

Assessing provider aid quality

The Quality of Official Development Assistance (QuODA)

Pakistan Institute of Development Economics

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Center for Global Development

Outline

1. Why measure aid quality?
2. QuODA – themes and measures
3. Overall results and insights
4. Main providers of aid to Pakistan
5. Discussion – research and policy implications



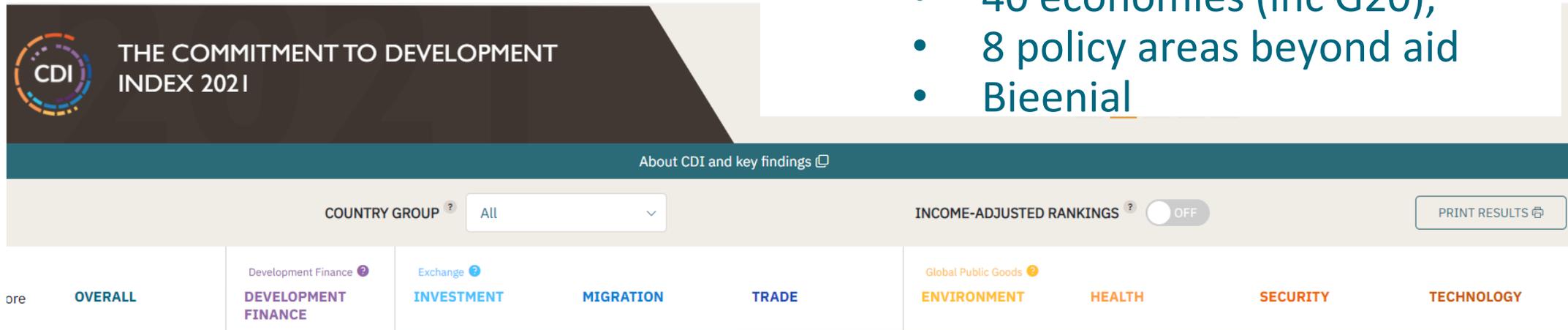
1. Why measure aid quality?

- Center for Global Development –
“reduce global poverty and improve lives through innovative economic research that drives better policy and practice by the world’s top decision makers.”
- Aim of benchmarking work –
 - measure countries/ agencies to enable comparison,
 - increase transparency scrutiny and
 - spark (debate on) improvements
- Three main benchmarking exercises:
 - **Commitment to Development Index** – 40 economies (inc G20), 8 policy areas beyond aid, regular
 - **Finance for International Development (FID)** – for 40 economies, annual
 - **Quality of ODA** - focus on aid providers, OECD, infrequent

Assessing policies and aid quality

Commitment to Development Index

- 40 economies (inc G20),
- 8 policy areas beyond aid
- Bienial



THE COMMITMENT TO DEVELOPMENT INDEX 2021

About CDI and key findings

COUNTRY GROUP ? All

INCOME-ADJUSTED RANKINGS ? OFF

PRINT RESULTS

Development Finance ?

Exchange ?

Global Public Goods ?

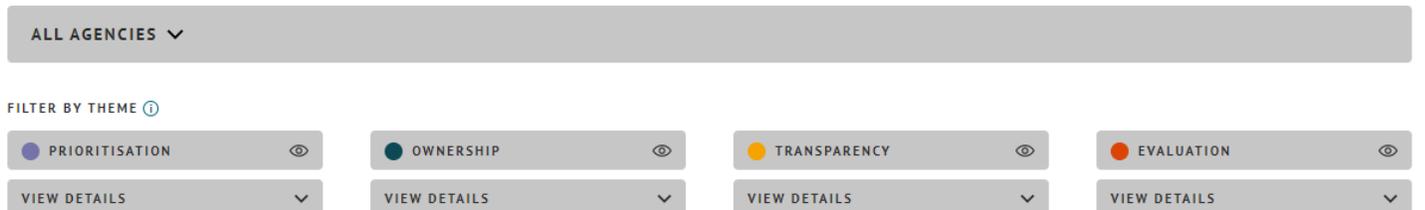
ENVIRONMENT HEALTH SECURITY TECHNOLOGY

OVERALL DEVELOPMENT FINANCE INVESTMENT MIGRATION TRADE

Quality of ODA

- focus on aid
- OECD DAC only
- infrequent

QuODA 2021



ALL AGENCIES

FILTER BY THEME

PRIORITISATION OWNERSHIP TRANSPARENCY EVALUATION

VIEW DETAILS VIEW DETAILS VIEW DETAILS VIEW DETAILS

2. What is QuODA?

- Quantitative assessment of 49 providers of ODA across 4 dimensions
- **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

Revising QuODA

- 5th edition of QuODA; first major overhaul since 2014
- Methodological review
 - Literature review – what matters to aid effectiveness?
 - Policy workshop and events (inc fragility and effectiveness)
 - Working [paper](#) (Jan 2020) – review and new framework
- What's new?
 - New Evaluation component
 - Indicators on i) fragility ii) under-aided countries iii) un-tied aid
 - Removed as evidence unconvincing:
 - Aid to well-governed countries
 - Removed as measurement too difficult:
 - Concentration and Fragmentation ('lead donors'; certain level of fragmentation)

Source data and limitations

- Main sources used in QuODA
 - 1) OECD Development Assistance Committee (DAC) ODA data
 - 2) OECD DAC peer reviews
 - 3) IATI reporting (only used to assess transparency)
 - 4) MOPAN (multilateral organization performance assessment network)
 - 5) Global Monitoring survey of the Global Partnership for Effective Devt (OECD/ UNDP)
- Also, 1-3 only cover DAC member countries.
- Not a full evaluation of aid impact – lots of room for variation. Quality ‘indicators’
- Other indicators/ suggestions very welcome – but data a major consideration!
 - Surveys? Other data sources?

QuODA assesses 4 themes

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

- 17 Indicators (standardized with mean=0, sd = 1)
- Website scales indicators from 0 (worst agency) to 100 (stylized 'best' agency)
- Each of the four dimensions is average of supporting indicators
- Method, data, web tool all available [publicly](#)

Prioritisation Dimension

Prioritisation: Measures how well allocations are targeted to respond to long-term development challenges

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

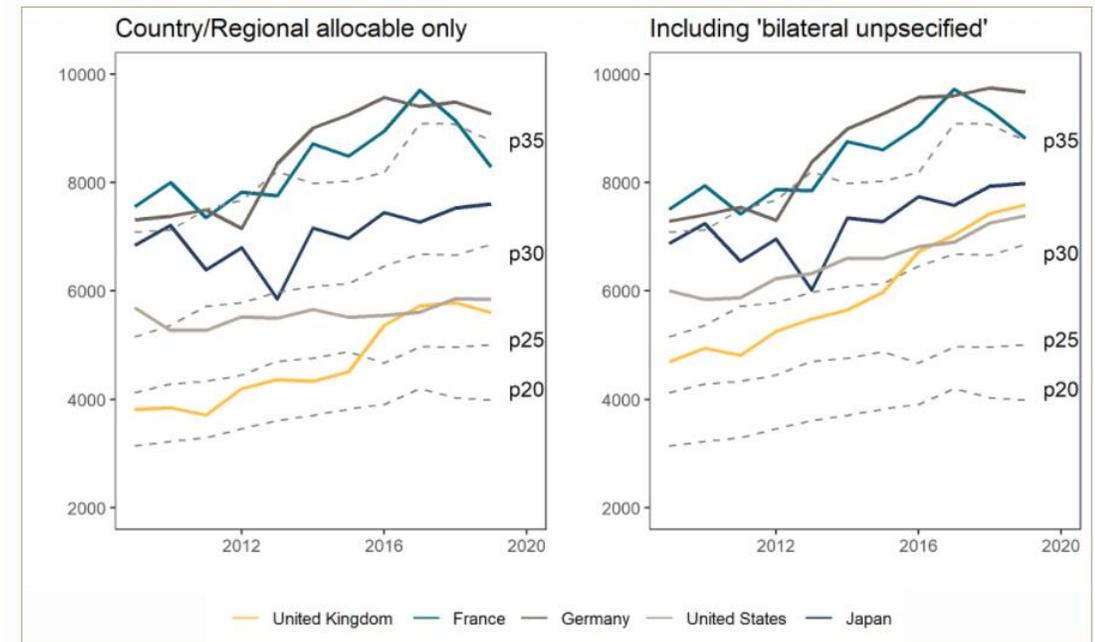
P2 - Poverty focus of ODA

- Many assessments just use share to LDCs:
 - But lots of variation in income within grps

Table 1. Percent of bilateral (cross-border) ODA by income group

| | LDC/LICs | LMICs | UMICs |
|------|----------|-------|-------|
| 2010 | 41.1 | 37.9 | 21 |
| 2015 | 37.8 | 39.7 | 22.5 |
| 2019 | 39.5 | 40.9 | 19.6 |

Figure 2. Weighted average income of recipients, against income deciles (USD, PPP)



- For each provider, we weight ODA by the log of partner countries' income
 - ⇒ The log function mimics marginal utility of income (ie income of recipient doubles, value halves)
 - ⇒ Better measure of whether aid reaches lowest income countries

P3. Which countries are under-aided?

- Measure of which providers support under-aided partners
- Does provider country-allocation move towards ‘global optimum’?
- “Optimum” is defined based on poverty, population and policy capacity (adjusted IDA model)
- See blog for discussion of other optimum allocations

<https://www.cgdev.org/publication/which-countries-miss-out-global-aid-allocation>

Gap between Actual & Optimal Aid Allocations (2018 CPA)

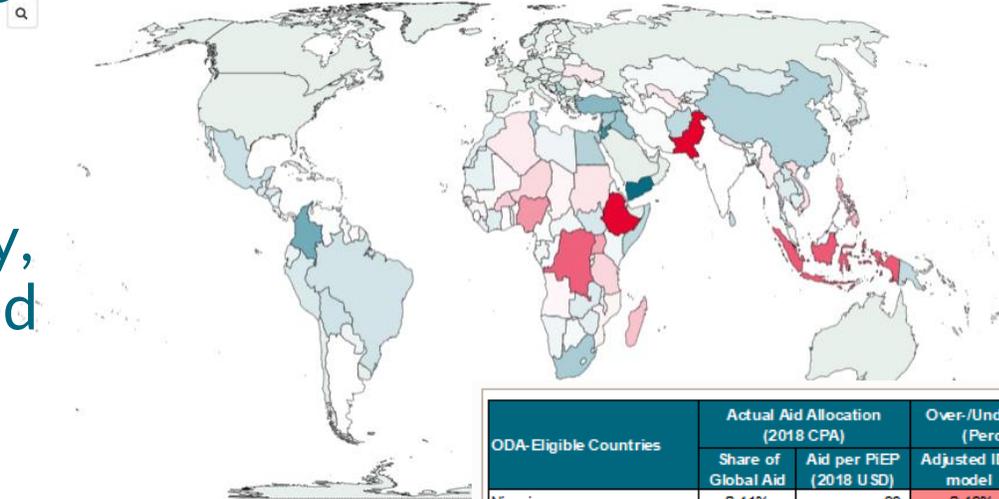
Interactive map showing the gap (as a percentage of global aid) between the actual allocation of Country Programmable Aid in 2018 and three potential optimal allocations. Red countries are under-aided "orphans"; and blue countries are over-aided "darlings".

Gap w.r.t. Optimal Allocation based on Adjusted IDA Model

Gap w.r.t. Benchmark based on Equal Aid per Current (2018) Person Living in Extreme Poverty

Gap w.r.t. Benchmark based on Equal Aid per Projected (2018-30) Extreme Poverty Person Years

Under/Over-aided by: 



Source: Author's calculations, based on data from OECD, World Bank & Crespo Cuaresma (2018)

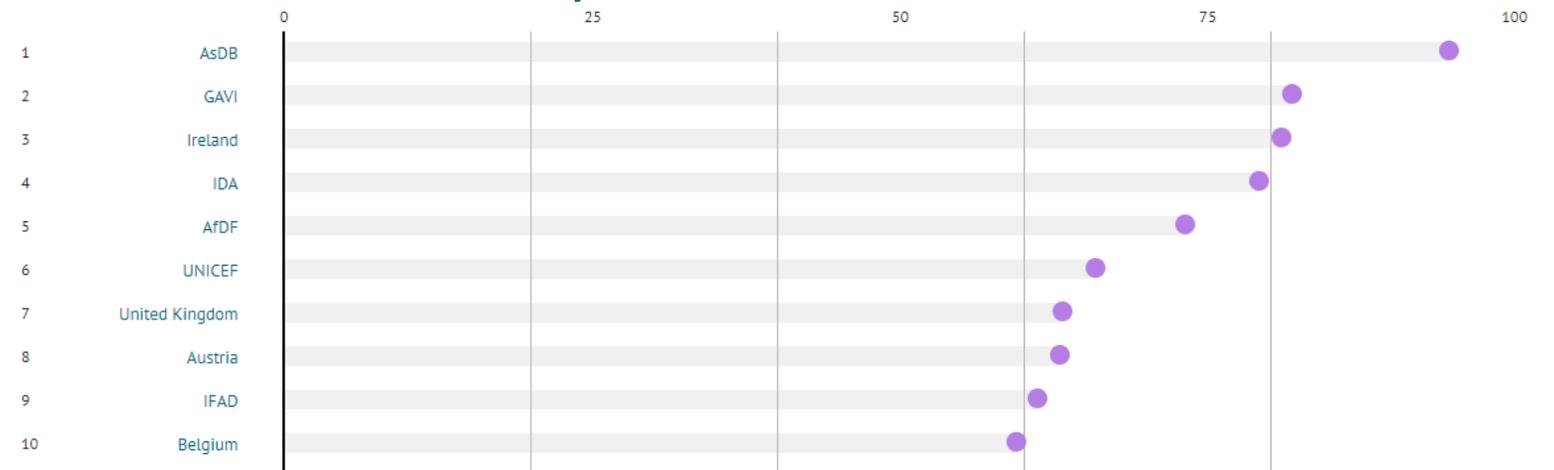
| ODA-Eligible Countries | Actual Aid Allocation (2018 CPA) | | Over-/Under-aided wr.t Optimal Allocations (Percentage Points of Global Aid) | | |
|------------------------|----------------------------------|-------------------------|--|----------------------------|-----------------------------|
| | Share of Global Aid | Aid per P1EP (2018 USD) | Adjusted IDA model | Equal Aid per current P1EP | Equal Aid per projected PPY |
| Nigeria | 2.41% | 30 | -2.43% | -11.18% | -16.34% |
| DRC | 1.69% | 29 | -3.75% | -8.10% | -10.74% |
| Pakistan | 2.04% | 402 | -5.94% | 1.30% | 1.80% |
| Ethiopia | 3.91% | 207 | -5.90% | 0.87% | 2.19% |
| India | 5.04% | 75 | -0.01% | -6.51% | 1.45% |
| Yemen | 4.72% | 678 | 2.90% | 2.16% | 1.84% |
| Indonesia | 2.81% | 228 | -3.86% | 0.93% | 2.51% |
| Jordan | 2.08% | 785,001 | 2.22% | 2.22% | 2.22% |
| Madagascar | 0.60% | 31 | -1.41% | -2.68% | -3.66% |
| Egypt | 2.91% | 9,180 | 0.88% | 2.78% | 2.79% |
| Bangladesh | 4.21% | 666 | 0.20% | 3.28% | 4.10% |
| Viet Nam | 2.48% | 3,128 | -0.74% | 2.51% | 2.58% |

P2 and P3 - Top performers

Poverty focus indicator:

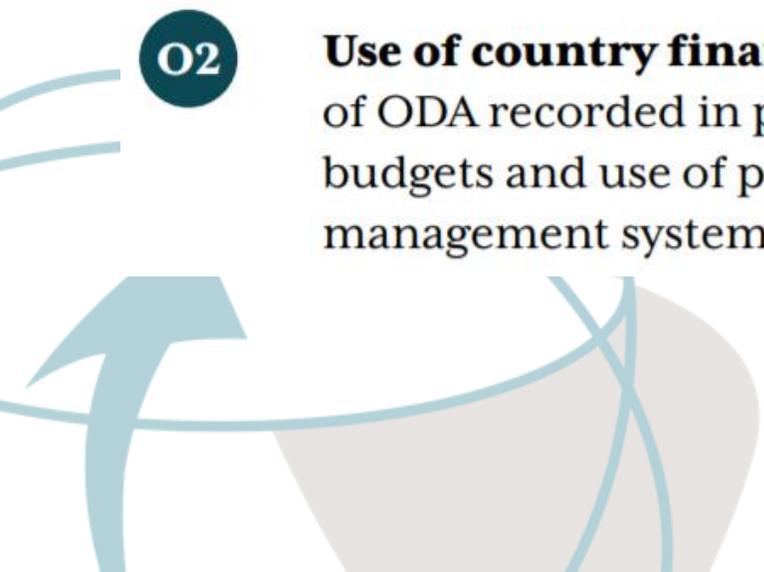


Under-aided country focus:



Ownership Dimension

Ownership: Captures how well providers work with and through partner countries to promote domestic ownership and use of national systems

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Transparency & Untying Dimension

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 - E3** **Results-based management systems:** Composite measure of the quality of results-based management systems from OECD Peer reviews and MOPAN assessments

3. Overall QuODA findings (top 25)

| 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

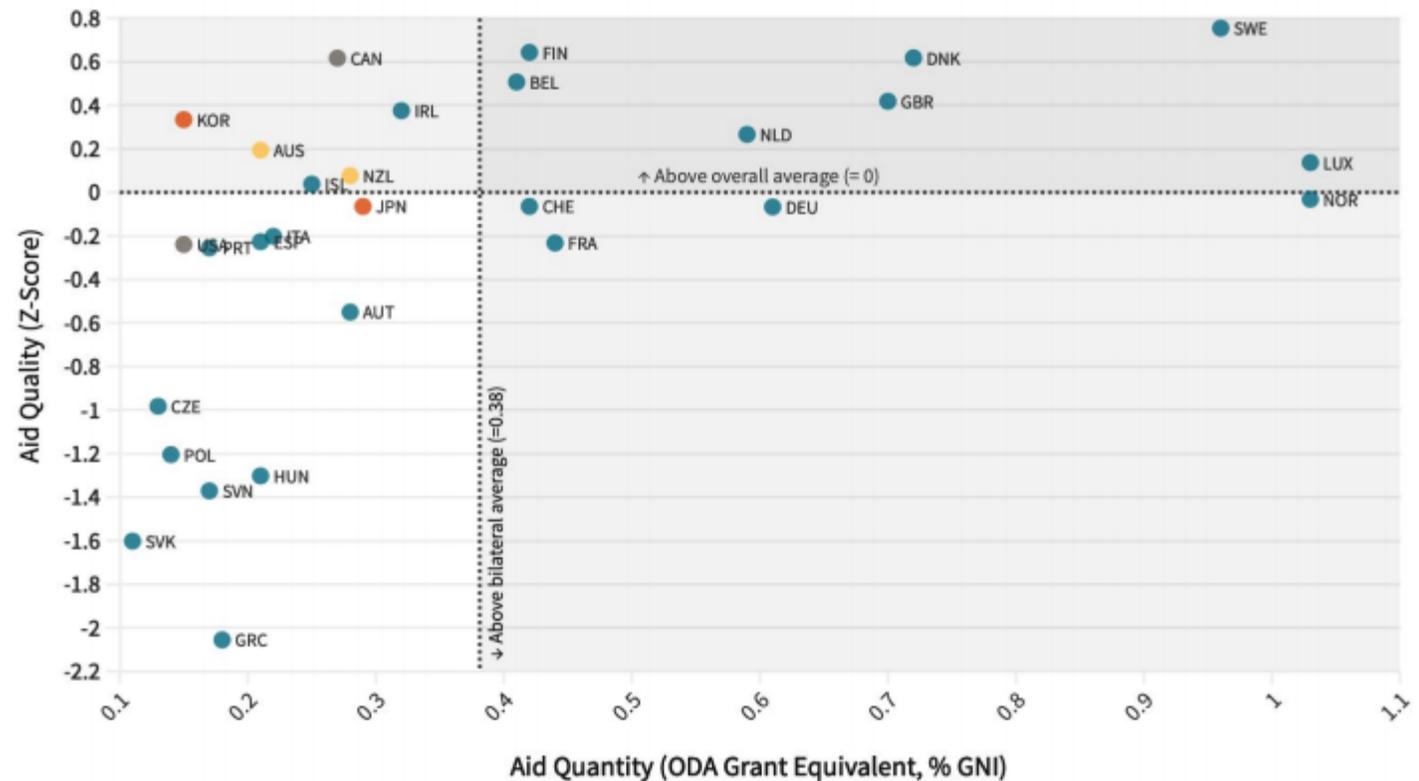
- Dimensions
 - P = Global Fund
 - O = AsDB
 - T = IFAD
 - E = Sweden

Quality higher with effort on quantity

- Only European providers above average on quant and quality
- Top bilats
 1. Sweden
 2. Finland
 3. Denmark
 4. Canada
 5. Belgium

Figure 1. Country aid quantity and quality

Region ● Australasia ● Europe ● North America ● East Asia



Wider trends a decade after Busan

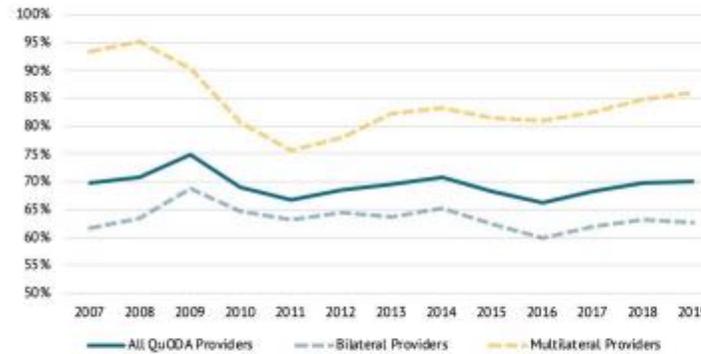
- Prioritisation
 - At best flat

- Ownership
 - GPEDC data patchy,
 - But little sign of improvement

- Transparency
 - IATI and OECD => have improved

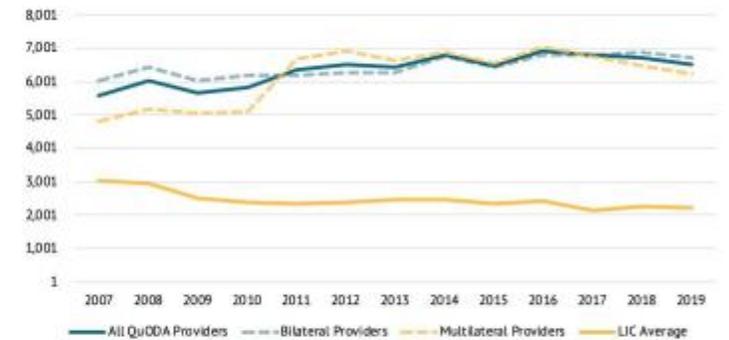
- Untying
 - More declared (74% in 2010 to almost 78% in 2018)
 - but >50% of contracts national = shocking!

Figure 3. Share of ODA reaching recipient countries



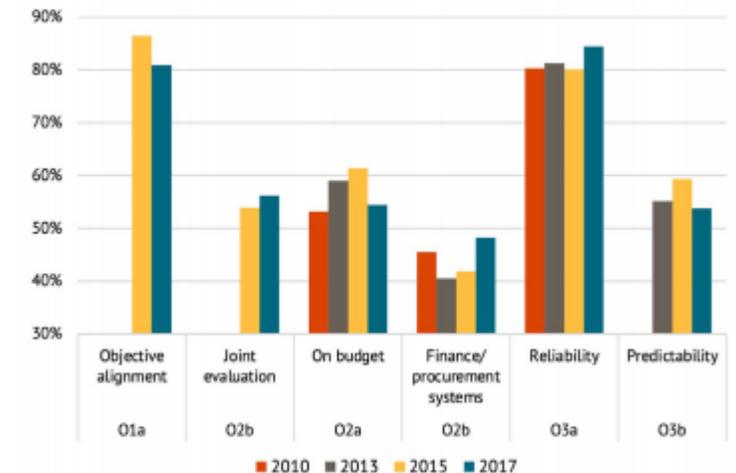
Source: Authors' calculations, based on the OECD Creditor Reporting System and Country Programmable Aid datasets, see methodology (P1) for full details

Figure 4. Average GNI per capita of ODA recipients (2017 USD, PPP)



Source: Authors' calculations, using the World Bank's WDI database, CIA World Factbook, and OECD CRS database

Figure 5. Ownership indicators, average across all agencies



3. Overall QuODA findings

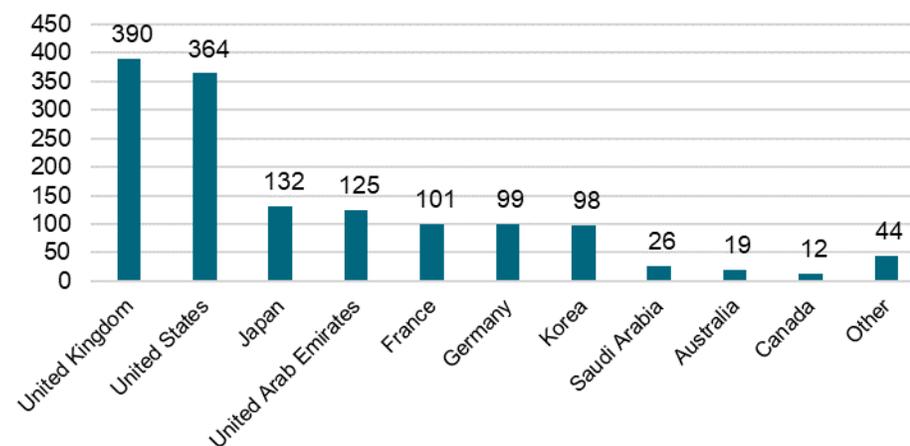
1. Multilaterals dominate top of rankings – take 6 of top 10 spots
2. For bilaterals, quality rises with effort on quantity
3. Progress on Transparency but otherwise little meaningful progress since Busan
4. Ownership still needs serious attention, including support to GPEDC survey



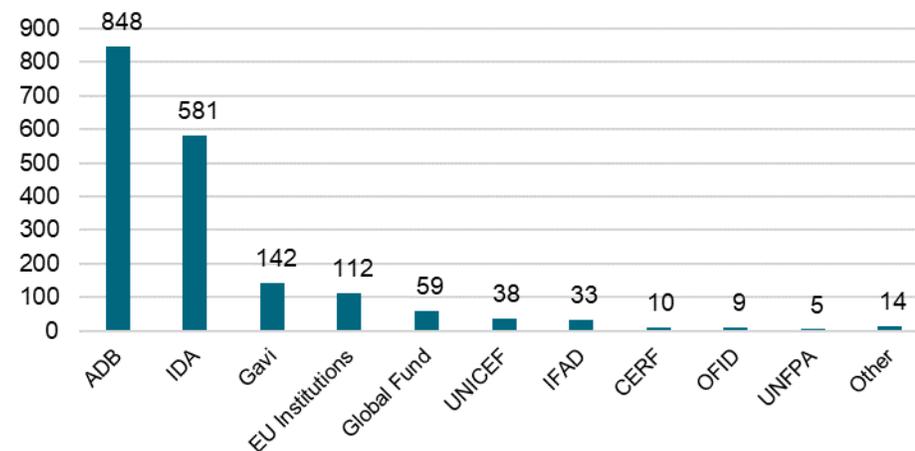
4. Pakistan's official finance providers

- Main (DAC) providers of aid to Pakistan:
 - United Kingdom (in 2019 at least)
 - United States
 - Japan
- Significant receipts from the United Arab Emirates, a non-DAC member
- Also, China committed to providing \$564m in 2017 according to AidData – but unable to calculate many indicators
- Key multilateral partners:
 - Asian Development Bank
 - International Development Association
 - Global Alliance for Vaccines and Immunisation

Bilateral ODA Gross Disbursements Received by Pakistan, 2019 (Nominal USD millions)



Multilateral ODA Gross Disbursements Received by Pakistan, 2019 (Nominal USD millions)



United Kingdom QuODA Results

Ranked 16th overall (of 49); 6th bilateral (of 29)

Evaluation (Rank 10)

Overall score: 85.83

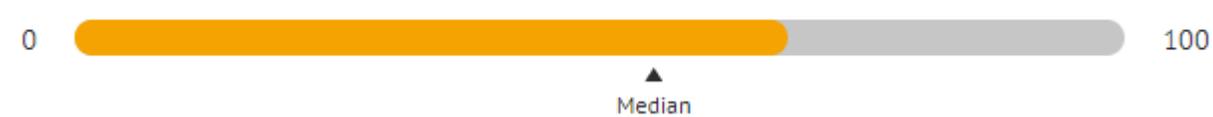


Above average performance on:

- Results-based management systems (E3)
- Evaluation systems (E1)
- Learning systems (E2)

Transparency & Untying (Rank 12)

Overall score: 67.98



Prioritisation (Rank 12)

Overall score: 57.67



Room for improvement on:

- ODA predictability (O3b)
- Aligning objectives (O1a)
- Joint planning of evaluations (O1b)
- Use of partner financial management systems (O2)

Ownership (Rank 37)

Overall score: 47.63

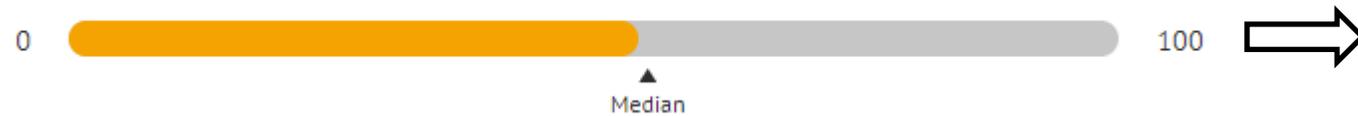


United States QuODA Results

Ranked 35th overall (of 49); 21st bilateral (of 29)

Transparency & Untying (Rank 24)

Overall score: 54.24



Prioritisation (Rank 26)

Overall score: 43.46



Evaluation (Rank 29)

Overall score: 68.66



Ownership (Rank 38)

Overall score: 43.27



Above average performance on:

- Timeliness of reporting to IATI (T3b)
- Coverage of reporting to IATI (T1)

Room for improvement on:

- Use of partner financial management systems (O2)
- Joint planning of evaluations (O1b)
- ODA predictability (O3b)

Japan QuODA Results

Ranked 29th overall (of 49); 17th bilateral (of 29)

Ownership (Rank 9)

Overall score: 79.71



Evaluation (Rank 15)

Overall score: 81.52



Prioritisation (Rank 32)

Overall score: 37.19



Transparency & Untying (Rank 46)

Overall score: 28



Above average performance on:

- ODA reliability (O3a)
- ODA predictability (O3b)
- Use of partner financial management systems (O2)

Room for improvement on:

- Coverage of reporting to IATI (T1)
- Comprehensiveness of reporting to the CRS (T2)
- Timeliness of reporting to IATI (T3b)
- Officially untied aid (T4)

5. Policy framework – development effectiveness

- Series of meetings from Paris in 2005 to Busan in 2011
 - Agreed a set of principles (rhs)
 - Established the Global Partnership...
- “Global Partnership” for Effective Development Cooperation (GPEDC)
 - Monitoring survey valuable but thin
 - Several major actors absent
 - Diluted focus on DAC
- Where next for devt effectiveness?
 - 3rd High Level meeting in December (Minister-level, Geneva)
 - Limited success beyond transparency
 - New Challenges: climate (finance), pandemic response
 - **What can this group realistically achieve?**



Conclusions/ discussion

Research conclusions

- Incomplete but valuable quantitative suite of metrics as a guide to aid quality
- Data on ownership particularly thin. Data beyond OECD DAC v limited
- **Feedback on measures/ potential measures very welcome**
- **Any research questions emerging from the analysis?**

Policy conclusions:

- Despite Busan and GPEDC – little sign of progress, esp on ownership
- Still issues on cross-border share of aid; un-tying.
- GPEDC struggling with role and traction
- **Recipients can and should challenge providers based on evidence (QuODA!)**
- **What else can be done to improve provider performance?**
- **How to revitalize interest in improving aid effectiveness?**

Thank you

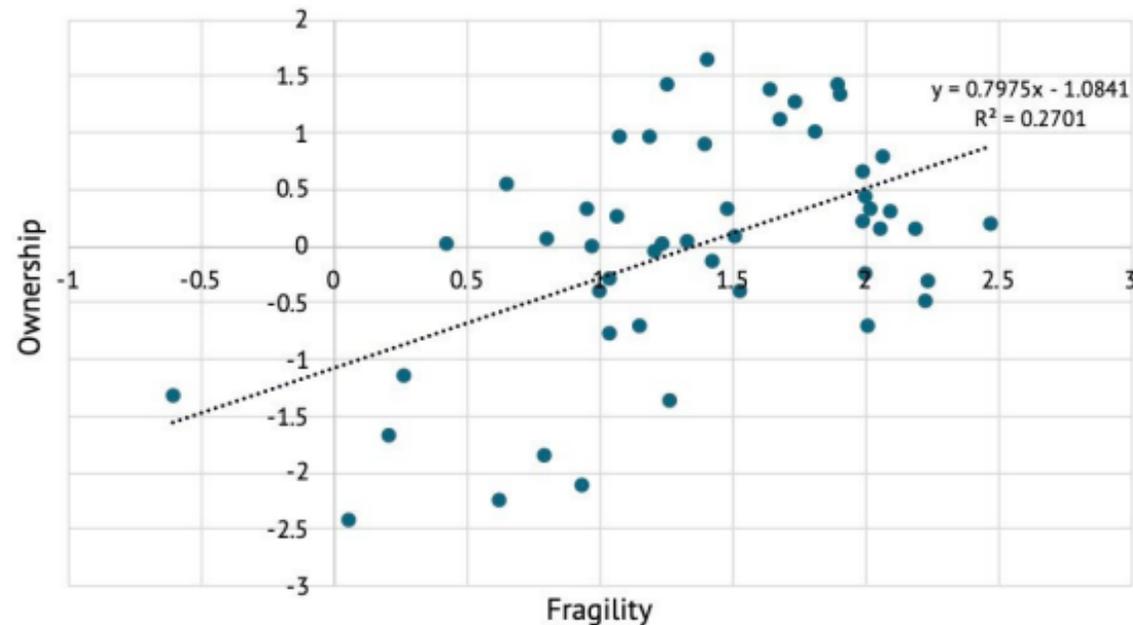
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Ownership higher for providers with fragile-focus

Figure 2. Ownership score and weighted fragility of aid recipients



Note and source: Ownership is scored based on six GPEDC indicators and our response rate measure; fragility is ODA weighted by recipients' OECD State of Fragility score (2019). We invert the OECD's fragility values so that higher values mean higher fragility and better performance.