



# Measuring the Quality of Development Assistance

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# Why try to measure aid / donor quality?

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- Consensus on importance of quality
- Limited information to compare donors' performance
- Building on model of CGD's Commitment to Development Index
- Developing indicators for a first round
- Stimulate collection of data where missing or poor



# Indicators

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1. Maximizing value for money
2. Reducing the Burden on Recipients
3. Fostering recipient institutions
4. Transparency and evaluation



## Indicators: Maximizing value for money

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- Selecting poor recipients
- Selecting well-governed recipients
- Tied aid
- Contributions to United Nations and multilateral institutions
- Percentage spent on poverty-reducing global public goods
- Percentage of aid that is earmarked



# Indicators: Reducing the Burden on Recipients

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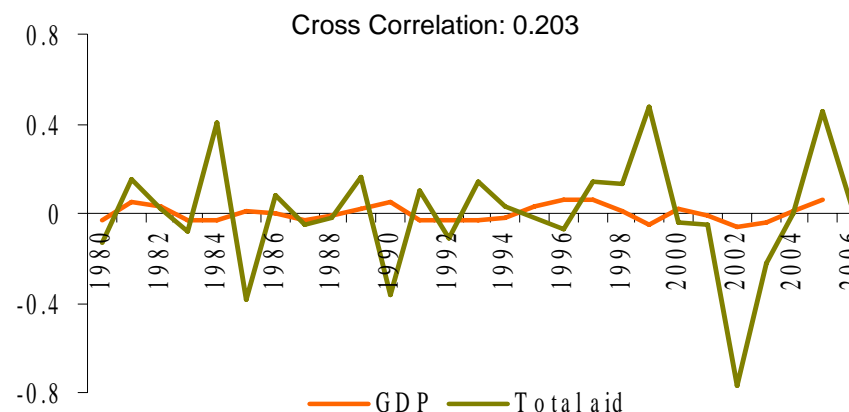
- Predictability
  - “Bad” volatility - Kharas 2008
  - Donor reporting of quarterly disbursements
- Minimizing administrative burden
  - “nuisance donor” in a country
  - reducing donor missions
  - “delegated cooperation”
- Donor agency fragmentation

# Volatility: MDB's are also often pro cyclical, as is aid in general

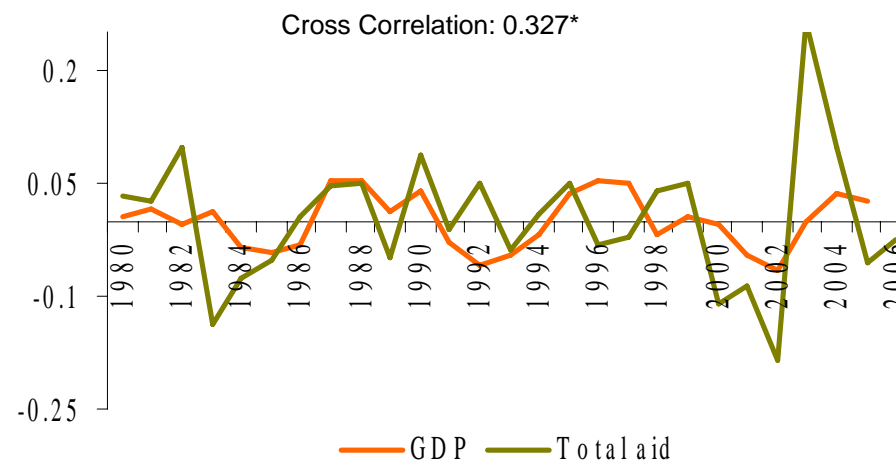
## Correlations of GDP and MDB's Disbursements

	Period	Disbursements
<b>IADB(LAC)</b>	1960-2006	0.051
<b>EBRD(ECA)</b>	1994-2006	0.513
<b>IBRD(EAP)</b>	1960-2006	<b>-0.315*</b>
<b>IBRD(ECA)</b>	1980-2006	<b>0.350*</b>
<b>IBRD(LAC)</b>	1960-2006	0.104
<b>IBRD(MNA)</b>	1960-2006	<b>0.362*</b>
<b>IBRD(SAS)</b>	1960-2006	0.179
<b>IBRD(SSA)</b>	1960-2006	<b>-0.215*</b>
<b>ADB(EAP)</b>	1994-2006	-0.286
<b>ADB(SAS)</b>	1994-2006	-0.018
<b>AFDB(SSA)</b>	1994-2006	0.2417
<b>IFC(LAC)</b>	1962-2006	<b>0.4551**</b>
<b>IFC(EAP)</b>	1968-2006	<b>0.2655*</b>
<b>IFC(MNA)</b>	1963-2006	-0.0129
<b>IFC(SAS)</b>	1967-2006	-0.1696
<b>IFC(SSA)</b>	1964-2006	0.2349
<b>IFC(ECA)</b>	1983-2005	0.2007

## Middle income countries



## Low income countries





# Indicators: Fostering recipient institutions

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- Budget support (weighted by governance)
- Aid through country systems
- Parallel PIUs
- Coordination of TA
- TA procured locally
- Use of donor exemption from recipient taxation



# Indicators: Transparency and evaluation

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- Resources and coverage of evaluation
- Funding recipient evaluation systems
- Quality control of evaluation
- Independence of evaluation function
- Transparency and use of evaluation results
- Reporting to DAC



## Next steps

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- Feedback welcome
- Initial measurement published later this summer
- More information:
  - [www.cgdev.org](http://www.cgdev.org)
  - > Research topics
  - > Aid Effectiveness
  - > Measuring Aid Quality