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| uCover 1b | **Summary of Conclusions and Recommendations**  **For IATI TAG meeting on 15 May 2012**  Study on better reflecting aid flows in country budgets to improve aid transparency and public financial management  **11 May 2012**    Mokoro Ltd The Old Music Hall 106-108 Cowley Road Oxford OX4 1JE UK  Tel:  +44 1865 403179 Fax: +44 1865 403279 Email: [mokoro@mokoro.co.uk](mailto:mokoro@mokoro.co.uk) Website: [www.mokoro.co.uk](http://www.mokoro.co.uk) |

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## Introduction

1. IATI recognises the importance of aid transparency at the country level. Aid receiving countries need full information on aid in order to manage their economies; plan, budget and deliver outcomes; and report and ensure accountability within government and to legislatures and citizens.
2. This document provides the background for, conclusions from and recommendations arising out of an IATI study on country-level practices to provide aid information for budget integration, and on a draft new common administrative/functional coding system for aid activities to align aid better with country budgets[[1]](#footnote-1). The purpose of the study is to provide a proposal for IATI’s consideration on the Budget Identifier segment of the IATI standard, and to highlight emerging good practices and common obstacles to country level integration of aid information. The Budget Identifier is a key component of the IATI standard to make aid transparent at the country level.
3. The study is a continuation of work undertaken by IATI since its inception on partner country needs in respect of aid information and budget alignment. Particularly it follows on the analytical work in 2010 by the IATI Technical Advisory Group (TAG) subgroup on budget alignment to describe the required coverage and formats of aid information to facilitate the integration of aid in recipient country budget processes and documentation.
4. The IATI Standard adopted in February 2011 already fulfils most of the requirements identified (see the table in Annex 1), except for sufficient information on the sector and sub-sector in which aid will be used – needed for partner countries to use the IATI data for budget purposes -- and the economic nature of the flow.
5. At the February 2011 Steering Committee meeting IATI agreed to retain a Budget Identifier placeholder in the IATI standard with the aim of addressing outstanding needs, pending further work. Specifically the meeting agreed:

* To add a recipient country budget identifier to the IATI standard;
* To do further work to develop the definitions and format for this identifier, especially at country level and in consultation with budget experts, to build on work done so far;
* That donors will work with partner countries on country-specific classification of activities, building on experience with local AIMS and improving country budget systems; and
* To work further on budget alignment to explore the development of a common coding system to classify aid by partner country budget administrative/functional classifications.

This study contributes to the fulfilment of bullets 2 and 4.

1. The study takes place in the context of a renewed global commitment to aid and budget transparency at the 4th High Level Forum in Busan, Korea (from 29 November to 1 December 2011), particularly on predictability (or the reliability of forward aid information), making available the full range of information on publicly funded development activities, focusing on transparent public financial management and aid information management systems at the country level, building capacity to use aid information for decision-making and accountability, and to implement a common, open standard for electronic publication of timely, comprehensive and forward-looking information. This standard, the Busan Outcome Document stated, must “meet the information needs of developing countries and non-state actors consistent with national requirements” (Busan Outcome Document, Par 23c).

**Box 1: Research process**

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| The study was undertaken from January through to May 2012, and comprised 5 country case studies (of the Democratic Republic of Congo, Ghana, Malawi, Nepal and Rwanda); a process to test and refine the new common code; engagement with IATI donors on their systems to manage aid information and analytical work for the synthesis report and findings. Two members of the study team also attended the Development Gateway seminar in January 2012, which offered an opportunity to have direct contact with attending countries on their systems to manage aid information. With the exception of the DRC, all five the case studies were done as desk research, including extensive use of existing secondary and primary literature, as well as telephonic engagement with country officials and donors at the country level. |

### Key issues for the study

1. The original terms of reference required the study to investigate the mechanisms – including Aid Information Management Systems (AIMS) and budget process mechanisms -- employed by partner countries and donors at a country level to ensure the availability of aid information for integration in the budget. The purpose of this was to identify emerging good practices in and common obstacles to integration. After discussion within the IATI TAG budget sub-group the scope of the Terms of Reference was broadened to a co-focus on developing a proposal for consideration by IATI on the Budget Identifier, and to more specifically focus the country level investigation on the implications of findings for the IATI standard.
2. This translated into the study investigating the following specific issues:

**Availability, quality and use of aid information at country level:**

* Do donors provide information at country level? Does it differ for different kinds of aid flows and/or across donors?
* Do countries reflect aid information in budget documentation?
* What is the quality of aid information at country level: is it reliable?

**Country level mechanisms for providing, collecting, distributing and making transparent aid information**

* What are the key mechanisms; what are emerging good practices for integrating aid information in budget processes and documents?
* What are common obstacles, not only in terms of the adequacy of mechanisms and capacity, but also in terms of the incentives for actors to make aid flows transparent?
* What do the findings imply for the IATI standard, but also for donors and for partner countries in fulfilling their AAA and Busan transparency commitments?

**Options for the budget identifier**

* Assuming good quality IATI information, what value can different options for the Budget Identifier add over the existing IATI standard in respect of the related but different roles that aid information plays in robust country systems for different categories of countries?
* What is the likelihood of quality IATI budget identifier information under different options given how donors collect information for publication to IATI?
* How compatible is the developed new common administrative/functional code with country appropriation classifications?
* Given donor systems and country systems, what are the potential risks, likely costs and likely benefits of different options for the budget identifier against the shared development objectives of the IATI partners?

## Conclusions and recommendations

### Availability, quality and use of aid information at the country level

1. Donor provision of aid information at country level is still poor across all income levels, as evidenced by an analysis of PEFA data, Open Budget Index data and Paris Declaration data, supplemented by the findings of the country cases studies. The willingness of donors to provide information at the country level is dependent on the strength of country institutions to collect the information, and the credibility of country budget systems.
2. Donor provision of aid in low income countries – that receive a higher proportion of public resources from external aid and which have on average weaker budget systems – is much weaker than in lower middle income countries and for the most part weaker than in upper middle income countries.
3. Yet it is precisely these countries that need better information flows in order to not only manage their budgets, but build the credibility of their budget systems.
4. Across all countries however, information on off-budget projects and programmes (i.e. aid that is disbursed to third parties or managed by the donors themselves) is less comprehensive, even in countries that have effective information collections systems. Information on the disbursement of aid, particularly project aid, is less available than information on commitments. The reliability and timeliness of information on estimated disbursements however, remains an issue.

### Country level mechanisms for providing, collecting, distributing and making transparent aid information

1. In the case study countries, all of which are LICs, the study has shown that AIMS can be effective in improving information availability and quality, but only if it serves as a catalyst to establish regular and effective processes to collect information from donors in line with the budget cycle. The credibility of country budget processes is key in ensuring that aid collection processes are effective. Where country budgets are not credible, donors have weak incentives to provide information.
2. Other country mechanisms can be an alternative to collecting aid information for budgeting purposes, but only if they are linked to the central budget process, or when both country budget processes and a credible alternative process to collect aid information create incentives for line ministries to submit information collected in these processes as part of the central budget exercise.
3. Country budget submissions on their own, without central aid information collection or shared sector coordination mechanisms, do not work as a mechanism to collect aid information for central budget purposes (such as macro forecasts, budget allocation and consolidated reporting), even for on-budget aid.
4. The findings set out in the report highlight a number of emerging good practices and remaining obstacles to the collection of comprehensive, reliable and timeline information at the country level.
5. Collecting information at the country level however remains an onerous and time-consuming task, for both country staff and donors. Within the institutions established and resources available, the verification of donor-provided data is often squeezed out. Even where systems are relatively successful, gaps in comprehensiveness remain (for example on off budget aid) or data is not reliable.

### Implications for the IATI Standard and Options for the Budget Identifier

1. The further testing of the common administrative/functional code (bringing the total of country classification systems tested to 35) has confirmed that it is compatible with most country budgets, but would in all cases require further country level work, either to disaggregate, aggregate or manually assign flows. However, it could greatly contribute to greater use of IATI data at country level. Assessing the likely contribution of a code at country level showed that benefits would be realised in most countries, but particularly in countries that do not have effective AIMS and aid information collection systems. A summary of country case study findings on the common code is set out in Annex 3. An amended version of the code, taking into account adjustments based on the third wave of country testing undertaken for this study, is attached as Annex 2.

**Does IATI need a budget identifier segment and what are options for it?**

1. Earlier work identified that the current IATI standard provides most information useful to partner country budgets except for information on the purpose of aid flows and the economic nature of aid flows.
2. As far as the purpose of aid flows are concerned, option one for the country Budget Identifier is to leave the IATI standard as is, without a budget identifier segment (this is referred to in further discussion as **Option 1**).
3. An IATI flow under the current standard would provide countries with a comprehensive set of aid information from IATI donors, both forward looking and with information on disbursements. For all countries this would be sufficient to improve significantly the information available for budget purposes, if the CRS codes and the information provided under the Participating Organisations segment provided countries with enough information to map to country budgets. This and previous studies however challenge these assumptions.
4. Firstly, the CRS coding provides good information for some sectors, but for most sectors it is not compatible with country budgets, providing information that is structured differently to most budgets or that is not disaggregated enough. There is no evidence that at the country level countries use the CRS sectors in their AIMS, to map AIMS information to country budgets.
5. In respect of the Participating Organisations segment – with the provision to list both accountable and implementing organisation -- the team is doubtful whether information in this section is more likely to be provided correctly, than information coded to a common code.

* Firstly, the IATI aid data review that included data from signatories up to the 29th of April this year, showed that only 21% of organisations reported on at least one participating organisations. Even when completed, it might not be correct. It requires very close knowledge of the aid activity and its partners at country level. In the case of donors that require project officers to create and/or maintain records on their management information systems, one could assume that this information would improve over time, provided that systems that currently do not include such information are expanded to create these fields. If these fields do not exist and the IATI data are done from headquarters level without a check by the field, the information is likely to remain missing or be inaccurate.
* Secondly, if a common code is introduced donor staff – whether at the country or headquarters level -- will learn over time and across countries to use it. Using this common code would over time require less effort and will be more likely to be accurate than completing country-specific fields on accountable and implementing organisations.
* Thirdly, the accountable organisation field is defined as the country institution with whom an aid agreement has been signed. As long as the signing institution is the same institution who will be undertaking activities with the funds (and therefore whose budget allocation will be relevant) this field is a reliable signifier for budget mapping. However, in countries where the ministry of finance signs all agreements or where lower level governments legally may not sign agreements even if they are accountable for and use the funds, this field would not be a reliable signifier for budget mapping.

Tweaking the Participating Organisations segment – to ensure better mapping in such cases – could be an option (hereafter referred to as **Option 2**) but would not solve that IATI information on country-specific participating organisations is likely to be less reliable than information on a code used across countries.

1. The conclusion is therefore that the inclusion of a common code will enhance significantly the compatibility of the IATI standard with partner country budgets.
2. However, the question also needs to be asked whether the alignment of aid information with partner country budgets could not be done more cost-effectively and accurately at partner country level. Given that there are examples of successful information collection at country level, there is a strong argument to be made that country AIMS processes and teams could use the existing IATI feed to identify all projects (plugging the gap on off-budget projects) and use country processes to map the information against country budgets.
3. If this is the case, the value-added for partner countries would then mostly be for countries that do not have an effective AIMS, and for information on donors that do not provide or have unreliable information on Participating Organisations.
4. A survey for this study of LICs and MICs showed that 65% of LICs and 29% of MICs have some form of an AIMS. However, for the most part these have been introduced in the last five years. Also, given the link between effective AIMS and credible budgets and budget systems, it is not clear that the instrument will develop into an effective collector of information for most LICs. There is an argument to be made that given that these AIMS are still in their infancy, a routine IATI feed that can be mapped to country budgets may be an effective catalyst to establish an AIMS as a credible factor in country budgeting processes.
5. Overall, in respect of sufficient information on the sector classification of aid, the study therefore concludes that there will be a benefit to including the common code as part of the country budget identifier (hereafter referred to as **Option 3**). The impact will differ across countries, but it would be the most useful for countries that do not have an effective AIMS and data collections processes. Even for countries that have an effective AIMS, it will contribute to the quality of the information by releasing resources for data verification rather than entry and collections.
6. The addition of the common code is likely to be cost-neutral for donors compared to partner countries steadily expanding country-level aid collection processes: additional effort to code projects up front in one additional dimension would be off-set by saving time and effort at country level to enter data for country level processes. The case studies have shown that this can take days for donor focal points, every quarter, depending on how many individual projects a donor has in country. This time could be much better spent on verifying pre-populated AIMS.
7. However, the study also confirmed that the need for a consistent economic classification of aid information in a standard that is compatible with partner country budgets is crucial for the improvement of country level budgeting processes and overall budget transparency. The absence of this information in processes means that the forward cost of current aid flows is inadequately considered. Currently countries have no reliable source on the economic nature of aid flows, neither at the country nor at the international level. It is simply data that is not yet exported from individual aid activity project documents, which for the most part does include the means to provide such information. Option 1 for the Budget Identifier does not address this significant short-coming.
8. Again, it could be argued that this information is best collected at the country level, and that AIMS should consistently include fields that will provide the information for budget purposes. However, as with the sector information, this would mean given current evidence, that information on capital investment spending is only available for on-budget projects and for countries that have successful AIMS and aid information collection processes. It is arguable that the most crucial information to be collected on off-budget projects is on the amount of capital investment spending, as it would most likely have implications for future budgets and are crucial for macro-economic forecasting, particularly in aid dependent countries, countries that are the least likely to obtain that information through country level processes.

1. Using the Budget Identifier Segment to provide basic information on the economic purpose of aid flows (from here on referred to as **Option 4**) would therefore add significant value to any data that countries currently have. The 2010 proposal on the Budget Identifier included an option which would provide a minimum level of information to countries, namely requiring that donors indicate the proportion of a flow that is capital spending.
2. Introducing coding that would make clear the economic nature of the aid flow at country level however, would not be cost-neutral for donors. As they currently do not provide this information at country level, adding a field to donor systems and collecting the information systematically, would mean additional time and resources. However, there will be a positive development impact at country level of having reliable and comprehensive information on the economic nature of aid flows, for use in budget processes, particularly in aid-dependent countries.
3. The highest impact of a Budget Identifier segment would be if it includes both the common code and the identification of the economic nature of an aid flow (hereafter referred to as **Option 5**). This would be cost-neutral for donors in respect of identifying the appropriate budget administrative classification, but would imply additional resources in respect of the economic classification.
4. A final option would be if including the Budget Identifier would mean dropping the Participating Organisation Accountable Institution field (hereafter referred to as **Option 6**). This would take away the option for partner countries to use both the common code and this field to map to budget, and would add to country level tweaking to make an IATI feed useful. However, given doubts as to the likelihood of this field being completed consistently and with accuracy in the field, dropping this field in favour of including the common code is preferred.
5. The table below sets out the discussed pros and cons of the different core options:

**Table 2: Options for the IATI Budget Identifier segment**

| **Option** | **Implications at the country level** | **Benefits** | **Drawbacks** |
| --- | --- | --- | --- |
| Option 1: dropping the Budget Identifier segment and no change to the existing standard | The existing IATI feed is sufficient. Country-level processes should use the information as a check on what flows are occurring, and use existing sector and participating organisation fields to map approximately, followed by a country process to complete the mapping. This would require investment by all partner countries in AIMS and resources to run effective processes. | This option would not require further negotiation with donor partners.  If the accountable organisation field is filled in consistently and correctly, it provides more accurate data than a common code. | This will not assist countries that do not have credible AIMS and aid information collection processes. This is the majority of MICs, and likely to be the majority of LICs, given the link between credible budget processes and the quality of information provision by donors at the country level.  Even for countries with effective processes, this option would mean that information for some donors is unreliable as it requires very good knowledge of projects.  Where the accountable institution is not the budget recipient of aid, the information would not be useful. |
| Option 2: modifying the Participating Organisation Segment | The existing IATI feed is sufficient. In order to correct for a situation where information on the accountable organisation is not useful to map, this field or the implementing organisation field should be redefined to show which institution is accountable for the funds, even when third parties are implementing.  Country level processes would be required to complete the mapping. | Provided that the information is provided consistently and accurately by all donors, this would provide more accurate data than the common code. | Same as above, except for solving situations where the accountable information in terms of the aid agreement, is not the accountable budget institution.  But, information on Participating Organisations from donor Headquarters are not likely to be reliable predictors of budget accountability. |
| Option 3:  Including the common code | The existing IATI feed is insufficient for alignment with partner country budgets. Partner country level processes would still be required to complete the mapping, but will be more likely to have information on which to map than under the current Standard.  Country level resources will be freed up to verify information, to report more significantly into budget processes and externally. | For countries that do not have credible AIMS and aid information collection or budget processes, this would mean that IATI data adds significant value by providing a source of comprehensive and reliable information.  For countries that have effective processes, it would most likely mean better information on off-budget aid flows and more reliable information, as it would free up resources for verification and use of information.  For countries with weak processes it could enhance the quality of processes.  On balance, the shift is likely to be cost-neutral to donors, as the addition of a field to donor systems seem to be relatively easy and country level processes would be required with and without the common code. | This would require significant further negotiation within the IATI process.  It could undermine data collection processes in countries with effective AIMS, thus reducing the capacity of countries to collect information tailored to their needs. |
| Option 4:  Including an economic classification | First comprehensive and consistent information on the economic classification of aid flows. | Better budgeting and economic planning by partner countries, but with particular impact in LICs. Provision of data on the basis of which a ministry of finance can query forward provision for current donor investments.  If this information is collected only at country level, information availability in LICs is likely to be scant. An IATI feed that includes this information will add a lot of value in LICs. | Completely new set of information to be provided by donors: would require more significant adjustment in donor processes and systems. Not likely to be cost neutral in donor resource terms, but will have positive development impact. |

1. From the perspective of a cost/benefit calculation the most sensible recommendation is however Option 5 (add the common code and an economic classification). This on balance is the most likely to result in more comprehensive, timely and reliable aid information over a shorter period of time at the country level, with commensurate impact on its use in budget systems. This is true for all countries, but most likely for LICs.
2. However, if there is a trade-off between including the common code and an economic classification in the Budget Identifier segment, on the balance of evidence the preferred option would be Option 4, namely to add the economic classification, as there is a real lack of this information currently and work to ensure the quality of information against the Participating Organisation segment – which is already in the Standard -- could be undertaken. Given however that the common code is likely to be cost-neutral over time, it is unclear why there should be a trade-off.
3. It is also important to note that it is an error to see international provision of aid information and country level provision as alternative options for the quality of aid information at country level. The study has shown that international information is necessary to ensure comprehensive and accurate information at the country level, while any international standard set of information, would always require work at the country level to refine and would still require additional country-tailored information to be collected at the country level. Having both, and making an informed decision on what should be in the international feed to support good country level processes cost-effectively, is crucial. If the right balance is struck, it is likely that country level processes could assist in improving the international information, and vice versa. An international IATI standard without an additional segment (i.e. Options 1 and 2) would not provide this balance.
4. However, for an IATI feed to have any of these impacts, would require significant awareness-raising at the country level of IATI. It is clear that whatever the decision on the Budget Identifier segment, processes at country level would need to change in nature and scope – at least for IATI donors – to make optimal use of IATI information. This is required both for country officials and donor offices.

## Annex 1: IATI Coverage of country budgeting and reporting information needs

Note: information needs that are already covered by the IATI standard are identified by a tick in the right hand column. Information needs that are not yet covered and require further proposals, are identified by a cross.

| **Necessary characteristic of the information** | **Covered by** | |
| --- | --- | --- |
| **General Information** required for all aid flows (for application to information on commitments, disbursements and use of aid) | | |
| All information is required by recipient country financial year | **✓** Quarterly reporting of aid activity information. This allows alignment with most country financial years. | |
| All information needs to be accurate and timely. | **✓** The verification status of reported information will be identified | |
| The information is critical for country programmable aid | **✓** Country programmable aid can be calculated via the IATI Aid type and Aid purpose codes (save for research in donor country). | |
| The finance type of each flow | **✓** The IATI Standard includes the Finance type (e.g. grant/loan) of an aid flow. New adjustment to flow type to record reimbursements. | |
| Currency and value in local currency | **✓** The IATI Standard identifies the Currency and Value date of aid flows, allowing conversion to local currencies. | |
| Degree of earmarking (budget support, sector budget support, other) in the finance type | **✓** The IATI Standard Aid Type code distinguishes between these three categories | |
| Disbursement channel (cash or in-kind) in the finance type | **✓** New addition of a disbursement channel distinguishes cash to Min. of Finance, cash to implementing institution, in kind through third party or donor itself. | |
| Information is required on the conditions that attach to every project and programme. | **✓** The IATI Standard caters for links to existing published project documents containing conditions. IATI provides for optional recording of conditions as data (to make the information more accessible). | |
| Accountable government institution | **✓** IATI provides for the identification of the accountable institution (public or private). | |
| Expected outcomes and outputs that attach to every project and programme | **✓** The IATI Standard caters for links to existing published project documents containing expected outcomes and outputs. IATI provides for optional recording as data (to make the information more accessible). | |
| Actual results against targeted outputs and outcomes for every programme and project | **✓** The IATI Standard caters for links to existing published project documents containing actual outcomes and output. IATI provides for optional recording as data (to make the information more accessible). | |
| INFORMATION REQUIRED ON ***COMMITMENTS*** | | |
| Forward country programmable aid commitments by donor at aggregate and sector level for the budget year and medium term (all aid notwithstanding funding mechanism). | | **✓** Annual forward planning budget data for country, currently not available by sector |
| INFORMATION REQUIRED ON ***DISBURSEMENTS*** | | |
| For all disbursements: forward information on planned disbursements for budget year and medium term by donor | **✓** IATI standard recommends quarterly publication of information on planned disbursements by activity. | |
| For all disbursements: in-year updates on planned disbursements by donor | **✓** Quarterly reporting recommended to allow for the information on planned disbursements to be updated during the recipient country fiscal year. | |
| For all disbursements: actual disbursements by donor | **✓** IATI standard requires quarterly publication of information on actual disbursements by activity. | |
| Actual use of aid funds by donor by project | **✓** IATI requires the receiver organisation to be identified for all transactions | |
| In addition for sector budget support disbursements: planned, in-year updates and actual disbursements by sector | **✓** IATI standard includes planned disbursements by activity; can be rolled up into sectors | |
| In addition for earmarked programmes and projects: all disbursement information by implementing agency if the implementing agency is different from the accountable institution | **✓** Implementing agencies are already identified for all aid activities. | |
| In addition: All disbursement information disaggregated by intended purpose (administrative/functional classification) | **X** To be covered by proposals for recipient country budget classification(s). See discussion in paper. | |
| In addition: All disbursement information disaggregated by intended purpose (programmatic classification) | **X** To be covered by proposals for recipient country budget classification(s). See discussion in paper. | |
| In addition all disbursement information disaggregated by expected inputs (high level distinction between capital and recurrent) | **X** To be covered by proposals for recipient country budget classification(s). See discussion in paper. | |
| In addition all disbursement information disaggregated by expected inputs (lower level economic/object classification) | **X** To be covered by proposals for recipient country budget classification(s). See discussion in paper. | |
| In addition: All disbursement information disaggregated by geographical location | **✓** IATI standard provides for donors to geocode all activities, but as optional data provision. | |
| In addition: Beneficiaries of Channel 3 disbursements (NGOs and other third party agents) | **✓** IATI requires the receiver organisation for transactions to be identified | |
| In addition: Disbursements further down the supply chain (Service providers) | **✓** This is catered for, but depends on degree of reporting down the supply chain | |

## Annex 2: Proposed New Common Administrative/Functional Code

Function areas shaded in black with white type are proposed changes to previous iterations of the code based on mapping the additional services.

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| **Category of Government** | **Sector** | **Function** |
| **General Public Service** | **Executive** | **Executive** |
| **Legislative** | **Legislative** |
| **Accountability** | **macroeconomic policy** |
| **Budgeting** |
| **Planning** |
| **Treasury/Accounts** |
| **debt and aid management** |
| **tax policy** |
| **tax collection** |
| **local government finance** |
| **other central transfers to institutions** |
| **national audit** |
| **national monitoring and evaluation** |
| **monetary institutions** |
| **financial sector policy and regulation** |
| **External Affairs** | **foreign affairs** |
| **diplomatic missions** |
| **overseas development assistance** |
| **General Personnel Services** | **general personnel services** |
| **Statistics** | **Statistics** |
| **Other General Services** | **support to civil society** |
| **central procurement** |
| **Local Government Administration** |
| **other general services** |
| **Elections** | **Elections** |
| **Justice, Law, Order and Security** | **Justice, Law and Order** | **policy, planning and administration** |
| **Police** |
| **Fire** |
| **judicial affairs** |
| **Ombudsman** |
| **human rights affairs** |
| **Immigration** |
| **anti corruption** |
| **Prisons** |
| **peace building** |
| **Demobilisation** |
| **Defence** | **policy, planning and administration** |
| **Military** |
| **civil defence** |
| **foreign military aid** |
| **Economic Affairs** | **General Economic, Commercial and Labour Affairs** | **policy, planning and administration** |
| **General** |
| **investment promotion** |
| **Privatisation** |
| **Trade** |
| **Labour** |
| **national standards development** |
| **Public Works** | **policy, planning and administration** |
| **construction regulation** |
| **mechanical services** |
| **Agriculture** | **policy, planning and administration** |
| **Irrigation** |
| **Inputs** |
| **food crop** |
| **industrial crop** |
| **Livestock** |
| **agricultural training and extension** |
| **Research** |
| **other services** |
| **Forestry** | **policy, planning and administration** |
| **development and services** |
| **education/training** |
| **Research** |
| **Fishing and Hunting** | **policy, planning and administration** |
| **development and services** |
| **education and training** |
| **Research** |
| **Energy** | **policy, planning and administration** |
| **education and training** |
| **energy regulation** |
| **electricity transmission** |
| **power generation** |
| **gas** |
| **Mining and Mineral Development** | **policy, planning and administration** |
| **prospection and exploration** |
| **coal and other solid mineral fuels** |
| **petroleum and gas** |
| **Nuclear** |
| **other fuel** |
| **non fuel minerals** |
| **Transport** | **policy, planning and administration** |
| **transport regulation** |
| **feeder road construction** |
| **feeder road maintenance** |
| **national road construction** |
| **national road maintenance** |
| **Rail** |
| **Water** |
| **Air** |
| **Pipeline** |
| **storage and distribution** |
| **public transport services** |
| **meteorological services** |
| **education and training** |
| **Industry** | **policy, planning and administration** |
| **development and services** |
| **industrial research** |
| **(investment in industry)** |
| **Communication** | **policy, planning and administration** |
| **ICT Infrastructure** |
| **telecoms and postal services** |
| **information services** |
| **Tourism** | **policy, planning and administration** |
| **Services** |
| **Microfinance and financial services** | **Microfinance and financial services** |
| **Water, Natural Resource Management and Environment** | **Water supply and Sanitation** | **policy, planning and administration** |
| **education/training** |
| **rural water supply** |
| **urban water supply** |
| **rural sanitation** |
| **urban sanitation** |
| **sewage and waste management** |
| **Environment** | **policy, planning and administration** |
| **research/ education and training** |
| **natural resource management** |
| **water resources management** |
| **wildlife protection, parks and site preservation** |
| **Social Affairs** | **Health** | **policy, planning and administration** |
| **Recreation, Culture and Religion** | **recreation and sport** |
| **Culture** |
| **broadcasting and publishing** |
| **Religion** |
| **Education** | **administration, policy and planning** |
| **Research** |
| **pre-primary** |
| **Primary** |
| **lower secondary** |
| **upper secondary** |
| **post secondary non tertiary** |
| **Tertiary** |
| **vocational training** |
| **advanced technical and managerial training** |
| **basic adult education** |
| **teacher training** |
| **subsidiary services** |
| **Social Protection, Land Housing and Community Amenities** | **policy, planning and administration** |
| **social security (excl pensions)** |
| **general pensions** |
| **civil service and military pensions** |
| **social services (incl youth development and women+children)** |
| **land policy and management** |
| **rural devt** |
| **urban devt** |
| **housing and community amenities** |
| **emergency relief** |
| **disaster prevention and preparedness** |
| **support to refugees and internally displaced persons** |
| **Development Partner Affairs** | **Development Partner affairs** | **policy planning and administration** |
| **Technical staff services** |

## Annex 3: Likely benefits at country level of IATI using of an IATI feed with a common code

|  |  |  |
| --- | --- | --- |
|  | **Benefits** | |
|  | **Countries with strong systems to collect aid information** | **Countries with no or weak systems to collect aid information** |
| Comprehensiveness of information | Significantly better information on off budget flows for all donors.  Better information on off and on budget flows for non-resident donors.  A check on comprehensiveness of on-budget information for all donors.  Saving time of AIMS unit currently spent on follow-up with non-reporting donors | Significant benefit for all aid information, including, a means to check line ministry information on donor information for on-budget flows  The only means to get information on off-budget flows.  The only means to reconcile competing sets of information at country level where more than one mechanism to collect aid information is used. |
| Timeliness | In-country donors do not provide data on time consistently: an IATI feed would systematise collection and save AIMS unit resources. | IATI would represent only means of getting information on time, provided that donors provide information to IATI on time. |
| Reliability and accuracy | IATI feeds would provide a means of checking country level information provision. However, most efficient would be if the IATI feed is used to pre-populate the AIMS, for verification at country level by donors for all aid, and by both donors and recipients for on-budget aid, contributing to the quality of aid information.  This would mean that both donor and country staff time is freed for the verification of information, rather than entering information. | IATI feeds would provide aid managers / budget units with information to pre-populate information returns from line ministries, which can be checked at country level. Without an IATI feed and working country collection processes, the line-ministry information cannot be easily verified.  IATI would provide significantly more information for donors whose budget cycles are not compatible with country budgets if donors submit quarterly information to IATI |
| Accessibility | Where all stakeholders, internal and external, have access to AIMS data, the country level AIMS data would be a better source to use, as it would have gone through an additional verification process. | IATI information would make more aid information compatible with country budget structures and linkable to country institutions available for all actors in the budget process, as well as external stakeholders. Is likely to be of benefit to central budget offices and line ministries. |
| Usefulness / alignment and compatibility with country budgets | Countries with strong systems to collect aid information and credible budget processes have already put in place mechanisms to map donor information to country structures. The only value an IATI feed would add for the types of aid that are already captured well, is to shorten this process. | IATI would provide the only comprehensive set of aid information compatible to country budgets for use by country budget offices and line ministries. |

1. This is an abbreviated version of the summary report. The full report will include more extensive information on the summary evidence and the study process, as well as annexes setting out the evidence in detail. [↑](#footnote-ref-1)