATI Technical Advisory Group<sup>20</sup> is that **donors do mainly have this information in their systems** (see figures 4 & 5 for full list of information types under discussion).

Crucially however, a **common standard is essential for transforming more information into better information**. This makes information mappable, useable and searchable. The principle underlying a common format is that it allows aid agencies to **publish once, use many times** – both themselves and for other stakeholders. A standard will assist in moving from the current situation, shown in Figure 4 opposite, to the streamlined approach shown in Figure 5.

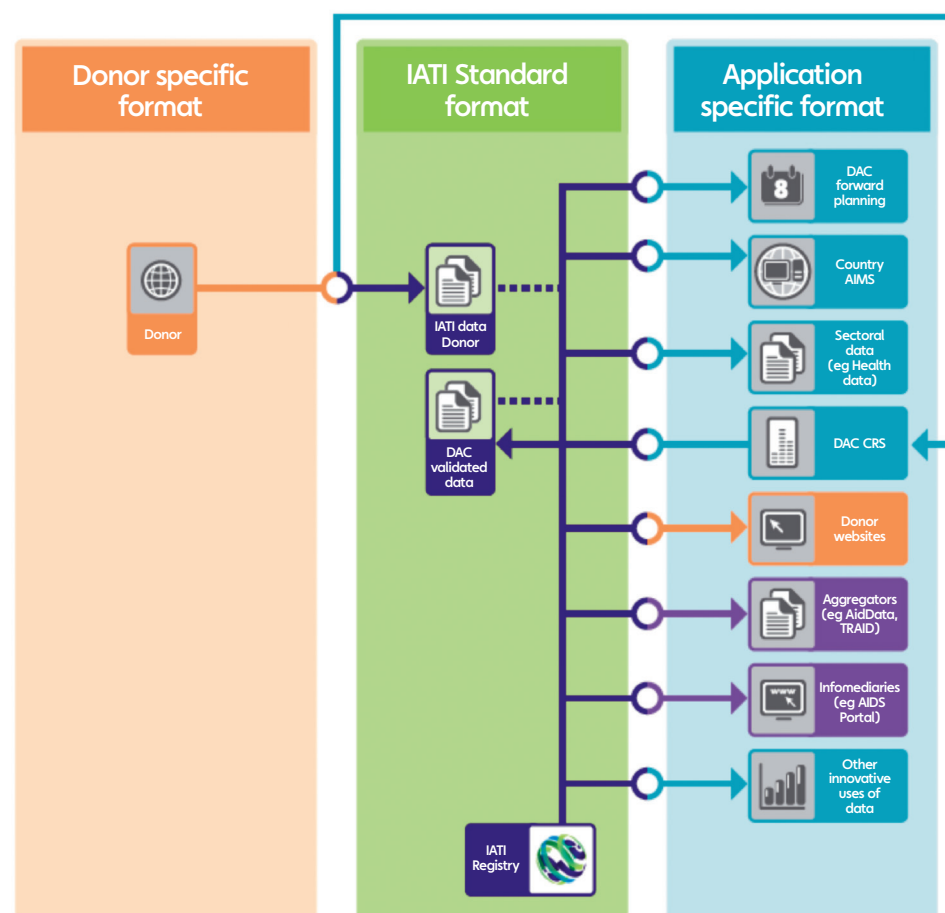
Figure 4  
Publish many times, use rarely<sup>21</sup>



<sup>20</sup> The four donors (Germany, Netherlands, UK, World Bank) visited during the 2009 IATI donor fact finding missions were found to be generally well placed to comply with IATI. Most of the information is captured in centralised systems, and timely publication of basic project information and financial flows is achievable. Most donors are still deciding how to meet the Accra commitment to provide indicative 3 year rolling expenditure or resource allocation plans. There are conducive disclosure policies in place because of Freedom of Information Acts and a commitment to transparency. However, the move from reactive to proactive disclosure highlights that in many cases decisions will need to be made about exactly what restrictions might apply.

<sup>21</sup> Implementing IATI – Practical Proposals, Development Initiatives, January 2010, p. 5.

**Figure 5**  
**Publish once, use often**<sup>22</sup>



Work on the possible benefits of greater aid transparency found that they fell into two broad categories“(1) efficiency gains (such as reduced administration costs, less duplicate reporting, better planning of aid programmes); and (2) effectiveness gains (such as improvements in services resulting from greater accountability, and microeconomic and macroeconomic improvements from greater predictability).”<sup>23</sup> A series of less tangible benefits have also been identified: the possibility of enhanced aid allocation – between countries, donors and sectors, better research, monitoring, evaluation and possible impact benchmarking, as well as supporting a greater willingness to give aid.

Consequently donors need to invest in building a common format to get the most out of increases in proactive disclosure of aid information, making it possible to deliver on the potential of greater aid transparency and yield the most efficiency and effectiveness gains it offers.

### Recommendation 3: Ensure IATI standard delivers for everyone

The IATI standard will be agreed in December 2010, and there are a few crucial months left in which to invest and ensure that IATI delivers on the promise of greater aid transparency. Given the number of donors involved and the investments made to date, it is important for donors to follow through on the opportunity presented by an existing process (rather than inventing a new fora or processes).

Donors need to participate in IATI and ensure the standard delivers in a number of crucial areas:

<sup>22</sup> Ibid, p. 7.

<sup>23</sup> Collin, Zubairi, Neilson and Barder, The Costs and Benefits of Aid Transparency, AidInfo, October 2009, p. 4.

- As previously discussed, most if not all the information under discussion exists in some form inside donor systems. Consequently donors need to ensure any agreed standard is based on and fits with the **reality and practice of donors' internal systems** – from accounting, to project management to monitoring and evaluation systems. Without this grounding in actual practice, there are serious risks that the donors will struggle to disclose to the standard, instead of it making things easier and streamlining information availability.
- The format agreed needs to also deliver on **major external reporting formats** required from donors such as the DAC CRS, the IMF's government financial statistics functional classification and the UN's Financial Tracking System in order to ensure that time and resources savings are attained for donors.
- In the run up to the next **High Level Forum on Aid Effectiveness in Korea in November 2011**, it is essential that publishing information in the IATI standard assists donors in delivering on the Paris Declaration and the Accra Agenda for Action aspirations and commitments. The transparency to recipient government indicators in this report are closely linked to Paris alignment targets for aid on budget and predictability. Beyond that, if information is not comparable and timely between donors, coordination conversations that lead to greater harmonisation cannot progress to actual improvements in the division of labour. For highly aid dependent recipients, discussions of their ownership of the development process remain hollow without usable information on aid. Accountability, let alone mutual accountability between donors and recipients, cannot occur without the ability to identify and track what is happening or not.

- A particularly important area is information comparability – which means ensuring the **compatibility of aid data classifications with recipient country accountability and budget systems**. Without this element the Paris agenda is hard to achieve as noted above. More fundamentally, the IATI standard needs to ensure the critical link between improving donor aid and building the accountability of recipient governments to their citizens can be made. If recipients do not know what donors are doing it is hard for them to optimise the use of their own tax resources and be accountable to their taxpayers. Ensuring the agreed standard maps to national budgets is a pre-requisite for improving use of their own resources in highly aid dependent countries.<sup>24</sup>

## What's needed for future aid transparency assessments?

Leading on from our first conclusion (page 27) about the lack of comparable and primary data sources, a fuller assessment of aid transparency would ideally cover all donors worldwide, including non-governmental organisations, all donor government agencies including emerging donors, humanitarian agencies, private companies doing charitable work, contractors and others. Such an assessment would also disaggregate donor performance by recipient country at least, so we could discover variation in transparency within agency, whether they are equally transparent, and about their aid to, for example, Afghanistan, Liberia or Uganda. It would also ideally cover a range of information types, as set out in Box 2.

## Box 2

### First Aid Transparency Principle: Information on aid should be published proactively

Public bodies engaged in funding and delivering aid, and those who deliver aid on their behalf, should proactively disseminate information on their aid and aid-related activities. They should develop the necessary systems to collect, generate and ensure the automatic and timely disclosure of, at a minimum, information on:

- **Aid policies and procedures** including clear criteria for the allocation of aid;
- **Aid strategies** at the regional, country and local; and programmatic, sectoral and project levels;
- **Aid flows** (including financial flows, in-kind aid and administrative costs), including data on aid planned, pledged, committed and disbursed, disaggregated according to internationally agreed schema by region, country, geographic area, sector, [disbursement/delivery] modality and spending agency;
- **Terms of aid**, including aid agreements, contracts and related documents, for example, information on all conditions, prior and agreed actions, benchmarks, triggers, and interim evaluation criteria; and details of any decisions to suspend, withdraw or reallocate aid resources;
- **Procurement procedures**, criteria, tenders and decisions, contracts, and reporting on contracts, including information about and from contractors and sub-contracting agents;

<sup>24</sup> See Williamson and Moon, "Greater Aid transparency: Crucial for aid effectiveness", Project Briefing 35, Publish What You Fund, the Overseas Development Institute and International Budget Partnership, January 2010; and Moon with Mills, "Practical Approaches to the Aid Effectiveness Agenda: evidence in aligning aid information with recipient country budgets", Working Paper 317, Publish What You Fund, the Overseas Development Institute and International Budget Partnership, July 2010.

- **Assessments of aid and aid effectiveness** including monitoring, evaluation, financial, audit and annual reporting;
- **Integrity procedures**, including corruption risk assessments, declarations of gifts and assets, complaint policies and mechanisms and protection of whistleblowers;
- **Public participation**: opportunities for public engagement in decision-making and evaluation, consultative/draft documentation, copies of submissions to the consultation processes, and reports on how inputs were taken into account;
- **Access to information**: organisational structure, contact information and disclosure mechanisms and policies.

The only restrictions on the proactive publication of this information should be based on limited exceptions consistent with international law and subject to consideration of the public interest in the disclosure of information.

All public bodies engaged in aid, in donor and recipient countries, should publish an index of the types of information that they hold, and wherever possible these should be organised so that all the documents linked to a particular country, programme or project can be identified.

In the medium term we would like to work with others to construct a time-series dataset which would allow for an annual assessment of aid information availability country-by-country and programme-by-programme.

Key elements Publish What You Fund would like to address are:

- Tracking delivery on high-level donor commitments to aid transparency, specifically the final agreement of the International Aid Transparency Initiative, as well as any additional types of information or information quality issues that have been left out of the IATI final agreement.
- Extend coverage to as many different aid agents as possible, including ideally all the major traditional bilateral donors, multilateral agencies, other bilaterals such as China and other emerging donors, foundations, NGOs, contractors, for-profit agencies, humanitarian and potentially even security and defence aid.

A central premise for such an approach would be collecting information by recipient country, and for centrally allocated sectoral spending by programme. Donor agencies transparency could thus be assessed much more practically, in each recipient country or for each "vertical" programme. This would give a much more powerful analysis and the ability for donors to learn and change more rapidly, making it possible for the accuracy to be monitored both by the donors in that country as well the citizens of countries receiving aid and citizens of donor countries. This is a large-scale project, depending on the evolution of IATI, and would need investment.

## Next year's Aid Transparency Assessment

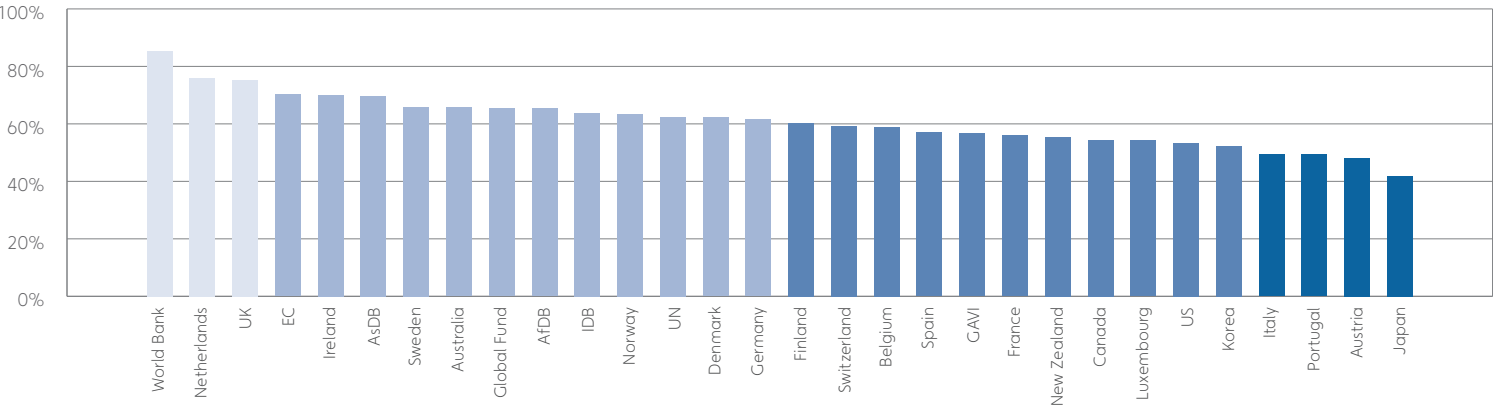
In the short term, and for next year's assessment, Publish What You Fund would like to develop and deepen the Aid Transparency Assessment methodology set out here. There are several possible collaborations and extensions we will explore to deepen the analysis, including extending an existing methodology to cover more donor countries, and deepening existing methodologies to gather additional data. We would welcome advice and feedback on this.

- Access Info's methodology involves checking directly on the availability of particular elements of donor transparency, and could usefully be extended to cover more donor countries. There might be potential to combine this with an extension of the NYU research approach (see Annex 1, page 71 for details on this approach).
- Extending the transparency measure in the EU AidWatch 2011 survey both in terms of depth and extending it to non-EU donors.
- The Paris Declaration Monitoring Survey will be conducted again in 2011. There may be scope for collaboration, or some organisation may want to look at extending the transparency elements of the PDMS to new EU member states, and emerging/non-traditional donors.
- The CGD/Brookings "QuODA", quality of aid index will be conducted annually. There may be scope for collaboration there as well.
- We would like to work with organisations monitoring transparency of humanitarian financing.

# Section 4. Results

## Overall summary tables

### Overall score



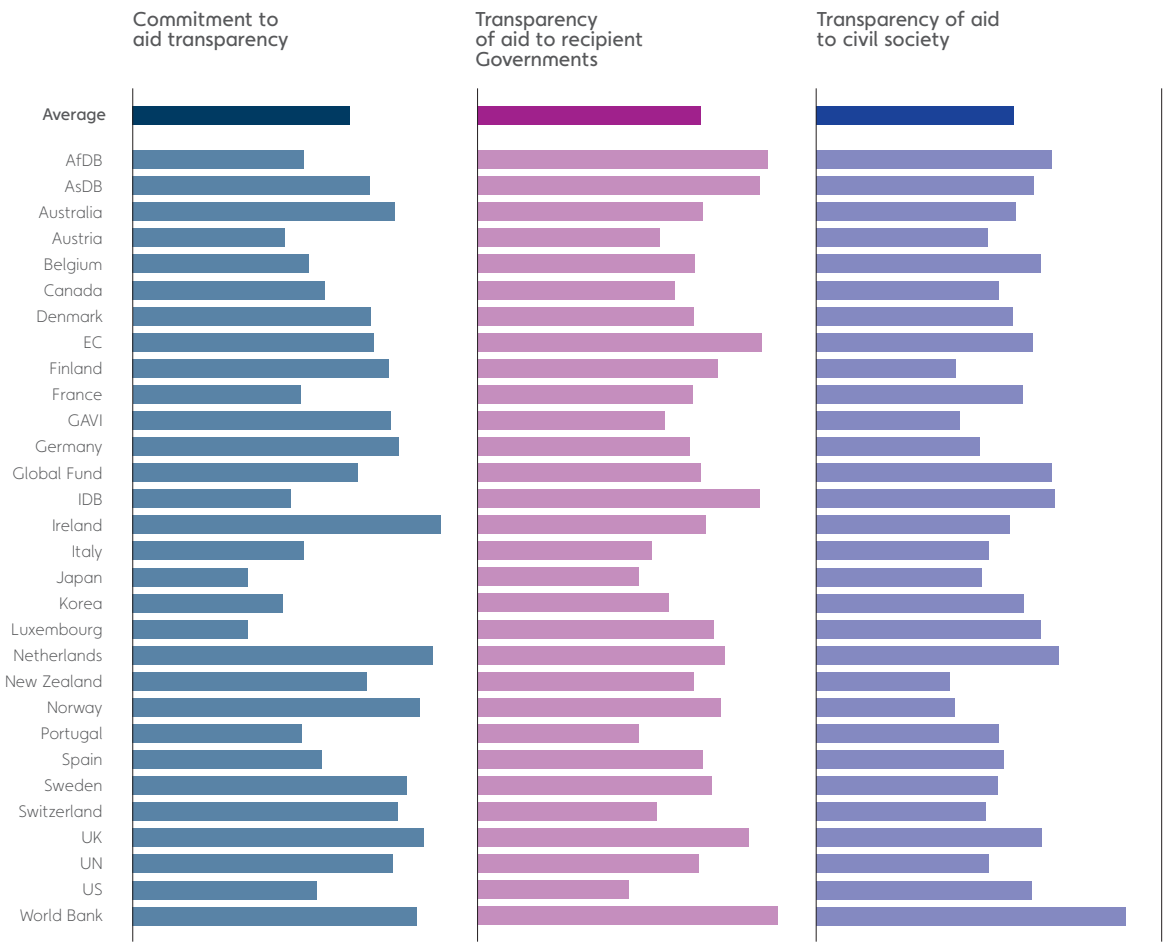
### Overall findings

- Donor transparency varies widely, ranging from a high score of 85.4% for the World Bank to a low score of 41.9% for Japan. The average overall score is 60.8% for all donors.
- The top three performers, the World Bank, Netherlands and the UK are consistently above average in nearly every category, although they do not always appear near the top in individual indicators.
- The four worst performers (Italy, Portugal, Austria and Japan) are below average in most categories and regularly (although by no means always) appear near the bottom of individual indicator rankings.
- A handful of donors show a significantly higher level of performance. Some are struggling with only one area we assessed but most donors have significant challenges in more than one area.

**Table 2**  
**Donor aid transparency in 2010**

<b>Fair</b> (average score of over 75%)	<p>These donors are showing some level of commitment to aid transparency and generally do better than others in practice. They are strong participants of IATI, with FOIA or equivalent, though some have exemptions for aid information. Their reporting to the CRS is mostly good but could be better in some cases (UK especially). All score above average for aid reported on budget and planning transparency, and have made specific aid information available.</p>	<ol style="list-style-type: none"> <li>1. World Bank (85.4%)</li> <li>2. Netherlands (75.9%)</li> <li>3. UK (75.2%)</li> </ol>
<b>Moderate</b> (above the donor average score of 60.8%)	<p>These donors are above the donor average and have in general made an explicit commitment to aid transparency but they are inconsistent in terms of how that commitment has translated into improved proactive disclosure of aid information. Good performance in one area is usually counterbalanced by poorer performance elsewhere. For example, Ireland generally does well but is slightly below average on planning transparency and the availability of specific information. Many of these donors participate to some degree in IATI (with the exception of the AfDB and the IDB) and report to the CRS with varying levels of comprehensiveness (the EC, Denmark and Germany particularly struggle with this). All have a FOIA or equivalent. Many struggle with transparency to civil society (Norway is well below average on this), recipient governments (for instance Denmark) or both (Germany). The AsDB and EC, for example, were assessed by civil society as being some of the least transparent donors in the survey set.</p>	<ol style="list-style-type: none"> <li>4. EC (70.2%)</li> <li>5. Ireland (70.0%)</li> <li>6. AsDB (69.6%)</li> <li>7. Sweden (65.9%)</li> <li>8. Australia (65.7%)</li> <li>9. Global Fund (65.4%)</li> <li>10. AfDB (65.4%)</li> <li>11. IDB (63.8%)</li> <li>12. Norway (63.5%)</li> <li>13. UN (62.5%)</li> <li>14. Denmark (62.2%)</li> <li>15. Germany (61.5%)</li> </ol>
<b>Poor</b> (below the donor average score of 60.8%)	<p>These donors are below the overall average score of 60.8% and struggle with aid transparency. Even if there is good or average performance in one or more areas, there is usually much poorer performance elsewhere. Some do not participate in IATI at all and some have well below average reporting to the CRS (for instance, France). Most do have a FOIA, with the notable exceptions of Luxembourg and Spain. Nearly all are below average in transparency to recipient governments; Canada, Korea, GAVI, Switzerland and the U.S. are all well below average. Most of these donors are below average on transparency to civil society, particularly Finland, GAVI and New Zealand.</p>	<ol style="list-style-type: none"> <li>16. Finland (60.3%)</li> <li>17. Switzerland (59.2%)</li> <li>18. Belgium (58.9%)</li> <li>19. Spain (57.0%)</li> <li>20. GAVI (56.6%)</li> <li>21. France (55.9%)</li> <li>22. New Zealand (55.4%)</li> <li>23. Canada (54.5%)</li> <li>24. Luxembourg (54.2%)</li> <li>25. U.S. (53.4%)</li> <li>26. Korea (52.3%)</li> </ol>
<b>Very Poor</b> (average score of below 50%)	<p>These donors do not prioritise aid transparency in theory or practice. They score badly on their commitment to aid transparency (none participate in IATI at all, although all have FOIAs) and all are well below average in nearly all other areas of practice. They come near the bottom in most of the indicator rankings.</p>	<ol style="list-style-type: none"> <li>27. Italy (49.4%)</li> <li>28. Portugal (49.3%)</li> <li>29. Austria (48.1%)</li> <li>30. Japan (41.9%)</li> </ol>

Donor performance across the three categories





## Donor performance across the seven indicators

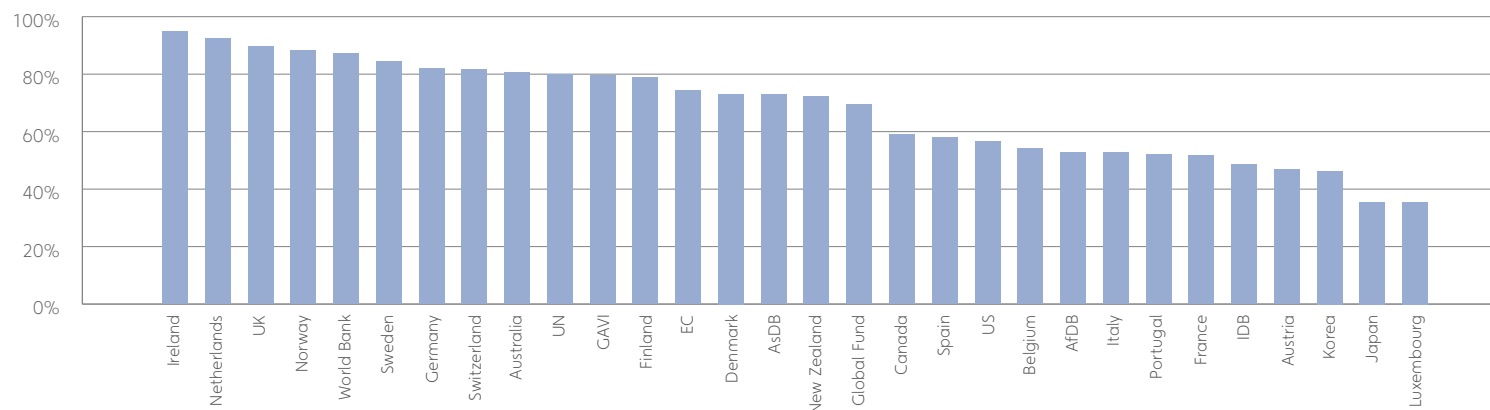
The space provided for each indicator in the graphic opposite is proportional to its weight in the assessment. The graphic shows the extent to which each donor 'filled up' the available score for each indicator. The AfDB for instance, does not participate in IATI at all and so no bar shows. The World Bank scored 100% of the possible score for 'availability of specific information' so filled the space completely.



## Category and indicator specific tables

### Category 1: Commitment to aid transparency

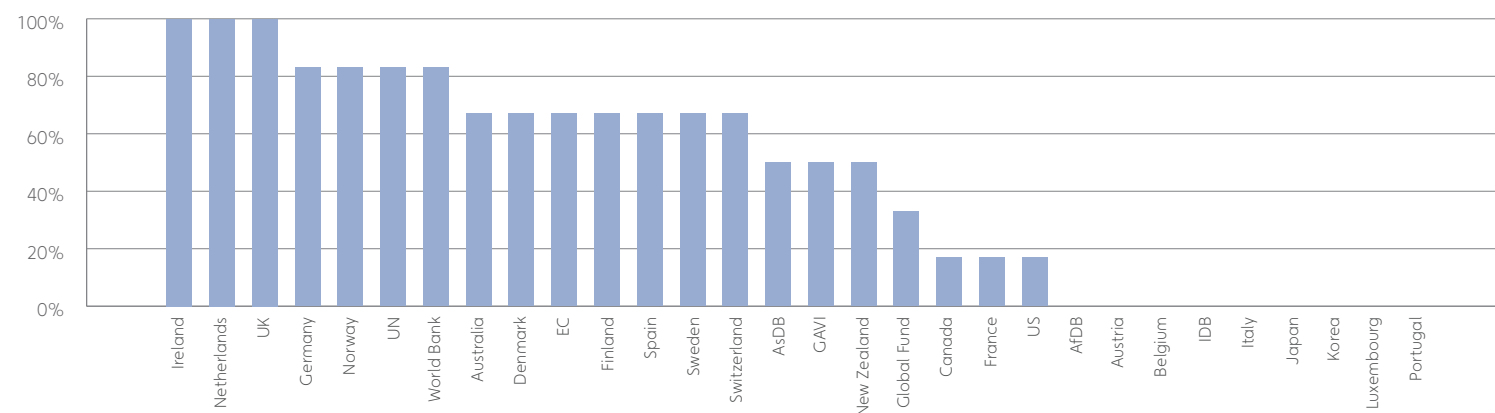
Indicators: 1a. Participation in IATI, 1b. Reporting to CRS and 1c. FOIA



### Overall findings

- The average overall score for 'Commitment to aid transparency' is 66.5%.
- Two donors score over 90%: Ireland (94.7%) and the Netherlands (92.4%). These two donors participate fully in IATI as signatories, funders, TAG meeting attendees and pilot participants (the only other donor to fully participate is the UK). They also have above average scores for reporting to the CRS (Ireland records the tying status of its aid in 99% of CRS records, more than any other donor) and both have a FOIA.
- Seven other donors score over 80% for their commitment to aid transparency: the UK, Norway, World Bank, Sweden, Germany, Switzerland and Australia. All are signatories of IATI and participate in at least one other way, all have above average levels of reporting to the CRS (apart from the UK, largely because of failing to report the tying status of its aid in many cases), and all have a FOIA.
- Two donors score below 40%: Japan (35.5%) and Luxembourg (35.5%). Neither participates in IATI. Luxembourg does not have FOI legislation, although it does have an above average score for reporting to the CRS (88.6%). Japan does have a FOIA with some exemptions (and scores 80.0% for this) but scores badly on reporting to the CRS (only 48.7%).

## Indicator 1a: Participation in IATI<sup>25</sup>

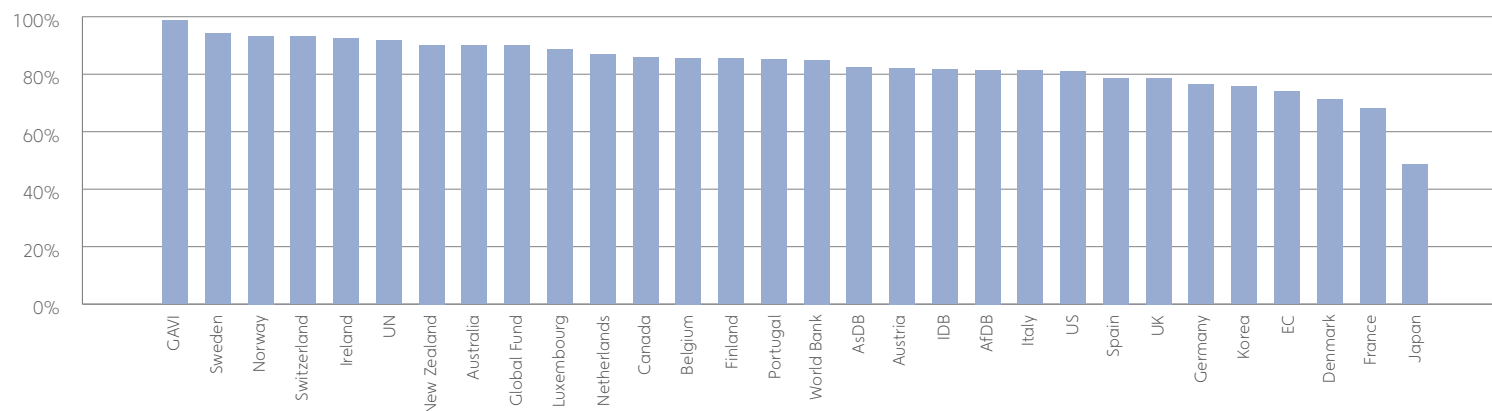


### Findings

- Average overall score is 44.4%.
- Some donors (Ireland, the Netherlands and the UK) participate fully in IATI, being signatories, taking part in Technical Assistance Group meetings, funding IATI and agreeing to participate in pilots.
- The next group of donors (Germany, Norway, the UN and the World Bank) are signatories and participate in two out of the three ways. The next group of donors (Australia, the EC, Finland, Spain, Sweden and Switzerland), are signatories and participate in one out of the other three ways. The AsDB, GAVI and New Zealand are signatories only.
- The Global Fund, Canada, France and the U.S. are not signatories but participate in one or two ways. The nine remaining donors assessed do not participate in IATI at all and receive no score for this indicator.
- The average score for this indicator is relatively low at 44.4%, which means that those who are signatories only are above average.

<sup>25</sup> This indicator shows participation in IATI drawn from TAG meeting records on the IATI website (taken on 2 July 2010) and from the IATI Secretariat.

## Indicator 1b: Reporting to CRS<sup>26</sup>



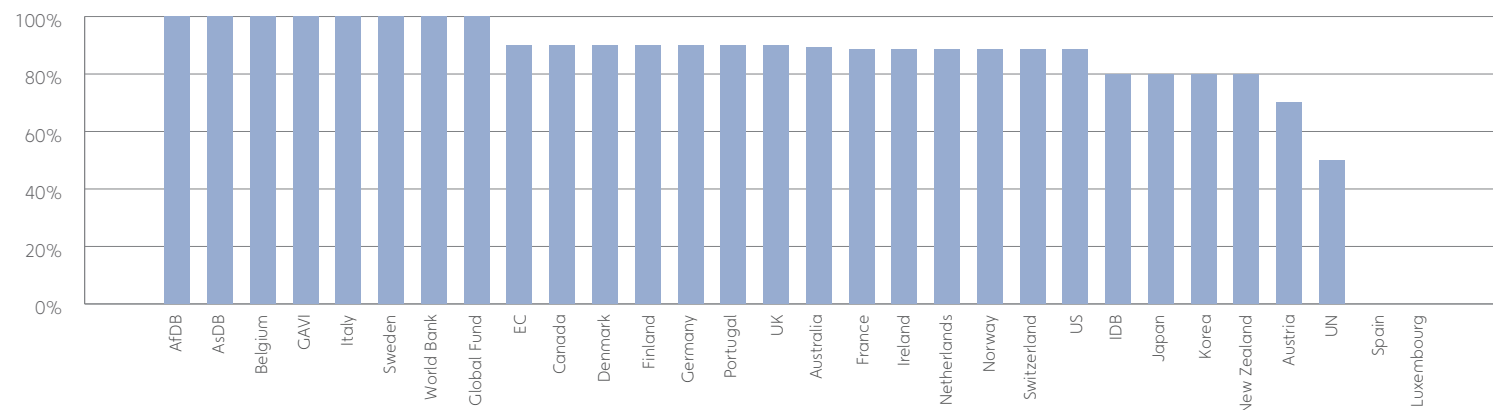
### Findings

- Average overall score is 82.4%.
- Sweden scores most highly among DAC members, with 100% of its aid reported to the CRS, 85.3% of its records having all seven key fields complete, and 97.4% of its CRS records reporting tying status.<sup>27</sup>
- Japan, the lowest scorer, scores highly on the completeness of its project reporting (100%) but very poorly on the completion of the seven key administrative fields that ensure the data records can be used (only 13.4% of its records have all seven fields filled in, the lowest of any agency) and only 32.9% of its records report tying status.
- Some mixed cases are worth drawing out. The U.S., for instance, scores very highly on the completeness of its project reporting (100% of its aid is reported to the CRS) but relatively poorly on reporting the tying status of its aid (65.5%, below the average of 70.0%) and only 77.1% of CRS records have all seven key fields complete. Korea scores well on completing the seven key fields with 99.7% but reports the tying status of its aid in only 27.5% of records. The EC also scores highly on the seven key fields with 97.7% but is let down by failing to report the tying status of its aid (only 26.1% of records report tying status, the lowest score of any agency).

<sup>26</sup> This indicator shows the extent to which donors report to the DAC's CRS database appropriately, drawn from CRS Online and AidData.

<sup>27</sup> Please note that although GAVI is the highest scoring donor, it is not required to report to the CRS and has some data gaps. Its score is based on its score for completing the seven key administrative fields. See Annex 3: Data Gaps for more information.

## Indicator 1c: FOIA



This indicator shows the existence and use of a Freedom of Information Act or equivalent disclosure policy in the case of multilaterals and draws on information from Fringe Intelligence and the EUAW survey.<sup>28</sup>

### Findings

- The average score for this indicator is 78.8%.
- Most donors have a FOIA or equivalent disclosure policy, but Luxembourg, Spain and the UN do not. Some of those that do exist have limitations that affect the freedom of aid information.
- Multilaterals are simply scored on the presence of a transparency and disclosure policy. The civil society organisation that responded on the IDB and the EC did give some information on the exemptions to the IDB transparency policy that affected their scores.<sup>29</sup> The UN as a whole does not have a transparency or disclosure policy, nor do most other UN agencies according to Fringe Intelligence. UNDP has an information disclosure policy and we felt that a 50% score was a fair recognition of this fact.
- For bilateral donor governments, only Belgium, Italy and Sweden have a FOIA that civil society platforms judged to have no exemptions that limit access to aid information, and thus score 100% on this indicator. This is not a proxy for the quality of the FOIA overall.<sup>30</sup>

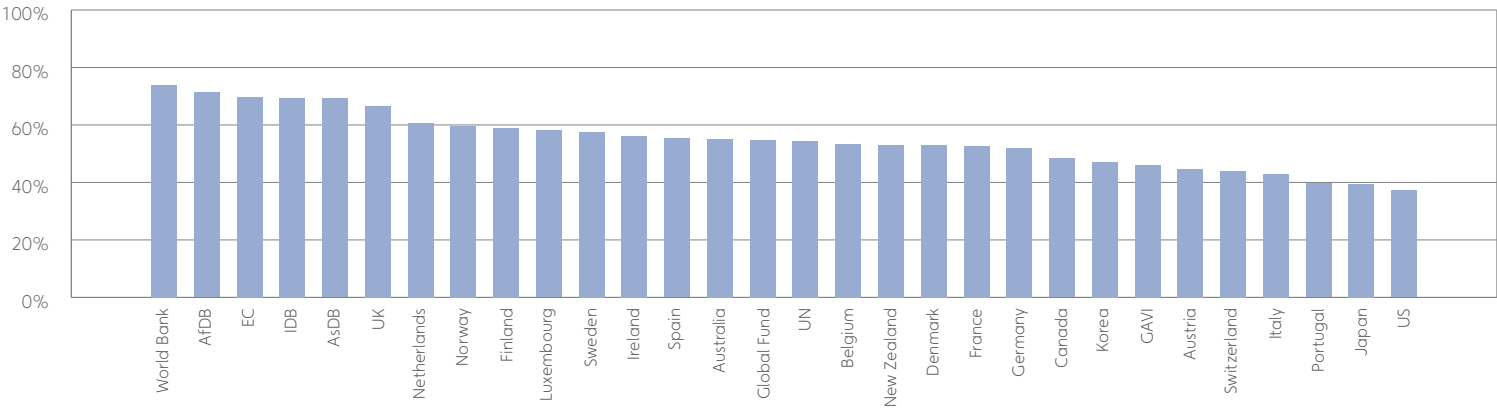
<sup>28</sup> For more detailed information on civil society comments on FOIA taken from the EU AidWatch survey see Table 4 on p. 75.

<sup>29</sup> There is new research on the FOI policies of the international development banks, but it is not analytical or quantitative. See Commonwealth Human Rights Initiative, 'Information Disclosure Practices of International Financial Institutions: A comparison (draft version)' 2010. There is also a new Right to Information Legislation Rating methodology recently launched by Access Info Europe and the Centre for Law and Democracy (Canada).

<sup>30</sup> Belgium and Italy are noted in Fringe Intelligence for having FOIAs that are problematic because of a poor complaints procedure or a need to show special interest to access information.

Category 2: Transparency of aid to recipient governments

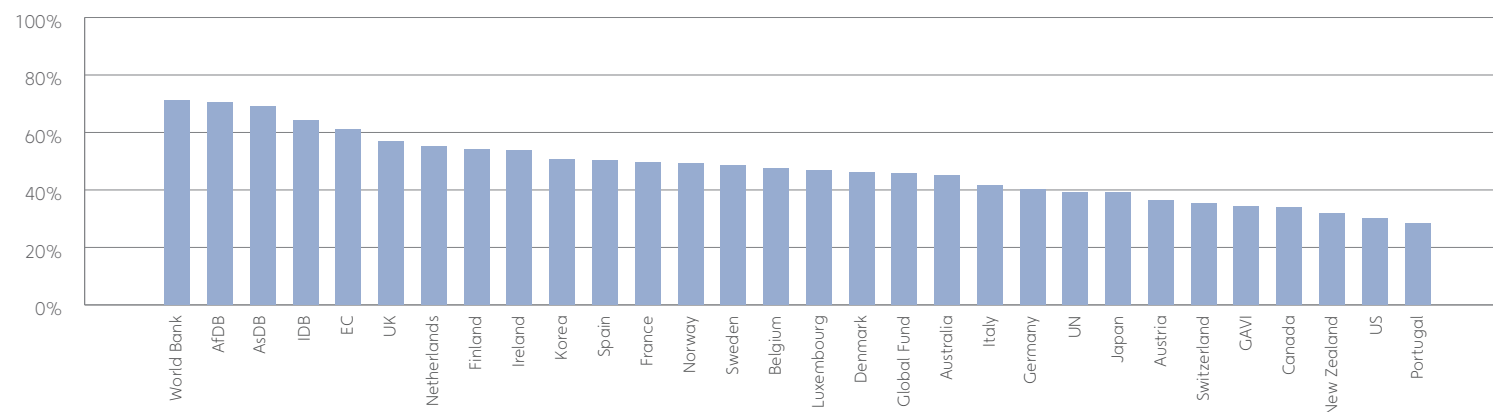
Indicators: 2a. Aid reported on budget and 2b. Planning transparency



Overall findings

- The average overall score for 'Transparency of aid to recipient governments' is 54.9%.
- Two multilateral agencies top the ranking here with over 70%: the World Bank scores 73.8%, while the AfDB scores 71.3%.
- The two lowest scores are Japan with 39.5% and the U.S. with 37.2%.

## Indicator 2a: Aid reported on recipients' budgets



This indicator measures the extent to which donors' aid is reported on recipients' budgets, as measured by joint government/donor surveys in the Paris Declaration Monitoring Survey and recipient governments themselves in the HIPC Capacity Building Project.<sup>31</sup>

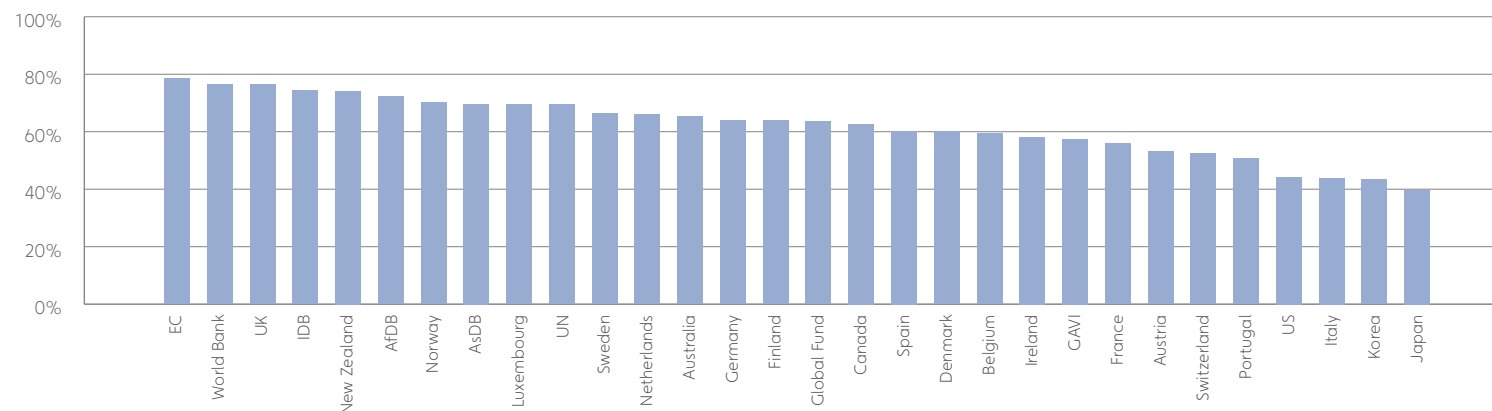
### Findings

- On average, 47.7% of aid is reported on budget by our calculations.
- The World Bank and AfDB score very highly for this indicator, with 71.0% and 70.4% of their aid reported on budget respectively. At the other end of the scale, nine donors (the UN, Japan, Austria, Switzerland, the GAVI Alliance, Canada, New Zealand, the U.S. and Portugal) all have less than 40% of their aid reported on budget.<sup>32</sup>

<sup>31</sup> Please note that for this indicator, five donors have only one data source due to data gaps in the HIPC CBP data: AsDB, Australia, GAVI, Global Fund and New Zealand. See Annex 3: Data Gaps for more information on how we have dealt with this.

<sup>32</sup> Ibid.

## Indicator 2b: Planning transparency



This indicator measures the extent to which donors can provide governments with forward information about their aid. Drawing from three data sources, it measures whether recipient governments report that there is a clear in-year aid disbursement schedule and whether recipients report that donors have provided them with multiyear plans (both from the HIPC Capacity Building Project). It compares recipient and donor expectations about aid flows (drawn from the PDMS). It also draws on the DAC Report on Predictability.<sup>33</sup>

### Findings

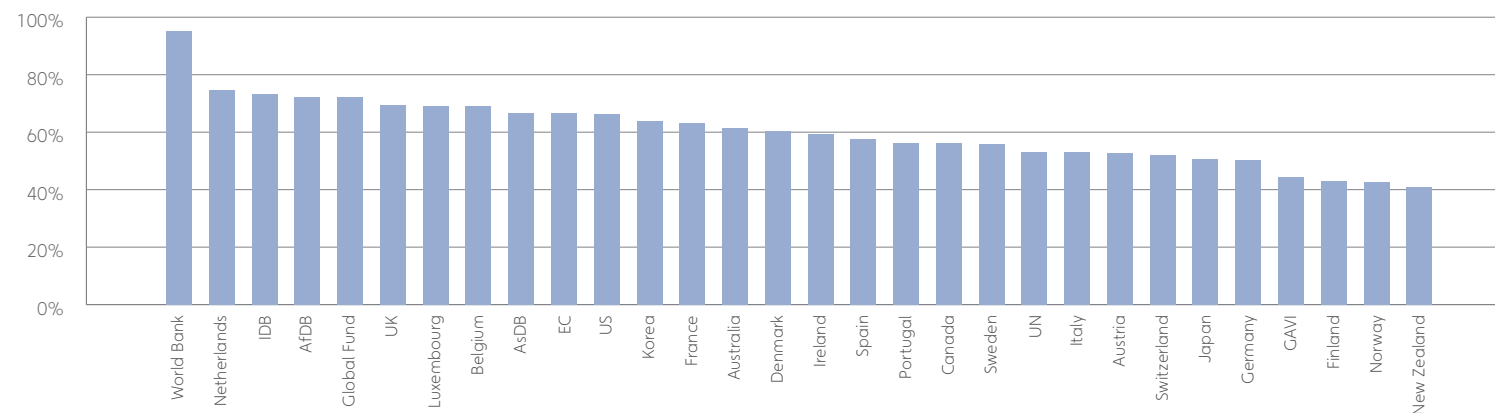
- The average score for this indicator is 62.2%.
- Six donors score over 70% for this indicator: the EC, World Bank, UK, IDB, New Zealand, AfDB and Norway.
- The U.S., Italy, Korea and Japan score badly on this indicator, all under 50%.
- In some cases, donors do not give in-year disbursement schedules to recipients. One of the most interesting elements of this indicator is that some donors were often able to give the DAC information about their forward plans for Country Programmable Aid but are not giving recipient governments' similar information (Korea, Italy).

<sup>33</sup> 2009 DAC Report on Aid Predictability: Survey on Donors' Forward-Spending Plans 2009–2011, OECD, 2009.



### Category 3: Transparency of aid to civil society

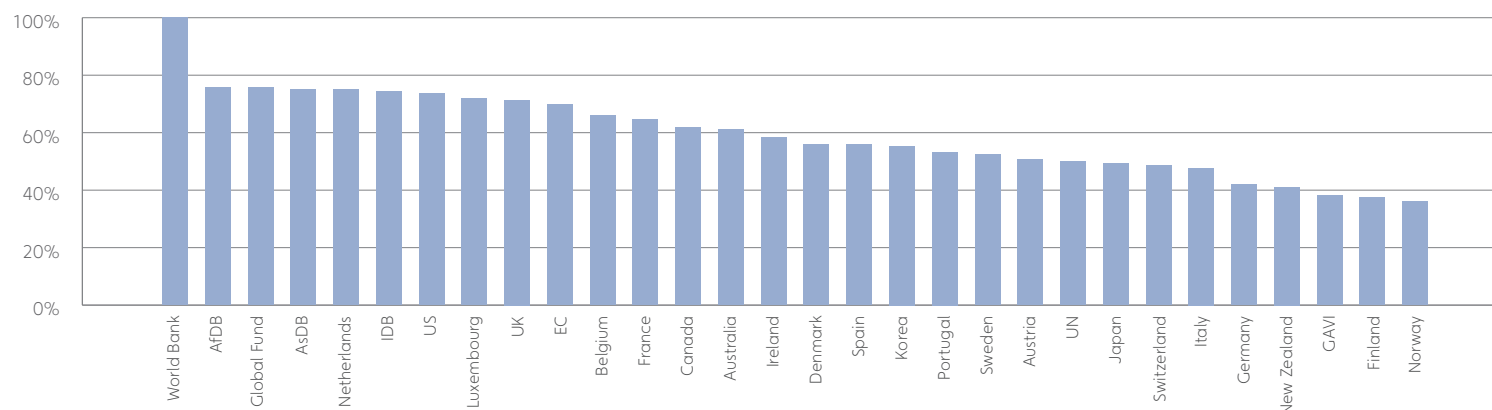
Indicators: 3a. Availability of specific information and 3b. CSO assessment of donor transparency



#### Findings

- The average score for the category 'Transparency of aid to civil society' is 60.5%.
- The World Bank tops this category with a score of 95.1%. Finland (42.9%), Norway (41.9%) and New Zealand (41.0%) all scored badly overall in this category

## Indicator 3a: Availability of specific information



Donors were scored on the availability of certain types of information by NYU researchers and civil society platforms.

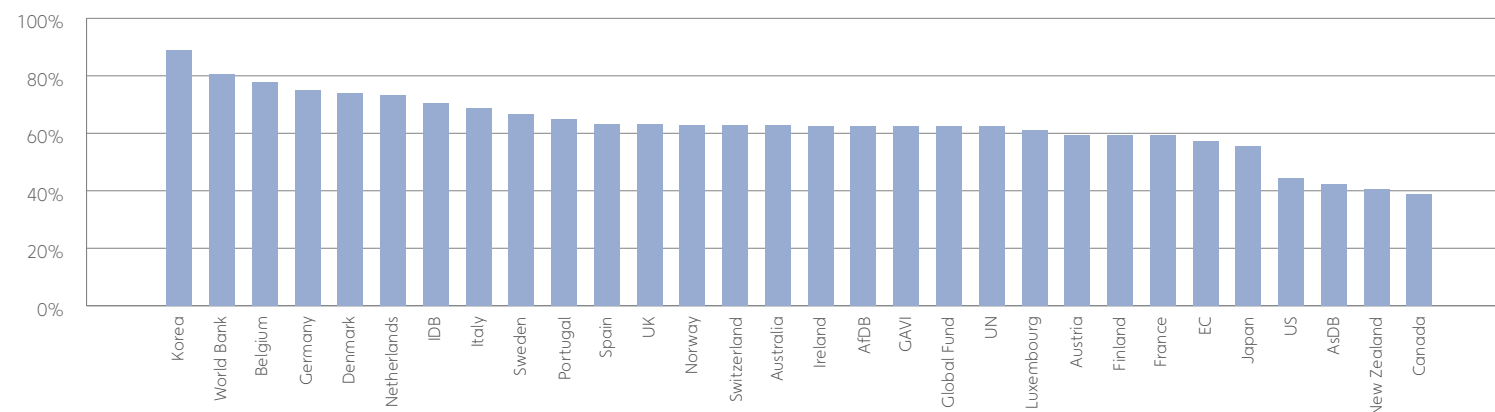
### Findings

- The average score for this indicator was 59.8%.
- This average score corresponds roughly to data being available on request,<sup>34</sup> rather than being easily available, despite the fact that all agencies have websites.
- The World Bank tops the ranking on this indicator. The Netherlands is the highest scoring bilateral, with 75.0%. The U.S. also scores highly in this section despite performing poorly in other areas. Luxembourg also receives a high score despite the lack of a FOIA, as noted earlier.
- Finland and Norway both do badly on this indicator, scoring only 37.5% and 36.0% respectively, and are let down mainly by a poor finding from NYU.<sup>35</sup> Austria, Canada and Germany all received very poor scores from their respective civil society platforms but were helped by a better score from NYU.
- Analysis of the EU AidWatch data throws up some interesting insights into which types of information are more likely to be available. On average, CSOs rank aid information as being somewhere between 'available on request' and 'difficult to obtain', with general information thought to be more easily obtainable than country-specific information. General aid policies, sector/programmatic policies, and information on aid flows (both general and country-specific) are thought to be more easily obtainable. Conditions linked to disbursement are thought to be most difficult to obtain (despite the repeated agreement by donors), followed closely by country-specific aid agreements, country-specific procurement documents, and the country-specific procedures for aid allocation.

<sup>34</sup> Whether using NYU's scoring system or the EU AidWatch scoring system.

<sup>35</sup> Note that there was no survey completed for Norway. For more information on how data gaps are treated, please see Annex 3.

### Indicator 3b: CSO assessment of donor aid transparency



Civil society platforms were asked by EU AidWatch to complete a survey on the transparency of their national aid agency. For multilateral organisations, a relevant CSO was found to complete the survey.

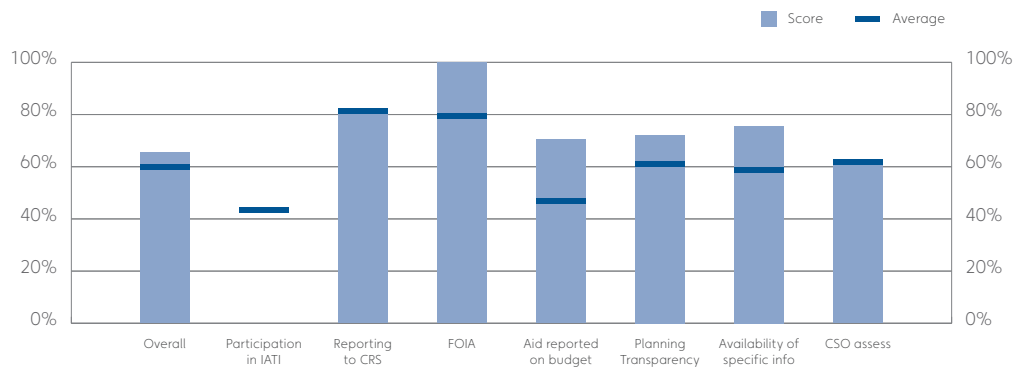
#### Findings

- Overall, the average score given by CSOs was 62.9%. The average score is equivalent to donors making information available only on request (rather than easily available), taking some measures to be proactive about the right to access aid information (but not in recipient countries), not allowing enough time for consultations, and having websites that are not easy to use, do not contain disaggregated data and are not fully up to date. On a positive note however, donors are generally considered to be becoming slowly more transparent.
- Korea scored very highly in this indicator, with a score of 88.9%. The CSO platform indicated that the Korean aid agency is proactive nationally regarding the right to access aid information; is proactive about providing aid information; allows enough time for consultations; has an easy-to-use website with large amounts of detailed information that is largely kept up to date; and finally has independent evaluations with the results made available to the public.
- At the other end of the scale, the Canadian CSO platform gave an overall score of only 38.9% to CIDA, responding that information is generally difficult to obtain even though the agency has taken some measures to be proactive about the right to access information; that it usually allows inadequate time for consultations often with serious limitations; that its website has some information on individual projects (browser) but that the website provides mainly general and promotional material and is not generally kept up to date; and that the agency is becoming less transparent in the ways that it is implementing its policies. New Zealand (40.7%) had similar answers from its CSO platform, although its website was thought to be more up-to-date.

## Section 5. Individual donor profiles

This section provides detailed information on each donor assessed. In the charts below, the convention used for each indicator is that the line shows the range of actual scores, the dark blue mark shows the average score, the column shows the score for the donor in question, and the score for the donor is also shown numerically. Additional information from other relevant data sources is also noted where it is available.

### African Development Bank

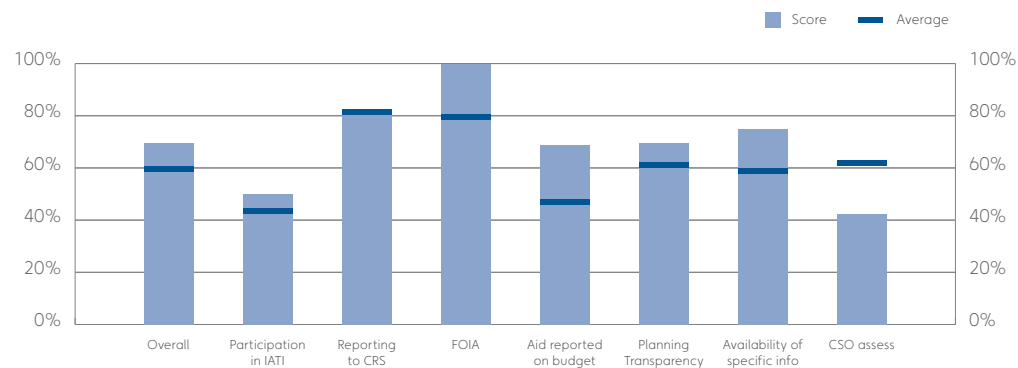


The AfDB is slightly above average overall. It is above average in most areas but does not participate in IATI. It is well above average in transparency to recipient governments, and availability of specific information.

#### Additional information

The One World Trust Global Accountability Report 2008 includes information on the AfDB. It gives the AfDB 43% for transparency (which places it fifth out of 10 international governmental organisations (IGOs), and is slightly below the 45% average for IGOs). The 2007 MOPAN Report also covered the AfDB. It notes "Perceptions of AfDB performance in terms of sharing information in general are mixed, whereby fairly positive views prevail."<sup>36</sup>

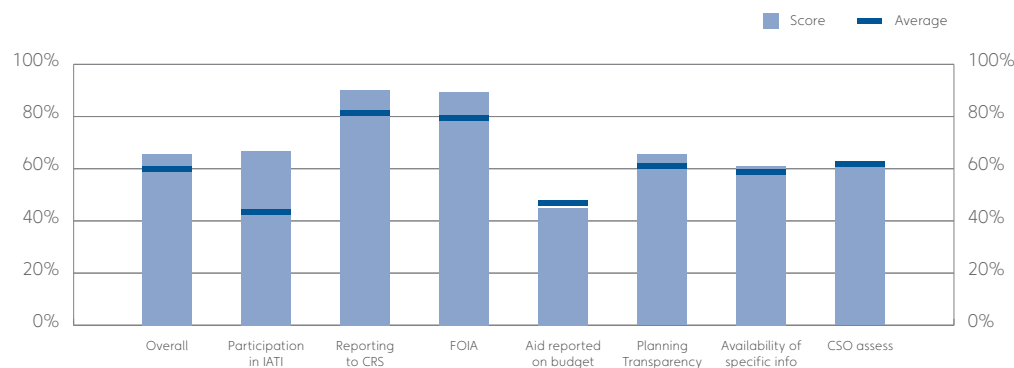
### Asian Development Bank



The AsDB is above average in nearly all areas although it received a low score on the CSO assessment, due in part to concerns about AsDB's failure to recognise a right to information and concerns that the organisation is becoming less transparent.

<sup>36</sup> Annual MOPAN Survey 2007, Donor Perceptions of Multilateral Partnership Behaviour at Country Level, p. 33.

## Australia

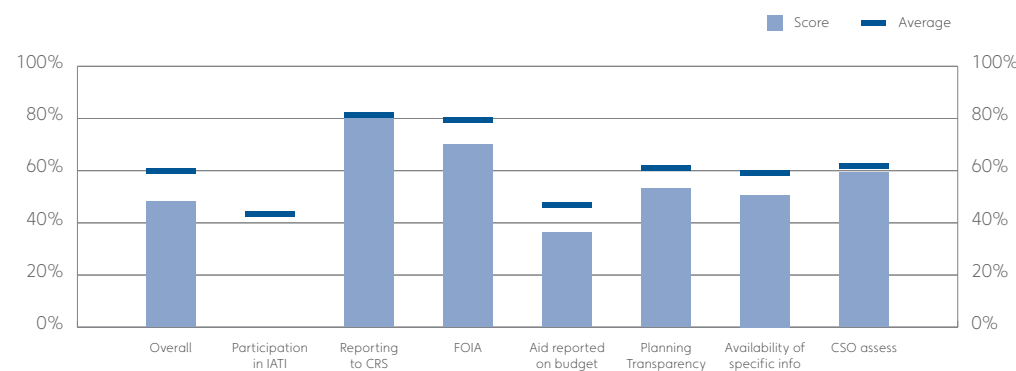


Australia generally does well, with an average or above average score in most areas. It is a reasonably active participant in IATI and reports the tying status of 93.5% of its aid. However, it is let down by a poor record of aid reported to recipients' budgets.<sup>37</sup>

### Additional information

In DARA's rating of the transparency of humanitarian donors, Australia scored 57.2% against a bilateral average of 58.9%.

## Austria



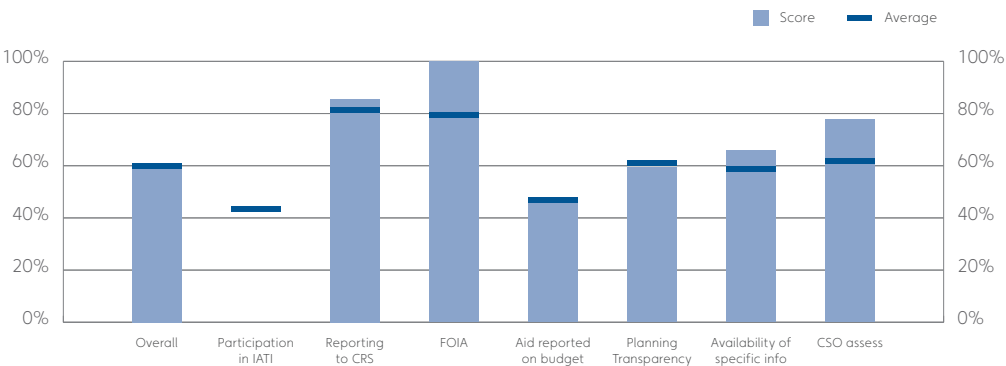
Austria is well below average overall, coming second to last out of all the donors assessed, and the picture is consistent across the indicators. It scores highly in its completion of the seven key administrative fields of the CRS database (94.6%), compensating somewhat for reporting its tying status in only 52.1% of records. It does not participate in IATI at all. Although it has a FOIA, it has some serious exemptions that limit access to aid information. It does not score well on transparency to recipient governments or civil society.

### Additional information

In DARA's rating of the transparency of humanitarian donors, Austria came first out of the 20 bilateral donors covered in our assessment, scoring 75.4% against a bilateral average of 58.9%.

<sup>37</sup> Data is taken only from the Paris Declaration Monitoring Survey as the HIPC CBP has no data on Australia.

Belgium

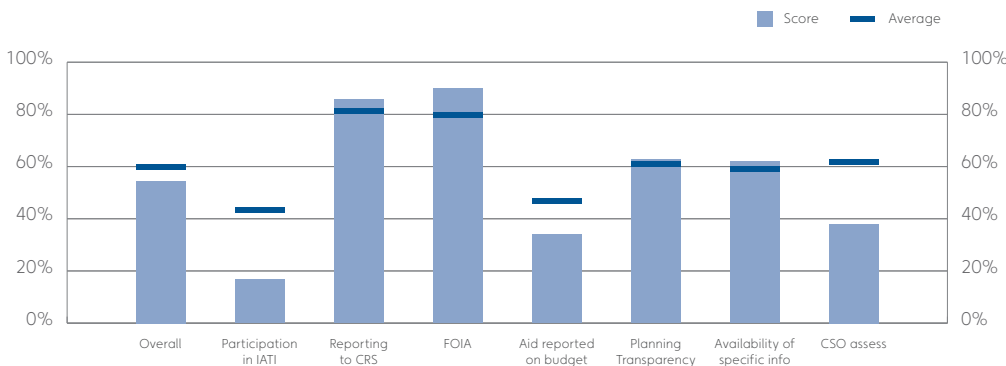


Belgium is somewhat below average overall, due to a mixed picture in the indicators. It does not participate in IATI, although it does have a FOIA, and was rated highly for transparency to civil society. It has slightly below average performance in transparency to recipient governments.

Additional information

In DARA's rating of the transparency of humanitarian donors, Belgium scored 60.4% against a bilateral average of 58.9%.

Canada

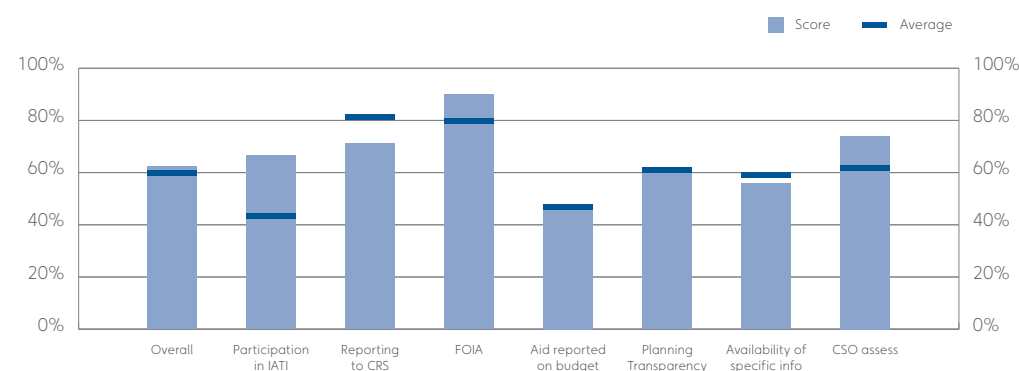


Canada is somewhat below average overall, but its profile is rather mixed. It does not participate in IATI to any significant extent, although it has attended a Technical Advisory Group meeting. It has a FOIA with only limited exemptions for aid information. It also does well in reporting the tying status of its aid to the CRS database, doing so for 95.0% of records against an average of 70.0%. It scored badly for transparency to civil society and aid reported on budget. In most other areas it is about average.

Additional information

Access Info's detailed research into the websites of five donors included Canada. Canada was second out of five donors for transparency, scoring 58.3% (the average was 52.6%). Also, in DARA's rating of the transparency of humanitarian donors, Canada scored 60.3% against a bilateral average of 58.9%.

## Denmark

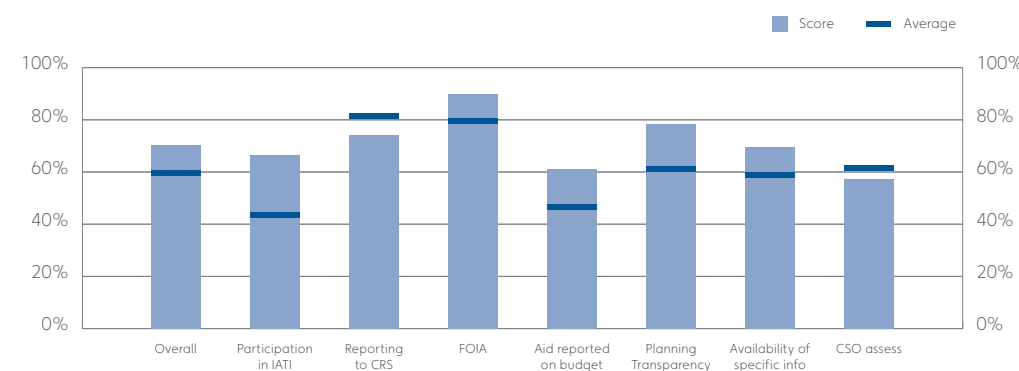


Denmark is about average overall and this is fairly consistent across the indicators. It is a reasonably active participant in IATI, and also has a FOIA with limited exemptions for aid information. It is the donor with the lowest score for completeness of project reporting to the CRS, with only 78% of its aggregate ODA reported as projects in the CRS. It is below average for aid reported on budget. Civil society rated it fairly highly.

### Additional information

In DARA's rating of the transparency of humanitarian donors, Denmark scored 55.0% against a bilateral average of 58.9%.

## European Commission



The EC is above average generally and this is reflected in nearly all indicators. It scores well for transparency to recipient government, receiving the highest score of any donor for planning transparency. However, the EC does not report the tying status of its aid well, providing information on only 26% of project records in the CRS. In addition, it received slightly below average assessment from civil society, due in part to the website and the time allowed for consultations.

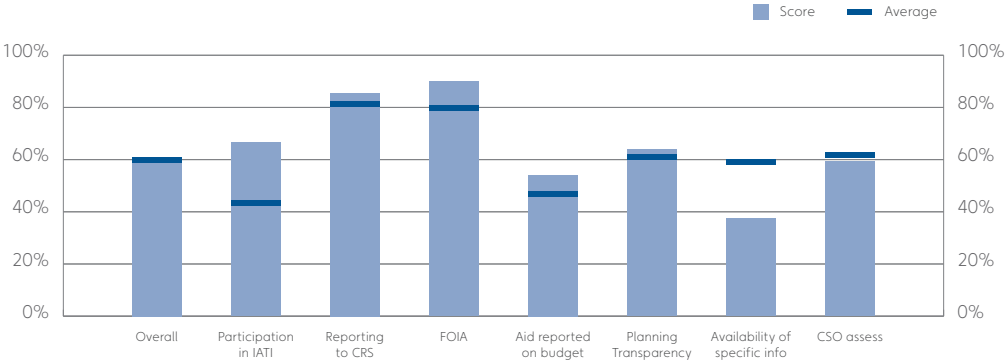
### Additional information

In DARA's rating of the transparency of humanitarian donors, the EC scored 66.9% against a multilateral average (for the EC, World Bank, UN and Global Fund) of 63.9%. The Transparent Aid (TR-AID) database is run by the EC Joint Research Centre. It is a closed dataset (it is not publicly disclosed) which takes in information about both development and humanitarian aid. Attempts to discover more about this dataset proved unsuccessful.

The 2008 MOPAN Report includes the EC, stating: "Overall, MOPAN members appreciate the level of information sharing of the EC with other development partners. A great majority of MOPAN country teams generally perceive the level of information sharing of the EC with other development partners to be valuable."<sup>38</sup>

<sup>38</sup> Annual MOPAN Survey 2008, Donor Perceptions of Multilateral Partnership Behaviour at Country Level, p. 11.

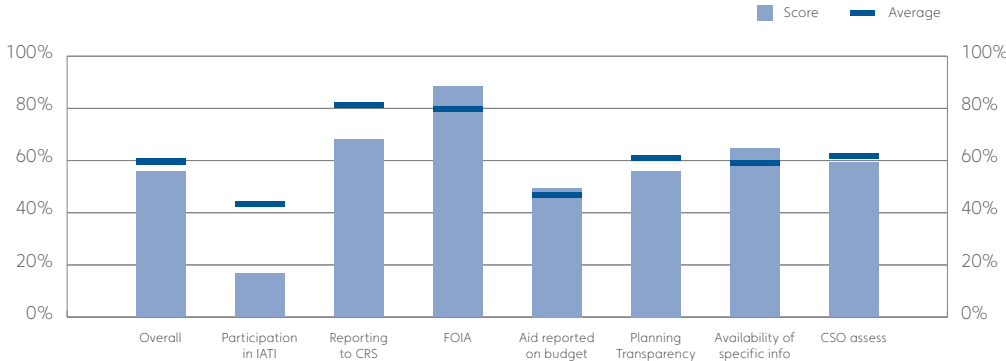
Finland



Finland is about average overall, falling just slightly below the donor average of 60.8%. In some areas it performs very well, for instance, reporting the tying status in 95.3% of its records in CRS against an average of 70.0%. It is also a signatory to IATI and an above average proportion of its aid is reported to recipients' budgets. However, it is let down by poor availability of specific information.

**Additional information**  
In DARA's rating of the transparency of humanitarian donors, Finland came third out of 20 bilateral donors covered in our assessment, scoring 63.0% against a bilateral average of 58.9%.

France



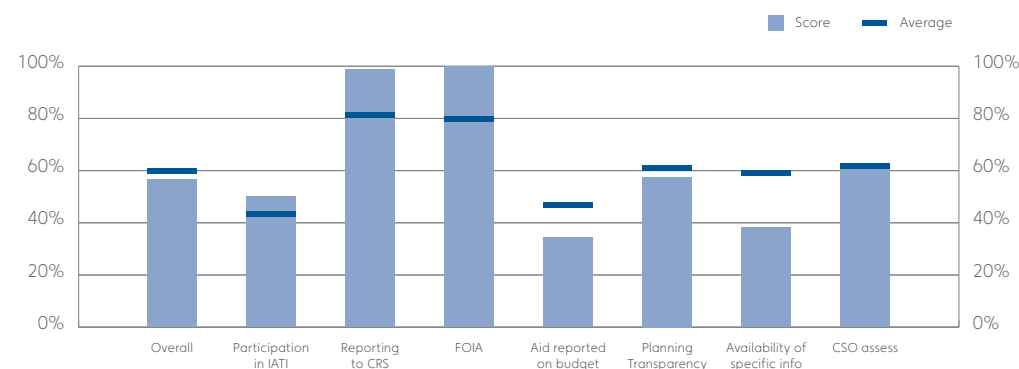
France is below average overall. It has a few areas where it is above average; for instance in providing a clear in-year disbursement schedule it has the highest score of 100% (along with three other donors). However, it is not an active participant in IATI<sup>39</sup> and reports the tying status of its aid in only just over half of its CRS records.

**Additional information**  
Access Info's detailed research into the websites of five donors included France. France was third out of five donors for transparency, scoring 54.4% (the average was 52.6%). Also, in DARA's rating of the transparency of humanitarian donors, France scored 60.3% against a bilateral average of 58.9%.

<sup>39</sup> France gave a commitment to IATI in June 2009 but has not finalised the signature process, so it currently only has observer status to IATI.

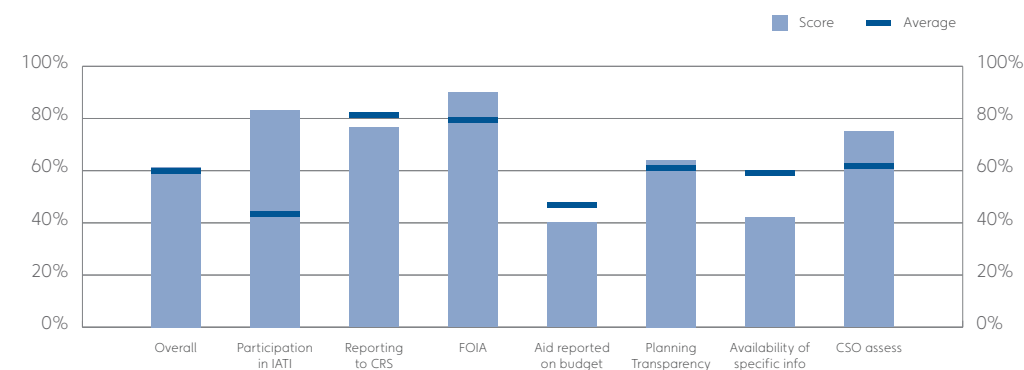


## GAVI Alliance



The GAVI Alliance is slightly below average overall, with a mixed picture across the indicators. It participates in IATI and has a Transparency and Accountability Policy available on its website. It also has the best record of any donor in completing the seven key fields of the CRS (98.8%).<sup>40</sup> It also has a mixed record on planning transparency, providing clear in-year disbursement schedules for 96.5% of its aid, but with a very poor comparison between its aid schedules and recipient expectations (it scores only 5.1% against an average of 35.7%). It also does particularly poorly in reporting its aid on the recipient's budget and making specific types of aid information available.

## Germany



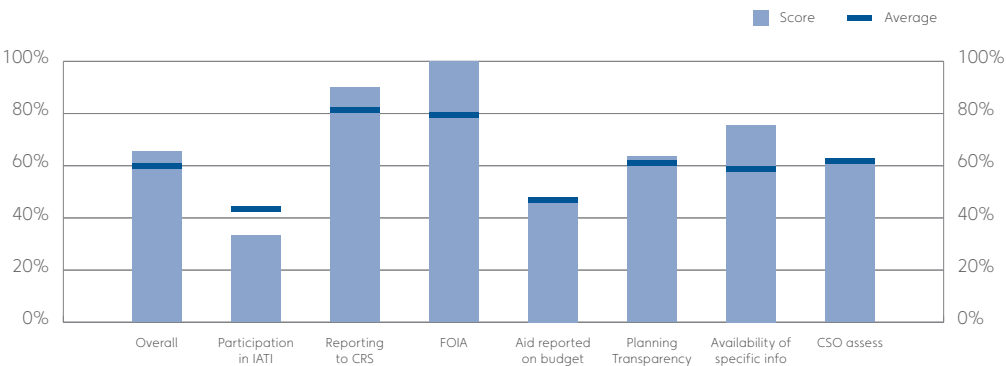
Germany is about average. It is an active participant in IATI, but is let down by the poor availability of specific information and low proportions of aid reported on budget. It also has a FOIA with few exemptions noted for aid information. Civil society rated the availability fairly highly.

### Additional information

In DARA's rating of the transparency of humanitarian donors, Germany came fourth out of 20 bilateral donors covered in our assessment, scoring 62.8% against a bilateral average of 58.9%.

<sup>40</sup> The indicator 'Reporting to CRS' is derived solely from this data as GAVI is a multilateral. See Annex 3 for more on data gaps.

## The Global Fund to Fight AIDS, Tuberculosis and Malaria

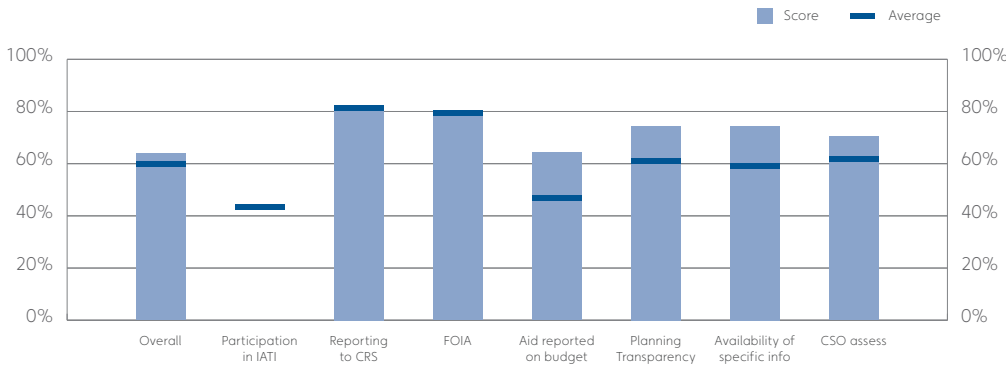


The Global Fund is somewhat above average, but there is a mixed picture across the indicators. Although it has a documents policy which prioritises transparency (but ironically was rather difficult to find), it participates only weakly in IATI (as a pilot participant). It does score highly for the availability of specific information, as well as reporting to the CRS. On planning transparency, the Global Fund is about average, partly due to data gaps (see Annex 3), and partly to due to a below average score on comparison of expectations with recipient governments (from PDMS data) and a good score on the DAC Predictability Survey. Again, the latter only tracks whether donors can provide forward information to the DAC and is not in itself indicative of actually being transparent to recipients.

### Additional information

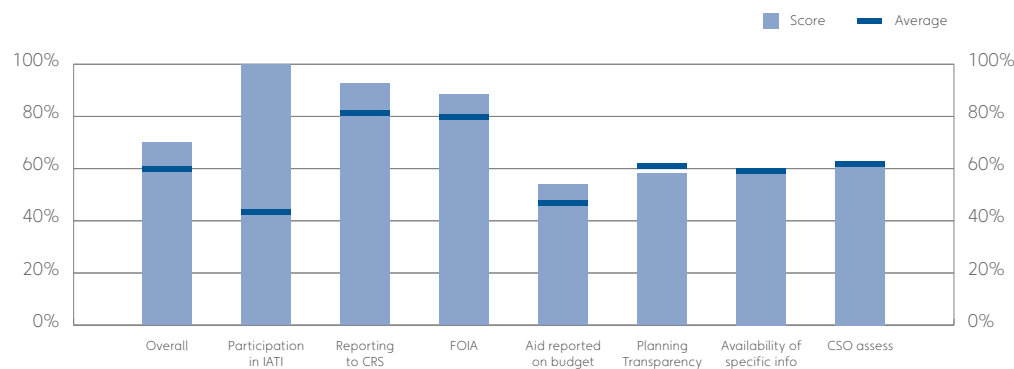
In DARA’s rating of the transparency of humanitarian donors, the Global Fund scored 64.0% against a multilateral average (for the EC, World Bank, UN, and Global Fund) of 63.9%.

## Inter-American Development Bank



The IDB is slightly above average overall. It is let down primarily by its failure to participate in IATI, as it has above average scores in some areas. It scores highly for reporting aid on the recipient's budget and for planning transparency (providing clear in-year disbursement schedules for 100% of its aid), as well as transparency to civil society.

## Ireland

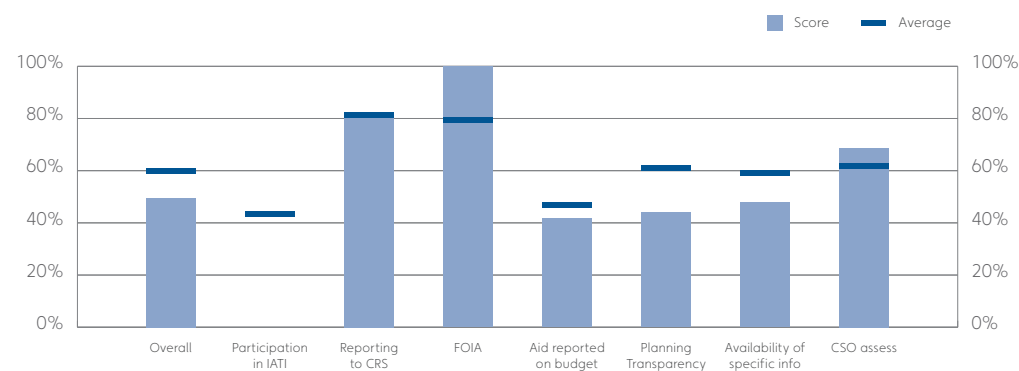


Ireland scores very well overall for transparency, particularly its commitment to aid transparency. It is fourth in the overall ranking of donors. It is an active participant in IATI and records tying status on over 99% of its CRS records. However, its practice has yet to catch up with its intentions. It is let down by an only average record on transparency to recipient governments and transparency to civil society.

### Additional information

In DARA's rating of the transparency of humanitarian donors, Ireland scored 60.0% against a bilateral average of 58.9%.

## Italy

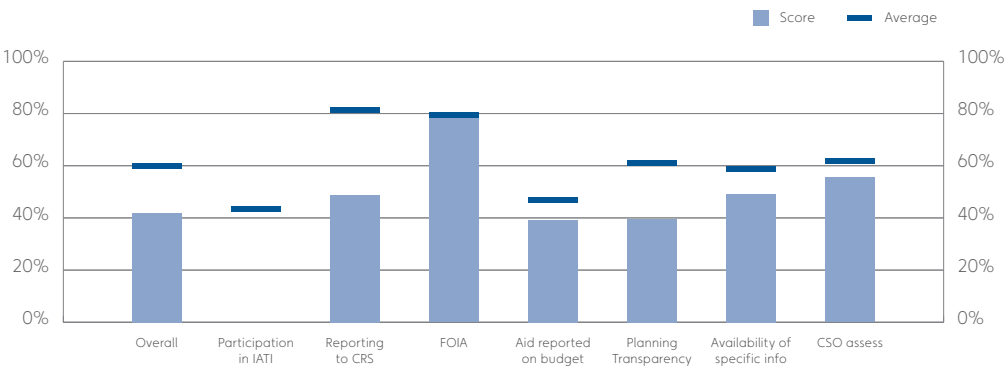


Italy is considerably below average overall, coming fourth to last out of all the donors assessed. It does have a FOIA with no problems noted for aid information, and civil society gave it a good assessment for transparency. However, it does not participate in IATI, it has a poor record of reporting aid to recipients' budgets, and planning transparency and availability of specific information is poor.

### Additional information

In DARA's rating of the transparency of humanitarian donors, Italy came 19th out of 20 bilateral donors covered in our assessment, scoring 46.0% against a bilateral average of 58.9%.

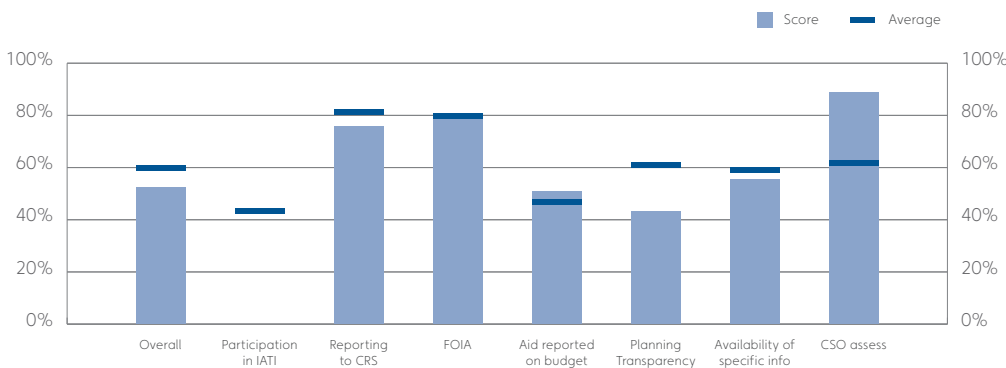
Japan



Japan comes last out of all the donors assessed. It is below average in nearly all areas, and has a particularly poor record in its reporting to the CRS, again having the lowest score. Only 13.4% of its records had all seven key administrative fields completed, and it only reported tying status on 32.9% of its records. It also has a low score in planning transparency, being unable to provide the DAC with any forward planning figures for its country-programmable aid and recipients reporting multiyear plans for only 34.0% of its aid (although recipients do report that it provides a clear in-year disbursement schedule for 85.3% of its aid).

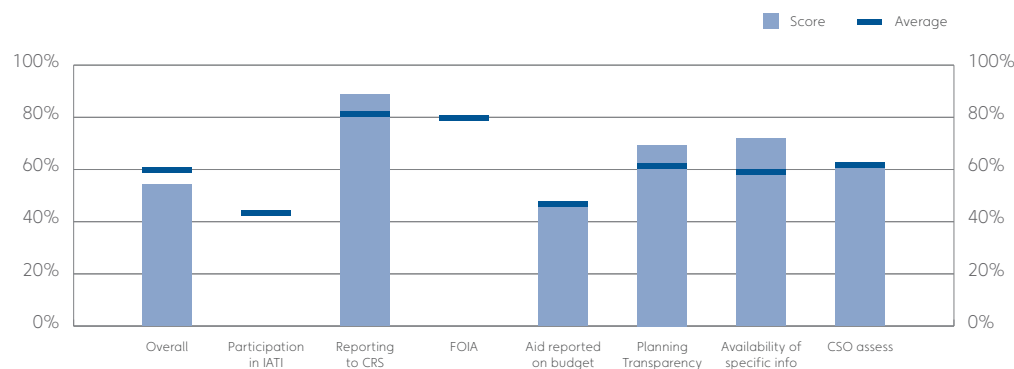
**Additional information**  
In DARA’s rating of the transparency of humanitarian donors, Japan scored 55.0% against a bilateral average of 58.9%.

Korea



Korea is below average overall. However it has a relatively mixed picture in the indicators. It does not participate in IATI, but is ranked highly by civil society for transparency, interestingly receiving the highest score of any donor. It has a poor record on planning transparency, especially as recipients report that it only provides multiyear plans for 13.3% of its aid; but it is worth noting that it can provide the DAC with forward planning figures for all of its country programmable aid for three years. Its reporting to the CRS is somewhat below average despite the fact that it completes all seven key fields for 99.7% of its records, because it only reports tying status on 27.5% of records. However, note that Korea is a recent member of the OECD DAC and has only been reporting to the CRS for three years.

## Luxembourg

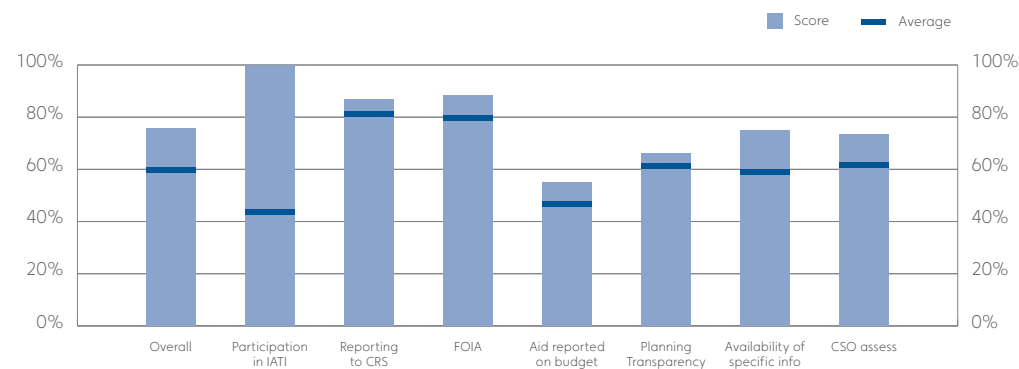


Luxembourg is below average overall, with a somewhat mixed record. It does not have a FOIA, one of only two bilateral donor governments assessed without one. It does not participate in IATI, and is below average in reporting aid on recipients' budgets. However, its reporting to the CRS is somewhat above average and it records tying status in 91.2% of records. It also scored well in the availability of specific information.

### Additional information

In DARA's rating of the transparency of humanitarian donors, Luxembourg came 20th out of 20 bilateral donors covered in our assessment, scoring 45.0% against a bilateral average of 58.9%.

## Netherlands

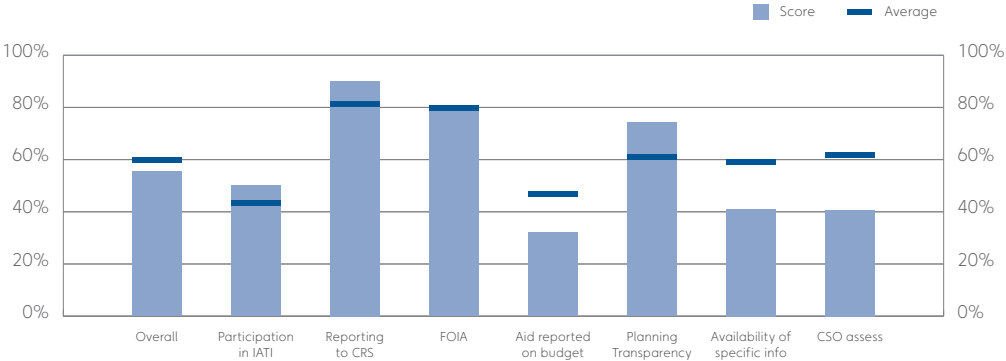


The Netherlands is the highest scoring bilateral donor and is above average in all areas. It is an active participant in IATI. It also does well in transparency to civil society.

### Additional information

In DARA's rating of the transparency of humanitarian donors, the Netherlands scored 58.3% against a bilateral average of 58.9%.

## New Zealand

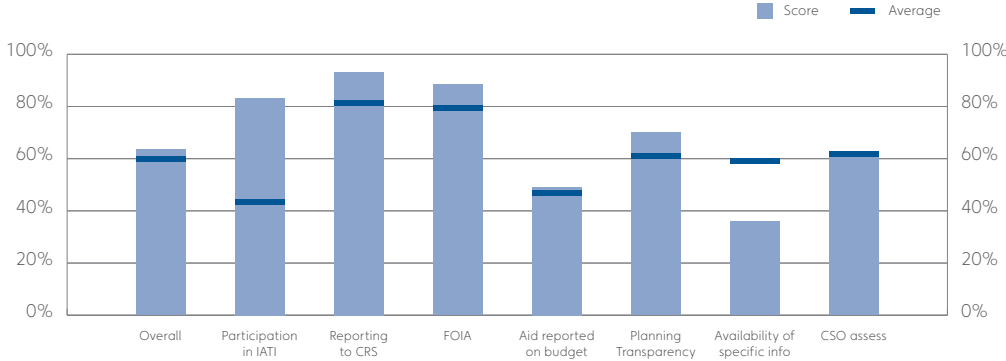


New Zealand is somewhat below average overall. Its commitment to aid transparency and planning transparency is reasonably good, but it is let down by large amounts of aid not reported to recipients' budgets and a generally poor record on transparency to civil society.

**Additional information**

In DARA's rating of the transparency of humanitarian donors, New Zealand scored 54.6% against a bilateral average of 58.9%.

## Norway

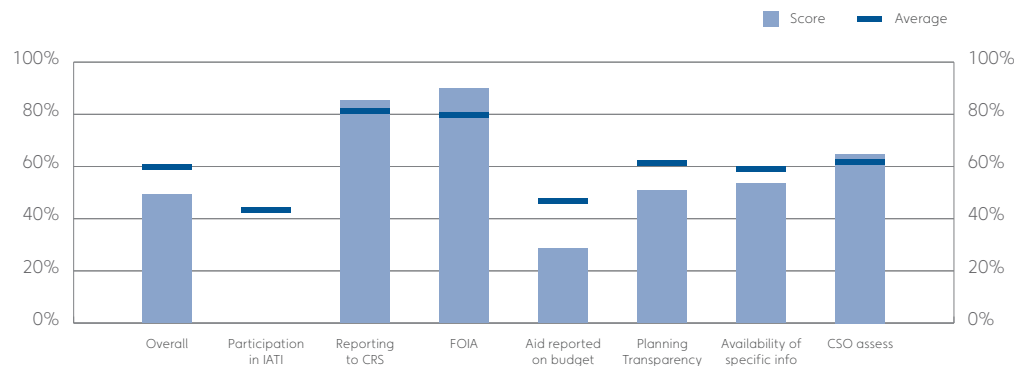


Norway is slightly above average overall and has a strong commitment to aid transparency and a reasonable record on transparency to recipient government. It is let down on its transparency to civil society, having the lowest score of any donor for availability of specific aid information.

**Additional information**

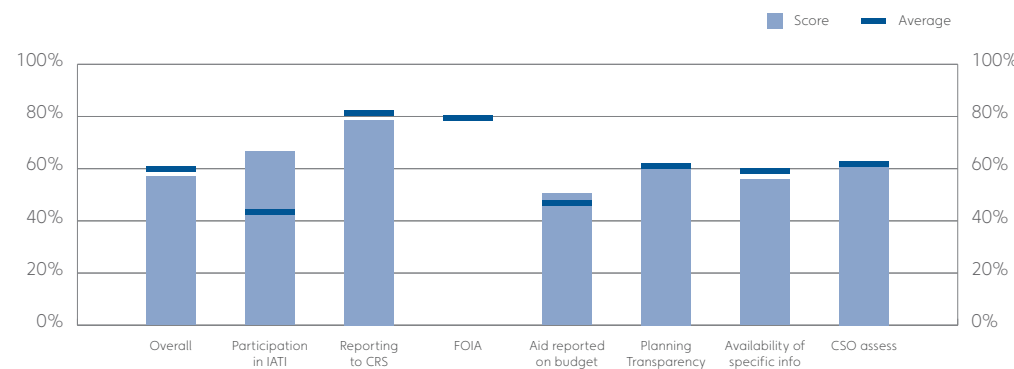
Access Info's detailed research into the websites of five donors included Norway. Norway was fifth out of five donors for transparency, scoring only 30.3% (the average was 52.6%). In DARA's rating of the transparency of humanitarian donors, Norway scored 60.8% against a bilateral average of 58.9%.

## Portugal



Portugal is well below average overall, coming third to last out of all donors assessed. It has a generally below average record across the indicators. It does not participate in IATI. It has a particularly poor record on transparency to recipient governments and it does not make specific aid information easily available.

## Spain

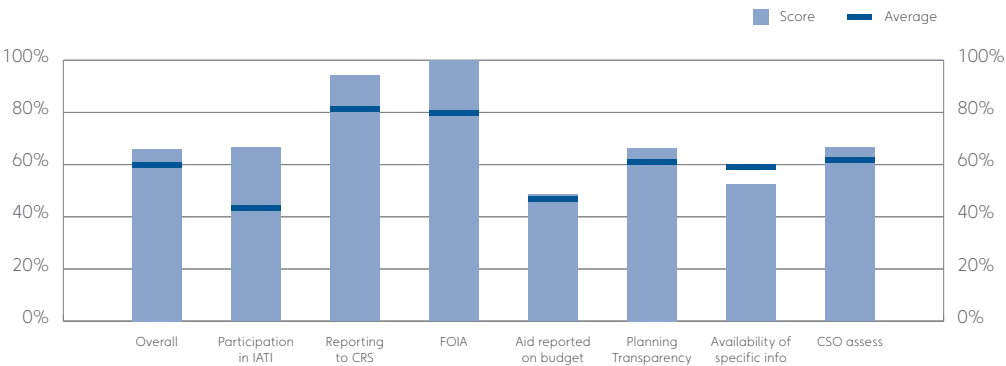


Spain is slightly below average overall but has a fairly mixed record. It is a relatively active participant in IATI. However, it has no FOIA according to Fringe Intelligence and it has below average reporting to the CRS, mainly because it reports tying status on only 36.5% of records. It has an average record of transparency to recipient governments and slightly below average score for transparency to civil society.

### Additional information

Access Info's detailed research into the websites of five donors included Spain. Spain was third out of five donors for transparency, scoring 51.8% (the average was 52.6%). Also, in DARA's rating of the transparency of humanitarian donors, Spain scored 54.8% against a bilateral average of 58.9%.

Sweden

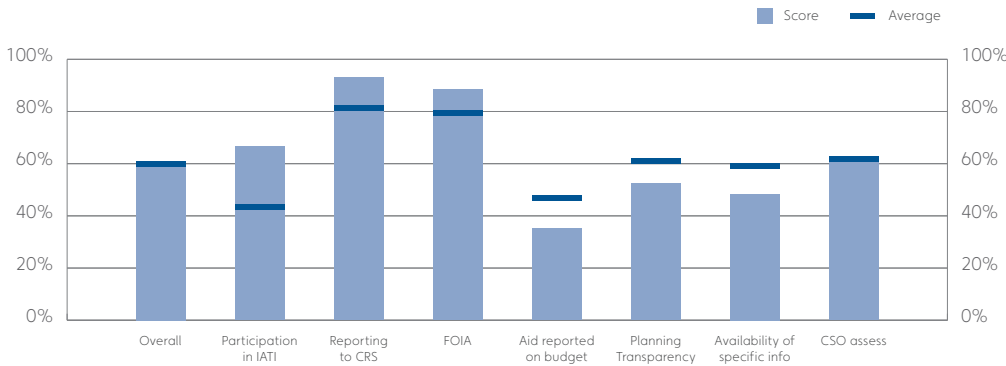


Sweden is above average overall and has a generally good or average performance across the indicators. However, it is let down somewhat by failing to make specific aid information available.

Additional information

In DARA's rating of the transparency of humanitarian donors, Sweden came fifth out of 20 bilateral donors covered in our assessment, scoring 62.2% against a bilateral average of 58.9%. Also, in January 2010, Sweden introduced a transparency guarantee into its development assistance.

Switzerland



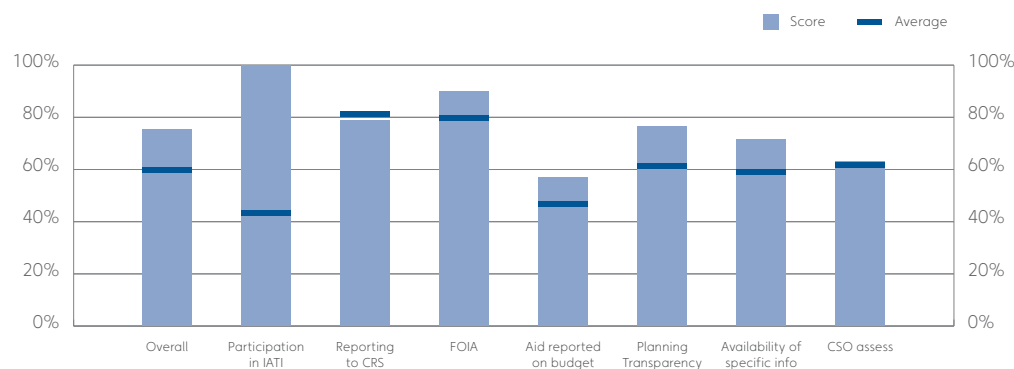
Switzerland is slightly below average overall. It has a fairly strong commitment to aid transparency but a poor record so far in practical transparency to recipient governments and civil society.

Additional information

In DARA's rating of the transparency of humanitarian donors, Switzerland came second out of 20 bilateral donors covered in our assessment, scoring 68.1% against a bilateral average of 58.9%.



## United Kingdom

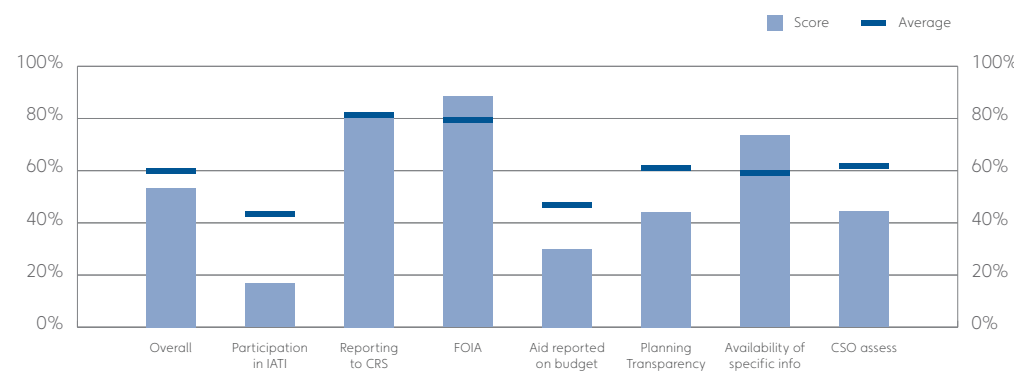


The UK is the second-highest scoring bilateral donor and has a consistently strong record in most areas. It is let down somewhat by its below average score in reporting to the CRS.

### Additional information

Access Info's detailed research into the websites of five donors included the UK. The UK was first out of five donors for transparency, scoring 68.2% (the average was 52.6%). Also, in DARA's rating of the transparency of humanitarian donors, the UK came sixth out of 20 bilateral donors covered in our assessment, scoring 61.9% against a bilateral average of 58.9%. Also, in June 2010, the UK introduced an aid transparency guarantee.

## United States



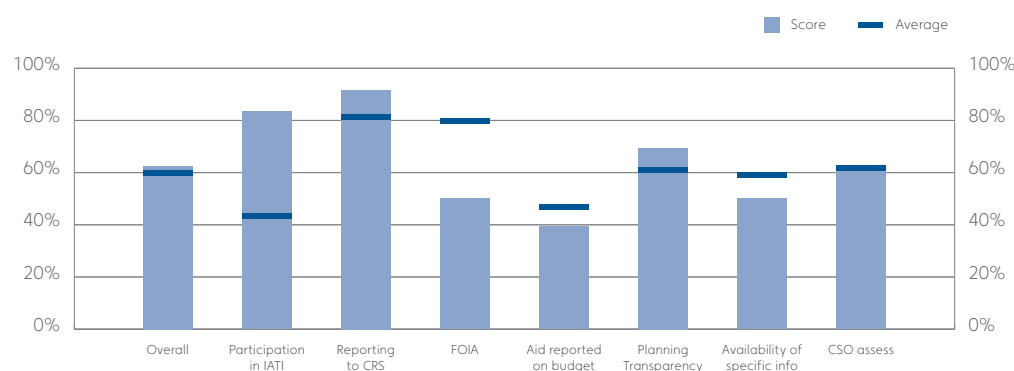
The U.S. is below average overall. It has a mixed record across indicators, with some above average scores (FOIA and availability of specific information) and some very poor scores (particularly transparency to recipient government and the CSO assessment). It is a participant in IATI, having attended two TAG meetings.<sup>41</sup>

### Additional information

In DARA's rating of the transparency of humanitarian donors, the U.S. scored 58.5% against a bilateral average of 58.9%. The U.S. has also recently made public commitments to better aid transparency as part of its strategy for meeting the Millennium Development Goals (MDGs).

<sup>41</sup> The U.S. has observer status to IATI but is not a signatory.

## United Nations



The UN is slightly below average overall, with a mixed record across indicators. Agency problems aside,<sup>42</sup> the UN – in the form of the UNDP – is an active participant in IATI which shows a commitment to aid transparency. The UN as a whole has no transparency policy according to Fringe Intelligence, and neither do most UN agencies; the fact that UNDP does have an information disclosure policy is fairly reflected in a score of 50%. It has a poor record of aid reported to recipients' budgets, but a better record on planning transparency. Its transparency to civil society is assessed as below average.<sup>43</sup>

Additional information: In DARA's rating of the transparency of humanitarian donors, the UN (aggregate of several agencies) scored 57.5% against a multilateral average (for the EC, World Bank, UN and Global Fund) of 63.9%.

Also, the One World Trust Global Accountability Report 2008 includes information on the UN, in this case UNHCR and UNICEF. It gives them 29% and 26% respectively for transparency (which places them 6th and 8th out of 10 international governmental organisations, and is well below the 45% average for IGOs). It states:

"The low scores of UNHCR (29%) ... and UNICEF (26%) are somewhat more surprising [...] UNHCR is a global leader in protection and humanitarian assistance for refugees and internally displaced people; and UNICEF provides essential services and advocates for children worldwide. However, despite their clear

public impact, none of these organisations have even the most basic of transparency capabilities, lacking both policies and management systems to address transparency issues. UNICEF has recognised this accountability gap and is in the process of developing an information disclosure policy."<sup>44</sup>

Additionally, the 2007 MOPAN Report covers UNDP:

"Most of the MOPAN country teams are of the view that in general UNDP proactively shares information with other development agencies. Although the overall impression is positive, MOPAN country teams are of the view that UNDP could improve the quality of its information management mainly in two areas. Firstly, UNDP could share more information about visiting missions. Secondly, UNDP could seek more information about other agencies' activities."<sup>45</sup>

The MOPAN 2008 Report includes the UNFPA. It notes:

"Almost all MOPAN country teams agree that UNFPA shares and/or seeks information in one way or another, but at the same time note some shortcomings. All country reports indicate a number of ways in which UNFPA exchanges information with MOPAN member embassies and country offices. However, despite the overall fairly positive thrust, a number of country teams have also identified weaknesses:

- Inadequate and out-of-date website (Albania, Tanzania);
- Communication limited to development agencies working on health and gender (Albania);
- Tendency to share documents with host government only (Bangladesh);
- Information sharing primarily on a bilateral basis as not represented in central organ for donor coordination (Bolivia);
- Lack of capacity for sharing information on a regular basis (Bosnia & Herzegovina);
- Room for improving consultation with other development partners (Tanzania);
- Does not seek information about other agencies' activities (Vietnam).<sup>46</sup>

<sup>42</sup> Please see Annex 2 for methodological issues in dealing with multiple UN agencies in the data.

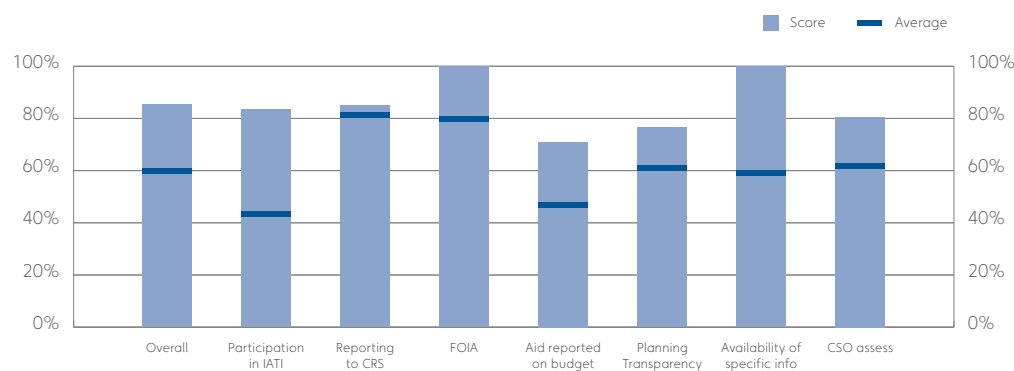
<sup>43</sup> Please note that this data is based on NYU only. Please see Annex 3 for methodology on data gaps.

<sup>44</sup> One World Trust, 2008 Global Accountability Report, p. 32.

<sup>45</sup> Annual MOPAN Survey 2007, Donor Perceptions of Multilateral Partnership Behaviour at Country Level, p. 13.

<sup>46</sup> Annual MOPAN Survey 2008, Donor Perceptions of Multilateral Partnership Behaviour at Country Level, p. 8.

## World Bank



The World Bank is the highest scoring donor in the assessment, and is well above average in nearly all indicators. In particular, it receives the highest score of all donors for availability of specific aid information and aid reported on budget.

### Additional information

In DARA's rating of the transparency of humanitarian donors, the World Bank scored 61.3% against a multilateral average (for the EC, World Bank, UN and Global Fund) of 63.9%. The World Bank has also recently published a new Policy on Disclosure of Information.

Also, the MOPAN 2008 Survey Report includes information on the World Bank's information sharing practices, gathered from donor partners in selected countries.

"The MOPAN country teams' perceptions of the World Bank sharing and seeking of information show a mixed picture. Four MOPAN country teams express rather positive opinions. [...] Three country teams have a mixed perception. [...] Two country teams have a rather negative perception. Country teams raise a number of weaknesses:

- Information sharing on missions (Albania, Bolivia, Burkina Faso, Tanzania);
- Consultation of development partners on its own strategies, country programmes and analytical work (Bolivia, Burkina Faso, Tanzania);
- Taking into account the views of other donors (Bangladesh, Bolivia, Burkina Faso, Vietnam);
- Donors working with the World Bank on projects and programmes receive more information in those areas than other development partners who are not directly cooperating with the World Bank (Bangladesh, Bolivia, Burkina Faso);
- Seeking of information about other agency activities (Bolivia, Vietnam);
- Responsiveness to donor requests for information (Albania, Bolivia)."<sup>47</sup>

<sup>47</sup> Annual MOPAN Survey 2008, Donor Perceptions of Multilateral Partnership Behaviour at Country Level, p. 8.

## Section 6: Annexes

### Annex 1. Methodological details: data sources, indicators and weighting

#### The data sources

There are eight data sources that we could find to provide information on these indicators. These are all reliable and robust data sources that are non-duplicative, although they may be complementary. They also provide good coverage of major donors. Many use data from 2008, as the most recent data available, which again raises the issue of timely data publication. The year of data collection varies from 2006 to 2010. Some are one-off exercises; some are annual or biannual exercises. The data were in differing formats, covering different donors, with varying levels of methodological clarity and sometimes considerable differences in how they treated key questions (such as how to treat multiple UN agencies). We have dealt with these issues as judiciously as possible – please see Annexes 2 and 3 for more information.

The sources are:

- The **IATI Secretariat** via its website provides meeting minutes and documents, including information on which donors are signatories, participation in Technical Advisory Group meetings, funding IATI, and participation in pilots (as of 2 July 2010). We are using participation in IATI as a proxy for aid transparency being taken seriously by the organisation.
- **AidData** data gives information on how well donors use the DAC's Creditor Reporting System, a reporting system that is mandatory for DAC donors and desirable for other donors, and whether or not they complete certain key fields (using the CRS 2008 data).
- **CRS Online** provides access to the data of the DAC's Creditor Reporting System, including aggregate Official Development Assistance statistics and data on individual project activities. We have used 2008 data – the most recent available. The Creditor Reporting System is a mandatory reporting platform for OECD DAC donors. Non-OECD donors are not required to report to the DAC although a number submit some information anyway. We have taken steps to ensure that these organisations are not penalised (see Data Gaps, in Annex 3).
- The **Fringe Intelligence Special Edition** provides information on the existence of Freedom of Information Acts (the linked information was updated in September 2010 but is not yet available online). The existence of a Freedom of Information Act, or an equivalent information disclosure policy for multilateral agencies, is taken here to demonstrate a degree of high-level commitment to aid transparency. However, not all FOIAs are created equal and this not a proxy for the quality of the FOI legislation.
- The **Paris Declaration Monitoring Survey** is commissioned by the OECD DAC donors to monitor their progress on the implementation of the Paris indicators and targets. The most recent survey from 2008 includes data on the extent to which aid is recorded in the national budget. It captures the mismatch between what donors and governments reported in the survey. We have used the underlying data to develop our own indicators. The 2006 survey includes data on donors and governments' expectations about future aid disbursements. Again, we use the underlying PDMS data to develop our own indicator to calculate the extent to which recipient and donor expectations of aid flows match.<sup>48</sup>
- The **HIPC Capacity Building Project** collects data on a rolling basis from 33 recipient governments. It includes an assessment of the proportion of each donor's aid recorded in the national budget. Two key components of forward flow information are included in the HIPC CBP. The first element is the percentage of the donor funds committed as part of a multi-year programme (as opposed to on an annual basis). The second element is the percentage of funds that have predefined clear disbursement timetables during the year and whether they are in line with budget timetables (as opposed to irregular disbursements at the discretion of the donor).

<sup>48</sup> We can only use the 2006 data for information about future aid disbursements as in subsequent survey years donors reported on calendar years only.

- The **2009 DAC Predictability Survey** (covering years 2009–2011) provides information on the extent to which donors can give information to the DAC on their future commitments. Although the survey does not directly capture aid transparency to recipient governments, it tells us whether donors can make sufficiently robust forward plans themselves which they could then share with recipients.
- **NYU** – Easterly and Pfutze (2008), followed by Easterly and Williamson (2010), all of the Development Research Institute of New York University (NYU), surveyed the availability online or on request of a range of specific information types and CSOs assessment of seven specific types of information and how easy it was to find them, both general documents and country-specific documents. The findings were presented first in 'Where Does the Money Go? Best and Worst Practices in Foreign Aid' (2008), and followed with a draft paper 'Rhetoric versus Reality: The Best and Worst of Aid Agency Practices' in 2010.
- **EU AidWatch's 2010 Survey** canvasses CSO opinion on donor behaviour and has a section on transparency. It includes details on whether there are exemptions to FOIA for aid information and provides CSO perceptions of donor transparency including their assessment of donors' disclosure levels. Publish What You Fund sent this section of the survey to selected non-European CSO platforms.

### Other related data sources

There are data sources that deal with donor transparency that we have decided not to include in our quantitative comparison of donors. Often, the reason is that the data sets cover very different sets of donors, making comparison difficult. In other cases, it is because of duplication or because the data is not accessible. However, some of these sources include useful information that we have included as additional information in individual donor profiles.

- **Access Info** – In 2007, Access Info published a report called Not Available! Not Accessible! This report examined in detail the transparency of five donor agencies, looking at whether specific types of information were made available. This is not part of the comparable quantitative ranking, because it only covers five donors. However, relevant information is included in individual donor profiles and indeed an extension of this methodology for future years would be worthwhile.
- **DATA Reports** – ONE, the campaign and advocacy organisation, publishes annual DATA Reports on donor progress on their aid commitments. We are using the same underlying data that they use on transparency, the data from the Paris Declaration Monitoring Survey and the HIPC Capacity Building Exercise.
- **Humanitarian Response Index** – The annual Humanitarian Response Index is published by DARA and contains data on donor transparency. Over 2,000 implementing agencies are asked to rate the transparency of their donors. This is valuable data and we include more detail on page 72. However, since humanitarian aid and development aid are quite different approaches, it was felt that at this time it should not be treated as part of the comparable quantitative data.
- **MOPAN** – The Multilateral Organization Performance Assessment Network canvasses expert opinion on the information sharing practices of multilateral organisations in its annual surveys. However, the data is not quantified so it is included here only as supporting text in individual donor profiles.
- **One World Trust** – The annual Global Accountability Report examines the capabilities of intergovernmental bodies, transnational corporations, and international NGOs to be accountable to civil society, communities and the public. However, it does not cover bilateral donor organisations.
- **Quality of Official Development Assistance Assessment** – The Center for Global Development and the Brookings Institution are publishing a Quality of Official Development Assistance Assessment (QuODA) which includes some measures of transparency. Once again, we are using similar underlying data, including AidData data, the DAC Report on Predictability and Paris Declaration Monitoring Survey data.

- **TR-AID** – The Transparent Aid (TR-AID) database is run by the EC Joint Research Centre. It is a closed dataset (it is not publically disclosed) which takes in information about both development and humanitarian aid. Attempts to discover more about this dataset were unsuccessful.

One important type of information that is not represented here is the views of Southern CSOs and citizens on the transparency of a range of donor agencies. This information would be important but is not presently available for a range of donors. There is also little analytical research at present comparing the quality of FOI legislation or policies.<sup>49</sup> Fringe Intelligence calls for “a debate on criteria to discriminate between good and poor FOIA texts and practices.”<sup>50</sup>

There are undoubtedly other types of information that are relevant to this exercise and should be represented but which presently do not exist in internationally comparable form. These points are taken up in What’s needed for future aid transparency assessments? (see page 30).

### Which donors do we cover?

We have selected 30 donor agencies based on those that are most commonly represented in our data sources.

- **Bilateral agencies:** Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Ireland, Italy, Japan, Korea, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, UK, U.S.
- **Multilateral agencies:** African Development Bank, Asian Development Bank, Inter-American Development Bank, World Bank, United Nations.

- **Other agencies:** European Commission, GAVI Alliance, the Global Fund to Fight AIDS, Tuberculosis and Malaria (“Global Fund”).

As mentioned previously, ideally we would assess all types of donors, including NGOs, private foundations and other types of aid providers. However, information availability is primarily limited to the largest and most traditional donors, thus highlighting once again the transparency problem we are dealing with. There is extremely limited systematic information available on international NGOs, for instance, and emerging donors like Brazil or India; to attempt to include such data would mean that we could not compare performance across donors evenly. Even the data sources listed above do not cover all major official donors and we struggled with data gaps (see Annex 3).

Methodologically there were particular issues with which multilateral agencies to assess. For instance, not all data sources provide data on the concessional arms of the Development Banks, such as the African Development Fund, the Asian Development Fund, the Inter-American Special Fund, and the International Development Agency of the World Bank. UN agencies are sometimes treated as one aggregate body in our data sources, and other times as separate agencies. This is due to the lack of consistent and accessible information. We have dealt with these issues as judiciously as we can and noted in Annex 2 what we have done. There are also several unavoidable data gaps, the methodology for which is shown in Annex 3.

### Scaling and Weighting

**Scaling:** We have taken a decision not to rescale our indicators. Rescaling would mean mapping the range of actual performance onto a range of 0-100%, such that if donors’ actual scores vary between only 30% and 50% for an indicator, we would use some accepted method (such as a multiplier) for mapping that range of actual scores onto the 0-100% range. However, if we were to rescale the indicators, it would disguise the actual performance of donors in favour of ensuring that each indicator shared the same average. For instance, if the indicator on reporting tying status in CRS records had an average performance of 30%, while the indicator on availability of specific information had an average performance of 60%, to rescale these would mean that important facts about actual performance would be not be revealed. There are very few 100% scores, and we do not want to make it appear that high-scoring donors have perfect performance or that low-scoring donors have zero scores when they do not. We are interested in getting at the actual performance of donors against these indicators. The decision not to rescale the indicators means that the average score for each indicator is different, and a donor that scores 40% on an indicator may be above or below average for that indicator. In Section 5: Individual Donor Profiles we show donor performance against the average for each indicator, in order to make it easier to judge performance.

<sup>49</sup> For comparative descriptions of the FOI policies of the IFIs, please see Commonwealth Human Rights Initiative, ‘Information Disclosure Practices of International Financial Institutions: A comparison (draft version)’ 2010. See also a new Right to Information Legislation Rating methodology recently launched by Access Info Europe and the Centre for Law and Democracy (Canada).

<sup>50</sup> Roger Vleugels, Fringe Intelligence Special Edition “Overview of all 90 FOIAs”.

**Weighting:** We have, however, weighted our indicators on the basis that we have large amounts of data for some aspects of transparency and limited amounts of data for other aspects. To weight each data source equally would promote some aspects at the cost of others. Our weighting of indicators reflects the initial principles outlined above that transparency is important for different types of information users. The draft weighting given to each of these indicators (and the source data for each of the indicators) is mapped in the nested pie chart opposite and in the diagram following.

There is a tension between the weight given to the analytical categories on the right and the weight given to the data sources on the far left. Changing one means changing the other. We considered weighting each of these data sources on the far left equally; however, this gave much more weight to transparency to recipient governments and high-level commitment to aid transparency, and much less weight to transparency to civil society. We felt it was preferable to give weight to the data that does exist in the latter area whilst acknowledging the difficulties this raises. We hope that we have achieved a balance and have reflected all parts fairly. This point will be raised again in our forward looking plans for monitoring transparency. Some of the data is not available for some donors. Donors will not be penalised because a dataset contains no information about them. See Annex 3: Data Gaps for more information.

**Figure 6. Weighting of indicators – visual representation**

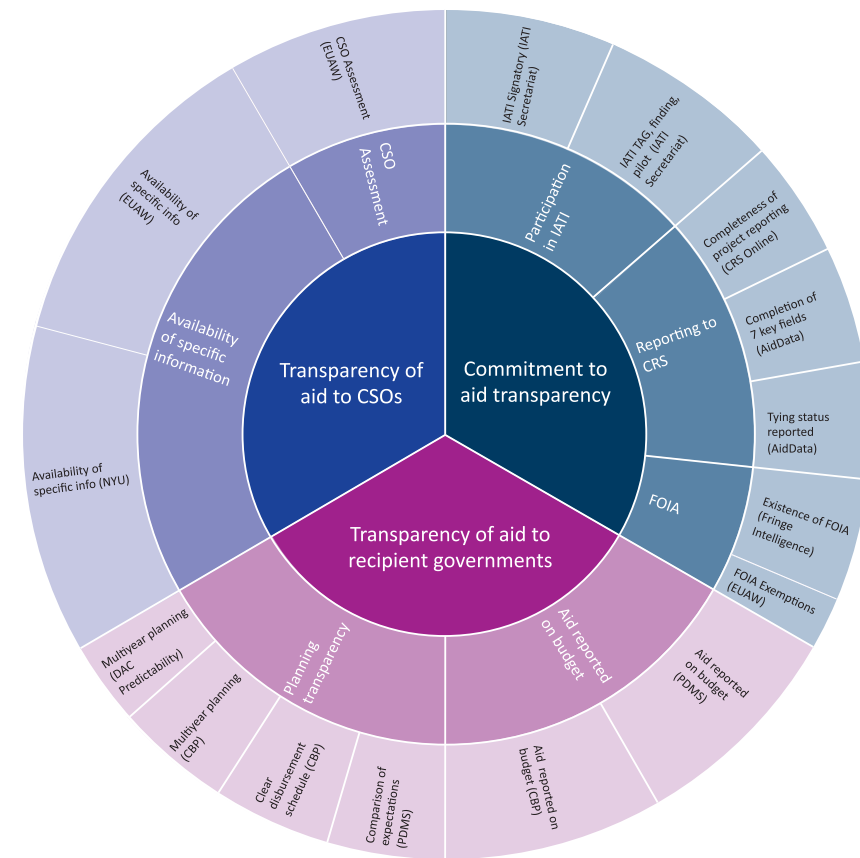


Figure 7. Weighting of indicators

Categories		Indicators		Data used		Data source
33.33%	Commitment to aid transparency	13.33%	Participation in IATI	6.67%	IATI signatory	IATI Secretariat
				6.67%	IATI TAG, IATI funding, IATI pilot	IATI Secretariat
		13.33%	Reporting to CRS	4.44%	Completeness of project reporting	CRS Online
				4.44%	7 key administrative fields completed	AidData
				4.44%	Tying status reported	AidData
		6.67%	Existence of FOIA	4.67%	Existence of FOIA	Fringe Intelligence
2.00%	Exemptions to FOIA for aid information			EUAW Survey		
33.33%	Transparency of aid to recipient government	16.67%	Aid reported on budget	8.33%	Aid on budget	PDMS
				8.33%	Aid on budget	HIPC CBP
				4.50%	Comparison of expectations	PDMS
		16.67%	Planning transparency	4.50%	Multiyear planning	HIPC CBP
				4.50%	Clear disbursement schedule	HIPC CBP
				3.17%	Multiyear planning	DAC Predictability
33.33%	Transparency of aid to civil society	25.00%	Availability of specific info	12.50%	Researcher assessment of availability of particular information	NYU
				12.50%	CSO assessment of availability of particular documents	EUAW Survey
		8.33%	General assessment	8.33%	CSO assessment of transparency	EUAW Survey
100.00%		100.00%		100.00%		

## High-Level Commitment to Aid Transparency

### Participation in IATI (Indicator 1a)

Participation in the International Aid Transparency Initiative is evidenced most importantly by being a signatory. This information is available from the IATI website (taken on 2 July 2010). However, some donors participate more actively than others, and donors are rewarded in this assessment for taking part in at least one Technical Advisory Group meeting, providing any funding to the Initiative, or agreeing to a country pilot project (as of 2 July 2010). Note that the amount of funding is not taken into account, to avoid penalising smaller donors. Data is gathered from TAG meeting records on the IATI website and from the IATI Secretariat.

### Reporting to the CRS (Indicator 1b)

DAC donors are required to report their aid activities to the OECD's Creditor Reporting System database. We take a lack of complete reporting to the CRS as an indicator of lack of commitment to transparency. The proportion of a donor's overseas development assistance (ODA) which is reported to the CRS would ideally be 100%. We use data from the publicly accessible CRS Online database to determine the completeness of their reporting to the CRS using 2008 data. We divided the total projects reported (2008 gross disbursements in current USD) shown in the CRS Online database, by the aggregate bilateral ODA figures (again 2008 gross disbursements in current USD) shown at OECD Stats.

For non-DAC donors, there is no easily accessible or comparable universe of total ODA disbursements with which we could compare their CRS-reported activities – again, this lack of aid transparency only highlights the

problem we are trying to address. For multilaterals we treat this as a data gap (see Annex 3).

We are also interested in the quality of reporting to the CRS. One aspect of this is whether donors report their aid to the CRS using the correct information fields. If donors take their reporting to this database seriously, they are likely to complete project records correctly and completely. AidData, an independent organisation that monitors aid activity, captures the extent to which donors complete seven key administrative fields in their CRS project records for 2008:

- Donor name
- Financing agency name
- Recipient name
- Year
- Amount original
- Short description
- Project title



For DAC donors, since CRS reporting is mandatory only those records that have all seven fields filled in are counted, and the score is a percentage of all records. For non-DAC donors, since reporting is not mandatory, we have taken the average of how often a field is filled in, and the score is the average for all seven fields. This means that if a non-DAC donor tends to leave one field blank, they are not unduly penalised (since they are not required to report to the CRS anyway). If a DAC donor tends to leave one field blank, they lose a considerable amount of their score. The exception is Korea, whom we treated as a non-DAC donor in this case since they are a new member.

Donors can also indicate on the CRS whether the aid is tied or untied<sup>51</sup>, which is in itself an important measure of transparency. AidData is able to compare the total number of projects for a given donor with the total number of projects that have some indication of tying status, for 2008 records. The answer is given as a percentage, with 100% being ideal.

Tying status does not apply to multilateral donors (except the EC). Also, data for Korea is gathered directly from CRS Online, rather than via AidData.

### Freedom of Information Act (Indicator 1c)

This captures the presence of a Freedom of Information Act or equivalent policy, and some information that indicates the quality of this legislation or policy.

This indicator draws on information compiled by Roger Vleugels in September 2009, and published in the Fringe Intelligence Special Edition "Overview of all FOI Laws". This report examines first of all whether a FOIA exists. The working definition used in compiling this information is that

it has to be a "law in a strict sense, a right of access, with complaint and appeal possibilities."<sup>52</sup> For bodies that are not sovereign governments, Vleugels uses the existence of a freedom of information regulation. We have filled two data gaps ourselves with primary research. We have added information on the GAVI Alliance (their Transparency and Accountability Policy) and the Global Fund (their Documents Policy). Although Fringe Intelligence states that the UN as a whole and most UN agencies do not have transparency policies, we note that UNDP has an Information Disclosure Policy and allocate the UN a score of 50% in light of this fact.

Finally, the EU AidWatch 2010 survey asked respondents whether there were any exemptions in national FOI legislation that restricted access to aid information under the law. Responses were scored according to whether there were reported to be no exemptions, some exemptions, serious exemptions or no FOIA. The score was converted to a percentage of the highest possible score for this question (which would be no exemptions).

## Transparency to Recipient Governments

### Aid reported on recipient budget (Indicator 2a)

This measures the extent to which aid to recipient governments is captured on the national budget systems of recipient countries. It is a measure of how much recipient governments record about donor activities, and thus a proxy for how transparent donors are to recipient governments. It is not a perfect proxy. There are a number of reasons why recipient governments may not be able to record accurately

the aid they receive. Ideally, donors would publicly and proactively disclose what they are spending in what ways in each country. However, this information is not presently available. We want to know whether donors are telling recipient governments about their aid, and this variable does capture major elements of this.

The approach we have taken, in the absence of systematic disclosure data, is to compare donor responses on 'disbursement of aid to government' with government responses on 'aid recorded in the national budget'. This data draws on both the data collected by the 2006 and 2008 Surveys on Monitoring the Paris Declaration, and data collected by the HIPC Capacity Building Project (run by Development Finance International). These two sources are complementary and present different viewpoints on the information provided by donors to the recipient's national budget process.

In the 2008 Paris Declaration Monitoring Survey, two questionnaires were used to collect data at country level and stimulate dialogue on aid effectiveness. The donor questionnaire was to be completed by all donors operating in the country. The second questionnaire was filled in by recipient government authorities. Once completed the results of these questionnaires were consolidated into various tables which were then validated collectively by recipient governments and their donors. The PDMS indicators that are written up in the PDMS reports were structured in such a way that transparency issues were not easily disentangled from other issues. With the assistance of the DAC team, we constructed a new indicator from the underlying PDMS data.

<sup>51</sup> Tied aid is official aid where the aid must be used to buy goods or services from the donor country. Untied aid can be used to procure goods or services freely. The full technical definition is available from the OECD Glossary of Statistical Terms.

<sup>52</sup> Roger Vleugels, "Overview of all 90 FOI countries and territories", Fringe Intelligence Special Edition, 2009, p. 2.

In the PDMS data (collected for their indicators 3 and 7)<sup>53</sup> recipient governments were asked how much total ODA for the government sector was actually recorded in accounting systems in 2007 (2007/08 for non-calendar financial years).<sup>54</sup> Donors were asked how much aid for the government sector they disbursed in 2007 (2007/08). We took these subcomponents of the PD indicators then compared the answers. This gives an assessment of how much aid to the government sector was recorded in the government's budget. For each donor, we took the difference between the recipient and donor figures for each recipient country, and divided it by the sum of the recipient and donor figures. We then took the root mean square of these figures. We then subtracted the answer from 1 in order to make a scale that matched the others in the assessment, with 0 meaning a complete mismatch of recipient and donor aid records, and 1 meaning a complete match between the figures provided.<sup>55</sup>

We considered other methodologies, notably the method of the PDMS analysis team at the OECD DAC of using ratios: recipient divided by donor, or vice versa, ensuring that the largest figure is the denominator. However, we felt that our method was more statistically robust as it is more consistent – the denominator is always the sum of the recipient and donor figures.

A mismatch between donor and government records does not depend solely on donor transparency, of course. However, this is one of the best proxies for country-level

transparency to recipient governments that we have available at present.

Furthermore, although governments may have a record somewhere of the information on aid received, unless it is captured within budget documentation, it cannot effectively be used for planning purposes by recipient government, or by recipient country civil society to hold government to account for both aid and domestic revenue usage.<sup>56</sup> Those highly aid-dependent countries that are most likely to struggle with recording aid accurately in their accounting systems are those governments that most need effective aid, aid to be disbursed through the recipient's budget system and transparency from donors. It is precisely these cases where the need for comprehensively, timely, comparable and accessible information is made available in a way that is useful to the recipient governments and civil society.

The second set of data that this indicator draws on is the HIPC Capacity Building Project (CBP) which also collects data on whether recipient countries report that a donor's aid is on budget. HIPC CBP has prepared a methodology to enable governments to assess the quality of aid they receive as part of the process of designing overall national debt and new financing strategies. This involves training recipient government officials in an objective framework for analysing donor and creditor (and their own) policies and procedures, in order to help them identify which are the 'best' external financing sources to fund their poverty

reduction and economic development programmes, and how they can improve the quality of all their external finance. Scoring both the policy and procedural factors, the HIPC CBP methodology uses a set of 23 evaluation criteria, grouped under 13 headings for which each donor/creditor can be assigned a score (with 1 scoring lowest and 5 highest) on the basis of objectively verifiable thresholds. Using these criteria 33 HIPC governments have assessed the overall quality of each donor's and creditor's resources on an objective basis. Data is collected in a rolling programme of assessments by 10–12 recipient governments annually, and collated.

The HIPC CBP background paper sets out more detail on the methodology, stating that recipient governments are asked what *percentage of the donor's support is provided through the recipient country budget*, as opposed to through other channels. This provides the data for "aid reported on budget".

### Planning transparency (Indicator 2b)

Again, one of the proxies that we have for transparency in future planning is from the 2006 Paris Declaration Monitoring Survey (see above for introductory information on the PDMS).<sup>57</sup> We calculated the extent to which recipient and donor expectations of aid flows match. Recipient governments were asked in the survey to provide their "budget estimates of aid flows for 2005 (or 2005/06 for non-calendar financial years) as revenue, grants or ODA loans (excluding debt reorganisation, humanitarian assistance, and

<sup>53</sup> Please see the 2008 PDMS report for more on the definitions of the indicators, the survey questions used, and the calculations performed.

<sup>54</sup> In most cases they disaggregated this by donor. Where recipient governments did not answer this question for any individual donors, the data for that country was not used. For 2008 survey data this meant that Albania, Columbia, Nigeria and Philippines data was not used, which did not affect donors as they had many other recipient countries to provide data. Those that filled in the answers for some donors but not others were treated as having put zero for the other donors.

<sup>55</sup> Please note that the UN was encouraged to send their questionnaire to various sub-bodies (such as UNICEF, UNDP, etc.), and the total scores for all sub-bodies were simply aggregated. Also, please note that we have not weighted any of the PDMS data in order to reflect the size of aid flows to a country.

<sup>56</sup> See for instance Collaborative Africa Budget Reform Initiative's briefing paper 1, 'Improving aid on budget in Rwanda', for a thorough discussion of the issues at country level.

<sup>57</sup> We can only perform this calculation on 2006 PDMS data as in subsequent survey years donors reported on calendar years only.

support to regional programmes)".<sup>58</sup> For the survey this was used to assess how much aid recipient governments thought they would be getting from each donor during that financial year.<sup>59</sup>

Donors were asked how much aid they had "scheduled for disbursement" during 2005 (or 2005/06), where "scheduled" means "ODA scheduled by donors for disbursement in FY 2005 and notified to government within FY 2004; it includes ODA scheduled for disbursement in aid agreements entered into 2005."<sup>60</sup>

For the purpose of this assessment we compared the two figures, in order to see whether government estimates about future aid from a donor and that donor's scheduled aid matched. For a given donor, we took the difference between the government and donor figures for each recipient country, and divided it by the sum of the government and donor figures. We then took the root mean square of these figures. We then subtracted the answer from 1 in order to make a scale that matched the others in the assessment, with 0 meaning a complete mismatch of government and donor planning records, and 1 meaning a 100% or complete match between the figures.<sup>61</sup> Again, we considered other methodologies, notably the method of the PDMS analysis team at the OECD DAC of using ratios: recipient divided by donor, or vice versa, ensuring that the largest figure is the denominator. However, we felt that our method was more statistically robust as it provided more consistency as the comparator is always the sum of the two figures.

Again, expected future allocations of aid may not match for a variety of reasons. Indeed, given that donors are asked only to respond on ODA which is 'notified to government', it might be that some part of government has been notified in some format. However, as noted above, in situations of aid dependence or where collective action is a problem, ensuring that information reaches the right parts of recipients is critical for donors. Also, it is notable that findings within a country vary considerably. In Vietnam, for instance, several donors scored over 90% while others scored less than 50% or even zero. A similar pattern was found in a selection of other recipient countries. This tells us that the challenge is one for donors, not just recipients.

The HIPC Capacity Building Project also captures data on predictability. For more information on the HIPC CBP methodology, see previous page. Governments are also asked what percentage of the donor funds are committed as part of a multi-year programme (as opposed to on an annual basis) and what percentage of the funds have predefined clear disbursement timetables during the year and whether those are in line with budget timetables (as opposed to irregular disbursements at the discretion of the donor).

The 2009 DAC Report on Aid Predictability also provides data on whether donors can provide multiyear planning information to the DAC. This only tells us whether donors can provide forward information to the DAC, which may be a necessary condition to being able to provide forward information to recipients but is not in itself directly indicative

of actually being transparent to recipients. The DAC surveyed a variety of donors, asking them to provide forward spending plans for their country-programmable aid for 2009 (year one), 2010 (year two), and 2011 (year three). From the responses, they generated an indicator called 'forward planning coverage', which tells us the proportion of country-programmable aid that is covered by plans for each of those years.

"This concept of forward spending coverage can be illustrated by a few examples. The year one forward spending coverage for Australia is 100%, as Australia provided information on forward spending plans for 2009 covering all its partner countries. For Canada, the coverage is 91%, as Canada provided forward information for 2009 covering only its priority and major partner countries, which represented 91% of Canada's 2007 CPA."<sup>62</sup>

For our purposes, we weight the information given for each year differently. The total weight for this element of aid transparency is 3.17% (low because it is not directly about transparency to recipient governments). The weight given to forward spending coverage in year one is 2%, year two is 1% and year three is 0.17%. In this way, donors that can provide good forward spending coverage up to year three are rewarded more than those that can provide good forward spending coverage only for year one.

<sup>58</sup> Governments were asked to use the estimates provided in their annual budget as it was originally presented to the legislature. No definition of revenue, grants or ODA loans was provided, although the OECD DAC definition of ODA was provided.

<sup>59</sup> Please see footnote 54. For 2006 data, this meant that data for Albania, Cambodia and South Africa was not used. This affected New Zealand primarily, leaving it with only one data point and a high score. This could not be avoided. It also affected Australia (left with 3 data points) and Korea (left with 2 data points) to a lesser degree. Hopefully in future we will be able to access more recent data about recipient and donor forward planning.

<sup>60</sup> Definitions and Guidance for PDMS 2006. Note that the PDMS does not ask about aid that goes through the Treasury or through the budget, only aid 'for the government sector'.

<sup>61</sup> Please note that the UN was encouraged to send their questionnaire to various sub-bodies (such as UNICEF, UNDP, etc.), and the total scores for all sub-bodies were simply aggregated.

<sup>62</sup> 2009 DAC Report on Aid Predictability, p. 34.

## Transparency to Civil Society

### Availability of specific information (Indicator 3a)

This indicator draws on data collected by Easterly and Pfutze, followed by Easterly and Williamson, all of the Development Research Institute of New York University. They have researched the availability online or on request of certain types of information from donors, with the findings presented first in 'Where Does the Money Go? Best and Worst Practices in Foreign Aid' (2008), and followed with a draft paper 'Rhetoric versus Reality: The Best and Worst of Aid Agency Practices' in 2010. The second paper details improvements in methodology and new data, which we have used.

Requests were made to a wide variety of donor agencies for information on permanent international staff, administrative expenses, salaries and benefits, and total development assistance disbursed. For each category, agencies scored 1 point if the data was available online. If it was not available online but they responded within six weeks to an email request for the information (a reminder was sent after three weeks), they scored 0.5 points. If they did not have the data online and did not respond to requests, they scored zero.

Although the paper did not originally include Korea and the GAVI Alliance, the NYU team agreed to conduct this research again on these agencies to support this Aid Transparency Assessment, for which we are very grateful.

EU AidWatch also conducted a survey of national CSO platforms in EU donor countries in 2010, asking them about various aspects of the transparency of the relevant donor. In

particular they asked whether certain types of information were a) always easy to find (3 points), b) often easy to find (2 pts), c) often difficult to find (1 pt), or d) not usually available (0 pts). These types of information were:

- Aid policies (framework for development assistance)
- Procedures for allocation of aid (guidelines and rationale)
- Aid agreements and conditions (bilateral agreements, benchmarks, evaluation criteria)
- Programmatic/sector aid strategies
- Aid flows (committed and disbursed ODA, breakdown by recipient, sector, type of aid, etc.)
- Procurement (criteria, tenders and decisions, contracts)
- Conditions linked to disbursements

Respondents were asked about both general documents and country specific documents. They could score a possible 42 points. Scores were translated into a percentage.

Publish What You Fund also administered this survey to non-EU CSO platforms, several of which took the time to reply for which we are extremely grateful. Particular thanks to the Bank Information Center, the Brookings Institution, the Canadian Council for International Cooperation, Centro de Derechos Humanos y Ambiente, the Council for International Development, the Japan NGO Center for International Cooperation, the NGO Forum on the AsDB and ODA Watch Korea. As noted above, there are several unavoidable data gaps.

### CSO assessment (Indicator 3b)

The 2010 EU AidWatch survey asked CSOs to assess the donor country on several aspects of transparency, including whether the donor is proactive about the right to information and providing that information, whether the agency allows adequate time for consultations, various aspects of the website, the direction of change for the agency, and various aspects of evaluations. Four-part answers were scored 3 points for the best answer, 2 for the next best, 1 for the next and 0 for the worst. Two-part answers were scored 3 for the best answer and 0 for the worst. Questions were categorised as follows:

Category	Possible points
Agency proactive about providing aid information	3
Agency proactive about the right to aid information	3
Enough time for consultations	3
Various aspects of the agency's website (ease of use, detail of information, and currency of information)	3
Direction of change for the agency	3
Evaluations carried out, made public and are independent	3
<b>Total possible points</b>	<b>18</b>

Scores were then transformed into a percentage. Note that answers to the EUAW question on FOIA exemptions and information on specific aid information available are used earlier in the indicators.

## A note on humanitarian aid transparency

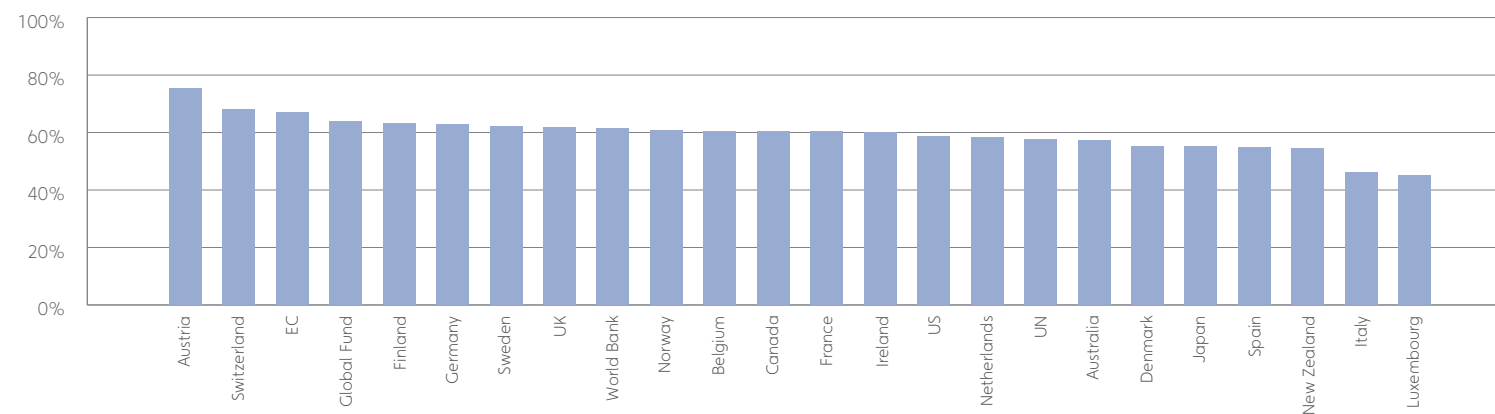
Data on transparency in humanitarian aid is not explicitly included in this assessment because of concerns about the differences between humanitarian and development aid and the systems used for collecting information on it. This makes the data difficult to compare. Also, some of the donors in our assessment do not provide any humanitarian aid. However, the available data is worth briefly examining here and would ideally be included as part of future assessments.

The International Aid Transparency Initiative does not exclude humanitarian aid from its remit but at present there is very little information available on how transparent humanitarian donors are being. Measures that attempt to track how much humanitarian aid is reported to official databases (such as the analysis carried out by Development Initiatives<sup>63</sup>) struggle to determine which official database should be considered the appropriate 'universe' for comparison (the UN's Financial Tracking Service or the DAC). It is still an open question how to measure donor performance with reporting humanitarian aid flows.

However, the Humanitarian Response Index, an annual survey of over 2,000 implementing agencies at country level, asked respondents in 2009 to rate the transparency of their major donors. The results of the specific indicator they have on transparency of aid are shown below.

This data have not been included in the main body of our assessment. However, it is interesting to note that Austria and Switzerland are considered transparent humanitarian donors according to this data, when both are below average within the indicators of our assessment. There are however some familiar names at the bottom of the list.

## Transparency in humanitarian aid



<sup>63</sup> 2009 DAC Report on Aid Predictability, p. 34.

## Annex 2. Multilateral agencies in the data

There are two separate problems with the data around multilateral agencies – the development banks and their concessional arms, and multiple United Nations agencies.

- **Development Banks:** Most data sources refer to the African Development Bank, the Asian Development Bank, the Inter-American Development Bank, and the World Bank. If a data source refers to the concessional arm of the bank only (e.g. the African Development Fund instead of the Bank, as is the case with the DAC Predictability Survey), this is treated as equivalent for our purposes. If a data source refers to both the main agency and the concessional arm (e.g. the IDB Special Fund as well as the IDB, as is the case with data from AidData), then we take the average (mean) of their scores for our purposes.
- **UN agencies:** For some data sources (Paris Declaration Monitoring Survey, and HIPC CBP), UN agencies are aggregated together as one body. For most other data sources, different UN agencies are reported on, and not all the same agencies are reported on in different data sets. Although UNDP is consistently a part of these data

sets, we felt that it would be inappropriate to compare UNDP only with unknown numbers of UN agencies in the Paris and HIPC CBP data sets. Therefore, we chose to take the average (mean) of the scores for all UN agencies for whom information is provided in a given data set. For the FOIA indicator, we gave the UN a score of 50% to reflect the fact that UNDP has an information disclosure policy but that unknown numbers of UN agencies do not.

Although in both cases these are obviously less than ideal solutions, they simply serve to highlight the need for more consistent information to be made available, as is being taken forward by IATI.

## Annex 3. Data gaps

Some of the data sources do not cover all 30 donors.

- Data from HIPC CBP does not cover Australia, New Zealand, the Asian Development Bank, GAVI or the Global Fund.
- Data from AidData on reporting tying status does not cover multilaterals because they do not tie aid in the same way as bilaterals. Similarly, AidData data does not cover the completeness of project reporting to the CRS for multilaterals because they are not required to report to the CRS.

- Finally, although Publish What You Fund distributed the EUAW survey to a number of non-European donors, not all those requested (mainly NGO platforms) were able to respond. As such, there is no relevant data for Australia, Norway, Switzerland, African Development Bank, the UN, the GAVI Alliance or the Global Fund.

Other than these gaps, the data sources cover all 30 donors as shown in the table below.

Because the assessment of the donors is weighted, it is crucial that these gaps are filled in where possible. Gaps are filled in differently depending on the data involved. Please remember that this problem simply highlights the issue of the lack of transparency in aid data at present and the difficulty in obtaining useful information.

**For the indicator 'Reporting to the CRS',** it is important to remember that multilateral agencies are not obliged to report to the CRS. For this reason, there is no data available on CRS Online that we could use to assess on their 'Completeness of project-level reporting', so we have used the average for bilaterals for this part of the indicator. In addition, multilaterals do not generally tie their aid in the same way that bilaterals do, so it would be inappropriate to expect the CRS records that they have filled in to necessarily have the 'Tying Status' fields completed. For this reason, the 'Tying Status' data will simply duplicate the data on 'Completion of seven key fields' as the basis for the multilaterals (with the exception of the EC, which does report tying status in some records.)

**For the indicator, 'Freedom of Information Act',** donors with no FOIA or equivalent score zero for this data set. Several donors are also missing data from the EUAW survey question on FOIA exemptions. It is reasonable to presume that multilateral aid agencies do not have exemptions to their transparency policies for aid information (although of course they may have wider quality issues). Therefore, if they have a transparency policy they score 100% overall for this indicator unless a respondent to the EUAW survey has provided some information to reduce this score (as they have in some cases). For bilateral donors for which there is no data, we have used the average score of bilateral donors with FOIAs to the relevant EUAW question. For the UN, we have allocated a score of 50% to reflect the fact that UNDP has an information disclosure policy but that unknown numbers of UN agencies do not.

**Table 3. Data gaps and coverage by donor**

		AFDB	AsDB	Australia	Austria	Belgium	Canada	Denmark	EC	Finland	France	GAVI	Germany	Global Fund	IDB	Ireland	Italy	Japan	Korea	Luxembourg	Netherlands	New Zealand	Norway	Portugal	Spain	Sweden	Switzerland	UK	UN	US	World Bank
Participation in IATI	-																														
AidData (7 key fields)	-																														
AidData (tying status reported)	all mlats																														
CRS Online (completeness of reporting)	all mlats																														
Fringe Intelligence - FOIA	-																														
PDMS	-																														
HIPC CBP	5 gaps																														
DAC Predictability	-																														
EU AidWatch	7 gaps																														
NYU	-																														

**For the indicator 'Aid reported on budget' and 'Planning Transparency'**, the HIPC CBP data is missing for five donors. We felt that the best we could do in these circumstances would be to use the average of all donors for the missing multilateral data, and the average of bilaterals for the missing bilateral data. (We did not use the average of multilaterals for the missing multilateral data because there was data for only 5 multilateral agencies, which we felt was too small a sample size). We considered other more complex methods based on extrapolating from the other data sources for each indicator, but we were not confident that this would be statistically defensible.

Please note that for the PDMS data on comparison of expectations, lack of data from two of New Zealand's partner countries means that its score is based only on a comparison with one recipient in 2006. This was

unavoidable but it is striking because New Zealand therefore has the highest score of any donor for this data set. We would hope to use more and more recent data for this comparison in future years.

**For the indicator 'Availability of specific information'**, several donors are missing EU AidWatch survey data. We considered extrapolating from the NYU data but felt that a single data point would not be a fair basis on which to proceed. Therefore, in these cases, if it is a multilateral missing data, it receives the average score of all other donors, and bilaterals receive the average score of the other bilaterals. (We did not use the average of multilaterals for the missing multilateral data again because there was data for only four multilateral agencies, which we felt was too small a sample size, and the performance of the multilaterals was too erratic).

**For the indicator 'CSO Assessment'**, EU AidWatch data is missing for several donors and there is no other data source available for that indicator to provide a comparison or best fit. Therefore, in these cases, if it is a multilateral missing data, it receives the average score of all other donors, and bilaterals receive the average score of the other bilaterals. (We did not use the average of multilaterals for the missing multilateral data again because there was data for only four multilateral agencies, which we felt was too small a sample size, and the performance of the multilaterals was too erratic.)

Table 4. Civil society comments on FOIA (taken from EU AidWatch survey)

Austria	There is only limited information about loans and about debt because of banking secrecy.
Belgium	National legislation provides for access to information in general, thus including information on aid. As far as we are aware of, there are no exemptions.
Canada	According to a 2008/09 Report Card by the Commissioner for Access to Information CIDA has a poor performance: on average it took more than five months to complete a request; more than one-third were refused; and had a backlog on 102 cases from the previous fiscal year. One of the reasons for the delay is the need to consult other departments, institutions and countries. Sometimes CIDA releases information it has that is not compromising others rather than wait for the results of consultations, thus limiting the available information. Contract information which betray "competitive information" or Cabinet discussions are privileged and not accessible.
Denmark	The general law on right of access to documents applies to development aid, though the Danish Eksport Credit Fund is exempted from this law.
EC	The EU Directive governing the right to access information does not mention any exceptions in relation to aid. However, the Directive does mention international relations (in addition to security, vulnerable individuals and a couple of other things). In some cases the EC could refuse to share aid information on the basis of this exception, but this is unlikely and the exceptions are so general they could relate to many issues including and beyond ODA.



Germany	There is no specific right to access aid information, but a general right to information.
IDB	The IDB has just approved a new access to information policy, which establishes ten categories of confidential information. These exceptions are stated in a general and too broad way which may allow the Bank to keep too much information as confidential. Also they give a VETO power to any country to deliver any kind of information on a confidential basis without giving any explanation or justification.
Italy	Current legislation makes a specific provision for transparency.
Japan	Basically, the Japanese legislature requires all government's offices to disclose all information for public. Though aggregated information as statistical figures are readily available because each ministry publishes a white paper every year, individual information is very difficult to obtain especially on ODA because it is request base and some are not allowed to be public as diplomatic secret. The court case of Koto Panjang Dam clearly shows the problem of this aspect.
Korea	CAS (Country Assistance Strategy) for each recipient country is not open to the public.
Luxembourg	The access to aid information that national legislation provides is limited to article 6 of the National Development Cooperation bill from 6 January 1996. It obliges the Ministry to deliver a report to the parliament. This is the only legal requirement which is specific for development issues.
New Zealand	There are certain clauses within the New Zealand Official Information Act that prevent sharing of the information. These clauses have been used by the New Zealand Government to withhold information since they have taken Office.
Portugal	There is a law regarding the access to Public Administration documents. Access can be restricted, for example, because of respecting the right of business competition. Using the law to have access to information is not well regarded by public officials.
UK	The UK Freedom of Information Act can be used to make information requests, which are responded to relatively quickly. However, there are exemptions to what needs to be made public and these can be interpreted quite broadly allowing a range of information to be withheld (e.g. a request on results from programs was turned down, because this might hurt development partnerships with governments and others). There is also legislation outlining what information DFID has to report about aid spending in its Annual Report (2006 International Development (Reporting and Transparency) Act).
U.S.	Assistance related legislation often includes requirements on reporting and notifications of changes. Additionally, the Freedom of Information Act lays out disclosure requirements and procedures for previously unreleased information and provides a further avenue for accessing information.

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