

University of Birmingham

**A Future for Aid Data: Towards a South-South
Cooperation Data Categorization to complement
on-going IATI Categorizations**

Inception Report

International Development Department



4th March 2011

**This document is an output from a project funded by the UK
Department for International Development (DFID)**

Inception Report Contents

1. Introduction.....	4
1.1. Purpose and output of the research.....	4
1.2. Purpose of the inception report.....	4
2. Work schedule/ time table.....	4
2.1 Preparation and research design work	8
2.2 Data collection work (Non DAC donor’s aid data vis a vis IATI categorizations)	9
2.3 Data Analysis	10
2.4 Writing up work.....	10
2.5 Dissemination.....	11
Annexure 1_Observation made during IATI Partner Country meeting & Steering committee meeting held at the OECD in Paris on 8th & 9 th February 11.....	13
Annexure 2_A quick desk review of literature on DAC & Non DAC donor’s aid data architecture.....	15
Annexure 3_Abstract of paper based on this research, to be presented at EADI/DSA conference 2011	23
Annexure 4_Abstract of paper based on this research, to be presented at LSE conference titled Unpacking Foreign Aid Effectiveness: Examining Donor Dynamics workshop, 21 June 2011 (subject to acceptance)	25
Annexure 5_Research proposal, as submitted to Future of Aid & Beyond research competition (2010)	27
Annexure 6 Research Brief 1	30

1. Introduction

The International Development Department, University of Birmingham won funding in DFID's Future of Aid and Beyond Research Competition 2010-11. This research window is expected to prepare for future challenges and opportunities, identify and better understand fast-emerging issues, such as the rise of newly powerful economies, engage with some of the best new ideas and help prepare for future 'unknowns'.

1.1. Purpose and output of the research

The research project investigates the incentives and disincentives for non traditional donors to adhere to International Aid Transparency Initiative (IATI) categorization and code of conduct and in the wake of such non binding IATI or OECD-DAC standards, what challenges and opportunities such non traditional donors bring to the IATI. The focal output of the research will be a proposed south-south cooperation data categorization that has the potential to complement ongoing IATI standards

1.2. Purpose of the inception report

The purpose of this inception report is to provide a road map of the research project within the stipulated timeframe of the contract between IDD, University of Birmingham & DFID.

2. Work schedule/ time table

- 2.1. Preparation and research design work
- 2.2. Data collection work (Non DAC donor's aid data vis a vis IATI categorizations)
- 2.3. Data Analysis
- 2.4. Writing up work
- 2.5. Dissemination

Work schedule and Timetable

Activity No.	Activities	2011 (Project start date - 17 th January 11)												2012
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
2.1	Preparation and research design work													
2.1.1	Commencement of research project (17 th January 11)													
2.1.2	Participated in the IATI Partner Country meeting & Steering committee meeting held at the OECD in Paris on 8 th & 9 th February 11.													
2.1.3	Setting up a quality assurance team within IDD													
2.1.4	A quick desk review of literature on DAC & Non DAC donors aid data architecture													
2.1.5	Submission of inception report (7 th March 11)													
2.2	Data collection work (Non DAC donor's aid data vis a vis IATI categorizations)													
2.2.1	Data collection for Non DAC donor's ¹ aid data from AidData and OECD DAC database													
2.2.2	Data collection for Non DAC donor's aid data from Aid Information Management System/ Donor Assistance Database and/ or other home grown systems in partner countries													

¹ South Africa, Brazil, Chile, Colombia, India, Israel, Kuwait, Qatar, Saudi Arabia, Taiwan, Thailand & UAE

Activity No.	Activities	2011 (Project start date - 17 th January 11)												2012
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
2.3	Data Analysis													
2.3.1	Non DAC donor's aid data vis a vis OECD DAC / IATI categorizations													
2.4	Writing up work													
2.4.1	Preparation of the draft report on analysis													
2.4.2	Submission of draft report on analysis (31 st October 11)													
2.4.3	The final version of new/ complimentary south-south cooperation data categorization													
2.4.4	Submission of draft final report (4 th January 2012)													
2.5	Dissemination													
2.5.1	A dedicated website													
2.5.2	Abstracts sent to conferences & workshops (15 Feb 11) <ul style="list-style-type: none"> EADI -DSA 2011 – abstract accepted Unpacking Foreign Aid Effectiveness: Examining Donor Dynamics workshop (LSE) - decision awaited 													
2.5.3	Publication of 4 quarterly research briefs <ul style="list-style-type: none"> 1st Research Brief prepared and circulated 													

Activity No.	Activities	2011 (Project start date - 17 th January 11)												2012
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
	during IATI partner country & Steering committee meeting on 8 th & 9 th Feb 11													
2.5.4	Preparation of final paper for EADI/ DSA conference and paper presentation													
2.5.5	Preparation of final paper for LSE workshop and paper presentation (if selected)													
2.5.6	Organising a two days international workshop in Nov 11													
2.5.7	Participation in 4 th High Level Forum on Aid Effectiveness in Nov - Dec 11													
2.5.8	Ongoing activities (exploring opportunities to publish in peer reviewed policy oriented journals, dissemination seminars, workshops, conferences, and media events)													

2.1 Preparation and research design work

2.1.1 Commencement of research project

The research commenced on schedule time on 17th January 11 with Michael Hubbard as Research Leader and Pranay Sinha as Principal Researcher for the project. It was agreed with DFID that following work schedule would be followed –

Research begins 17 January 2011	Report to DFID	Payment schedule in contract
Draft inception report	3 March 2011	17 March 2011
Draft report on analysis	31 October 2011	17 November 2011
Draft final report	6 January 2012	17 January 2012

2.1.2 Participation in the IATI Partner Country meeting & Steering committee meeting

Pranay Sinha participated in the IATI Partner Country meeting & Steering committee meeting held at the OECD in Paris on 8th & 9th February 11. The purpose of the participation in the meetings were as follows -

- I. Whether the hypothesis or assumptions made at the submission of the research proposal were right or still relevant at the outset of the research?
 - I.1. At the Country level
 - I.2. At the Global level
- II. What are the other research/ policy environment and how to locate or ground this research?
- III. What are the role/ views of different stakeholders?
- IV. Whether to modify/ amend the research design after the meeting?
- V. Finally what do we want to find out from southern donor countries and recipient countries respectively and what's the way forward?

A brief visit report is attached as an annexure 1

2.1.3 Setting up a quality assurance team within IDD

The research project has set up a quality assurance team within IDD, University of Birmingham with Philip Amis and Heather Marquette as members.

2.1.4 A quick desk review of literature on DAC & Non DAC donor's aid data architecture

A quick desk review of literature on DAC & Non DAC donor's aid data architecture is attached as an Annexure 2. This review leads up to the stated purpose of this research project:

“The research attempts to contribute to achieving better standardisation/ categorizations for all North-South as well as South-South aid flows. It will do this investigating:

1. What are the data gaps in the Non DAC donor's aid data generated through AidData initiative vis-a-vis proposed IATI standards?

2. What are the similarities and differences between classification of OECD Creditors Reporting System (CRS), AidData initiative and IATI categorization and S-S categorization?
3. How does the existence of IATI categorization shape the dynamics of emerging donors under S-S cooperation?

On the basis of the findings of the research it is intended to propose a south-south cooperation data categorization that has the potential to complement ongoing IATI categorizations (refer Annexure 2, figure 1).

In this way the research is intended to be of help to southern donors in adjusting their aid data to international standards/categorisations, and improving the capture of their aid in published data.”

2.1.5 Submission of inception report

The inception report is submitted on 4th March 2011

2.2 Data collection work (Non DAC donor’s aid data vis a vis IATI categorizations)

Initially in the proposal, it was proposed that the data collection will focus only on Indian aid, but embedded within a broader analysis of international aid data categories, sources and presentations. It was proposed to take maximum benefit from the team’s close familiarity with Indian aid for the purpose of informing and illustrating the analysis; but based on the learning’s from participation in the IATI Partner Country & Steering committee meetings and the literature review, it is learnt that

- It would be difficult to generalize the research finding as Non DAC donors are not identical rather a complex diverse group (please see annexure 2, page 18)
- If only India as a non DAC donor is taken as a sample, it will limit the impact of the outcome (S-S Data categorization) of the research

Thus the scope of the research is now enhanced by including South Africa, Brazil, Chile, Colombia, India, Israel, Kuwait, Qatar, Saudi Arabia, Taiwan, UAE and Thailand as Non DAC donors with India as a case country. Therefore now it is proposed to take following two steps for data collection.

2.2.1 Non DAC donor’s aid data vis-a-vis OECD DAC / IATI categorizations

Data on development aid of South Africa, Brazil, Chile, Colombia, India, Israel, Kuwait, Qatar, Saudi Arabia, Taiwan, UAE and Thailand will be generated from the AidData initiative and OECD DAC. There will be consultation with OECD DAC regarding CRS categorizations and with IATI secretariat regarding the IATI standards. The data will be analyzed against the IATI standards and OECD DAC categories.

2.2.2 Data collection for Non DAC donor’s aid data from Aid Information Management System/ Donor Assistance Database and/ or other home grown systems in partner countries

Identify the Aid Information Management System (AIMS)/ Donor Assistance Database (DAD) and/or other home grown systems in partner countries and explore the extent of policy coherence or incoherence with international databases. Case studies can be done with respect to non DAC donors which are not reporting in OECD DAC but reporting at country level AIMS/ DAD (India as a donor is reporting in Afghanistan Donor Assistance Database).

2.3 Data Analysis

2.3.1 Data analysis will focus on Non DAC donor's aid data vis-a-vis OECD DAC / IATI categorizations

This will enable comparison of categories/ standardizations of international aid database in both the cases – where the aid data is provided by Non DAC donors to DAC CRS as well as where the aid data is not provided by Non Dac donors to DAC CRS.

	What additional data/ categories are captured in the AidData database	What data/ categories are not available in the AidData database
Where aid data is provided by Non DAC donors to DAC CRS		
Where aid data is not provided by Non Dac donors to DAC CRS		

2.4 Writing up work

2.4.1 Preparation of the draft report on analysis

The time between July and October 11 will be used for report writing and a draft report and a draft version of new/ complimentary south-south cooperation data categorization will be prepared for comments during the international workshop.

2.4.2 Submission of draft report on analysis

A draft report on analysis will be submitted to DFID on 31st October 11. The draft report will be used to get the feedback from the planned international workshop scheduled in Nov 11. It's the second deliverable against which payment schedule in contract will be made.

2.4.3 The final version of new/ complimentary south-south cooperation data categorization

After getting the feedback from the participants of international workshop and integrating the same, the final version of new/ complimentary south-south cooperation data categorization will be prepared. It will be used to locate the discussions in Busan high level conference where all development stakeholders are meeting to set a new framework to meet new development challenges.

2.4.2 Submission of draft final report

A draft final report will be submitted to DFID on 6th January 2012 after integrating the feedback from the participants of international workshop as well as learning's from Busan conference. It's the third and final deliverable against which payment schedule in contract will be made.

2.5 Dissemination

2.5.1 A dedicated website

A project link has been created on the IDD website and a dedicated website is to be constructed in March 11 and regularly updated thereafter.

2.5.2 Abstracts sent to conferences & workshops

2.5.2.1 An abstract title - *DAC (Traditional) & Non DAC (Emerging) Donors at the Crossroads: What's the issue with Lines of Credit?* has been accepted for the EADI - DSA 2011 Conference. Please see annexure 3 for abstract.

2.5.2.2 An abstract title - *The future for aid data: south-south data categorization within the ambit of International Aid Transparency Initiative* sent to Unpacking Foreign Aid Effectiveness: Examining Donor Dynamics workshop, decision awaited. Please see annexure 4 for abstract.

2.5.3 Research Brief

Preparation of 4 research briefs to be published on quarterly basis is envisaged. 1st research brief introducing the research project is already prepared and was circulated during IATI partner country & Steering committee meeting on 8th & 9th Feb 11. Please see annexure (6) for 1st research brief.

2.5.4 Preparation of final paper for EADI/ DSA conference

The final paper is due on 15th May 11 and will be accordingly prepared.

2.5.5 Preparation of final paper for LSE workshop (if selected)

If the abstract is selected then the final paper will be prepared for LSE workshop.

2.5.6 Organising a two days international workshop in Nov 11

Organising a two days international workshop in Nov 11 - A high-profile dissemination event is planned for early November 2011 to pilot the proposed South-South cooperation data categorization, at which the research report will be launched. This will be hosted by the University of Birmingham. Invited participants will include UN Development Cooperation Forum, OECD's Task Team on South-South Cooperation, India-Brazil-South Africa Dialogue Forum, International Aid Transparency Initiative and think tanks like Publish What You Fund, Better Aid and South Centre. The event is timed so as to publicise the research results immediately before the OECD's global high level forum on aid effectiveness in Seoul at the end of November.

2.5.7 Participation in 4th High Level Forum on aid effectiveness in Dec 11

The fourth High Level Forum is scheduled to take place in Busan, Korea from 29 November to 1 December 2011 and bringing all development stakeholders to set a new framework to meet new development challenges. The high level event will host three days of intense negotiations among recipient and donor and expected to be attended at the minister's level from developing and donor countries and especially emerging economies which have recently become Non DAC donors. Attending this Fourth High Level Forum on Aid Effectiveness will not only help obtaining policy feedback from the prominent policy makers, scholars and researchers in the field, from UK and overseas but also provide policy makers an opportunity to take informed decisions regarding future 'unknowns'. Participation and a possible presentation at the OECD's Fourth High Level Forum on Aid Effectiveness, at which aid transparency is a prominent issue for debate, will maximize the policy impact of our research outputs. It is important to mention that the 2nd day of the 4th High Level Forum is dedicated to the theme of 'New Development Challenges – Aid Quality in the Broader

Context of Development Effectiveness including the Changing Development Environment and New Actors and Partnerships which is very closely linked to the ongoing research project titled "A future for aid data: research towards a South-South cooperation data categorisation".

2.5.8 Ongoing activities

To explore opportunities to publish in peer reviewed policy oriented journals, dissemination seminars, workshops, conferences, and media events.

Annexure 1

Observations made during IATI Partner Country meeting & Steering committee meeting held at the OECD in Paris on 8th & 9th February 11.

The objective of attending the meeting was to reflect on following questions and fine tune research design.

- I. Whether the hypothesis or assumptions made at the submission of the research proposal were right or still relevant at the outset of the research?
- II. What are the other research/ policy environment and how to locate or ground this research?
- III. What are the role/ views of different stakeholders?
- IV. Whether to modify/ amend the research design after the meeting?
- V. Finally what do we want to find out from southern donor countries and recipient countries respectively and what's the way forward?

At the Country level

1. BRIC is an important provider in a partner country and capturing and coordinating all international cooperation is the role of sovereign government but involving BRICs is a concern because of their non cooperation and the partner country is trying hard and negotiating with them to provide their information.
2. Maybe IATI standards cannot be imposed to Non DAC donors from Paris but they can definitely be asked to comply at the partner country level
3. During formation of partner country Joint Assistance Strategy, partner country was not able to get the input from BRIC but they are working on getting their responses
4. They think that there is a need for common understanding/ definitions for non dac providers
5. They rose that existing aid architecture is biased to financial cooperation tools – project aid, budget support aid, but what about lines of credit?
6. Dialogue platform organized (for DAC donor as well as Non Dac donor)
7. Policy coherence is required while involving non DAC donors – aid, trade, finance and migration (why existing aid architecture only includes only aid indicators and not others?); other indicators need to be integrated.
8. Check as to how Non DAC donors are involved and participating in partner country procurement and included in finalizing joint targets? As all other donors including the WB are doing so.
9. Is Non DAC donor participating in Donor Assistance Database?

Partner countries which are Non DAC donors too

1. Non DAC donors not providing information in their system
2. A partner country which is a Non DAC donor too also provide development assistance but with S-S/ triangular cooperation method that's why don't ask Non DAC to provide information and do not provide information to others either.
3. Involving Non DAC donor very difficult, DCF already attempted to do so but challenged by the fact that there is no standardizations
4. What's the outreach strategy for Non DAC donors? What's the value added when there is less awareness among signatories itself? What would be the budget for s-s cooperation data providers?
5. Where IATI fits in, where it works and where it does not?
6. But principle of transparency (IATI) goes beyond Paris and Busan?

At the Global level

1. Outreach – more carefully. And how much do you want to do yourself and how much to outsource and to whom?

2. IATI open to non dac donors but what are the right kinds of incentives and how to set it? Why should Non DAC donor sign IATI and why shouldn't Non DAC donor sign IATI? What are the incentives and disincentives?
3. Should there be new institutions of global governance like partnership with partner country along with one proposed in three expression of interests or like the Global Development Network
4. What are the short term needs and long term needs? For the short term may be development gateway and synergy and for the long term may be ISO which is an appropriate place which monitors as well as manage standards?
5. What after Busan? End this aid effectiveness – target development effectiveness?
6. What's the legal status of IATI? Is it only an arrangement?
7. What's the difference between IATI (close to delivery of aid, forward planning instrument) and CRS (statistical information?)
8. It's a tool of public scrutiny – for donor as well as partner country
9. Is it working with double standards (DAC CRS and IATI)?
10. No deadlines to be imposed but there can only be a commitment
11. A DAC donor pushing for official donor's - official institution principle (OECD)/ instead of hosting – let it is integrated within the OECD.
12. For agreeing to standards and finalization of format, there exists problem of definition (what is tied aid as well as how conditions are defined), permission from partner government is required before publishing
13. Non compliant because of problem of providing future budget projection (a non signatory congress only gives yearly authorization)
14. What would be the issue of historical/ archived data? What would be the frequency of data capture? An IATI signatory also have the archiving problem (needed one year grace period)

BUDGET Identifier

1. Are donors going beyond their responsibility? Problem is how to align with 150 partner country budgets?
2. An IATI lead donor says we must have this provision in IATI as it will 1) recognize the importance and 2) to come up with the solution at both global as well as country level
3. A partner country which is a Non DAC donor too called donors to think creatively otherwise what value IATI is bringing? Another partner country echoed to don't drop the issue of budget identifier
4. An IATI signatory donor support budget alignment but no investment on how to improve country systems (AIMS) – local AIMS to be deleted in the standards
5. IATI has no legal implications – conditionality and budget alignments are the problem area
6. Even donor's progress is unequal – still long way to go but in a development and in do not harm perspective!

Annexure 2

A quick desk review of literature on DAC & Non DAC donor's aid data architecture

I. Introduction

Aid Transparency through availability of aid data is a necessary pre condition to assess the aid effectiveness either from a donor's or from a recipient's perspective. Given the growth in the number of official donors, and especially when the Non DAC donors² like BRICs are continuously increasing their respective aid financing, it becomes apparent that exclusion of their aid data will prohibit getting a full picture of the future aid architecture.

In the presence of new donors, it seems that the aid transparency movement of DAC donors are at the crossroads. On the one hand, there have been serious concerns raised by aid critiques about the quality and accuracy of the aid data of DAC donors (Riddell 2007³, Easterly and Pfütze, 2008⁴ and Birdsall et al, 2010⁵) which poses a question as whether their existing standards/ categorizations are adequate or not? On the other hand, there is lack of aid data availability of Non DAC donors, which can be attributed to non-access to data. It is either because the data is not captured in Non DAC donor's aid institutions or their methodology to measure the data is not in accordance with existing set standards.

So to get a full picture of the future aid architecture, the way forward is to capture the Non DAC donor's aid data but question arises as what should be the standards/ categorization or format to capture the Non DAC donor's aid data? As one of the core issues of Non DAC donor's data is that their methodology to measure the data is not in accordance with existing set standards which calls for either to reform the existing standards/ categorizations acceptable to Non DAC donor's or to ask them to comply with the existing (OECD CRS classification) standards or ongoing International Aid Transparency Initiative (IATI). IATI is aimed to overcome the overall issue of aid data quality of the DAC donor's and further reform the way it is published by traditional donor governments and agencies.

So the question arises, whether existence of OECD CRS and IATI, which is not universal yet but seeks to be, are competing with each other to achieve aid transparency? Whether any creation of a separate southern standards/ categories would further compete or undermine the ongoing International Aid Transparency Initiative? Whether the forthcoming standards/ categorizations are sourcing data from the donors or from the recipients? How to define south-south cooperation and why southern providers are restraining use of the terms like Non traditional donors, Non DAC donors, new donors or emerging donors? Whether it's only development cooperation between southern providers to other southern provider or from southern provider to southern recipient or triangular cooperation where one DAC donor is also involved over and above.

The research attempts to contribute to achieving better standardisation/ categorizations for all North-South as well as South-South aid flows. It will do this by investigating:

1. What are the data gaps in the Non DAC donor's aid data generated through AidData initiative vis-a-vis proposed IATI standards?

² We want to restrain ourselves with the use of terms like Non traditional donors, Non DAC donors, new donors or emerging donors but not doing so at this point despite complexity involved in usage of this term. Similar observations are made by Penny Davies in her consultative findings document titled Aid Effectiveness and Non DAC providers of Development Assistance prepared for the third HLF on Aid Effectiveness that was based on the discussion of an informal working group on non DAC providers of development assistance. We will come back to this term later.

³ Does Foreign Aid Really Work?

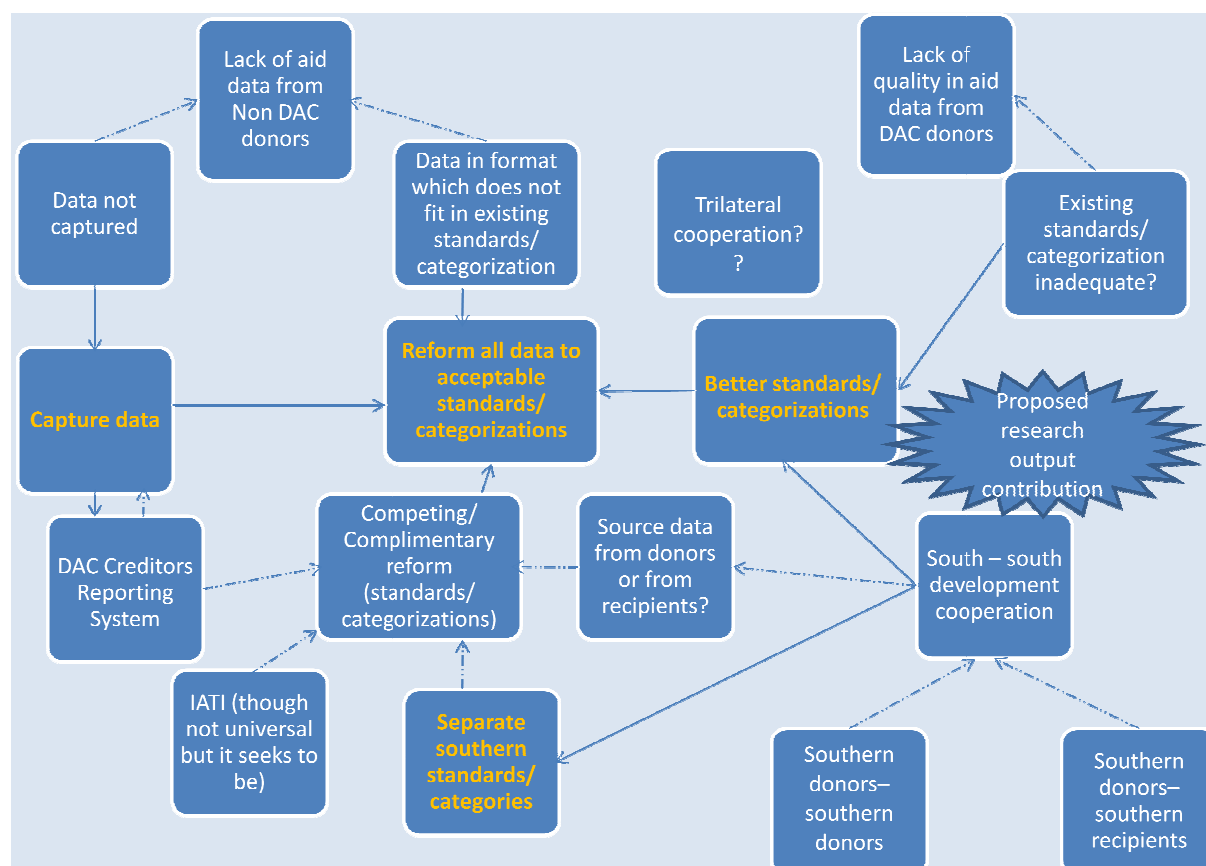
⁴ http://www.brookings.edu/~media/Files/rc/papers/2008/06_foreign_aid_easterly/06_foreign_aid_easterly.pdf

⁵ www.cgdev.org/files/1424481_file_CGDQuODAPrepub_final3.pdf

2. What are the similarities and differences between classification of OECD Creditors Reporting System (CRS), AidData initiative and IATI categorization and S-S categorization?
3. How does the existence of IATI categorization shape the dynamics of emerging donors under S-S cooperation?

On the basis of the findings of the research it is intended to propose a south-south cooperation data categorization that has the potential to complement ongoing IATI categorizations (refer figure 1 below).

Figure 1 - DAC & Non DAC Aid Data Architecture



II. Data quality & existing standards vis-à-vis DAC Donors

Though OECD DAC has long played a key role in defining and capturing data on development finance and monitoring its global standards for DAC donors (OECD, 2011⁶), question arises as whether its existing standards or categorization are adequate enough or not? Riddell suggest that data quality at the national and international level coupled with data gaps at the project level throws significant methodological challenge to assess and measure the impact of aid (2007).

A few of the limitations identified by IATI in existing DAC CRS are as follows – a) out of date (approximately between 11 to 23 months) information by the time it is published in CRS, b) statistical rather information, c) limited level of information such as where the money has been spent and what it is planned to be spent on, d) limited type of information such as lack of information on policy and project documents, e) coverage limited to DAC donors and f) the classifications used within the DAC are designed to meet the needs for international

⁶ http://www.oecd.org/about/0,3347,en_2649_33721_1_1_1_1_1.00.html

statistical reporting rather meet the needs for partner countries to align aid flows with their own budget classifications (IATI, 2011⁷).

This called for better standards through a detailed categorization and to improve the data quality at the national and international level along with plugging the data gaps at the project level. IATI attempts to overcome these challenges under the umbrella of aid transparency commitments made by donors in the Accra Agenda of Action especially to 'publicly disclose regular, detailed and timely information on volume, allocation and, when available, results of development expenditure to enable more accurate budget, accounting and audit by developing countries' as well as to 'regularly make public all conditions linked to disbursements'⁸ (OECD, 2008).

Recently the Publish What You Fund (PWYF) has done an assessment of DAC donor's behaviour on aid transparency⁹ and its findings and conclusion confirms that a) 'there is a lack of comparable and primary data which means that it is not currently possible to assess donor aid transparency in the degree of detail that would be desirable and b) there is a wide variation in levels of donor transparency' (2010, 8-12).

III. Data quality & existing standards vis-à-vis Non DAC Donors

One of the main hypotheses of this research is - lack of aid data availability of the non traditional donors can be attributed to non-access to data because of two reasons. Firstly either the data is not captured or secondly the methodology to measure the data is not in accordance with existing set standards like OECD's CRS classification. A quick comparison of quantity of aid & sources of nine Non DAC donors is conducted to empirically taste the above said hypothesis along with the issues that are emerging out of the academic literature and policy documents regarding availability of aid data of Non DAC donors, (Table 1).

Table 1 A Comparison of Non DAC Donors Quantity of Aid & Sources

Serial No.	Non DAC Donors	Quantity of Aid	2006 (US\$ million)	As % of GNI	Source
1.	China	ODA Gross Disbursements	2000	.07%	Lower range from estimates by Brautigam (2007a and 2007b), Lancaster (2007) and Alden (2007)
2.	India	Gross Development Assistance	524-1000	.0007-.0013%	MOF (2006), data for the budgetary year ending March 2006
3.	Kuwait Fund	ODA Net Disbursements	158	.20%	Calculated with 2005 GNI, as GNI not available for 2006. OECD/DAC database
4.	Malaysia	ODA Net (=Gross) Development Assistance	15.51	.012%	Development Assistance Questionnaire (EPU, 2007), Malaysia 9th 2006- 2010 five-year plan (GoM, 2005)

⁷ <http://www.aidtransparency.net/faq>

⁸ <http://www.oecd.org/dataoecd/58/16/41202012.pdf>

⁹ http://siteresources.worldbank.org/CSO/Resources/Aid_Transparency_Assessment_2010.pdf

Serial No.	Non DAC Donors	Quantity of Aid	2006 (US\$ million)	As % of GNI	Source
5.	Saudi Fund	ODA Net Disbursements	2094.7	.72%	OECD/DAC database (For calculating % of GNI, Saudi GNI of 2005 was used)
6.	Taiwan	ODA Net Disbursements	513	.14%	OECD/DAC database
7.	Thailand	ODA Net Disbursements	73.7	.04%	OECD/DAC database
8.	Turkey	ODA Gross & Net Disbursements	714.2	.018	All aid is grants so net and gross disbursements are the same. OECD/DAC database
9.	Venezuela	NA	NA	NA	Venezuelan aid is hard to quantify, as Venezuelan authorities do not publish aid figures that correspond to the DAC definition ODA. Venezuelan aid through the Petrocaribe agreement can currently be put between US\$ 2 & 2.5 billion.

Source: researcher's compilation based on various Non DAC donors' profile of HIPS 2008 guide

1. It is observed that a) individual aid analysts are estimating the quantity of aid for Non DAC donors where authorities do not publish aid figures that correspond to the DAC definition¹⁰ and b) the aid data available for few Non DAC donors are generated either through their official published document like budgetary data or five year plan¹¹ c) otherwise largely from OECD DAC database¹² or generated through Development Assistance Questionnaire¹³. Agrawal (2007) & Sinha (2010) have also estimated Indian aid data with government's budget figures where authorities do not publish aid figures that correspond to the DAC definition.
2. Further the accuracy and comprehensiveness of aid data is questionable as in the case of China it's only lower range from estimates where as in the case of India its .0007-.0013% of GNI and in the case of Venezuela it's not known and was only estimated through the Petrocaribe agreement. Jerve and Selbervik similarly observed that 'when it comes to India, which is not reporting to the DAC, the aid data is much more fragmented and the figures given must be treated with caution (2009)¹⁴. In the case of China, "it is difficult to depict the process of quantitative change, since China does not publish any data on the development aid it provides. There are no reliable data available on the volume of aid provided by China" (Hoffman, 2006)¹⁵

¹⁰ As evident in the case of China - Brautigam, Lancaster and Alden and in Venezuela through the Petrocaribe agreement

¹¹ As evident in the case of India and Malaysia

¹² Kuwait Fund, Saudi Fund, Taiwan and Thailand

¹³ As evident in the case of Malaysia

¹⁴ Self-Interest and Global Responsibility: Aid Policies of South Korea and India in the Making

¹⁵ New Powers for Global Change series - Challenges for International Development Cooperation: The case of China

3. Lack of common categories for quantity of aid (ODA Gross Disbursements, Gross Development Assistance, ODA Net Disbursements, ODA Net (=Gross) Development Assistance) and consistent data availability for GNI and year (calculated with 2005 GNI for Kuwait & Saudi Fund) results in incomparability of aid figures. Peter Kragelund (2008) observed that “because of a combination of non-disclosure of official data and incomparability of aid figures, China’s real aid spending remains indeterminate”.¹⁶
4. Non DAC donors are not identical rather a complex diverse group - There are two groups¹⁷ - ones, which are reporting their aid data to OECD DAC like Kuwait Fund, Saudi Fund, Taiwan, Thailand, Turkey and the other ones, which are not reporting their aid data to OECD DAC like India, China and Venezuela. It is important to note that reporting to OECD DAC does not necessarily mean the groups reporting to OECD DAC are necessarily aligned to DAC guidelines and adhere to OECD DAC standards or classification. Manning (2006) has mentioned that though Israel and Chinese Taipei report to OECD DAC but they report their aid against DAC norms whereas Turkey adheres to DAC standards. Thus it makes these Non DAC donors as a complex diverse group rather an identical one.

IV. Why Non DAC donors aid data are not captured yet?

In the above circumstances, the second hypothesis of the research is to a) capture the data of all Non DAC donors whose data are not captured yet and b) reform the data of all Non DAC donors to an acceptable standard/ categorizations whose aid data are in the format which doesn’t fit in existing standards/ categorizations. But it’s important to understand as why aid data from Non DAC donors are not captured yet and what are the issues faced by various actors?

Kharas (2007) argue that since these Non DAC donors ‘doesn’t have any formal place in the aid architecture, that’s why they do not report their activities according to standards of DAC donors’¹⁸. ‘Collecting and evaluating this data from emerging economies is especially challenging, as there is no standardised reporting’ (One’s Data Report, 2010)¹⁹. ‘The main difficulty here is the absence of an adequate statistical database for SSDC’ (Das et al, 2008)²⁰. An absence of Non DAC donor’s data further is attributed to lack of data transparency (Paulo and Reisen, 2010). Betancourt and Schulz (2009)²¹ recognises that ‘the systematization of practice and learning is still pending’ for South-South cooperation and

¹⁶ The Return of Non-DAC Donors to Africa: New Prospects for African Development?

¹⁷ Other categorizations of Non DAC groups are offered by Manning (2006), Kragelund (2008) and Grimm et al (2009) where Manning and Kragelund have identified four groups on the basis of their affiliation with OECD, DAC, EU, Middle East and OPEC countries namely a) Group of OECD members who are not members of the DAC, b) Group of the new EU member states not members of the OECD, c) Middle East and OPEC countries and funds and d) The non-OECD donors which provide aid but fall outside the second and third groups especially India and China. Grimm looked the categories from the perspective of donors/ state actors and grouped those under five categories on the basis of their perceived impact on global development and especially European policies.

¹⁸

http://www.brookings.edu/~media/Files/rc/papers/2007/11_development_aid_kharas/11_development_aid_kharas.pdf

¹⁹ <http://www.one.org/report/2010/en/country/emerging/>

²⁰ South-South Development Cooperation: A Major Force on the International Scene - A Background Paper first shared at the Group of 77 Eminent Experts Meeting in Antigua and Barbuda in April 2008 to develop its “Development Platform for the South”.

²¹ South-South cooperation in Latin America and the Caribbean: ways ahead following Accra

suggest 'to invest in better information systems, statistics, reporting and monitoring and evaluation systems'.

The three main constraints identified by Johnson et al (2008, 9) for developing a comprehensive information base on South-South development cooperation flows are a) 'technical and institutional problems of data definitions and collection, b) lack of coordination of data collection at country-level and c) lack of a forum for coordinating the collection of such data'. But with above said constraints, the larger question still remains as 'whether the governments in the South really prepared to cooperate and do they have the capacity to do so' (Andrade, 2009)? The answer is yet to be formed.

V. What's the way forward – capture the Non DAC aid data but how?

So to get a full picture of the future aid architecture, the way forward is to capture the southern provider's aid data but question arises as what should be the standards/ categorization or format to capture the southern provider's aid data? As noted earlier that one of the constraints identified by Johnson et al was 'technical and institutional problems of data definitions and collection' which is further echoed by Nairobi High-level United Nations Conference on South-South Cooperation outcome document that suggests that 'south-south cooperation should not be seen as official development assistance rather it is a partnership among equals based on solidarity' (2009)²². It throws the larger question of approaches or principles of development cooperation between DAC donors and southern providers at the same time southern donor's strong preferences about the way DAC donors define their ODA and argue that it should not be the yardstick to define southern aid flows. Rathin Roy argues that "South South co-operation is not a technocratic issue. It is multilateral in conception and is about not accepting the 'rules of the game' as given. It is a partnership in which knowledge and experience, rather than resources and power, form the basis for co-operation" (IPS, 2011).²³

This complex situation calls for four propositions which come along with existing challenges as well –

1. **To encourage southern provider's to comply/ report in accordance with the existing OECD CRS classification** - This necessarily means that capturing the non DAC donor's aid data in DAC CRS is possible only when Non DAC donors have intentions to allow DAC²⁴ to do so by a) 1st capturing data in their own aid governance structure and b) reporting the aid data in accordance with existing set (OECD) standards. But there are challenges ahead and Andrade argue that, 'in the South there is little systematic capacity development to enable countries to deliver cooperation, and little investment in expanding governments' capacity to cooperate' (2009). As in the case of DAC donors individual donors are expected to raise their levels to come to the standards with the support of DAC, which institution would act as the technical support provider for the non DAC donors? UNDCF could possibly be interested?
2. **To ask southern provider's to join/ comply with the ongoing International Aid Transparency Initiative (IATI)** - IATI is aimed to overcome the overall issue of aid data quality of the DAC donor's and further reform the way it is published by traditional donor governments and agencies. IATI aims to be inclusive and is expected to be tailored for use by Non DAC donors also in the future. But with only 18 bilateral or multilateral agencies having signed the IATI leaving behind a few

²² The UN General Assembly adopted on 21 December 2009 the Nairobi outcome document of the High-level United Nations Conference on South-South Cooperation

²³ <http://ipsnews.net/news.asp?idnews=54297>

²⁴ As in the case of Kuwait Fund, Saudi Fund, Taiwan, Thailand, Turkey, Israel and Chinese Taipei

major DAC donors like USA and Japan, the larger issue remains as how IATI as a new aid data standardization tool would bring non traditional donors on board to adhere to its data standards and improve the overall quality of aid. And what would be the norms, authority and legitimacy of involving emerging donors with this proposed aid governance through standardization (IATI)?

Whether IATI standards are binding or voluntary in nature? Especially when Non DAC donors were not part of developing the IATI standard, will they allow themselves to be exposed to this (possibly) regulatory instrument? What were the consequences considered by those DAC donors who are yet to become signatories to IATI? But question arises as whether existences of OECD CRS and IATI, which is not universal yet but seeks to be, are competing with or complimenting to each other to achieve aid transparency? Whether the standards or categorization sourcing data only from donors or allowing compatibility from the recipients requirement too? Does it mean that the unwillingness of emerging donors to adhere to ongoing standardization efforts through aid transparency initiative would end up in creating deadlocks in the changing aid architecture because of an absence of effective and inclusive development cooperation forum? The two elements which are prerequisite for any technical specifications to be considered standard are consensus and its subsequent use – whether IATI would pass this test after Busan is yet to unfold (OECD, 1999).

3. **To create a separate southern development cooperation standards/ categories-** How to define south-south cooperation and why southern providers are restraining from the use of the terms like Non traditional donors, Non DAC donors, new donors or emerging donors? Whether it's only cooperation between southern providers to other southern provider or from southern provider to southern recipient or triangular cooperation where one DAC donor is also involved over and above? Whether any creation of a separate southern standards/ categories would further compete or undermine the ongoing International Aid Transparency Initiative? Which institution will coordinate the coordination of data collection at country-level and what's the forum for coordinating the collection of such data at the international level?
4. **To reform the existing OECD DAC standards/ categorizations acceptable to southern providers** - In this changing development landscape, the key question yet to be answered is how to make inclusive and effective global aid architecture in the context of new challenges, new actors and new approaches (Hur, 2010)²⁵? Korea which is hosting 4th High Level Forum on Aid Effectiveness and chairing G20 in 2011 has called the way forward by embracing the benefits and diversity brought by new players in this evolving global aid architecture (ibid).

What our research attempts to contribute?

The research attempts to contribute to achieving better standardisation/ categorizations for all North-South as well as South-South aid flows. It will do this investigating:

1. What are the data gaps in the Non DAC donor's aid data generated through AidData initiative vis-a-vis proposed IATI standards?
2. What are the similarities and differences between classification of OECD Creditors Reporting System (CRS), AidData initiative and IATI categorization and S-S categorization?
3. How does the existence of IATI categorization shape the dynamics of emerging donors under S-S cooperation?

²⁵ Based on the presentation "The 4th High Level Forum on Aid Effectiveness: Priorities and Process" at the 3rd International Policy Workshop on Aid Effectiveness, Cape Town, September 2010

On the basis of the findings of the research it is intended to propose a south-south cooperation data categorization that has the potential to complement ongoing IATI categorizations (refer figure 1 above).

In this way the research is intended to be of help to southern donors in adjusting their aid data to international standards/categorisations, and improving the capture of their aid in published data.

The research project is investigating the emerging issues for Non DAC donors in adhering to International Aid Transparency Initiative (IATI) categorization and code of conduct and, in the wake of such non binding IATI or OECD-DAC standards, what challenges and opportunities such donors bring to the IATI.

Annexure 3

**Abstract of paper based on this research, to be presented at EADI/DSA conference
2011**

DAC (Traditional) & Non DAC (Emerging) Donors at the Crossroads: What's the issue with Lines of Credit? ²⁶

Pranay Sinha and Michael Hubbard²⁷
International Development Department, University of Birmingham

Lack of non DAC donors aid data availability can be attributed to non-access to data as either the data is not captured or methodology to measure the data is not in accordance with existing set standards like OECD's CRS classification. Given the growth in the number of official donors, and especially when non DAC donors like China and India are continuously increasing their respective aid financing, it becomes apparent that exclusion of their aid data will prohibit getting a full picture of the future aid architecture. In order to respond to the future trends of such aid flows from non DAC donors, it is essential to better understand the ways to engage them with the existing aid reforms initiative such as standardization of aid data within the ambit of International Aid Transparency Initiative.

The paper attempts to locate lines of credit (also called officially supported export credits) against the backdrop of new actors and their policies in development cooperation. As both DAC donors (bilaterally as well as multilaterally through the World Bank) & Non DAC donors (especially China and India) are competing and cooperating with each other to reach out to recipient countries²⁸, a rigorous scrutiny of lines of credit is thereby called for. The issues surrounded lines of credit data in the OECD database, AidData or the proposed IATI data registry provide empirical evidence as to whether development cooperation policies of Non DAC donors are complementary and in harmony with DAC donors or not.

The lines of credit shall be used as a framework to distinguish what different development tasks are emerging out of DAC & non DAC donor's official discourse of development (Ray, 1995). What are the agreements and disagreements among these donors in terms of deploying their respective management means (aid or trade or AfT instruments) and what development ends they target (Brautigam, 2009)? The paper will also overview the global export credit sector and institutional arrangements for its approval in DAC & non DAC countries. It will also critically evaluate a few basic questions as whether lines of credit are concessional enough to qualify as an ODA; if they are not ODA then are they Aid for Trade, and what's the issue of tied aid Vis a Vis export credits (Sinha, 2010). It would also attempt to explore the linkages between aid, trade and investments when lines of credits are used and establish the relationship between lines of credits, debt and debt relief especially when lines of credit are not considered as ODA when provided but termed ODA when provided as a debt relief?

²⁶ The paper is based on the ongoing research titled 'A Future for Aid Data: Research towards a South-South Cooperation Data Categorization to complement on-going IATI Categorizations' funded by DFID through its **Future of Aid and Beyond Research Competition 2010-11**

²⁷ P.sinha@bham.ac.uk & M.E.V.Hubbard@bham.ac.uk

²⁸ According to a financial times report, China through its China Development Bank and China Export-Import Bank has surpassed the World Bank and has loaned at least 110 billion dollars to foreign governments and companies in 2009 and 2010 compared the World Bank which made loans of just over 100 billion dollars from mid-2008 to mid-2010 (January 2011)

Given the past experience of export credits being converted into debts (Mandel, 2008) this is an important issue to unfold in the days ahead and shape up the way development cooperation is renegotiated between DAC & non DAC donors.

References

Brautigam, Deborah (2009) *The Dragon's Gift: The Real Story of China in Africa*, Oxford University Press, Oxford

Mandel, Stephen (2008) *Debt relief as if justice mattered*, New Economics Foundation, London

Sinha, Pranay (2010) 'Indian Development Cooperation with Africa' in *The Rise of China and India in Africa: Challenges, Opportunities and Critical Interventions* edited by Fantu Cheru & Cyril Obi Zed Books, London

Ray, John E. (1995) *Managing Official Export Credits: The Quest for a Global Regime*, Institute for International Economics, Washington DC

Annexure 4

Abstract of paper based on this research, to be presented at LSE conference titled Unpacking Foreign Aid Effectiveness: Examining Donor Dynamics workshop, 21 June 2011 (subject to acceptance)

The future for aid data: south-south data categorization within the ambit of International Aid Transparency Initiative²⁹

Aid Transparency (through availability of aid data) is a necessary pre condition to assess the aid effectiveness either from a donor's or from a recipient's perspective. Given the growth in the number of official donors, and especially when the non traditional donors like BRICs are continuously increasing their respective aid financing, it becomes apparent that exclusion of their aid data will prohibit getting a full picture of the future aid architecture. On the one hand, there are ongoing efforts like International Aid Transparency Initiative (IATI) to further reform the way it is published by traditional donor governments and agencies. But on the other hand, there is lack of aid data availability of the non traditional donors. It can be attributed to non-access to data as either the data is not captured or methodology to measure the data is not in accordance with existing set standards like OECD's CRS classification. So in order to respond to the future trends of such aid flows from non traditional donors, it is essential to better understand the ways to engage them with the existing aid reforms initiative such as standardization of aid data within the ambit of IATI.

So against this backdrop, the paper aims to explore the relationship between emerging and traditional donors as they both grapple with rival definitions of aid quality and more specifically what are the similarities and differences between classification of OECD Creditors Reporting System (CRS), AidData initiative and IATI categorization. Whether these similarities and differences between various classifications provide any way forward to the future of aid data where all emerging donors adhere to IATI standards. The paper will investigate the incentives and disincentives for non traditional donors to adhere to IATI standards and in the wake of such non binding IATI or OECD-DAC standards, what challenges and opportunities such donors bring to the IATI. And how does the existence of IATI standards shape the dynamics of emerging donors under South-South cooperation?

Recent initiatives like AidData (merger of Development Gateway and Project-Level Aid) in March 2010 have attempted to build upon the existing CRS database and included other non traditional donors like India and others in their comprehensive development finance database. Further, the IATI 'is expected to finalize standards that will include how and what kind of information to be published, a common system of categorization, a common electronic format and a code of conduct (IATI). But with only 18 bilateral or multilateral agencies having signed the IATI leaving behind a few major DAC donors like USA and Japan, the larger issue remains as how IATI as a new aid data standardization tool would bring non traditional donors on board to adhere to its data standards and improve the overall quality of aid. So what would be the norms, authority and legitimacy of involving emerging donors with this proposed aid governance through standardization (IATI?)

Donor governance systems are central to aid transparency and it is important to assess as how various development ministries and agencies are involved in shaping up official development policies in traditional and emerging donor countries. Whether such formal or informal institutional arrangement influences the behaviour of such donors for disclosure/ non disclosure of their aid data?

²⁹ The paper is based on the ongoing research titled 'A Future for Aid Data: Research towards a South-South Cooperation Data Categorization to complement on-going IATI Categorizations' funded by DFID through its **Future of Aid and Beyond Research Competition 2010-11**

With the above objectives, the paper attempts to provide a proposed south-south cooperation data categorization that has the potential to complement ongoing IATI categorizations and unpack the relationship between emerging and traditional donors for the forthcoming Fourth High Level Forum that's scheduled to take place in Busan, Korea from 29 November to 1 December 2011.

Annexure 5
Research proposal, as submitted to Future of Aid & Beyond research competition (2010)

Research Area

The research project will investigate the incentives and disincentives for non traditional donors to adhere to International Aid Transparency Initiative (IATI) categorization and code of conduct and in the wake of such non binding IATI or OECD-DAC standards, what challenges and opportunities such donors bring to the IATI.

The specific research questions to be answered are:

1. What are the data gaps with the Indian aid data generated through AidData initiative vis-a-vis proposed IATI standards?
2. What are the similarities and differences between classification of OECD Creditors Reporting System (CRS), AidData initiative and IATI categorization and S-S categorization?
3. How does the existence of IATI categorization shape the dynamics of emerging donors under S-S cooperation?

The focal output of the research will be a proposed south-south cooperation data categorization that has the potential to complement ongoing IATI categorizations.

Delivery

Project management and researchers: The project will be managed by the International Development Department, University of Birmingham, with Michael Hubbard as research leader. He will work with Pranay Sinha, a researcher with a mix of advanced methodological skills, knowledge of the aid system and area expertise, particularly from working with Indian aid data. They will cooperate closely with AidData initiative, IATI and Publish What You Fund.

Research mode: The research will be principally desk based.

Data focus: The data collected will focus on Indian aid, but embedded within a broader analysis of international aid data categories, sources and presentations. This will make maximum use of the team's close familiarity with Indian aid for the purpose of informing and illustrating the analysis;

Data: Data on Indian development aid will be generated from the AidData initiative and from the Govt. of India agencies including Ministry of External Affairs, Ministry of Finance, Ministry of Commerce and EXIM Bank of India. There will be consultation with OECD DAC regarding CRS categorizations and with IATI secretariat re the proposed IATI standards. The data will be analyzed against the IATI standards and OECD DAC transparency practices.

Data analysis: There will be no need for inferential statistical analysis in this project; the analysis will be based on tabulations of similarities/differences in categories, quantities and sources in aid data sets.

Triangulation and accuracy checks: these will be done with the AidData initiative team and the developing countries that have endorsed IATI and are recipient of Indian development aid. An e-conference will be held to enable the stakeholders to comment and interact on the findings regarding the data. Follow up via email and telephone.

Reporting

In accordance with DFID reporting requirements, supplemented by a flow of communications (see communication plan and user engagement below).

Communication Plan

Involvement of primary users will be an integral component of the research ie. the policy makers and think tanks involved in promoting and implementing aid architecture reforms globally, including AidData initiative, IATI, Publish What You Fund, United Nations Development Cooperation Forum and UN forums on South-South Cooperation.

A dedicated and interactive project website will be used to disseminate the project highlights, methodology, approach and results.

A high-profile dissemination event will be a workshop hosted by the University of Birmingham to pilot the proposed South-South cooperation data categorization, at which the research report will be launched. This will be hosted by the University of Birmingham. Invited participants will include UN Development Cooperation Forum, Task Team on South-South Cooperation, IBSA and think tanks like Better Aid and South Centre.

Policy briefs will be the primary means of communicating the research results to this audience via the research project's own website and postings on the AidData, South-South Opportunity, IATI and Publish What You Fund websites.

Articles will be published in relevant peer reviewed policy-oriented journals and presentation of finding will be done through dissemination seminars, workshops/ conferences, and relevant media events.

Measures to ensure phases are delivered to time and budget:

University of Birmingham Finance Office as signatory of the contract takes responsibility for ensuring that contracted work is delivered to cost and schedule

Activities and timetable

Activity No.	Activities	Month											
		1	2	3	4	5	6	7	8	9	10	11	12
1	Preparation and research design work	■	■										
2	Data collection work (Indian Aid data, other southern donors, IATI categorizations)			■	■								
3	Analysis (Data Gap between Indian Aid data and IATI standards)					■	■	■					
4	Writing up work								■	■	■		
5	Preparation of new/ complimentary south-south cooperation data categorization											■	
6	Dissemination – dedicated website	■	■	■	■	■	■	■	■	■	■	■	■

Background

Lack of aid data availability of the non traditional donors can be attributed to non-access to data as either the data is not captured or methodology to measure the data is not in accordance with existing set standards like OECD's CRS classification. Given the growth in the number of official donors, and especially when the non traditional donors like BRICs and private foundations like Gates are continuously increasing their respective aid financing, it becomes apparent that exclusion of their aid data will prohibit getting a full picture of the future aid architecture.

In order to respond to the future trends of such aid flows from non traditional donors, it is essential to better understand the costs and benefits (similar to the Aidinfo's cost and benefit analysis) and ways to engage them with the existing aid reforms initiative such as standardization of aid data within the ambit of IATI.

Challenges in asking non traditional donors to adhere to OECDs CRS include its definitions, categories and format, which is non-binding in nature. Recent initiatives like AidData in March 2010 (merger of Development Gateway and PLAID) have attempted to build upon the existing CRS database and included other non traditional donors like India and others in their comprehensive development finance database. Further, the IATI 'is expected to finalize standards that will include how and what kind of information to be published, a common system of categorization, a common electronic format and a code of conduct (IATI, July 2010). But with only 18 bilateral or multilateral agencies having signed the IATI leaving behind a few major DAC donors like USA and Japan, the larger issue remains as how IATI would bring non traditional donors like India and China on board to adhere to its data standards.

The view from southern think tanks like South Centre is that S-S cooperation is fundamentally different from N-S cooperation and calls for an understanding that the two systems needs to be viewed as complementary rather than competitive with each other (South Centre, Dec 2009). So, to answer the research questions below, it is necessary to engage with non traditional donors and get a full picture of the aid being spent in each country, a goal which the UK Aid Transparency Guarantee is also pushing for (DFID, June 2010). The proposal is also in line with the southern civil society voices where there has been a call for urgency and need of a common system and standards for sharing aid information for the southern donors, similar to IATI and 'creates stronger incentives for improving its development effectiveness by reducing corruption, waste and misinformation about flows' (Better Aid, March 2010).

A Future for Aid Data: Towards a South-South Cooperation Data Categorization to complement on-going IATI Categorizations

Research
Brief 2011/
Issue 1

Michael Hubbard & Pranay Sinha³⁰, IDD, University of Birmingham

Introducing the Research Project

The International Development Department, University of Birmingham won funding in DFID's Future of Aid and Beyond Research Competition 2010-11. This research window is expected to prepare for future challenges and opportunities, identify and better understand fast-emerging issues, such as the rise of newly powerful economies, engage with some of the best new ideas and help prepare for future 'unknowns'.

Background

Lack of aid data availability of the non traditional donors can be attributed to non-access to data as either the data is not captured or methodology to measure the data is not in accordance with existing set standards like OECD's CRS classification. Given the growth in the number of official donors, and especially when the non traditional donors like BRICs are continuously increasing their respective aid financing, it becomes apparent that exclusion of their aid data will prohibit getting a full picture of the future aid architecture. In order to respond to the future trends of such aid flows from non traditional donors, it is essential to better understand the ways to engage them with the existing aid reforms initiative such as standardization of aid data within the ambit of IATI.

Challenges in asking non traditional donors to adhere to OECDs CRS include its definitions, categories and format, which is non-binding in nature. Recent initiatives like AidData in March 2010 (merger of Development Gateway and PLAID) have attempted to build upon the existing CRS database and included other non traditional donors like India and others in their comprehensive development finance database. Further, the IATI 'is expected to finalize standards that will include how and what kind of information to be published, a common system of categorization, a common electronic format and a code of conduct (IATI). But with only 18 bilateral or multilateral agencies having signed the IATI leaving behind a few major DAC donors like USA and Japan, the larger issue remains as how IATI would bring non traditional donors like India and China on board to adhere to its data standards.

Research Area

The research project will investigate the incentives and disincentives for non traditional donors to adhere to International Aid Transparency Initiative (IATI) categorization and code of conduct and in the wake of such non binding IATI or OECD-DAC standards, what challenges and opportunities such donors bring to the IATI.

The specific research questions to be answered are:

³⁰ M.E.V.Hubbard@bham.ac.uk & p.sinha@bham.ac.uk

1. What are the data gaps with the Indian aid data generated through AidData initiative vis-a-vis proposed IATI standards?
2. What are the similarities and differences between classification of OECD Creditors Reporting System (CRS), AidData initiative and IATI categorization and S-S categorization?
3. How does the existence of IATI categorization shape the dynamics of emerging donors under S-S cooperation?

The focal output of the research will be a proposed south-south cooperation data categorization that has the potential to complement ongoing IATI categorizations.

Project Researchers

The project will be managed by Michael Hubbard as research leader. He will work with Pranay Sinha, a researcher with a mix of advanced methodological skills, knowledge of the aid system and area expertise, particularly from working with Indian aid data.

Research Mode

The research will be principally desk based. Involvement of primary users will be an integral component of the research i.e. the policy makers and think tanks involved in promoting and implementing aid architecture reforms globally, including AidData initiative, IATI, Publish What You Fund, United Nations Development Cooperation Forum and UN forums on South-South Cooperation.

Information Dissemination

A dedicated and interactive project website will be used to disseminate the project highlights, methodology, approach and results. A workshop will be organized by the University of Birmingham to pilot the proposed South-South cooperation data categorization, at which the research report will be launched. Invited participants will include UN Development Cooperation Forum, Task Team on South-South Cooperation, IBSA and southern think tanks.

Institutions Likely to be Involved with the Research

International Aid Transparency Initiative

OECD

AidData initiative

Publish What You Fund

United Nations Development Cooperation Forum

IBSA

Better Aid

South Centre

South-South Opportunity

Indian development aid agency (Ministry of External Affairs, Ministry of Finance, Ministry of Commerce and EXIM Bank of India)