

Working Paper

Do organisational and political models for development cooperation matter for development effectiveness?

Raphaëlle Faure, Cathal Long and Annalisa Prizzon



Development agencies can assume a range of organisational designs, which can evolve over time. Governments tend to reconfigure their development agencies to reflect major changes in strategic orientation and policy priorities, often in response to decisions about the political salience of international development assistance.

This paper sets out to investigate the relationship between aid quantity and aid quality indicators, and the different institutional and political models for development cooperation. For instance, the appointment of a cabinet-rank minister for development cooperation signals the relevance of this agenda within government. While the paper does not assess causality, the quantitative analysis suggests that a sufficiently senior and publicly accountable figure does matter for the effectiveness of development cooperation, as does an integrated model for development policy and implementation.

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Executive summary

There is a range of organisational designs for development agencies, which can evolve over time. Governments tend to reconfigure their development agencies to reflect major changes in strategic orientation and policy priorities, often in response to decisions about the political salience of international development assistance.

In recent years, three members of the Organisation for Economic Co-operation and Development's (OECD) Development Assistance Committee (DAC) drastically changed their organisational structures for development cooperation policy and implementation. In early 2013, Canada merged its international development agency, CIDA, with the Department of Foreign Affairs and Trade. A few months later, Australia's Department of Foreign Affairs and Trade absorbed its implementing agency, AusAID. In both cases, the stated objectives of this assimilation were to make development assistance more coherent and efficient by bringing it under the purview of foreign affairs. Inversely, the Italian Parliament approved the establishment of a separate aid implementation agency under the policy direction and control of the Ministry of Foreign Affairs in August 2014, separating the policy and implementation functions.

To date, there has been no evidence to suggest that one specific institutional model trumps another in the delivery of more effective development assistance. The DAC finds that effectiveness of development assistance 'may vary considerably among countries which operate superficially similar models' (OECD, 2009:11).

This working paper attempts to fill this evidence gap. It analyses the institutional and political structures for the management and delivery of development assistance in DAC donors (in particular the presence of a cabinet-rank minister for development cooperation), assessing strengths and weaknesses. It then evaluates whether any institutional or political model is associated with better performance in terms of aid quantity and quality indicators.

The paper sets out to investigate an association between aid quantity and quality indicators and the different institutional and political models for development cooperation. For instance, the appointment of a cabinetrank minister for development cooperation signals the prominence of this agenda within government. The quantitative analysis does not assess causality, but it does suggest that *a sufficiently senior and publicly accountable figure* matters for the effectiveness of development cooperation, as does an integrated model for development policy and implementation. In particular, the paper finds that:

- DAC countries whose policy and implementation functions are either the responsibility of the Ministry of Foreign Affairs, or have a separate agency within a single institution responsible for both policy and implementation, perform better in terms of official development assistance/gross national income (ODA/ GNI) targets and across a spectrum of aid quality indicators than those following other institutional models. These results are driven by the cases of Denmark, Norway and the United Kingdom.
- The majority of DAC donors either have an aid agency or development department embedded within the Ministry of Foreign Affairs, or a separate agency responsible for implementation, with the Ministry of Foreign Affairs responsible for policy. (Exceptions are Denmark, Norway, Poland and Slovenia, where policy as well as implementation fall under the Ministry of Foreign Affairs, and the UK, where policy and implementation are administered within a separate ministry.) Both the integrated model and the separated model have strengths and weaknesses.
- Leadership matters for the delivery of development cooperation. For the most part, donors with a cabinetrank minister for development cooperation achieved, or were close to achieving, their ODA/GNI targets, expanded ODA volumes at a faster rate (and ringfenced aid budgets at times of fiscal retrenchment following the 2008-2009 financial and economic crisis), and systematically scored higher on aid quality indicators than donors whose portfolio for development cooperation was managed by a junior minister.

Decisions on the institutional setting (and its restructuring) for aid policy and delivery are primarily political, but the opportunities and the risks of each model need to be taken into account and balanced against policy objectives.

1. Introduction

There is a variety of organisational designs for development agencies. These arrangements are not static over time. Governments tend to reform the configuration of their development agencies to reflect major changes in strategic orientation and policy priorities, and often in response to decisions about the political salience of international development assistance. In recent years, three members of the OECD's DAC changed their organisational structures for development cooperation policy and implementation. In early 2013, Canada merged its international development agency, CIDA, with the Department of Foreign Affairs and Trade. A few months later the Department of Foreign Affairs and Trade in Australia absorbed its implementing agency, AusAID. In August 2014, the Italian Parliament approved the establishment of a separate aid implementation agency under the policy direction and control of the Ministry of Foreign Affairs.

In the cases of Australia and Canada, the development agencies were re-absorbed into the Ministry of Foreign Affairs. The stated objective in each case was to make development assistance more coherent and efficient by bringing it under the purview of foreign affairs. In contrast, in the case of Italy, the policy and implementation functions were institutionally separated.

To date, research on the correlation between the effectiveness and the configuration of specific institutional models for management and delivery of development assistance is quite narrow. There are two reasons why this is such an under-researched area. Firstly, the choice of an institutional model is primarily driven by political motivations rather than evidence; governments tend to reform the configuration of their development agencies to reflect major changes in strategic orientation and policy priorities, often in response to decisions about the political salience of international development assistance. Secondly, the evolution of institutional analysis over time makes empirical analysis rather challenging.

The literature is also inconclusive, albeit with a couple of notable exceptions (see Prizzon (2012) for a review).¹

The OECD found that effectiveness of development assistance 'may vary considerably among countries which operate superficially similar models' (OECD, 2009:11). Gulrajani (2014a) argues that 'governance structures that entrust a development ministry with robust authorities for policy-setting and execution are better able to protect the global public goods aspects of aid effectiveness' than ministries such as foreign affairs, which risk subordinating development aims to foreign policy interests. Barder (2005:29) argues that 'responsibility for all aid in a single Government department' and the establishment of 'an integrated development ministry' are factors behind the UK's success in delivering its objectives - the Department for International Development (DFID) is often considered as a benchmark for other DAC donors.² Finally, independent of the organisational model, the OECD (2009) finds that political leadership contributes to the delivery of effective development cooperation, a finding supported in Gulrajani (2014a), with leadership defined as the presence of 'a sufficiently senior and publicly accountable figure with clear responsibility at the political level' for development cooperation policy (2009:34).

Building on and updating Prizzon (2012), this paper attempts to fill this evidence gap through qualitative and quantitative assessments of the correlation between institutional and political models and aid quantity and quality.

The findings of the paper are intended to contribute to the debate on organisational reform and agency design, identifying directions for future work in this area.

The paper is divided into three sections. Section 2 analyses and compares the different organisational and political structures for aid delivery in DAC countries and assesses their strengths and weaknesses. Section 3 tests whether a correlation exists between both the institutional and political models for development cooperation and aid quantity and quality. Section 4 concludes by highlighting the key messages that have emerged from the analysis.

¹ The literature focuses on individual case studies rather than comparative analyses, and almost exclusively from an aid effectiveness point of view. Moreover, implications of organisational and political structures on aid effectiveness have been almost entirely investigated from the perspective of recipient countries or based on a single dimension of aid effectiveness (e.g. aid fragmentation and project size). For an extensive review on the former, see Temple (2010). For the latter, see Kilby (2011).

² See review in Gulrajani (2010). Also see Barder (2010) in terms of how DFID has improved its overall aid flows, poverty focus, evidence-based policymaking, and public support and awareness of development issues.

2. Institutional and political structures of aid delivery in DAC countries

This section analyses and compares the different institutional and political structures for aid delivery in DAC countries and assesses their strengths and weaknesses. Table A.1 provides more detailed information on institutional models and identifies who in government is responsible for development and at what level. The table also provides a summary of the budgetary process for development cooperation for each of the DAC members, which is not elaborated in this paper. Table A.1 divides DAC countries across the four institutional models described in Section 2.1, as per the OECD (2009) classification. We populated this table from a study of DAC peer review documents as well as organograms, organisational charts and official websites of the 28 DAC members. The full sources are listed at the end of Annex 1. It is worth noting that some countries fall in grey areas between two models; we are conscious, especially with regards to Models 1 and 2, that the classification we have opted for is debatable. Moreover, political structures (i.e. which government representative is responsible for a portfolio) change regularly, for instance as a result of government reshuffles or elections.

2.1 Institutional models

At the time of writing the DAC comprises 28 member countries, each with specific characteristics in terms of institutional set-up and political leadership. While this might not be clear-cut, DAC members can be categorised into four institutional models (OECD, 2009) (see Figure 1 for an illustration). The four models are: Model 1: Development cooperation is integrated in the Ministry of Foreign Affairs, which takes the lead and is responsible for policy and implementation (e.g. Denmark). Model 2: Development cooperation is managed by a department or an agency within the Ministry of Foreign Affairs that leads and is responsible for policy and implementation (e.g. Ireland). Model 3: A ministry has overall responsibility for policy and a separate executing agency is responsible for its implementation (e.g. Sweden).

Model 4: A ministry or agency other than the Ministry of Foreign Affairs is responsible for both policy and implementation (e.g. the UK).

Figure 1 suggests that the *majority of countries* – 23 out of 28 DAC members – fall within Models 2 and 3. Whereas the streamlining of development cooperation across policy areas within Ministry of Foreign Affairs (Model 1) and the existence of a ministry dedicated to development cooperation (Model 4) stand out as exceptions with only five donors currently adopting this structure.

These arrangements are not static over time. In recent years, a clear trend towards the integration of trade and development policy has emerged, pursuing domestic interests through development cooperation as well as the interest of recipient countries (OECD, 2014). For example, the Dutch government's new development strategy explicitly combines aid, investment and trade (The Netherlands, 2013).

Each model presents strengths and weaknesses, as illustrated in Table 1.³ These initial reflections are primarily based on Faure et al. (2014) and Gavas et al. (2014).

Based on this analysis, no single institutional model trumps another. The policy decision to restructure the institutional model for aid delivery has to take these opportunities and risks into account, balancing them against policy objectives. In sum:

• Leadership of the Ministry of Foreign Affairs (and/or Trade) can strengthen policy coherence for development, but there is a risk that development cooperation might lose priority to the security and commercial agenda, as well as a risk that staff with generalist knowledge may lack expertise on development issues. The latter may be mitigated by establishing a dedicated agency/department within the Ministry of Foreign Affairs with specialist knowledge (Model 3), although this structure will not

³ The strengths and weaknesses described in the following paragraphs emerge from the findings of the DAC peer reviews as well as commentaries analysing the advantages and disadvantages deriving from different models. See, for instance, Troilo, P. (2015) 'Inside the takedowns of AusAID and CIDA', *Devex*, available at: https://www.devex.com/news/inside-the-takedowns-of-ausaid-and-cida-85278; Davies (2014).

Figure 1: Institutional structures for managing aid across DAC donors



Source: OECD (2009). List of countries updated.

necessarily ensure the prioritisation of development cooperation within the ministry's portfolio.

- A separate executing agency can help retain and develop technical expertise, but stronger coordination is required between policy-makers and implementers to ensure effective management and delivery of development cooperation.
- A ministry or an agency other than the Ministry of Foreign Affairs with responsibility for both policy and implementation combines most of the strengths of the other institutional models. However, as with the other models, strong coordination within the government is required to ensure the coherence of development policy.

2.2 Political structures

In terms of political structure (i.e. where development cooperation is located within government, as well as the rank of the minister in charge of the development portfolio), 16 of the 28 DAC members – spanning institutional models 1, 2 and 3 – have placed development cooperation within the Ministry of Foreign Affairs (see Table 2). Only two countries (Germany and the UK) have dedicated ministries for international development.

Nonetheless, there are similar patterns in terms of ministerial responsibility for donors whose development policy falls under the remit of the Ministry for Foreign Affairs and Development Cooperation (e.g. Model 3 countries: France, Italy, Spain) and for donors managing

Table 1: Strengths and weaknesses of institutional models

	Strengths	Weaknesses
Model 1 (Development cooperation is integrated in the Ministry of Foreign Affairs, which takes the lead and is responsible for policy and implementation)	Greater policy coherence for development for the policy areas falling under the same ministry (traditionally foreign affairs and sometimes trade). Better coordination between decision-making and implementing activities and direct access to in-country information that can be fed into the design of policies.	Foreign and commercial policy interests may take precedent over development interests. Multiple priorities for a single minister who oversees the work of the whole Ministry for Foreign Affairs and/ or Trade. Staff posted in-country tend to be generalists with little specialist knowledge of development issues. Development specialists may receive little recognition for their expertise and have limited career prospects in ministries where generalist skills are better valued, increasing turn-over and leading to a loss of in-house expertise.
Model 2 (Development cooperation is managed by a department or an agency within the Ministry of Foreign Affairs)	Lower risk of foreign and trade policy interests overriding development interests because of a separate unit within the Ministry of Foreign Affairs dealing exclusively with development issues. Specialist knowledge within the implementing agency.	The development department/agency may find itself isolated within the ministry and unable to attract the interest of the minister in its work.
Model 3 A ministry has overall responsibility for policy and a separate executing agency is responsible for its implementation)	At the ministerial level, policy-makers can take broader government policies into consideration to ensure better coherence. At the agency level, specialists can focus exclusively on delivery.	Multiplicity of actors can make coordination difficult both within the government and in the country, requiring strong coordination between policy- makers and implementers.
Model 4 (A ministry or an agency - other than the Ministry of Foreign Affairs - is responsible for both policy and implementation)	Clear mandate and focus on international development. Leadership at cabinet-level on the development agenda. Easier coordination on the development agenda, limiting the potential for turf wars. Specialist knowledge in the field.	Ensuring policy coherence across government requires strong coordination with other departments and the authority to influence the government-wide agenda.

development cooperation under the Ministry for Foreign Affairs and Trade (e.g. Model 2 countries: Australia, Ireland and New Zealand) (see Table 2). Belgium is an exception for placing international development under a single minister with the digital agenda, telecoms and postal services. South Korea is another exception because no single ministry takes the lead on development but rather a Committee for International Development Cooperation (CIDC), which is chaired by the Prime Minister. Furthermore, donors under each category of ministerial responsibility cut across the three institutional models (except for the UK, which is unique to Model 4).

Moreover, while a given ministry may have responsibility over development cooperation, it is often the case that other ministries are responsible for certain aspects of development cooperation. For example, in France, Italy and Spain, the ministers of economy or finance are responsible for allocations to multilateral organisations, such as the World Bank and the International Monetary Fund.

Table 2 illustrates ministerial responsibility for development cooperation across DAC countries.

In terms of the political structures for the delivery of development cooperation, we identify four different types of ministers across two dimensions. The first dimension takes into account whether the minister sits in cabinet: distinguishing a 'senior minister' at cabinet-level from a 'junior minister' who does not usually sit in cabinet meetings. The second dimension considers the policy areas covered in a minister's portfolio: distinguishing 'shared ministers', whose policy responsibilities include development cooperation among others, from 'dedicated ministers', who are responsible for development cooperation policy only. The findings show that:

- Across the 28 DAC members, only four countries have a fully dedicated cabinet minister, and these are spread across different models: Finland (Model 2), Germany and Sweden (both Model 3), and the UK (Model 4).
- Three countries have dedicated junior ministers: Poland (Model 1), France and Spain (both Model 3).
- 16 DAC members have shared portfolio cabinet ministers: Denmark and Norway (both Model 1), Australia, Canada, Greece, the Netherlands, New Zealand, the Slovak Republic, Switzerland (all Model

Table 2: Development cooperation: ministerial responsibility

Ministry	DAC countries
Ministry for Foreign Affairs	Denmark, Norway, Poland, Slovenia (Model 1) Finland, Greece, Slovak Republic, Switzerland (Model 2) Austria, Czech Republic, Iceland, Japan, Luxembourg, Portugal, Sweden and United States (Model 3)
Ministry for Foreign Affairs and Development Cooperation	France, Italy and Spain (Model 3)
Ministry for Foreign Affairs, Trade and Development	Canada (Model 2) Belgium (Model 3)
Ministry for Foreign Affairs and Trade	Australia, Ireland and New Zealand (Model 2)
Ministry for Trade and Development	Netherlands (Model 2)
Ministry for Development Cooperation	Germany (Model 3) United Kingdom (Model 4)
Intergovernmental	South Korea (Model 3)

2), and Austria, Belgium, the Czech Republic, Iceland, Japan, Luxembourg and the United States (all Model 3).

- Four countries have shared portfolio junior ministers: Slovenia (Model 1), Ireland and Portugal (both Model 2), and Italy (Model 3).
- Once again, South Korea is the exception, as the CIDC makes policy decisions regarding development cooperation rather than any single minster. The CIDC is composed of 25 members, including the Prime Minister, ministers of related ministries, heads of development implementing agencies, and civilian experts.

In sum, over half of all DAC members – 16 countries – have cabinet ministers with shared portfolios; only four DAC members have a dedicated cabinet minister working exclusively on development.

It is significant to note that even within each of the four institutional models, political structures are organised in very different ways across donors.

3. Is there a correlation between institutional and political model and aid quantity and quality?

This section analyses the performance of DAC countries – based on aid quantity and aid quality indicators – to identify trends across the four institutional models. It also tests for any difference between DAC members whose minister for development cooperation has cabinet-rank ('senior' minister). The sample size is quite small – and Model 4 is represented by only one DAC country – which motivates a more simple comparison across distributions rather than a multivariate model.⁴

Performance is assessed on progress towards ODA/ GNI targets, trends in ODA volumes and three 'aid quality' indices: the Aid Quality Index (Knack et al., 2011), the Quality of Official Development Assistance assessment (QuODA) (Birdsall et al., 2014), and the Commitment to Development Index (CDI) (CGD, 2011).⁵ The analysis does not assess causality links but rather associations – the appointment of a cabinet-rank minister for development cooperation (or with the development cooperation portfolio) denotes relevance attributed to this agenda.

3.1 Aid quantity

3.1.1 ODA/GNI targets

In this section we examine whether there is a relationship between progress towards meeting ODA/GNI targets, vis-à-vis the four institutional models illustrated in Section 2.1, and the presence of a cabinet-rank minister for development cooperation (see Table 3).

Figure 2 depicts the distribution of average ODA/ GNI ratios (the 2011-2013 average) across institutional models. Annex 2 explains how to interpret the 'box-plot' or 'box-and-whiskers' graph used throughout this section in more detail. The upper and lower 'whiskers' usually correspond to the lowest and the highest values of the ODA/GNI ratio within each group.6 The lower and upper part of each box indicates the 25th and 75th percentile of the distribution respectively. This means that the narrower the box, the more similar the performance within the group, and the bigger the box, the more diverse the performance of donors within the group. The horizontal line reflects the median of the distribution. The higher the horizontal line, the higher the median value for that group. Given that the UK is the only country in Model 4 (having a separate ministry in charge of both development policy and its implementation), the chart shows a single horizontal line. In the following section, we will also compare group average data, which is not shown in this figure.

According to Figure 2, *DAC donors following either Institutional Model 1 or Model 4*, (i.e. models with an integrated approach to development cooperation where a single ministry is responsible for both policy and implementation) *are closer to meeting the 0.7% ODA/ GNI target than those following the other two institutional models*. The median value of the ODA/GNI ratio is far higher for Models 1 and 4 than Models 2 and 3. On average, DAC donors within Model 1 (0.54%) and Model 4 (0.72%) recorded higher ODA/GNI ratios than the average for Model 2 (0.35%) and Model 3 (0.37%), the latter with Luxembourg (LU) and Sweden (SE) as outliers, as illustrated in Figure 2. However, it is worth noting the diverse range of performance of ODA/GNI ratios of donors following Model 1.

6 Exceptions are dots, which indicate outliers.

⁴ Furthermore the analysis in this paper does not consider changes in the institutional and political models over time.

⁵ The discussion on the composition of the indices, their interpretation, and how donors and agencies are ranked goes beyond the scope of this note. Also, see Easterly and Pfutze (2008) on measurement of aid quality on the basis of transparency, fragmentation, selectivity, ineffective channels and overhead costs.

Figure 2: ODA/GNI Ratio (%) by institutional model type (2011-2013 average for all DAC countries)



Figure 3: ODA/GNI ratio (%) by cabinet-rank minister (2011-2013 average for all DAC countries)



Source: OECD (2014b).

Source: OECD (2014b).

On the one hand, Denmark and Norway outperform the average for DAC donors, while Poland and Slovenia – relatively new DAC members – record relatively low ODA/GNI ratios.

On the other hand, *DAC donors with cabinet-level* representation for development cooperation recorded a far higher ODA/GNI ratio, on average, than countries without a senior minister (again, based on an average between 2011 and 2013). Figure 3 shows that the ODA/GNI ratio is approximately 50% higher in the former group (0.45% on average compared to 0.23% in countries with a junior minister). However, it also illustrates that there are much higher levels of variation in ODA/GNI ratios within the group of countries with cabinet-level ministers (as demonstrated by the size of the box and the length of the 'whiskers').⁷

3.1.2 Official development assistance (ODA) annual growth rate

In this section, we investigate whether trends in ODA flows since 2004, as measured by their annual growth rate, display any significant patterns across institutional models or political structures (see Figures 4 and 5). In other words, we aim to show whether any institutional model or political structure has outperformed any other in terms of the expansion of ODA volumes over time, especially during the period of fiscal retrenchment following the 2008-2009 financial and economic crisis.

Figure 4 demonstrates that *the four institutional models* show very similar patterns of growth in ODA volumes over *the last decade.*⁸ Model 1 displays the highest average annual

growth rate over the period, though much of this is accounted for by high levels of growth in 2004 (see Table A10).

Two main patterns emerge when comparing performance between DAC countries with and without a cabinet-rank minister for development cooperation (Figure 5). Annual growth of ODA flows has been higher in countries that have cabinet-level representation for development cooperation. Yet, while ODA flows declined since the 2008-2009 financing and economic crisis for both groups (again, on average), the decline in the group of countries without a cabinet-rank minister has been far more pronounced, often scoring negative rates. These trends would suggest that, on average, a senior minister for development cooperation helped protect ODA budgets at times of economic downturn and fiscal retrenchment often, if not always, associated with budget cuts.

3.2 Aid quality

This section examines the relationship between the quality of aid and the type of institutional model, as well as the cabinet-level representation for development cooperation. We measure quality of aid using the following indices: the Aid Quality Index (Knack et al., 2011), the Quality of Official Development Assistance assessment (QuODA) (Birdsall et al., 2014), and the Commitment to Development Index (CDI) (CGDev, 2014). The objective of the analysis is to determine whether there are systematic differences in the quality of aid related to the institutional model and the level of cabinet representation. However, as

8 Based on net ODA disbursements.

⁷ The standard deviation of the ODA/GNI ratio for the group of countries with a cabinet-rank minister is 0.32 versus 0.14 for the group of countries without a cabinet-rank minister. See table A10, Annex A.

Figure 4: ODA annual growth rate by institutional model type



Due to the high levels of variation, the graph size is restricted to values between +/-100%, omitting 4 data points - Portugal and Poland (2004) with growth rates of 186% and 289% respectively, and Italy and Austria (2005) with growth rates of 103% and 128% respectively.

Source: OECD (2014b) and authors' elaboration.

in previous sections, we caution that correlation does not necessarily imply causation.

3.2.1 Aid Quality Index

Below, Figure 6 analyses the relationship between aid quality and institutional model type, as measured by the Aid Quality Index (Knack et al, 2011). There are four sub-indices:

- Selectivity: preference for countries with a large number of poor people and good policies, as measured by the Country Policy and Institutional Assessment (CPIA);
- Alignment: the extent to which donors' aid is aligned with country policies and systems⁹;

- Harmonisation: the implementation of common arrangements and simplified procedures with the goal of reducing transaction costs imposed on recipient governments¹⁰; and
- Specialisation: the extent to which donors' concentration at both geographic and sectoral levels.

The overall index and these sub-indices largely rely on the indicators assessing donors' performance in the implementation of the Paris Declaration principles. The analysis is based on data and information from the Monitoring Surveys of the Paris Declaration. The higher the score, the better the performance. In the main text, we analyse the overall score; Annex 3 includes data for the four sub-indices.

⁹ This is measured by the combination of the indicators related to the use of country public financial management systems, the use of country procurement systems, avoiding parallel project implementation units (PIUs), aid predictability, untying aid, and coordinating technical assistance with national development strategies.

¹⁰ This includes three indicators of harmonisation of donor activities around country-led programmes: the share of aid delivered through programme-based approaches (PBAs), the share of missions, and country analytic studies that are coordinated with other donors.





Source: OECD (2014b) and authors' elaboration

Donors classified under both Model 1 and Model 4 (policy and implementation the responsibility of the same institution, either a Ministry for Foreign Affairs or a separate Ministry for International Development) recorded higher overall scores than Models 2 and 3. The median is far higher for DAC donors under Models 1 and 4. On average, Model 2 performs better than Model 3. This hierarchy is relatively consistent across the sub-indices with the exception of selectivity (where Model 4 performs relatively poorly) and specialisation (where Model 3 outperforms Model 2).¹¹

Countries with cabinet-level representation for development cooperation perform better on the overall Aid Quality Index.¹³ Having a cabinet-level minister for development cooperation is associated with better performance in the selectivity and alignment sub-indices in particular.¹⁴

3.2.2 Quality of Official Development Assistance (QuODA)

Birdsall et al. (2014) identify four main dimensions of 'good aid', and all four dimensions reflect one of the Paris Declaration principles: (i) 'maximising efficiency' (*results*),¹⁵ (ii) 'fostering institutions' (*ownership*),¹⁶ (iii) 'reducing the burden on recipients' (*alignment*),¹⁷ and (iv) 'transparency and learning' (*mutual accountability*).¹⁸ QuODA has been updated by the Centre for Global Development using 2009 and 2012 data. A higher score represents a better performance.

- 11 See Figure A.1 for sub-indices for selectivity, alignment, harmonisation and specialisation. See Table 8 for summary statistics for the Knack Index.
- 12 However, differences in scores across models were generally not found to be statistically significant. The one exception was that the mean difference in scores of 0.915 between Model 1 and Model 3 was found to be statistically significant at the 95% confidence level.
- 13 With a mean score of -0.07, compared to -0.33 for countries without cabinet-level representation for development cooperation.
- 14 However, using two sample t-tests to test for robustness, we do not find that the differences in means between the two groups are statistically significant at the 5% level.
- 15 The score for 'maximising efficiency' increases the higher the share of aid channelled to poor, well-governed countries in order to support to global public goods, and to untied aid as well as to areas of comparative advantage with lower administrative costs.
- 16 The objective 'fostering institutions' records a higher score when the donor helps to build the recipient government's capacity by channelling funds through recipient budgets and national and local institutions; the score is lower when the donor does not align aid with recipients' priorities.





Figure 7: Aid Quality Index – overall score by cabinet-rank minister



Source: Knack et al. (2007)

Looking at QuODA scores by institutional model, Model 4 (the UK only) scores higher than the average of any other model over the sample period, except in 'fostering institutions' where it has the second highest score¹⁹ (see Figure 8). Nevertheless, Figure 8 also shows that the UK's score in all the dimensions, except for 'fostering institutions', has recorded setbacks between 2009 and 2012.

Model 1 has the highest score for 'fostering institutions' over the sample period and the second highest score for 'transparency and learning'.

Two main trends emerge with regard to the presence of a cabinet-rank minister for development cooperation (see Figure 9). Firstly, the presence of a cabinet minister for development cooperation is associated with a higher median level of performance in 2008 and 2009 across all four measures. Secondly, on average, both groups have improved their scores over time, and the group of countries without a cabinet minister for development cooperation has narrowed the discrepancy.

3.3.4 Commitment to Development Index (CDI)

The CDI examines donors' performance across seven sub-indices – aid, trade, finance, migration, environment, security and technology – over a significantly longer period of time (since 2004) when compared to the indices used thus far, allowing for longitudinal analysis (CGDev, 2014). The average value for each component corresponds to Source: Knack, et al. (2007).

5, and scores for each country and each component are scaled against this value. A higher score represents a better performance.²⁰ While the focus of this paper is on aid quantity and quality indices, we have repeatedly emphasised that the different models may perform differently when it comes to policy coherence for development. The following trends emerged from our initial reflections:

- DAC donors following Model 1 show the highest overall score (although with increasing variation in performance in recent periods), driven in particular by high scores across the aid, finance, and technology sub-indices.
- Model 4 (the UK) is the second-best performer on the overall CDI, and its performance has been trending upwards over time.
- With some more recent exceptions, Model 2 outperforms Model 3 over the sample period. The group of countries following Model 3 includes a number of outliers at both ends of the scale – notably Sweden's high performance and Japan and Korea's low performance, which comes as a result of the trade sub-index.
- The decline in average CDI for countries within Model 2 appears to be driven by the declining performance of the Netherlands.

The overall CDI score over the sample period for countries with cabinet representation for development

¹⁷ The score for 'reducing the burden on recipients' increases when the donor country reduces administrative costs on recipients and when the number of small projects decreases.

¹⁸ The score for 'transparency and learning' rises when the donor promptly reports commitments and disbursement in a standard format; it lowers when a donor withholds information, delays release, or when data is not readily comparable with other donors.

¹⁹ For summary statistics, see Table A11 in Annex A.

²⁰ See Annex 3 for a detailed analysis of each component.

Figure 8: QuODA index by institutional model



Source: Birdsall et al. (2014)

cooperation is consistently higher than that of those without cabinet-level representation.

However, there is much more variation in the group of countries with cabinet-level representation, with Japan and Korea being outliers as a result of their low scores on the trade sub-index, and also on the security sub-index in the case of Korea. This pattern is relatively similar across the sub-indices, with the exception of the finance index and, to a lesser extent, the environment index.²¹

In sum, DAC donors adopting either Model 1 or Model 4 (both integrated models), as well as having a politically accountable representative for development cooperation at cabinet-level, are strongly associated with better performance in aid effectiveness indicators across a broad range of aid quality indices.





21 The difference in means between the two groups is found to be statistically significant at the 99% confidence level for the aid, finance and technology indices scores, but not for the overall index.

Figure 9: QuoDA index by cabinet-level



Source: Birdsall et al. (2014).



Figure 10: Commitment to Development Index - overall score by institutional model (2004-2013)



Figure 11: Commitment to Development Index – overall score by presence of cabinet-rank minister (2004-2013)

Source: CGDev (2014)

Source: CGDev (2014)

4. Conclusions

The literature review on the relationship between institutional and political models for development cooperation, and the quantitative analysis of aid quantity and quality indicators, revealed the following:

- The literature does not provide evidence to suggest that one specific institutional model trumps any other in the delivery of more effective development assistance. The choice of institutional model is often primarily driven by political motivations. However, we found that DAC countries with an integrated model for development cooperation – whose policy and implementation are either the responsibility of the Ministry of Foreign Affairs or a separate agency within a single institution – perform better in terms of ODA/GNI targets and across a spectrum of aid quality indicators than the other institutional models. These results are driven by the cases of Denmark, Norway and the UK.
- The majority of DAC donors have either an aid agency or development department embedded within the Ministry of Foreign Affairs, or a separate agency responsible for implementation, with the Ministry of Foreign Affairs responsible for policy. Exceptions are Denmark, Norway, Poland, Slovenia (policy and implementation within the Ministry of Foreign Affairs) and the UK (policy and implementation within a separate ministry). Each model has its own strengths and weaknesses. No organisational model trumps another. However, the following observations can be made:
 - (i) Leadership of the Ministry of Foreign Affairs (and/or Trade) can strengthen policy coherence for development, but there is a risk that development cooperation might not be prioritised in the ministerial agenda (the foreign and commercial agenda may take precedence), and that staff with generalist knowledge may lack expertise on development issues. This risk can be mitigated by a dedicated agency/department within the Ministry of Foreign Affairs with specialist knowledge (Model 3). However, this structure will not necessarily ensure development cooperation is prioritised within the portfolio of the Ministry. (ii) A separate executing agency can help retain and develop technical expertise, but stronger coordination is required between policy-makers and implementers to ensure effective management and delivery of development cooperation.

(iii) A ministry or an agency other than the Ministry of Foreign Affairs, responsible for both policy and implementation, comprises most of the strengths of the other institutional models. However, once again, strong coordination within the government is required to ensure coherence of development policy.

• Leadership matters for the delivery of development cooperation. Donors with a cabinet-rank minister for development cooperation achieved, or were close to achieving, their ODA/GNI targets; expanded ODA volumes at a faster rate (and ring-fenced aid budgets at times of fiscal retrenchment following the 2008-2009 financial and economic crisis); and systematically scored higher on aid quality indicators than donors whose portfolio for development cooperation was managed by a junior minister.

Decisions on the institutional setting (and restructuring) of aid policy and delivery are primarily political, but the opportunities and the risks of each model need to be taken into account and balanced against policy objectives.

The quantitative analysis suggests that *an integrated model for policy and implementation* (where both are the responsibility of either the Ministry of Foreign Affairs or a dedicated Ministry) *and a sufficiently senior and publicly accountable figure* matters for the effectiveness of development cooperation. Leadership by the Ministry of Foreign Affairs (and/or Trade) can strengthen the coherence between policy decisions and implementation.

Furthermore, these preliminary quantitative findings confirm the OECD's qualitative analysis (2009) that leadership, in the form of 'a sufficiently senior and publicly accountable figure with clear responsibility at the political level', is highly relevant for development cooperation policy and its effectiveness.

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Annex

Annex 1: Organisational structure and the presence of a cabinet-level minister for development cooperation in DAC countries

Table A1: Model 1: The Ministry of Foreign Affairs is responsible for policy and implementation

Country	Highest level representation in government	Organisation	Budget
Norway	Shared cabinet minister - Minister of Foreign affairs	The Ministry of Foreign Affairs (MFA) is responsible for decisions on policy, for setting the strategic direction of Norway's development cooperation, and for overseeing its management and implementation. Norway's foreign policy and development policy are closely intertwined, and considered a joint policy area. The Ministry oversees three agencies that also administer Norwegian development assistance: NORAD, Norfund and Fredskorpset. In terms of multilateral ODA, both policy and implementation are handled largely within the Ministry by the Department for UN, Peace and Humanitarian Affairs.	The MFA is responsible for the overall policy and budget allocation to partner countries.
Denmark	Shared cabinet minister - Minister for Trade and Development Cooperation, Ministry of Foreign Affairs	Denmarks' development cooperation is handled within the Ministry of Foreign Affairs through Danida which has responsibility for the planning, implementation and quality assurance.	Funds managed by Danida.
Poland	Dedicated junior minister - Undersecretary of State/ Minister for International Development, Ministry of Foreign affairs	The delivery of Polish aid is very much a team effort involving other departments of Ministry of Foreign Affairs, the Ministry of Finance (EU and multilateral channels), the Ministry of Science and Higher Education scholarships), the Ministry of Defence (Afghanistan), Ministry of the Interior and Administration (aid to refugees) and a range of other ministries, government agencies and NGOs.	The Minister for International Development prepares an annual development cooperation plan that covers the modalities and the funds available for a given year.
Slovenia	Shared junior minister - State Secretary, Ministry of Foreign Affairs	The Ministry of Foreign Affairs is the national coordinator for international development cooperation. Within the Ministry the responsibility for the international development cooperation and humanitarian aid has been entrusted to the State Secretary acting as Minister for Development Cooperation. Projects and programmes for bilateral development cooperation are implemented by several ministries and other institutions established or co-established by the Government.	The MFA's Directorate for International Development Cooperation and Humanitarian Assistance manages a consolidated budget for ODA that is implemented through a Government Action Plan, which is negotiated with other ministries. The MFA's budget for ODA results from negotiations among three ministries (Foreign Affairs, Defence and Internal Security) that share one of the16 main items in the national budget.
			The Government of Slovenia now has a multi-annual programme budget: a two-year rolling budget with forecasts for two further years.

Table A2: Model 2: A development cooperation directorate or agency within the Ministry of Foreign Affairs leads and is responsible for both policy and implementation

Country	Highest level representation in government	Organisation	Budget
Australia	Shared cabinet minister - Minister for Foreign Affairs, Department of Foreign Affairs and Trade	In 2013, AusAlD was integrated into the Department of Foreign Affairs and Trade (DFAT), 'enabling the aid and diplomatic arms of Australia's international policy agenda to be more closely aligned'. DFAT is only one of the many Australian Government departments and agencies involved in delivering ODA. Just over 10% of the aid program is delivered by federal government agencies other than DFAT. A further 4% is delivered through joint partnerships.	The budget proposal is included in the Foreign Affairs and Trade Portfolio Budget Statement, which is approved by Parliament.
Canada	Shared cabinet minister - Minister of International Development and La Francophonie, Foreign Affairs, Trade and Development Ministry	The Canadian International Development Agency (CIDA) was amalgamated into the Foreign Affairs, Trade and Development Ministry in 2013. The minister with responsibility for international development derives his powers from the Minister of Foreign Affairs.	The development budget is included in the Foreign Affairs, Trade and Development Ministry budget.
Finland	Dedicated cabinet minister - Minister for International Development, Ministry of Foreign Affairs	The MFA manages and coordinates the majority of Finland's development cooperation budget. Development is one of the MFA's three integrated policy pillars, along with foreign policy and trade. The Department for Development Policy provides both overall guidance on the implementation, planning and monitoring of Finland's development cooperation policy and holds direct responsibility for the operational activities for development cooperation. Regional departments are responsible for bilateral and regional development cooperation, including implementing the policy in development cooperation guidance on the structures through country plans and annual budget frameworks and for managing programming cycles.	The budget proposal is prepared by the MFA and presented to Ministry of Finance. There are funds reserved for development cooperation in the appropriations administered by the MFA.
Greece	Shared cabinet minister - Foreign Minister, Ministry of Foreign Affairs	The MFA, through DG Hellenic Aid, has the legal mandate for development cooperation policy-making, strategy, planning, implementation, monitoring and evaluation. However, it does not have authority or influence over other activities financed by approximately14 Greek ministries through their own budget lines. Although a draft law aims to strengthen DG Hellenic Aid's role in all aspects of Greek development cooperation, it does not give it the authority to ensure that other line ministries pursue the same policies and objectives.	The Directorate-General of International Development Cooperation-Hellenic Aid coordinates relevant allocations out of the development budget. It is in charge of the ODA budget falling under the MFA, but not for the whole government.
Ireland	Shared junior minister - Minister of State for Development, Trade Promotion and North-South Cooperation	The Development Cooperation Division is a division of the Department of Foreign Affairs and Trade. It has responsibility for development, trade promotion, and foreign policy in Africa. It also manages Irish Aid, the Irish Government's programme that provides assistance to developing countries.	Most of the development funding is managed by the Department of Foreign Affairs and Trade (78% in 2013).

Table A2: Model 2: A development cooperation directorate or agency within the Ministry of Foreign Affairs leads and is responsible for both policy and implementation (continued)

Country	Highest level representation in government	Organisation	Budget
Netherlands	Shared cabinet minister - Minister for Foreign Trade and Development cooperation, Ministry of Foreign Affairs	The Directorate-General for International Cooperation (DGIS), at the MFA is responsible for development cooperation policy and for its coordination, implementation and funding. An important DGIS focus is coherence between Dutch and EU policy on developing countries.	The Homogeneous Budget for International Cooperation (HGIS) is a separate budgetary construction in the central government budget that combines the international cooperation budgets of individual ministries and makes it possible to see, at a glance, the most important areas of Dutch expenditure on international cooperation each year.
New Zealand	Shared cabinet minister - Minister of Foreign Affairs, Ministry of Foreign Affairs and Trade	Established in 2002, the former New Zealand Agency for International Development (NZAID) lost its semi-autonomous status when the aid programme was integrated into the Ministry of Foreign Affairs and Trade (MFAT) in April 2009. The International Development Group (IDG) is now one of MFAT's	The aid budget falls under the MFAT and is subject to a separate appropriation ('vote') with regard to the rest of the MFAT budget.
		seven groups with responsibility over the New Zealand Aid Programme. It is headed by a deputy secretary who reports to the Secretary of Foreign Affairs and Trade and sits on MFAT's senior leadership team. The IDG Deputy Secretary has retained some authority over specific development recruitment and accountability, and separate votes for ODA and Foreign Affairs and Trade have been maintained.	
Portugal	Shared junior minister - Secretary of State of Foreign Affairs And Cooperation, Ministry of Foreign Affairs	The Cooperation and Language Institute (CICL) was created in 2012 as a result of the merger of the former Portuguese Institute for Development Assistance (IPAD) and Camoes Institute (ICA) for Language and Culture. CICL is part of the Foreign Ministry and is responsible for the supervision, direction and coordination of development cooperation policy and activities. It is also responsible for implementing the development cooperation policy and promoting the Portuguese language and culture abroad. The Portuguese Cooperation System involves multiple actors, including line ministries, municipal authorities, universities and other public institutions.	The Ministry of Finance managed approximately half the budget and was responsible for loans and for contributions to international financial institutions.
Slovak Republic	Shared cabinet minister - Minister of Foreign and European Affairs	The Ministry of Foreign and European Affairs (MFEA) is the national coordinator for providing Slovak development assistance through the Department of Development Assistance and Humanitarian Aid of the Division for International Organisations, Development Assistance and Humanitarian Aid. The implementation organisation for the largest portion of bilateral Slovak development assistance is the Slovak Agency for International Development Cooperation (SAIDC). SAIDC offers national entities the opportunity to implement projects in target countries through specialised programmes or call for proposals.	MFEA is not engaged in the budget development process of other ministries, and there is no overarching framework guiding ODA allocations across the government. The Ministry of Finance plays a key role in the formulation of all the ministries' budgets, but it does not get involved in the detail of these and thus doesn't look specifically at the ODA components of allocations.

Table A2: Model 2: A development cooperation directorate or agency within the Ministry of Foreign Affairs leads and is responsible for both policy and implementation (continued)

Country	Highest level representation in government	Organisation	Budget
Switzerland	Shared cabinet minister - Federal Councillor of the Federal Department of Foreign Affairs (also President of the Swiss Confederation)	Swiss development cooperation is implemented by two bodies: The Swiss Agency for Development and Cooperation (SDC) is Switzerland's international cooperation agency within the Federal Department of Foreign Affairs (FDFA). In operating with other federal offices concerned, SDC is responsible for the overall coordination of development activities and cooperation with Eastern Europe, as well as for the humanitarian aid delivered by the Swiss Confederation. The Economic Cooperation and Development Division in the State Secretariat for Economic Affairs (SECO) is responsible for the planning and implementation of economic cooperation and development activities with middle-income developing countries, with countries of Eastern Europe and the Commonwealth of Independent States (transition countries), and new Member States of the European Union. It coordinates Switzerland's relations with the World Bank Group, the regional development banks, and the economic organisations of the United Nations.	The Federal Council proposes framework credits to Parliament for the commitments of the SDC and SECO in 'dispatches'. In 2012, for the first time, a single dispatch integrating all framework credits relating to Switzerland's international cooperation from 2013 to 2016 was approved by the Swiss Parliament.

Country	Highest level representation in government	Organisation	Budget
Austria	Shared cabinet minister – Federal Minister for Europe, Integration and Foreign Affairs	The MFA has overall responsibility for Austria's development cooperation (nine government institutions are involved in Austrian aid), including coordinating and formulating policy, overseeing the Austrian Development Agency's (ADA) operational and administrative budget, and representing Austria in relevant EU committees. ADA implements development programmes together with other public institutions, NGOs and private enterprises.	ADA's budget constitutes a small part of total ODA flows and is used to finance bilateral programmes and projects.
Belgium	Shared cabinet minister – Deputy Prime Minister and Minister of Development Cooperation, Digital Agenda, Telecom and Postal Services; Ministry of Foreign Affairs, Foreign Trade and Development Cooperation	The Ministry of Foreign Affairs, Foreign trade and Development cooperation (MFATD) is the policy lead and coordinating ministry for Belgian development cooperation. There are two implementing agencies: Coopération technique belge (CTB) and Société belge d'Investissement pour les Pays en Développement (BIO). CTB implements Belgium's direct bilateral cooperation for the MFATD. BIO is the Belgian Investment Company for Developing Countries investing in micro, small and medium enterprises in developing countries.	The development budget is agreed at the level of the Directorate General for Development cooperation at the MFATD.
Czech Republic	Shared cabinet minister – Minister of Foreign Affairs	The MFA has political, strategic and programming responsibilities. In particular, it prepares strategic documents, annual plans of bilateral development cooperation and medium-term outlooks, commissions evaluations of development interventions and manages the Czech Development Agency (CzDA). The CzDA is the implementing body of the Czech Development Cooperation primarily focused on design and execution of bilateral development projects.	The development cooperation budget is the responsibility of the MFA. CzDA's activities are funded through the MFA's budget.

Country	Highest level representation in government	Organisation	Budget
France	Dedicated junior minister – Minister of State for Development and Francophonie, Ministry of Foreign Affairs and International Development	The Ministry of Foreign Affairs and International Development (MFAID) is responsible for France's diplomatic and development initiatives, and for developing sectoral strategies. A Minister Delegate for Development is in place to assist the Minister for Foreign Affairs and International Development in development- related issues. The Ministry of the Economy, Finance and Industry (MINEFI) is responsible for French contributions to international finance institutions, trade policies and debt management. It also manages relations with development banks and international financing institutions, as well as French funds for International Finance Facility for Immunisation (IFFIm). It represents France in board meetings and disburses financial contributions. The AFD (French Development Agency) has the dual status of a public agency and a development bank. It is wholly owned by the French government, and overseen by a ministerial board headed by the Prime Minister, with representatives from the MFAID, MINEFI, and the Ministry of Overseas Territories, among others.	The development of the national budget follows an annual cycle and its preparation is overseen by the Budget Minister with the assistance of the Finance Minister. The budget is organised by major public policy areas called "missions". The bulk of French assistance falls under a single inter-ministerial mission for "official development assistance".
Germany	Dedicated cabinet minister – Federal Minister for Economic Cooperation and Development	Under the overall policy and decision-making authority of the Federal Chancellor, the Federal Ministry for Economic Cooperation and Development (BMZ) drives and oversees German development policy and financing. German development cooperation is implemented by two major state-owned agencies: Deutsche Gesellschaft für Internationale Zusammenarbeit (German Agency for International Cooperation, GIZ) and the development bank KfW Entwicklungsbank. The GIZ acts as a technical and strategic advisor to BMZ and its partner countries and implements development programs, with a focus on capacity building. Financial cooperation is implemented by the KfW Entwicklungsbank, a development bank that is a member of the KfW banking group.	The BMZ has its own budget envelope, which forms part of the federal budget and denotes expenditure items for the running year. Most of GIZ's work is commissioned by BMZ. GIZ also operates on behalf of other German ministries and public institutions (German states and municipalities), as well as public and private sector clients in Germany and abroad. It also carries out work for governments of other countries, EU Institutions, the UN and the World Bank. A portion of KfW's funds stems from the Federal Government's budget. KfW also employs to a great extent own funds it has raised on the capital market.
Iceland	Shared cabinet minister – Foreign Affairs Minister	The Icelandic International Development Agency (ICEIDA) is an autonomous agency under the Icelandic Ministry for Foreign Affairs. ICEIDA's role, set by law, is to execute and administer bilateral development assistance provided by the Government of Iceland. The Ministry of Foreign Affairs (directorate for International Development Cooperation) supports international organisations.	International development cooperation is funded by the State Treasury through Parliament's annual budget appropriations.

Country	Highest level representation in government	Organisation	Budget
Italy	Shared junior minister - Vice Minister of Foreign Affairs and International Cooperation	The finance ministry has control over the aid budget while the MFA leads on development policies. An aid agency is currently being created to implement aid.	The MFA is responsible for the development budget. The MFA's Directorate General for Development Cooperation has a steering committee in which all MFA's departments, the Ministry of Finance, and the Ministry of Economic Development are permanent representatives.
Japan	Shared cabinet minister – Minister of Foreign Affairs	The MFA has a policy-making role in development cooperation. The Japan International Cooperation Agency (JICA) is responsible for implementing more than 60% of total bilateral ODA, using a country-based approach in which grants, loans and technical cooperation are brought together into a single country envelope.	The MFA was in charge of 74% of Japan's ODA budget in 2013, this includes JICA's budget as well as grants disbursed by the Ministry directly.
Luxembourg	Shared cabinet minister – Minister for Cooperation and Humanitarian Action, Ministry of Foreign Affairs (with other portfolios in different ministries)	The Development Cooperation Directorate in the MFA is responsible for designing and implementing the policy for development cooperation and humanitarian action, while LuxDev, the government's development agency, implements two-thirds of the bilateral aid budget. LuxDev receives its mandate from the Directorate for Development Cooperation of the Luxembourg Ministry of European and Foreign Affairs.	In 2013, the Foreign Ministry managed and implemented together with LuxDev 85% of Luxembourg's ODA. The remaining 15% are the result of contributions made by the Ministry of Finance, several other ministries, and from the Luxembourg contribution to the EU general budget.

Country	Highest level representation in government	Organisation	Budget
South Korea	Committee for International Development Cooperation, chaired by the Prime Minister	Korea's major ODA policies are decided at the Committee for International Development Cooperation (CIDC), which is chaired by the Prime Minister and composed of 25 members including ministers, heads of ODA implementing agencies, and civilian experts. The CIDC holds meetings approximately three times a year. It deliberates and decides on the framework plans and annual comprehensive implementation plans, and evaluates the ODA policies and the progress of ODA projects. The Ministry of Strategy and Finance (MOSF) supervises concessional loans in bilateral aid and cooperation with Multilateral Development Banks (MDBs) in multilateral aid. For concessional loans, MOSF establishes and reviews overall policy direction and annual planning. As the main agency for operating the Economic Development Cooperation Fund, it runs a Fund Management Council (chaired by the Minister of MOSF) and entrusts Korea Eximbank with the fund execution, including the identification, implementation and evaluation of concessional loans. The Ministry of Foreign Affairs (MFA) supervises bilateral grant aid and multilateral aid to the UN and other multilateral organizations. It oversees and coordinates grant aid by formulating overall grant aid policy direction, annual strategies, and regional and country- specific programmes while supervising the Korea International Cooperation Agency (KOICA) to execute grant aid programs. The MFA also acts as an executive secretary to the Inter-Agency Grants Committee (chaired by the Vice Minister of the MFA). Executing agencies KOICA is the governmental agency responsible for grant aid and technical cooperation for developing countries. Korea Eximbank is entrusted with the operation and administration of the EDCF, founded as a special fund for concessional loans to developing countries.	The CIDC is the main decision maker about Korea's aid budget; however, its mandate is constrained by MOSF's Budget Office having a separate veto on grants and loans that it considers do not meet its own project approval criteria – this has resulted in several projects and programmes being rejected after they have been approved by the respective InterAgency Committees for grants and loans and endorsed by the CIDC through Korea's annual ODA plan.
Spain	Dedicated junior minister – Secretary of State for International Cooperation and for Ibero-America. Ministry of Foreign Affairs and Cooperation	Overall development policy is directed by the Ministry of Foreign Affairs and Cooperation (MAEC). It is responsible for bilateral cooperation and multilateral contributions, except to international financial institutions and the EU, which are led by the Ministry of Finance and Public Administrations. The Spanish Agency for International Development Cooperation (AECID) is the main management body for Spanish cooperation, which combats poverty and works for sustainable human development. AECID reports to MAEC.	The central budget is divided into ministerial sections and the second largest share of Spain's ODA is allotted to MAEC's budget, the largest share going to the Ministry of the Finance and Public Administration in 2014.

Country	Highest level representation in government	Organisation	Budget
Sweden	Dedicated cabinet minister – Minister for International Development Cooperation, Ministry for Foreign Affairs	The MFA is responsible for Sweden's development policies and management, and the Swedish International Development Cooperation Agency (Sida) is the main agency responsible for implementing those policies and strategies.	The governmental development budget draft is jointly developed by the MFA and Sida.
United States	Shared cabinet minister - Secretary of State	USAID and the State Department are the two key drivers of the aid system, out of the 27 entities involved in US development cooperation. USAID, the primary US development agency, provides technical assistance, research, policy advice and infrastructure assistance in both development and humanitarian areas. The Secretary of State is the President's principal foreign policy advisor and the State Department is the lead representative of the US government overseas. USAID's Administrator reports directly to the Secretary of State. The State Department also manages several large programmes.	Currently, different allocation models interact, based on previous funding requests, Presidential initiatives, congressional earmarks, country- specific budgeting and supplementary appropriations. The result is a highly fragmented budget that translates into a complex array of instruments and reporting requirements for field offices, leaving them very little discretion.

Table A4: Model 4: A ministry or agency other than the ministry of foreign affairs is responsible for both policy and implementation

Country	Highest level representation in government	Organisation	Budget
United Kingdom	Dedicated cabinet minister – Secretary of State for International Development	The Department for International Development (DFID) is both the policy- making and implementing body. It has more than half of its staff working in field offices.	DFID has its own budget separate from the Foreign Commonwealth Office (FCO) that covers nearly 90% of the UK's ODA. For other ministries who disburse ODA, it is taken out of their departmental budget.

Sources: This table summarises information available on official government websites, DAC peer reviews, the Donor Tracker website (http:// donortracker.org/) and the Trade Capacity Building Resource Guide (http://www.tcbresourceguide.org/bilateral_profiles/index.html). Note: Cabinet minister sits on cabinet meetings and is a 'senior minister'; junior minister does not usually sit on cabinet meetings and is sometimes referred to as Secretary of State; shared minister means that development cooperation is not the only policy for which they are responsible; dedicated minister means that development cooperation is the only policy for which they are responsible.

Annex 2: Box Plot or Boxand-Whiskers Graph

The analysis presented from Figure 2 to Figure 11 is based on a box plot graph, also known as a box-and-whisker plot.

This graph shows how actual numerical values of a variable are distributed, ranking them from the lowest to the highest value along the vertical axis, and helps to easily compare distributions between two (or more) different groups or populations.

More specifically, we can read from the bottom to the top of the graph:

- the minimum value of the distribution (i.e. the lowest whisker);
- values between the 25th percentile, or lower quartile, and the median are identified between the bottom side of the blue box and the horizontal straight line in the blue box;
- the straight horizontal line in the blue box corresponds to the median value of the distribution (i.e. the numerical value that separates the lower from the upper half of the population);
- values between the median and the 75th percentile, or upper quartile, can be found between the horizontal straight line in the box and the upper side of the blue box; and
- the maximum value corresponds to the highest whisker.

The size of the box measures the distance between the lower and the upper quartile – the bigger the box the more dispersed values are. In other words, the box identifies the values in the central half of the distribution.

Dots either above the maximum or below the minimum values are considered as outliers of the distribution.

Annex 3: Summary and test statistics

Table A5: Countries by models

Model 1	Model 2	Model 3	Model 4
Denmark	Australia	Austria	United Kingdom
Norway	Canada	Belgium	
Poland	Finland	Czech Republic	
Slovenia	Greece	France	
	Ireland	Germany	
	Netherlands	Iceland	
	New Zealand	Italy	
	Portugal	Japan	
	Slovak Republic	Korea	
	Switzerland	Luxembourg	
		Spain	
		Sweden	
		United States	

Table A6: Countries by cabinet-rank

Cabinet-rank Ministers	Non Cabinet-rank Ministers
Australia	France
Austria	Ireland
Belgium	Italy
Canada	Poland
Czech Republic	Portugal
Denmark	Slovenia
Finland	Spain
Germany	
Greece	
Iceland	
Japan	
Korea	
Luxembourg	
Netherlands	
New Zealand	
Norway	
Slovak Republic	
Sweden	
Switzerland	
United Kingdom	
United States	

Table A7: Summary statistics – ODA/GNI ratios by model (2011-2013)

	Obs.	Mean	Std. Dev.	Min	Max
Model 1	4	0.54	0.50	0.10	1.07
Model 2	10	0.35	0.19	0.09	0.67
Model 3	13	0.37	0.30	0.11	1.02
Model 4	1	0.72	-	-	-

Source: OECD (2014b) and authors' elaboration

Table A8: Mean differences in ODA/GNI ratios across models (2011-2013)

	Model 1	Model 2	Model 3	Model 4
Model 1		0.151	0.143	-0.101
Model 2			-0.009	-0.252
Model 3				-0.243

Source: OECD (2014b) and authors' elaboration

Notes: * *p*<0.05, ** *p*<0.01, *** *p*<0.001; Positive numbers imply the left-hand side has higher mean values. No statistics for Model 4 (only one country included in the group).

Table A9: Summary statistics – ODA/GNI ratios by cabinetrank minister (2011-2013)

	Obs	Mean	Std. Dev.	Min	Max
No Cabinet Minister	7	0.23	0.14	0.10	0.45
Cabinet Minister	21	0.45	0.32	0.09	1.07

Source: OECD (2014b) and authors' elaboration

Table A10: Summary statistics – ODA growth rates by model

Model	Obs.	Mean	Std. Dev.	Min	Max
Model 1	38	13.29	47.66	-12.58	289.44
Model 2	100	5.72	24.86	-64.34	186.30
Model 3	130	5.61	22.70	-47.18	127.56
Model 4	10	10.41	17.93	-28.95	34.73

Source: OECD (2014b) and authors' elaboration

Table A11: Mean differences in ODA/GNI growth rates across models (2004-2013)

Model 1 Model 2 Model 3 Model 4 Indiana Model 1 7.569 7.682 2.883 Indiana Model 2 0.113 -4.686 Indiana Model 3 -4.799 Indiana Indiana

Source: OECD (2014b) and authors' elaboration

Notes: * *p*<0.05, ** *p*<0.01, *** *p*<0.001; Positive numbers imply the left-hand side has higher mean values. No statistics for Model 4 (only one country included in the group).

Table A12: Summary statistics – ODA growth rates by cabinetrank minister (2004-2013)

Level of representation	Obs.	Mean	Std. Dev.	Min	Max
No Cabinet Minister	68	10.50	46.86	-64.34	289.44
Cabinet Minister	210	5.70	18.08	-43.68	127.56
Total Sample	278	6.87	27.97	-64.34	289.44

Source: OECD (2014b) and authors' elaboration





Table A13: Summary statistics – Aid Quality Index by model

Measure	Model	Obs.	Mean	Std. Dev.	Min	Max
Selectivity	1	2	0.77	0.55	0.38	1.16
	2	9	-0.01	0.71	-1.02	1.33
	3	11	-0.26	0.60	-1.13	0.69
	4	1	-0.14		-0.14	-0.14
Alignment	1	2	0.55	0.23	0.39	0.71
	2	9	0.01	0.83	-1.56	1.45
	3	11	-0.09	0.43	-0.73	0.48
	4	1	0.42		0.42	0.42
Harmonisation	1	2	0.65	0.52	0.28	1.02
	2	9	-0.12	1.03	-2.21	1.15
	3	11	-0.27	0.53	-1.41	0.55
	4	1	0.77		0.77	0.77
Specialisation	1	2	-0.12	0.26	-0.30	0.06
	2	9	-0.23	0.27	-0.60	0.25
	3	11	-0.25	0.27	-0.77	0.12
	4	1	0.02	•	0.02	0.02
Overall	1	2	0.62	0.52	0.25	0.99
	2	9	-0.13	0.85	-1.72	0.92
	3	11	-0.30	0.40	-1.11	0.38
	4	1	0.40	•	0.40	0.40

Source: Knack et al. (2010)

Table A14: Mean differences in overall Knack Index scores across models

	Model 1	Model 2	Model 3	Model 4
Model 1		0.747	0.915*	0.220
Model 2			0.167	-0.527
Model 3				-0.695

Source: Knack et al. (2010)

Notes * *p*<0.05, ** *p*<0.01, *** *p*<0.001; Positive numbers imply the left-hand side has higher mean values.

Table A15: Summary statistics – Knack Index by cabinet-rank minister

Measure	Level	Obs.	Mean	Std. Dev.	Min	Мах
Selectivity	No Cabinet Minister	5	-0.45	0.53	-1.02	0.10
	Cabinet Minister	18	0.04	0.67	-1.13	1.33
	Total Sample	23	-0.07	0.66	-1.13	1.33
Alignment	No Cabinet Minister	5	-0.12	1.09	-1.56	1.45
	Cabinet Minister	18	0.07	0.45	-0.73	0.71
	Total Sample	23	0.03	0.62	-1.56	1.45
Harmonisation	No Cabinet Minister	5	-0.30	1.21	-2.21	1.15
	Cabinet Minister	18	-0.03	0.67	-1.41	1.02
	Total Sample	23	-0.08	0.79	-2.21	1.15
Specialisation	No Cabinet Minister	5	-0.12	0.17	-0.31	0.12
	Cabinet Minister	18	-0.25	0.27	-0.77	0.25
	Total Sample	23	-0.22	0.26	-0.77	0.25
Overall	No Cabinet Minister	5	-0.33	0.94	-1.72	0.92
	Cabinet Minister	18	-0.07	0.57	-1.11	0.99
	Total Sample	23	-0.12	0.65	-1.72	0.99

Source: Knack et al. (2010)

Table A16: Summary statistics – QuODA Indices by model

Measure	Model	Obs.	Mean	Std. Dev.	Min	Мах	
ME	1	6	-0.16	0.12	-0.29	-0.01	
	2	27	-0.08	0.32	-0.70	0.46	
	3	30	-0.19	0.28	-0.76	0.40	
	4	3	0.15	0.10	0.05	0.25	
FI	1	6	0.49	0.43	-0.05	0.96	
	2	27	-0.12	0.67	-1.92	1.08	
	3	30	-0.08	0.37	-0.84	0.53	
	4	3	0.34	0.10	0.25	0.44	
RB	1	6	0.02	0.44	-0.51	0.45	
	2	27	0.06	0.46	-0.91	0.77	
	3	30	-0.27	0.31	-0.91	0.24	
	4	3	0.38	0.19	0.26	0.59	
T&L	1	6	0.18	0.20	-0.15	0.45	
	2	27	0.01	0.44	-0.93	0.73	
	3	30	-0.28	0.45	-1.05	0.37	
	4	3	0.30	0.24	0.05	0.51	

Source: Birdsall et al. (2014)

Table A17: Summary statistics – QuODA Indices by cabinet-rank minister

Measure	Level of Representation	Obs.	Mean	Std Dev.	Min	Max	
ME	No Cabinet Minister	15	0.01	0.35	-0.50	0.46	
	Cabinet Minister	51	-0.17	0.26	-0.76	0.40	
FI	No Cabinet Minister	15	0.02	0.56	-1.24	1.08	
	Cabinet Minister	51	-0.04	0.54	-1.92	0.96	
RB	No Cabinet Minister	15	-0.05	0.48	-0.91	0.77	
	Cabinet Minister	51	-0.09	0.41	-0.91	0.65	
T&L	No Cabinet Minister	15	-0.20	0.54	-0.84	0.73	
	Cabinet Minister	51	-0.06	0.43	-1.05	0.59	

Source: Birdsall et al. (2014)

Table A18: Summary statistics - CDI by model

Measure	Model	Obs.	Mean	Std. Dev.	Min	Max
Overall	1	24	6.25	0.75	4.00	7.20
	2	101	5.23	0.63	3.70	6.50
	3	109	4.85	1.00	2.90	7.20
	4	11	5.60	0.19	5.30	5.90
Aid	1	24	10.21	3.03	0.80	14.10
	2	101	4.78	2.53	0.90	11.40
	3	109	4.07	3.35	0.50	14.70
	4	11	5.35	0.92	4.10	7.00
Trade	1	24	3.94	1.61	1.20	5.60
	2	101	5.49	1.40	1.80	8.10
	3	109	4.61	1.81	-1.40	7.20
	4	11	5.32	0.41	4.80	5.80
Finance	1	24	5.59	0.35	4.80	6.20
	2	101	4.72	0.81	2.70	6.30
	3	109	4.75	0.93	2.80	6.20
	4	11	5.49	0.25	5.20	5.90
Measure	Model	Obs.	Mean	Std. Dev.	Min	Max
Migration	1	24	5.85	2.09	1.80	9.70
	2	101	5.22	2.32	0.90	13.70
	3	109	5.51	2.22	1.30	11.50
	4	11	5.12	0.67	3.90	5.80
Environment	1	24	4.72	1.77	2.20	7.60
	2	101	5.48	1.55	1.90	8.60
	3	109	5.59	1.33	2.60	7.80
	4	11	6.92	0.31	6.20	7.30
Security	1	24	8.24	1.82	3.70	11.40
	2	101	6.23	1.12	3.40	8.40
	3	109	4.19	1.27	0.30	6.30
	4	11	6.46	0.79	5.30	7.60
Technology	1	24	5.19	0.97	2.50	6.60
	2	101	4.73	1.09	2.60	7.40
	3	109	5.22	0.79	3.60	7.00
	4	11	4.55	0.38	4.20	5.20

Source: CgDev (2014)

Table A19: Summary statistics – CDI by cabinet-rank minister

Level of Representation	Measure	Obs.	Mean	Std. Dev.	Min	Max
No Cabinet Minister	Overall	57	5.05	0.52	4.00	6.30
Cabinet Minister	Overall	188	5.22	1.00	2.90	7.20
No Cabinet Minister	Aid**	57	3.87	2.06	0.80	8.90
Cabinet Minister	Aid**	188	5.37	3.64	0.50	14.70
No Cabinet Minister	Trade	57	4.94	0.47	3.90	5.70
Cabinet Minister	Trade	188	4.94	1.88	-1.40	8.10
No Cabinet Minister	Finance***	57	5.31	0.41	4.70	6.20
Cabinet Minister	Finance***	188	4.71	0.92	2.70	6.30
No Cabinet Minister	Migration*	57	4.86	2.51	1.80	13.70
Cabinet Minister	Migration*	188	5.57	2.09	0.90	11.70
No Cabinet Minister	Environment	57	6.21	0.80	3.90	7.70
Cabinet Minister	Environment	188	5.31	1.59	1.90	8.60
No Cabinet Minister	Security	57	5.14	1.43	2.60	7.40
Cabinet Minister	Security	188	5.65	1.92	0.30	11.40
No Cabinet Minister	Technology**	57	5.06	1.28	2.50	7.40
Cabinet Minister	Technology**	188	4.96	0.85	2.60	7.00

Source: CgDev (2014) Notes: * p<0.05, ** p<0.01, *** p<0.001



Overseas Development Institute 203 Blackfriars Road London SE1 8NJ Tel +44 (0)20 7922 0300 Fax +44 (0)20 7922 0399 www.odi.org info@odi.org ODI is the UK's leading independent think tank on international development and humanitarian issues. Readers are encouraged to reproduce material for their own publications, as long as they are not being sold commercially. As copyright holder, ODI requests due acknowledgement and a copy of the publication. For online use, we ask readers to link to the original resource on the ODI website. The views presented in this paper are those of the author(s) and do not necessarily represent the views of ODI or our partners.

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