BETTER AID SCORECARDS

SUMMARY FINDINGS

2019

IN 2015 THE WORLD ADOPTED THE SUSTAINABLE DEVELOPMENT GOALS (SDGS), INCLUDING A COMMITMENT TO END EXTREME POVERTY FOR GOOD.

Now, almost one-third of the way through the SDG period, it is clear that global action has not matched the ambition of the goals and that a large number of people are being left behind:[1]

GLOBAL POVERTY REDUCTION IS SLOWING DOWN

If current trends continue, the global poverty rate will be ABOVE 5% IN 2030

AND

NEARLY **9 in 10** **PEOPLE IN EXTREME POVERTY** *will live in sub-Saharan Africa.*[2]

THE LIVES OF

1.6M MOTHERS AND **10.2M CHILDREN**

could be saved if all countries met the SDG targets for maternal and child health.

HOWEVER

42 COUNTRIES *are behind on these targets.*[3]

IF EVERYONE COMPLETED 12 YEARS OF EDUCATION

we could cut the number of people living in extreme poverty in **HALF**

HOWEVER

262M CHILDREN ARE STILL OUT OF SCHOOL[4]

AND GLOBALLY

6 in 10 CHILDREN AND ADOLESCENTS ARE NOT LEARNING.[5]

WITH CURRENT TRENDS, **IT WILL TAKE OVER A CENTURY**

THAT'S (**108 YEARS**)

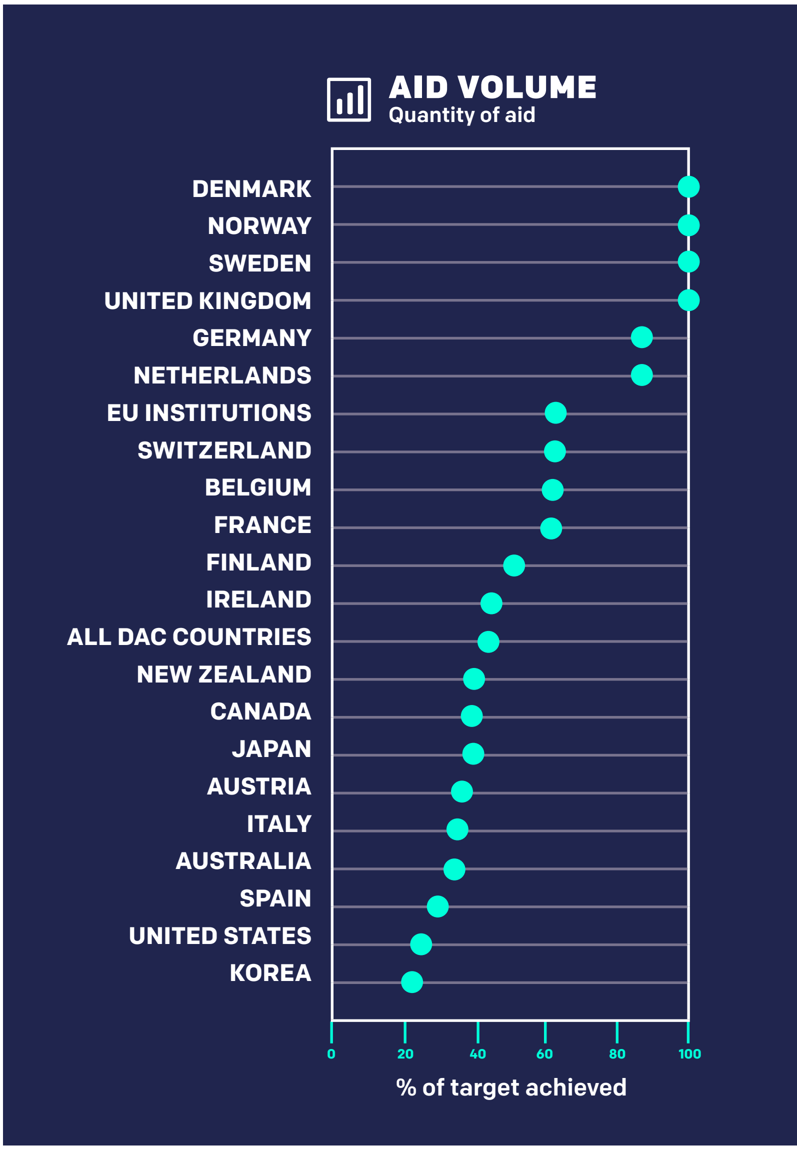
to close the global gender gap, and even longer in sub-Saharan Africa

THAT'S (**135 YEARS.**[6])

With just over 10 years to go, the outlook is not promising. However, all is not lost. There is still time – albeit a narrow window – to step up and deliver on this bold agenda. The ONE Campaign has a long history of pushing for ambitious commitments in the fight against poverty and of following up with hard-headed, data-driven tools to ensure accountability. In order to push aid donors to step up to the plate and meet the global challenge before us, **ONE has developed a set of Scorecards which assess the world's 20 largest aid donors,[7] plus the European Institutions, on how much and how well they spend the development assistance that they provide.** The Scorecards evaluate, rank and compare these donors on a combination of international commitments and policy advocacy targets in three areas: **1) aid volume; 2) aid targeting** (to reach those most in need); **and 3) aid quality.**

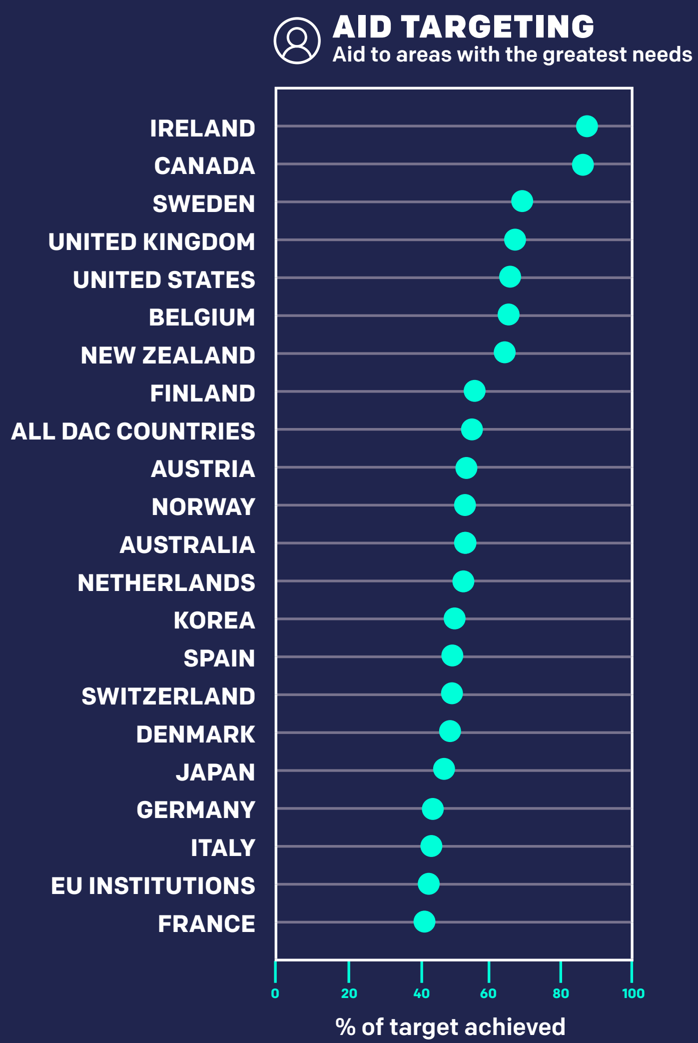
The Better Aid Scorecards reveal that major donors are a long way from achieving the targets necessary to reach the people furthest behind and invest in core areas for poverty reduction. Taken as a group, donors have met on average barely more than 50% of the targets set – and, for some, even less than that.[8]

The challenges inherent in comparing countries on how they spend their aid include key issues in data collection, reporting and transparency. Much greater effort needs to be made to report recent, comprehensive and disaggregated data on where and how public finance is being spent. While the indicators in the Scorecards are only proxies for countries' aid efforts, they represent a clear opportunity for tracking how and where countries are prioritising their aid. And while donor countries may not have made commitments in every area, all countries should be held to account for making sure that the SDGs are met.



RANKING OF DONOR COUNTRIES OVERALL, AND PROGRESS ACROSS THE THREE PILLARS

1 UNITED KINGDOM
2 SWEDEN
3 NORWAY
4 DENMARK
5 NETHERLANDS
6 GERMANY
7 BELGIUM
8 EU INSTITUTIONS
9 IRELAND
10 SWITZERLAND
11 CANADA
12 FINLAND
13 FRANCE
ALL DAC COUNTRIES
14 NEW ZEALAND
15 AUSTRIA
16 JAPAN
17 AUSTRALIA
18 UNITED STATES
19 ITALY
20 SPAIN
21 KOREA



KEY FINDINGS

A. Major donors are falling behind on their aid commitments

Many donor countries are still a long way from living up to their pledge to provide 0.7% of their yearly gross national income (GNI) in official development assistance (ODA). In 2018, OECD Development Assistance Committee (DAC) donors provided $153 billion to developing countries. This represents a mere 0.31% of their aggregate GNI, a long way from the 0.7% target. Yet the financing needed to deliver the SDGs is enormous: the International Monetary Fund estimates that the financing gap – taking into account potential increases in tax revenue and better spending – will be $358 billion per year in 2030 in low-income countries alone.

- In 2018, if all DAC donors had met the 0.7% target, there would have been an additional $196 billion (+228%) available in global aid.
- Sweden (1.04%), Luxembourg (0.98%),[9] Norway (0.94%), Denmark (0.72%) and the UK (0.70%) are leaders in terms of their overall financing effort, and score as 'excellent' for financing.
- Germany and the Netherlands (both 'very good' in financing) also give comparatively high levels of aid as a proportion of national income, but large portions of their aid never leave their borders.
- Canada, Japan, Italy and the US, all among the world's largest economies, are below the average and are graded as 'poor' in our analysis.
- The US, which is the world's largest official donor ($34.2 billion in 2018) is one of the lowest donors with respect to the size of its economy (0.17%), and is far below the average for its G7 peers (0.38%).

B. Donor countries provide less than a third of their support to those in greatest need

Our analysis reveals a troubling lack of prioritisation on targeting aid to the countries and people with the greatest needs. Overall, donor countries provide less than one-third of aid to the poorest countries (the least developed countries, or LDCs); invest less than a third in health, education and social protection; and provide barely more than a third for projects that benefit women and girls, who are consistently left behind in the fight against poverty. Ireland and Canada are the only two donors that score 'very good' in terms of aid targeting – yet these same two donors are far from reaching the 0.7% ODA/GNI financing target. Larger donors, including Germany, France and the EU Institutions (all three 'poor' on targeting), need to urgently improve how and where they target their aid to ensure that no one is left behind.

- No donor country meets our target of 50% of total aid to LDCs, and most are not even close. The majority provide less than a third of their aid to the poorest countries. In 2017, LDCs received $43 billion (29%) of total DAC aid.
- Both Ireland (43%) and Japan (44%) are close to providing half of their aid to LDCs, whereas donors such as Germany (16%), Italy (20%), the Netherlands (21%) and France (24%) provide less than a quarter of their total aid to the countries most in need.[10]

- Total support to education, health and social protection in developing countries – key investments in 'human capital' – is far from sufficient. In 2017, donor countries as a whole provided only 32% ($33 billion) of their aid to these three sectors combined.[11]
- Only the US meets the target of 50% of aid to address these basic needs (at 57%). While others, like Canada (46%) or Ireland (39%), target a significant share, most donors target less than a quarter of their aid to these sectors – and some, like Japan (12%) or the EU Institutions (17%), target less than one-fifth.
- Collectively, countries target a mere 36% of their aid to gender-responsive projects which take into account the specific needs of women and girls.[12] Sweden (84%), Ireland (83%) and Canada (80%) show that it is possible to spend a large majority of aid in gender-responsive ways. However, large donors such as France (18%), the US (25%), the EU Institutions (32%), Italy (37%) and Germany (41%) all spend less than half of their aid on gender-responsive projects and programmes.

C. Donors are lagging behind on aid quality

Significant improvement is needed in the way that aid is spent to make it more efficient, more sustainable and more effective to support developing country priorities and build systems that allow governments to drive their own development in the long term. Large sums of aid never leave donor countries. Open and timely data is largely lacking. Moreover, donors are still far from aligning their aid with developing countries' own priorities. The UK, Sweden, Canada and Finland score the highest on aid quality (all graded 'good'), but no country scores 'very good' or 'excellent'. Most countries, including Norway, the Netherlands, France, the US and Italy, need to make significant improvements.

- In 2017 alone, at least $17.7 billion of ODA never left donor countries – that is $4 billion more than the total aid invested in the world's 10 poorest countries ($13.5 billion).[13]
- The indicator of 'core' aid looks at how much of a donor country's aid budget actually flows to, and directly benefits, developing countries.[14] Approximately half of donor countries spend at least 90% of their aid as 'core aid'; however, several European donors spend significant shares of their aid budget inside their own borders. For example, only 68% of Italian and 80% of Dutch aid qualifies as 'core', given the large sums these countries spend on refugee costs within their own borders. Germany (71%) and France (85%) also report significant amounts spent on hosting students from developing countries as aid.
- Countries have a long way to go to make development cooperation more transparent, scoring 59% on average. The UK (86%) and Canada (80%) perform well, but the majority of donors, including the EU Institutions (67%), Germany (60%) and France (46%), still need to make significant progress.
- A key principle of effective and sustainable aid is aligning donor support with developing countries' own priorities, as well as using their results frameworks, to foster country ownership and maximise aid impact. The results show that donors are far from meeting their commitments on alignment: on average, they scored a mere 55%.
- Countries like Finland (80%), Italy (69%) and Germany (66%) are the best performers on alignment, although they have relatively low scores given the importance of this indicator for development effectiveness. Donors such as the UK (39%) and Canada (56%), which perform well on targeting indicators, score fairly poorly on alignment.

HOW ARE COUNTRIES SCORED?

ONE's Better Aid Scorecards evaluate the 20 largest bilateral OECD DAC donors (plus the European Institutions) based on how much aid they give and on how well they spend it.[15]

Scores for each country are assessed according to seven indicators across three main pillars – aid volume, aid targeting and aid quality. The data is for the latest year available, which differs across indicators. We evaluated countries' performances using a 'distance to target' approach, which looks at the distance travelled by a donor towards the different objectives, which are based on international commitments or policy targets set by ONE. Distances are expressed as a percentage of the target already achieved (ranging from 0% to 100%).[16]

To allow comparison and to help with interpretation, the Scorecards provide average scores and grades (ranging from 'poor' to 'excellent') for each pillar, and an overall ranking.

- The average pillar scores are a simple, equally weighted average of the pillar's indicators. Since the financing pillar has only one indicator, the indicator and pillar score are the same.
- The overall ranking is calculated by equally weighting how much donors spend (50% financing volume) and how they spend it (25% each for targeting and quality, i.e. 50%).

The grades are assigned by transforming the numerical scores for each pillar as follows:

90–100%	80–90%	70–80%	60–70%	50–60%	Under 50%
Excellent	Very Good	Good	Fair	Needs Improvement	Poor

RANKING OF DONOR COUNTRIES OVERALL, AND PROGRESS ACROSS THE THREE PILLARS

PILLAR	INDICATOR		TARGET
AID VOLUME	1.1	Total aid as a percentage of national income	0.7%
AID TARGETING	2.1	Share of aid to least developed countries (LDCs)	50%
	2.2	Share of aid to human capital (social sectors)	50%
	2.3	Share of aid that contributes to gender equality	85%
AID QUALITY	3.1	'Core' aid	100%
	3.2	Transparency	100%
	3.3	Alignment with partner country objectives	100%

1.1	**Total net ODA as a percentage of GNI:** This indicator is designed to assess donors' efforts in aid financing by calculating the percentage of their gross national income (GNI) provided as official development assistance (ODA). The target to provide 0.7% of GNI as ODA is the best known financial target for international aid, first agreed by major donors in 1970.
2.1	**Share of aid to least developed countries:** This indicator is designed to evaluate ODA support to the countries most in need – the world's least developed countries (LDCs). It focuses on the share of total ODA (bilateral plus imputed multilateral) going to these countries. The target is set by ONE at 50% of total ODA provided to LDCs.
2.2	**Share of aid to social sectors:** This indicator is designed to evaluate ODA support to health, education and social protection. By focusing on the share of sector-allocable ODA (bilateral plus imputed multilateral) going to these sectors, it assesses the degree to which donors are prioritising investments in human capital. The target for this indicator is set by ONE at 50% of sector-allocable ODA spent on social sectors, based on the average share of government spending on these sectors by OECD countries.
2.3	**Share of aid that contributes to gender equality:** This indicator is designed to evaluate ODA support to gender equality through gender-responsive projects and programmes. The indicator's target is set by ONE at 85% of bilateral-allocable ODA, and is calculated using the OECD gender policy markers (significant plus principal objective).
3.1	**Percentage of core ODA:** This indicator evaluates donors' development efforts by excluding certain domestic expenditures which do not have a clear benefit for or in recipient countries. It excludes debt relief, imputed student costs and scholarships, and in-donor refugee costs. The target for this indicator is set by ONE at 100% of aid as 'core' ODA, to encourage donors to maximise the development focus of their aid.
3.2	**Transparency:** This indicator is designed to evaluate the transparency of donors' development data, based on the results of Publish What You Fund's Aid Transparency Index (ATI). The target for this indicator is set at 100% to encourage donors to improve their agencies' performance against international aid transparency standards.
3.3	**Alignment with recipient country objectives:** This indicator assesses the share of donors' new bilateral interventions that aligns with development objectives and results defined by recipient countries, as framed under SDG 17.15. This indicator is based on data from the Global Partnership for Effective Development Cooperation (GPEDC)'s monitoring exercise. The target for this indicator is set at 100% of new interventions, in line with donors' GPEDC commitment to full alignment.

ENDNOTES

1. United Nations (2019). 'Special Edition: Progress towards the Sustainable Development Goals: Report of the Secretary-General'. https://sustainabledevelopment.un.org/content/documents/22700E_2019_XXXX_Report_of_the_SG_on_the_progress_towards_the_SDGs_Special_Edition.pdf
2. World Bank (2018). 'Poverty and Shared Prosperity 2018: Piecing Togerher the Poverty Puzzle'. Washington DC. https://openknowledge.worldbank.org/bitstream/handle/10986/30418/9781464813306.pdf
3. BMJ (2018). 'How many lives are at stake? Assessing 2030 sustainable development goal trajectories for maternal and child health'. https://www.bmj.com/content/360/bmj.k373
4. UNESCO Institute for Statistics. UIS Database, education data for 2017. http://data.uis.unesco.org/Index.aspx?DataSetCode=edulit_ds
5. UNESCO (2017). 'More Than One-Half of Children and Adolescents Are Not Learning Worldwide'. UNESCO Institute for Statistics Fact Sheet No. 46, September 2017. http://uis.unesco.org/sites/default/files/documents/fs46-more-than-half-children-not-learning-en-2017.pdf
6. World Economic Forum (2018). 'The Global Gender Gap Report 2018', p.viii. http://www3.weforum.org/docs/WEF_GGGR_2018.pdf
7. Due to data constraints, ONE has assessed the 20 largest bilateral donors who are members of the OECD Development Assistance Committee (DAC). In the absence of robust comparable data across all donor countries, we could not assess non-DAC donors.
8. 'DAC total' refers to the aggregate results for all DAC donor countries for all aid volume and aid targeting indicators and for 'Core' ODA, and to the average of available DAC donors for the Transparency and Alignment indicators.
9. Luxembourg was not included in our Scorecards analysis.
10. As noted by the OECD-DAC in the 2018 Development Co-operation Report, DAC donors must scale up efforts to invest in the places most in need. The report found that ODA currently disproportionately benefits upper- and lower-middle-income countries over low-income countries. OECD (2018). 'Development Co-operation Report 2018: Joining Forces to Leave No One Behind'. https://www.oecd-ilibrary.org/docserver/dcr-2018-en.pdf
11. For this indicator, ONE looks only at sector-allocable aid, which refers to the portion of aid that can be apportioned to a specific sector like health or education. Non-sector-allocable aid includes general budget support, actions related to debt, humanitarian aid and in-donor expenditures.
12. Projects in any sector can be gender-responsive, which means that this objective is about how money is spent and not on what. For this indicator, ONE looks at only bilateral-allocable aid, which is the concept used in official DAC statistics to define the portions of aid controlled by donors (i.e. excluding core contributions to multilateral agencies or general budget support) and spent in developing countries (i.e. excluding imputed student costs or in-donor refugee costs).
13. Total ODA refers to net bilateral plus imputed multilateral ODA for DAC donor countries. The 10 poorest countries based on GDP per capita (World Bank, Atlas method) are: Afghanistan, Burundi, Malawi, Niger, Mozambique, Madagascar, South Sudan, Central African Republic, Democratic Republic of the Congo Sierra Leone.

14. ‘Core’ ODA excludes types of flow that involve little or no fiscal effort and other items which ONE deems do not contribute to poverty reduction or welfare improvement in developing countries. Based on these criteria, this indicator excludes debt relief, imputed student costs and scholarships, and in-donor refugee costs.
15. Nine DAC donor countries lack sufficient data coverage across all indicators to be included in individual scores: the Czech Republic, Greece, Hungary, Ireland, Luxembourg, Poland, Portugal, the Slovak Republic and Slovenia. For non-OECD DAC countries that provide aid, there is insufficient comparable data at this time to include them in the analysis.
16. For a full description of the indicators, data sources and methodology, please see one.org/scorecards