

Glossary

See www.devinit.org for a more detailed glossary.

Term	Definition
aid	<p>Covers a wide range of development assistance. In this report, it includes but is not limited to <i>ODA</i> provided by 'traditional' <i>DAC</i> member governments. It includes <i>ODA</i> reported by <i>non-DAC donors</i> and development cooperation from governments such as China and Brazil.</p>
aid bundle	<p>Concept that <i>ODA</i> is not a single, undifferentiated mass, but can be usefully broken down to analyse the relative value of its constituent elements, the relative shares of cash versus in-kind resources, and increase understanding of actual volumes that are transferred across geographic borders.</p> <p>See <i>Methodology</i> for details and the categories of aid within the bundle.</p> <p>(see also <i>non-transferred aid, unbundling</i>)</p>
bilateral aid/ ODA	<p>Development assistance that is provided country to country, or through multilateral organisations where country providers retain some control.</p> <p>The <i>DAC</i> definition includes <i>ODA</i> that is:</p> <ul style="list-style-type: none">• Provided directly to the government of a developing country.• Provided to national/international NGOs for humanitarian and development activities.• Development-related but within a donor country, e.g. <i>interest subsidies</i>, spending on promotion of development awareness, debt relief and <i>administrative, refugee-related and migrant-related costs</i>.• Provided to multilateral agencies where the donor has control over its use and <i>disbursement</i>, e.g. by specifying aspects of its use, such as recipient, purpose, where it can be used, terms of that usage and how any repayments can be used. <p>(see also <i>multilateral aid and total ODA</i>)</p>
budget support	<p>A direct transfer of resources from a donor government to a partner government's national treasury. It allows the recipient government control of spending to meet its own priorities. General budget support is not earmarked; it can be used at the recipient government's discretion and managed in accordance with the recipient government's budgetary procedures. Sector budget support is allocated to a specific sector in which it must be used, but the recipient government controls how it is to be spent within that sector. (see also <i>earmarked</i>)</p>

Term	Definition
cash transfers	Cash transfers are direct, regular and predictable non-contributory cash payments that help poor and vulnerable households to raise and smooth incomes. The term encompasses a range of instruments (e.g. Social pensions, child grants or public works programmes) and a spectrum of design, implementation and financing options. <i>Source:</i> DFID
channel of delivery	The channel of delivery is the ‘first-level recipient’ of ODA – the implementing partner. There may be multiple levels of implementation, e.g. the donor agency hires a national implementer, who in turn hires a local implementer. This level of detail is not reported in aggregate DAC figures.
commercial flows	In this report, <i>FDI, portfolio equity</i> and long and short term loans.
commitments	For ODA, firm written obligations, backed by an appropriation or availability of the necessary funds to provide resources of a specified amount under specified financial terms and conditions to a recipient country or a multilateral agency. The whole (total) value of a commitment is reported in the year in which it was made even in cases where the accompanying disbursements will be made over a number of years. (see also <i>disbursements</i>) [<i>Source:</i> OECD glossary of statistical terms]
concessionality	Loans are concessional when lending conditions benefits the borrower compared with a loan from the market. These benefits can include longer repayment periods, grace period (before repayments have to begin), or in the interest rate. The latter is a discount (reduction) compared with commercial interest rates. Such concessions are typically provided directly by a government agency or, for a commercial loan, as a government grant to a lending bank. [<i>Source:</i> OECD glossary of statistical terms] Lenders may accept in-kind repayments from developing countries.
core (funding)	Donor contributions to multilateral development organisations that is pooled and used to meet those organisations’ running and programme costs. No restrictions on the use of this funding are permitted (or it is classified as bilateral ODA). This means that the link to the specific donor is lost. Most UN agencies receive core funding from donor governments (the World Food Programme as a notable exception). Donor governments also provide core funding to NGOs, research institutes and other private bodies.
corporate giving	Includes direct giving for international development from a private profit-making company, including matching gift schemes, or giving through corporate foundations tied to a company.
debt relief	Granted by DAC donors and multilateral institutions to developing countries can be counted as ODA. While recipients may benefit, this form of aid does not represent a new transfer of resources to the developing country. A large proportion of debt forgiven normally represents accumulated interest on past loans.

Term	Definition
Development Assistance Committee (DAC)	<p>A specialised committee of the <i>OECD</i>, the main body handling issues relating to cooperation with developing countries. It is made up of senior officials from 25 member governments and the European Union, with the Development Co-operation Directorate acting as its secretariat.</p> <p>Country members are: Australia, Austria, Belgium, Canada, Czech Republic, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Japan, Korea, Luxembourg, the Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, the United Kingdom and the United States. The Czech Republic and Iceland joined in 2013. They were not members in 2011, the year for which the majority of the data in this report refers, so they are classed in this report under their previous <i>non-DAC donor</i> status.</p> <p><i>Non-DAC donors</i> which are <i>OECD</i> members have full observer status and participate in DAC meetings. Turkey has applied for DAC membership. The World Bank, the IMF and the UNDP also have permanent observer status (see www.oecd.org/dac/developmentassistancecommittee.htm).</p>
development cooperation from government providers outside the DAC	<p>While <i>DAC</i> members are important providers, development cooperation is provided by a range of official (government) providers beyond the <i>DAC</i>. This may be directly to countries or through international organisations. These providers adopt their own definitions that do not necessarily align with <i>ODA</i>. Some of these countries have been providing development cooperation since the 1950s, creating their own institutions, procedures, relationships and standards.</p>
development finance institutions (DFIs)	<p>Occupy an intermediary space between public aid and private investment, providing a range of financing instruments to public and private institutions in developing countries. Although they mostly work under a mandate of fostering economic growth and development, they are often distinct from aid agencies through their focus on profitable investment and operations according to market rules. Their main objective is often to support and catalyse private investment in developing countries where access to capital markets is limited, using loans, equity and guarantees as well as other risk mitigation instruments. They vary widely in structure and organisation, from national bilateral to regional/sub-regional/multilateral DFIs.</p>
disbursements	<p>For <i>ODA</i>, this is defined as money and other resources that a donor has spent, although it also includes activities such as debt relief where no additional spending takes place. Aid in kind can be counted as disbursed at time of purchase, receipt or transfer. The term is also used in national accounts and other reports that notify expenditures by <i>providers of development cooperation outside the OECD DAC</i> (see also <i>commitments</i>).</p>
earmarked (funding)	<p>Where restrictions are placed on the use of assistance by a donor, such as pre-allocating to specific projects, sectors, regions or countries. These restrictions can range from global themes to allocation for spending on specific goods or services to a particular recipient group within a specified timeframe.</p> <p>Any <i>ODA</i> to multilateral organisations that has such conditions attached is deemed bilateral <i>ODA</i> (see also <i>bilateral ODA, multilateral ODA, core funding</i>).</p>
eligible recipients (of ODA)	<p>Currently the 148 countries or territories on the <i>OECD</i> List of Aid Recipients, which the <i>DAC</i> has defined as eligible to receive <i>ODA</i>. This definition is revised every three years, with the next review in 2014. Countries that have been above the World Bank's high-income country threshold for three years in a row at review time are removed from this list. G8 member countries are also ineligible, as are EU members and countries which are prospective EU members with a firm entry date for accession. (see www.oecd.org/dac/stats/dac-list-of-aid-recipients.htm)</p>

Term	Definition
EU-15, EU-10 and EU-12	EU-15 refers to the European Union member countries prior to the accession of ten countries (EU-10) in 2004. The EU-15 comprises: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, Sweden, and the United Kingdom. The EU-10 comprise: Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia. EU-12 includes Bulgaria and Romania which joined in 2007.
extreme poverty	In this report this term refers to income poverty measured against the \$1.25 a day (PPP 2005) threshold, particularly in relation to the goal of ending poverty on this definition by 2030 as an initial step towards addressing multidimensional poverty and poverty compared with higher income thresholds, such as \$2 a day (PPP 2005).
foreign direct investment (FDI)	A cross-border investment that acquires a lasting interest in the company (and country) being invested in. Such investments result in a 10% or greater level of ownership of or control over the asset being invested in. Net FDI data subtract disinvestments (sale of investments) from new investments.
foundations	<p>There is no single legal definition of foundation accepted across countries. The generally accepted definition of ‘foundations’ meets the following four criteria: non-governmental; non-profit; self-managed by its own trustees and directors; and promotes social, educational, charitable or other activities serving the common welfare. A distinction is generally made between private and public foundations. A private foundation possesses a principal fund of its own, while a public foundation, sometimes called charitable foundation, raises funds from multiple sources, including private and official sources. While trusts are similar to foundations, they can be used for commercial as well as charitable activities.</p> <p>In this report, used to designate public foundations, private foundations or charitable trusts involved in <i>PDA</i>. (see also <i>corporate giving</i>)</p>
G20	<p>The Group of Twenty (G20) has declared itself “the premier forum for international cooperation on the most important issues of the global economic and financial agenda”. It exists to promote policy coordination between members for global economic stability and sustainable growth, regulations to reduce risk and prevent future crises, and modernise the international financial architecture.</p> <p>The G20 brings together finance ministers and central bank governors from 19 countries: Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, the Republic of Korea, Mexico, Russia, Saudi Arabia, South Africa, Turkey, the United Kingdom, the United States of America. The European Union is also a member. Meetings at leader level have taken place since 2008.</p> <p>Like the G8, the presidency of the G20 rotates among its members: Russia holds the 2013 presidency, while Australia will hold the presidency in 2014.</p> <p>A G20 Development Working Group was established in June 2010 with G20 leaders adopting the Seoul Development Consensus in November 2010. The G20 published the St. Petersburg Accountability Report in September 2013 to measure progress on development commitments, alongside a development outlook.</p>

Term	Definition
G8, G7	<p>The Group of Eight developed economies (Canada, France, Germany, Italy, Japan, Russia, the United Kingdom and the United States) holds annual summits and other events organised by an agenda-setting presidency. This rotates among members: the UK holds the presidency in 2013, while Russia will in 2014. The G8 generally focuses on global issues, including economic growth, crisis management, security and terrorism and energy.</p> <p>The Group of Seven, or G7, is a group of finance ministers from Canada, France, Germany, Italy, Japan, the United Kingdom and the United States, which meets several times a year to discuss economic issues. Russia is not a member of this grouping.</p>
global public goods	<p>Global public goods are important for development and poverty-reduction. They can be commodities, resources, services, systems of rules or policy regimes with substantial cross-border externalities that can be produced in sufficient supply only through cooperation and collective action by developed and developing countries. [Source: World Bank]</p>
grants	<p>Transfers made in cash, goods or services for which no repayment is required. Activities that do not involve a transfer of resources, such as imputed student costs and debt relief, are also counted as grants in the ODA statistics.</p>
gross domestic product (GDP)	<p>A measure of economic output often used as an indicator of relative wellbeing. It includes only economic production (or 'value-added') within a territorial unit (see <i>GNI</i>).</p>
gross national income (GNI)	<p>A measure of economic output often used as an indicator of relative wellbeing. In addition to <i>GDP</i>, this measure includes income received from other countries (interest or dividends), less similar payments made to other countries. For example, profits of a UK-owned company operating in India will contribute to UK GNI (but not UK <i>GDP</i>) and India's <i>GDP</i> (but not India's GNI).</p> <p>GNI has particular significance as it is often used as a yardstick of donor <i>ODA</i> commitments, as an indicator of commitment to development. <i>ODA</i> spending is divided by GNI to arrive at a percentage figure. The origins of this measure are in the 1969 Pearson Commission on International Development. It recommended that governments should aim to provide 0.7% of their gross national product (GNP, which should be equivalent to GNI) as aid. This aspiration was endorsed by UN members. Governments have variously committed to 0.7% with a specific target, such as the UK (in 2013) and the <i>EU-15</i> (by 2015), or to other ratios of GNI as aid.</p>
gross ODA	<p>Total ODA given or received, without deducting repayment of the principal (original amount) of ODA loans (see <i>net ODA</i>).</p> <p>For donor ODA outflows this comprises bilateral disbursements of concessional funds to both developing countries and multilateral institutions.</p> <p>For developing country recipients, this comprises disbursement of concessional finance from both bilateral and multilateral sources.</p>

Term	Definition
High-Level Panel (UN HLP)	<p>Appointed by the UN Secretary-General in July 2012, a panel of eminent persons to advise on the <i>post-2015 development agenda</i>. It provided recommendations on possible future development goals in a May 2013 report, proposing for example an end to <i>extreme poverty</i> by 2030, to be further considered at UN General Assembly in September 2013.</p> <p>The three co-chairs were: President Susilo Bambang Yudhoyono (Indonesia); President Ellen Johnson Sirleaf (Liberia); and Prime Minister David Cameron (the United Kingdom). See http://www.un.org/sg/management/hlppost2015.shtml.</p>
International Aid Transparency Initiative	<p>A global transparency standard that enables information about aid spending to be easier to access, use and understand. It is a multi-stakeholder initiative, involving traditional bilateral and multilateral donors and developing country governments, civil society organisations and philanthropic foundations. It consists of an agreement of data items that should be published, and a common electronic format in which this should be published. <i>Source:</i> www.aidtransparency.net/.</p>
International Development Association (IDA)	<p>Part of the World Bank Group, an international financial institution that provides concessional grants and loans to the world's poorest countries. Established in 1960, IDA aims to reduce poverty by supporting programmes that boost economic growth, reduce inequality and improve people's living conditions. [<i>Source:</i> World Bank]</p>
least developed countries (LDCs)	<p>Group of countries with the poorest economic and human development indicators. The UN-determined criteria are a combination of persistent low per capita income over three years (using World Bank Atlas data, see <i>LICs</i>), and low scores on specific indices of human assets and economic vulnerability. <i>LDCs</i> are not necessarily the same as <i>LICs</i>, because of the different criteria.</p> <p>See www.unohrlls.org/en/ldc/164/.</p>
loans	<p>Transfers either in cash or in kind for which the recipient incurs a legal debt. Official loans are those with fixed maturities made by governments (central or local) or official (non-monetary) agencies, for which repayment is to be made by the recipient country. This includes loans repayable in the borrower country's currency, regardless of whether the lender intends to repatriate the repayments or use them in the borrowing country.</p>
low-income countries (LICs)	<p>World Bank definition based on GNI per capita in US dollars (using Atlas methodology which smoothes market exchange rate-based values). Data is revised annually.</p> <p>See http://data.worldbank.org/about/country-classifications.</p>
middle-income countries (MICs)	<p>See <i>LICs</i> and <i>LDCs</i></p>
Millennium Development Goals (MDGs)	<p>A set of eight international development goals officially established following the UN Millennium Summit in 2000, following the adoption of the UN Millennium Declaration, to be met by 2015. The goals cover poverty and hunger, education, gender equality and empowering women, child mortality, maternal health, HIV/AIDS, malaria and other diseases, environmental sustainability, and a global partnership for development. [<i>Source:</i> United Nations]</p>

Term	Definition
multidimensional poverty	<p>An alternative conception of poverty that measures deprivations across a wider range of deprivations than income alone, including nutrition, health, education and housing.</p> <p>The Multidimensional Poverty Index (MPI) is a widely-used measure, internationally comparable measure across 109 developing countries, with 14 dimensions, including empowerment, quality of work and security. While income and the multidimensional poverty measured by the MPI are correlated, their association is complex (see www.ophi.org.uk/policy/multidimensional-poverty-index/).</p>
multilateral aid/ODA	<p>Development assistance provided to regional and multilateral organisations. The DAC defines this aid that is provided as 'core' or un-earmarked contributions, to the UN and other multilateral organisations, programmes and funds which are wholly or partly developmental or humanitarian in their mandate. Where donors impose any restrictions on the use of funds, ODA automatically becomes bilateral. Differs from multilateral disbursements, which are ODA disbursements from multilateral agencies rather than contributions to them.</p> <p>(see also <i>bilateral aid and total ODA</i>)</p>
net ODA	<p><i>Total ODA</i> given or received, net of repayment of principal on ODA <i>loans</i> (see also <i>gross ODA</i>).</p>
non-DAC donors	<p>Countries beyond <i>DAC</i> members also provide development cooperation. In this report, this term refers to governments that are not members of the <i>DAC</i> that have chosen to report <i>ODA</i> allocations to the OECD. This report focuses on 2011 data and as such has 22 non-DAC donors as at 2011, although two have since joined the <i>DAC</i> (see <i>DAC and Government providers outside the OECD DAC</i>).</p>
non-transferred (ODA or aid)	<p>Used in this report for ODA that does not represent a new transfer of resources to developing countries. This includes <i>debt relief</i>, administrative costs, costs of students within donor countries, costs of refugees within donor countries and subsidies paid to donor-country banks. Also included in this category are any other CRS records which are specifically flagged as the donor as being spent through donor-country government bodies (not including technical cooperation, food, or commodity aid).</p> <p>See <i>Methodology</i> for details.</p>
nongovernmental organisations (NGOs) & civil society organisations (CSOs)	<p>Not-for-profit organisations involved in development and public fundraising activities. The UN definition of an NGO is "any non-profit, voluntary citizens' group which is organised on a local, national or international level."</p> <p>NGOs are characterised by their independence from government, and value-based actions which promote welfare or development. For specific countries, this report uses the nomenclature commonly used to define NGOs and their local equivalents, for example using private voluntary organisations in the United States. For China, we include non-profit organisations, such as China Red Cross which, despite being controlled by the state, receive revenue from the public.</p>

Term	Definition
official development assistance (ODA)	<p>ODA and the term 'aid' are often used interchangeably, but ODA has a specific technical definition which has been adopted in this report. ODA is <i>grants or loans to eligible recipients</i> meeting criteria for the promotion of economic development and welfare from an official source (i.e. government or multilateral organisation) to a set of developing countries agreed by the Development Assistance Committee (DAC) of the OECD.</p> <p>While poverty reduction is not a specific ODA eligibility criterion, such allocations would generally qualify.</p> <p>ODA includes development assistance across sectors. ODA is reported to the DAC by member governments and several regional and global institutions (see <i>multilateral aid</i>). In addition, several <i>non-DAC</i> members report spending that meets the ODA criteria, as does the Bill & Melinda Gates Foundation.</p> <p>(see also <i>Total ODA, bilateral ODA/aid, multilateral ODA/aid</i>)</p>
Organisation for Economic Co-operation and Development (OECD)	<p>Established in 1961 when the US and Canada joined the then Organisation for European Economic Cooperation (formed in 1948). The grouping focuses on economic, social and development research and policies. Russia is in the process of accession, while the OECD has an 'enhanced engagement' programme with five countries: Brazil, China, India, Indonesia and South Africa (see also www.oecd.org/about).</p>
other official flows (OOFs)	<p>Transactions by the official sector with countries on the list of eligible recipients which do not meet the conditions for eligibility as official development assistance or official aid, either because they are not primarily aimed at development, or because they have a grant element of less than 25%. <i>Source: OECD Glossary of Statistical terms.</i></p>
portfolio equity	<p>A form of international investment that does not confer significant control or influence. 'Portfolio' refers to a group of assets. Investments of 10% or more of the value or control of an asset or company are considered <i>FDI</i>, while investments below this threshold are portfolio equity. Investors receive returns through interest payments or dividends and can use equity to spread financial risks across different markets. They can also sell their equity on to other investors.</p>
post-2015 development agenda	<p>The process led by the UN to define future global development framework to succeed the UN MDGs from 2015. (see also <i>MDGs</i> and <i>UN HLP</i>)</p>
private development assistance (PDA)	<p>International concessional resource flows voluntarily transferred from private sources to international development, including private finance channelled by corporations, <i>foundations</i> and <i>NGOs</i>.</p>
private flows	<p>In this report, <i>remittances</i> and <i>PDA</i>.</p>
Purchasing Power Parity (PPP) exchange rates	<p>Attempt to go beyond using market exchange rates, adjusting for the relative buying power across different countries so enabling international comparisons of welfare of inhabitants. Controlling for price levels, PPPs measure how much money would be needed to purchase the same goods and services in two countries, and uses that to calculate an implicit foreign exchange rate. These are generally based on International Comparison Program data, a global statistical partnership to estimate PPPs through collecting comparative price data and compiling detailed expenditure values of countries' GDPs.</p> <p>The notation PPP\$ is used in this report, while market exchange rate comparisons use US\$. One exception to this approach is the commonly used \$1.25 a day and \$2 a day poverty thresholds.</p>

Term	Definition
remittances	Cash transfers made by a migrant worker or immigrant to their country of origin, often to family or relatives. Remittances can also be funds invested, deposited or donated by the migrant to the country of origin. A broader definition can include inkind (non-cash) personal transfers and donations. [Source: www.iom.int]
reverse flows	Refers to international resource flows that come out from developing countries that are generated by previous inflows, such as repayments and returns to investments.
South–South cooperation	South–South cooperation is a broad framework for political, economic, social, cultural, environmental and technical collaboration among countries of the global South, that is excluding developed countries. Involving two or more developing countries, this may be on bilateral or other bases (e.g. trilateral, sub-regional, regional, inter-regional). Sharing of knowledge, skills, expertise and resources to meet development goals is a characteristic of this form of cooperation. Recent years have seen increased South–South trade and <i>FDI</i> flows, moves towards regional integration, technology transfer, sharing of solutions and expertise and other forms of exchange. [Source: United Nations Office for South–South Cooperation]
tied aid	Tied aid credits are official or officially supported loans, credits or associated financing packages where procurement of the goods or services involved is limited to the donor country or to a group of countries which does not include substantially all developing countries. Source: OECD
total ODA	Total ODA is donors' <i>bilateral ODA</i> plus their <i>multilateral ODA</i> contributions. Differs from total ODA disbursements, which is the sum of bilateral disbursements made by bilateral and multilateral agencies (see also <i>bilateral aid</i> and <i>multilateral aid</i>)
unbundle (aid)	Unpacking ODA into constituent elements to enhance transparency and enable assessments of its poverty reduction value (see <i>aid bundle</i>).
upper income countries (UICs)	See <i>LICs</i> and <i>LDCs</i>

Methodology

Investments to End Poverty is based on data from various sources, including estimates developed by Development Initiatives. This section outlines the data sources used for different information and the particular data used in each section of the 2013 report. More detailed methodological notes are available on our website (www.devinit.org).

Resource flows data

Official development assistance.

Estimates of ODA are sourced from the OECD DAC aggregate tables and Creditor Reporting System (CRS). The figures reported here are inclusive of debt relief unless expressly stated otherwise. The report presents both gross and net data: these are specified in the notes alongside each figure. The report uses data on disbursements unless otherwise stated. CRS data for the aid bundle analysis was downloaded in January 2013. Other ODA data was downloaded in May 2013. Chapter 3 and Chapter 8 focus on ODA from 23 DAC country donors. Chapter 10 looks at ODA disbursements to recipient countries from all donors that report to the OECD (with the exception of the aid bundle analysis which, as in Chapter 4, is limited to ODA disbursements from DAC bilateral donors and multilaterals). Chapter 11 looks at ODA disbursements from DAC donors and multilaterals. Iceland and Czech

Republic joined the data while this report was being produced and are therefore treated as non-DAC donors.

Foreign direct investment data was taken from UNCTAD stat (FDI received by developing countries) and the OECD FDI by partner database (FDI from OECD countries to developing countries). Data on *profits on FDI* is sourced from the World Bank DataBank. Data on *illicit financial flows* is taken from the Global Financial Integrity Programme although these flows – capital flight and trade mispricing – are unrecorded or misrecorded by nature so estimates are difficult to verify. Data on *innovative finance mechanisms* was collected from the GAVI Alliance, the Global Fund, IFFIm, UNITAID, Product (RED) and Belgian and French national sources. Estimates of *military and security expenditure* are sourced from Stockholm International Peace Research International and track international expenditure on multilateral peacekeeping operations. *Loans* data on inflows (gross long-term and net short-term disbursements) and outflows (interest and capital repayments) was sourced from the World Bank's International Debt Statistics database. *Other official flows* data was taken from the OECD DAC aggregate tables and Creditor Reporting System (CRS). *Portfolio equity* data is taken from the World Bank DataBank. *Remittances* data was taken from the World Bank.

Total flows received by developing countries are taken from the Migration and Remittances Factbook database; bilateral remittances are taken from the Bilateral Remittances Matrices for 2010 and 2011.

Data on *development finance institutions* is based on an exercise undertaken by Development Initiatives for this report. Available data on approvals and disbursements was collected from the published annual reports of 35 bilateral and multilateral development finance institutions for the period 2000 to 2011. A small proportion of missing disbursements data was estimated using published figures for approvals and approvals data was estimated using published disbursement figures for one institution. A more detailed methodology note is available on our website.

Private development assistance (PDA) data covering NGOs, foundations and corporate giving is based on a review undertaken by Development Initiatives for this report. To define what is included as PDA, we use the ODA definition and sector coding by the DAC as a guide. 32 national sources were used to estimate PDA in 16 countries. Two international data sources were used: the OECD DAC 'net private grants' line and the Center for Global Prosperity's (CGP) Index of Global Philanthropy and Remittances. In addition data on PDA trends was estimated from a review of the annual

reports of 31 international NGOs and confederations, data on 1330 US foundations from the Foundation Center, and data on 213 corporations that report to the Committee Encouraging Corporate Philanthropy. Full details are available on our website.

Government expenditure data is taken from the IMF World Economic Outlook. To avoid double counting with international resource flows, general budget support ODA and disbursements on loans to the public sector were subtracted from government expenditure data at the country level. Total expenditure figures are expressed in US\$ values and government expenditure per person figures are expressed in PPP\$ values, unless specified otherwise.

Data on *government providers of development cooperation outside the OECD DAC* was sourced by the DAC dataset for all 26 countries excluding Brazil, China, India and South Africa. For the latter, data has been drawn from national sources (ministerial reports, Export Import Bank reports, national statistics and budgets). All data is gross or net disbursements as indicated, with the exception of Government of India concessional lines of credit, which are commitments, as are estimates of China's lines of credit from 2002 to 2011. Estimates for the latter have been sourced from Brautigam (2011) for 2002–2009 and modelled by Development Initiatives for 2009 and 2010 based on China's commitment to increase concessional financing to Africa made at the Forum on China-Africa Cooperation in November 2009.

Data on *climate change finance* is sourced from the OECD DAC's climate markers, Heinrich Böll Stiftung's and the Overseas Development Institute's Climate Funds Update and the Landscape of Climate Finance 2011 and 2012 reports from the Climate Policy Initiative.

All resource flow figures used in this report are for developing countries only unless otherwise specified. Where data from the sources listed above was given in currencies other than US\$, oanda.com was used to source exchange rates. Data in current US\$ was converted to constant 2011 US\$ using deflators calculated using GNI data from the IMF World Economic Outlook. PPP\$ exchange rates were sourced from the World Bank DataBank.

The aid bundle

In order to estimate the proportions of ODA that are transferred to a recipient country and, of this, what are the relative shares of cash versus in-kind resource transfers this report uses a number of categorisations of aid, taken from the OECD CRS database.

This database does not state explicitly how much ODA is in the form of money, how much is in other forms or how much is spent within the donor country. Development Initiatives has examined each record in the CRS database for the years 2006–2011 and classified these records according to whether the record was most likely to represent a transfer of cash, an in-kind transfer, ODA not transferred to the recipient country, or spending on global public goods and core support to Northern NGOs. This required an analysis of the aid type, flow code, finance type, purpose code, channel code, technical cooperation marker and recipient code of each record. This was supplemented by a text analysis of the short and long descriptions associated with CRS records in order to classify some of the ODA for which the analysis of the record codes was inconclusive.

Non-transfer aid. This consists of CRS records that were marked as debt relief, administrative costs, students within donor countries, refugees within

donor countries and subsidies paid to donor-country banks. Also included in this category are any other CRS records which are specifically flagged by the donor as being spent through donor-country government bodies (not including technical cooperation, food, or commodity aid).

Global public goods (GPGs) and donor-country NGOs. ODA to research bodies, or to special-purpose funds with no specific geographic focus were counted as contributing to GPGs. CRS records coded as promotion of development awareness were also considered to be a form of GPG. Also in this category is ODA that was given as core support to donor-country NGOs.

Aid in kind. This category consists of aid records marked as free-standing technical cooperation, food aid or commodity aid.

Cash. The CRS database contains no explicit information on how much ODA is actually transferred as money to developing countries. Therefore the cash category of the aid bundle consists of those types of ODA considered to be most likely to result in cross-border flows of money. These categories are: budget support grants (both general and sector budget support), pooled and special-purpose funds with a specific geographic focus, core support to developing-country NGOs, ODA to public-private partnerships, grants by development banks over \$1million, all loans and equity investments. Any record with apparently contradictory coding, such as a record with an aid type of budget support, but a marker or purpose code indicating that it is actually technical cooperation or food aid, is counted under the relevant non-cash category. For example \$122 million of ODA with an aid type of budget support has been classified in the report as aid in kind as the technical cooperation flag for the records shows that this ODA

has been delivered in the form of free-standing technical cooperation.

Mixed project aid. For a proportion of the records in the CRS database, it is not possible to make a meaningful assessment of the form that the ODA was delivered in and this is recorded in the report as 'mixed project aid' as all of these records have an aid type of 'project support'. As these records do not come under any of the categories of spending within the donor country, it is assumed that they represent transfers to recipient countries consisting of a mixture of cash and in-kind components.

Overlaps between international resource flows

It is known that there are overlaps in the flows captured by data series estimating different resource flows (Chapter 6). Where possible these overlaps have been quantified to avoid any double counting between series. Loans reported as ODA and OOFs were subtracted from disbursements of long-term loans from official sources at the recipient country level, and at the institutional level from data collection on approvals and disbursements by development finance institutions. Data on PDA is based on non-official sources of income in order to avoid overlaps with ODA. Estimates of innovative finance and climate change finance are not added to international flows on the assumption that these flows are captured entirely in data on other flows such as ODA, OOFs, loans and FDI. It is known that there are other potential overlaps between international resource flows, but there is insufficient data available to quantify these overlaps.

Other data

Estimates of *\$1.25 a day poverty* are based on the latest data from the

World Bank. Estimates for OECD DAC regions were calculated by aggregating and weighting the country estimates. Regional averages have been applied to calculate any missing country-level data, in line with international practice. Note that regional estimates differ from World Bank regional estimates because they refer to different regions and for methodological issues. Projections of \$1.25 a day poverty are from the Brookings Institution (Chandy, Ledley and Penciakova 2013c) and some estimates in Chapter 1 differ slightly from figures elsewhere in the report due for methodological reasons. Data on *multidimensional poverty* are from the Oxford Poverty and Human Development Initiative.

Data on *population*, *GNI* and *GDP* was sourced from the World Bank DataBank.

Sector definitions

Our sectoral ODA analysis is based on 13 sector groups, which are closely aligned with, but not identical to, the OECD DAC's sectors. These groups are built by aggregating figures reported under different OECD DAC purpose codes.

Agriculture and food security includes all agricultural purpose codes, including policy and administration, agricultural education and research, land and water resources, agriculture and farming and related services, plus figures reported as forestry, fishing, rural development and development food aid. **Banking and business** covers banking and financial services, including financial policy and management, monetary institutions, formal and informal sector financial intermediaries, education training in banking and financial services; business services, including privatisation. **Debt relief** covers debt forgiveness, rescheduling and refinancing, and other actions related to debt.

Education includes all identifiable general education components from policy and administration, to provision at primary, secondary and tertiary level (including multi-sector and vocational training). **Environment** includes multi-sector projects related to general environmental protection. **General budget support** includes figures specifically reported as general budget report. **Governance and security** includes a wide range of activities including government and civil society general and conflict peace and security. **Health** includes general health activities, including medical services, medical research and the management of health policy; basic healthcare interventions such as basic nutrition and infectious disease control; and population policy and reproductive healthcare, including HIV/AIDS programmes. **Humanitarian** includes emergency response (including emergency food aid, emergency relief and relief co-ordination); reconstruction, relief and rehabilitation; and prevention and preparedness. **Industry and trade** includes figures reported towards industry, mineral resources and mining, construction, tourism and trade policy and regulation. **Infrastructure** covers transport and storage; energy generation and supply; communication (including information communications technology, printing and publishing); construction; housing policy and administrative management; and urban development and management. **Other social services** includes social and welfare services, policies related to employment and housing, culture and recreation, statistical capacity building and other social services. **Water and sanitation** includes water supply, basic drinking and sanitation facilities, waste management; water and sanitation policy, administration and education. **Other** includes figures reported outside of the sectors listed above, including multisector ODA, administrative costs, support for refugees in the donor

country and unallocated or unspecified flows.

Eleven of the thirteen sectors are considered 'core sectors' (this excludes debt relief and general budget support). These sectors classifications are used in sectoral analysis of ODA and OOFs throughout the report. Sectoral analysis of other flows has been aligned to this system as much as possible but is not fully consistent given the different sector classifications used in data for FDI, PDA and donors who do not report to the OECD.

Developing countries

This report uses the OECD's 2012 list of ODA recipient countries as the definition of 'developing countries' which includes 148 countries. Aggregate figures of resource flows to all developing countries are the sum of flows to these 148 countries.

Regional data is based on the OECD's regional classifications, which group developing countries into nine regions: Europe, East Asia, Middle East, North and Central America,

North Africa, Oceania, South and Central Asia, South America and sub-Saharan Africa. Some imputations are made to calculate regional totals. For example, ODA reported as 'Africa, regional' has been attributed to the regional totals for North Africa and sub-Saharan on the basis of the ratio of ODA reported to countries in these regions.

Abbreviations

AfDB	African Development Bank	IFC	International Finance Corporation
AfDF	African Development Fund	IFFIm	International Finance Facility for Immunisation
AFESD	Arab Fund for Economic and Social Development	IMF	International Monetary Fund
AsDB	Asian Development Bank	IsDB	Islamic Development Bank
BADEA	Arab Bank for Economic Development in Africa	JBIC	Japan Bank for International Cooperation
BCIE	Central American Bank for Economic Integration	KFAED	Kuwait Fund for Arab Economic Development
CAF	Latin American Development Bank	MDGs	Millennium Development Goals
CPA	country programmable aid	Mercosul	Southern Common Market
CSOs	civil society organisations	NATO	North Atlantic Treaty Organization
DAC	Development Assistance Committee of the Organisation for Economic Co-operation and Development	NGOs	nongovernmental organisations
DBSA	Development Bank of Southern Africa	NNGOs	Northern non-governmental organisations
DEG	German Investment Corporation	ODA	official development assistance
DPKO	United Nations Department of Peacekeeping Operations	OECD	Organisation for Economic Co-operation and Development
EBRD	European Bank for Reconstruction and Development	OEEC	Organisation for European Economic Co-operation
EIB	European Investment Bank	OFID	OPEC Fund for International Development
EITI	Extractive Industries Transparency Initiative	OGP	Open Government Partnership
FAO	Food and Agricultural Organization	OPIC	US Overseas Private Investment Corporation
FDI	foreign direct investment	OSCE	Organization for Security and Co-operation in Europe
FMO	Netherlands Development Finance Company	PPP	purchasing power parity
GDP	gross domestic product	PRSP	Poverty Reduction Strategy Paper
GEF	Global Environment Facility	REDD	Reducing Emissions from Deforestation and Forest Degradation
Global Fund	Global Fund to Fight AIDS, Tuberculosis and Malaria	UNCTAD	United Nations Conference on Trade and Development
GNI	gross national income	UNDP	United Nations Development Programme
GPGs	global public goods	UNESCO	United Nations Educational, Scientific and Cultural Organization
IATI	International Aid Transparency Initiative	UNFPA	United Nations Population Fund
IBRD	International Bank for Reconstruction and Development	UNHCR	Office of the United Nations High Commissioner for Refugees
ICP	International Comparison Program	UNICEF	United Nations Children's Fund
IDA	International Development Association	UNPBF	United Nations Peacebuilding Fund
IDB	Inter-American Development Bank	UNRWA	United Nations Relief and Works Agency for Palestinian Refugees in the Near East
IFAD	International Fund for Agricultural Development	WFP	World Food Programme
		WHO	World Health Organization