The Quality of Official Development Assistance
QuODA 2021

LDCs: Effective Partnerships for Leaving No One Behind

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Outline

**Aim** – assess provider’s finance

1. Development Finance quantity (inc LDCs)
2. Quality of ODA (QuODA)
3. Trends in ODA effectiveness since Busan
1. Development Finance not just ODA

- Finance for International Development (FID)
- $157bn in 2018
- One sixth ($26n) non-DAC
- But only have detail on ODA/ DAC reporters
- Slight increase in 2018 but still 0.2 percent of GNI
- COVID response
ODA and LDCs

- Istanbul target:
  - 0.15%-0.2% of GNI to LDCs by 2020

- Only 4/5 out of 29 DAC met it

- Overall LDC share up slightly (red line)

- So, what about Quality?
2. What about Quality of ODA?

- **QuODA** - Quantitative assessment of 49 providers of ODA across 4 dimensions
  - 5th Edition; significantly revised since 2014
  - Evidence on what matters to effectiveness (working paper)

- **Aim**: prompt conversations about the quality of ODA that lead to improvement

**QuODA Dimensions**

- **Prioritisation**: Measures how well allocations are targeted to respond to long-term development challenges
- **Ownership**: Captures how well providers work with and through partner countries to promote domestic ownership and use of national systems
- **Transparency & Untying**: Measures the timeliness and comprehensiveness of reporting on ODA activities and whether procurement is tied to domestic contractors
- **Evaluation**: Assesses the quality of providers’ learning and evaluation systems
What is QuODA?

Prioritisation
- ODA spent in partner countries: Share of gross ODA allocated as country programmable aid plus humanitarian and food assistance
- Poverty focus: Weighted share of ODA allocated to the poorest countries
- Contributions to under-aided countries: Score measuring the extent to which each provider moves the global distribution of aid towards or away from an optimal allocation
- Core support to multilaterals: Share of total country ODA allocated as core support to multilateral agencies
- Support for fragile states and GPGs: Composite measure of the weighted share of ODA to fragile states and share of ODA to GPGs

Transparency & Untying
- Spend reported in IATI: Share of total project-level ODA and OOF disbursements reported to the CRS which are also published to IATI
- Comprehensiveness of data (CRS): Composite of three measures of reporting detail in CRS
- Timeliness (CRS and IATI): Measure of the timeliness of donor reporting to the CRS and the timeliness and frequency of IATI reporting for the lead development agency
- United aid (official): Share of ODA reported as being “untied” from provider procurement
- United aid (contracts): Share of countries development contracts awarded to contractors in the provider country less providers’ market share

Ownership
- Alignment at objectives level: Share of development interventions and evaluations that draw objectives and plans from partner frameworks
- Use of country financial systems: Share of ODA recorded in partner country budgets and use of public financial management systems
- Reliability and predictability: Share of ODA that is reliable (received as planned) and predictable using forward spending plans
- Partner feedback: Share of donors’ CPA covered by GPEDC respondents

Evaluation
- Evaluation systems: Composite measure of the quality of providers’ evaluation systems from OECD Peer reviews and MOPAN assessments
- Institutional learning systems: Composite measure of the quality of providers’ learning systems from OECD Peer reviews and MOPAN assessments
- Results-based management systems: Composite measure of the quality of results-based management systems from OECD Peer reviews and MOPAN assessments
Overall QuODA findings

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3. Quality of ODA a decade after Busan

- The Busan Partnership for Effective Development Cooperation
  - Agreed ten years ago, following series of international meetings
  - Set of principles

- So, what does the QuODA framework say about trends effectiveness?

- Look at three of our themes: Prioritisation; Ownership; Transparency & Untying
Prioritisation – is ODA reaching greatest need?

- Left Panel – share of ODA reaching recipients – no improvement
- Right panel – average income of ODA recipients still > twice LDC
Is ODA reaching those with greatest need?

- Models of ODA allocation
- Overall suggest LDCs should receive 55-59% of global aid
- Actually receive 44% (2018)
- QuODA analyses providers who support under-aided countries
Ownership

- **Ownership**
  - GPEDC data crucial but patchy
  - But little sign of improvement

- Need more support to the GPEDC survey
  - Consistency in questions; higher response rate

- Ownership NOT lower in fragile states
Transparency & Un-tying

- Transparency – clear improvements
  - IATI membership has grown (33 out of 49, up from 21 in 2009)
  - OECD and IATI reporting => have improved

- Tying ODA to national contractors
  - Clear evidence of lower effectiveness (rule of thumb = a quarter less effective)
  - Commitment to un-tie ODA to LDCs
  - All ODA: 78 percent ‘officially’ untied, up from 74 in 2010
  - LDCs: 87 percent untied up from 86 in 2014

- But! We calculate share of contracts delivered by a national provider
  - Over half – 57 per cent
  - Not an efficient/ open contracting process for delivering international projects
Summary and conclusions

1. Quantity of Finance growing slowly; emphasis on quality remains key

2. QuODA - Multilaterals dominate top of rankings – take 6 of top 10 spots
   - Bilaterals, can improve, esp on Prioritisation and Ownership

3. Trends since Busan:
   - Prioritisation/ leave no-one behind – no improvement
   - Ownership – no visible improvement
   - Transparency – clear improvement
   - Un-tying – some improvement, but perhaps cosmetic

4. Where next for development effectiveness?
   - How can providers focus climate finance and COVID response on wider need?
   - Ownership still needs serious attention, including support to GPEDC survey
   - 10 years after Busan – providers need to agree concrete goals they stick to
Thank you

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