

The Quality of Official Development Assistance QuODA 2021

LDCs: Effective Partnerships for Leaving No One Behind

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Outline

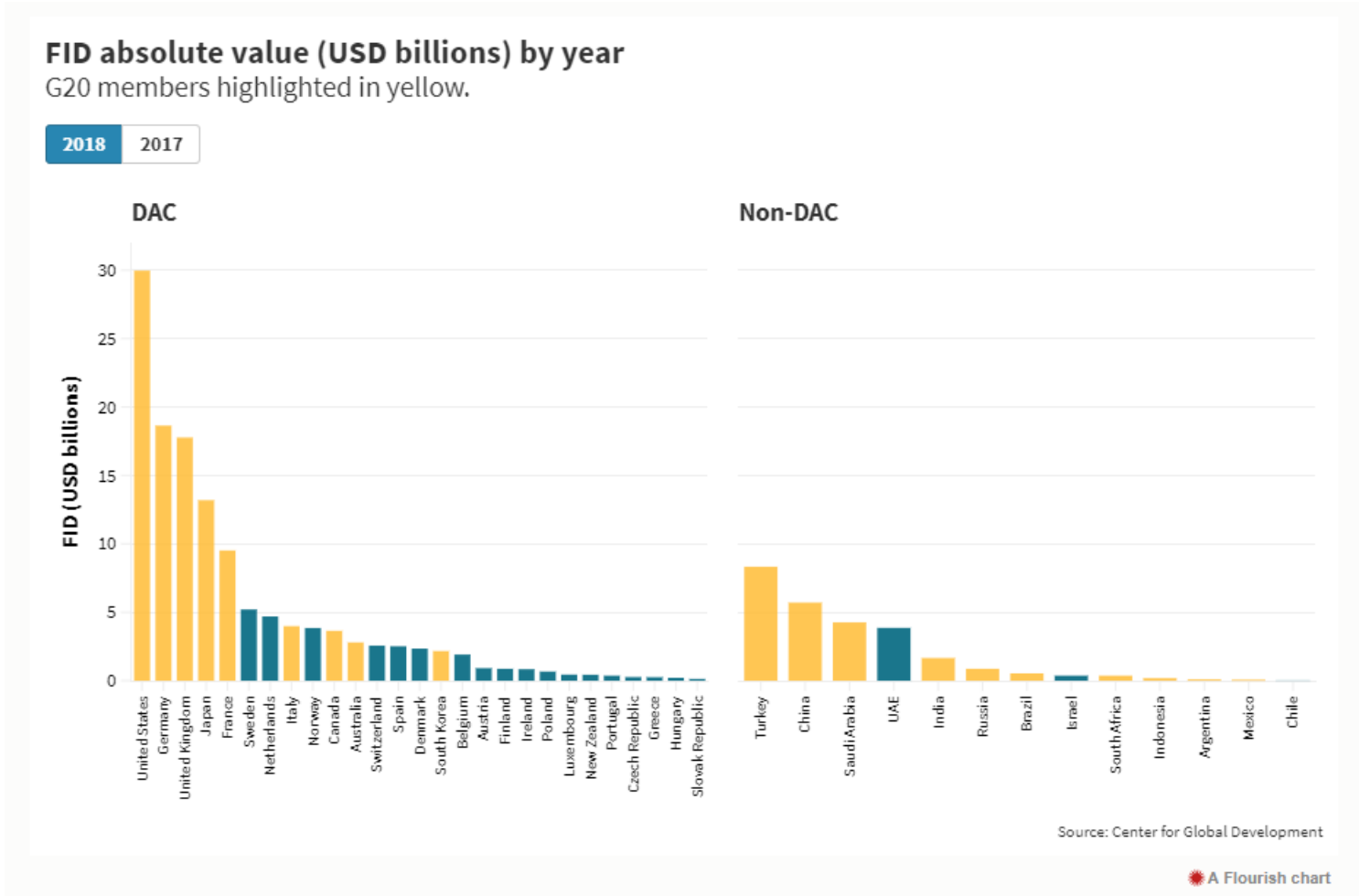
Aim – assess provider's finance

1. Development Finance quantity (inc LDCs)
2. Quality of ODA (QuODA)
3. Trends in ODA effectiveness since Busan



1. Development Finance not just ODA

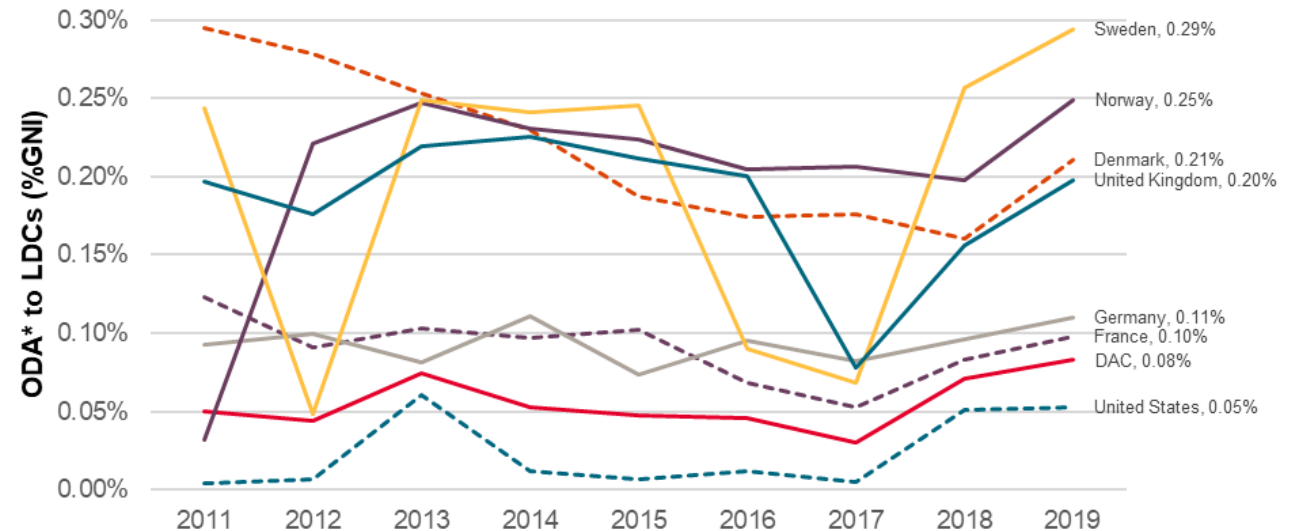
- Finance for International Development (FID)
- \$157bn in 2018
- One sixth (\$26n) non-DAC
- But only have detail on ODA/ DAC reporters
- Slight increase in 2018 but still 0.2 percent of GNI
- COVID response



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?

DAC Performance Against Istanbul Target
(0.15%-0.20% of GNI as ODA to LDCs)




* Includes imputed multilateral flows. Grant equivalent values used for 2018 onwards, and net disbursements used for earlier years.

Source: Analysis based on the OECD CRS, DAC1 table, & members' total use of the multilateral system dataset.

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

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- **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

- P1 ODA spent in partner countries:** Share of gross ODA allocated as country programmable aid plus humanitarian and food assistance
- P2 Poverty focus:** Weighted share of ODA allocated to the poorest countries
- P3 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
- P4 Core support to multilaterals:** Share of total country ODA allocated as core support to multilateral agencies
- P5 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

- T1 Spend reported in IATI:** Share of total project-level ODA and OOF disbursements reported to the CRS which are also published to IATI
- T2 Comprehensiveness of data (CRS):** Composite of three measures of reporting detail in CRS
- T3 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
- T4 United aid (official):** Share of ODA reported as being "untied" from provider procurement
- T5 United aid (contracts):** Share of countries development contracts awarded to contractors in the provider country less providers' market share

Ownership

- O1 Alignment at objectives level:** Share of development interventions and evaluations that draw objectives and plans from partner frameworks
- O2 Use of country financial systems:** Share of ODA recorded in partner country budgets and use of public financial management systems
- O3 Reliability and predictability:** Share of ODA that is reliable (received as planned) and predictable using forward spending plans
- O4 Partner feedback:** Share of donors' CPA covered by GPEDC respondents

Evaluation

- E1 Evaluation systems:** Composite measure of the quality of providers' evaluation systems from OECD Peer reviews and MOPAN assessments
- E2 Institutional learning systems:** Composite measure of the quality of providers' learning systems from OECD Peer reviews and MOPAN assessments
- E3 Results-based management systems:** Composite measure of the quality of results-based management systems from OECD Peer reviews and MOPAN assessments

Overall QuODA findings

| Provider | QuODA Ranks | | | Dimension Ranks | | | |
|-----------------|-------------|----|-------|-----------------|-----------|------------------------|------------|
| | Overall | Bi | Multi | Prioritisation | Ownership | Transparency & Untying | Evaluation |
| IFAD | 1 | | 1 | 7 | 4 | 1 | 4 |
| AfDF | 2 | | 2 | 2 | 2 | 7 | 19 |
| IDA | 3 | | 3 | 4 | 8 | 8 | 12 |
| Global Fund | 4 | | 4 | 1 | 6 | 31 | 26 |
| Gavi | 5 | | 5 | 3 | 19 | 4 | 31 |
| Sweden | 6 | 1 | | 18 | 23 | 6 | 1 |
| UNDP | 7 | | 6 | 5 | 24 | 13 | 20 |
| Finland | 8 | 2 | | 16 | 15 | 10 | 7 |
| Denmark | 9 | 3 | | 13 | 22 | 11 | 9 |
| Canada | 10 | 4 | | 30 | 13 | 3 | 18 |
| WHO | 11 | | 7 | 15 | 35 | 2 | 14 |
| AsDB | 12 | | 8 | 8 | 1 | 38 | 22 |
| Belgium | 13 | 5 | | 10 | 21 | 16 | 16 |
| EU Institutions | 14 | | 9 | 35 | 30 | 5 | 3 |
| UNICEF | 15 | | 10 | 9 | 16 | 19 | 27 |
| United Kingdom | 16 | 6 | | 12 | 37 | 12 | 10 |
| Ireland | 17 | 7 | | 6 | 12 | 33 | 28 |
| South Korea | 18 | 8 | | 20 | 3 | 41 | 8 |
| Netherlands | 19 | 9 | | 17 | 34 | 23 | 5 |
| Iceland | 20 | 10 | | 11 | 5 | 35 | 33 |
| Australia | 21 | 11 | | 42 | 11 | 29 | 6 |
| Luxembourg | 22 | 12 | | 27 | 18 | 27 | 13 |
| New Zealand | 23 | 13 | | 46 | 20 | 26 | 2 |
| CIF | 24 | | 11 | 31 | NA | 18 | NA |
| Norway | 25 | 14 | | 29 | 32 | 9 | 34 |

- Top 5 = multilaterals
 - P, O, T
- Top 5 Bilats
 - Sweden
 - Finland
 - Denmark
 - Canada
 - Belgium
- Dimensions
 - P = GAVI
 - O = AsDB
 - T = IFAD
 - E = Sweden

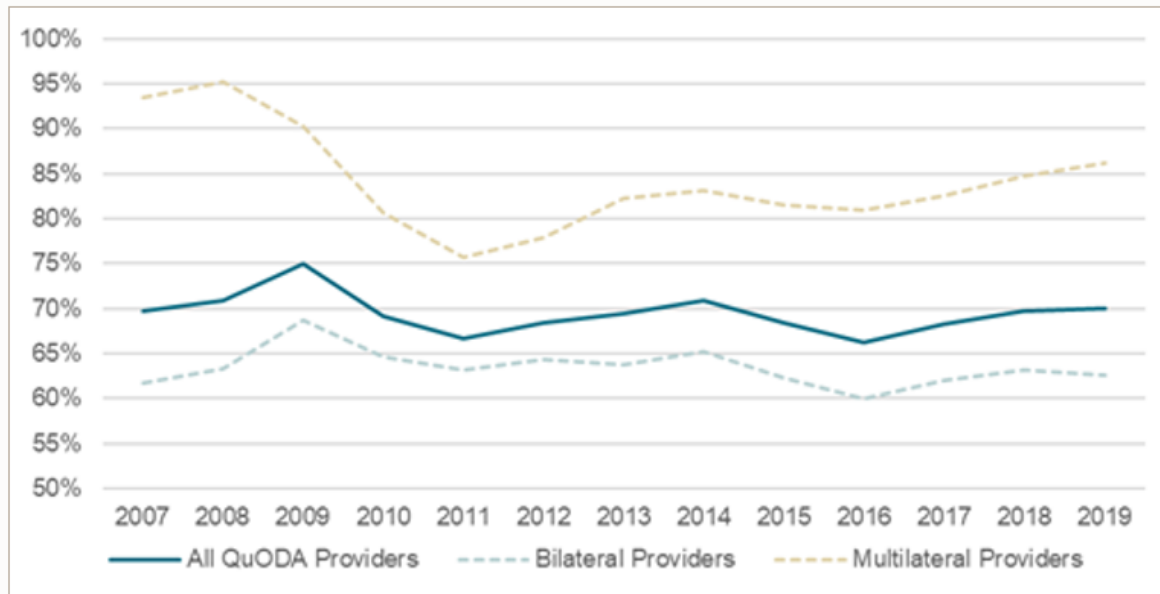
3. Quality of ODA a decade after Busan

- The Busan Partnership for Effective Development Co-operation
 - 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

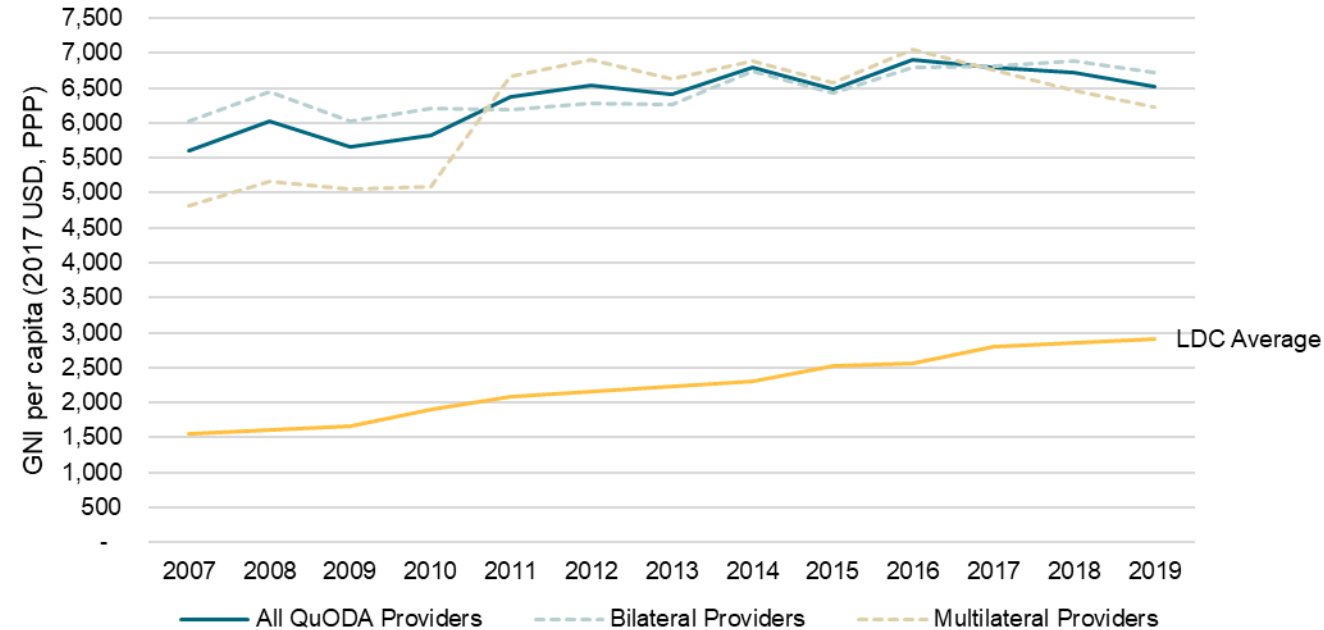


Prioritisation – is ODA reaching greatest need?

Figure 3: Share of ODA Reaching Recipient Countries



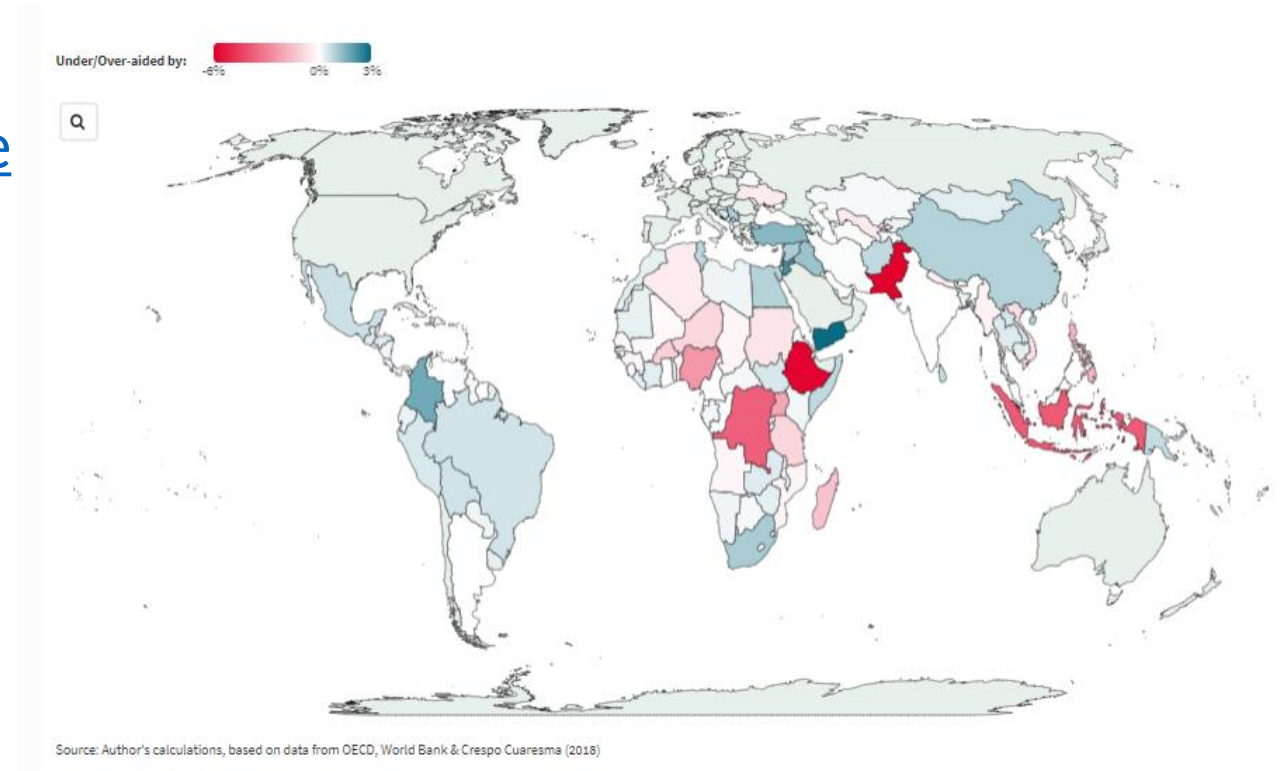
Average Income of ODA Recipients vs LDC Average Income



- 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

Figure 5. Ownership indicators, average across all agencies

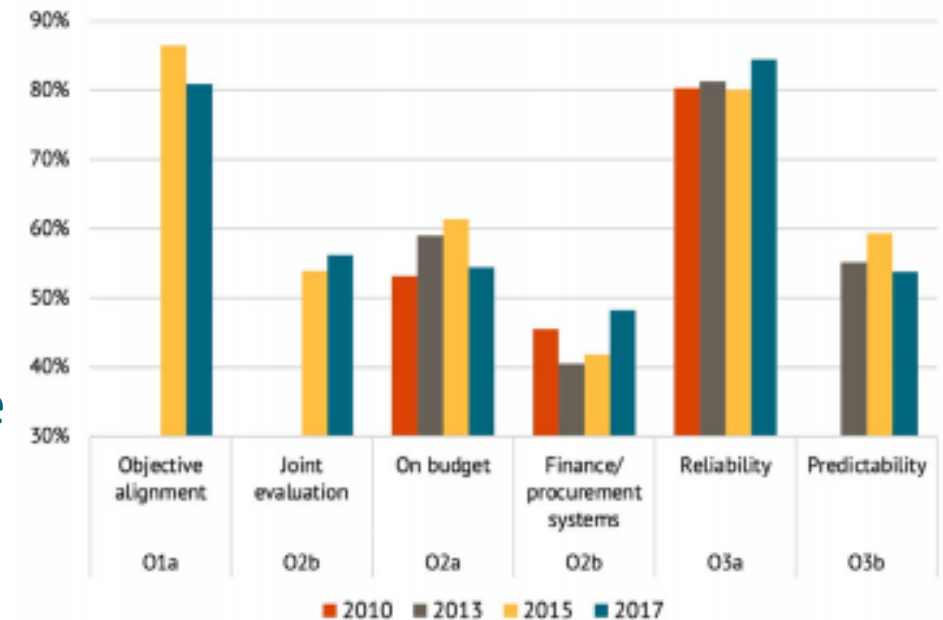
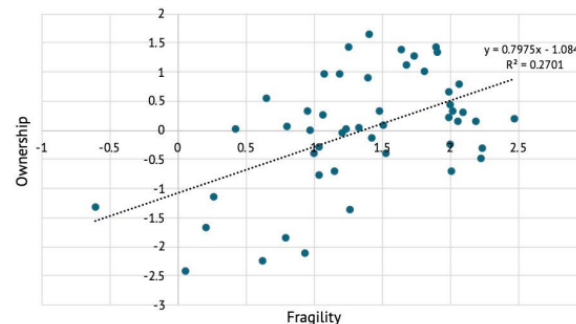


Figure 2. Ownership score and weighted fragility of aid recipients



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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