



TRANSPARENCY & ACCOUNTABILITY INITIATIVE

2016 Annual Report



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Contents

Introduction	2
Setting Up the New Foundational Infrastructure	2
Transitioning to fiscal sponsorship.....	2
Relocation.....	2
Staffing and building internal capacity	3
Funding and membership.....	3
Collaborative Strategy and Work Plan Development	3
Shifting to Implementation	6
Financial Report	7
Priorities for 2017	9

Introduction

Learning from its five years of successful operation to date, the Transparency and Accountability Initiative (TAI) Steering Committee agreed in March 2015 that an evolution of the organization's model was necessary to adapt to the changing context and scale up its impact in the transparency, accountability and participation (TAP) field. 2016 was an exciting transitional year for TAI, as we shifted our operations to Washington DC, revamped our organizational structure, and completed an intensive strategy development process alongside our donor members.

Since our focus was on transitioning to a new operating model, articulating a new strategic vision, and laying the building blocks for implementation, TAI donor members agreed to pause external TAI activities and reporting requirements to original 2013-2016 work plan commitments. Consequently, this report is deliberately brief, outlining the process and timeline of TAI's transition and the progress made on delivering our new strategy. As we shift to implementation in 2017, we anticipate moving to a comprehensive annual reporting format.

Setting Up the New Foundational Infrastructure

Transitioning to fiscal sponsorship

Coming into 2016, the TAI Steering Committee agreed on a set of transition priorities for TAI, including setting up a new governance and institutional framework, reviewing TAI's current and past activities, and outlining TAI's new functional priorities.

The decision was made to move TAI to an independent status as a fiscally sponsored project rather than continue being hosted by one of the donor members. This entailed a geographic move to the United States, where fiscal sponsorship options are more prevalent. After a comprehensive review of potential sponsors, interviews with a short list of organizations and completion of due diligence, the Steering Committee selected [Proteus Fund, Inc.](#) Accordingly, in the spring of 2016, TAI transferred its legal status and remaining assets from Open Society Foundations UK to the Proteus Fund.

Relocation

TAI's working space moved from London to the [OpenGov Hub](#) in Washington, DC. This location offers TAI several advantages: (1) existing infrastructure in a co-working space; (2) learning from and collaboration with organizations based at the Hub working on similar issues (including several TAI member grantees); and (3) a geographic mid-point among TAI member donor locations and time zones.

Staffing and building internal capacity

As the London office of TAI formally closed, it was necessary to rebuild the core TAI team in the new US employment context.

The first step was to hire an Executive Director. After an extensive and competitive search, the Steering Committee selected Michael Jarvis, then Global Lead for Extractives Governance at the World Bank Group for the role. Michael took up his post in May 2016 in Washington and began to assess staffing needs to meet immediate administrative and programmatic priorities. Lauren Keevill was hired as program officer in September 2016 as a first step, and agreement was reached with the Steering Committee on the need for a Senior Learning Officer to lead TAI's cross-cutting learning pillar. With a job description in place, the hiring for that role will take place in early 2017.

The decision was made to delay filling any remaining staff positions (most likely a Senior Program Officer position) until prioritized needs are identified during implementation of the new strategy. With such a small team, it is critical to get the right people on board – those who bring complementary skills and experience, but also the ability to work collaboratively. Consequently, hiring was slower than originally planned, but we are now moving forward with the confidence of having the right individuals to bring the TAI strategy to life.

Funding and membership

After the close-out of UK funding through TAI's London office, critical interim funding was provided by two members to support the transition processes outlined in this report. Moving forward, TAI will shift to multi-year equal grants from each donor member to provide a sustainable funding basis. Thanks to their confidence in TAI's new strategy and model, the Ford Foundation and Hewlett Foundation provided multi-year grants in September and December 2016, respectively. TAI secured the last grant from each of our four core members supporting activities through the end of 2019.

Collaborative Strategy and Work Plan Development

Entering 2016, the Steering Committee commissioned a series of inputs designed to help guide the TAI renewal.

These included an external evaluation by Morrie Lipson to explore TAI's comparative strengths and weakness to inform the process of rethinking TAI's structure, activities, and core priorities. The evaluation highlighted specific activities or initiatives to conclude or spin-off from TAI. In addition, the evaluation offered insights to inform the new TAI strategy: conclude TAI's field-servicing role and determine what a donor-facing strategy would entail; consider how best to leverage the value of TAI's brand; and reflect on anticipated outcomes that stem from TAI being a donor collaborative.

The individual donor members also shared their perceived value from participating in TAI. The UK Department for International Development accorded TAI an “A” level rating for its project completion review for their grant ending 2016, noting it had exceeded expectations. Their independent assessment of the programme highlighted how TAI’s unusual blend of field and donor-facing functions contributed to the development of a widely-recognized brand as a powerful commissioner/facilitator of neutral research, as an effective and neutral field convener with a unique reach into the research, practitioner and donor communities, and as an effective responder to field-wide challenges and opportunities. However, they noted the tension between being donor-serving and practitioner-serving and welcomed the chance to engage in the review of how TAI members can ensure the collaborative provides most value.

To complement such evaluation processes, TAI also commissioned MIT’s GovLab – and a research team led by Professor Lily Tsai and Varja Lipovsek of Twaweza - to undertake an evidence review of the transparency and accountability field – a chance to consider to what extent there has been progress since the [synthesis review](#) of the impact and effectiveness of transparency and accountability initiatives completed for TAI five years previously. This kicked off in spring 2016.

Table 1 Shift in Generational Approaches to Transparency & Accountability

First Generation	Second Generation
Inadequate attention to particularities of local contexts	Deeper understanding of local contexts
Short-term projects	Longer-term, more iterative, “organic” engagements
Blanket assumption re value of transparency	More focus on how transparency translates into accountability
Fascination with technological tools; treating them as ends in themselves	Viewing technological tools as means, not ends; experimenting with multiple tools
Act first, learn later	Greater attention to accumulating and applying learning
Tactical aims	Strategic approaches
Small-scale, fragmented efforts	Building larger movements and coalitions

Additionally, TAI’s donors commissioned Thomas Carothers of the Carnegie Endowment for International Peace to curate a [series](#) of think pieces by leading scholars on ideas for future work on transparency and accountability. These ranged from the potential of digital identification to enhance transparency and accountability to the need for new networks and coalitions. As summarized by Carothers, the thinking points to emergence of what

might be called a “second generation” approach to transparency and accountability (see Table 1). The essay collection was made available as a public good and has been well received.

These inputs informed a first quarter 2016 Steering Committee retreat at Tarrytown Estate, New York, which offered a first interaction with the new ED, resulting in an agreement on the prioritized topics for TAI going forward. The Steering Committee empowered the ED to lead the subsequent strategy development process.

Building on the high-level objectives and priorities agreed upon, the ED spearheaded a consultative process to flesh out TAI’s new strategy that involved interviews with donor members, conversations with over a hundred grantees, researchers, and influential field actors, and a community survey to gauge field priorities. Drawing on these inputs, the ED and program officer developed a full draft of the strategy. This process culminated with a Steering Committee meeting in New York in September 2016, where the strategy was reviewed and agreement reached on the final revisions. The final strategy was approved in November 2016, and a public version will be released in early 2017.

The new strategy reorients TAI’s focus to be a **donor-serving** (rather than field-building) initiative. It further details TAI’s ambitious goal to “move the needle” in four key areas: (1) **data use and accountability**; (2) **taxation and tax governance**; (3) **strengthening civic space**; and (4) **learning for improved grant making**. The fundamental assumption underlying TAI’s theory of change is that supporting the work of donors will (indirectly) advance the TAP field and deliver greater transparency and accountability on the ground.

To this end, TAI’s main purpose is to increase donor members’ collective impact by improving their grant making and facilitating collective action towards ambitious goals relevant to the whole TAP field. TAI’s direct point of accountability therefore is to our member donors – informing their choices and practices. The actions of the donors in turn influence the behavior of their grantees, and potentially of other donors, practitioners, and researchers. Collectively, all these actions will improve outcomes on prioritized issues for the TAP field and contribute to positive societal change. TAI’s role is thus a contributory one. It reinforces funders’ impact, which is in turn contributory to the efforts of those leading the vital change work on the ground.

TAI will primarily support **learning** among donors, drawing on existing TAP field knowledge and evidence and TAI experience, and member **collaboration**. TAI’s secondary functions will **connect** practitioners, researchers, and other donors active on these issues to help ensure TAI member resources are aligned to points of comparative advantage, innovation, and to maximize collective impact. TAI will also **communicate** the principles, learnings and value of TAP to other donors, practitioners, civil society and policymakers drawing on the insights and impacts generated around the priority theme engagements.

Figure 1 – TAI Theory of Change



Also under the new strategy, there is a commitment to reserve a portion of the budget for a rapid response capacity, enabling TAI to respond nimbly to opportunities to contribute to field level impact at short notice. Any one of the donor members can suggest a use of the fund according to agreed criteria.

A detailed annual work plan for 2017 was developed for discussion with the Steering Committee in December 2016. This detailed specific activities to contribute to the outcomes under each priority area of the new strategy, although there remains a commitment to an emergent approach with a shift to anticipated quarterly reviews of the work plan by the TAI team and a half yearly update to the Steering Committee leading to agreement on adaptations reflective of learnings from implementation to date and to respond to new opportunities that arise.

Shifting to Implementation

While the strategy development process was intense, TAI was also able to begin implementing elements of the strategy by the end of 2016.

In one example, reflective of the desire to align donor member strategies, TAI undertook mappings of the current member funding portfolios related to tax and how that intersects with the broader ecosystem of international tax efforts. The first synthesis was input to a workshop with TAI core member tax leads in December 2016 exploring elements of a shared approach on tax and tax governance. This identified several areas of opportunity, for example, on fostering more responsible private sector tax policies, and a commitment to identify a shared theory of change. All committed to participate in a follow up meeting to clarify that shared theory in January 2017.

Focused on the learning workstream, TAI began conversations with researchers, practitioners from the global South, Northern support organizations, and donors to discuss

how to build a network to improve adaptive learning practice across the TAP field. Agreement was reached on the need to move away from the donor-led TALEARN convenings – noting the evaluation conclusion that while useful, TALEAN had not fully cohered into a meaningful community of practice – to a more practitioner led model. A design meeting is scheduled for early 2017 to explore what that model might entail in practice.

Meanwhile, TAI continued to support specific legacy projects from its tenure with OSF, including managing funding to US-based NGO Global Integrity to develop a five-country comparative research initiative on the Open Government Partnership (OGP). Some additional small financing was provided by TAI to aid dissemination of the resulting case studies and synthesis report. This led to dedicated sessions with country implementers of OGP at the Africa Regional Meeting in Cape Town in May 2016, at OGP discussions on the side lines of the UN General Assembly in September 2016, and through webinars and individual organization outreach. The OGP Support Unit noted the value of the research in influencing their own strategic refresh in 2016.

TAI continued to work with Lily Tsai and Varja Lipovsek to develop the commissioned evidence reviews related to TAI's thematic priorities. This has evolved based on TAI team and member feedback from the original concept of one broad scan. Based on member interviews and research, the research team mapped critical causal pathways to change common to the TAI members' theories of change. This resulted in agreement to undertake a series of "deep dives" into the evidence pertaining to particular pathways, such as how global norms translate to country level policy reform. The research team has also researched the linkages between taxation and accountability.

Financial Report

As noted above, TAI's financial obligations with its previous host OSF UK were closed out in spring 2016 and remaining assets transferred to our new fiscal sponsor, Proteus Fund. The following details reflect the financials through year end under the new structure. We were in budget for the year and maintain a healthy cash balance for operations as requested by Proteus Fund. Please note that these figures are based on the unaudited accounts provided by Proteus.

We anticipate increased spending in 2017 with a budget closer to \$1.1m as we operate at greater capacity and shift to full implementation mode with the new strategy in place.



Table 2 TAI Financial Actuals FY2016

	Actual May - Dec 2016
Carry Forward Fund Balance	-
Revenue	
Individual Donors	-
Institutional Donors	
William and Flora Hewlett Foundation	258,334
Ford - International Budget Partnership*	125,000
Ford	250,000
Omidyar Network	310,000
Open Society Foundation	150,000
Open Society Foundation*	299,611
Subtotal Institutional:	1,392,945
*funds transferred from OSF UK balance	
Additional Sources of Income	
Registration Fees & Events	-
Dividend & Interest Income	-
Other Income	-
Subtotal: Additional Sources of Income	-
TOTAL REVENUE (with carry forward fund balance)	1,392,945
Expenses	
Program Expenses	
GRANT DISBURSEMENTS & SPONSORSHIPS	
General Grants	135,000
General Grants	-
Sponsorships	-
TOTAL GRANT DISBURSEMENTS & SPONSORSHIPS	135,000
PROGRAM & OPERATING EXPENSES	
Personnel [salary & benefits]	194,580
Professional Fees	86,067
Occupancy	5,330
Office Expenses	464
Office Communications	3,262
Staff Travel/Conference	24,154

Furniture/Equipment	4,300
TOTAL PROGRAM & OPERATING EXPENSES	318,158
<i>Fiscally Sponsored Project Fee</i>	139,295
TOTAL ALL EXPENSES	592,452
REVENUE LESS EXPENSES	800,493

Priorities for 2017

In 2017, TAI intends to carefully sequence our engagements and activities, while recognizing that our approach is likely to evolve. TAI is intentionally designed to capitalize on adaptive development principles, and be agile and flexible in response to emerging opportunities and challenges.

In the coming months, as we move into an exciting new phase of building capacity and implementing our strategy, TAI will focus on the following:

- Hiring a Senior Learning Officer and possibly a Senior Program Officer for one of the work streams
- Strengthening our communications capacity to communicate TAI's shift in strategy to stakeholders and to support program implementation (re-design and launch of new website, branding, social media visibility, curation and dissemination of a weekly email digest)
- Fully shift to implementation of the three-year work plan

The transition process was formative for TAI; our new strategy, organizational infrastructure, and internal capacity will shape our work for the years to come. We are grateful for our donor members' invaluable support during this transition period, for the ideas and advice of so many leading organizations and thinkers in the field, and for the patience of all as TAI adapts to a new *modus operandi*.