



IATI Country Pilot Synthesis Report May-June 2010

Executive Summary

Overall goal of pilots

- **The country pilots have successfully proved the IATI concept** that it is possible get data from multiple donor systems, convert it into one common standard format (the draft IATI format) and automatically exchange with multiple country systems, thus reducing transaction costs and achieving economies of scale.
- **The pilots also re-confirmed the previous analysis undertaken within the IATI consultations in 2009 with partner countries** on the key challenges and information needs of partner countries, which are for more detailed, timely information on current and future aid flows and the need for a robust implementation framework at the global level, which will ensure regular and more comprehensive reporting by donors, NGOs and other providers of assistance.

Impact of IATI on country systems & processes

- **IATI has the potential to add significant value to aid information management processes for both Government and donors** by increasing timeliness, accuracy, consistency of the data and reducing transaction cost for both parties of providing, collecting and using data.
- **IATI should help address the current lack of a framework for regular and consistent reporting in some countries.**
- **Depending on the scope of the final agreed IATI standards, IATI should also provide a greater breadth of data**, for example on forward looking project and country programme budgets, and more coverage of projects that do not go through Government.
- **There will need to be small changes to current systems and process** to realize these benefits. It is likely this will involve some costs to modify systems (to be determined but indications are that this should be less than \$50K).
- **IATI will not solve all the problems.** Inevitably, there are wider challenges of organisational culture and inter-organisation working that extends beyond the remit of IATI. However, greater transparency and access to information can be a significant help to these issues.

Information requirements & IATI standard

- **IATI covers a majority of the needs of the aid management systems.** Phase 1 will cover most, but not all, of the needs and covers the data that changes regularly (e.g. disbursements).
- **There is a wide range of stakeholders within Government that need information.** There is commonality around the basic requirements (largely phase 1 data), and some differences. Most of this is covered by IATI proposals for later phases (link to budget and other national classifications, geographic data, outputs, conditions, traceability), some are not: e.g. more details about where money is spent (e.g. what is flowing into country, admin/unit costs).
- As expected, **budget alignment is a key priority.** This makes it doubly important that IATI delivers on the phase 2 proposal to provide information in line with partner country budget classifications, to be agreed by December.



Donor data

- **Most IATI phase 1 data is available in donor systems.**
- **Most donor systems do not have later phase data**, but donors are currently reporting it manually (geographic data, country specific classifications).
- **There is very little awareness of IATI** within country donor offices.

Data Compatibility & Quality

- **Projects in donor systems are aligned with projects in country systems.**
- **There are some minor definitional and compatibility issues** for both donor data and IATI proposals that need to be looked at further.
- **The data held within donor and country system are consistent.** Differences are due to irregular update schedules. Data held within HQ systems are considered to be the most up-to-date and definitive source.

Background

IATI aims to deliver on aid transparency commitments made in Accra High Level Forum for Aid Effectiveness by agreeing standards for the publication of aid information to create a step change in availability and accessibility of data on aid flows¹. The primary goal is to meet the information needs of stakeholders in partner countries².

In order to test proposals for the IATI standard, the IATI TAG secretariat undertook four pilot missions during May and June to Malawi, DRC, Rwanda and Colombia³. We also conducted a desk-based study based on the Cambodia AIMS. Two additional pilots will be undertaken in Burkina Faso (28 June – 01 July) and Sri Lanka (5-9 July)

The objectives for the missions were to

1. Conduct a technical proof of concept to assess feasibility of:
 - Developing a common data format for multiple donor's data based on the draft IATI standard
 - Automating data exchange between donor and country systems using the IATI standard.
2. Identify the opportunities and impact and of adopting such a standard on country processes to learn lessons about:

¹ More information on IATI can be found www.aidtransparency.net

² See the overview of the partner country consultations that took place in 2009

³ The Colombia pilot was in progress during the writing of this report. While some of the emerging findings are included, it might not reflect the final assessment.



- the requirements of partner country Government stakeholders, including aid management budget, and line ministry systems
- the compatibility of data held within donor systems, the proposed IATI standard and the requirements of partner country
- the impact of IATI on existing partner country and donor processes and systems.

Approach

Before the country visits we identified the main information requirements of the Government aid management system for the data exchange and requested an export of data from donor systems. We received data from UK, UNDP, World Bank (all pilots), Netherlands (Rwanda), Global Fund (Malawi), and Spain (Colombia).

We converted the donor data into the draft IATI standard format and worked with Development Gateway and Synergy (the providers of the aid management systems in three of the pilot countries – Colombia and Cambodia have home-grown systems) to develop a tool that enables the data to be automatically imported into the aid management system.

We discussed this process with staff from donor country offices⁴ and Government stakeholders to assess the practicality and value of such a method, and identify constraints, challenges and impact of current country level aid information processes.

We also aimed to discuss this process with budget units and line ministries to identify their requirements and identify the potential for IATI to add value to their existing processes and systems. We were only able to do this in the Rwanda pilot where we met with Health and Education ministries and had a brief meeting with the Director General of Budget Directorate, while in the DRC the IATI mission took part of the first national workshop on aid transparency, which included representatives from the Ministry of Budget, International and Regional Cooperation, Agriculture, and others, and addressed issues of both aid and budget transparency.

An Overview of Aid Information Needs in the Pilot Countries

Aid Management Systems

There was a lot of commonality in the data requirements of the aid management systems, with most wanting information to identify activities (e.g. title, dates), financial information, local sectoral classifications, and participating organisations.

⁴ In addition to the donors participating in the pilot, we also discussed the IATI proposals with the EC (in Malawi, Rwanda, Colombia) US (in Colombia), Africa Development Bank, Germany, Sweden, India (DRC).



There were also differences in the emphasis and level of detail required - some are very focused on getting accurate, timely financial figures on past spend, some on future spend, whilst others are more focused on getting better information on what activities are trying to achieve (objectives, targeted beneficiaries) and which areas they target (geo coding is very important to some).

Budget information needs and alignment

The pilots did not investigate the important issue of budget alignment in as much detail as had been hoped through detailed discussions with budget units, but as expected, budget alignment was a key priority⁵. The classifications used within Rwanda, Malawi & DRC AIMS are all aligned with budget classifications and this was seen as important.

It should be noted that classification alignment is not the only issue of importance – indeed in three of the AIMS we worked with this, the classifications used are already alignment with budget but the data is still not routinely used. There are other information needs that are equally important such as:

- Timeliness of information
- Expenditure and details of counterpart funding
- Details of forward spending plans
- More details about what the money is being spent on (e.g. consultancy, goods, travel).

The TAG budget group will take this work forward.

Line ministries

These ministries also require data from donors such as more detailed spending breakdown (what is being spent on consultants? travel?), unit/admin costs, the ability to trace money to ensure it goes to intended beneficiary, what money is coming into the country, what the priority areas are, more qualitative information (strategies, policies, project descriptions, output/results indicators).

Donor Systems and Access to Data

Data was provided by five donors. For two of these, World Bank and UK, we took data directly from project databases on their website. As both donors make this available as a raw data download, we were able to easily translate this into the IATI XML format⁶. This also meant providing this data for the pilots was no additional work for these donors.

UNDP, Global Fund, Spain and Netherlands both provided data via spreadsheets. This was a relatively simple task for most, with no significant problems being reported. Again, we were able to develop a tool

⁵ Budget alignment was much less of an issue in Colombia where aid represents a very small percentage of the national budget. Here the priority was getting better information about the objectives of aid activities, and who (beneficiaries) and where (geographic location) aid was being targeted

⁶ We have created an online tool to do this in real-time, see <http://www.iatidata.org>



to automatically translate the data into IATI format relatively easily. As a result, we now have translation tools that enable data translation from all these HQ systems.

Coverage of data

For the pilots, we were unable to get a comprehensive set of data from donor systems. This was either due to unresolved disclosure policies or time constraints on behalf of the donor. The data we received covered most of the core types of data required by the aid management systems – including most of the data that requires regular updating as it changes frequently. . The main data areas not covered were: Country specific data (e.g. sub-national geographic information and budget classifications/sectors), and dates commitments and disbursements.

Country Aid Information Management Practices

Current aid information management processes are time consuming and frustrating for both Government and donor staff. It should be noted that, although providing information to AIMS is considered an important function of donor country offices, the awareness of IATI was extremely low.

Most donors participating in the pilots access centralized project and financial systems in HQ and use data from these systems for reporting to Government systems⁷. Typically a donor staff member runs a report and then uses the data to manually enter the data either directly into the system or into a spreadsheet template. This can be a time consuming process and is error prone.

This process is complemented by significant time spent by the Government unit managing the AIMS on reminding donors to report, providing support and (in some cases) manually entering the data.

Results from the pilot

Developing a common format for donor data

We were able to successfully convert all donor data to the proposed IATI XML data format. This involved mapping the donor data to the IATI structure, changing the structure and name of some of the data, and in some cases translating the data itself so it is consistent with IATI and comparable with other donors' data (e.g. so all activity status categories are consistent). On the whole, this was a relatively straightforward exercise, but it highlights the need for a glossary to further clarify the definitions.

Data Exchange

⁷ In Colombia we found that both Spain (AECID) and US country offices had their own systems which they maintain and use for AIMS reporting



Once we had the data in IATI format, we were able to successfully import the data from all donors into test versions of the AIMS. This served to prove it is feasible a) to develop a common standard format that can incorporate data from multiple donor systems and country systems, and b) to automatically exchange data between donor systems and country systems using the IATI standard as a ‘middle layer’.

The advantage of having one common standard data format also becomes clear when data exchange is considered on any scale. This approach means that AIMS only need to understand and convert one data format (the IATI format) rather than one for each donor. Likewise, donors only need to provide data in one format rather than one for each country system; after we had done the data conversion once for each donor and for each pilot country system it was simple to replicate for subsequent pilots. The economies of scale are significant when considering potentially hundreds of data providers and data users.

These benefits are amplified by the fact that many of the AIMS use the same software (currently most AIMS are either Development Gateway’s AMP or Synergy’s DAD, and Colombia’s mapa de cooperación internacional is being considered by a number of Latin American countries), which should further reduce the effort required to modify systems to use IATI data.

Compatibility of data

There are three compatibility issues we considered during the pilots:

1. The alignment between the ‘unit of aid’ used in donor and country systems (how is a project defined?)
2. The compatibility of the data structures that exist within IATI, donor systems and country systems (e.g. what type of data is captured about disbursements)
3. The consistency of the data itself between donor and country systems (e.g. are the project titles and dates the same in donor and country systems?)

Most importantly, there was generally a **good level of comparability around the ‘unit of aid’** used within donor systems and country systems – the projects as defined in donor systems were typically the same – or easily mapped to - the projects within the AIMS. There were some exceptions that require further work.

The compatibility of data structures between donor systems, IATI, and country systems was good. A majority of data areas either accurately match or have minor discrepancies that are easily solvable. However, there are some areas worth highlighting and reflecting in discussions around the design of IATI and within donor agencies, e.g. whether some ‘aid type’ is related to the activity as a whole or for



specific financial transactions within the activity⁸. There were few areas that the full IATI proposals didn't cover. The most obvious omission from IATI was details of beneficiaries (type & number). This was, however, being provided by donors at country level

When comparing activity records from donor and country systems side by side we found the data held was largely consistent, but there were noticeable inconsistencies for some donors (e.g. dates, commitment/disbursement values, status, language). Further analysis and discussion suggests these differences are due to irregular update schedules for country systems, rather than any more fundamental reasons. This was further complicated as we were working with aggregated data from donor systems, so it was hard to align financial data.

A further challenge with ensuring consistent data is naming conventions used, for example for organizations. This emphasizes the importance of having standard classification lists defined and used within IATI.

In addition to the need of AIMS, other stakeholders such as line ministries and budget unit expressed the need for data not currently captured by the AIMS. Some of this is proposed to be covered by IATI, some of it is not:

- The areas that are covered by IATI proposals include: Results; expenditure details; information to enable traceability; counterpart funding, projects implemented through NGOs
- The areas that are not currently covered by IATI proposals include: Admin costs / unit cost; details of where money is going (% arriving in country).

Conclusions

Added value of IATI

There was consensus amongst all stakeholders that IATI has the potential to add significant value to existing aid information systems and processes. We heard the following opportunities:

For partner country Governments as a whole

- **Political pressure:** IATI will raise the profile of the importance and value of providing information on donor aid flows. This should add political pressure and incentive.
- **Greater breadth of information:** IATI-standard reporting could extend the breadth of data stored in the AIMS and make it more useful to line ministries.
- **Consistency:** If all country systems use IATI data as their source, there will be greater consistency of data being used across Government and within the country.

⁸ Note that the revised IATI standard now has flexibility to incorporate aid type at both levels



- **Clear implementation framework:** agree a common framework for public disclosure of information by donors, which will enhance country-level reporting arrangements and processes.

For aid management units that manage AIMS

- Automatic data exchange would:
 - **Improve the regularity, timeliness and accuracy of data.** Reducing some of the barriers for others in Government to use the system
 - **Significant time saving:** Currently continual persuasive input and support is required from ministry staff to update data. IATI could systematise these procedures.
- **Better data:** Data that is currently challenging to get (e.g. future year budget plans for projects) should be made available. IATI should also provide a mechanism for handling multi-funded projects effectively.
- **Wider range of data sources:** e.g. data about donor projects funded through HQ, donors with no country presence, and projects implemented by NGO.
- **Greater breadth of information:** Data that is not currently captured would be made available.
- **Multi-funded projects:** IATI can help manage information flow for multi-funded projects by implementing a global identifier and protocols for the lead donor. This needs to be fully defined.

Donors

- **Significant time saving:** All donors stated that the large amount of time taken to report the information on a quarterly basis was a significant barrier to effective reporting. Nearly all donors agreed that the ability to report directly from donor systems would be feasible, much more efficient and lead to more accurate data.
- **Reduced parallel reporting:** Most donors said they report similar data to different Government actors, and agreed the IATI approach had the potential to limit this practice.
- **Greater consistency:** The multiple databases that currently exist all have 'different versions of the truth' and are usually inconsistent with donor systems which can cause problems. IATI could help resolve this.

Concerns, constraints and lessons for IATI

- **IATI & current donor system limitations:** IATI does not currently cover all the information needed and it is likely that IATI will only ever cover 80-90% of what is required. Additionally, it is clear that although donor systems have much of the data required at country level, they do not have it all. This means, in the short term at least, manual reporting of data will have to continue in addition to any automated exchange.
- **IATI alone is not enough:** IATI can offer significant value to country aid information management processes, however, those processes and systems need to adapt and there will be



costs involved⁹. It should also be noted that inevitably many of the issues that exist are beyond those of information availability and access to systems, and involve usual challenges of joined-up working across organisation boundaries and the conflicting incentives of different stakeholders.

- **Data compatibility:** The pilots demonstrated that the data held within donor systems and country systems was compatible with each other. However, there are inconsistencies and some challenges. We will need to bear in mind that these are not going to change overnight and there may be a period of adjustment to align some data elements.
- **Reference codes:** Standard reference codes that identify common classification data are an essential part of the IATI standard. This means that when data such as country or aid type is published there will be a common code in addition to the text (e.g. Ivory Coast will also be identified by the code CI, therefore if some use Cote d'Ivoire, the code CI is common). Integration with other systems will be extremely challenging without having these established.
- **Dates for financial transactions:** The aggregated financial data provided for commitments and disbursements are not detailed enough to meet the systems needs. Dates are essential for commitments and disbursements to enable financial years to be identified correctly.

Impact on local processes – what needs to be done to ensure IATI is effective

To achieve these potential benefits, there are some changes to the systems, processes and information management practices that would be necessary:

- **Validation:** Consideration needs to be given to whether and how data being imported directly from IATI data (e.g. donor systems) should be validated before it is published on the live system. Most (not all) donors wanted the chance to validate the data before it was published.
- **Manual updates will still be necessary:** as indicated above, depending on the scope of the finally agreed standards, a mix of manual and automated updates is likely to be necessary. Consideration therefore needs to be given to how will data be overwritten (e.g. if a data item is manually updated on AIMS, in some cases it may be undesirable to overwrite it with latest donor data from IATI).
- **Costs for technical work:** Some further technical development work will be required to allow AIMS to import IATI data effectively. This will incur costs.

Recommendations

⁹ These specific requirements and costs for system modification are yet to be determined, however, early indications are that these will be less than \$50K



For IATI

- IATI signatories and Steering Committee need to ensure that the standard includes the information that are of key concern to partner countries, particularly forward looking budget information, details about individual commitments and disbursements.
- IATI needs to prioritise it's planned work to focus on ensuring budget alignment and that aid data is aligned with national budget cycle
- Emphasis should now be given to developing and agreeing proposals for later phase data elements, particularly sub-national geographic information, which are key to meeting partner country needs
- IATI should reflect on the scope and consider whether to expand to include wider needs identified through the pilot missions, such as beneficiaries and details about administrative costs.
- Donor country office involvement is crucial to the success of IATI. Significant effort is required to raise awareness and engage them in the IATI process.
- IATI should build on the success of the country pilots by working with a selection of countries to undertake 'live' pilots over a year period as part of IATI implementation

For TAG

- The IATI TAG should work with donors who have decentralized systems at country level to assess how best to implement IATI
- Further work is required to look into supporting multi-level project/component structure
- IATI standards need to be defined for participating organisation reference codes