

Revisiting the Quality of Agricultural Official Development Assistance: Technical Annex

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This note explains how the indicators for Agricultural QuODA for 2011 were calculated. We base our analysis on the most recently published QuODA methodology, and each indicator's explanation, justification, and methodology can be found in Part II (pg. 24) of *The Quality of Official Development Assistance Assessment 2009: Is Aid Quality Improving?* available at

<http://www.cgdev.org/publication/quality-official-development-assistance-assessment-2009-aid-quality-improving>.

Changes from Overall QuODA

In adapting QuODA to reflect both substantive differences and data availability in agriculture, we had to modify a number of variables. One key difference is in the types of aid being examined. Original QuODA uses overall official development assistance (ODA) for some indicators, and country programmable aid (CPA), aid that is available at the country level for development projects and programs, for others. The Development Assistance Committee defines CPA by the exclusion of items such as humanitarian aid, administrative costs, and funds for promotion of development awareness. Many of the elements that the DAC excludes from ODA to get to country programmable aid are reported under separate purpose codes and do not appear at all in the agricultural sector data. Therefore, country programmable aid, rather than ODA, is the starting point for our analysis.

In addition to that, the original QuODA methodology scores donors on the share of ODA that is provided as *strict* country programmable aid, which also excludes interest receipts and funding for technical cooperation. Since gross CPA is on average only about half of overall ODA, our estimates of the strict CPA share (ME4) for agriculture, which effectively has gross CPA rather than ODA as the denominator, tend to be much higher than those in the original. Another difference in this indicator as compared to overall QuODA is that we also excluded "other technical assistance," which is reported under aid type in the Creditor Reporting System (CRS), from our definition of strict CPA.

Also in the maximizing efficiency dimension, we had to adapt the indicator for support of global public goods (ME7). Overall QuODA includes eleven funds or agencies that contribute to global public goods across a range of areas and calculates contributions to those facilities as a share of total ODA for this indicator. We include only contributions to the Consultative Group on International Agricultural Research (CGIAR) when calculating this indicator.

For 2011, we introduced three indicators in the fostering institutions dimension (out of eight). We include one QuODA indicator, the share of aid to partners with good operational strategies (FI4), that was previously excluded only because it did not make sense to include a dimension with only one indicator. We calculated this indicator exactly as in original QuODA, except that it is the share of *agricultural* aid going to partners with good or acceptable operational strategies. .

For two other indicators, we use proxies based on new information reported to the CRS. For QuODA's share of aid recorded in recipient budgets (FI3), we use the share of agricultural aid that is reported as being sector budget support (aid type code of A02 in CRS).¹ As a proxy for the original QuODA indicator on the use of recipient country systems (FI5), we calculate the share of donor aid that goes through the recipient government as the channel. We do this by taking the share of agricultural aid that is labeled with CRS channel code 12000 for "recipient government." Neither of these are perfect substitutes for what original QuODA is measuring, but they do provide some information on the degree to which donors are relying on local institutions, hopefully strengthening them in the process.

In the reducing burden dimension, we modify two of four indicators where some data is available at the sector-level and, for 2011, we added a fifth indicator (out of seven on this dimension). First, for the indicator on median project size (RB3), a proxy for relative administrative costs associated with projects, we lower the cutoff for small projects from \$250,000 to \$10,000. Second, the fourth indicator on this dimension gives donors credit for contributions to multilateral institutions that is counted as core support (RB4). Since core support is not relevant for the sectoral analysis, Ag QuODA gives credit to donors that channel sector-level aid through multilateral mechanisms because it should have some benefit in reducing administrative burdens for recipients. It is measured as the share of sector-level aid that is reported as being channeled through a multilateral institution, or as type of aid labeled as "contributions to specific-purpose programmes and funds managed by international organizations (multilateral, INGO)" or "basket funds/pooled funding."² Finally, for 2011, we are able to include but the use of programmatic aid indicator (RB7), by taking the share of agricultural aid that is listed as using program-based approaches in the Creditor Reporting System.³

In the transparency and learning dimension, we are able to use all eight of the indicators, but two of them—the detail of project descriptions (TL4) and the completeness of project level commitment data (TL6)—use different data sources. In detail of project descriptions, overall QuODA uses the AidData dataset of aid activities instead of the CRS. AidData uses agency annual reports and other sources to supplement the CRS data for multilateral institutions or other agencies that do not report fully to CRS.⁴ We decided to stick with CRS data for on the detail of project descriptions because some multilaterals already report this to CRS and it would not be costly for others to do so, making for greater consistency. The second indicator addresses the problem of incomplete reporting at the activity level (CRS) versus at the aggregate level (DAC). Overall QuODA obtains the total commitment data from DAC table 3a, which does not include commitments by sector. Sector-level commitments are nominally reported in DAC table 5, which is what we use to compare to commitments as reported to CRS, but some donors report disbursements instead. Although we are careful to compare apples to apples—using disbursements from CRS for donors that report disbursements rather than commitments for table 5, this indicator is still not strictly comparable with what is calculated in overall QuODA.

¹ OECD, 2009, Corrigendum on Type of Aid, pg. 5; <http://www.oecd.org/development/stats/44479737.pdf>.

² Ibid., pg. 6.

³ OECD, 2008, Corrigendum on Program-Based Approaches. <http://www.oecd.org/development/stats/44479916.pdf>.

⁴ For more info on AidData, see their website: <http://aiddata.org/content/index>.

**Table A.1 Comparison of Indicators in Overall QuODA versus Agricultural QuODA
Maximizing Efficiency**

Overall QuODA Indicators	Ag QuODA Indicators	Changes to indicators
ME1 - Share of allocation to poor countries	ME1 - Share of allocation to poor countries	
ME2 - Share of allocation to well-governed countries	ME2 - Share of allocation to well-governed countries	
ME3 - Low administrative unit costs		
ME4 - High country programmable aid share	<i>ME4 - High country programmable aid share</i>	<i>We use agricultural CPA in the denominator, whereas QuODA uses ODA</i>
ME5 - Focus/specialization by recipient country	ME5 - Focus/specialization by recipient country	
ME6 - Focus/specialization by sector		
ME7 - Support for select global public good facilities	<i>ME7 - Support for CGIAR</i>	<i>Our only GPG facility related to agriculture is CGIAR</i>
ME8 - Share of untied aid	ME8 - Share of untied aid	

Fostering Institutions

Overall QuODA Indicators	Ag QuODA Indicators	Changes
<p>F11 - Share of aid to recipients top development priorities</p> <p>F12 - Avoidance of PIUs</p> <p>F13 - Share of aid recorded in recipient budgets</p> <p>F14 - Share of aid to partners with good operational strategies</p>	<p><i>F13 - Share of aid with recipient government as the channel</i></p> <p>F14 - Share of aid to partners with good operational strategies</p>	<p><i>We use share of agricultural aid with recipient government reported as the channel</i></p>
<p>F15 - Use of recipient country systems</p> <p>F16 - Share of scheduled aid recorded as received by recipients</p> <p>F17 - Coordination of technical cooperation</p> <p>F18 - Coverage of forward spending plans</p>	<p><i>F15 - Share of aid sent as sector budget support in agriculture</i></p>	<p><i>We use share of agricultural aid provided as sector budget support</i></p>

Reducing Burden on Partner Countries

Overall QuODA Indicators	Ag QuODA Indicators	Changes
<p>RB1 - Significance of aid relationships</p> <p>RB2 - Fragmentation across donor agencies</p> <p>RB3 - Median project size</p> <p>RB4 - Contribution to multilaterals</p> <p>RB5 - Coordinated missions</p> <p>RB6 - Coordinated analytical work</p> <p>RB7 - Use of programmatic aid</p>	<p>RB1 - Significance of aid relationships</p> <p>RB2 - Fragmentation across donor agencies</p> <p><i>RB3 - Median project size</i></p> <p><i>RB4 - Contribution to multilateral channels and instruments</i></p> <p>RB7 - Use of programmatic aid</p>	<p><i>Our project cutoff is 10,000, whereas overall QuODA's is 250,000</i></p> <p><i>We use contributions that is non-core through multilateral channel codes and aid type codes</i></p> <p><i>As reported to CRS.</i></p>

Transparency and Learning

Overall QuODA Indicators	Ag QuODA Indicators	Changes
<p>TL1 - Signatory of IATI</p> <p>TL2 - Implementation of IATI data reporting standards</p> <p>TL3 - Recording of project title and description</p> <p>TL4 - Detail of project description</p> <p>TL5 - Reporting of aid delivery channel</p> <p>TL6 - Completeness of project-level commitment data</p> <p>TL7 - Quality of evaluation policy</p> <p>TL8 - Aid to partners with good M&E frameworks</p>	<p>TL1 - Signatory of IATI</p> <p>TL2 - Implementation of IATI data reporting standards</p> <p>TL3 - Recording of project title and description</p> <p><i>TL4 - Detail of project description</i></p> <p>TL5 - Reporting of aid delivery channel</p> <p><i>TL6 - Completeness of project-level commitment data</i></p> <p>TL7 - Quality of evaluation policy</p> <p>TL8 - Aid to partners with good M&E frameworks</p>	<p><i>Ag QuODA uses CRS data instead of AidData.</i></p> <p><i>Ag QuODA compares CRS activities to DAC Table 5, instead of DAC Table 1.</i></p>