



The Quality of Official Development Assistance

By Ian Mitchell, Rachael Calleja, and Sam Hughes

What is QuODA?

The Quality of Official Development Assistance (QuODA) measures and compares providers of official development assistance (ODA) on quantitative indicators that matter most to development effectiveness and quality. It aims to encourage improvements to the quality of ODA by highlighting and assessing providers' performance.

QuODA considers the agency-level measures and characteristics in areas that evidence suggest matters to development and where providers have made commitments. It is a dashboard of key indicators rather than a full assessment of how effective ODA has been, which depends on a wider set of actors and factors.

This is the fifth edition of QuODA; it has been substantially revised since the last iteration. The indicators are based on the evidence of what matters to ODA impact and the principles agreed by 161 countries following a series of international meetings leading up to Busan in 2011 and taken forward by the Global Partnership for Effective Development Cooperation.

QuODA consists of 17 indicators comparable across agencies, organised into four 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 and 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.

QuODA covers the bilateral programmes of 29 member countries of the OECD's Development Assistance Committee and the 20 largest multilateral agencies providing ODA.

INTERACTIVE QUODA RESULTS

Visit QuODA.CGDev.org to explore the latest QuODA results. Our interactive tool lets you compare countries and agencies to answer the question, "How are development cooperation providers performing on their commitments and the indicators that matter to improving the quality of official development assistance?"

QuODA 2021 Findings

QuODA 2021 provides a snapshot of agency performance using the latest data on ODA activities currently available. Agencies are ranked based on equally weighted dimensions, themselves based equally on the indicators within them. With the interactive web tool, users can produce rankings according to the combination of dimensions and indicators most relevant to their agency.

Multilateral agencies occupy 6 of the top 10 positions

Like in prior QuODA iterations, multilateral agencies outperform bilateral providers on overall rankings. Multilaterals also hold the top positions on three of the four QuODA dimensions: Prioritisation, Ownership, and Transparency & Untying.

The International Fund for Agricultural Development (IFAD) ranks 1st on QuODA overall. It ranked in the top 10 for each of the four dimensions and 1st on Transparency & Untying. IFAD ranks 4th on both the Ownership and Evaluation dimensions, owing to strong alignment with partner country objectives and high-quality evaluation systems. It ranks 7th on Prioritisation, and scores well on measures of poverty focus and the share of ODA that reaches partner countries.

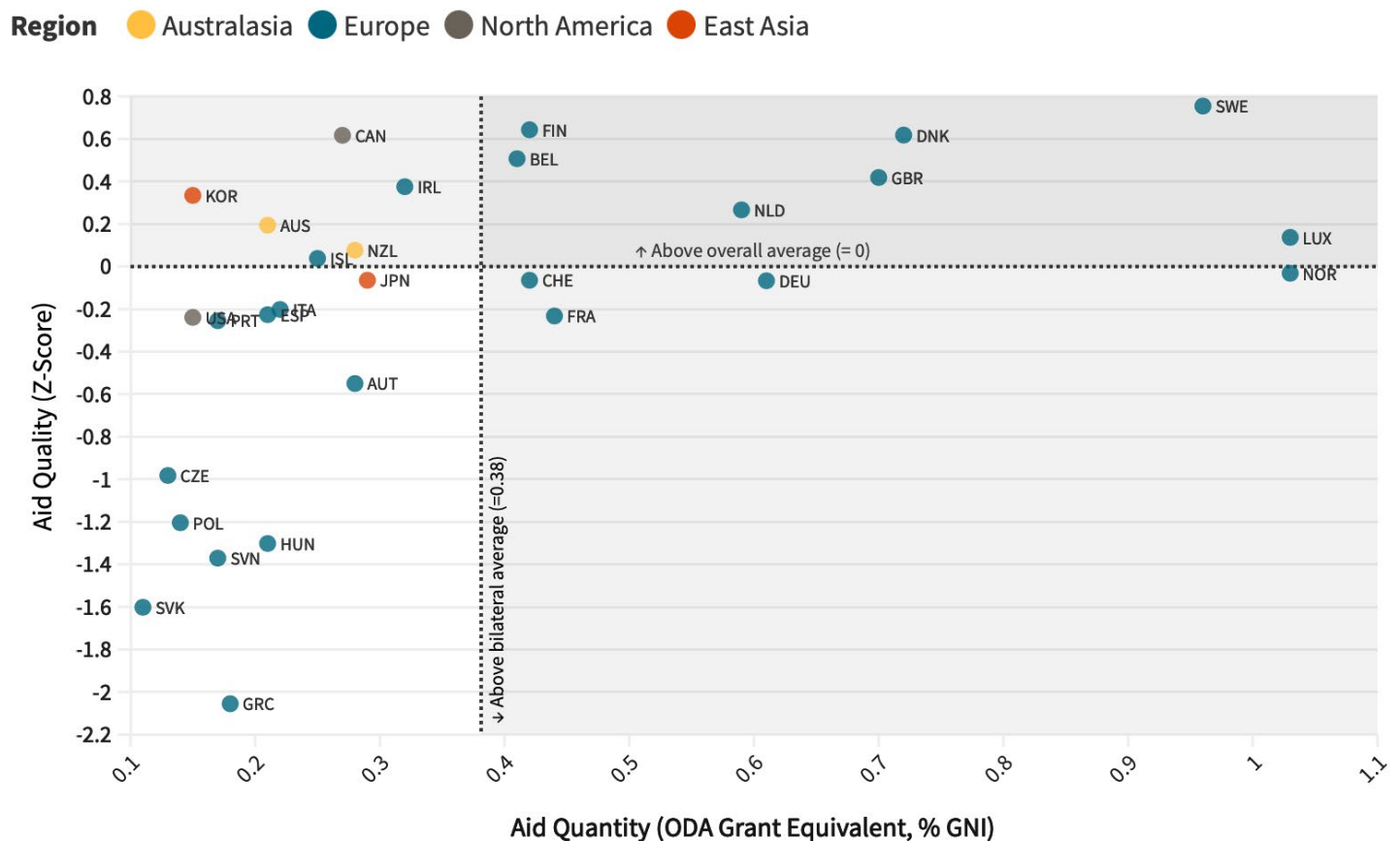
The African Development Fund (AfDF) is 2nd overall, continuing its strong performance from prior QuODA iterations. It scores particularly well on Prioritisation (2nd), displaying a strong focus on poverty and the least-aided countries; it has room for improvement on the Evaluation dimension. The World Bank's International Development Association (IDA) ranks 3rd, with strong scores across all four dimensions. The Global Fund and GAVI complete the top five. While both score particularly well on Prioritisation, both could do better on Evaluation by improving systems for institutional learning.

Sweden tops the bilateral providers, followed by Finland, Denmark, Canada, and Belgium

Sweden's score is pulled up by strong performance on the Evaluation and Transparency & Untying dimensions, where it ranks 1st and 6th, respectively. But its average performance on Prioritisation and Ownership leave room for improvement.

Finland and Denmark rank 2nd and 3rd amongst bilateral providers, respectively. Finland scores consistently well across all dimensions, while Denmark shows strong performance on the Evaluation dimension. Canada and Belgium complete the top five bilateral performers. Canada's overall ranking is pulled up by strong scores on the Transparency & Untying dimension, where it ranks 3rd, but it scores less well on Prioritisation. Belgium is in the top 10 on Prioritisation, and in the top half on all other dimensions.

Figure 1. Country aid quantity and quality



Source: Authors' analysis

The quality bilateral providers' ODA tends to rise with quantity

While QuODA does not assess the quantity of ODA provided, it is striking that the most generous providers—those who provide the highest share of ODA relative to GNI—tend to score above average on QuODA (figure 1). This trend is driven primarily by Scandinavian and Northern European providers, who are known for their strong commitment to development finance and impact. France is the only country to provide above average quantity but below average quality.

The largest absolute providers of aid—the US, Germany, and the UK—rank 35th, 28th, and 16th, respectively. The US is in the bottom half of providers for Prioritisation, Ownership, and Evaluation. Germany scores well on Transparency & Untying and performs in the middle of providers on Ownership and Evaluation, but could improve on Prioritisation by focusing spending on countries most in need. The UK scores in the bottom third on Ownership reported by its partners and ranks just outside the top 10 on the other three dimensions.

Main Findings by Dimension

● Prioritisation

This dimension looks at whether aid is making it to countries that need it the most, in terms of finance that reaches countries and its focus on poverty, fragility, and supporting those under-aided by others. It also looks at whether countries work together through multilaterals and on global public goods.

Multilaterals outperform bilateral agencies on Prioritisation, with the top five ranks held by the Global Fund, GAVI, AfDF, IDA, and UNDP, respectively. At least the Global Fund and IDA use allocation models that prioritise the poorest, which may explain their success in prioritising countries most in need. The top multilaterals see almost all of their finance reach recipients (against a mean of 60 percent), and each has a focus on the poorest countries.

Yet multilaterals are not a monolith, and the three environmental multilaterals—the Climate Investment Funds (CIF), the Green Climate Fund (GCF), and the Global Environmental Facility (GEF)—perform less well. They have high shares of finance on global public goods but do not focus resources on poorest, fragile, or under-aided countries. This may in part reflect a focus on climate mitigation, which tends not to be in the poorest countries. CIF and GCF both rank in the bottom half on Prioritisation, while GEF is 21st.

Ireland ranks top of the bilateral agencies on Prioritisation (6th for the dimension), ahead of Belgium, Iceland, the UK, and Denmark. Each of these providers prioritise spending to fragile countries and those that are under-aided. However, Belgium and Ireland could increase the share of aid that reaches recipients, while Denmark and the UK could increase spending to the poorest.

● Ownership

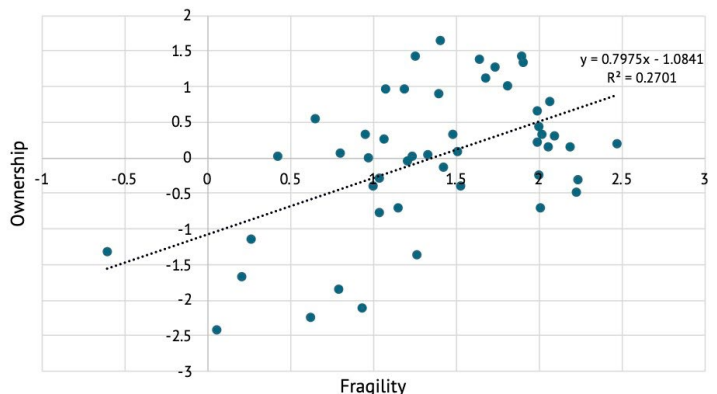
Ownership of development projects is recognised as crucial to their success and is a well-established principle of aid effectiveness. The indicators in the Ownership dimension draw from a survey by the Global Partnership for Effective Development Cooperation (GPEDC) that asks recipient governments about each provider's largest aid programmes. We collate the results for each provider, assessing alignment with recipient objectives, use of financial systems, and reliability and predictability of ODA spending. In addition, we add a new indicator to assess the volume of country programmable aid (CPA) covered by responses to the GPEDC survey, per provider. This rewards providers whose ownership indicators are based on a higher number of respondents, or respondents that receive larger shares of CPA, who took the time to provide feedback.

Three of the top six places on Ownership were taken by regional development banks, with the Asian Development Bank (AsDB) 1st, the African Development Fund (AFDF) 2nd, and the Islamic Development Bank (IsDB) 7th. For each, over 80 percent of recipients reported alignment with their objectives. The AsDB scored particularly highly on using recipients' financial systems, while both AFDF and ISDB received feedback from recipients account for more than half of their CPA, well-above the overall average of 43 percent. IFAD (4th) and the Global Fund (6th) also scored very well on the Ownership expressed by their partners.

Korea ranked 3rd overall on Ownership and is the top scoring country, achieving an average of almost 77 percent across the four indicators of alignment, use of financial systems, reliability, and response rate. Other top bilateral providers include Iceland (5th), Japan (9th), Portugal (10th), and Australia (11th). Portugal, Australia, and Iceland all had high response rates, covering more than 60 percent of CPA.

Promoting ownership might be trickier for providers working primarily with fragile partners, which might have

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.

been reflected in lower scores. However, we found that providers most involved in fragile states also achieved the most positive feedback from recipients on QuODA's Ownership indicators (figure 2). At least in terms of this data, there appeared to be no penalty for providers operating in fragile states.

● Transparency & Untying

Transparency in ODA enables providers and partners to understand and plan effectively, and it facilitates scrutiny over ODA spending, benefiting taxpayers and partner governments alike. This dimension also covers the issue of aid tying—that is, whether providers require ODA to be delivered from contractors in their own country or shareholders. This long-standing problem may ignore the best contractors, including those in partner countries, to award work based on nationality. This can lead to inefficiencies and damage effectiveness.

IFAD ranks 1st on Transparency & Untying, with the WHO 2nd, Canada 3rd, and GAVI and the EU completing the top five. Each agency reports an above average share of ODA reported through the International Aid Transparency Initiative (IATI) and their data submitted to the OECD is complete and relatively timely.

Our review of “official” tied aid highlights that several multilaterals—including the AsDB, the IADB, the IsDB, and the EU—tie procurement, to varying degrees, to their shareholders' or members' providers. In fact, nearly all bilateral providers tie at least a portion of their ODA, with Japan, the US, Korea, Hungary, Iceland, Austria, and Poland doing so with over a quarter.

We also introduce a measure that looks at the share of ODA contracts awarded to domestic firms beyond each provider's overall global market share in ODA contracts. For instance, if a country's firms had a 20 percent share of global ODA contracts, but were awarded 50 percent of domestic contracts, this would imply 30 percent is de facto tied. This analysis showed that Australia, Finland, Sweden, and the UK awarded over 80 percent more of their total contract value to domestic contractors than would be expected from their respective shares of the global market.

● Evaluation

Agencies need systems to not only evaluate performance, but to learn lessons based on findings from those evaluations. This dimension uses the DAC's evaluation framework to quantify narrative assessments on the quality of evaluation, institutional learning, and results-based management systems provided in the OECD Development Assistance Committee (DAC) Peer Reviews for countries and scores provided in the MOPAN (Multilateral Organisation Performance Assessment Network) assessments for multilaterals.

The Evaluation dimension is dominated by bilateral agencies, which take eight of the top ten spots. Based on their most recent DAC Peer review, Sweden ranks 1st on this dimension,

followed by New Zealand (2nd), the Netherlands (5th), Australia (6th), and Finland (7th). While bilaterals appear to outperform multilaterals on this dimension, some of this difference relies on our method for comparing DAC (bilateral countries and the EU) and MOPAN assessments, and so should be treated more carefully than other indicators (which are all based on common data sources).

Amongst the multilaterals, the EU (3rd) and IFAD (4th) are well-ahead of others on Evaluation, scoring strongly on all three indicators of evaluation, learning, and results-based management systems. IDA is the next-best multilateral agency (12th), with MOPAN identifying strengths in evaluation and learning but room for improvement on results-based management. The WHO is the fourth-best multilateral on Evaluation (14th), with a strong institutional learning system.

Patterns and trends in aid effectiveness

It has been 10 years since the Busan Partnership for Effective Development Cooperation was agreed, following on from earlier commitments to effectiveness made in Paris and Accra. While QuODA broadly builds on the commitments made in Busan, many of its indicators have been available and considered indicative of best practice in ODA over a longer time frame. Trends on key indicators of development quality over time provide a picture of how performance has tracked.

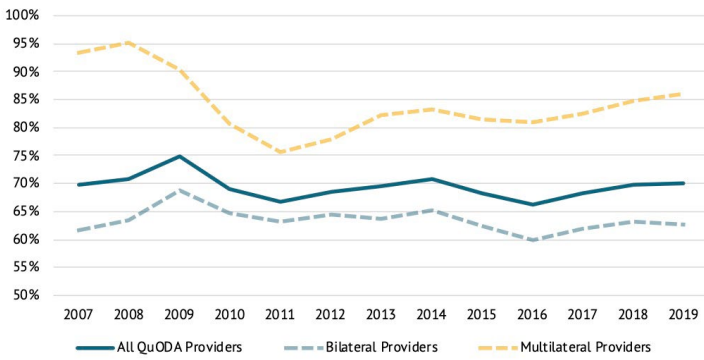
Leave no one behind

Providers pledged in the Sustainable Development Goals to “leave no-one behind.” This should involve ensuring that ODA reaches recipient countries, and that it prioritises lower-income recipients. Yet using the most recent 2019 data available, we find that only 70 percent of ODA reaches recipient countries, and that the average income of recipients of cross-border aid is almost three-times the low-income country (LIC) average. Furthermore, trends over the past decade show no indication that providers are improving on these metrics.

Firstly, the share of ODA reaching recipient countries flatlined between 2010-19 (figure 3). Disaggregating this, we see that bilateral providers have been consistently outperformed by multilaterals. This is understandable: bilateral providers are responsible for more types of ODA which do not cross borders, such as in-donor refugee costs and imputed student costs. But in addition to their lower overall level, bilateral providers have also seen their share of ODA reaching recipient countries decline slightly over the past decade, indicating that they have redirected resources to domestic spending.

Secondly, looking at the relative need of countries reached with this assistance, we consider the weighted average income level of recipients (using constant prices) based on the share of total ODA provided, and compare this with the average income of LICs as a reference

Figure 3. Share of ODA reaching recipient countries



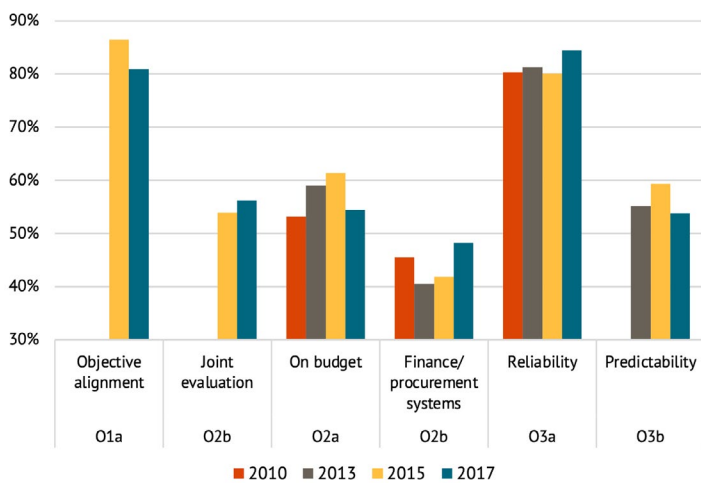
Source: Authors' calculations, based on the OECD Creditor Reporting System and Country Programmable Aid datasets, see methodology (P1) for full details

(figure 4). It can be seen that in real terms, average recipient income has shown little overall trend from 2011-19, although it did jump upwards between 2010-11. Meanwhile, over the past decade LIC average income slightly fell. Across the period, average recipient income has consistently been more than double the LIC average for both bilateral and multilateral providers, suggesting a persistent failure to prioritise the poorest.

Ownership

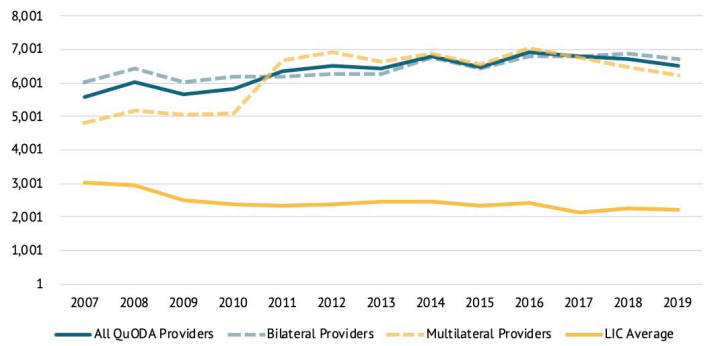
Ownership is a central pillar of the effectiveness agenda, but we found little evidence of substantive improvements to ownership over time (figure 5). While low response rates to GPEDC surveys and varying sample sizes across the years complicates the picture, there remains ample room for improvement across the board.

Figure 5. Ownership indicators, average across all agencies



Source: Simple average of scores for QuODA agencies on GPEDC indicator 1a.1 (QuODA O1a), 1a.4 (QuODA O1b), 6.1 (QuODA O2a), 9b (QuODA O2b), 5a.1 (QuODA O3a) and 5b (QuODA O3b). See full QuODA methodology for full indicator definitions. Sample size differs across indicators and years based on data available.

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

Tied aid and partnership

Tying aid to the procurement of goods or services from the provider country has long been considered an inefficient practice which damages the impact of ODA. A long-term perspective on official figures on untying (collated in the OECD's untying reports) across all ODA spending (providers have committed to untying in the poorest countries, but this analysis is broader) shows some improvement in untying over time: the share of untied aid rose from 74 percent in 2010 to almost 78 percent in 2018.

When examining whether contracts are awarded to domestic firms, we find that across all DAC providers, just 43 percent of ODA contracted by countries goes to non-domestic contractors.¹ One might expect large providers like the US, EU, UK, and Germany to have some market share reflecting their long experience in delivering ODA contracts, but even after adjusting for their country's global share in the provision of contracts, we find domestic providers get, on average, 55 percentage points more of contracts than we would expect.

Over the past decade, it is clear that indicators of quality have stagnated with a flatlining share of assistance reaching partner countries, stalling poverty focus, no tangible improvement in ownership, and a still-high level of total ODA tied to national procurement. Taken together, this raises concerns about actual progress towards improving the practices—and ultimately, the quality—of ODA spending.

Recommendations

Our analysis suggests that there appears to be no meaningful progress towards the key indicators of best practice in ODA allocation, despite ongoing commitments by providers to improve practices in line with the Busan Agreement. We identify four main recommendations for providers to improve the quality of ODA in the years ahead:

¹ Data sourced from Table A.9 in the OECD's 2020 Report on the DAC Recommendation on Untying ODA. Reflects the share of the value of contract awards (for DAC total) reported as won by in-donor contractors in 2017-18.

For country providers and policymakers, there is a clear and consistent message: **using the multilateral system can support development effectiveness.** While performance is not uniformly better in all multilateral agencies, these agencies tend to ensure that funding reaches recipient countries and generally have a stronger focus on targeting ODA to where need is greatest. Multilaterals also perform well, on average, on Ownership and Transparency & Untying, suggesting a strong commitment to working with partner countries, regular financial reporting, and untied allocations. While the multilateral system is not without problems—work to reform multilateral development finance to improve its efficiency, accountability, and impact is ongoing—this year's QuODA results suggest that some multilaterals are well positioned to support quality ODA actions. Multilaterals are particularly well-placed to help countries respond to COVID-19, with global reach, broad mandates and expertise, an array of financing instruments, and knowledge of local contexts. QuODA 2021 reinforces this finding, emphasising their ability to reach those most in need, and ensuring country and local ownership.

Providers should strengthen partner ownership in development engagements. QuODA 2021 shows that there remains significant room for improvement in implementing (and measuring) the principle of ownership. While ownership is seen by many as the most important principle of effectiveness, the average score awarded to agencies assessed in QuODA is 63 percent across the six GPEDC indicators we use to measure ownership. Both for effectiveness and to meet their international commitments, providers need to ensure that development activities are developed with partners, aligned with partner objectives, and implemented via partner country systems.

Moreover, **providers and the GPEDC should work together to achieve better response rates and measurement,** through the GPEDC surveys. Fifteen years after the first Paris survey, the GPEDC is vital but an average response rate of 32 percent across providers included in QuODA² remains disappointing. The GPEDC should consider how to improve participation from partner countries while enabling consistency in the data collected. While efforts to achieve a higher response rate must be careful not to place an undue burden on the administrations of partner countries, the GPEDC could consider resourcing and directly funding recipients to provide responses. If providers are serious about improving the effectiveness of their cooperation, then they need better data to identify their strengths, weakness, and opportunities for improvement.

Transparency on ODA is partial, and **all providers should report systematically to the International Aid Transparency Initiative (IATI)** or establish another common platform that recipients can access. High-quality and timely reporting on ODA is needed to support partnership and mutual accountability.

² Figure measures the simple average of the number of partner countries that responded to the GPEDC survey for each provider in 2018, divided by the total number of CPA recipients per provider, for all QuODA agencies.

Across providers, reporting to IATI—the only platform to host real-time data from across actors—remains poor, with around one-third (16) of the largest ODA providers failing to report via the IATI system in 2019, and a further fifth (11) reporting on less than half their ODA. Real-time data can support planning in partner countries and is particularly useful during periods of uncertainty. While in QuODA we only measure financial transparency, there is a broader agenda on transparency where only a minority include project plans and evaluations which would also be valuable. In sum, all providers should by now be reporting fully, accurately, and in a timely manner.

Where next on aid effectiveness?

Ten years after ODA providers committed in Busan to a set of principles on aid effectiveness, QuODA 2021 reveals there remains significant room for improvement. We look forward to exploring the practical implications for improved aid with providers and recipients.



ABOUT QUODA

Full, interactive QuODA results are available online at QuODA.CGDev.org.

This is the fifth edition of QuODA. The authors are grateful for the substantial prior research and analysis of previous QuODA leads, including Caitlin McKee, Nancy Birdsall, Homi Kharas, and Rita Perakis.

We are grateful for the support of the Bill and Melinda Gates Foundation for research on aid effectiveness and to the Swedish International Development Cooperation Agency (SIDA) and the Luxembourg Ministry of Foreign Affairs for their support to the latest edition of QuODA.

This work is made available under the terms of the Creative Commons Attribution-NonCommercial 4.0 license.

QuODA 2021 Dimensions and Indicators

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

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

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

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

QuODA 2021 Dimensions and Indicators

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
ILO	26		12	14	40	34	17
Switzerland	27	15		40	31	25	11
Germany	28	16		47	27	14	23
Japan	29	17		32	9	46	15
IsDB	30		13	24	7	47	NA
Italy	31	18		22	25	15	39
Spain	32	19		43	29	17	32
France	33	20		39	17	20	35
OFID	34		14	25	36	28	NA
United States	35	21		26	38	24	29
Portugal	36	22		19	10	39	38
IADB	37		15	38	39	21	21
GCF	38		16	34	28	36	NA
AFESD	39		17	36	33	32	NA
FAO	40		18	44	43	22	25
Austria	41	23		23	26	45	37
GEF	42		19	21	45	40	24
IMF (PRTF)	43		20	41	14	49	NA
Czech Republic	44	24		33	44	37	36
Poland	45	25		45	48	42	30
Hungary	46	26		28	46	48	NA
Slovenia	47	27		48	42	30	40
Slovak Republic	48	28		37	47	44	41
Greece	49	29		49	41	43	42