Aid Transparency Index

2023 Methodology review outcomes

Below are the final changes resulting from the 2023 methodology review for the Aid Transparency Index. These changes will be implemented in the 2024 Aid Transparency Index. The changes have been compiled from inputs collected from:

1. A stakeholder survey held in February 2023.

2. Internal discussion at Publish What You Fund including a review of the IATI Data Quality Index (DQI) proposals (held by IATI in 2022).

3. External methodology review workshops (held in March 2023).

The aim of these changes is to update the Index assessment method to adapt to new developments in aid transparency and to ensure the Index continues to focus on the areas of aid transparency that are most important for those using the data, particularly stakeholders in the global south.

We received many suggestions for changes to the methodology and considered a number of other changes aside from those outlined below. As we considered the proposals we tested them against the criteria that they would be able to be applied in a rigorous way, that they were relevant and applicable across the various organisation types we assess in the Index and that there is broad agreement that the aspect to be measured is an important component of greater aid transparency. Details of the proposals that we were not able to take forward at this time, along with justifications, are included in Annex 1 at the end of this document.

We are grateful to all of those who have participated in the 2023 methodology review.

Changes to the Aid Transparency Index methodology

New scoring approach

1. Timeliness measure: adding **time lag**

Note that only IATI data is scored for time lag.

Definition

We will use the IATI dashboard measure of spend transaction time lag and apply this as an additional time lag multiplier to IATI data scores, in the same way that the frequency multiplier is applied.

The frequency multiplier is applied after the data quality percentages from the tracker tests are converted to points. These points are then multiplied based on the following categories:

- The monthly publication multiplier is 1 (meaning 100 of the points can be scored for the indicator)
- The quarterly multiplier is 0.925 (allowing a maximum of 95 points)
- The Less than quarterly multiplier is 0.625 (allowing a maximum of 75 points)

The time lag categories will follow the same structure (monthly, quarterly and less than quarterly). The frequency and time lag multipliers will be combined to create a single compound **Timeliness** multiplier. The multiplier will be the product of the frequency and time lag multipliers.

The time lag of publication will be calculated based on the IATI dashboard methodology. Details of the methodology and the frequency/time lag of publication for existing publishers can be found [here](#).

Test

The new scoring approach will use the time lag of publication as a multiplier in the same way that publication frequency is currently applied to all IATI data scores.

An average score of the frequency and time lag will be calculated in order to find the final score graduation multiplier.

Final multiplier examples	Monthly Frequency	Quarterly frequency	Less than Quarterly Frequency
Monthly Time lag	1.000	0.963	0.813
Quarterly Time lag	0.963	0.925	0.775
Less than Quarterly Time lag	0.813	0.775	0.625

Revised indicators

2. Networked data indicator: transactions

The Networked data indicator is a two-part test which checks for the publication of data about the participating organisations in an activity. The first part of the indicator checks for the names of the organisations that are implementing the

activity. The second part checks for the use of recognised organisation references for all of the participating organisations in an activity.

An additional third test will be added to the Networked data indicator to check for the receiver organisation at the transaction level as well. This will identify individual receivers of commitment and disbursement transactions of an activity.

The receiver organisation is an IATI element published with the transaction which identifies which organisation is the recipient of the transaction. It includes both the organisation unique identifier and the organisation narrative.

Survey question

Parts 1 and 2: Does this organisation publish which organisation implements the activity and use accepted references for all organisations participating in its activities?

Part 3: Does the organisation publish a receiver organisation for each activity transaction?

Definition

Part three of the networked data test will see if a receiver organisation is reported in each activity transaction. The receiver organisation is the organisation receiving the funds from the transaction.

Test – part three

Given an IATI activity
And the activity is current
And `activity-status/@code` is one of 2, 3 or 4
And transaction-type/@code' is one of 2 or 3
Then for each transaction `transaction/receiver-org@ref or transaction/receiver-org/narrative/text()`` should be present.

Scoring

Each activity will receive a percentage score based on the proportion of transactions that include a receiver name or reference. This will be calculated as follows:

Number of transactions that include either a receiver organisation name or a receiver organisation reference / Total number of transactions (excluding self-references)

These scores will then be aggregated across an organisation's activities to calculate the final score for this test.

Receiver organisation references must use a prefix from the list of valid prefixes for IATI organisation references or be on the list of IATI publishers to be accepted. The test will exclude references to the publisher themselves. OECD DAC CRS Channel Codes will need to use the XM-DAC prefix in order for the codes to be accepted as organisation references. Generic or non-specific organisation references (such as

"Developing country-based NGO" or "Multilateral Organisations") will not be accepted since these do not allow networking of organisations.

3. Planned end dates

Planned end dates are useful for project-type activities when there is a clearly defined exit date for the implementing and/or funding entity(s). However, not all activities have a clearly defined end date, for example, equity-type finance. In these cases, an end date is misleading.

This updated test will exclude equity, hybrid and interest finance types from tests for planned end dates. Investments by, for example, development finance institutions include equity and hybrid financing which often have unspecified end dates. We will exclude the following finance types from the test for Activity date type 3 in the 'Planned dates' indicator.

Finance type codes to be excluded	Code name
510	Common equity
433	Other hybrid instruments
432	Preferred equity
1100	Guarantees/insurance
210	Interest subsidy

Survey question
Does this organisation publish the planned start and end dates?

Definition

The planned dates are the dates that the activity is scheduled to start and end on. The IATI reference for this indicator is: Activity date (activity date type = start-planned and end-planned).
Both month and year are required to score on this indicator in recognition of recipient countries needing to be able to map activities to their own financial year rather than the calendar year.

If the activity has started or has finished the original planned start and, in some cases, end dates must be retained in addition to the actual dates in order to score on this indicator.

Equity-type investments which do not have planned end dates will be excluded from the planned end dates part of this test.

Test

The planned end dates test will be amended to add further exclusions.

For every current activity,
If `finance-type/@code` is not any of 501, 433, 432, 1100 or 210
then activity-date[@type="3"] should be present

4. Country strategy / MoU

An organisation is expected to publish either a country strategy or MoU for each recipient country relating to their current activities. We look for a country strategy paper (B03), country-level MoU (B13) or MoU (A09) for each relevant recipient country.

Several publishers report IATI transactions to countries when these countries in receipt of funding do not always have a specific country strategy or MoU and including one is not reflective of the geographic focus of the entity.

This test will now exclude these countries from the strategy document test, testing only for relevant countries.

New survey question

Does this organisation publish the country strategy paper or memoranda of understanding for its **relevant** partner countries?

Definition

For this indicator country strategies and MoU's are taken together. A country or sector strategy will be accepted. Where one cannot be found, a MoU signed by the aid organisation and recipient country government will be accepted. A country strategy paper sets out the organisation's planned approach and activities in all relevant recipient countries. For it to be accepted it needs to be a detailed document, rather than just a paragraph on the organisation's website. The IATI reference for this indicator is: Country strategy paper (document code = B03). A Memorandum of Understanding (MoU) is a document that details the agreement usually between the organisation and recipient government for the provision of aid in the country.

Test

We determine the relevant recipient countries for these documents by checking an official source (such as an annual report or organisation data portal) to confirm the list of countries in which the organisation worked and directly implemented projects within the last year. This is used as the denominator when calculating the score.

This baseline collection will be firmed up to exclude locations where a country strategy is not relevant. Ahead of each Index Publish What You Fund will survey publishers for their baseline countries along with those countries which they deem suitable for exclusion, and why. This list will be compared to an official source. Exclusions of countries from the baseline will be allowed if they are on the 'Allowed exclusions' list.

The IATI organisation file is then consulted for the full list of country strategy or MoU documents and checked against the total list of countries. Points are

awarded for the proportion of recipient countries that have an associated country strategy or MoU.

Allowed exclusions:

- Funding is diverted to a country for administrative purposes only
- Where a country falls into the bottom 10% of total ODA recipient countries
- Investments to a specific country are part of a co-financing venture only
- The country is not being targeted directly (I.E through multilateral funding or regional funding)
- Exclusions for country funding for immediate humanitarian disaster response where there is no development focus[1]

5. Sub-national location – renamed "Location"

In order to direct the subnational location test to those activities that have an identifiable subnational location we will review cases where organisations identify subnational activities using the activity scope IATI element.

Activity scope identifies the geographic scope of activities. However, the IATI guidance for use of activity scope does not currently specify how the geographic scope of an activity is defined. Having looked into the use of the activity scope element we have observed that there are different ways to interpret the use of scope which can refer to the reach of impacts or to the specific location of an activity. In some cases, a project with a specific and defined location may be assigned a national level scope since it may have operations or impacts across a country. An example would be a company located in a specific place that supplies its goods or services throughout a country.

Given this, we will only apply scope filters to an organisation that is using scope to identify the scope of the geographic location of its projects.

Scope filtering process

Prior to the start of Index data collection, we send a survey to all assessed organisations requesting information to help us calibrate the Index tests. This includes questions relating to the use of activity hierarchies and baseline country counts to establish the denominators for the Country strategies and Disaggregated budgets indicators. We will add a question to this survey to ask how the organisation is using activity scope in its IATI publication. The question will ask whether the organisations uses "Scope" to identify whether an activity has a subnational location.

- If the answer is "no" we will not use scope to filter activities for their subnational locations.

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[1] immediate humanitarian disaster response is limited to rapid interventions designed to save lives, alleviate hardship, and get disaster victims back on their feet. It is
- Short-term
- Delivered in disaster zones
- Responds to an incident or event
- Focused on saving lives
https://www.humanitariancoalition.ca/from-humanitarian-to-development-aid

- If the answer is "yes" we will carry out sampling of the organisations activities to review whether scope is being used in a way that will enable us to use scope as a filter for subnational locations.
- This will involve reviewing activities under different scope codes to assess the suitability for filtering. When national or supranational scopes are being used we will assess whether a subnational location would be expected (i.e. if the activity has a geographic footprint in a specific location).
- If scope is being used in a way that allows filtering we will filter activities by scope, excluding national and supranational scope activities from the subnational location test.

Location element

Survey question

Does this organisation publish the sub-national geographic location for this activity?

Definition

For activities with a sub-national geographic scope, location information about where the activity is located within a country should be provided. This may be a province or city, or it could be geo-coded (whereby the precise longitude and latitude is published). It needs to be stated separately and explicitly. The IATI reference for this indicator is: Location.

Where no activity scope code is used for an activity or where the scope element is not being used to identify the scope of the geographic location of an activity we assume that the activity is relevant for the subnational location test as we have no basis on which to exclude it from the sub-national location test.

Additional definitions and notes

The sub-national location should identify where the activity is taking place. For example, if a development project is being implemented in a particular community or subnational district. For private sector investments the location of the investee company should be identified. Projects distributing humanitarian aid should identify where the recipient communities are located. Activities that are national or supranational in scope – for example support for a national policy or national health system working across a country, or finance for a bank or fund that invests in activities throughout a national geography, no subnational location is required. These activities can be identified and excluded from the test by using the Activity Scope element to differentiate between activities with or without a subnational location.

Test

For each current activity,
if activity-scope/@code is not one of (1, 2, 3, 4)*
if `activity-status/@code` is one of (2, 3, 4)
and `recipient-region/@code` is not 998
And `default-aid-type/@code` is not any of B01, B02, F01, H01, H02, H03, H04, H05 or G01

And `transaction/aid-type/@code` is not any of B01, B02, F01, H01, H02, H03, H04, H05 or G01
then `location` should be present

For each current activity,
if activity-scope/@code is not one of (1, 2, 3, 4)*
if `activity-status/@code` is one of (2, 3, 4)
and `recipient-region/@code` is not 998
And `default-aid-type/@code` is not any of B01, B02, F01, H01, H02, H03, H04, H05 or G01
And `transaction/aid-type/@code` is not any of B01, B02, F01, H01, H02, H03, H04, H05 or G01
And `default-aid-type/@code` is not G01
then `location/point` should be present

Annex 1

1. Broader transparency commitment

Proposal
A commitment to transparency was considered as a way to measure progress. There are various global transparency commitments against which we could assess entities on their commitments to transparency. The one proposed here was to test for IATI membership.

In the past the Index has tested for an IATI implementation plan. These are no longer regularly used but as IATI membership grows, reviewing IATI membership may be a useful way of measuring commitment and participation in the aid transparency movement, as well as increasing awareness of the IATI standard.

It was decided not to take this proposal forward because IATI membership is not a good proxy for regular publication. IATI membership does not always equate to engagement or regular publication whilst the Aid Transparency Index should only score publication in order to incentivise the right behaviour.

2. Testing country percentage split

Proposal

IATI data is often analysed at the country level. Having a [% split element](#) for the recipient countries in each activity supports data use when more than one country is targeted so that the data user knows the extent of resources assigned to each country.

The standard requires the % split element to be reported at the activity for multiple recipient countries but this is not always used by publishers. We could test for the presence of a [% element](#) where there are multiple countries. As an additional test, we can test that the total percentages for all of the countries in an activity add up to 100%. Currently, multiple countries can be tagged to each activity without precision about the extent of funding for each country.

It was decided not to take this proposal forward. Whilst there was positive support, the % split element is already a requirement in the IATI rule tests. In addition, the majority of publishers publish just one country per activity and so this test would not be applicable for most organisations assessed in the Index.

3. Networked data model

Proposal

IATI data can be linked and networked by linking activities through transactions. Implementers can link to funding transactions through an incoming commitment or disbursement transaction and funders can add reciprocal links downstream. This can help to link up aid delivery chains and trace flows of money along the delivery chain.

In the 2021 Index methodology review we added the "Networked data" indicator to score the use of standard references to facilitate linking of publishers and organisations together. We could look to add scoring of correct use of transaction linking down the delivery chain as well. There are some challenges to doing this - firstly, very few publishers are currently publishing in this way. Secondly, we would need to score the quality of publication of implementers and downstream partners and award points to a funder based on the performance of third parties.

It was decided not to take this proposal forward because it would mean scoring publishers based on the quality of data published by third parties, which violates the core principle of the Index whereby we assess organisations based on their own data publication.

4. IATI validator

Proposal

The IATI Validator has been built to automatically test IATI data for errors against the IATI Standard schema and ruleset tests. It provides four statuses to IATI activity files: Critical, Error, Warning[3] or Success. These statuses support publishers to improve their IATI data and reduce errors.

Use of the IATI validator for scoring was proposed during the [DQI consultation](). The validator provides a count of the errors across a publisher's data. A new ATI test could check for prevalence of all errors or just those critical errors which test against the IATI schema.

It was decided not to take this proposal forward because:

- There are too many overlaps with the validator critical checks and existing Index tests.[4] This means that adding a validator indicator would likely co-vary with other index indicators and create duplication.

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[3] Check 1: Schema Validation- Critical

The IATI Validator checks if data adheres to the format set out in the IATI XML Schema. The IATI Schema provides the exact order and structure that organisations should provide their XML in. Full information about the IATI Schema can be found on IATI's Reference site.

Check 2: Rulesets Validation - Error and Warning
The IATI Validator also checks if the data follows IATI's Rulesets. These checks provide a more detailed review of the quality of data. To view the most up-to-date information about IATI's Rulesets please refer to the IATI Ruleset repository.
[https://validator.iatistandard.org/about]

[4] The critical schema checks are made on three areas:

- IATI data is published in the XML file format (and not provided in other formats, such as a PDF or Excel file)
- Data complies with version 2 of the IATI Standard as version 1 of the IATI Standard has been deprecate
- All mandatory IATI elements (data fields) have been provided

The Index already checks for the XML schema and which version of the standard is being used by a publisher.

- It was not clear if this would be a measure of transparency or a measure of tidiness of the data. There may be valid reasons why some files have an old schema structure, for example deprecated / older files and test files which may be left on the registry for archive purposes.
- The validator ruleset checks are not currently widely understood

5. Policy markers

Proposal

The [policy markers](#) provide information about cross-cutting themes in development. Activities require 'screening' to see if a specific policy marker applies and then a level of significance can be added. Having a marker allows data users and publishers to quickly identify aid and development towards a specific demographic or priority area.

We received suggestions to consider the policy markers again and specifically the gender policy marker. The full list of policy markers, as maintained by the OECD-DAC are as follows:

- Gender Equality
- Aid to Environment
- Participatory Development/Good Governance
- Trade Development
- Aid Targeting the Objectives of the Convention on Biological Diversity
- Aid Targeting the Objectives of the Framework Convention on Climate Change - Mitigation
- Aid Targeting the Objectives of the Framework Convention on Climate Change - Adaptation
- Aid Targeting the Objectives of the Convention to Combat Desertification
- Reproductive, Maternal, Newborn and Child Health (RMNCH)
- Disaster Risk Reduction (DRR)
- Disability
- Nutrition

Activities can be marked with a policy marker and a [policy significance code](#) of 0, 1 or 2, corresponding to "not targeted", "significant objective" and "principal objective" so, in theory, all relevant activities could be marked with a relevant code. It is not clear how such a test would check whether an activity should include a marker or not, or how to test for multiple policy markers.

It was decided not to take this proposal forward because:

- According to OECD guidance a policy marker should only be added when an activity has been screened against that policy objective. Leaving an activity with a blank policy marker indicates that the activity has not been screened, and is a valid entry

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For the mandatory elements six of these eight are already tested for in the ATI. These are: Title; Description; Activity Status; Activity Date; Participating organisation and Sector. The remaining two checks are for organisation and activity identifiers which are pre-requests for checks in the Index.

in the policy marker field. So we will not know whether a missing policy marker is a valid entry because the activity has not been screened or whether an activity is missing a policy marker because data that should be published is missing. IATI does not currently have specific guidance about this.

- We have no means of verifying whether a marker has been used correctly. The IATI standard is not yet at the stage where we can expect backup documents to be included since there is no document code for this. Checking titles and descriptions is not enough to check relevance of the gender marker, for example.
- There are currently several other ways of indicating policy or thematic prioritisation for activities including themes used by several of the MDBs assessed in the Index and SDGs markers. There is currently not a consensus among publishers that one or other of these should be prioritised.