



**Global
Partnership**
for Effective Development
Co-operation

INDICATOR 4 ON TRANSPARENCY: REVISIONS TO THE METHODOLOGY

Global Partnership 9th Steering Committee meeting
29 February – 1 March 2016, Lilongwe, Malawi

This document presents a summary of the revised methodology for indicator 4 (transparency of development co-operation). The document outlines the results of the public consultation process and subsequent technical work carried out by the Monitoring Advisory Group.

This document is shared with the members of the Steering Committee for endorsement.

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EXECUTIVE SUMMARY

- **In the 8th Steering Committee meeting, members agreed to proceed with a public consultation process to finalize the methodological approach for GPEDC indicator 4 on transparency.** The Monitoring Advisory Group (MAG) was also expected to assess the outcomes of the consultation and guide the technical review.
- **The outcomes of the consultation revealed a broad technical consensus on the way forward.** On the two issues under consultation, consulted stakeholders and the MAG suggested to (i) present existing transparency assessments in parallel (i.e. without merging them), and (ii) to report on the *accuracy* of the disclosed data whenever that sub-dimension of transparency is available.
- **Under MAG guidance, the OECD-UNDP Joint Support Team revised the methodology for the indicator 4.** The IATI and OECD-DAC Secretariats contributed with a final review to the proposed approach.
- **Steering Committee members are invited to comment and endorse the proposed methodological approach.** Findings from this indicator will be reported in the 2016 Progress Report.

This document describes key methodological changes introduced in the measurement and reporting of GPEDC indicator 4 (*“information on development co-operation is publicly available”*), on the basis of the public consultation and technical review carried out by the Monitoring Advisory Group (MAG). This GPEDC indicator focuses on transparency of development co-operation using institutional methodologies of the Organisation for Economic Co-operation and Development (OECD) and the International Aid Transparency Initiative (IATI) systems for addressing transparency.

The proposed methodological changes take note from the lessons learned during the 2013-2014 monitoring round and the increasingly significant methodological divergences in assessing transparency of development co-operation by OECD and IATI. In particular the divergences of the methodological approaches for OECD and IATI systems have led to considerable challenges in consolidating and presenting a unified transparency assessment for Indicator 4. The 8th Steering Committee endorsed carrying out a public consultation process in finalizing the methodology for this indicator –guided by a review by the MAG.

The public consultation and technical review sought specific feedback on the two remaining methodological challenges. Parties were presented with different alternatives, along with an explanation of the advantages and disadvantages of those particular options:

- a) Whether and how to aggregate existing transparency assessments from the different systems together;
- b) Whether to harmonise the dimensions across the different systems to make these assessments more directly comparable. Specifically, consulted parties were asked whether to include a new dimension of transparency (i.e. data accuracy) whenever that information was available in these assessments.

A broad consensus was achieved around specific alternatives, facilitating the subsequent technical revision of the indicator along the lines described below. The consultation also allowed gathering other stakeholders' broader views on ways to improve the Busan indicator going forward.

On the two elements under consideration, the public consultation as well as technical review by the MAG emphasised a **preference for solutions that provide the greatest level of detail**. The following three sections summarize the feedback received and the main changes adopted in the methodological approach:

1. Level of aggregation of existing transparency assessments from OECD and IATI systems

The first important methodological challenge submitted to public consultation was related to how to best aggregate existing transparency assessments into one single indicator –in particular given the different functional focus of the data collected by the three aid reporting systems, and the lack of a common standard for assessing aid transparency. The aggregation challenge also posed a question on the equal weight of each source.

Consulted parties favoured a disaggregated presentation of these three assessments, presenting existing assessments in parallel –without merging them into a single indicator due to their different focus. The review by the MAG also supported the option for presenting data separately in a simple and easily understandable manner, accompanied by a short explanation of the different components of the indicator and the different but equally important value of these components to transparency.

Revised methodological approach: **The presentation of results per provider will include available transparency assessments in parallel, with emphasis on the main purpose of each reporting system. For overall reporting, a rubric categorisation will help summarise the three parallel transparency assessments in a meaningful way.**

2. Incorporation of an additional dimension (accuracy) in transparency assessments

The second methodological challenge under consultation was that OECD-sourced and IATI-sourced transparency measures include different underlying dimensions assessing transparency. Specifically, the issue was whether one should try to keep homogeneity regarding the underlying dimensions within each system when classifications of transparency are formed, to allow for a more consistent comparison between the existing transparency assessments. With this aim, consulted parties were asked whether the accuracy dimension had to be dropped from the two OECD-sourced transparency assessments when classifying providers in terms of transparency levels.

Consulted parties favoured allowing the inclusion of that new dimension of transparency (i.e. data accuracy), whenever that information was available for the transparency assessments.

Revised methodological approach: **The three transparency assessments are allowed to differ in the underlying dimensions (timeliness, comprehensiveness, forward-looking, accuracy) that conform each specific assessment. Weights assigned to each dimension also differ. This is done by OECD-DAC and IATI in consistency with the different purpose of these transparency assessments. Disaggregated data per dimension will be presented in the providers' individual profiles.**

3. Strengthening the relevance and usefulness of the GPEDC transparency indicator

While broad consensus emerged from the public consultation on ways to address the two methodological challenges, there were some other concerns expressed by a number of stakeholders. In particular regarding to the original Busan stated purpose for the indicator and its expected use. MAG also recognised these concerns, particularly in the following areas:

- **A Common Standard on transparency.** MAG noted that the central challenge continues to be that the transparency indicator attempts to measure the implementation of a common standard on transparency. But, despite earlier technical attempts to pursue this common measurement, a common standard along the lines mandated by the Busan Partnership agreement is not currently in place. MAG indicated that this reality must be acknowledged and accepted by all parties. This would allow strengthening the indicator in the future and, more importantly, the indicator will be able to evolve to meet the needs of all the relevant stakeholders (and, in particular, developing country stakeholders).
- **Alignment with the information needs of developing countries and non-state actors.** Drawing on feedback from representatives from developing country governments that inputted to the public consultation process, this feedback emphasised that current transparency assessments conducted at the global level do not fully reflect the experience and information needs at the country level. These parties consistently requested that developing countries must be allowed to contribute to the transparency assessment in future revisions of this indicator.

These concerns have been noted as key issues that would inform the future revision of this indicator. However, to strengthen the narrative and analysis, views from stakeholders, independent voices and developing countries (through complementary evidence and case studies) will be utilised to connect the findings with broader development challenges related to transparency. In addition, the presentation of the findings will focus on both the overall message through visual tools and simple narrative in responding to consulted parties that emphasised the need to reinforce the narrative and visual presentation of the indicator's results. This in turn will help parties interpret the findings and incentivise behaviour change.

The resulting revised indicator will offer a rich transparency assessment per provider of development co-operation, and complementary efforts will be made to help interpret the data and incentivise policy change. A detailed account of the consultation process, guidance from the Monitoring Advisory Group, and key changes in the methodological approach is presented in the following section. Annex 1 presents an indicative summary of the resulting GPEDC reporting on the transparency indicator. The document describing in detail the revised methodological approach for indicator 4 can be found [here](#).

Steering Committee members are invited to comment and endorse the proposed revised methodology for GPEDC Indicator 4 (“Information on Development Co-operation is Publicly Available”).

Reference document: [Indicator 4 - Revised Methodology](#) (February 2016)

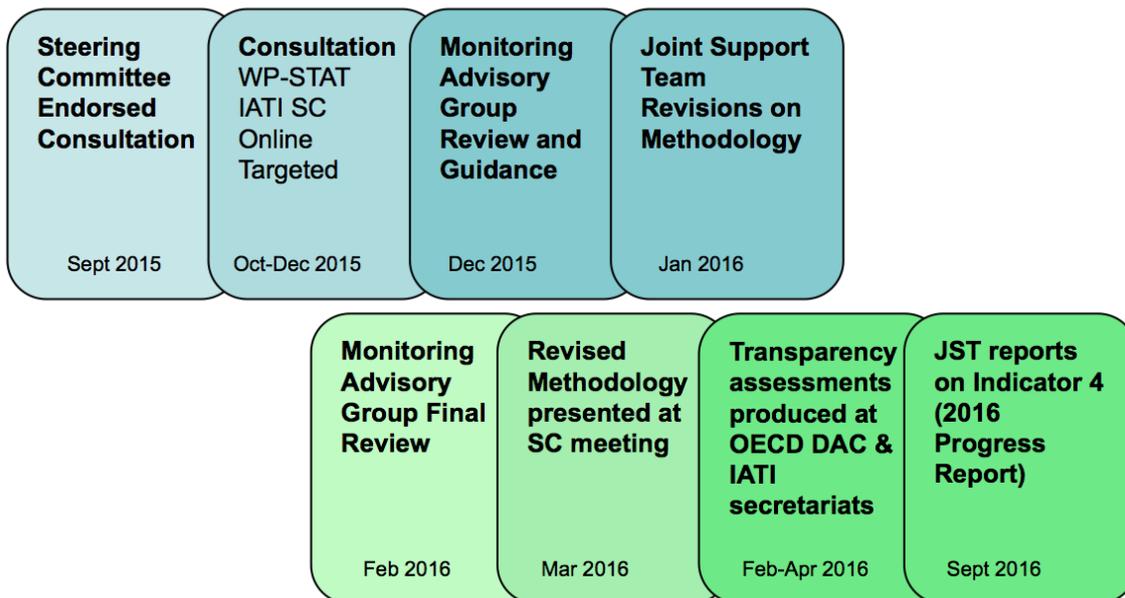
GPEDC INDICATOR 4: PUBLIC CONSULTATION AND TECHNICAL REFINEMENT

A. PUBLIC CONSULTATION PROCESS

As agreed at the September 2015 Steering Committee, a public consultation was put forth to finalise the indicator 4 with stakeholder feedback. The consultation included a broad range of developed and developing countries, development agencies, and non-profit organisations and communities of practice with a focus on transparency and accountability issues. Face-to-face sessions and online platforms were used to gather stakeholder views. The document below describes the consultation process that was proposed in the previous Steering Committee meeting.

Reference document: [JST proposal for a consultation process](#) (September 2015)

The following table summarises the consultation and review process as agreed in September 2015:



The consultation focused on seeking a consensus around the two methodological challenges pending resolution. In particular, the consultation sought feedback regarding the ideal level of aggregation of existing transparency assessments; and regarding the potential inclusion of *accuracy* dimension whenever that information was available.

Reference document: [Consultation Document](#) (October 2015)

B. RESULTS OF THE PUBLIC CONSULTATION

In total, 50 stakeholders reported explicit methodological preferences and views regarding this indicator. Participation in the consultation included views from the broad range of GPEDC membership, including developed and developing countries, international organisations, development co-operation providers, non-state actors and communities of practice on transparency and accountability. Annex 2 lists parties consulted in this process.

First, a broad consensus suggested the need to present available transparency assessments from IATI and OECD DAC sources in parallel. Given the different orientation of these reporting systems (with IATI's main purpose being aid management and planning, and the main purpose of OECD's reporting system being statistical reporting and accountability), merging these assessments was not advised. Overall, parties agreed on moving forward with the "disaggregated reporting" approach, in order to avoid methodological issues in merging these different measurements.

Second, given the different focus of these transparency assessments, parties also supported a differentiated definition of transparency. While Busan called for a "Common Standard" of transparency based on the public availability of timely, comprehensive and forward-looking data, the methodologies to assess transparency in OECD and IATI have evolved in distinct directions. Parties accepted these underlying differences in the dimensions included in the definition of transparency by each of these institutions, thus allowing the inclusion of a *post-Busan* 'accuracy dimension' in OECD transparency assessments¹. Nevertheless, disaggregated data by dimension will be presented in each of the providers' detailed profiles in order to help interpret the findings.

Parties also underlined the need to reinforce the narrative and visual presentation of the results in order to help interpret the findings and incentivise behaviour change. There was a broad consensus that, going forward, there should be recognition that the common standard on transparency as ambitious in Busan has not been achieved. In addition, several stakeholders highlighted the need to expand the (currently) narrow scope of transparency agreed in Busan. Developing countries, in particular, emphasised the need to include another key dimension (*use*) in future revisions of the GPEDC transparency assessment.

Reference document: [Summary of consultation outcomes](#) (December 2015)

C. TECHNICAL GUIDANCE FROM THE MONITORING ADVISORY GROUP

The Monitoring Advisory Group analysed the outcomes of the consultation process, providing specific technical guidance to the JST. Acknowledging that the challenges in achieving a global common standard on aid transparency have created a difficult *impasse* for the Joint Support Team in trying to reconcile different transparency assessments, the MAG provided the following guidance going forward:

- As recommended throughout the consultation, **MAG advised presenting the different transparency assessments in parallel**, with different degrees of detail to allow for easy interpretation and clarity.
- In consistency with the consultation, **the accuracy dimension included in OECD-sourced assessments was allowed.** Feedback was sought from the secretariats on more detail regarding the construction and specific weight of that particular dimension.
- The MAG strongly recommended **making particular efforts to visuals and narratives that could help interpret the data** and provide political/policy traction to the findings.

¹ For IATI data, the IATI Secretariat notes that a reliable and objective methodology to assess accuracy has not yet been fully developed, while the IATI Dashboard tracks published IATI data around a series of technical quality measures but does not assess the actual content of the data.

- Finally, the MAG suggested incorporating views from countries and independent stakeholders that could help **contextualise the impact of global efforts on transparency with the impact on the ground and/or in terms of effective accountability.**

Reference document: [MAG feedback on consultation document](#) (December 2015)

D. KEY REVISIONS TO THE METHODOLOGY AND APPROACH

The UNDP-OECD Joint Support Team incorporated the following key revisions to the methodology for indicator 4, and to the overall reporting of findings in the GPEDC 2016 Progress Report:

- **The presentation of results per provider will include the assessments in parallel, with emphasis on the purpose of each reporting system:** transparency of retrospective statistics (from OECD Creditor Reporting System), transparency for aid management and planning (from IATI), and for forecasting (from OECD's Survey on Forward Spending Plans). Emphasis will be placed in the purpose of the different systems, as to help interpret the findings in a comprehensive way.
- **For overall reporting, a rubric categorisation will help summarise the three parallel transparency assessments in a meaningful way.** Providers will be classified within broad groups (*Excellent, Good, Fair, Needs Major Improvement*), reflecting their overall efforts in terms of transparency in development co-operation.
- **Individual profiles for each provider will be created, with details on the scoring by transparency dimension included in the specific measurements.** Depending on the underlying composition of the different assessments, disaggregated information for data timeliness, comprehensiveness, forward-looking nature, accuracy will be included in these annexed profiles.
- **Good visuals and narrative will help readers interpret the data.** As recommended by different parties, in order for the findings to create traction, an overall narrative will help interpret the state of play in terms of transparency. Individual narratives will be included in each provider profile (a *chapeau* section), to help interpret the disaggregated data by dimension.
- **Views from stakeholders, independent voices and developing countries will be used to connect the findings with broader development challenges related to transparency.** As suggested by the MAG, independent voices will help put the findings in context, and suggest ways forward in strengthening the transparency of development co-operation efforts.

As a final step for quality assurance, we allowed the IATI and OECD DAC Secretariats to review and validate the final version of the methodology, to ensure the feasibility of the proposed approach, and exactitude on the way we describe their respective methodologies to assess transparency.

ANNEX 1

REPORTING ON GPEDC INDICATOR 4 ON TRANSPARENCY

KEY FEATURES FOR OVERALL REPORTING ON INDICATOR 4

- For each development co-operation provider, presentation of existing transparency assessments in parallel, organised by main purpose of the reporting system;
- Use of standardised categories (*Excellent, Good, Fair, Improvement Needed*) to allow for similar reporting on transparency assessments.

Table A1. Overall presentation of transparency assessment (indicative only)

Provider	Available Transparency Assessments		
	Retrospective verified statistics for accountability purposes	For forecasting purposes	For aid management and planning purposes
Provider 1	Excellent ▲	Fair ▲	Good
Provider 2	--	Fair ▼	Excellent
Provider 3	Good ▲	Good ▲	Good
Provider 4	Excellent ▲	Excellent —	Excellent
Provider 5	Fair ▼	--	Fair
Provider 6	Improvement Needed ▲	Fair ▼	Improvement Needed
Provider 7	Fair —	Fair —	Improvement Needed
...
Provider n	Improvement Needed ▼	Good ▼	--
Source(s)	OECD Creditor Reporting System	OECD Survey on Forward Spending Plans	IATI

KEY FEATURES FOR THE PRESENTATION OF THE DETAILED PROFILES ON INDIVIDUAL PROVIDERS

- Individual provider profiles will present an overarching narrative summarizing the progress made by the provider in implementing the principles of transparent development co-operation. The summary will rely on existing assessments from IATI and OECD.
- Organised by purpose of the information being made publicly available, the assessments on the different sub-dimensions of these transparency assessments will be made available.

Table A2. Provider Profile (Indicative only)

[PROVIDER'S NAME]			
Summary of strengths and opportunities: Lorem ipsum dolor sit amet, consectetur adipiscing elit. Aenean commodo ligula eget dolor. Aenean massa. Cum sociis natoque penatibus et magnis dis parturient montes, nascetur ridiculus mus. Donec quam felis, ultricies nec, pellentesque eu, pretium quis, sem.			
A. INFORMATION FOR STATISTICAL AND ACCOUNTABILITY PURPOSES			
Overall Assessment	GOOD	GOOD	OECD-CRS
<i>Transparency Dimensions</i>	BASELINE	MOST RECENT YEAR	
Timeliness	★★★	★★★	
Completeness	★★★	★★★	
Accuracy	★★★	★★★	
B. INFORMATION FOR FORECASTING PURPOSES			
Overall Assessment	FAIR	GOOD	OECD-FSS
<i>Transparency Dimensions</i>	BASELINE	MOST RECENT YEAR	
Timeliness	★★★	★★★	
Completeness	★★★	★★★	
Accuracy	★★★	★★★	
Public Disclosure	★★★	★★★	
C. INFORMATION FOR AID MANAGEMENT & PLANNING			
Overall Assessment	GOOD	IATI	
<i>Transparency Dimensions</i>	SCORE		
Timeliness	75%		
Comprehensiveness	68%		
Forward-looking	73%		
Total Score:	72%		
Coverage	Good		
Total Score: (adjusted by coverage)	68%		

ANNEX 2 – LIST OF CONSULTED STAKEHOLDERS

List of parties consulted from 20 October 2015 to 11 December 2015. A **comprehensive summary** of the feedback received can be found [here](#).

1. OECD-DAC WORKING PARTY ON DEVELOPMENT FINANCE STATISTICS

Paris, France 2 November 2015

Australia*
Austria*
Belgium*
Brazil
Canada*
Colombia
Czech Republic
Denmark
European Investment Bank (EIB)
European Union
Finland
France*
Germany
Greece
Hungary
Iceland
International Finance Corporation (IFC- World Bank)*
Ireland
Israel
Italy*
Japan*
Kazakhstan
Korea
Latvia
Lithuania
Mexico
Netherlands*
Norway
Poland
Portugal*
Romania
Russian Federation
Slovak Republic
Slovenia
Spain*
Sweden*
Switzerland
United Arab Emirates
United Kingdom*
United States

* These parties expressed an explicit preference for a methodological alternative, or shared their views on broader issues related to the indicator.

2. INTERNATIONAL AID TRANSPARENCY INITIATIVE (IATI) STEERING COMMITTEE

Copenhagen, Denmark, 2-3 December 2015

African Development Bank (ADB)
Australia
Bangladesh
Belgium
Benin
Bond
Burkina Faso
Canada*
Catalpa
Cordaid
Democratic Republic of Congo
Denmark
Development Gateway
Development Initiatives*
European Commission (EC)*
European Investment Bank (EIB)
Finland
Gates Foundation
GAVI Alliance
Germany
Ghana*
Guinea
Hewlett Foundation
Honduras
INGO Accountability Chapter
IFAD
Ireland
Korea
Liberia
Madagascar
Nepal
Netherlands*
Nigeria
OECD
Publish What You Fund*
Sweden
Synergy International
The Global Fund
Transparency International*
UN Women
UNDP
UNFPA
UNICEF
United Kingdom*
United States*
UNOPS
WFP
World Bank*
World Vision (CPDE)*

** These specific parties expressed an explicit preference for a methodological alternative, or shared their views on broader issues related to the indicator.*

3. E-CONSULTATION

The following participants expressed explicit preferences and views regarding indicator 4 in the [e-consultation platform](#) (open from 20 October 2015 to 11 December 2015):

Canada
CSO Partnership for Development Effectiveness (CPDE)
European Commission
France
Germany
Global Partnership for Social Accountability
Japan
Portugal
Publish What You Fund
Sweden
Transparency International
UNDP
United States

For reference

Targeted Invitations to participate in the e-Consultation had been sent by the GPEDC Joint Support Team to:

Access Info Europe
Aid Data
Carter Center's Global Access to Information Program
Center for Global Development's Data for African Development Working Group
DAC delegates and development co-operation providers
Development Gateway's Aid Management Platform CoP (Community of Practice)
Feedback Labs
Global Partnership for Social Accountability
Open Aid Partnership
Open Government Partnership Access to Information Working Group
OGP Open Data Working Group
Paris21: Partnership in Statistics for Development in the 21st Century
Publish What You Fund

4. FEEDBACK FROM DEVELOPING COUNTRIES

List of countries that sent representatives (often heads of aid management units in developing country governments) to the GPEDC regional pre-monitoring workshops. These attendants participated in the specific workshop session discussing the methodological approach for Indicator 4.

Asia Pacific Regional Pre-Monitoring Workshop

Bangkok, Thailand 7-8 October 2015

Armenia
Bangladesh
Bhutan
Cambodia
Fiji
Kenya
Kyrgyzstan
Lao PDR
Mozambique
Moldova
Mongolia
Myanmar
Nepal
Pakistan
Papua New Guinea
Philippines
Solomon Islands
Tajikistan
Timor Leste
Tonga
Vanuatu
Vietnam

Latin America Regional Pre-Monitoring Workshop

Mexico-City, Mexico 5-6 November 2015

Colombia
Costa Rica
El Salvador
Guatemala
Honduras
México
Panamá
Paraguay
Perú
República Dominicana
Uruguay

Africa Regional Pre-Monitoring Workshop

Addis Ababa, Ethiopia 16-17 November 2015

Afghanistan
Angola
Benin
Burkina Faso

Burundi
Cameroon
CAR
Cote D'Ivoire
Djibouti
DRC
Egypt
Ethiopia
Gabon
Gambia
Ghana
Guinea
Kenya
Kosovo
Madagascar
Malawi
Mauritania
Mozambique
Niger
Nigeria
Rwanda
Sao Tome & Principe
Senegal
Sierra Leone
Somalia
South Sudan
Sudan
Togo
Uganda
Yemen
Zambia
Zimbabwe

