

## ANNEX B

## Methodological notes on the profiles of Development Assistance Committee members

**General point:** unless otherwise stated, and with the exception of data on official development assistance (ODA) allocation by sector, and ODA supporting gender equality and environment objectives (whose figures refer to commitments), all figures in the profiles refer to gross bilateral disbursements. The term DAC country average refers to weighted averages of Development Assistance Committee (DAC) countries for the specific allocation. Allocations by the European Union institutions and Hungary are excluded from this calculation. All of the data presented in the profiles are publicly available at: [www.oecd.org/dac/stats](http://www.oecd.org/dac/stats), <http://effectivecooperation.org> and [www.paris21.org](http://www.paris21.org).

The remainder of this annex describes the methodology and sources for: ODA committed to finance national statistical capacities and systems in developing countries, domestic resource mobilisation, aid for trade, countries' performance against commitments for effective development co-operation, in-donor refugee costs, country programmable aid, ODA to least developed countries, support to fragile contexts, the Gender Equality Policy Marker, the Environment markers, and bilateral allocable aid.

### ODA committed to finance national statistical capacities and systems in developing countries

The data used in the profiles come from the forthcoming PARIS21's 2017 Partner Report on Support to Statistics (PRESS) dataset.

To provide a full picture of international support to statistics, the PRESS report draws on three distinct data sources. The first source of data is the OECD Creditor Reporting System (CRS), which records data from OECD-DAC members and some non-DAC donors, and provides a comprehensive accounting of ODA. Donors report specific codes for the sector targeted by their aid activity. Statistical capacity building is designated by the CRS purpose Code 16062.

Second, when statistical capacity building is a component of a larger project, it is not identified by this code, causing the CRS figures to underestimate actual levels of support. PARIS21 seeks to reduce this downward bias by searching project descriptions in the CRS for terms indicating a component of statistical capacity building. The methodology is presented in Box 3 of the 2016 PRESS at: [www.paris21.org/PRESS2016](http://www.paris21.org/PRESS2016).

Third, and finally, the PARIS21 Secretariat supplements this data with an on line questionnaire completed by a global network of reporters. The questionnaire covers a subset of the variables collected in the CRS and some additional variables specific to statistical capacity building. Reporting to the questionnaire is voluntary, offering an opportunity for actors to share information on their statistical activities. Reporters to this questionnaire are countries that do not report to the CRS, as well as multilateral institutions with large portfolios of statistical projects that have requested to report to the PARIS21 Secretariat directly.

Sources: OECD (2017), “Creditor Reporting System: Aid activities”, *OECD International Development Statistics* (database), <http://dx.doi.org/10.1787/data-00061-en> and [www.paris21.org](http://www.paris21.org).

## Domestic resource mobilisation

The figures on the amount of ODA that supports the mobilisation of domestic resources in developing countries come from the DAC’s CRS database. This database contains detailed information on individual aid activities, including the purpose of aid. In order to identify domestic resource mobilisation-related activities, a purpose code (CRS Code 15114) is used. This code had previously been voluntary but was established as an official purpose code in 2016, and as a result the previous approach of complementing reporting under the voluntary code with a key-word search for tax-related activities has been abandoned.

Source: OECD (2017), “Creditor Reporting System: Aid activities”, *OECD International Development Statistics* (database), <http://dx.doi.org/10.1787/data-00061-en>.

## Aid for trade

According to the World Trade Organization (WTO) Task Force on Aid for Trade, projects and programmes are part of aid for trade if these activities have been identified as trade-related development priorities in the partner country’s national development strategies. Furthermore, the WTO Task Force concluded that to measure aid-for-trade flows, the following categories should be included: technical assistance for trade policy and regulations, trade-related infrastructure, productive capacity building (including trade development), trade-related adjustment, other trade-related needs.

The DAC’s CRS database was recognised as the best available data source for tracking global aid-for-trade flows. It should be kept in mind that the CRS does not provide data that match exactly all of the above aid-for-trade categories. In fact, the CRS provides proxies under four headings: trade policy and regulations, economic infrastructure, building productive capacity, and trade-related adjustment. The CRS covers all ODA, but only those activities reported under the above four categories can be identified as aid for trade. It is not possible to distinguish activities in the context of “other trade-related needs”. To estimate the volume of such “other” activities, donors would need to examine aid projects in sectors other than those considered so far – for example in health and education – and indicate what share, if any, of these activities has an important trade component. A health programme, for instance, might permit increased trade from localities where the disease burden was previously a constraint on trade. Consequently, accurately monitoring aid for trade would require comparison of the CRS data with donor and partner countries’ self-assessments of their aid for trade.

Source: OECD (2017), “Creditor Reporting System: Aid activities”, *OECD International Development Statistics* (database), <http://dx.doi.org/10.1787/data-00061-en>.

## Countries’ performance against commitments for effective development co-operation (Table 1. Results of the 2016 Global Partnership monitoring round)

In the table for each profile, the “baseline” row refers to 2010 data, with the exception of data on medium-term predictability and the two measurements of transparency (OECD CRS and Forward Spending Survey), which refer to 2013 data. The “2016” row refers to data from the latest monitoring round, except for untied ODA, which refers to the latest data released by OECD for the year 2015.

The source and methodology for data on funding recorded in countries’ national budgets, funding channelled through partner countries’ systems, annual predictability and medium-term predictability, and the three transparency assessments can be consulted at OECD/UNDP (2016),

“Annex B. Monitoring data: Development partners” in: *Making Development Co-operation More Effective: 2016 Progress Report*. Data for these indicators were reported in 2016, reflecting the behaviour of development co-operation flows during the previous fiscal year. Note that for the transparency assessment labelled as publishing to IATI, the 2016 value represents the baseline for the indicator.

The source for data on untied ODA is OECD (2017), “Creditor Reporting System: Aid activities”, *OECD International Development Statistics* (database), <http://dx.doi.org/10.1787/data-00061-en>.

The methodology for the indicator on the extent of use of country-led results frameworks can be found at: <https://unstats.un.org/sdgs/metadata/files/Metadata-17-15-01.pdf> (cf. metadata for SDG 17.15). The 2016 value represents the baseline for this indicator. The underlying data is sourced from OECD/UNDP (2016), “Annex B. Monitoring data: Development partners” in: *Making Development Co-operation More Effective: 2016 Progress Report*, OECD Publishing, Paris.

## In-donor refugee costs

Specific instructions on the reporting of in-donor refugee costs were first introduced in the DAC Statistical Reporting Directives in 1988 and have changed little since then.

In-donor refugee costs: extract from DAC Statistical Reporting Directives ([www.oecd.org/dac/financing-sustainable-development/development-finance-standards/DCDDAC\(2016\)3FINAL.pdf](http://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/DCDDAC(2016)3FINAL.pdf)): a refugee is a person who is outside his/her home country because of a well-founded fear of persecution on account of race, religion, nationality, social group or political opinion. Assistance to persons who have fled from their homes because of civil war or severe unrest may also be counted under this item. Official sector expenditures for the sustenance of refugees in donor countries can be counted as ODA during the first 12 months of their stay.\* This includes payments for refugees’ transport to the host country and temporary sustenance (food, shelter and training); these expenditures should not be allocated geographically. However, this item also includes expenditures for voluntary resettlement of refugees in a developing country; these are allocated geographically according to the country of resettlement. Expenditures on deportation or other forcible measures to repatriate refugees should not be counted as ODA. Amounts spent to promote the integration of refugees into the economy of the donor country, or resettle them elsewhere than in a developing country, are also excluded.

Because in-donor refugee costs are not allocated geographically, the reporting of these costs can increase the share of bilateral ODA that is not specified by country.

## Country programmable aid

Country programmable aid (CPA) is a subset of gross bilateral ODA. The CPA tracks the proportion of ODA over which recipient countries have, or could have, a significant say. The CPA reflects the amount of aid that involves a cross-border flow and is subject to multi-year planning at country/regional level.

The CPA is defined through exclusions, by subtracting from total gross bilateral ODA activities that: 1) are inherently unpredictable (humanitarian aid and debt relief); 2) entail no cross-border flows (administrative costs, imputed student costs, promotion of development awareness, and costs related to research and refugees in donor countries); and 3) do not form part of co-operation agreements between governments (food aid, aid from local governments, core funding to non-governmental organisations, ODA equity investments, aid through secondary agencies, and aid which is not allocable by country or region).

\* Contributions by one donor to another donor to cover such expenditures should be recorded as ODA by the contributing country. The receiving country should reduce the expenditure reported under this item by the same amount.

The CPA is measured in disbursement terms and does not net out loan repayments since these are not usually factored into country aid decisions. The CPA is derived from the standard DAC and CRS databases.

Source: OECD (2017), “Country programmable aid (CPA)”, *OECD International Development Statistics* (database), <http://stats.oecd.org/Index.aspx?DataSetCode=CPA>.

For further information, see: [www.oecd.org/development/effectiveness/countryprogrammableaidcpa\\_frequentlyaskedquestions.htm](http://www.oecd.org/development/effectiveness/countryprogrammableaidcpa_frequentlyaskedquestions.htm).

## ODA to least developed countries

ODA to least developed countries (LDCs) is presented in different manners. Bilateral flows reflect the funds that are provided directly by a donor country to an aid-recipient country.

However, when calculating a donor’s total ODA effort with regards to the UN target for LDCs, an estimate needs to be made to impute aid by multilateral organisations back to the funders of those bodies. For more information on imputed multilateral flows, see: [www.oecd.org/dac/stats/oecdmethodologyforcalculatingimputedmultilateraloda.htm](http://www.oecd.org/dac/stats/oecdmethodologyforcalculatingimputedmultilateraloda.htm).

## Support to fragile contexts

Support to fragile contexts corresponds to gross bilateral ODA to the list of fragile contexts as identified in the OECD fragility framework diagram which appeared on page 23 of the OECD’s report *States of Fragility 2016: Understanding Violence*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264267213-en>.

For information on the *States of Fragility* report, see: [www.oecd.org/dac/governance-peace/conflictandfragility/rf.htm](http://www.oecd.org/dac/governance-peace/conflictandfragility/rf.htm).

## Gender Equality Policy Marker

The DAC Gender Equality Policy Marker is a statistical instrument to measure aid that is focused on achieving gender equality and women’s empowerment. Activities are classified as “principal” when gender equality is a primary objective, “significant” when gender equality is an important but secondary objective, or “not targeted”. In the profiles of DAC members, the basis of calculation is bilateral allocable, screened aid.

Source: OECD (2017), “Aid projects targeting gender equality and women’s empowerment (CRS)”, *OECD International Development Statistics* (database), <http://stats.oecd.org/Index.aspx?DataSetCode=GENDER>.

## Environment markers

The figure “Bilateral ODA in support of global and local environment objectives, two year averages, commitments” presented in each DAC member profile nets out the overlaps between Rio and environment markers: it shows climate-related aid as a sub-category of total environmental aid; biodiversity and desertification are also included (either overlapping with climate-related aid or as additional – other – environmental aid) but not separately identified for the sake of readability of the figure. One activity can address several policy objectives at the same time. This reflects the fact that the three Rio conventions (targeting global environmental objectives) and local environmental objectives are mutually reinforcing. The same activity can, for example, be marked for climate change mitigation and biodiversity, or for biodiversity and desertification.

“Climate-related aid” covers both aid to climate mitigation and to adaptation from 2010 onwards, but only mitigation aid pre-2010. Reported figures for 2006-09 may appear lower than in practice, and may reflect a break in the series, given that pre-2010 adaptation spend is not marked. In the profiles of DAC members, the basis of calculation is bilateral allocable ODA. More details are available at: [www.oecd.org/dac/stats/rioconventions.htm](http://www.oecd.org/dac/stats/rioconventions.htm).

Source: OECD (2017), “Aid activities targeting global environmental objectives”, *OECD International Development Statistics* (database), <http://stats.oecd.org/Index.aspx?DataSetCode=RIOMARKERS>.

## **Bilateral allocable aid**

Bilateral allocable aid is the basis of calculation used for all markers (gender equality and environmental markers). It covers bilateral ODA with types of aid A02 (sector budget support), B01 (core support to NGOs), B03 (specific fund managed by international organisation), B04 (pooled funding), C01 (projects), D01 (donor country personnel), D02 (other technical assistance) and E01 (scholarships).





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