



Method Note

More than meets the eye? Assessing MDBs' contribution to tackling global challenges

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7 March 2023

Disclaimer: this Annex contains background information on the following insight piece: [More than meets the eye? Assessing MDBs' contribution to tackling global challenges](#)

To understand to what extent MDBs allocate resources across the three groups of GPGs (climate change mitigation, GPH, peace and security), we analysed official development finance data between 2013 and 2020, the latest year for which CRS data is available at time of writing, as reported to the OECD.

Seven MDBs are assessed in this report due to their global and/or regional reach. The seven are: *the World Bank Group [International Development Association (IDA) and International Bank for Reconstruction and Development (IBRD)]; where possible, data for the World Bank's International Finance Corporation (IFC) is also presented]; African Development Bank (AfDB) [including African Development Fund (AfDF)]; Asian Infrastructure Investment Bank (AIIB); Asian Development Bank (AsDB); European Bank for Reconstruction and Development (EBRD); European Investment Bank (EIB); and the Inter-American Development Bank (IADB) (including IDB Invest).*

Building on prior research,ⁱ this analysis uses the OECD CRS where data is presented at the project level and then aggregated by sub-sectors following a common definition for bilateral and multilateral donors.

The most challenging step of this empirical analysis was matching the CRS sectors to GPG themes. The matching of sectors takes into consideration the approaches adopted in previous studies, especially

with regard to GPH and peace and security. Both were coded following a consultation with experts on how to best match CRS codes to the respective GPG theme (see Code List below). Since each project only has one main code affiliated to it, no project is double-counted against these two GPG themes.

In contrast to recent attempts to measure ODA or official development finance flows to GPGs,ⁱⁱ this analysis does not rely on the CRS database and sector codes to quantify financing to climate change mitigation. Instead, the OECD Climate finance dataset is appended to the coded data on Global Public Health and Peace and Security (MDBs have been reporting climate finance data using their own reporting methodology to the OECD since 2013 ([2021 MDB Joint Report](#))). Only the value [in US\$ commitments constant] of the mitigation component of each project is counted here). This has one important advantage: it reduces the risk of over or underestimating climate finance. As an example, relying on the CRS would mean that the project 'x' coded under '*23110 Energy policy and administrative management*' would be entirely counted towards climate mitigation. Even though it is possible that that project contributed to climate change mitigation, it is also likely that only a fraction of project 'x' aided mitigation or, worse, project 'x' had nothing to do with mitigation at all.

Despite generating cross-border externalities and being a core activity of MDBs, and therefore qualifying as a global public good, adaptation to transboundary climate risks is not covered in this analysis since, conceptually and operationally, it is a new area of policy and practice for countries and the international system and more evidence needs to be generated.

To compare data over time we consider constant (2020 prices) US\$ commitments. Even though MDBs do lend to high-income countries, these are missing from CRS data as no ODA data is reported for high-income countries, and in turn is not captured in our dataset – but these are a small number of MDB client countries.

Code List: CRS Sub-sector by GPG

Global Public Health (CRS Purpose Code, CRS Purpose Name):

12110, Health policy and administrative management
12182, Medical research
12191, Medical services
12250, Infectious disease control
12261, Health education
12262, Malaria control
12263, Tuberculosis control
12264, COVID-19 control
13040, STD control including HIV/AIDS
32168, Pharmaceutical production

Peace and Security (CRS Purpose Code, CRS Purpose Name):

15113, Anti-corruption organisations and institutions
15130, Legal and judicial development
15150, Democratic participation and civil society
15151, Elections
15152, Legislatures and political parties
15153, Media and free flow of information
15160, Human Rights
15170, Women's rights organisations and movements, and government institutions
15190, Facilitation of orderly, safe, regular and responsible migration and mobility
15210, Security system management and reform
15220, Civilian peace-building, conflict prevention and resolution
15230, Participation in international peacekeeping operations
15240, Reintegration and SALW control
15261, Child soldiers (prevention and demobilisation)
16063, Narcotics control
73010, Immediate post-emergency reconstruction and rehabilitation

ⁱ te Velde, D.W., Morrissey, O. and Hewitt, A. (2002) 'Allocating AID to International Public Goods' in M. Ferroni and A. Mody (eds.) *International Public Goods: Incentives, Measurement, and Financing*, Boston, MA: Springer US, pp. 119–56 (https://doi.org/10.1007/978-1-4615-0979-0_5); Anand, P. B. (2004) 'Financing the Provision of Global Public Goods' *The World Economy* 27(2): 215–37 (<https://doi.org/10.1111/j.1467-9701.2004.00597.x>); Reisen, H., Soto, M. and Weithöner, T. (2008) 'Financing Global and Regional Public Goods through ODA: Analysis and Evidence from the OECD Creditor Reporting System' in T. Addison and G. Mavrotas (eds.) *Development Finance in the Global Economy: The Road Ahead, Studies in Development Economics and Policy*, London: Palgrave Macmillan UK, pp. 124–50 (https://doi.org/10.1057/9780230594074_5).

ⁱⁱ Development Initiatives (2016) 'Measuring Aid to Global Public Goods (GPGs)' (www.devinit.org/resources/measuring-aid-to-global-public-goods-gpgs/); Oxford Economics (2023, forthcoming) 'MDBs for GPGs: Interim Report'.