

Indicator Four Transparency

Information on development co-operation is publically available (Implementation of the Common Standard)

Draft Assessment and Proposals

1. Introduction

Track Three of the MAG's work plan is to provide advice on the continued relevance and usefulness of the GPEDC monitoring framework to the GPEDC Co-Chairs and Steering Committee. The MAG initiated this review process at its February 2016 meeting.

In doing so, three working groups examined the ten indicators in three clusters – ownership and results, inclusiveness, and transparency and accountability. At its February meeting, MAG members contributed perspectives on the continued relevance of the indicator (in light of the SDGs and Agenda 2030), the effectiveness and efficiency of the methodology at a practical level in gathering data, and the usefulness of the indicator for GPEDC stakeholders. The draft assessment and proposals for each indicator is the result of this work. The MAG is also examining issues affecting the structure of the monitoring framework as a whole.

These documents are posted on the [MAG's Teamworks web site](#) for review and comments. Our advice will be finalized at the MAG's next meeting, June 4-6, in Paris.

Comments and suggestions are very welcome from GPEDC stakeholders. Comments can be provided on the site, or submitted to the MAG Chairperson, Brian Tomlinson (brian.t.tomlinson@gmail.com).

2. Overview

Relevance Transparency is one of the four Busan shared principles and the subject of a set of specific Busan commitments (para 23a-c). It remains highly relevant to the GPEDC agenda and to meeting the SDGs. However, the common standard has been illusory and technical discussions and disagreements continue. It has to be recognized that the common standard will not materialize and that the methodology currently applied is of questionable relevance at the country level and needs to be reconsidered with in-country accessibility and stakeholder use at its heart.

Efficiency The data on which the indicator is drawn is collated efficiently at the global level and there are currently trade-offs based on the comparative strengths of the different data sets – International Aid Transparency Initiative (IATI), the OECD DAC Creditor Report System (CRS+)

and the OECD DAC Forward Spending Survey (FSS) – notably related to accuracy vs timeliness. However, it needs to be demonstrated that this data, together with the methodologies for both transparency and availability/use of data, serves country needs.

Usefulness The current methodology, in making sense of data from separate sources, has been described as technically sound, but politically of limited value. The current presentation of the indicator has provided little incentive for change. Other indicators, such as Publish What You Fund's Index (although not everybody endorses their methodology), have proved to be a much more useful tool for influencing certain aspects of transparency. While progress has been made on transparency, particularly on the supply of aid data, on-going issues with the indicator methodology risk masking that progress, as well as undermining the case for monitoring transparency going forwards. The newly proposed methodology (February 2016) partly addresses this challenge, but potentially fails to consider in-country needs.

3. Key Issues and Challenges

a) A common standard? The indicator tries to measure implementation of "a common standard" when there is no common standard, and there is little chance of one being agreed. We need to be politically realistic and move away from this notion, otherwise the indicator will always be considered an inelegant compromise.

b) Distinguishing between the different components The three constituent components (IATI, CRS, FSS) use very different definitions and methodologies for the three core dimensions of the indicator, i.e. timeliness, forward looking and comprehensiveness. Presenting these components separately will require clear explanation as to what they actually represent, together with their strengths and purpose. This should be done from the perspective of the users of aid information.

Comparison between the GPEDC's transparency indicator and PWYF's Aid Transparency Index has caused confusion, particularly where findings differ. The latter has achieved a much higher level of profile with key stakeholders, and has been more successful in incentivising progress in the supply-side of data as a result.

c) Need for clear presentation, given complexity of indicator methodologies The methodology for this indicator is complex. This complexity prevents clear and simple presentation to key decision-makers and therefore limits the value of the indicator at a political level.

Changes to the methodology for the second round of monitoring are a substantial improvement over the first round. However, it should be recognised that, consequently, the transparency indicator cannot present an objective assessment of progress since round one, which is the primary purpose of the monitoring exercise and critical to its theory of change.

There will, therefore, be need for the narrative to capture progress over time, highlighting improvements and case study examples of good practice.

- d) The need to focus on the demand side for aid data** The current indicator methodology focuses only on the supply side, measuring the availability of data on development cooperation published at global level. This approach is of limited value for country level stakeholders, which is where change needs to happen in order for increased transparency to contribute to improved development results and more robust accountability.

On the other side, the indicator is silent on the issue of *data use* at country level, which has been widely identified as a key issue. Improving the availability of information that is not being used is not going to improve development effectiveness. Methodologies on capturing demand-side experience will need to be developed.

- e) No data collection at the country level** Data collection at the global level means that this indicator is out of sync with the other indicators, the majority of which depend on data collection at country level;
- f) Limitations of areas measured for transparency** The indicator measures only clause (c) of the Busan §23 commitment to transparency, and fails to address the need for greater transparency of PFM systems and AIMS in partner countries, which were referenced in clause (b).

4. Steps Forward

- a) Develop methodologies for this indicator to capture the demand side for data use** In future, the focus should switch from the supply side/monitoring at global level to the demand side /monitoring at country level, or at least incorporate both elements. As well as focussing efforts on where they will make most difference, this approach will reduce the focus on (and competition between) publishing/reporting systems. Methodologies will need to be developed to best capture such information.

The starting point should continue to be meeting the information needs of partner countries and the various stakeholders involved in development cooperation (also in provider countries). It may be worth GPEDC re-confirming these needs via consultation.

The transparency indicator should then focus on the availability of information that meets these needs at country level, with country and other stakeholder users inputting into how this should be monitored.

- b) HLM2 develop specific commitment on data use for the transparency indicator** The issue of (lack of) data use at country level needs to be addressed. The HLM2 outcome document should include a strengthened and updated political commitment to transparency that includes an explicit commitment on data use - if this can be secured, the future transparency indicator should capture progress on this dimension at country level.
- c) Develop a methodology that is simple to communicate impact of accessible data** While any new methodology that is developed for measuring progress on transparency must be technically sound, equal consideration should be given to developing a methodology that is simple to communicate, and works at a political level - drawing on both the views of in-country stakeholder users (state and non-state actors), including in provider countries. It may also be beneficial to seek the expertise of independent organisations that have undertaken similar monitoring exercises successfully themselves. Demonstrating the impact of accessible aid data, which allows users to access data for their own needs will also be a powerful tool.
- d) Monitor transparency of PFM systems and AIMS** The transparency of PFM systems and AIMS should also be monitored, again perhaps seeking input from independent organisations with experience in these areas, such as the International Budget Partnership.