EXTERNAL INDEPENDENT EVALUATION

OF

THE

**INTERNATIONAL AID TRANSPARENCY INITIATIVE**

**IATI**

SYNTHESIS REPORT

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## Preface

When I was first contacted about my interest in undertaking this evaluation I must admit that I did not know what was IATI. This despite working as a consultant for over 15 years in international development, particularly in developing economies and highly indebted poor countries in Sub-Saharan Africa in economic and public financial management sectors.

While my ignorance may be a gauge of impartiality with respect to IATI, it also presaged a line of inquiry for this evaluation, one that subsequently showed that I was not alone. Indeed the data that the evaluation collected and analysed, indicate that IATI is not yet sufficiently known and recognised, particularly in the countries that should be benefitting most from the data that IATI is working hard to make available. And this has significant implications for use.

Not that, as this evaluation has established, the IATI community is unaware of the acute need for it to focus on use in order to be relevant. The injunction that "the data must be used or IATI will be confined to the dustbin of history" was made loud and clear on a number of occasions during IATI's conference in Ottawa this past spring. The question of course is how to "get to use".

This evaluation contributes to the necessary discussion and debate IATI must undertake if it is to "get to use", not by proposing a list of operational options, but by focussing on what needs to be done about the way in which IATI functions so that it can make the kinds of fundamental and difficult decisions it now faces, and will again from time to time in the future.

But here we are more in the realm of expert advice on corporate governance and organisational management rather than in that of evaluation per se. Not that the recommendations are not based on the evaluation, but they should be considered by IATI with the preceding caveat in mind.

Transparency is a value, a public good and a right; the right to know. The evaluation did not set out to prove this fact. Rather, it set out to assess IATI's functioning and the extent to which it has contributed to increased transparency, in order to recommend ways in which IATI can improve, effectively and efficiently, transparency of development resource flows globally. This evaluation is about improving rather than proving.

My sincere thanks to all who have given their time, perspectives and insights, and without whose contributions this evaluation would not have been possible. In particular a heartfelt thank you to the IATI Secretariat staff who have done a wonderful job of supporting me and my evaluation colleagues throughout the evaluation while at the same time giving us all the latitude needed to conduct our work independently. Finally my thanks to the IATI evaluation committee which provided me with helpful feedback on the draft reports.

Ian C Davies, Credentialed Evaluator
Paris, October 2015

Collaborators on this evaluation:

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*"The work of the mind exists only in act."*[1]

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[1] Merleau-Ponty quoting Paul Verlaine

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## 1. Introduction

This report presents the key findings, conclusions and recommendations of the external independent evaluation of IATI. The evaluation was carried out from the end of May to the end of September 2015 by Ian C Davies, Credentialed Evaluator (CE).

The terms of reference agreed for the evaluation called for three distinct "products":

- Product 1, a review of IATI's performance against the original objectives set at Accra (2008) and its progress in supporting its members to meet the Busan transparency commitments.

- Product 2: An internal working note that provides a review of IATI's institutional arrangements and its strength as a global data standard with draft recommendations to be discussed in a Steering Committee (SC) workshop planned for September 2015 that will aim to reach agreement on those recommendations, and any changes or additions to them, that IATI would act on.

- Product 3: A brief synthesis report that highlights and communicates the key findings of the evaluation drawn from Products 1 and 2, provides conclusions, i.e. evaluative assessments, relative to the questions and themes addressed by the evaluation, and presents the recommendations emanating from the SC workshop.

## 2. Background

The International Aid Transparency Initiative (IATI) is a voluntary, multi-stakeholder initiative that seeks to increase the transparency of development cooperation and increase its effectiveness in tackling poverty. IATI was launched at the Third High Level Forum on Aid Effectiveness in Accra in 2008, and was designed to support donors in meeting their Accra commitments on transparency and simultaneously serve the information needs of developing countries to enable the planning and management of national budgets based on more accurate and timely information on resource flows.

The outcome document for the Fourth High Level Forum on Aid Effectiveness (Busan, 2011) included a specific reference to IATI in paragraph 23c, requiring all Busan endorsers to, "implement a common, open standard for electronic publication of timely, comprehensive and forward looking information on resources provided through development cooperation," by December, 2015.

Today, close to 350 organisations publish development cooperation data to the IATI Standard, including traditional bilateral and multilateral donors as well as national and international NGOs, humanitarian actors, private philanthropic foundations, development finance institutions and private companies.

The initiative is governed by a multi-stakeholder Steering Committee, which comprises representatives from all IATI membership categories and meets twice per year. Technical advice on the Standard is provided by an active technical community, the IATI Technical Advisory Group (TAG), which meets annually.

IATI is funded through a combination of membership fees and voluntary contributions. It is supported administratively by a virtual Secretariat located in multiple locations and led by UNDP. The Secretariat is run by a consortium including UNDP, UNOPS, Development Initiatives (DI), Sweden and Ghana. IATI was hosted by the United Kingdom's Department for International Development (DFID) from its inception through 2013.

## 3. Purpose

With the Busan commitment deadline of December 2015 approaching, IATI Steering Committee members have requested an evaluation examining the progress and impact of the initiative, which will feed into the process of decision-making on its future direction. This is the first evaluation of IATI since it was established in 2008.

## 4. Overall conclusions

### 4.1 Institutional arrangements

**The evaluation concludes that, overall, while the institutional arrangements of IATI have served well its mission, its members and its publishers during its early growth phase, key aspects such as a governance and organisational management should now be addressed fully, decided on clearly and acted on resolutely, as these issues have now become critical to the ongoing relevance and future sustainability of IATI.**

The evaluation considers that one of IATI's main strengths and comparative advantage, lies in its unique configuration that brings together in an inclusive manner the voice of partner countries, the political commitment of civil society, the creative energy of an open technical community, the engaged support of funders.

The challenge now for IATI, as it stands at the threshold of its next stage of growth, is to steer and manage adroitly its assets and synergies so that transparency of resource flows becomes an embraced reality in the development universe.

The thrust of this report and of the recommendations that follow are to provide the IATI membership with practical considerations for decision making on those issues that a majority of respondents to this evaluation considers important.

First and foremost among these being the question of IATI's future direction or vision. Does IATI strive to become more a global data standard in of itself, i.e. a "container" for data, or does it work to become more a development effectiveness tool?  Can both these paths be pursued jointly by IATI? These are fundamental questions that only IATI can decide on.

This said, the basic assumption that underlies this report's recommendations is that IATI should make adjustments to its institutional arrangements to address properly these questions and deal efficiently and effectively with their ramifications, rather than attempt to do so under the current set up.  You don't get different results by doing the same things.

## 4.2   IATI as a political initiative

**The evaluation concludes that, overall, IATI has been successful in putting aid transparency on the international agenda and has supported appropriately its members in making progress towards meeting Accra objectives and Busan commitments.**

This conclusion takes into account the politically complex nature of IATI, the complicated technical challenge inherent in developing a global open standard, particularly with respect to aid and development, and the context within which it has been evolving.

As well, to the extent that some IATI members may lag in their international engagements and in meeting their Busan commitments by the end of this year, the reasons, responsibilities and remedies lie first and foremost with each organisation rather than with IATI, which remains a voluntary organisation.

And while IATI provides both technical and political support to its member organisations to meet Accra objectives and Busan commitments, its performance in this respect should be appreciated in light of the inherent challenges it faces in exercising its "soft power."

**Accra objectives (Accra Agenda for Action – key commitments):**

24 a) *We will make aid more transparent. Developing countries will facilitate parliamentary oversight by implementing greater transparency in public financial management, including public disclosure of revenues, budgets, expenditures, procurement and audits. Donors will publicly disclose regular, detailed and timely information on volume, allocation and, when available, results of development expenditure to enable more accurate budget, accounting and audit by developing countries.*
26 b) *Beginning now, donors will provide full and timely information on annual commitments and actual disbursements so that developing countries are in a position to accurately record all aid flows in their budget estimates and their accounting systems.*
26 c) *Beginning now, donors will provide developing countries with regular and timely information on their rolling three to five-year forward expenditure and/or implementation plans, with at least indicative resource allocations that developing countries can integrate in their medium-term planning and macroeconomic frameworks. Donors will address any constraints to providing such information.*

**Busan commitments (Busan Outcome Document in paragraph 23c):**

*23. We will work to improve the availability and public accessibility of information on development co-operation and other development resources, building on our respective commitments in this area. To this end, we will:*
*a) Make the full range of information on publicly funded development activities, their financing, terms and conditions, and contribution to development results, publicly available subject to legitimate concerns about commercially sensitive information.*
*b) Focus, at the country level, on establishing transparent public financial management and aid information management systems, and strengthen the capacities of all relevant stakeholders to make better use of this information in decision-making and to promote accountability.*
*c) Implement a common, open standard for electronic publication of timely, comprehensive and forward-looking information on resources provided through development co-operation, taking into account the statistical reporting of the OECD-DAC and the complementary efforts of the International Aid Transparency Initiative and others. This standard must meet the information needs of developing countries and non-state actors, consistent with national requirements. We will agree on this standard and publish our respective schedules to implement it by December 2012, with the aim of implementing it fully by December 2015.*

## 5.  Key findings

Two key issues stand out from among the findings of this evaluation and they reflect a broad consensus among IATI members, publishers and stakeholders on their imperative.

The first one is the critical requirement for IATI to define and communicate clearly its **vision and direction**, and to do so through a governance function that should be improved significantly. While the IATI Steering Committee is inclusive of its members and stakeholders, its current format appears unwieldy for dealing well with governance matters. The evaluation finds a strong consensus within IATI that improving the effectiveness and efficiency of its governance function is its most important **institutional priority**.

The second one is **use of IATI data** and its critical importance to the relevance of IATI as an open standard for the electronic publication of information on development cooperation resources. While IATI has done well overall in increasing the supply side, i.e. the number and breadth of publishers, the demand side, i.e. use of IATI data, particularly from partner countries, has been given less priority until now. The evaluation finds that a strong consensus has now emerged that the use of IATI data must now become IATI's most important **programmatic priority**.

Other priorities highlighted by a majority of respondents are:

• Having clear leadership and strategic direction within IATI.

• Ensuring the sustainability of IATI through a solid and more transparent governance structure and funding mechanism.

• Aiming for a hosting structure that is permanent and professional.

• Doing outreach beyond the "usual suspects" to bring in new players.

## Section I - Institutional arrangements

**Overall the evaluation finds that there are significant concerns expressed by the majority of respondents regarding the present institutional arrangements of IATI. They include the efficiency of the SC, the composition and role of the Secretariat including hosting arrangements, and the present financing model of the initiative, which is seen as unsustainable.**

The terms of reference for the evaluation call for a review of IATI's current institutional governance and funding arrangements and lists some key issues and related questions to address.

The following summary responses to these specific questions draw on the findings and conclusions of the evaluation with respect to IATI's institutional arrangements, and support the related recommendations that follow in this section.

> **A -** *Are IATI's current governance, programme and funding arrangements fit for purpose, and if not, what alternatives should be considered?*

IATI's current governance arrangement is no longer fit for purpose.

It's programme should be reoriented consistent with the vision and direction IATI chooses although, one way or the other, the programme should give priority at this stage to developing use of IATI data.

Although current funding arrangements appear fit for the purpose of IATI as it has been pursued up until now, their application should be improved if only to make sure that members pay fully and on time. Whether the current funding model, and therefore its arrangements, should change fundamentally depends on the vision and direction IATI decides on. As such the evaluation does not have the frame of reference required to assess the appropriateness and implications of different approaches to funding.

> **B -** *How successful has IATI been in establishing a truly multi-stakeholder initiative? Do all stakeholder groups feel that IATI is sufficiently inclusive?*

IATI has been successful in establishing a multi-stakeholder initiative including increased efforts to reach out to partner countries. Generally stakeholder groups consider IATI inclusive with partner countries looking to enlarge their participation and voice in IATI deliberations and decisions.

***C -*** *Do the current size, structure and regularity of Steering Committee meetings work for members?*

The size, structure and functioning of the Steering Committee do not work for a cross section of members that is sufficiently important to warrant changes. The size is too large to allow for practical discussion of governance related issues in an efficient and effective manner, the structure is closer to that of a member assembly than of a steering committee. The question of the appropriateness of the regularity of meetings can only be considered to the extent that questions of size and structure are addressed first.

***D -*** *Is the current governance structure efficient and focused and does it provide the support required for a global standard to operate or could changes be made to better meet the needs of IATI?*

The current governance structure is not efficient and not sufficiently focussed on governance matters. As a result it does not provide the level of support it should to support operations. The recommendations that follow suggest changes with a view to better meeting the needs of IATI.

***E -*** *Is the current funding model working/sustainable? If not, what alternatives should be considered ?*

See question A

***F -*** Does the current hosting consortium offer the most efficient/cost-effective model going forwards? And if not, what alternatives could be considered?

There is little in the way of an objective basis and meaningful comparisons for assessing efficiency of an organisation generally beyond it showing due regard for mitigating risks to efficiency such as avoiding duplication and minimising waste. The evaluation found that the hosting consortium is reasonably attentive to making its operations efficient and the evaluation did not find evidence of duplication, of waste or of other significant inefficiencies.

The same "methodological" limitations apply to the measurement construct of "cost-effectiveness". It is the view of this evaluation that IATI has achieved in reasonable fashion the objectives it set out for itself. Alternatives are best considered once IATI has addressed the fundamental questions of vision and direction.

## 6. Governance

### 6.1    Main findings

- **Respondents think that the SC has not been driving fully the direction for IATI. It needs a clear vision, e.g. where does IATI fit in post-2015?**

- **Respondents find that the size of the SC is such that it is increasingly difficult for it to function effectively and efficiently.**

- **Respondents consider problematic the content and format of SC meetings.**

- **Respondents generally do not find IATI's decision-making processes transparent and see the SC meetings more as rubber stamping exercise.**

Respondents consider that there are two principal currents of understanding of what IATI is and should be:

- IATI should focus on, and limit itself to being and maintaining, an open data standard for development resource flows

- IATI should advocate for, and work towards, having financing data fully published and used by partner countries to inform policy and decisions that reduce poverty.

As such, and although both currents share a common goal of increasing transparency, they represent two different visions that, despite their compatibility, suggest different directions and priorities for IATI. For many respondents it is imperative that IATI have a clear and common vision and direction so that members know where IATI is heading and how it intends to proceed.

The inclusive multi-stakeholder character of SC membership is seen by all respondents as a strong value of IATI. At the same time, as IATI's membership increases, inclusivity in the SC is also seen as a potential threat to its efficiency and respondents expect that it will be increasingly difficult to reach consensus. Most respondents already see the SC as too big in its present form, and with increasing membership of IATI it is expected to grow further.

Respondents think that it is possible to maintain the inclusiveness of IATI while making changes to facilitate the efficiency of the SC.

Respondents proposed the following options:

- Hold one meeting a year that involves everyone to maintain inclusiveness but then have smaller SC meetings 2-3 times a year.

- Have a smaller Steering Committee plus an Executive Board that gives direction to the Secretariat in between SC meetings.

Respondents consider that the meetings of the SC have a strong focus on technical details or budget and resource discussions. Several respondents suggest that there should be more focus on providing strategic guidance such as moving the initiative forward in terms of membership, scope of the standard and tracking implementation progress.

The view of many respondents is that strategic discussion is made difficult as, among other things, documents for meetings are sometimes not received sufficiently in advance to study them appropriately and to consult internally, in order to arrive at the meeting with a clear position. Only a few delegates appear to come with a prepared country position on issues or questions while discussions often appear to be driven mostly by individual considerations.

Many respondents find that decision-making processes lack transparency, including with respect to setting the agenda of IATI. Roles and responsibilities as well as remit of the Secretariat are not clear to many respondents. Concerns are also expressed about insufficient information about, and transparency of, sub-groups function.

Respondents made some suggestions for the format of the meetings as well for interaction between meetings:

- Mix informal and formal formats during meetings.
- More decisions can and should be taken virtually and that virtual updates and discussions should be offered for members between the two yearly SC meetings.
- More information should be circulated outside the "official" SC meetings, in order to favour more informed decision-making.
- Sharing of best practices would allow more inclusion of stakeholders, and would facilitate progress among less performing donors.

## 6.2 Recommendations

- **IATI should organise its governance function so that it can provide direction and exercise oversight effectively and efficiently.**

- **The IATI Governing Board should be chaired and represented by a person with high political profile, strong credibility and deep knowledge relative to development cooperation as well as strong and proven leadership qualities.**

Specifically IATI should structure its governance function so that there are:

A "Member Assembly" of its members and stakeholders that represent the highest level of authority and decision-making in IATI. Its primary functions are to oversee IATI's direction, endorse its strategic priorities and hold the IATI "Governing Board" to account.

A "Governing Board", composed of representatives of IATI members and approved by the Member Assembly. Its primary functions are to make explicit and clear IATI's vision and strategic priorities, to represent IATI membership at the political level, to exercise due diligence respecting IATI, to hold the IATI Secretariat accountable, to report to the IATI Member Assembly and otherwise to bring to its attention matters of significance as the case may be.

This recommendation is based on the assumption that the organisation of IATI should allow for stable funding, for giving funders a voice in the direction of the initiative as well as an oversight capacity, for providing technical services, for exercising political influence and for reaching stated goals.

As such the organisation should be structured in a manner that supports a clear identity, an explicit vision, a direction that can frame operations and adjust systematically to changes, receiving and being entrusted with funds, the management of resources and the safeguarding of assets.

The distinction between governance and management functions, and the appropriate constitution, structure and modus operandi of the former are essential foundations of a well performing organisation.

Leadership consists essentially of having a clear vision and being able to communicate it effectively, i.e. so that the vision is meaningful to different constituencies.

The political dimension of IATI is critical to its reach, credibility and sustainability and IATI should seek to appoint a person with the requisite profile to advocate for IATI's vision at the highest political levels globally. This approach may also provide an opportunity to appoint a leader from the South.

While an effective Chairperson of the Governing Board should have the qualities required to conduct well official meetings, it is sometimes useful to consider also appointing a Vice-Chair who can second the Chair as required.

The Vice-Chair can focus on the functional processes of the Governing Board, including, but not limited to, the relationship of the Executive Director to the Governing Board in terms of performance, accountability and knowledge sharing, the coordination of Governing Board committees, official communication by the Governing Board, financial oversight, due diligence and accountability reporting to the Member Assembly. Depending on the breadth and depth of requirements, a Vice-Chair may receive a stipend commensurate with responsibilities.

## 7. Membership

### 7.1 Main findings

- **Membership and full participation of partner countries is considered by respondents to be a major challenge to overcome.**

- **Partner country respondents think that IATI should organise more civil society participation, particularly from the South.**

Respondents express the view that because IATI is a membership organisation there is an overriding expectation of major contributors that they are paying for a service, which may in turn limit their active engagement. However some respondents think that the different attitudes to engagement stem from differences in the cultures of public bureaucracies and those of civil society organisations.

Including the views of partner countries more effectively is seen as an ongoing challenge. Many respondents think that in practice, partner country perspectives are underrepresented in both conversation and decisions and that a truly inclusive approach of IATI is still missing.

Partner countries interview respondents consider that the issue is mostly a question of active participation by the countries: some partner countries are active in the Steering Committee while others are not. Those who are active do feel that they are being listened to. The question of whether expenses for participation of partner countries will continue to be covered appears decisive for the future attendance of some countries.

Some respondents would like to see a bigger role for civil society in IATI, e.g. in making sure that the initiative benefits the population in partner countries. In particular, participation of civil society organisations from the global South should be encouraged.

Synthesis report final draft

## 7.2    Recommendation

- **IATI's membership policy appears adequate for its purpose at this time, however IATI should confer membership rights, privileges and benefits only to members in good standing, i.e. that have paid their membership fees in full and on time.**

This recommendation is based on the principle that rights come with obligations as well as on generally accepted practices where members are required to pay a fee to enjoy the rights and privileges of membership. It is also a question of fairness towards those members who do pay their fees in full and on time. Finally it is a principle of sound financial management.

## 8.  Management

### 8.1    Main findings

- **Many respondents think that there should be a clearer distinction between the roles and responsibilities of the SC and of the Secretariat. The set up and functioning of the Secretariat remains unclear for most.**

- **Respondents agree that IATI and its Secretariat should have a single "institutional home" and perceive the current arrangement as transitional.**

Respondents hold different views on the role that the Secretariat plays. Some find that the Secretariat has had mainly a facilitating role and believe that it should preferably become stronger in setting strategic directions. Others say that the Secretariat's position including setting the agenda and directions of the SC amounts to fulfilling the role of the SC, which is inconsistent with its remit.

Several respondents underline the fact that the Secretariat is handling too much work given its current staff capacities. Roles and responsibilities among the consortium members with respect to the Secretariat are found to be unclear. The coordination among five agencies is seen as challenging and involving high transaction costs. Some respondents state that they would prefer a permanent and independent Secretariat.

The present hosting arrangement is seen as 'complex' and 'transitional.' The multi-stakeholder nature of the arrangement is seen at the same time as a strength and as a possible weakness or threat. Respondents agree that IATI needs an institutional home, but it is yet to be decided where this home would be.

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## 8.2    Recommendations

### Management

- **IATI should define clearly the nature and remit of its management function, in particular to distinguish it from, and subordinate it to, its governance function.**

- **IATI should appoint an "Executive Director" or equivalent[2], with the requisite authority and commensurate responsibility to manage fully the Secretariat, including its human and financial resources.**

The "Executive Director" is accountable to the "Governing Board" for the overall performance of the Secretariat, including but not limited to, all aspects of programme management, effectiveness, efficiency and economy of Secretariat activities, financial management, ethics, transparency, gender balance, compliance with legal authorities and with agreed procedures, risk management and operational accountability.

### Programme

- **IATI should organise and structure its approach to the organisation and delivery of its activities by:**

Developing and making explicit its **strategic framework**, including its vision, direction and strategic priorities over the next 3 years. This is a governance responsibility that is taken on by the Governing Board, which then provides recommendations to the Member Assembly.

Developing, on an annual rolling basis, a **three year high level programme** with explicit intended outcomes and estimated budget allocation,[3] based on the strategic framework. This is a governance responsibility  in terms of approval at the Governing Board level, however it is usually developed by a Governing Board sub-committee or working group that includes the Executive Director, draws on support from the Secretariat and may include members at large appointed by the Governing Board.

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[2] Another term may be used.
[3] Programme budgeting.

Developing **annual business plans**, i.e. operational or work plans, based on the high level programme and its intended outcomes; this is a responsibility of the Executive Director and should be agreed[4] with the Governing Board, generally through a sub-committee of the Governing Board, at least 3 months before the start of the operating year. The Executive Director is also responsible for putting in place a performance measurement and monitoring process to support management, and for reporting on performance to the Governing Board at the end of the operating year.

Developing and implementing a programme of **periodic evaluations**, e.g. every 3 years, of its strategic orientation and programme, including as relevant, evaluation of specific themes or issues such as gender responsiveness. Evaluations generally should inform forward looking strategic and policy level considerations. Evaluations should be external and independent, commissioned by the Governing Board, and conducted by a professionally certified evaluator. For more accountability and operationally focused assessments IATI should consider performance audits.

## Administration

- **IATI should plan on setting up a stable long term administrative support function, e.g. a "Secretariat," with a view to obtaining the best possible value for money for services, i.e. economy, efficiency and effectiveness, and without having to go to tender every few years.**

In doing so IATI should also consider the possibility of administrative arrangements that could serve to confer appropriate legal status for IATI.

IATI should extend by up to two years the current arrangement[5] with the Consortium that constitutes the Secretariat in order to provide stability, to allow for the implementation of this evaluation's recommendations as the case may be and to prepare properly the transition to a more permanent arrangement.

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[4] The agreement should respect management autonomy of the Executive Director, i.e. it should not restrict the ability of the Executive Director to make changes to activities and outputs as judged best required to achieve intended outcomes based on performance monitoring data.
[5] Through to September 2018.

## 9. Finances

### 9.1 Main finding

- **Respondents generally are of the view that the current funding model should be modified as they have concerns about its ability to sustain IATI.**

Many respondents agree that the current funding model of IATI is in need of improvements. Funding through membership fees, while strengthening the idea of ownership of the initiative, is not seen as sustainable. Several respondents believe that the issue of the members who do not pay their fees should be dealt with so that there are consequences. Voluntary contributions are not seen as reliable. Several respondents suggest that there should be more engagement of donors from the private sector for sponsorship of IATI.

For many respondents IATI's budget management is not clear and they don't understand the budget process and how decisions are made.

### 9.2 Recommendations

- **IATI should restructure its current financial arrangements to reduce the risks these present to its financial viability and sustainability.**

- **To the extent that IATI is and remains membership based, membership fees should cover the budget required for it to be a well performing organisation.**

There is little benefit in covering only those "core activities" required for minimum performance. IATI should, based on its vision and strategic priorities, determine the financial resources required for it to perform well and set the total fee requirement accordingly taking into account other sources of confirmed funding if any. This determination should be done, and total required fees set, every three years.

IATI should review and assess specifically its current two-tier fee structure for consistency with the principle of setting fees commensurate with ability to pay. An option to consider is that of assessed contribution, however the potential financial benefits of this option should be weighed against the transaction costs of the assessment as well as the potential inequality that could result between members, i.e. *de facto* informal power.

The current IATI voluntary contributions appear fit for purpose, however these should be allocated to and used for activities that are not identified as essential to performing well. IATI may wish to identify and suggest to potential contributors specific projects to support financially.

IATI should budget for its programme of activities and intended outcomes on a 3 year rolling basis and set total fees accordingly. Members and contributors should be encouraged to make multi year payments consistent with multi year programming , with flexibility for adjustments.

These various considerations are wholly compatible with the provision of in-kind contributions, however these should not replace the fee contribution.

The annual operating budget of the Secretariat should be presented consistent with generally accepted standards, e.g. fixed costs, variable costs, personnel costs, travel costs, etc., rather than on an output basis. Among other things, setting outputs reduce management autonomy and performance, is inconsistent with a results oriented management approach and contributes to blurring the distinction between governance and management remits, roles and responsibilities.

## Section II – IATI as a political initiative

The evaluation of IATI as a political initiative is summarised in a stand alone evaluation report that complements this synthesis report. As such only the highlights of the evaluation report on IATI's performance follow.

Taking into account the politically complex nature of IATI, the complicated technical challenge inherent in developing a global open standard, particularly with respect to aid and development, and the context within which it has been evolving, the evaluation of IATI as a political initiative finds that, overall:

**IATI has been successful in putting aid transparency on the international agenda and it has supported appropriately its members in making progress towards meeting Accra objectives and Busan commitments.**

## 10. Aid transparency

### Main finding

- **IATI has improved access to, and transparency of, aid data and has played a key role in creating and sustaining a global conversation on aid transparency.**

IATI has made a notable contribution to the transparency of aid data generally as well as reinforcing and increasing the demand for better quality aid data and transparency in partner countries.

IATI has played a key role in creating and sustaining a global conversation on the issue of aid transparency. The perspective from a number of donors is that IATI has made concrete for them the concept and value of transparency and provided practical ways in which to increase transparency for their organisations and their partners. It has enabled a better-shared understanding of what is meant by transparency.

There is wide ranging agreement that IATI has made transparency of aid data an essential component of aid effectiveness. For donor organisations generally membership in IATI is perceived to increase credibility and publishing to the standard increasingly considered to be a necessary part of doing business.

IATI is also considered successful in causing others to think creatively about new tools and systems to present IATI registry data, thereby facilitating the creation of new systems to visualise transparent aid data.

## 11. IATI data

### Main findings

- **There is a general consensus among IATI members and publishers that a significant increase in use of IATI data, particularly by partner countries is critical to the growth and sustainability of IATI.**

- **A recurring message from users, potential users as well as some stakeholders is that the IATI public-facing websites, including the registry, are not sufficiently user friendly and are difficult to access, navigate and understand.**

- **For many intended users of IATI data, in particular partner countries, the quality of the data that are published requires significant improvement as there are often important discrepancies between IATI data and those obtained directly from donor country offices.**

- **Partner countries that use IATI data do so primarily to cross-check data entered on their AIMS (Aid Information Management Systems) as part of their planning and budgeting processes. A major obstacle to using IATI data is that it often does not meet the needs of potential users. As well, intended users express the need for more guidance on how to use the data.**

Respondents stress the need for more focus by IATI on making the data more accessible to, and hence used by, partner countries rather than maintaining a primary focus on getting as many donors as possible to publish.

Generally partner countries consider that, at this point, a significant share of IATI published data are still insufficiently complete, reliable and forward-looking for them to use systematically and reliably in their planning and budgeting processes.

Interview respondents give a number of more specific reasons for why IATI data are not used:

- The IATI data do not provide the information needed: e.g. insufficient disaggregation, lack of information on context, variables such as location, population groups, type of intervention, type of activities, and on aid modalities. Among others, the data are found insufficient for civil society organisations to monitor the use of donor funds by government or to track the flow of funds from the initial donor to the final recipient.

- The IATI data are generally less reliable than those provided by country offices.

- More information and guidance are needed on how to access and use IATI data. There is a need to build the technical capacities of intended users.

## 12. Discussion

### Political profile

The achievement and maintenance of political presence and influence in relevant global fora at levels such that transparency of development flows remains high on political agendas and is associated with IATI, is a function, inter alia, of vision and leadership.

The evaluation findings suggest that IATI is still not sufficiently well known outside the circles it currently operates in, and particularly at country level, to be recognised as THE champion and primary interlocutor on transparency of resource flows. Although, as the findings and assessment show in the evaluation report on IATI's political profile, IATI has well used its resources to make its political mark, its "brand" or identity is not yet "instantly recognisable".

The first consideration is for IATI to forge its identity in a manner such that it can be clearly and effectively communicated and hence recognised in different fora and at different levels. To do this requires a clear vision of where IATI wishes to go and what it wishes to be. The recommendations on governance are critical to establishing clearly IATI's identity.

The second consideration has to do with communicating that identity at political levels that are sufficiently high to marshal political will and, among other things, support for funding over the medium to long term, that an initiative such as IATI's requires. The recommendations on leadership suggest avenues for IATI to consider at the governance level. Consideration should also be given however to the level at which the individual responsible for the management of IATI, i.e. the "Executive Director" or equivalent, is appointed to. The hierarchical realities of bureaucracies are such that the ability to of management to bring issues to the attention of political and governance levels of organisations is dependent on rank.

### Use of IATI data

The findings of the evaluation suggest IATI has used as its overarching criteria for the quality of the data that are published, the attributes of the common standard as identified in the Busan Outcome document: timely, comprehensive and forward-looking.

While these characteristics are undoubtedly fundamental to the nature and purpose of the data, their interpretation and application by IATI have not yet included sufficiently consideration of the real and practical needs of partner countries in matters of national budget planning among other things, including their public financial management capacities and requirements.

The definition of what constitutes quality appears to have come primarily from a supply perspective, i.e. IATI publishers, more than from the demand perspective of the primary intended user, i.e. the partner country government.

A key challenge then for IATI, to the extent that it decides to now give priority to questions of use of IATI data by partner countries, is to rethink and retool its conception and definition of what constitutes quality and to do so from the perspectives of the intended users. And this requires knowledge and familiarity with the institutional landscapes and organisational capacities of partner countries that can only be brought to IATI by the countries themselves. This conception of quality requires of IATI a fundamental shift in thinking and approach: it is not about inclusion of partner countries in IATI but rather it should be about inclusion of IATI in partner countries.

Another key challenge for IATI in considering its future trajectory and its implications for the technical evolution of the open standard, is the rapidly evolving landscape of development "aid". The relatively "standardised" approaches to "aid", to the implementation and funding of projects, typified by a discourse on "results" and the use of simple linear cause and effect tools to plan, monitor, pay and hold to account, are increasingly recognised as maladapted to the complex and dynamic environments in which most "aid" interventions take place. Instead different approaches are being developed with implications for the way in which interventions are designed, implemented and valued[6].

To the extent that the dominant "aid" paradigm, which arguably has underlain IATI's approaches, political, programmatic and technical, undergoes challenges and likely fundamental shifts, a key consideration then for IATI is the relationship between its choice of vision and direction, and the technical construct of the IATI open standard[7].

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[6] See for example Problem Driven Institutional Analysis (PDIA) http://bsc.cid.harvard.edu/about
[7] "Technics, as constitutive of the affordances and constraints that produce thought" – Leroi Gourhan, *Gesture and Speech* (1964)

## 13. Methodology

This external independent evaluation was conducted in accordance with the norms and standards of the United Nations Evaluation Group (UNEG). The evaluation process was carried out in a manner that respects and makes a clear distinction between data, findings, conclusions and recommendations.

Data are the information, quantitative and qualitative, that are collected through observation (what is seen), in documentation (what is read) and from persons (what is heard). Data are primary when they are collected by, and for the purpose of, the evaluation and secondary when they have been collected by a third party. The reliability of data is assessed through a process of triangulation, i.e. comparing data across at least three different sources.

This evaluation collected data both quantitative and qualitative, as well as primary and secondary. Methods used were direct observation, documentary review and analysis, survey and semi-structured interview. Data used to constitute findings were triangulated for reliability, the findings cross-checked by the two evaluators involved in data collection, and externally reviewed by a third evaluator who was not involved in data collection. Evaluation report drafts were reviewed by a fourth evaluator in training (intern) for consistency with findings.

Findings are factual in nature and are based on a preliminary analysis and organisation of the collected data in relation to the questions of the evaluation. The evaluation findings were presented in Products 1 & 2 and reviewed by the evaluation committee and the SC at large. Comments were received and errors of fact corrected where applicable.

The conclusions of the evaluation are based on analysis and interpretation of the findings by the evaluator, and make explicit the evaluator's professional judgment on the worth or merit of the programme and its components. The independence of the evaluation rests with the evaluator's autonomy of judgement, i.e. the conclusions of the evaluation are the evaluator's alone rather than representing what respondents and evaluation committee members think or agree on.

The recommendations in this report draw on the findings and conclusions of the evaluation but are based on the substantive knowledge and extensive practical experience of the evaluator in managing and governing a broad range of public and private organisations. As such the recommendations express expert judgment, rather than evaluative judgment, about what the IATI SC should consider, decide and act on to successfully navigate IATI's future direction.

## Number of respondents, by organisation, that provided data used in the evaluation

| Estimated number respondents by type of organisation | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Participant-obervation over 4 days of IATI conference (Ottawa May-June 2015)** | Partner County Governments | International NGO | Bilateral governments | Mulitlateral organisations | National NGO | Private sector | Other public sector | Foundation | Academic, Training, Research | Total |
| Nb of organisations | 11 | 12 | 11 | 14 | 7 | 10 | 5 | 5 | 2 | **77** |
| | | | | | | | | | | |
| **IATI administered survey *** | Partner countries | Members | Data publishers | Other data users | | Other | Total | | | |
| Nb of individuals | 6 | 18 | 16 | 6 | | 10 | **56** | | | |
| | | | | | | | | | | |
| **Interviews** | Partner countries | International NGO | Bilateral governments | Multilateral organisations | National NGO | Other | | | | |
| Nb of individuals | 9 | 10 | 6 | 8 | 3 | 2 | **38** | | | |
| | | | | | | | | | | |
| **SC workshop** | Partner countries | International NGO | Bilateral governments | Multilateral organisations | | Other | | | | |
| Nb of individuals | 7 | 8 | 11 | 14 | | 3 | **43** | | | |

\* The online platform utilized in the Secretariat survey prompted respondents to choose only one affiliation with IATI, with the result that "partner country", "data publisher", "other data user" or "other" categories are also Steering Committee "members").