

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 are excluded from this calculation. All of the data presented in the profiles are publicly available at: www.oecd.org/dac/stats.

The remainder of this annex describes the methodology and sources for: amounts mobilised from the private sector by official development finance interventions, tax and development, aid for trade, pledges to the Green Climate Fund and to the Least Developed Countries Fund, country programmable aid (CPA), support to fragile states, the Gender Equality Policy Marker, the Environment markers, and bilateral allocable aid.

Amounts mobilised from the private sector by official development finance interventions

The source and methodology for data on the amount mobilised from the private sector by official development finance interventions is: Benn, J. et al. (2016), “Amounts mobilised from the private sector by official development finance interventions: Guarantees, syndicated loans and shares in collective investment vehicles”, *OECD Development Co-operation Working Papers*, No. 26, OECD Publishing, Paris, <http://dx.doi.org/10.1787/5jm3xh459n37-en>.

Tax and development

To estimate the amount of ODA that supports tax systems development, the OECD uses the DAC’s Creditor Reporting System (CRS) database. This database contains detailed information on individual aid activities, including the purpose of aid. In order to identify tax-related activities, a purpose code (CRS Code 15114) was introduced in 2015, which some donors report against. For other donors, a text search is carried out on the descriptive fields of the CRS for key words linked to tax-related activities.

Source: OECD (2015), “Creditor Reporting System: Aid activities”, *OECD International Development Statistics* (database), <http://dx.doi.org/10.1787/data-00061-en>. The data cited in the profiles do not include the International Monetary Fund.

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 (BPC), 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 (2015), "Creditor Reporting System: Aid activities", *OECD International Development Statistics* (database), <http://dx.doi.org/10.1787/data-00061-en>.

Pledges to the Green Climate Fund and to the Least Developed Countries Fund

Pledges to the Green Climate Fund (GCF) have been sourced from the Green Climate Fund homepage (www.greenclimate.fund/contributions/pledge-tracker), which reflects pledges as of 15 January 2016. Pledges to the Least Developed Countries Fund (LDCF) have been sourced from a joint statement released by the governments of the United States and Canada, Denmark, Finland, France, Germany, Ireland, Italy, Sweden, Switzerland and the United Kingdom on 30 November 2015. The statement can be downloaded from the Global Environment Facility website at the following address: www.thegef.org/gef/sites/thegef.org/files/joint-statement-lDCF.pdf.

Country programmable aid

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

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); 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).

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

Source: OECD (2015), “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/countryprogrammableaidcpafrequentlyaskedquestions.htm.

Support to fragile states

Support to fragile states corresponds to gross bilateral ODA to the latest List of Fragile States (which will appear in the OECD’s 2016 *States of Fragility* report).

For information on the *States of Fragility* report, see: 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 (2013), “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.

Source: OECD (2015), “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, 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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