The 2019 Australian aid transparency audit

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Executive Summary

This report covers the 2019 Australian Aid Transparency Audit run by the Development Policy Centre. The Centre regularly audits Australian Aid Program transparency – previous audits were run in 2013 and 2016.

These audits assess the Aid Program's transparency about the projects it funds. The audits study Australian projects in the Pacific and Indonesia, as well as its work in a random sample of countries that get less aid. This approach ensures a good sense of how transparent the Aid Program is across the countries it works in.

In the 2019 Aid Program Transparency Audit we focused on three aspects of transparency.

First, we estimated the per centage of the Aid Program's significant aid projects that are described in any way on the Aid Program website. We did this for each of the aid recipient countries we sampled. A simple comprehensive list of basic projects is necessary information for observers to have any sense of what the Aid Program is funding. To estimate the per centage of projects covered on the website, we compared what we found on the website with a list of projects from the OECD's CRS database of aid projects. Data limitations meant that the most recent year we could study project coverage on the website was 2016.

We found the Aid Program performed reasonably well in ensuring that significant aid projects were listed on its website. The Aid Program listed on its website 85 per cent of the significant projects it ran in the typical country it worked in. However, performance varied notably across recipient countries – while overall practice is good, parts of the Aid Program need to improve.

Second, we calculated the per centage of aid projects listed on the Aid Program website for which at least some meaningful basic information was provided. The meaningful basic information we looked for included projects' titles, budgets, whether projects were active or not, and how much was spent on specific projects in the previous year. This is the type of information needed if observers are to have any picture of the size of aid projects, whether they are still up and running, and how long they are expected to run for.

We gathered data on this type of transparency in all three audits. **Comparing the three audits shows that this basic type of transparency deteriorated between 2013 and 2016, and has not subsequently improved.**

Availability of basic project information
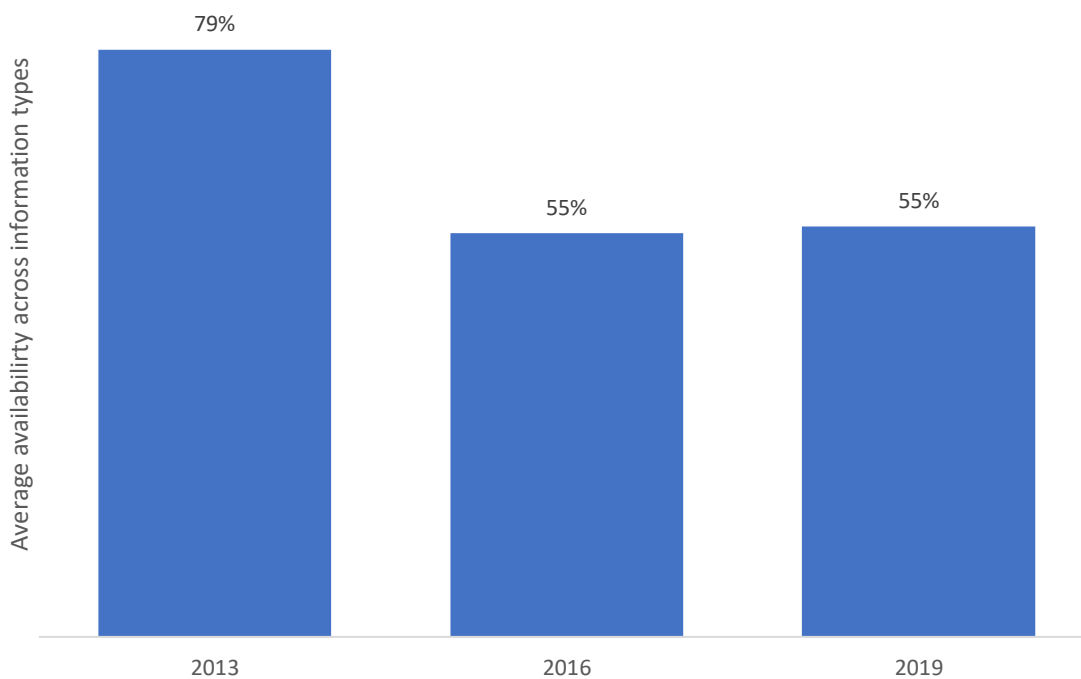
Third, in the Audit we studied the per centage of projects listed on the Aid Program website that contained detailed documentation about the project. The detailed information we looked for came from throughout the so-called, 'aid management cycle', or 'project cycle'. This included documents such as project planning documents, documents detailing management of the project during its lifetime, and documents on monitoring and evaluation of project performance. These are the types of documents needed if an observer is to know in-depth what projects involve, how carefully projects are being planned and how well projects are performing. In 2019, we added to data gathered in previous audits, allowing comparisons over time.

The overarching finding from this part of the Audit is that transparency has deteriorated substantially since 2013 in the early parts of the aid project cycle, but at the same time a greater share of projects now have reviews and evaluations published online. This can be seen in the figure below.

Availability of detailed project information throughout the project cycle
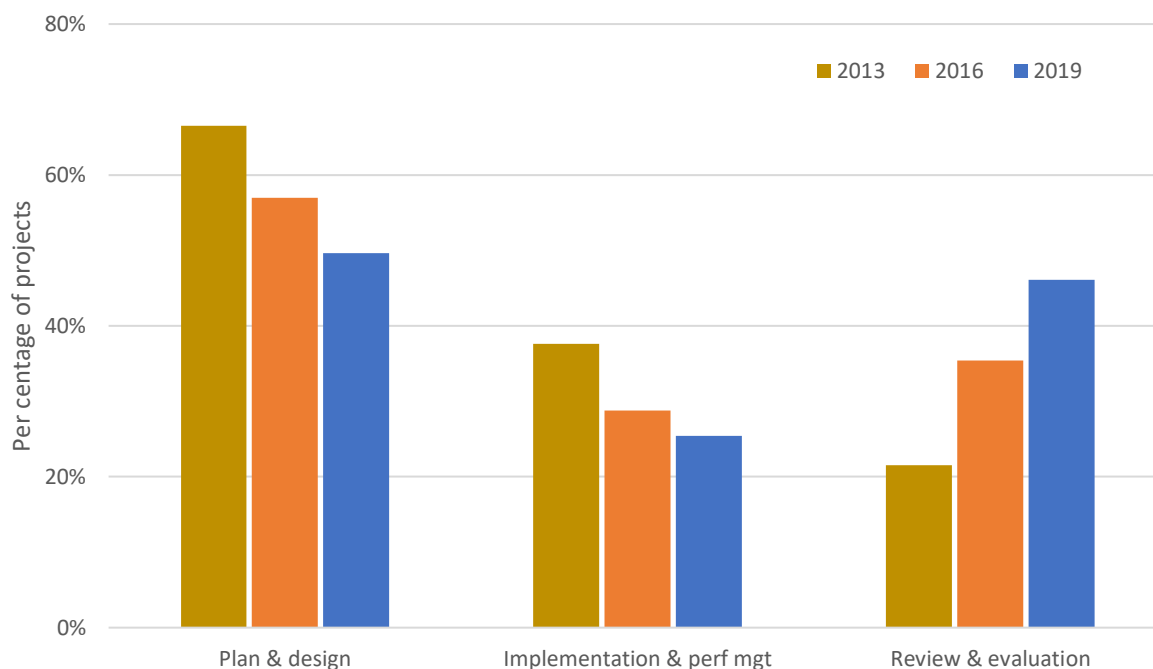
Based on our qualitative assessment of the Aid Program, the Audit identifies efforts from the Office of Development Effectiveness as one factor that contributed to the increased online publication of reviews and evaluations.

We also analysed the detailed project data quantitatively to identify other factors contributing to project transparency.

Among other findings, the Audit found that transparency was greater on average for larger projects. We also found projects that were transparent early in the project cycle tended to stay that way.

A series of recommendations follow from the qualitative and quantitative analysis. Key recommendations include:

- Establishing a small unit within the Aid Program designed to promote transparency at all levels. Promotion should include educating staff about transparency requirements and pressing for better performance where needed.

- Wherever possible, the Aid Program should encourage transparency early in the project cycle.

- The Aid Program should ensure that online publication of relevant documents be streamlined, so that transparency is easy, and time-efficient even in the case of smaller aid projects.

- There should be a clear timeframe for transparency improvements.

Contents

1. Introduction

Transparency is central to good aid practice. It contributes to improved accountability and has the potential to enhance understanding of aid. In donor countries, transparency increases the ability of journalists, interested citizens and civil society to hold their governments to account for the spending of taxpayer money. In aid-recipient countries, transparency has the potential to provide domestic actors with a better understanding of what the international community is doing and how it may affect their lives.

In the aid community, the importance of aid transparency has been long recognised, at least in principle. In the *Paris Declaration on Aid Effectiveness* transparency was one of the aspects of good aid practice committed to by donor countries (OECD 2005). Transparency was also a central component of the commitments emerging from the *Busan Partnership for Effective Development Cooperation* (OECD 2011). Practical initiatives to promote aspects of aid transparency such as the OECD Development Assistance Committee's databases[1] and the International Aid Transparency Initiative (IATI) have risen in prominence.[2] At the time of writing, 108 government entities, 713 NGOs, 53 multilateral organisations and 64 private sector organisations have provided at least some data to the IATI.[3]

Australia is a signatory to the Paris Declaration and Busan Partnership and, in line with the international community's emphasis on improving aid transparency, successive Australian governments have highlighted transparency as a key priority. Several high-profile commitments to increased transparency and accountability within the Australian Aid Program have been made in the past decade. In November 2011, the Labor government adopted a Transparency Charter, requiring AusAID to publish detailed information in a useful and accessible format. This appears to have resulted in improved transparency, with the 2013 Australian Aid Stakeholder Survey finding evidence that transparency was generally perceived by aid stakeholders as a strength (Howes & Pryke 2013). Although the Transparency Charter was dropped by the Coalition government elected in 2013, transparency continued to be emphasised at the political level, with then Foreign Minister

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[1] http://www.oecd.org/dac/financing-sustainable-development/development-finance-data/idsonline.htm
[2] https://iatistandard.org/en/
[3] Calculations based on IATI Publishers List at: https://www.iatiregistry.org/publisher

Julie Bishop stating that, 'as transparent as AusAID has been, we can be more transparent' (Bishop, quoted in Howes & Betteridge 2013). However, at least in the eyes of key Aid Program stakeholders surveyed in 2015 (Wood et al. 2016) and 2018 (Wood et al. 2019), such commitments failed to translate into results. As shown in Figure 1, which is taken from the 2018 Australian Aid Stakeholder Survey, the share of stakeholders who thought transparency a strength of the Aid Program fell dramatically from 2013 to 2015, and had only partially recovered by 2018.[4]

Figure 1: Australian Aid Stakeholder Survey, views on Australian aid transparency
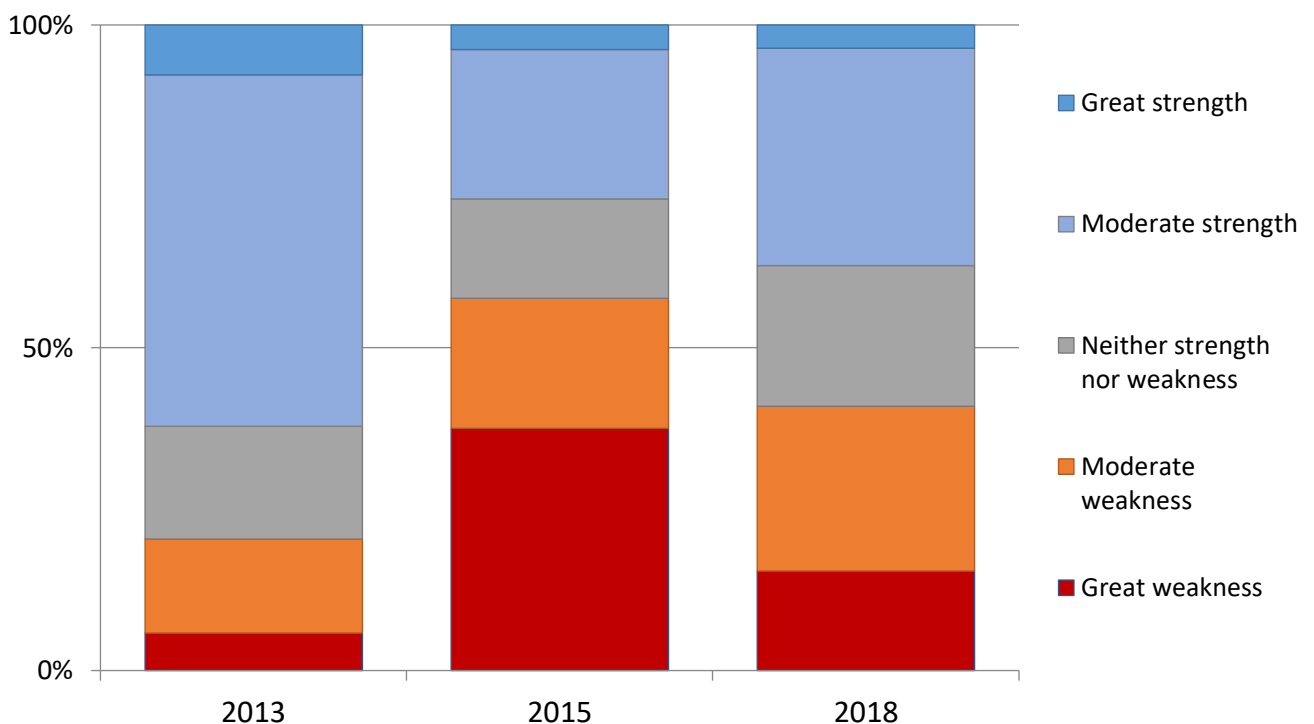
Source: Wood, Muller & Howes (2019), p. 35

In the report that follows, we continue the Development Policy Centre's practice of auditing the Australian Government Aid Program's transparency on a regular basis. The first audit was conducted in 2013, when the Aid Program was still managed by AusAID; the second, was conducted in 2016 after the integration of AusAID into the Department of Foreign Affairs and Trade (DFAT). In this report we describe the findings of the 2019 audit. To allow comparisons over time, the 2019 audit's methods were broadly similar to those used in previous undertakings. As in both 2013 and 2016, our audit focuses on transparency in the form of readily available, detailed information about individual aid projects. We focus in this

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[4] The 2013 Stakeholder Survey was conducted before the change of government that year.

way because detailed project-level information is essential if outside observers are to fully understand what aid is being spent on, and whether spending is justified.

The Development Policy Centre is not the only organisation to appraise the transparency of aid donors. In particular, the NGO Publish What You Fund produces an annual aid donor transparency index, which covers a range of aspects of aid reporting for numerous donors internationally.[5] Development Policy Centre aid transparency audits differ from the work of Publish What You Fund, and serve a different purpose. Publish What You Fund draw on donor-level data and indices that aggregate data on some aspects of aid projects. The Development Policy Centre's audit of Australian Government Aid Program transparency is structured around the availability of a comprehensive suite of project documentation, directly related to the project cycle of Australian aid projects. Where present, these documents provide accessible, easily interpretable information, and afford a holistic understanding the planning, purpose, budget and performance of aid projects.[6]

The key strength of Publish What You Fund's transparency index is that it allows a common standard for comparison between donors. The central strength of the Development Policy Centre's audits is that they track the availability of documents needed in the public domain to allow experts and the interested public to understand the work the Australian Aid Program is undertaking, why this work is needed, and the effects of the work on the ground. Our auditing of the presence of these types of documents allows us to both assess transparency broadly and also assess specific aspects of transparency. We are able to compare the availability of project scoping reports, for example, with the availability of subsequent project evaluations for the same project. Development Policy Centre a transparency audits are also conducted in a manner that allows comparisons across sectors and country desks within the Australian Aid Program. One consequence of our detailed focus on specific types of information is the loss of inter-donor comparability. However, for our purposes this loss is more than offset by the detail we are afforded on the respective

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[5] https://www.publishwhatyoufund.org/
[6] The differences between Development Policy Centre aid transparency audits and Publish What You Fund data were particularly marked prior to the 2017 revision of Publish What You Fund's methodology. This revision increased the similarities between the two initiatives. One consequence of Publish What You Fund revising its methods is that Publish What You Fund data prior to the revision cannot be compared with data post revision. Inter-temporal comparison remains possible with Development Policy Centre data.

strengths and weaknesses of the Australian Government Aid Program when it comes to transparency.

While Development Policy Centre aid transparency audits cover detailed aspects of project-level reporting, importantly, they do not focus on all aspects of aid transparency. In addition to the project-level data the audits focus on, the Australian Government Aid Program provides basic data (particularly financial data) to the OECD Development Assistance Committee's aid datasets. The Aid Program also provides information on at least some of its aid projects to the IATI. Such reporting is useful, although the utility of IATI data to the average person is impeded by the fact that the data is available only as xml files, while OECD data are only released with a considerable lag. The Australian Government Aid Program also provides valuable country and sector-level aid spending data in the form of the so-called 'Orange Books' released on budget night,[7] and standardised official time-series aid spending data, that reports on aid at the country and sector level.[8] In addition, the Aid Program produces Aid Program Performance Reports (APPRs) at the recipient country level.[9] These forms of transparency are laudable. However, for a full picture of Australian aid, in-depth information on projects from throughout the project cycle is required. It is the provision of this detailed information that Development Policy Centre transparency audits are designed to track.

The rest of this audit report is structured as follows. First, we describe the methodology and rationale of this audit, with particular reference to noticeable methodological differences with the 2016 audit. Then, we present our results, starting with our assessment of the share of aid projects for which there is information on the Aid Program website. We then report on the results of both overall measurements of transparency as well as the variation in transparency across country, region, sector and project size. Following this, we discuss the key trends and themes identified in the results. Finally, we propose recommendations to improve transparency within the Australian Government Aid Program.

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[7] https://dfat.gov.au/aid/aid-budgets-statistics/Pages/default.aspx
[8] https://dfat.gov.au/about-us/publications/aid/statistical-summary-time-series-data/Pages/australias-official-development-assistance-standard-time-series.aspx
[9] See discussion of country performance reports at: https://devpolicy.org/dfats-expired-country-strategies-and-new-country-performance-reports-20191023/

2. Methodology

2.1 Overarching approach and sampling

In the 2019 transparency audit we generally followed the same methodology as that used in the 2016 audit, which closely replicated the methodology of the first audit in 2013. Where we deviated from the methods used in the two previous audits, we re-calculated earlier data so it was in line with our new approach. Doing this allowed the comparison of our results with previous audits, and the tracking of trends across time. We also used the same country/region sample as that used in 2016. One consequence of reusing the 2016 sample was that we focused solely on bilateral aid and aid to regional programs.

The data in this transparency audit were collected in July and August 2019 by Luke Minihan working in consultation with Terence Wood. Like the 2016 audit, the 2019 audit includes all aid-recipient countries in the Pacific as well as Indonesia and a set of countries from other parts of the world. In addition, some regional programs were also audited. The set of countries and regional programs from other parts of the world was randomly chosen in 2016. As mentioned earlier, the sample was kept identical in 2019.[10]

The countries and regional programs covered are: Solomon Islands; Cook Islands; Fiji; Kiribati; Nauru; Papua New Guinea; Pacific regional program; Samoa; Tonga; Tuvalu; Vanuatu; Tokelau; Federated States of Micronesia; Niue; Republic of Palau; Republic of the Marshall Islands; Indonesia; ASEAN and East Asia regional program; Mongolia; Laos; Philippines; Sri Lanka; Pakistan; Maldives; South and West Asia regional program; Palestinian Territories; and Iraq.

As in both previous audits, Latin America and the Caribbean and Sub-Saharan Africa were excluded as only a small proportion of Australian aid flows to these regions. A total of 27 countries and regional groupings were included in our audit. Seven of the sampled countries had no project information in the form we were studying listed on the Aid Program website and were subsequently excluded from the direct analysis of the Aid Program website

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[10] The countries covered in the 2016 and 2013 reports differed somewhat. However, all Pacific countries and Indonesia were included in both reports. In the 2016 report sensitivity testing was conducted to gauge the impact of the changed sample. The impact on overall transparency scores was very small.

detailed in Section 2.2. (The same countries were excluded from the 2016 analysis for the same reason.)[11]

For the 2019 audit, we audited a total of 253 projects – compared to 239 in 2016 and 225 in 2013.

2.2 The share of total aid projects included on the Aid Program website

One issue stemming from our analysis of projects listed on the Aid Program web pages is that we do not know what share of all the Aid Program's projects are actually listed on the Program website. It may be the case that the Aid Program is particularly transparent and lists all projects, or at least all above a certain size. On the other hand, many projects may be effectively hidden from the public and not published on the website at all. The 2013 and 2016 audits were conducted based on the assumption that all major projects were listed on the Aid Program website. For the first time, in 2019, to provide a wider analysis of Australia's aid transparency, we compared the number of projects that we found on the Aid Program website with our best estimate of the total number of aid projects that the Aid Program funded in the sampled countries. To do this, we estimated the total number of projects based on data that Australia reports to the OECD's Creditor Reporting System (CRS) database. CRS data are the most comprehensive, publicly available, list of Australian aid projects and so are the best available comparator. We attempted a comparison for all of the country and regional programs selected by the sampling process in 2016 (all of the countries listed in section 2.1). In practice, incomparable data meant we did not compare the East Asia, and South and West Asia regional programs or the Iraq humanitarian response. The Federated States of Micronesia, Palau, Marshall Islands and Tokelau had no active projects that were large enough to meet the size criteria detailed below and so were also excluded from the comparison.

Although CRS reporting provided the best available comprehensive list of Australian aid projects, there were a number of issues associated with using CRS data. First, the most recent data available for Australia is for 2017.[12] As such, we were limited to undertaking our exercise using the 2016 audit data alone. Second, some aid activities, particularly

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[11] The countries were: Tokelau; Federated States of Micronesia; Niue; Republic of Palau; Republic of the Marshall Islands; Maldives; and Iraq.

[12] Some donors have provided the OECD with 2018 data. Australia has not yet done so.

scholarships, were included in CRS data more than once. Also, some projects were grouped together or split into sub-projects, meaning it was difficult to determine what constitutes a distinct aid project in the Aid Program. Third, a number of very small projects were captured in CRS data – projects that were so small that it seemed unreasonable to anticipate they would be reported on the Aid Program website.

To overcome the second and third of these issues we did the following:

First, we created a variable to determine if a project in the CRS data was large enough that we might reasonably expect it to be on the Aid Program website. As few projects in our audit were under US$750,000 (approximately AU$1 million), we determined this to be a reasonable cut off size for OECD projects.[13] All projects under USD $750 thousand were excluded from the CRS data and our comparison. It should be noted that this size-based cut off was an imperfect heuristic. Some projects smaller than this amount were on the Aid Program website. However, in the absence of hard and fast rules about the size of projects that are covered on the Aid Program website, the cut-off point we chose appeared to be reasonable.

Second, we created the variable 'scholarship' that controlled for whether or not a project in the CRS data was a scholarship project. We then used this variable to combine all scholarship grants in each sampled recipient country or regional program into one 'project' – doing this produced comparable data for scholarships between CRS data and our audit data.

These modifications reflected our best efforts at standardising across two different datasets. They are imperfect but provide a sense of the share of substantial Australian aid projects that made it onto the Aid Program website in 2016. As best we can tell from manually assessing the data, our approach is, if anything, overly forgiving on the Aid Program.

2.3 The transparency of those projects included on the Aid Program website

Having estimated the share of total aid projects that are covered on the Aid Program website, we replicated the two indices used in the 2016 audit. Every project listed on the

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[13] We used a cut-off in US dollars as this is the currency used for CRS data.

Aid Program website for each country/regional program was examined to measure transparency. These two indices were developed in the 2013 audit and altered slightly in 2016. In 2019 we kept the components of the indices identical to 2016. However, in instances, our approach to calculating averages across components differed slightly from 2016. We detail this change below.

The first index is a basic project information index, which rates projects according to the availability of basic information for each individual project on the website. This index is designed to quantify the extent to which simple outline information is provided on projects. Such information does not afford an observer the ability to study projects in depth, but at least allows for some basic assessment of a project's size and purpose. The components of the index are listed in Table 1.

Table 1: Basic project information index criteria

Category	Inclusion criteria
Project Title	Full project name provided.
Project Description	For a score of 1, at least one supporting sentence explaining the project had to be provided.
Project Start and End Dates	Project start year and end year provided.
Total Project Budget	Project budget in Australian $ millions.
Project Status	A score of 1 if the current status of the project was readily available.
Previous Financial Year Expenditure	A score of 1 was reported if the previous financial year spending information for the project was readily available.

The second index focuses on the availability of substantive project documentation. This index was designed to capture the extent to which in-depth information was provided on projects – information that would allow interested observers a detailed sense of project purpose, structure and performance. The availability of project documents was assessed across four document categories, reflecting the four stages of what is sometimes referred to as the 'project cycle' or 'aid management cycle'.[14] For each category, projects received a score of 1 if at least one relevant document was available, and 0 if no documents were available. The categories and inclusion criteria are shown in Table 2.

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[14] These document categories were originally used by AusAID at the time of the 2013 transparency audit. However, they are broad categories, which sensibly capture different components of aid projects, and – as such – continue to remain relevant to aid transparency.

Table 2: Availability of project documentation index criteria

Category	Inclusion criteria
1. Policy and Direction Setting	Documents that outline the Aid Program's planned approach to aid activities in the recipient country. For a score of 1, at least one document containing higher-level analysis on the recipient country or sector had to be present. Acceptable documents included: statements of commitment; memorandums of understanding; subsidiary agreements; and baseline research. Final evaluations for previous phases of a project and similar documents (which provide detailed information about the context informing a project) were also counted.
2. Plan and Design	Documents that explain how the activity should be undertaken. For a score of 1, at least one document demonstrating the planning and design behind project activities had to be present. Acceptable documents included: work plans; design documents; concept documents/notes; and quality at entry reports.
3. Implementation and Performance Management	Documents that report on the outputs of aid activities and whether these outputs achieved their objectives. For a score of 1, at least one document demonstrating the relationship between intended and actual outcomes had to be available. Acceptable documents included: any reporting documents, such as monitoring reports; progress reports; annual program reports; and analytical reports.
4. Review and Evaluation	Documents evaluating the performance of aid activities (as against reporting progress, which are counted in the third category). For a score of 1, at least one document detailing a mid-term or final evaluation had to be available. Acceptable documents included: mid- term reviews; independent completion reports; and evaluation reports (including reports undertaken by the Office of Development Effectiveness).

For some project pages, the Aid Program provides 'related links' (hyperlinks to external websites) that provide either additional information or documentation for the project. Documents found through such related links were also counted towards the relevant category.

In cases where the most appropriate category in which to classify a project document was unclear, the project was discussed and discretion was used to determine its categorisation. No document was counted in more than one category. Where a document included elements relating to more than one category (for example, policy and direction setting elements as well as plan and design elements), the document was counted in whichever category was determined to be the greater focus of the document.

In 2013, the Aid Program linked to country strategies from individual projects, and in that year's transparency audit Development Policy Centre staff counted them as policy and direction setting documents. In 2016, country strategies were located elsewhere on the Aid Program website. Reflecting this change, and the fact that country strategies are not tied to specific projects, in 2016 country strategies were not counted as policy and direction setting

documents for projects. As a result, the score for policy and direction setting documents fell substantially from 2013 to 2016. To account for the change in audit methods, in 2016 the Audit provided two averages: one including policy and direction setting documents and one excluding them. In the 2019 audit we continued to follow the practice of excluding country strategies from country and direction setting documents. We also continued to follow the practice of providing averages both including and excluding policy and direction setting documents.

To report on the overall performance of individual project documentation types we calculated the per centage of projects that possessed documents in each category. Because it was unrealistic to expect that implementation and performance management documents, and review and evaluation documents would be present for new projects, we did not assess the presence of these documents for projects that started less than two years prior to the compilation of the report's data. (In effect this meant we excluded these data for projects that started after 2017. When we worked with data from 2016, we excluded these data projects that had started after 2014.)

From individual index components we calculated transparency scores for each project. To do this, we calculated the per centage of each project's document types that were available. For example, if a project had documentation for three of the four categories it received a score of 75 per cent. In doing this, as was the case when we calculated scores for individual document types, we excluded implementation and performance management documents, and review and evaluation documents from assessment for those projects that had started after 2017 (or after 2014 for data from 2016). For these recently commenced projects project transparency scores were based simply on the availability of policy and direction setting and planning and design documents.

Individual project scores were then used to create country, region and sectoral transparency averages. For example, to calculate the mean transparency score for Samoa we averaged all the individual project transparency scores for projects in Samoa.

Our averaging method differed slightly from that used in the 2016 audit. In the 2016 audit, averages were calculated by selecting the data for the unit of interest (country, region, sector, etc.), averaging the scores for each document type category, then averaging those

category averages to give an overall average. For 2016 data, this has contributed to slightly different scores from those found in the 2016 audit.[15] Typically, however, the differences are not major and do not change substantive conclusions about trends over time.

Also, during the 2019 audit, we identified an error in the approach taken to calculate overall averages for document types in 2016. The error in 2016 involved recently commenced projects mistakenly being included in the calculations of overall document-level transparency scores for the categories of implementation and performance management, and review and evaluation. This error affected Table 3 and Figure 1 in the 2016 report (the equivalent table is Table 4 in this report; the equivalent figure is Figure 3 in this report). A consequence of the error in 2016 is that implementation and performance management documents, and review and evaluation documents were reported to be less readily available in 2016 than they actually were. Implementation and performance management document availability was reported to be 24 per cent in the 2016 report, where it should have been 29 per cent. Review and evaluation document availability was reported to be 28 per cent, where it should have been 35 per cent. The overall effect of this error was to overstate the trend of declining transparency between 2013 and 2016, although even with the errors corrected a decline remained. In our results in this report we use corrected figures for 2016 data and reflect these corrected figures in all our discussion of relevant trends.

3. Results

In this section we present and discuss our findings, highlighting relevant comparisons with the 2016 and 2013 audits. First, we provide our (OECD data-derived) estimates of the share of all Australian aid projects in individual countries that are actually listed on the Aid Program website. Then we present our main findings on document availability for those projects that are covered on the website. We then conduct comparative analysis, examining relative transparency by country, region, sector and project size. Finally, we look at the question of path dependency in transparency across individual projects.

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[15] The two methods produce identical findings except in the case of recently commenced projects. In such projects the exclusion of 'implementation and performance management' and 'review and evaluation' scores, has a differing impact on overall averages depending on whether project or document-level totals are calculated first before being averaged. Neither approach is more correct than the other. In practice, the impact is very small.

4. Findings

4.1 Proportion of total projects included on the website

Because an audit of the Aid Program website cannot, by its very nature, reveal what share of total Aid Program projects actually make it onto the website in the first place, in 2019 we estimated the total number of projects the Aid Program manages and compared this to the number of projects from sampled countries actually on the website. To do this we used OECD CRS data, which can be downloaded at a project level. Unfortunately, CRS data are only released after a considerable processing delay. This meant we did not have data for 2019. However, we were able to study the share of total projects covered on the website for 2016. Figure 2 shows our CRS based estimate of the total number of Aid Program projects that are listed on the Aid Program website. As detailed in the methods section, a small number of countries and regional programs from our original sample are excluded from the figure either because of comparability issues or because these countries had no relevant projects.

Figure 2: Per centage of projects in OECD data covered on Aid Program web pages, 2016
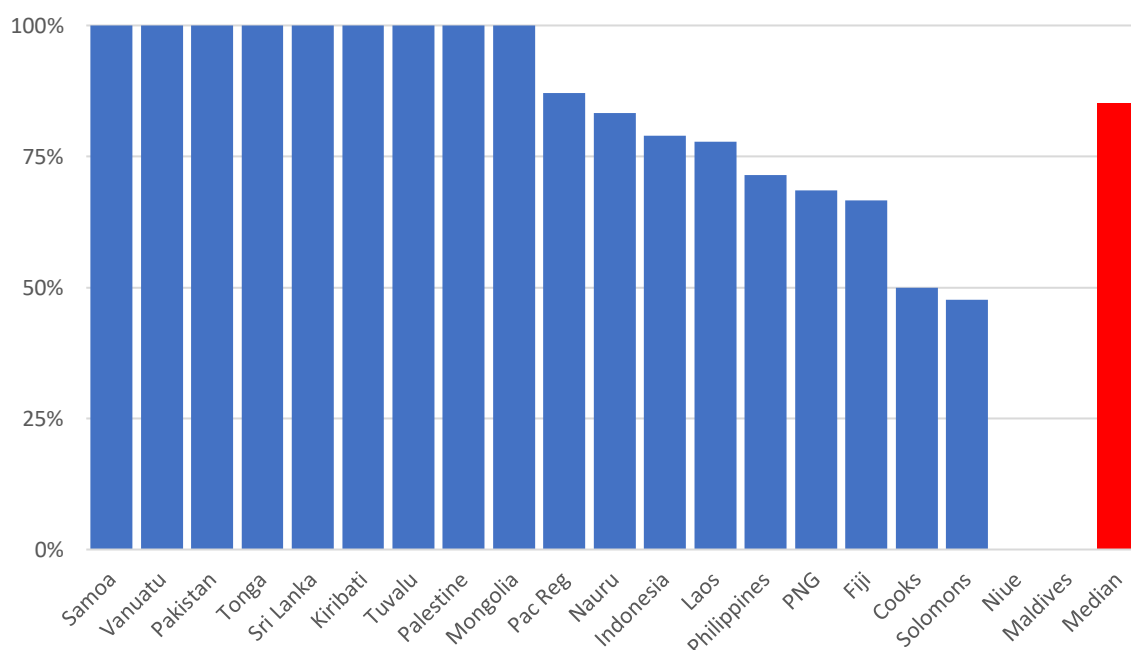
As shown in Figure 2, on the basis of 2016 data, we estimate that the Aid Program reported on 100 per cent of significant projects for 9 of the 20 countries.[16] Not all country programs performed as well as those nine, yet overall the median country reported on 85 per cent of projects. Two countries, Niue and the Maldives, had zero coverage – but these were both very small programs. In Niue's case the only substantive project was one shared with other donors. For the Maldives, the only substantive project was associated with scholarships.

Performance among larger country programs was generally good. There are a few larger countries – such as Solomon Islands – where the Aid Program needs to improve on its attempts to ensure that all significant aid projects are covered on the Aid Program website; however, the fact that most significant country programs are fairly comprehensive in their project coverage online is encouraging from a transparency perspective. It is also reassuring in the sense that it provides good evidence that the methods used in the rest of this report – methods that focus on those projects covered on the Aid Program website – afford a meaningful sense of transparency.

4.2 Basic project information index

Table 3 reports on our findings with respect to the availability of basic project information. As can be seen, when it comes to basic project information, availability fell considerably from 2013 to 2016 in all areas except budget availability. In the years between 2016 and 2019 basic project document availability increased, but only very slightly. Overall, the last three years saw very little change.

Table 3: Overall Basic project information index score

Year	Title & project description	Planned dates	Current status	Previous financial year expenditure	Project budget	Average score
2013	100.0%	100.0%	100.0%	48.9%	47.6%	79.3%
2016	99.6%	86.2%	0.0%	0.0%	86.6%	54.5%
2019	100.0%	88.2%	0.4%	0.0%	88.2%	55.4%

Part of the major fall between 2013 and 2016 stemmed from the discontinuation of the previous AusAID practice of routinely reporting on project status and the previous financial year's expenditure. Routine reporting in these areas did not resume between 2016 and

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[16] Due to challenges distinguishing individual projects in CRS data outlined in the methodology, and the effect this had on the denominator in the per centage calculations, some countries scored over 100 per cent. Where this occurred, their scores were capped at 100 per cent.

2019. There were occasional exceptions – for example, one project in the 2019 audit had its status listed – but these exceptions did not reflect any form of systematic change.

4.3 Availability of project documentation index

Table 4 shows results from our second index: the availability of project documentation index. As discussed in the methods section, to allow comparisons with 2013, we account for the change in method associated with policy and direction setting documents post-2013 by calculating two overall average scores, one that excludes the policy and direction setting documents category and one that includes it. In the remainder of this report, because we typically do not make comparisons with 2013, averages are calculated including policy and direction setting documents unless otherwise indicated.

In 2019, the overall availability of project documentation index received a score of 37 per cent. This is a slight drop from 38 per cent in 2016 and a substantial drop from 54 per cent in 2013. However, if the policy and direction setting category is excluded the drop is less substantial, receiving the same score of 40 per cent as in 2016, and dropping from only 42 per cent in 2013.

Table 4: Overall availability of project documentation index score

Per centages	2013*	2016	2019
Policy and direction setting	88%	32%	27%
Plan and design	67%	56%	49%
Implementation and performance management	38%	29%	25%
Review and evaluation	22%	35%	46%
Average	54%	38%	37%
Average (excluding policy & direction)	42%	40%	40%

* 2013 results are taken from 2016 audit, not calculated in 2019 audit.

In comparison with the 2016 audit, the largest change is the improved average availability of review and evaluation documents. As shown in Figure 3, the average score for this category increased by 11 per centage points, from 35 per cent in 2016 to 46 per cent in 2019. This continues the trend from 2013 onwards of improved availability of review and evaluation documents. However, this is the only area of improvement. Document availability decreased from 2016 to 2019 in the other three categories, representing a continuation of trends from 2013. The largest decrease between 2016 and 2019 was in the availability of plan and design documents, which dropped from 56 per cent in 2016 to 49 per cent in 2019.

Figure 3: Average availability of project documentation, 2013, 2016 and 2019
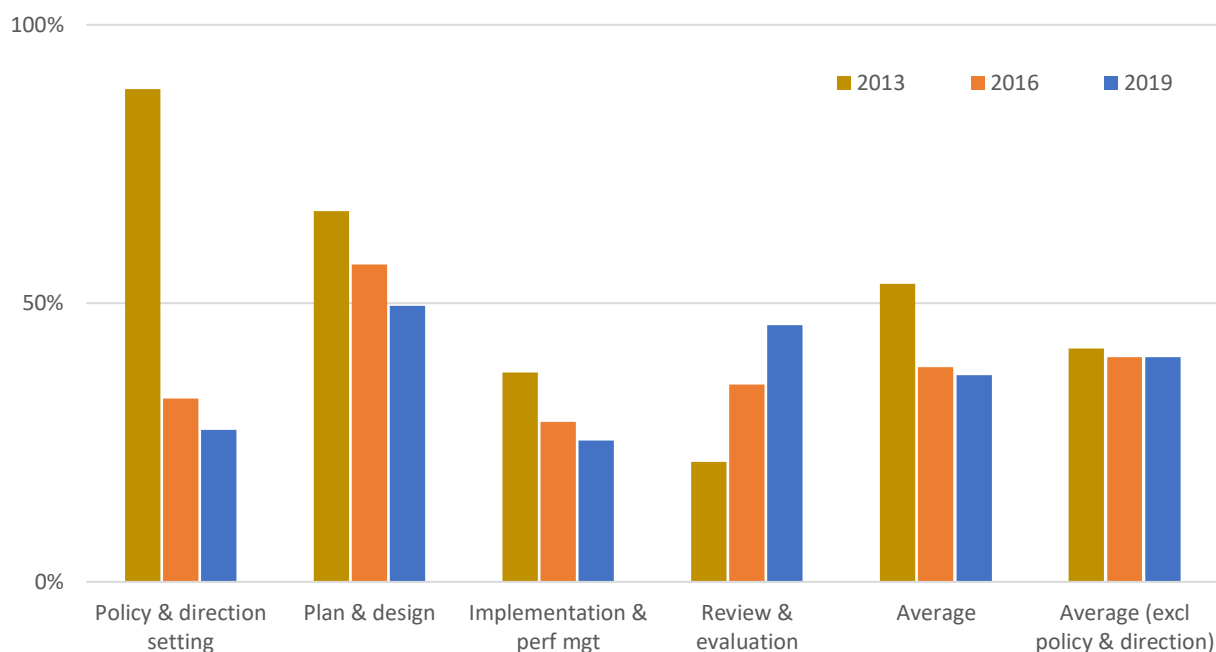
The pattern of availability of documentation across each category remains the same in 2019 as in 2016. The plan and design category scores highest, followed by review and evaluation, then policy and direction setting and finally implementation and performance management. This is an interesting departure from what might be anticipated (and which indeed was the case in 2013): a steady decrease in document availability further into the project cycle.

4.4 Comparative findings

In the following sub-sections, we compare the availability of project documentation across countries, sectors and different-sized projects. We do this based on the second of our two transparency indices – the index that looks at document availability across the project cycle.

4.4.1 Availability of project documentation by country

The average project documentation availability by country shows the availability of documents across the different document categories, averaged across all projects listed on the Aid Program website. Figure 4 shows the average availability of project documentation for each country/regional group. Data are for 2019.

Figure 4: Average availability of project documentation by country
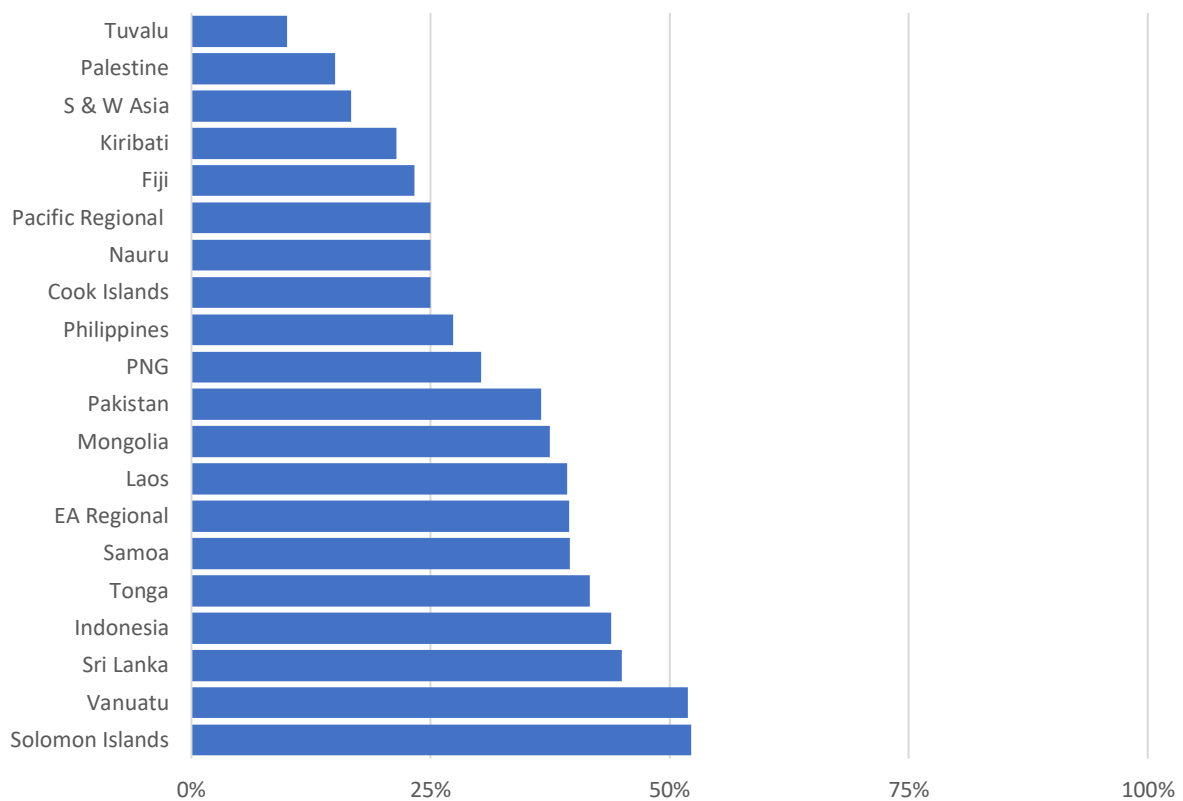
Both the Solomon Islands and Vanuatu were the two countries where transparency was highest. Each had an overall average document availability score of 52 per cent.

The contrast between Indonesia and Papua New Guinea is interesting. Despite Papua New Guinea having the largest bilateral overseas development assistance (ODA) budget by a significant margin (DFAT 2019, p. 9) it has a fairly mediocre average availability of project documentation score of 30 per cent (11th of 20). Indonesia on the other hand, with the second-largest bilateral budget, has a relatively respectable average documentation availability score of 44 per cent (4th of 20).

Figure 5 shows the average availability of project documentation by country for both the 2016 and 2019 audits. It does so using a scatter plot. Each point on the plot is a country program. The country program's position on the x-axis reflects its transparency score in 2016. The country program's position on the y-axis reflects its transparency in 2019. The diagonal line is a one-to-one line. Points on this line are country programs whose transparency scores did not change at all between 2016 and 2019. Points below are programs which became less transparent. Points above are programs that became more

transparent. The further a country program is away from the one-to-one line the more its average transparency changed. The chart shows that transparency for most country programs did not change dramatically. It also shows a fairly clear correlation across the two years. On average country programs that were more transparent in 2016 tended to still be more transparent in 2019. There were some exceptions through, the most prominent being deteriorations in Philippines and the Palestinian Territories, and improvements in Sri Lanka.

Figure 5: Average availability of project documentation, 2016 and 2019

Key: SWA=South and West Asia Regional; SI=Solomon Islands; VAN=Vanuatu; SL=Sri Lanka; INDO=Indonesia; TON=Tonga; SAM=Samoa; EAR=East Asia Regional; LAO=Laos; MON=Mongolia; PAK=Pakistan; PNG=Papua New Guinea; PHL=Philippines; CI=Cook Islands; NAU=Nauru; RP=Regional Pacific; FI=Fiji; KIR=Kiribati; PAL=Palestinian Territories; TUV=Tuvalu.

The deterioration of the Philippines program is surprising, given that it was by far the most transparent country program in 2016 with an impressively high score of 63 per cent, whereas it now ranks perfectly in the middle with 27 per cent (10th of 20). Notably, the number of projects in the Philippines has more than doubled in this period, with 10 projects audited in 2016 and 21 audited in 2019. The change for Palestine is also striking; however, in 2019 there were only five projects to be assessed. Larger changes in country program

averages are more likely when the number of projects being averaged is small. Similarly, there were only five projects in Sri Lanka – the country program that improved the most.

4.4.2 Availability of project documentation by region

We looked further into why some country programs were more transparent than others, by analysing document availability data aggregated to the regional level to see if there were clear regional differences. Figure 6 shows the average availability of documentation for both the 2016 and 2019 audits in the four regions audited: the Pacific; South and West Asia; Southeast and East Asia; and Middle East and North Africa.

Figure 6: Average availability of project documentation by region, 2016 and 2019
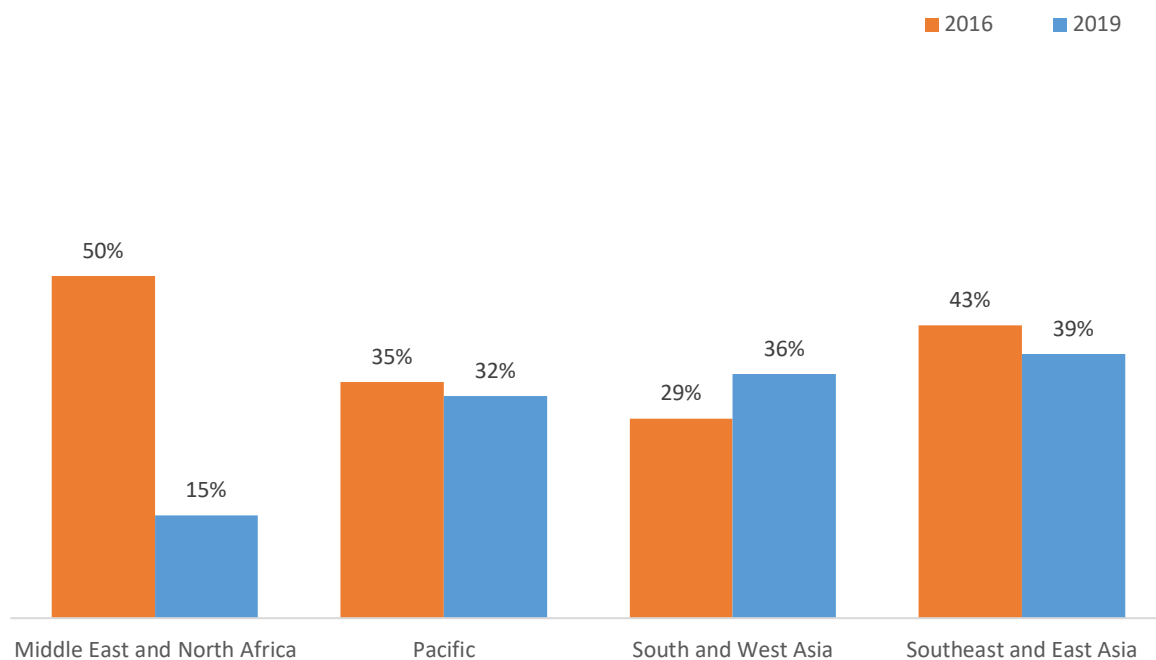
Two clear points emerge from the figure: first, with the exception of the Middle East and North Africa, the differences between the regions were minimal, both in 2016 and 2019; second, the Middle East and North Africa was much more transparent in 2016 but much worse in 2019. This change seems startling, but only one sampled country – Palestine – was included in this region. What looks like a regional change is driven entirely by a fall in transparency for one country.

4.4.3 Availability of project documentation by sector

Each project included in our audit was classified into one of seven sectors: infrastructure and trade; agriculture; governance; education; health; humanitarian and disaster risk reduction (DRR); and gender. An additional 'Other' sector was also generated to capture eight projects that could not easily be classified into one of the seven sectors.

The seven sectors are the same as in the 2016 audit and were chosen to allow for consistent comparative analysis. The sectors broadly align with the priority sectors identified in the Aid Program's 2014 guiding aid policy document (DFAT 2014).

As shown in Figure 7, the best performing sector in 2019 was Agriculture with a 67 per cent transparency score. However, it should be noted that Agriculture is a very small sector with only six projects. Gender, the second-smallest sector by number of projects, received the second highest transparency score of 54 per cent. The largest sector by number of projects – Infrastructure and Trade – received a score of 38 per cent (4th of 7).

The worst performing sector was 'Other' with a transparency score of only 6 per cent. There are eight projects in the 'Other' sector, with only one project – the Australian Assistance to Bougainville project – having any documentation. The lack of transparency for these projects may be explained by the fact that they are targeted differently, awarding funds to specific individuals or NGOs.

In comparison to the 2016 audit, only three of the seven sectors improved in transparency scores, with the rest declining. By and large, change across time was fairly limited. However, there were a few significant changes in scores, with the largest change being an improvement in the Gender sector from 40 per cent in 2016 to 54 per cent in 2019.

While there were changes, there was also a clear correlation between sectors' 2019 and 2016 scores. On average, sectors which were more transparent in 2016 tended to be more transparent in 2019 too.

Figure 7: Average availability of project documentation by sector, 2016 and 2019
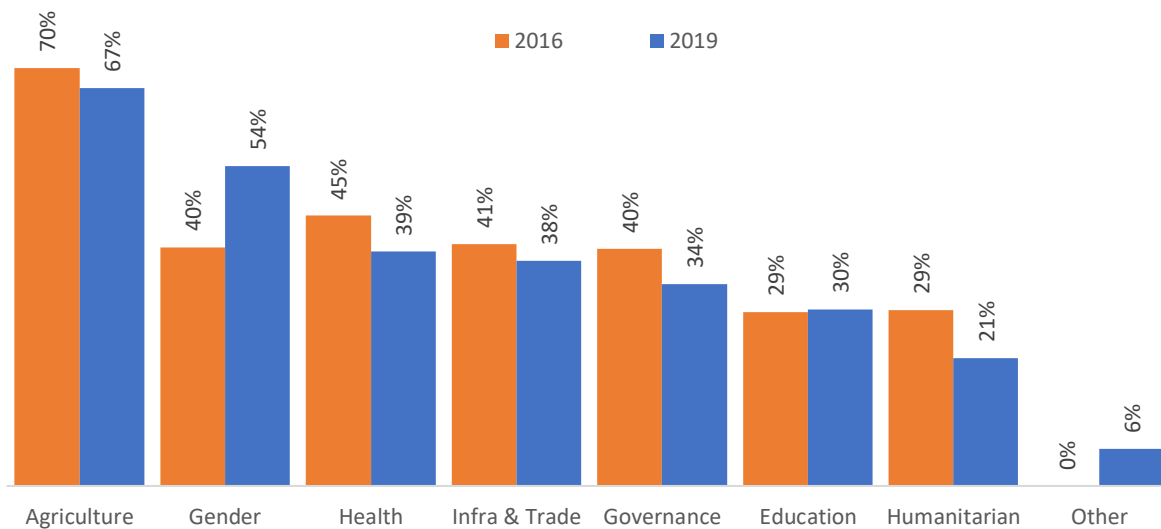
4.4.4 Availability of project documentation by project size

We also sought to ascertain whether there was a relationship between project size and project transparency. Figure 8 illustrates the distribution of projects broken into size groupings based on total project budgets. The average level of transparency for each grouping is shown on the y-axis. As in the 2016 audit, this shows a positive relationship between project budget size and transparency score, with smaller projects receiving lower transparency scores while larger projects receive higher scores. The Very Large category was the most transparent (58 per cent) while the Small category was the least transparent (25 per cent). Every size category except small declined in transparency from 2016.

Figure 8: Distribution of projects by project size and transparency score, 2016 and 2019
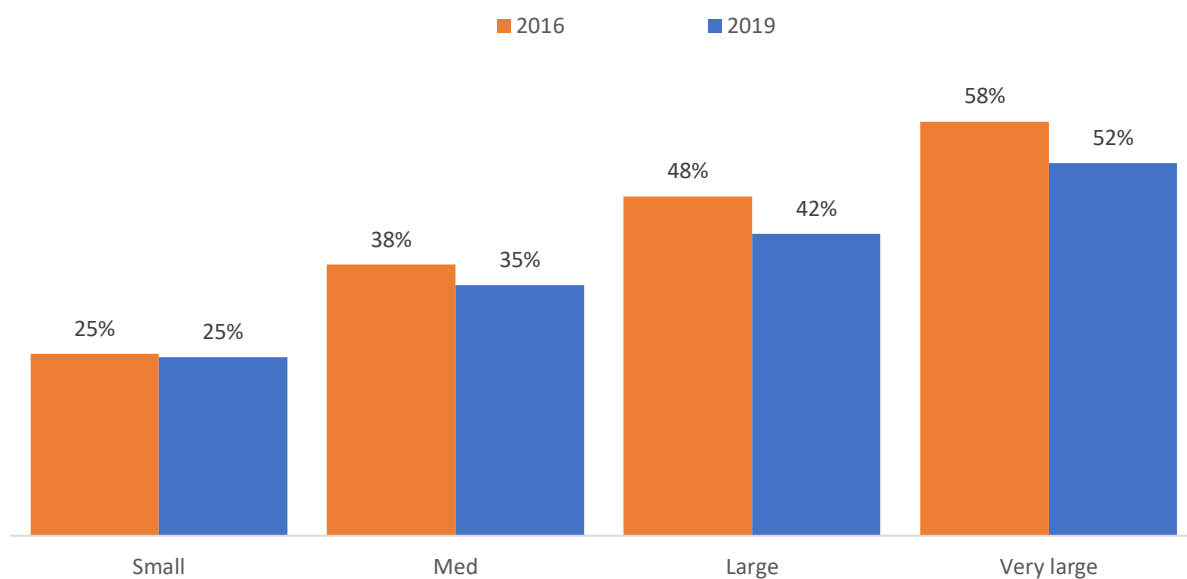
Note: small = $0 – $7.5m; medium = $7.5 – $20m; large = $20 – $50m; very large = >$50m. These quartiles differ from the 2016 audit.

To more formally analyse the relationship between project size and transparency, we conducted an ordinary least squares regression to test the relationship between transparency score and the natural log of project budget. Results from this can be seen in Table 5. The unit of analysis was the individual project. As illustrated, we find that a statistically significant relationship exists (p<0.01) for both 2019 and 2016. The R-squared value indicates that project size explains around 13 per cent of variation in transparency for 2019 and 17 per cent of variation for 2016. The fact that both the R-squared and the coefficient for the natural log of project budget were higher in 2016 than in 2019 suggests that, if anything, the relationship between size and transparency was stronger in 2016. However, the change between the two years is small.

Table 5: Availability of project documentation and annual budget (regression results)

|	2019	2016
Budget (ln)	0.08***	0.10***
	(0.01)	(0.02)
Constant	0.16***	0.12**
	(0.04)	(0.05)
Observations	217	207
Adjusted R^2	0.13	0.17

Standard errors in parentheses
* $p < .1$, ** $p < 0.05$, *** $p < 0.01$

Figure 9 uses 2019 data and plots individual projects by transparency score and total budget, with a line of best fit added to the chart. Most importantly, the curve of the line demonstrates the nature of the relationship between size and transparency. On average, transparency increases a lot between budgets of around $0 million to around $50 million, but the rate of change starts to taper off around the $100 million mark. In line with this pattern, no project with a total budget greater than $200 million received a transparency score of less than 20 per cent.[17] As can also be seen in the chart, while there is a clear relationship between project size and transparency, there is also considerable variation around the line of best fit: size does not explain anything close to the overall variation in transparency seen across the projects we surveyed.

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[17] For legibility's sake the chart excludes one very large (and not particularly transparent project) the Australian Infrastructure Financing Facility for the Pacific, which had an overall project budget of AU$2 billion.

Figure 9: Availability of project documentation and annual project budget (scatter plot)
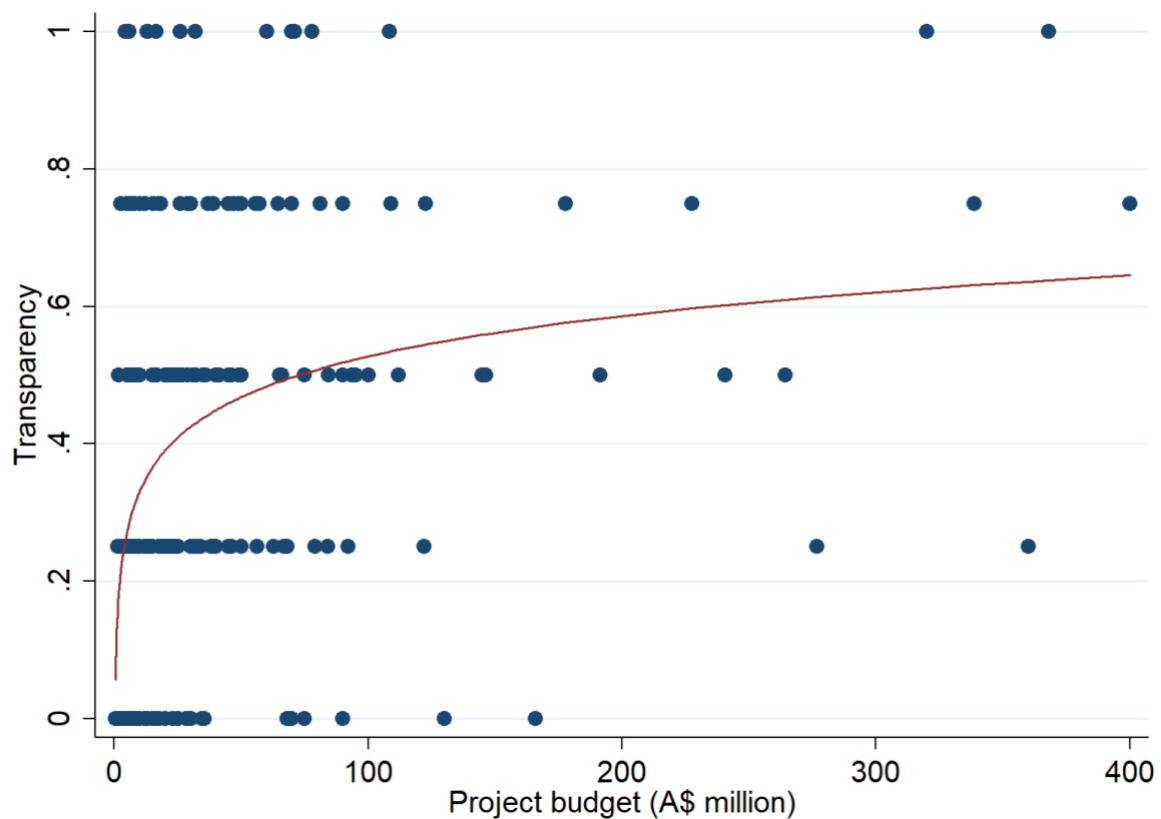
4.4.5 Projects and transparency

The fact that for countries, sectors and regions, transparency tended to be similar in 2019 to 2016 raises the possibility that transparency may also tend to display an element of path dependency at the individual project level: projects which are transparent in their early stages may be more likely to remain transparent throughout the project cycle and projects that start with poor transparency may be likely to remain this way. To test whether this was indeed the case we pooled data from 2016 and 2019 and ran logistic regressions in which the dependent variable was whether the project had review and evaluation documentation online, and in which the key independent variable was whether the project had plan and design documentation online. The unit of analysis in the test was individual projects. The logic of this test is that plan and design documentation is from early in the project cycle, while review and evaluation documentation comes from later in the project cycle. If it is true that projects that start off transparent are more likely to remain this way, we should expect to see a correlation between the availability of planning and design documents and review and evaluation documents. Because other common features of projects could, potentially, determine the availability of both planning and design documents and review

and evaluation documents, we looked not only at the basic bivariate relationship between availability of the two document types, but also at the same relationship controlling for the natural log of project size. In a third set of models we also added project start year, sector, and country fixed effects. The results are shown in Table 6.[18]

Table 6: Regression results comparing planning and evaluation document availability

|	Bivariate	Size control	Fixed effects
Planning documents online	1.09***	0.86***	0.67**
	(0.24)	(0.25)	(0.34)
Budget (natural log)		0.55***	0.79***
		(0.10)	(0.17)
Start year FE	No	No	Yes
Sector FE	No	No	Yes
Country FE	No	No	Yes
Count R-Squared	0.59	0.66	0.79
Number of Cases	367	367	357

Standard errors in parentheses
* p<0.1 ** p<0.05 *** p<0.01

As can be seen in the table, there is a clear correlation in transparency between the availability of projects from early in the project cycle and projects from later in the project cycle. The inclusion of various controls in the regression models means this relationship cannot be explained simply by the fact that larger projects are more transparent with all document types or that certain countries or sectors are more transparent. Projects that are transparent early in the project cycle are much more likely to be transparent throughout the project cycle. This does not appear to be solely a function of size, or geography or sector. The average substantive magnitude of the relationship can be seen in Figure 10.

A further means of testing whether transparency in the early stages of the project cycle leads to transparency later in the project cycle is to study the same projects in 2016 and 2019, and see whether projects with planning and design documents online in 2016 were more likely than other projects to have review and evaluation documents online in 2019.

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[18] In other results not shown here we also ran regressions limited to just 2019 and limited to just the top three quartiles of projects in terms of size. Results were similar. We also compared the availability of 'policy and direction setting' documents with 'review and evaluation' documents. A clear correlation existed for 2019, but the relationship was weaker in 2016 data.

Figure 10: Probability of review and evaluation documents being available
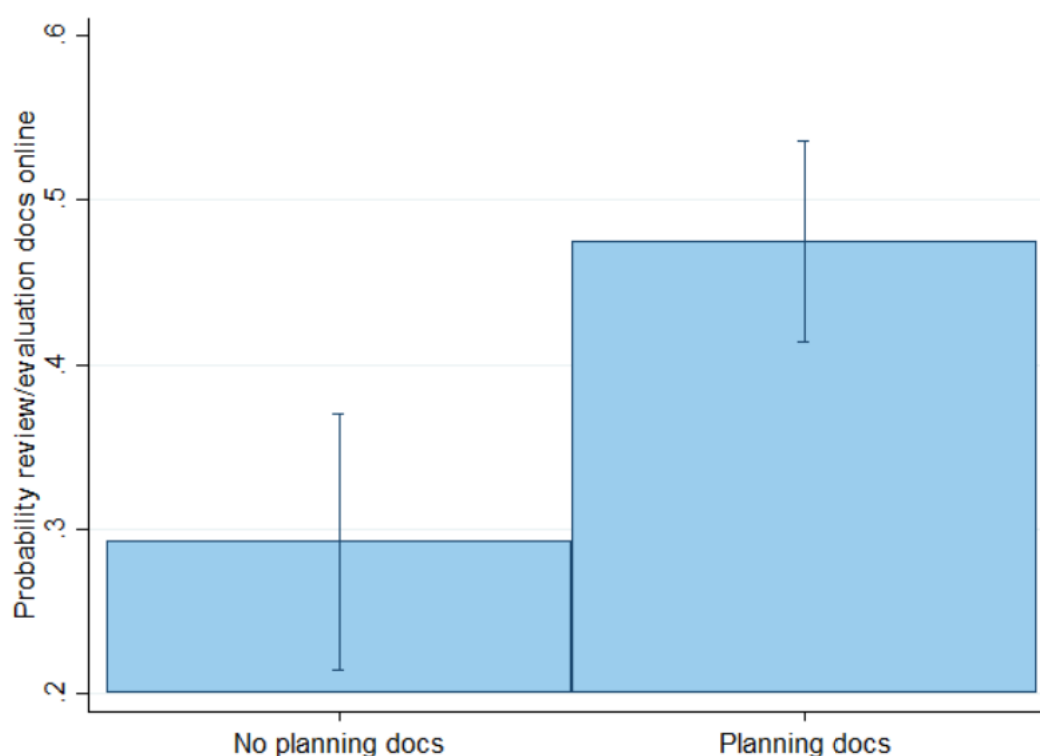
Project turnover, as well as the renaming of projects on the website (often as projects enter different phases) made matching of this sort difficult. However, we were able to find 31 projects that were new in 2016, and which were also in the 2019 dataset. We used these projects to test whether projects that had been more transparent in the early stages of the project cycle when assessed in 2016 were more transparent in the latter stages of the project cycle come 2019. As with the previous tests we used planning documents to test for transparency early in the cycle and the availability of review and evaluation documents to test for transparency later in the cycle. The results of regression analysis looking to see whether a relationship existed can be found in Table 7.

Table 7: Regression results comparing 2016 transparency with 2019 transparency

	Bivariate	Controls
Planning docs in 2016	0.43**	0.40*
	(0.18)	(0.21)
Project size (natural log)		0.15
		(0.09)
Region FE	No	Yes
Sector FE	No	Yes
Observations	27	27
Adjusted R-squared	0.15	0.20

Standard errors in parentheses
* p<0.1 ** p<0.05 *** p<0.01

As the table shows, a relationship exists both in the bivariate form, and when controlling for project size and with regional and sectoral fixed effects. Although the relationship did not always prove robust to alternative model specifications, finding any relationship whatsoever, let alone one that exists after controls are added, with a sample of only 27 is striking.[19] On the basis of available data there appears to be a clear relationship between transparency early in the project cycle and transparency later in the project cycle. A sense of the substantive magnitude of the relationship can be seen in Figure 11.

Figure 11: Relationship between planning documents present in 2016 and review and evaluation documents present in 2019
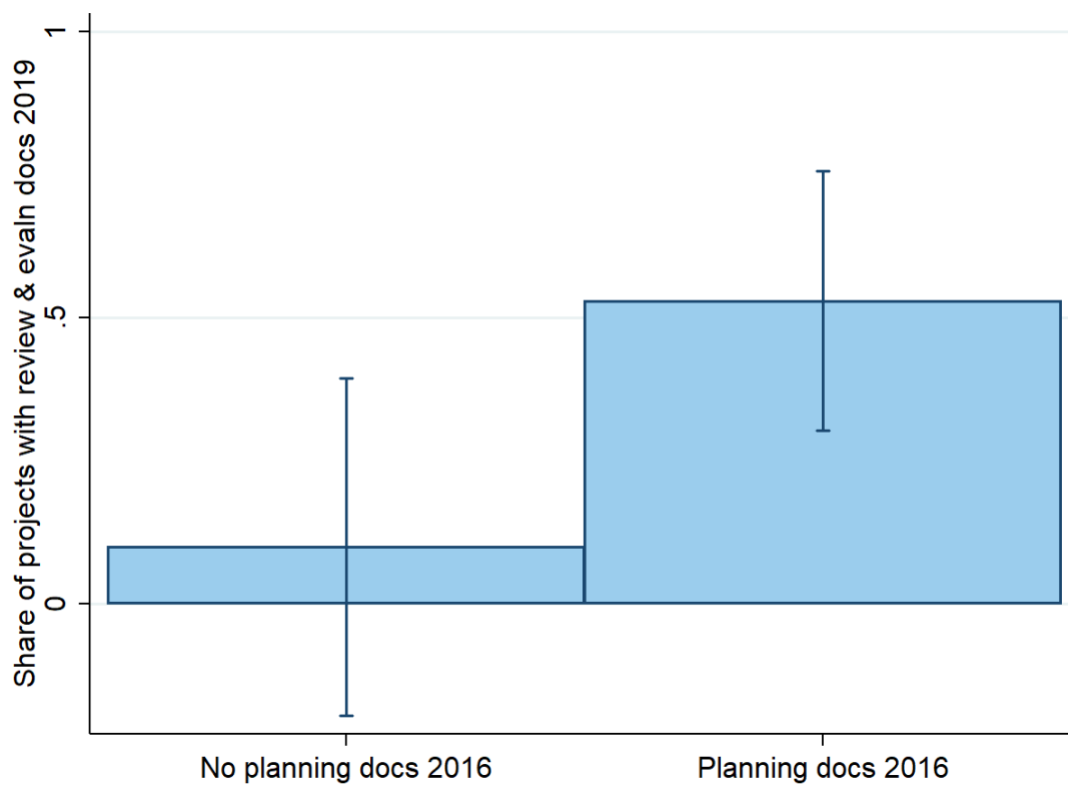
5. Discussion

From the above results, we identify several broad sets of findings regarding the state of Australian aid transparency.

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[19] An issue associated with the analysis presented here is that we had to use OLS regressions, as 27 is too small a sample to produce reliable results from logistic regressions. As a robustness test we tested for a bivariate relationship between planning documents and review and evaluation documents using exact logistic regressions. We found a relationship at $p<0.1$. Our results proved fragile to any action we took that reduced the sample size (such as excluding the three projects in the dataset that already had review and evaluation documents in 2016).

5.1 Overall availability of project information online

For the first time in the 2019 transparency audit we were able to estimate the proportion of projects that are covered in any form whatsoever on the Aid Program website. Deriving such an estimate was not easy, required a number of assumptions, and could only be undertaken using 2016 data. Notwithstanding these issues, a broadly positive picture emerged. Many country programs appear to be doing a good job of providing at least some information online pertaining to all, or almost all, of their significant aid projects. However, there were some country programs that, in 2016, lagged behind overall performance. Some of these programs were very small, but others such as the Solomon Islands country program were large. Their lack of this form of transparency is a real concern.

5.2 Overall change over time

Compared to the clear fall in transparency in the first, basic transparency index that occurred between 2013 and 2016, change between 2016 and 2019 was minor. The integration of the Aid Program into DFAT clearly came at a cost to transparency of the sort captured in our first index, and this damage was not reversed in the period from 2016 to 2019.

In the case of our second index, based on document types, there was a small decline between 2013 and 2016 if policy and direction setting documents are excluded from analysis. (Because of the changed nature of these documents we believe a comparison excluding this document type is the most appropriate; the decline was substantial if policy and direction setting documents are included).

Between 2016 and 2019 there was little change in the index based on document types. Although the average document availability does not appear to have deteriorated substantially post 2016, it clearly has not improved either.

5.3 The rise of reviews and evaluations while everything else fell

While there was little change overall in the document type index between 2016 and 2019 and only a small change between 2013 and 2016, a careful examination of the trends for the different document types provides a more complex picture. The availability of policy and direction setting, plan and design, implementation and performance management,

documents decreased from 2013 to 2016 and again from 2016 to 2019. However, deterioration in these areas was offset by improvements in the availability of review and evaluation documents. Once again, this trend of improvement appears to have started post-2013 and continued between 2016 and 2019. The increasing availability of review and evaluation documents stands in stark contrast to deterioration in other areas. While it is beyond the scope of this report to provide a comprehensive explanation of why transparency with reviews and evaluations has improved, one likely source of improvement is ongoing engagement from the Office of Development Effectiveness (ODE), the entity tasked with improving the quality of evaluations in the Aid Program. While the existence of ODE predated the improvement in the publication of evaluations that we have described in this report, it made supporting the publication of evaluations a priority in the years covered by this report. ODE championed in 2016 the adoption of a new DFAT Aid Evaluation Policy.[20] This moved away from the requirement – often honoured in the breach rather than the observance – that all aid projects or programs above a certain monetary value had to be evaluated. In its stead a new policy stipulated that:

> Programs have flexibility to determine the highest priority issues their evaluations should focus on. Programs are given a minimum number of evaluations which should be conducted each year, with larger programs expected to undertake more evaluations.

The new policy also required an annual DFAT-wide evaluation plan be produced and published,[21] and that all evaluations be published. While this itself was not a new requirement, heightened accountability contributed to greater adherence.

In addition to developing and promoting the new policy, and the annual plans, ODE provided program evaluation support to DFAT staff.[22] The role of the Independent

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[20] The policy can be found at: https://dfat.gov.au/aid/how-we-measure-performance/ode/Documents/dfat-aid-evaluation-policy-nov-2016.pdf

[21] Plans for 2017, 2018 and 2019 can be found at: https://dfat.gov.au/aid/how-we-measure-performance/ode/Pages/annual-aid-evaluation-plan.aspx

[22] Details on this support can be found at: https://dfat.gov.au/aid/how-we-measure-performance/ode/operational-evaluations/Pages/program-evaluations.aspx

Evaluation Committee, which oversees the work of ODE, was also noteworthy. It has acted as a champion not only for ODE but for the cause of evaluation more broadly.[23]

5.4 Variation across countries and sectors

In terms of the results from our second index, overall averages also hide a considerable amount of variation between countries and between sectors. Some country programs are much more transparent than others, and projects in certain sectors tend to be more transparent than projects in other sectors. Regional variation does not explain the variation between country programs. At the project level, however, project size appears to explain at least some of the variation in transparency. On average, larger projects are more transparent and smaller projects typically less transparent. It also appears to be the case that projects that were more transparent early in the project cycle tend to remain more transparent throughout the project cycle. This is true even when other effects associated with recipient country, project sector, project start year, and project size are taken into account. Projects that get off to a good start with regards to transparency are notably more likely to remain transparent throughout the project cycle.

6. Recommendations

As we have been writing this report, the Australian Aid Program commenced a process of reviewing Australian development policy. Such a policy review offers an opportune moment to enact changes that have the potential to foster real transparency in the Australian Government Aid Program. Based on our findings we have the following recommendations for improving transparency. These recommendations are mostly minor and do not require a major overhaul of existing systems and processes.

First, the Aid Program should place, in a location readily accessible from country program pages, a list of all projects currently active in individual countries. If a fully comprehensive list is impractical, a list of all projects with total budgets larger than A$1 million seems reasonable. Presumably the Aid Program tracks projects internally. If this is the case, listing programs publicly should not be unduly onerous. Ideally, such a list could be accompanied by the – very basic – information found in our first transparency index, or a similar set of

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[23] This Committee was established in 2012 and consists largely of senior, external members. More details can be found at: https://dfat.gov.au/aid/how-we-measure-performance/ode/aboutode/Pages/iec.aspx

basic project information. The work involved to produce such lists would be minimal, but it would provide interested members of the public with a crucial component of aid transparency: a list of all the substantive work the Aid Program is conducting at any one point in time.

Second, transparency is most likely to increase when there are internal pressures pushing for improvement. The rise in availability of review and evaluation documentation stands in stark contrast to the deterioration in other aspects of transparency covered in this report. As discussed above, engagement from the ODE and Independent Evaluation Committee played an important role in bringing improvements in this area. Amid their other valuable work, these entities should continue to press for greater transparency around evaluations.

To promote transparency more broadly, the aid program should create a specific transparency unit. This unit should be tasked with promoting transparency, monitoring it, and pushing for it internally. The unit should cover all areas of aid transparency. Because our analysis indicates projects that start transparent are more likely to stay transparent, the unit should place a particular emphasis on improving transparency from early in the project cycle.

Part of the unit's role would be education. While at times a genuine desire to hide information can impede transparency, in other instances, the problems are often much more prosaic, and greater transparency may simply be elicited by raising staff awareness of what is required and how it can be achieved. Because the Aid Program is now fully integrated into DFAT, staff managing aid projects do not necessarily have in-depth experience of best aid practice, or desired practice within the Aid Program. For this reason, increasing internal awareness of good practice in transparency should yield dividends.

The transparency unit should also look at procedural impediments to getting relevant information onto the website. Our finding that transparency was lower for smaller projects suggests that simple time constraints may be behind the absence of many documents from the website. If this is the case, the easiest remedy would be to make it simple for busy Aid Program staff to fulfil their obligation to transparency. Where possible, given staff time constraints, designing internal aid management systems so that they are fully conducive to facilitating transparency would be useful.

Fourth, although we did not cover these aspects of transparency specifically in this audit, we would like to commend the Aid Program for ongoing reporting to the OECD, and for the data it makes available through budget 'Orange Books' and historical data spreadsheets. We also believe the Aid Program deserves to be commended for its provision of IATI data. However, in this final area it could deliver a significant public good if it were to release IATI data in a user-friendly form rather than as xml files. Spreadsheets or CSV files would suffice. While tools are being developed to make IATI data more user friendly, currently they do not perform well. In the name of transparency, it would be better if the Aid Program simply made the same data available to interested Australians, in a format that can easily be used. When doing this, the Aid Program would also add value for analysts if it added data such as standardised project codes, which would enable the tracking of individual projects over time. Such inclusions would ultimately contribute to stronger research and understanding of Australian aid.

Finally, as it works towards tangible improvements in aid transparency, the Aid Program should set an explicit timeframe guiding the delivery dates of improvements. Past political promises about increased transparency have often tended to be vague in terms of achievement dates. One means of ensuring improvements actually occur will be to clearly and publicly commit to dates by which improvements must be enacted.

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