International Development Sector Transparency Panel Note of Meeting held 17 November 2015

Attendees

Baroness Verma (Parliamentary Under Secretary of State for International Development)

Les Campbell (DFID) - Chair

Juliet Whitley (Assistant Private Secretary to Baroness Verma)

Fredrik Galtung (Integrity Action)

Penny Lawrence (Oxfam)

Judith Randel (Development Initiatives)

Owen Barder (Centre for Global Development)

Rufus Pollock (Open Knowledge Foundation)

John Adams (DFID and Chair of IATI Technical Advisory Group)

Alasdair Wardhaugh (DFID)

Jonathan Hargreaves (DFID)

Nick Ford (DFID)

Toby Wicks (DFID)

Neil Jackson (DFID)

Claire Fitzroy (DFID)

Morag Patrick (DFID)

Andrew Black (DFID)

Neil McKie (DFID)

Jo Perrens (DFID)

Jane Carter (DFID)

Sylvia Bluck (DFID)

Mike Battcock (DFID)

Sheila Ahmed (DFID)

Welcome and Introductions

- The Chair welcomed the group and looked forward to hearing the Panel's bold, ambitious vision for aid transparency. He highlighted the key role that the Panel plays in helping DFID to prioritise between the many different options for furthering the transparency agenda.
- The change of government since the last Panel meeting was noted, along with the new government's continuing commitment to transparency.

Challenge and Context

- Baroness Verma welcomed the panel and reiterated the UK government's commitment to open economies, open societies and open governments as the basis of lasting growth and stability.
- She noted the renewed international effort signalled by the recent launch of the Global Goals and the opportunity offered by the upcoming global anti-corruption summit led by Prime Minister Cameron.
- The panel was invited to help DFID identify an ambitious and joined up approach to aid transparency that would allow the department to make further progress. In particular, panellists were invited to consider how DFID could build on current progress and demonstrate to others how they could improve.

Towards a Bold Transparency Vision

- Panellists were invited to explore ambitious ideas for maintaining the UK's leadership on aid transparency; driving the transparency agenda with our partners; and driving the agenda globally.

Anti-Corruption Summit

- In response to the Minister's opening points, Panel members noted that care must be taken if there are any plans to integrate transparency with the upcoming anti-corruption summit. Broadly, transparency is something that we are *for* while corruption is something that we are *against*.
- The Minister acknowledged this point, although she noted that corruption is an issue that matters enormously to many of those that she has met in her role.
- DFID officials also noted that the intention of the upcoming summit is not just to look at enforcement but also at a whole range of measures to help citizens hold their governments to account.
- In terms of specific suggestions, tax transparency was suggested by the Panel as one potential area that could both tie in with the summit and have knock on benefits for development outcomes.
- The Panel was also interested in the recent government announcement that offshore companies would not be allowed to buy property in the UK without first publishing their beneficial ownership. The Panel asked if there were any other areas where the UK could require companies who want to do business here to become more transparent first? One possible vehicle for this could be the Commercial Court system due to the volume of parties incorporated outside the UK.

- Panellists asked the Minister about DFID's IATI publishing requirements for private sector suppliers. Did DFID require private sector suppliers to push IATI publication requirements down the chain to their own sub-contractors? Concerns were additionally raised around the extent to which suppliers cited commercial confidentiality as a reason for withholding information from IATI publication.

- DFID's procurement team pointed out that from February 2015 all new contracts with private sector suppliers have required both the supplier and their immediate sub-contractors to publish DFID's minimum IATI reporting requirements. The Minister and Chair also both emphasised DFID's continuing efforts to improve oversight in relation to commercial confidentiality. The Minister acknowledged the need to encourage private sector to be much more open with us, although she noted the importance of ensuring that these efforts don't stifle private sector supply.

- Panellists noted that increased clarity from DFID about what's acceptable on commercial confidentiality would be helpful, as well as perhaps taking steps to shift the incentive for firms to view transparency as a competitive advantage rather than a cost.

DFID's Future Priorities

- Panel members discussed the choices that DFID faced about where the department's future efforts should be focused.

- There was general agreement with the principle that DFID needs to build on success so far and to bring others with the department going forward. DFID has started the journey towards full transparency but more still needs to be done.

- Panellists acknowledged however that there is a real world trade off in terms of available financial and non-financial resources. Choices need to be made about how best to use these. They noted that DFID's aid transparency team has done a great job to date but suggested that this had been with too limited resources.

- The Panel provided their input on how they would like to see these choices resolved. A number of potential approaches emerged from this discussion.

(i) Demonstrating leadership in data publication
- Some members advocated for DFID to maintain a strong focus on improving the publication of data in pursuit of making *all* information about DFID funded projects available. This would include, for example, improving geocoding as well as increasing efforts to push transparency through the entire supply chain.

- It was suggested that leadership in this regard could have real spill over benefits for the transparency of other actors in the international aid system. In particular, it was noted that only DFID could improve data publication while others could set up projects to encourage data use.

(ii) Demonstrating the use that could be made of transparent data

- The publication of open data through IATI was acknowledged as a real achievement, but some panellists were concerned about the lack of *use* of this data. They cautioned that there was a risk of losing the investment that has been made in IATI to date unless greater use could be achieved.

- One suggestion was to demonstrate the value of using IATI data to others. Illustrative examples could help to encourage others to use the data themselves, building a virtuous circle that would drive improved publication and data quality in turn. The anti-corruption summit was noted as one possible avenue for this, although efforts could also be made more broadly.

- Panellists asked whether DFID was using IATI information internally and, if not (or if not as much as DFID would like), perhaps exploring current blockages would be valuable. DFID could demonstrate the value of IATI data through demonstrating its use internally.

- Some examples of current and planned internal use were noted by DFID's Business Innovation team. DFID currently uses IATI data to support internal decision making by, for example, providing country offices with an overview of all current UK government aid spending in a country. DFID's procurement team also noted that the department is exploring whether IATI could be built into the tender process. The role of transparency in contract management was also noted by the Chair.

- Panellists also raised the possibility of allowing organisations to report their financial and activity information to DFID through IATI rather than requiring separate reporting. This could help to reduce the burdens on recipients of DFID funding, which Panel members noted from their own experiences can often be significant. The prospect of coordinating such an approach across donors was also raised.

- The Minister noted that DFID is keen to explore these ideas further, and would welcome panellists' thoughts in this area.

- Some panellists however still felt that the key barrier to increased data use was the lack of detailed, aggregate data on the ground. The joining up of data sets was discussed in this context. However, there was some disagreement with the idea that the detailed data needed to achieve this is already available.

- An emphasis did emerge on finely detailed geography as the key to connecting data and enabling its use.

(iii) Closing the feedback loop

- Some panellists suggested that what is missing instead is a real push from beneficiaries on the ground for the data. This could be generated if these beneficiaries had a system that allowed them to report problems and to have these problems fixed. This was noted as something that DFID could help to encourage the development and spread of.

- Judith noted that just releasing the data alone hasn't unleashed an army of armchair auditors – most people have little interest in using the data

themselves. One possible way to address this would be to make people feel like aid spending is their money.

- Morag asked the panel for the single most important thing that DFID could do to demonstrate the difference that transparency makes to development outcomes.
- In response, Fredrik suggested that DFID should focus on closing the feedback loop to turn transparency into an *effectiveness* agenda. A transparent, autonomous feedback system that achieves real fix rates is key. DFID could make a big difference here by focusing on effectiveness in contracts or even just by shifting the emphasis in discussions to the fix rate.

(iv) Better understanding of user needs
- The Panel also noted that the big transparency gains to date have mainly been in measuring how transparent development provider's data is. Less has been achieved on assessing the difference that transparency makes to development outcomes. This needs to change.
- Some panellists felt that those funded by DFID were very accountable to the department, but not accountable enough to those in poverty. One suggestion was to establish what data the latter group would need to hold those funded to account. Some members did however caution against such an approach due to concerns about the potential impact of packaging data for specific audiences rather than focusing resources on getting the raw data out.
- Finally, the current fragmentation of the open data and open government sector was noted. It was suggested that there may be potential for a transparency centre point to connect the different secretariats and resources working in this space

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Updates

Management Information

- DFID officials discussed the department's Management Information progress. DFID would like to spend less energy on collecting information and more time on data analysis and insight. To that end the department has been developing tools to allow better use of data internally, including country dashboards.
- The fact that 15% of the hits on DFID's DevTracker come from internal users was also mentioned. The Dev Tracker will be getting a technical relaunch at the end of the month to use a new, open API for IATI data which should also allow for further development of internal tools in the future.
- Panellists noted that Management Information products work best when they are a side effect of internal processes, and mentioned again the idea of integrating IATI data into the reporting process.
- ACTION: Andrew Black to circulate the slides from this session to all Panellists.

- DFID officials also updated the Panel on the department's efforts to improve the transparency of international humanitarian aid over the past 18 months. This has included requiring all Rapid Response Facility partners to meet DFID's minimum IATI reporting requirements and integrating a transparency clause into all new core funding arrangements for humanitarian multilaterals from this year.
- Details of DFID's humanitarian aid are also reflected in the UN's Financial Tracking Service (FTS) for global humanitarian aid flows. DFID is currently exploring ways of sourcing this data direct from the Aries platform. Additionally, it was noted that IATI v2.02 contains a specific humanitarian element opening up the possibility of stronger integration between IATI and the FTS.
- The Panel noted concerns about humanitarian aid transparency raised by recent press coverage where journalists encountered difficulties tracking funds through UN agencies.
- DFID officials highlighted that most UN agencies already publish to IATI and that the department is currently pressing those who are not yet doing so to move in that direction. UN agencies are now being managed as a group internally to drive improvements and these concerns are being built into discussions around the value for money offered by UN organisations.
- The need for better joined up data was again raised by the Panel.

Concluding Remarks

- The Chair thanked the Panel for their contributions and remarked that they have given the department lots to think about. Their time and energy were greatly appreciated and are very valuable to DFID.