



**AIDDATA**

A Research Lab at William & Mary

# Decoding Data Use:

How do leaders source data and use it to accelerate development?

## EXECUTIVE SUMMARY

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## EXECUTIVE SUMMARY

Data has displaced oil as the “world’s most valuable resource,” argues The Economist (2017). Technological advances are certainly reducing the time, cost, and difficulty of producing data. Governments and organizations are increasingly seeking to exploit this information to allocate scarce resources, track progress against ambitious goals, and maximize their impact. Nonetheless, the extent to which leaders use data or analysis in decision-making and whether it provides them with helpful evidence to achieve their objectives largely remains a ‘black box’.<sup>1</sup>

The *Decoding Data Use* report reveals what 3500 leaders have to say about the types of data or analysis they use, from what sources, and for which purposes in the context of their work.<sup>2</sup> Our study draws upon responses to AidData’s 2017 *Listening to Leaders Survey* of public officials and development practitioners from 126 low- and middle-income countries (LICs and MICs). Armed with these insights, we help funders, producers, advocates, and infomediaries of development data understand how to position themselves for greater impact.

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## What information do leaders use and for which purposes?

We examine the data use behavior of leaders in three respects: (1) the stages of the policymaking process in which they commonly employ data or analysis; (2) whether they use all information for the same purposes; and (3) the most popular types of evidence among developing world leaders. We define “information” or “evidence” broadly to include various types of raw (i.e., un-interpreted) data and analytical products that leaders might use to inform how they allocate resources, design policies or programs, monitor results, and evaluate impact.

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**Finding #1: Leaders employ the evidence they perceive as most helpful to diagnose problems, set priorities, and design or inform implementation strategies**

Overall, leaders use data or analysis more to conduct retrospective assessments of past performance than inform future policy and programs. However, leaders employ their most helpful evidence differently from how they reported using data and analysis in general. Our survey respondents indicated using this class of “most helpful” information at higher rates to carry out forward-looking tasks such as identifying which problems to solve and selecting implementation strategies (see Figure 1).

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**Finding #2: Leaders use national statistics and evaluation data most frequently and also find them to be the most helpful sources of development data**

National statistics was the most frequently used source of domestically produced development information (81 percent). Not only were leaders utilizing this evidence, but they also rated national statistics to be the most helpful type of raw data provided by domestic organizations, followed by program or project evaluation data. Among users of international data, such as that provided by foreign development partner organizations, private foundations, and think tanks, evaluation data was not only the most used (73 percent) but also rated to be the most helpful type of raw data produced by international organizations overall.

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**Finding #3: Leaders give the nod to qualitative analysis as most helpful by a slim margin, though government officials appear to place a higher premium on impact evaluations**

More leaders used qualitative evidence (over 80 percent) than quantitative studies (over 74 percent) or impact evaluations (over 61 percent). When it comes to information produced by international organizations, the gap widens somewhat, with the use of quantitative studies and impact evaluations falling farther behind qualitative analyses. Notably, there was one group that expressed a particular preference for impact evaluations vis-à-vis other forms of analysis, regardless of the source -- host government officials.

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## Whose information do leaders use and find most helpful?

Leaders have ample choice when it comes to deciding which data or analysis to use. We examine which organizations leaders turn to for sourcing information and how they rate the helpfulness of that evidence in their work on a scale of 1 (not helpful at all) to 4 (very helpful). Our two “value for money” indices compare the reported use and helpfulness of each development partner’s information with their predicted performance based upon the sheer size of their official financial contributions alone (See Figures 2 and 3).

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**Finding #4: Leaders give government agencies the highest marks among domestic information providers**

Host government agencies reportedly produced the most frequently used domestic data and received high marks as information providers -- about 90 percent of the time, users rated their data and analysis to be "quite" or "very" helpful. Comparatively, data from private companies appeared to be underutilized. While about eighty percent of those consuming information from a given private sector organization found it to be helpful, only 37 percent of respondents reported using this information.

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**Finding #5: The value of non-governmental information is highly context-specific: data and analysis produced by local civil society is most helpful in countries with open civic space**

Local civil society actors are increasingly active producers, rather than passive consumers, of valuable project-level data and analysis. But in countries where activities of non-governmental actors are restricted, CSOs play a more limited role. On average, respondents from countries with less political freedom (e.g., China, Myanmar, Swaziland) found local CSOs and private foundations to be less helpful information providers than respondents from countries with a higher level of political freedom (e.g., Guatemala, Ukraine, Ghana, Botswana).

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**Finding #6: Leaders put data and analysis from multilateral organizations at the top of the class when it comes to international information sources**

Eighty-seven percent of leaders who used information from foreign providers sourced it from multilateral agencies such as the United Nations (UN) and the World Bank. According to our first value for money index (Figure 2), we also see that multilateral organizations such as the World Bank, European Union, and International Monetary Fund (IMF) are efficiently converting large development assistance budgets into greater-than-expected uptake of their data and analysis.

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**Finding #7: Among bilateral development partners, the United States and Germany punch above their weight in attracting an outsized user base for the information they produce**

Fifty-nine percent of international data users employed information from member countries of the OECD's Development Assistance Committee (DAC) club of advanced economies. Several large DAC bilateral development partners -- the United States (US), Germany, Japan, the United Kingdom, and France -- were among the top ten information providers in overall use. The US and Germany perform particularly well in translating large development assistance budgets into information market share (see Figure 2). However, other development partners -- large and small, DAC and non-DAC -- do not fare as well and have a lower-than-expected user base for their data or analysis in return for their financial investments.

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**Finding #8: Financial clout need not be deterministic: focused multilaterals with smaller aid budgets punch above their weight with leaders for the helpfulness of their data and analysis**

Sector- or region-specific multilateral organizations were top performers in our helpfulness value-for-money index (see Figure 3). Several large multilateral organizations with broader mandates also performed well, such as UNDP, IMF, and International Finance Corporation (IFC). Large DAC bilaterals (e.g., Canada, France, Japan, Germany) are getting less performance bang for their buck when it comes to producing information that leaders find helpful in their work. Small DAC bilaterals (e.g., Australia, Denmark) also lag behind in not getting as good of a return on their financial investments.

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**Finding #9: Leaders are less likely to use other sources of international information, but some private foundations, advocacy groups, and implementing organizations are breaking through**

Survey respondents less frequently turned to international NGOs/private foundations (46 percent), think tanks or research organizations (26 percent), and the media (22 percent) as preferred information providers. Nonetheless, several institutions garnered above-average marks from leaders who reported their information as being "quite" or "very" helpful. Among private foundations, the Open Society Foundation (92 percent) and the Bill and Melinda Gates Foundation (87 percent) performed best. World Vision was in the lead among implementing organizations (90 percent). Transparency International came out ahead of other advocacy organizations (83 percent) by a slim margin.

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## What are the most helpful sources of information doing right?

Why is it that leaders rated some information sources so highly? Survey participants selected up to 3 characteristics that explained why a given provider's data or analysis was helpful.

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**Recommendation #1. Context is key: to capture the attention of leaders, information providers must demonstrate a clear understanding of local realities in LICs and MICs**

Leaders place a high premium on data and analysis that 'gets it'. Survey participants overwhelmingly selected "an understanding of the local context" as one of the most important reasons why they found a given source of information to be helpful (see Figure 4). In practice, this underscores a natural tension between two competing priorities for information providers: cross-national comparability versus country-specific insights. Information providers may benefit from augmenting standardized global development indicators with nuanced political economy assessments and identification of supplemental indicators that are more locally salient.

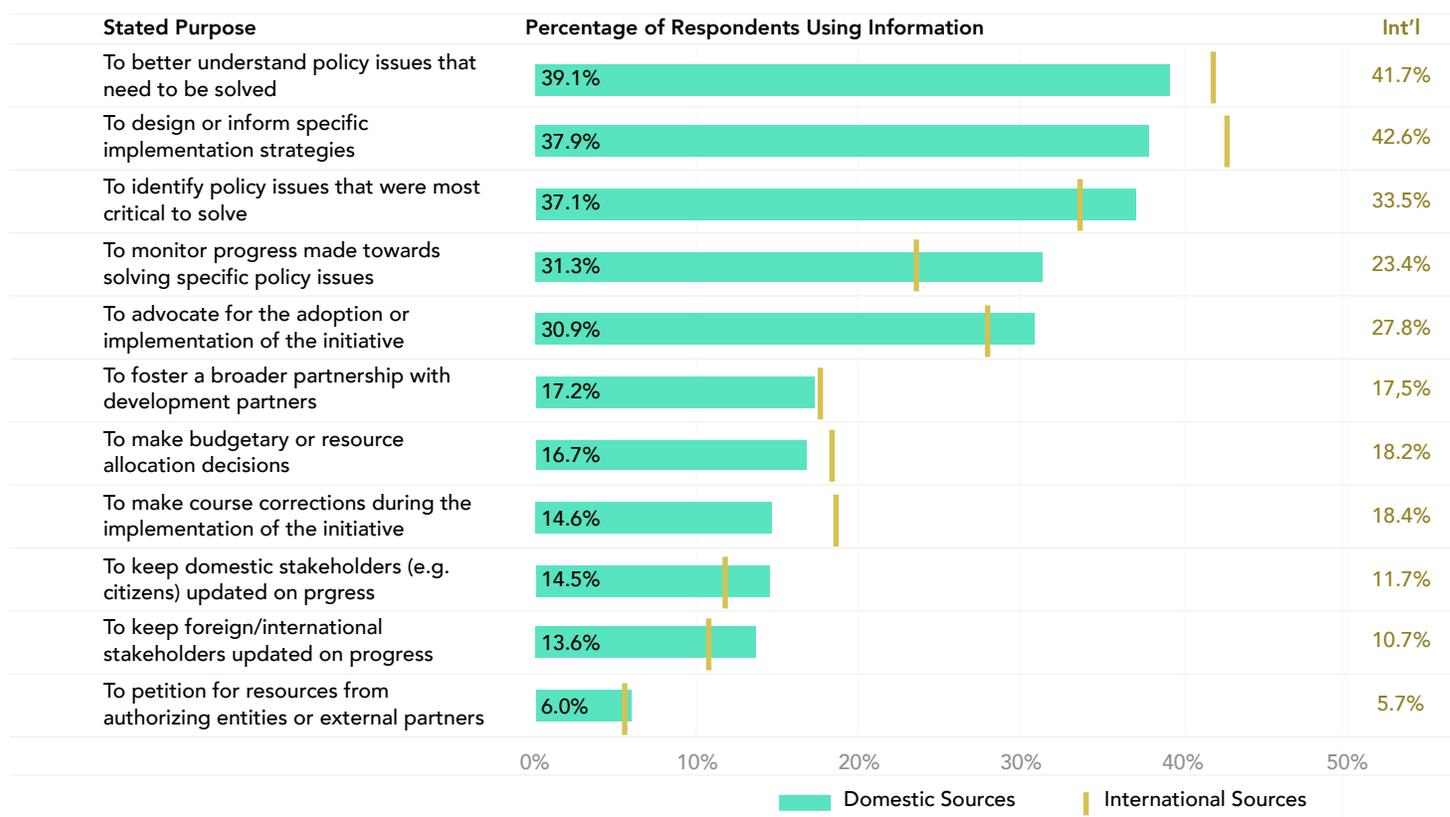
**Recommendation #2. Be constructive: to motivate leaders to take action, information providers should not only diagnose problems but offer practical policy recommendations**

Leaders want more specificity, not less, when it comes to determining how to respond to development challenges in their countries. Survey participants were definitive in what they want -- “a concrete set of policy recommendations” was among the most frequently cited attributes of what made information helpful to them. Producers of data and analysis can better serve their target users by drilling down into how their offerings can assist leaders in adjudicating between different policy issues and prescribed solutions. The desire for specific recommendations may be an opportunity for local ‘infomediaries’ to play a more active role in assisting data producers to identify policy implications and contextually-appropriate solutions.

**Recommendation #3. Know your niche: leaders expect somewhat different things from domestic and international information providers, which is an opportunity for greater specialization**

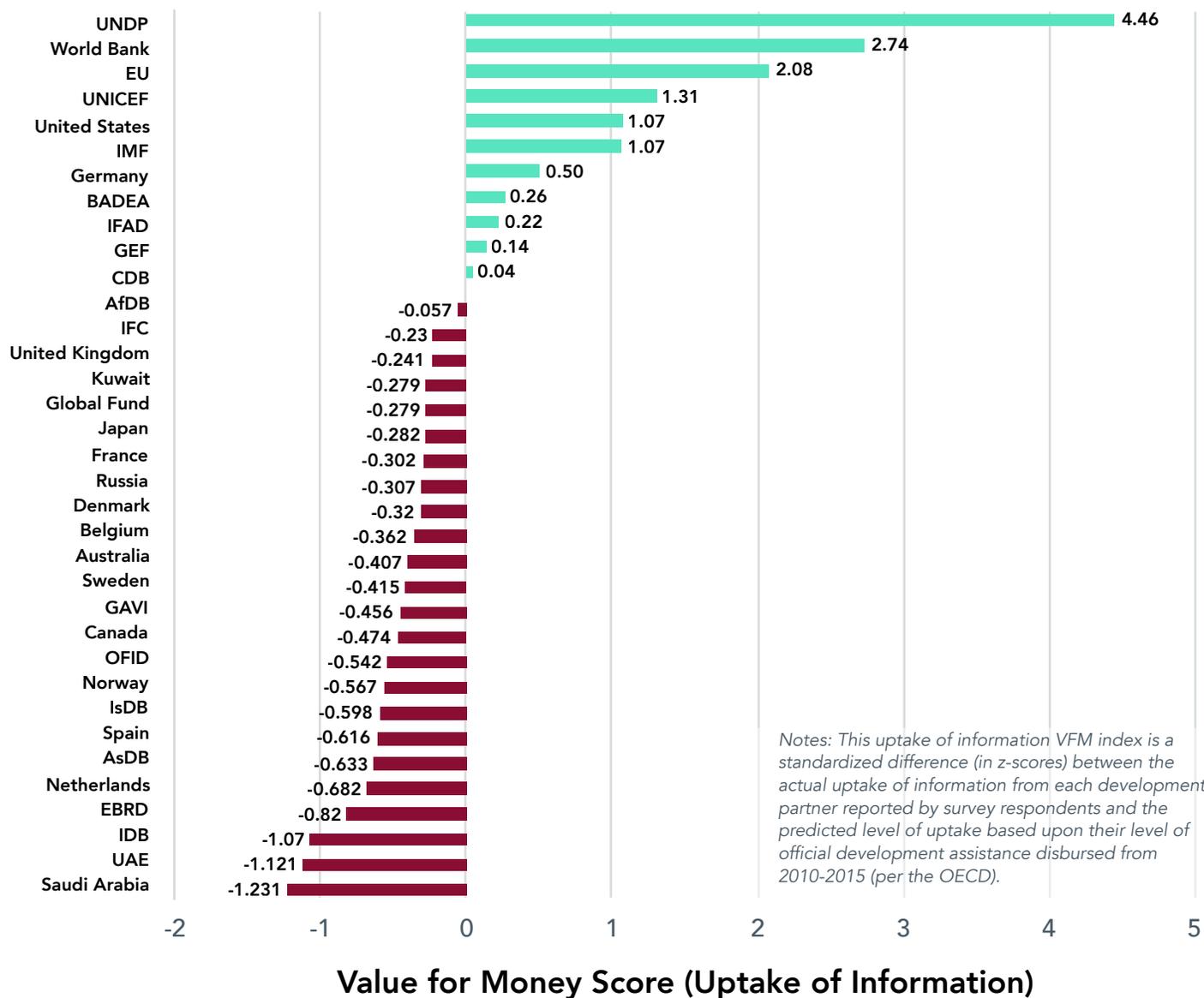
Leaders want domestic information providers to incorporate more government data in their analytical products and regard them more highly when they do so. Survey respondents also emphasized that these producers should prioritize remedying technical deficiencies, particularly the quality and timeliness of their data or analysis. The value proposition for international organizations is different: leaders viewed this data as signaling how they can position their country to access foreign assistance. Nonetheless, survey respondents still wanted these producers to align their data or analysis with national priorities. Information providers who reinforce these associations may gain stature with their existing base and attract new users.

**FIGURE 1: FOR WHICH PURPOSES DO LEADERS FIND INFORMATION HELPFUL?**

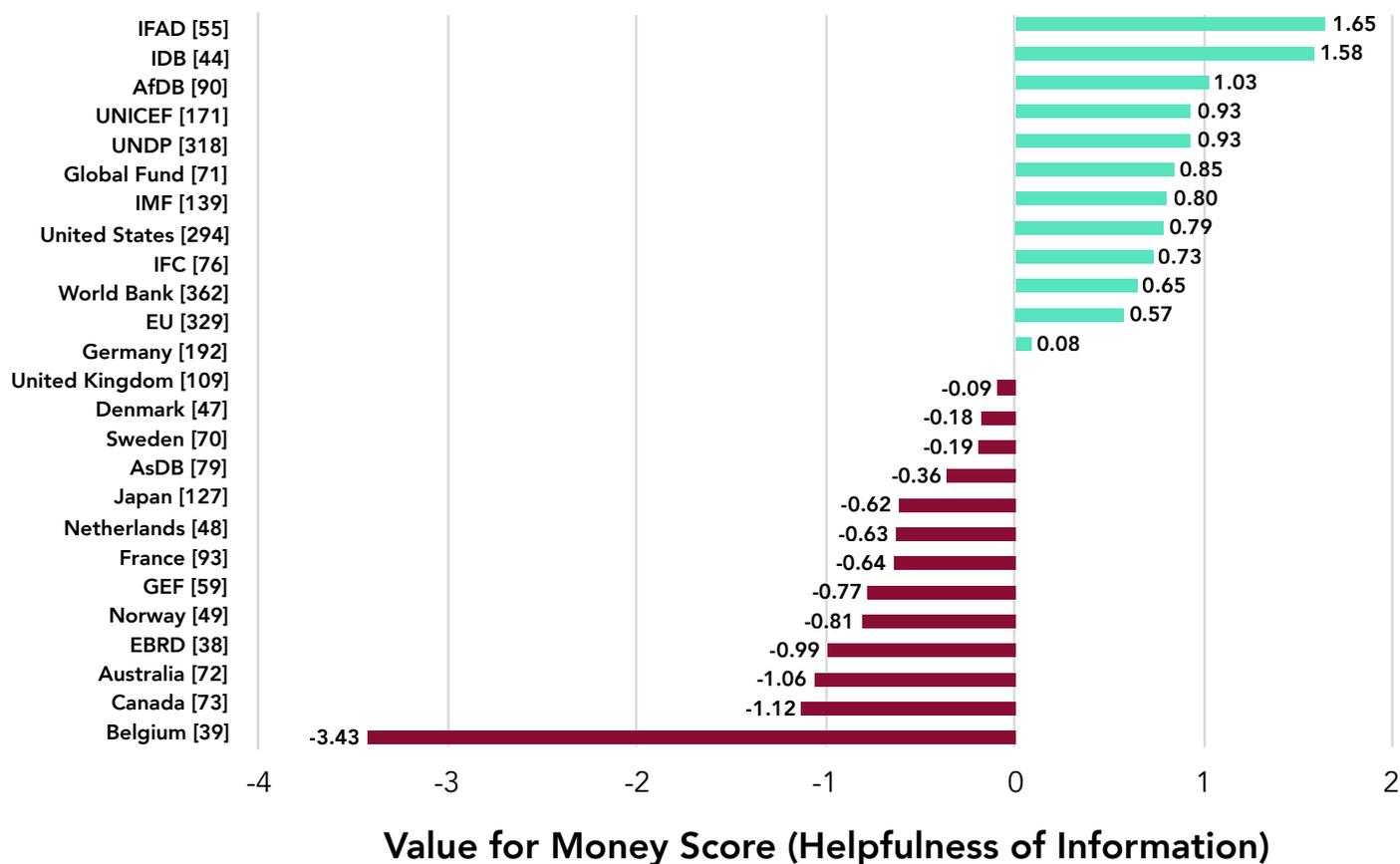


Notes: This figure reports the proportion of respondents who indicated that they used information for a given purpose. The 2017 LTL Survey first asked respondents to identify providers that they deemed as most helpful and then select which specific activities the information from the most helpful provider served. There were 662 (or 723) respondents who answered these questions for domestic (or international) providers.

**FIGURE 2: VALUE FOR MONEY: WHICH DEVELOPMENT PARTNERS PUNCH ABOVE OR BELOW THEIR FINANCIAL WEIGHT IN ATTRACTING USERS OF THEIR DATA OR ANALYSIS?**

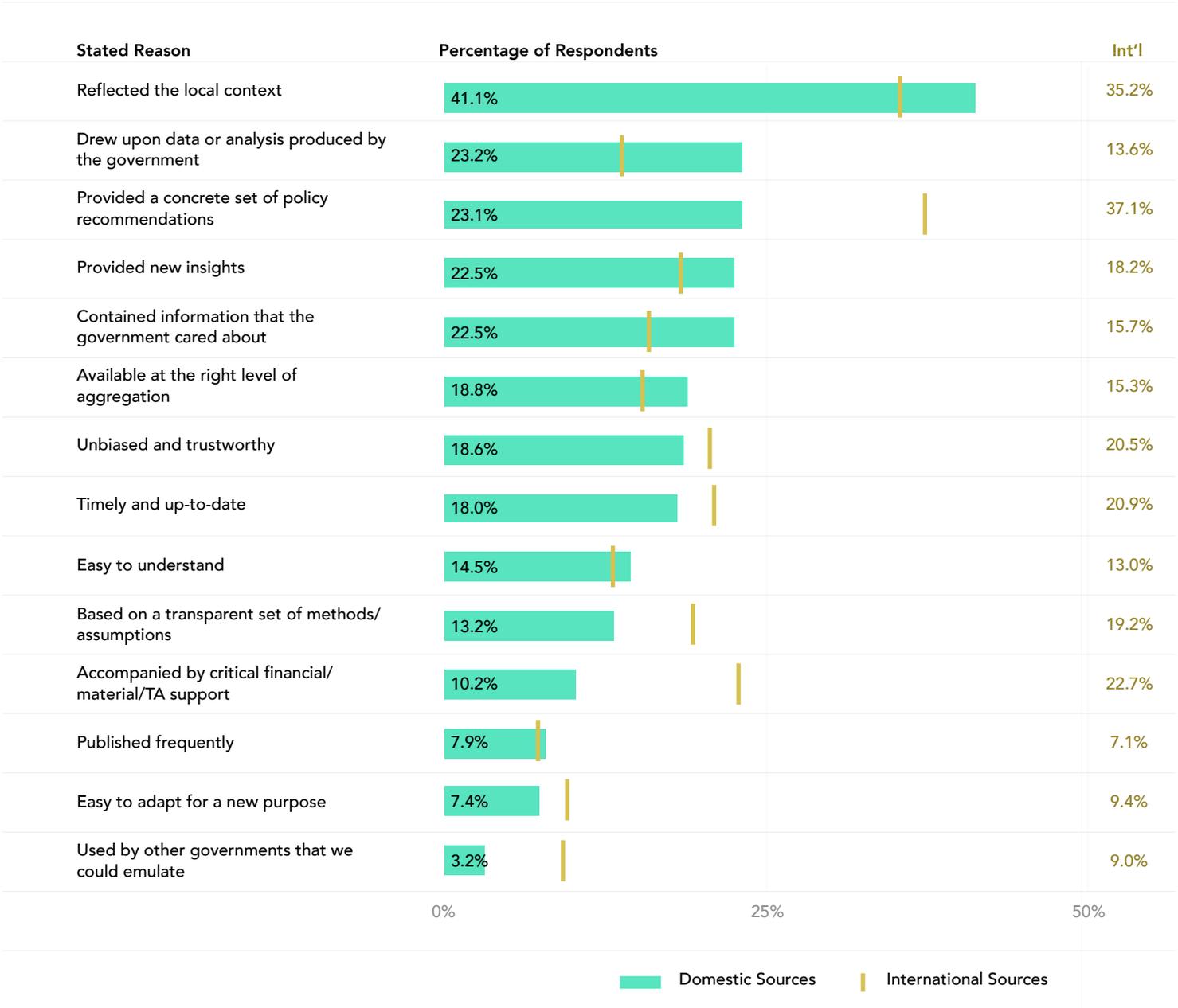


**FIGURE 3: VALUE FOR MONEY: WHO PUNCHES ABOVE OR BELOW THEIR FINANCIAL WEIGHT IN TERMS OF PERCEIVED HELPFULNESS OF THEIR DATA OR ANALYSIS?**



Notes: The VFM index is a standardized difference (in z-scores) between the actual perceived helpfulness reported by survey respondents and the predicted level of helpfulness for each DP based on their level of official development assistance from 2010-2015 (from the OECD).

**FIGURE 4: WHAT MAKES SOME SOURCES OF DATA MORE HELPFUL TO LEADERS?**



Notes: This figure reports the proportion of respondents who cited each factor as a reason why they rated certain information providers to be particularly helpful. This figure is based on 663 (or 723) respondents who answered questions that asked them to select up to 3 specific factors that made information from a given domestic (or international) organization particularly helpful.

**References**

The Economist. (2017). The world’s most valuable resource is no longer oil, but data. 6 May, 2017.

**Citation:**

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<sup>1</sup> Our population of interest includes policymakers and practitioners knowledgeable about, or directly involved in, development policy initiatives between 2010 and 2015. These individuals represent five stakeholder groups: host government officials, development partner staff based in the country, civil society leaders, private sector representatives, and independent experts.

<sup>2</sup> We use the terms “evidence” or “information” to refer to data and/or analysis produced by country governments, foreign/international organizations, or other non-governmental entities like civil society organizations (CSOs), non-governmental organizations (NGOs), private foundations, or the media with the intent to shape development policy decisions.

## About AidData

AidData is a research lab at the College of William & Mary. We equip policymakers and practitioners with better evidence to improve how sustainable development investments are targeted, monitored, and evaluated. We use rigorous methods, cutting-edge tools and granular data to answer the question: who is doing what, where, for whom, and to what effect?

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