

Public Transparency Rating of Development Cooperation Agencies and their Work

Jan Stiefel, AidRating Project Head, c/o IDEAS Independent Development Experts Association,
P.O. Box, Archstrasse 2, CH-8401 Winterthur Switzerland
tel + 41 52 203 52 50 fax + 41 52 203 52 55; e-mail: aidrating@ideas-expert.ch www.aidrating.org

Introduction

IDEAS intends to improve efficiency and quality of Development Cooperation (DC) by quantitatively rating of aid agencies and their projects using publicly available material. As it proved impossible to gain sufficiently usable information from public material, we initiated the "Transparency and Coherence Rating" (TCR) in late 2007.

This paper reports the experience gained by applying the TCR to the 11 largest private aid agencies in Switzerland.

TCR is expected to significantly influence the aid agencies by:

- **Public impact:** For the first time, a verifiable comparison in operational transparency between the different agencies becomes possible, thus providing a tool to foster qualitative competition.
- **Internal impact:** The framework provides consistent project focus for staff and general public toward the main objectives and results of DC work. This promotes working with more focus on targets to be achieved and coherence.
- **Quality impact:** periodical external ratings should improve concise reporting over time. This in turn increases operational focusing, and enhances public (external) discussion level. That in turn increases internal focus, etc, creating a virtuous feedback loop.

Rating components

TCR comprises the following two components or sub-scores:

1. **Reporting Breadth:** share of project work on which information is available compared to the total number of projects as a percentage. This expresses the proportion of project activity on which usable information (which allows an informed opinion on an intervention rather than guesswork) is given, showing completeness or coverage of reporting.
2. **Reporting Depth:** usable information value, measured as degree of response to ten key questions in percent.

The material used must be publicly available to an average citizen¹. This paper first introduces the two underlying sub-scores and then the overall rating.

Reporting Breadth: Share of projects described of total number of projects

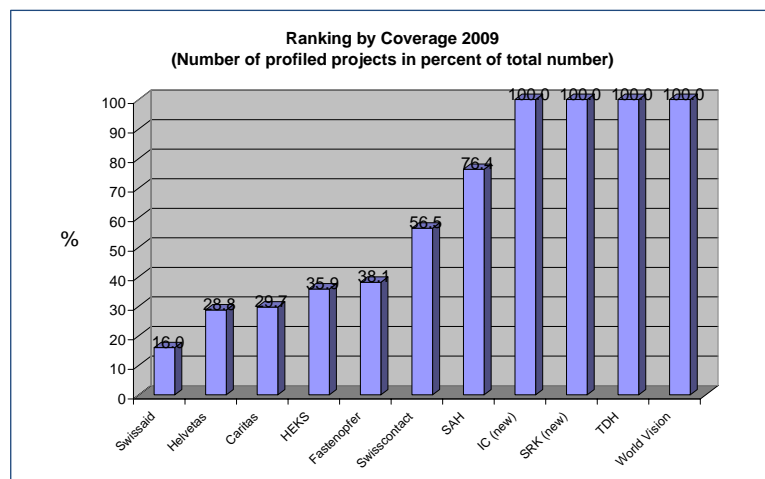
The coverage is assessed by counting the number of projects on which descriptions are available, and relating it to the total number of projects. Agencies may also list their projects in a simple format.

Such lists should give a minimum of usable information. To be termed "usable information", we expect at least information on:

1. Project ID; 2. Project location; 3. Lead Agency; 4. Activity or DAC Sector Code², and; 5. Average or actual annual cost.

Of the 11 largest private Swiss DC agencies in 2009, only IC (44 projects), SRK (31 coherent programmes), Terre des Hommes (27 projects) and Worldvision (107 projects) describe all their projects and meet this criterion by 100%. The lowest ranking, Swissaid, describes only 53 out of its 331 projects: 16%.

Note the count rather than annual cost of projects was used to measure coverage. As most Swiss agencies do not disclose this cost information; the mere count is used as second best option or proxy for breadth of transparency.



Reporting Depth: A measurement of the quality of information per project

To assess the depth (information quality) of the project profiles, eight randomly selected projects were analysed from each agency. With 11 agencies, 88 projects were sampled. For each project, ten key questions were analysed.

- 1 AidRating uses only material made public by the agencies, and their comments on our provisional analysis results, more specifically:
 1. Project reports on the respective websites between May and July 2009.
 2. 2008 Annual reports and other periodicals (e.g. newsletter).
 3. Project listings of each agency as far as available
 4. Annual reports of SDC, SECO, and others.
 5. Correspondence and telephone conversations with all agencies up to early November 2009.
- 2 Development Assistance Committee of the OECD

Table 1: Ten key questions used to assess depth

Group 1: Setting & Objective	Group 2: Work Method	Group 3: Effectiveness & costs
11 Project location and setting 12 Target groups 13 Project objective	21 Who does what (competencies) 22 Operational work mode 23 Operational risks 24 Project start and planned duration	31 Effectiveness: Results or indicators applied 32 Sustainability of desired effects 33 Project cost (annual and total)

The descriptions and possibly additional data such as budget data from annual reports are reviewed applying a format where relevant information on each point is extracted. The information so gathered is then evaluated and rated by each team member. The final step is a discussion of each rating and establishment of consensus in a team meeting.

Table 2: Analysis scale for information quality

Score	Amount of effective information
0 points	No information given
1	Only minor information given
2	Partially relevant information given
3	Good general information, you know close to everything
4	Fully answered, no open questions

An overall rating of 50% reporting depth should be considered minimum standard for any project description: this value is equivalent to an average of at least 2 of 4 possible points which, in our definition, marks the minimum information to be considered relevant (see scores in Table 2). In other words: *50% is the minimum requirement to gain an informed opinion about any intervention.*

While the rating may be applied to any project and to any donor, the practical test was made with the information material made available by Swiss agencies to the interested public, mainly via their homepages, annual reports and periodic publications.

The exercise did not reveal an impressive degree of reporting depth regarding the average of all ten questions (refer to Table 1). The overall average of all 11 aid agencies was 40% (lower dashed line in graph; marginally up from the value in 2008: 36.6 %).

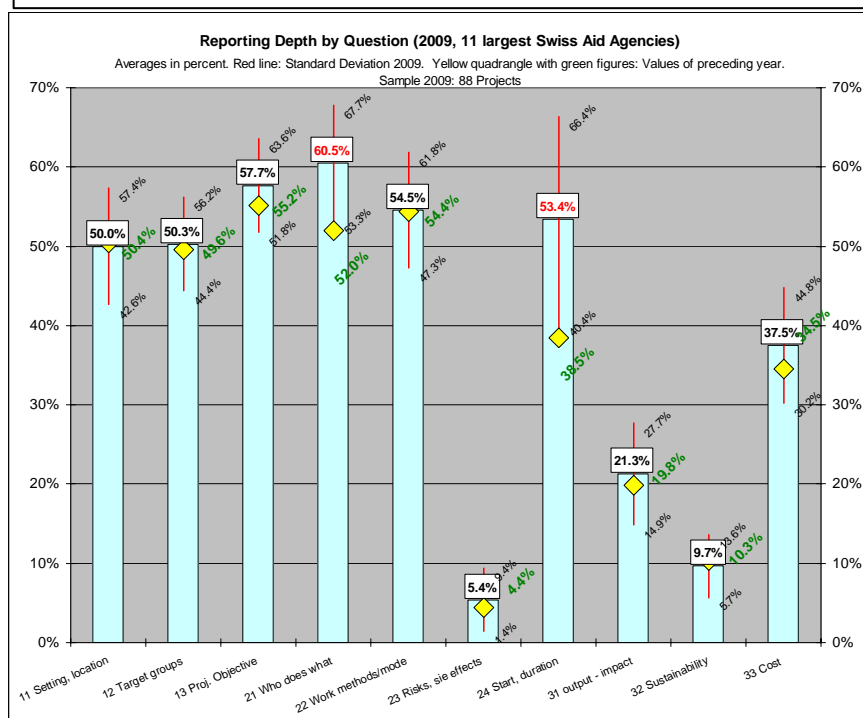
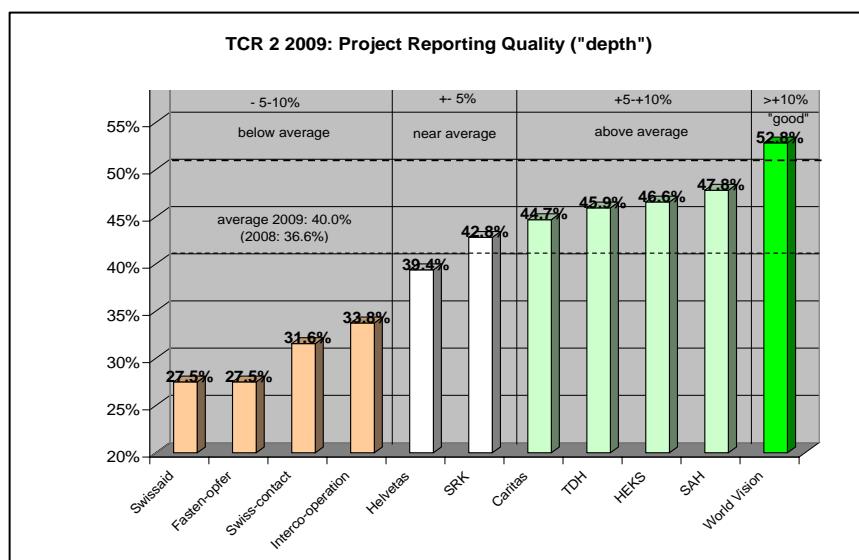
The *Reporting Depth* chart demonstrates that the existence of a project description does not necessarily mean that the reader will know what activities are carried out, let alone how and what the results are. The range in information value goes from as low as 27.5% to nearly double that value.

We can analyse what information is more readily available, and what is not. The graph *Reporting Depth by Question* shows where strengths and weaknesses in reporting are located. Each vertical bar represents the Reporting Depth % value assessed to each question. General Information and Work Method questions (Groups 1 and 2 respectively of Table 1) are well covered except the "risk" issue. The last Group which might interest the most (effectiveness, project cost, sustainability) is poorly reported.

There has been an improvement from 2008 to 2009. We suspect some positive changes have occurred in part because of the first AidRating publication in November 2008 and our announcement of annual follow-up TCR ratings.

Particularly improved are: information on responsibility ("21 Who does what", to 60.5 %), and; information on start year and duration ("24 Start, duration" to 53.4 %), figures in red. Both should be readily available in any project documentation. The improvement may indicate that this easily available information was used by some to improve their rating.

AidRating currently rates the agencies annually, and those agencies are aware of this. The data collection takes place during the months May to July/August, analysis and discussions with DC agencies between August and November, and reporting in November/December.



The rating reports of 2008 and 2009 have opened a debate on project transparency and general accountability of aid agencies using public money which has not yet ended, as can be seen from news articles, download frequency of our results, and the changes occurring in webpages.. The issue is getting increasing attention on several fronts: donor foundations who request documentation and additional information; from the general public (results being downloaded at a steady rate), and; media with some articles appeared or planned. The transparency issue has also been raised in Swiss Parliament. World Vision is using its good rating as a promotional tool in homepage and annual report. At present, the Swiss Parliament has postponed increasing ODA financing in part because of perceived lack of transparency.

Improvements over time may represent the focus at which we aim: Well-conceived interventions are usually straightforward in their descriptions. Positive publicity on well described projects and their effects encourage agencies which work well. Comparisons over any field become possible if widely applied as a standard. Comparisons between different donor countries would be a desirable next step.

The study does not attempt to judge the intervention choices and thus avoids discussions on intervention methodology based on limited information in the public domain. The concept evaluates the information reporting on an activity and not the activity itself.

Overall Transparency

The overall transparency score combines the two sub-indices:

$$\text{Transparency score \%} = \text{Reporting breadth \%} \times \text{Reporting depth \%}$$

Both sub-indices together form a comprehensive yet logically convincing framework to assess transparency overall, in detail issues, over time, between donor countries, and between their respective agencies.

The ranking graph shown and commented on the following two pages, made up of the largest Swiss aid agencies, is an example how such a ranking could be made widely available to the public as a novel tool to assess development progress by concerned agencies.

The resulting ranking rising from left (lowest transparency) to right (best transparency) is shown in the following graphic. The average of 2009 for all 11 DC agencies was 3% up from the 2008 average of 23%.

Outlook

IDEAS aims to contribute to aid effectiveness by designing concepts that measure progress and improvement of accountability toward civil societies in donor and partner countries.

The TCR can develop into a widely used standardized concept for operational accountability of aid agencies, public and private. It is not limited to a specific country and/or to specific donor groups.

The stringent logical framework allows understanding and analysis of key development issues by all stakeholders, public and private, be it in donor or in partner environments.

Quantitative expression will allow geographic, sectoral, country specific (recipient and donor), and time related analysis and comparison.

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Overall Transparency Ranking 2009 of 11 largest Swiss DC Organisations and of their projects (TCR 2)

This ranking combines a) Coverage as proportion of all project work on which information is available, and b) information depth (quality) in sample projects.

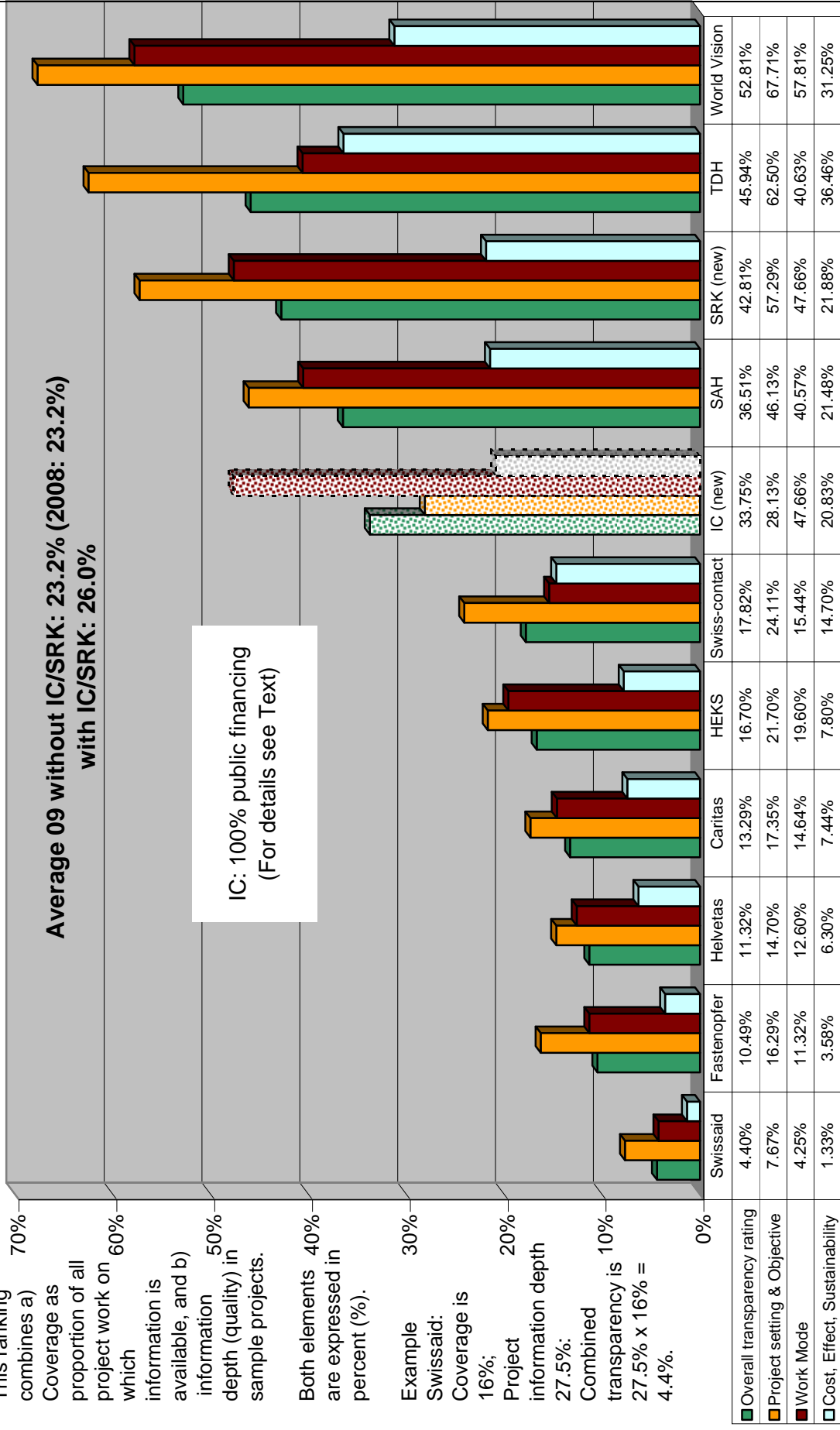
Both elements are expressed in percent (%).

Example Swissaid: Coverage is 16%; Project information depth 27.5%;

Combined transparency is 27.5% x 16% = 4.4%.

Average 09 without IC/SRK: 23.2% (2008: 23.2%)
with IC/SRK: 26.0%

IC: 100% public financing
(For details see Text)



11 largest Swiss Aid Agencies: Overall Transparency Ranking 2009, Result Summary:

ORGANISATION	RANK	TOTAL NUMBER OF PROJECTS	INFORMATIVE CONTENT OF PROJECT REPORTS/DESCRIPTIONS (A)	REPRESENTATIVITY (B) (PERCENTAGE OF PROFILED PROJECTS)	COMMENT (AND COMPARISON WITH 2008 PERFORMANCE)
World Vision	1 (1)	107	Best reporting of all with 52.8 % average	All 107 projects are described (= 100 %)	As in 2008 most informative and complete reporting of all.
Terre des Hommes	2 (2)	27	Above average information quality, especially due to reporting on setting, impact, costs (overall value 45.9 %)	All 27 Projects are described (= 100 %)	Not many, but large projects. Partly updated. Good ranking persists.
Swiss Red Cross (new)	3	31	Programs in 31 countries with health focus. Fair reporting quality (42.8 %).	31 Programs described (= 100 %); Program coherence could be clearer.	Respectable Position; despite initial hesitation to communicate
SAH	4 (5)	55	Greatly improved information quality. Largest progress of all (up 17 %).	As many projects profiled as 2008 (42), but projects now fewer in total number	Greatly improved. Good chances to move further up in future rankings.
Intercooperation IC (new)	5	44	With 33.75 % under average descriptions except for questions on competence and duration. Much insider language.	All existing 44 Projects are described (= 100 %)	Descriptions with low information quality, language is for development set readers. Still midfield rank due to 100 % representativity.
Swisscontact	6 (6)	62	Still under-average reports (31.6 %). Especially unclear is who does what	Improvement: 35 projects described (56.5%) compared to 21 in 2008. Some projects have disappeared.	Large, long lasting, intransparent interventions.
HEKS	7 (3)	290	Significant improvements regarding start/duration, operation, and overall (11% up)	Crash: Much fewer projects described than 2008, and now more projects. (down 64%)	Better descriptions are replacing the old ones. However, many old descriptions disappeared before new ones arrived.
Caritas	8 (8)	380	Fair reports (44.7%); down on results; better on competence and on duration than 2008	More projects (113) are described. Fewer total of projects declared than 2008 (up 18%)	Caritas has improved by 8%. However, rank remains the same as newcomers IC and SRK have squeezed in before.
Helvetas	9 (7)	160	Reports slightly better (up 3.3%).	46 of 160 projects described. Total number the same. Thus improved (12% up).	Slightly improved transparency rating, but pushed back by others who improved more.
Fastenopfer	10 (4)	194	Reports continue far below average (27.5%; 1.8% down)	Fewer projects described as 2008, larger overall project number. (62 % down)	Drop: Fastenopfer has not improved its reporting. Furthermore, many projects have disappeared from sight (19% down).
Swissaid	11 (9)	331	Reports continue as tailights (27.5 %)	Representativity as low as 2008 (16.01 %)	Interventions still intransparent to the public