



**OECD/DAC and U.S. aid statistics:  
Requirements, Relationships, Frameworks,  
Processes, and Assessments**

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Video-conference with WB-Moscow  
Wednesday, May 28, 2008  
6:30 a.m. Washington time**



## Requirements of the Development Assistance Committee (DAC), and the relationship between the U.S. Government and the DAC in production of aid statistics

### DAC Requirements

- Purpose: Meet needs of policy makers; assess comparative aid performance; make information available to aid recipients and implementers; provide transparency to the public.
- Select resource flows to developing countries by commitments and disbursements, including reverse resource flows. Forward aid spending plans are requested to monitor aid targets.
- Calendar year basis; desire for quarterly reporting.
- Evolving collective/consensus definitions and categorizations – one structure for all donors.
- Emphasis on Net Official Development Assistance (ODA) but other official flows, private capital flows, and private grants are also collected and reported.
- Report flows by select aggregates and categories (DAC Tables) and by project level details (Creditor Reporting System or CRS)
- In CRS records, identify resource flows by donor, implementer, purpose, sector, aid recipient, title, description, type, channels, tying status, policy markers, and technical assistance.
- Convergence of two databases - DAC aggregates based on the CRS details.
- Report grant/procurement solicitations and related awards under the 2001 Recommendation to Untie Aid to Least Developed Countries.



## United States Requirements

- Purpose: Support overall U.S. foreign policy and explain to U.S. Congress and the public how foreign aid is planned, implemented, and effective in a transparent fashion.
- Single-year appropriated resources allocated to countries and organizations – State/USAID aid budgets and financial systems are now directly linked.
- Fiscal year (October to September) budgetary orientation over a three-year horizon.
- Primarily defined by the Foreign Assistance Framework – a U.S. ODA budget does not exist.
- Emphasis on Framework objectives/program areas/program elements and the role of private flows (including trade and personal remittances). U.S. ODA complements private flows.
- Reports: Congressional Budget Submissions, Agency Annual Reports, Bureau/Office topic-specific reviews, Country aid profiles, Performance plans, and ad hoc presentations
- Data elements: agency/bureau, headquarters/missions, operating unit, benefiting country/category, program objective/area/element/sub-element, implementing partner, mechanism, indicators, etc.
- Aim to converge foreign assistance implemented by all U.S. agencies under the Framework.
- Grant/procurement actions, related awards and spending related to U.S. foreign assistance are made available worldwide on the worldwide web on a real-time basis.

**Relationship:** DAC statistical structure is an overlay on the U.S.G. financial systems – must use crosswalks and other translations in submissions to the DAC. Not a perfect fit but much improved.



## Requirements of the U.S. Government for aid statistics and US stakeholders (including government departments, Congress, media) for aid statistics

- Both budgetary and financial systems for U.S. official assistance reflect primarily the priorities and structure of the Foreign Assistance Framework of the State/Director of U.S. Foreign Assistance.
- Queries on U.S. foreign assistance programs and implementation focus on internal budgeted appropriation levels. Occasionally, DAC data are used in policy and budgetary formulations.
- DAC data are used primarily for U.S. presentations at international fora (G8, Financing for Development, UN General Assembly events, IMF/WB spring and fall Development Meetings, and other bilateral/multilateral events) where comparisons of international aid efforts are warranted.
- USAID Office of Development Partners (ODP) responds to all inter-agency requests for DAC data and narratives - National Security Council, Office of Management and Budget, USAID, and other government departments.
- Congressional and media requests for DAC data are channeled through USAID's Bureau for Legislative and Public Affairs to USAID/ODP - example: aid for agriculture research for an article in the New York Times, May 18, 2008.
- General public requests for DAC data are channeled through USAID's Knowledge Services Center to USAID/ODP.



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## **Legal/Regulatory framework that defines principles of aid statistics; principles of disclosure and border line between publicly available statistics and internal administrative data**

- The Foreign Assistance Act of 1961, as amended, is the primary legislative framework for the definition of foreign assistance and related collection and reporting of aid statistics to Congress, international bodies, and the public.
- Other legislation: United States Leadership Against HIV/AIDS, Tuberculosis, and Malaria Act of 2003, The Millennium Challenge Act of 2003, Agriculture Trade and Development Act of 1954, and others.
- Regulatory directive: Office of Management and Budget Statistical Directive 18 - PROVIDING STATISTICAL INFORMATION TO INTERNATIONAL ORGANIZATIONS
- Disclosure Guidelines: Freedom of Information Act, OMB Statistical Policy Directive No. 4, USAID Directives on Information Sharing, MCA Information Disclosure Policy.
- Prohibitions: Personal information and data/information used in budget and policy formulations.
- Level of data disclosure for incorporation in U.S. DAC statistics is determined by the reporting agency, but most agencies supply or will be supplying the requested details for public disclosure.



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## The internal process for collecting aid statistics for DAC requirements, verification, and ensuring consistency

- No specific reporting directive for the collection of U.S. aid statistics for DAC submissions, but a dedicated statistical directive is pending.
- Currently combine solicitation for DAC data with the reporting requirement of Section 634 of the Foreign Assistance Act - Office of Management and Budget provides administrative backing to secure the requested data.
- Start DAC data call on January 15 with a solicitation letter to 26 U.S. Government Departments and Independent Agencies; Reporting Deadline – March 15
- Concurrently send e-mails to specific individuals in 79 offices for financial data (not budgetary data) – include data templates with requested data elements and fiscal/calendar year time frames and prior-year reports as reference
- Monitor new legislation and budgetary presentations for new and terminated assistance programs – expand and reduce data solicitations accordingly.
- Monthly Treasury Statement of Receipts and Outlays of the U.S. Government is the primary comparative source for reported ODA disbursements – aggregate disbursements by agency and appropriation. /CONTINUES



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- Other comparative sources: Annual Budget of the U.S. Government, statutory reports to Congress, Congressional Budget Justification documents, alternative access to accounting systems, mandatory reporting systems on government-wide grant/procurement/spending, and others. Reporting agencies are questioned on missing, incomplete, historically divergent, and incorrect data.
- Inter-agency transfers: Must review data closely and question reporting units on inter-agency transfers to avoid double counting.
- For consistency, reporting agencies are not asked to classify and code according to DAC directives – USAID staff performs the coding based on the provided information to assure consistency. Exceptions: Millennium Challenge Corporation and the Treasury’s Foreign Credit Reporting System incorporate DAC purpose codes in their submitted data.
- Private capital and grant flows come from the U.S. Department of Commerce, Bureau of Economic Analysis, and the Treasury International Capital System.
- U.S. DAC data are included in an overall Foreign Assistance Database that is maintained in a SAS software platform which produce the DAC aggregate tables and CRS project level data for inter-agency clearance and final submission to the OECD/DAC on or before September 30.



## Use of data internally to monitor progress, how external stakeholders use the data to hold the U.S. Government accountable

- The Office of Management and Budget mandates annual Performance and Accountability Reports (PAR) for all U.S. Government Departments and Independent Agencies.
- State/USAID have established the Foreign Assistance Performance Report and Plan which are included in the annual Foreign Assistance Congressional Budget Justification.
- Fifty-one (51) performance indicators are linked to resource requests that support the Foreign Assistance Framework. Performance measures link directly to five main Framework objectives and down through key priorities known as program areas.
- Indicators include annual measures directly attributable to U.S. Government activities and longer-term ones, which reflect the combined investments of donors, multilateral organizations, non-governmental organizations, host governments and other, and to which the annual measure contribute.

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- Evaluations (by Framework objective, by sector, by management programs, and resource decisions) also play a significant role in improving U.S. foreign assistance programs – over 400 analytical studies in 2007.
- The indicators and evaluations are part of the data and information used by missions, Washington bureaus, and the Office of the Director of U.S. Foreign Assistance to inform resource requests and allocation decisions.
- External stakeholders (primarily non-governmental organizations) utilize access to data (U.S. and DAC statistics), information, and U.S. Government foreign assistance policy makers to hold the U.S. Government accountable to stated goals and areas of need. Recent accountability efforts from external stakeholders have focused the food crises, doubling of aid to Sub-Saharan Africa, progress in combating HIV/AIDS and Malaria, Education initiatives, and emergency responses.



## Capturing spending through multilaterals (UN, WB, others)

- Treasury, State, USAID, and the Department of Health and Human Services are the conduits through which U.S. Government resources are contributed to core activities of International/Regional Financial Institutions, UN agencies in development, and other multilateral organizations. Many U.S. Government agencies also engage in grant/procurement actions with multilateral organizations in the delivery of US-directed development and humanitarian assistance for specific countries, regions, and sectors.
- This question raises the classic “TO” or “THROUGH” issue regarding donors’ support/use of multilateral organizations that DAC Working Party on Statistics has wrestled with for decades, most recently in June 2007.
- Donors’ funds “TO” international organizations are assessed contributions or voluntary contributions to the CORE operations of the organization to exercise its program of work without strings attached. The “TO” flows are recorded by donors as multilateral ODA in DAC statistics (the front door resource flow) and the subsequent disbursements by the international organizations of the pooled contributions to countries/regions are recorded as bilateral ODA flows from the international organizations (the back door resource flow).

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- Donors' funds "THROUGH" international organizations occur when the donor utilizes the international organizations as executive agents for the donor's program of work in the delivery of assistance to aid-recipient countries/regions. When the donor specifies the work and/or countries to be performed within the donor's program of work (strings attached), the subsequent execution of assistance by the international organizations are bilateral ODA flows of the donor in DAC statistics.
- This differentiation is important to donors since analyses and policy/political treatment of a donor's aid efforts are seen primarily through bilateral flows of the donor and not through the detached and often jumbled flows from international organization. Clearer information on "channels of delivery" in the new converged CRS record format is seen as the best way to assess the overall utilization of international organizations by donors.
- The DAC Secretariat does compute "imputed multilateral" flows in the on-line DAC Table 2a database, that is, attributions of multilateral flows to developing countries to individual DAC donor members. These statistics are important components to the U.S. goal to double ODA to Sub-Saharan Africa by 2010.



## How sector spending is captured, and implications of harmonization agenda?

- The USAID staff responsible for the compilation of U.S. resource flows for submission to the DAC is primarily responsible for DAC sector (purpose code) attribution.
- This attribution for the U.S. has been enhanced by an evolving crosswalk between the new Framework coding structure and DAC purpose codes – not perfect but improved. USAID and State financial systems have incorporated the new Framework codes to their obligation and disbursement data.
- The Millennium Challenge Corporation and Treasury’s Foreign Credit Reporting System have robust coding structures that correctly assign DAC purpose codes to their reported records.
- For other U.S. Government agencies, the responsible USAID staff makes DAC sector assignments based on Congressional Budget Submissions, mission statements, appropriations, translations of agencies’ internal classification systems, program/project titles/descriptions in submitted data records.
- Harmonization agenda is being addressed now by the DAC Working Party on Aid Effectiveness in the current surveys and conferences under the Paris Declaration. Unsure about the implications of sector identification on the harmonization agenda. Elaboration is requested.



## Your self-assessment of strong and weak sides of US aid statistical system

- Agency coverage and financial accounting of aid activities are strong now. U.S. foreign aid is identified by more discreet program elements and less by broad cross-cutting, multi-sector objectives.
- The Foreign Assistance Framework provides a better convergence to DAC reporting – more aid-implement agencies are being asked to join the Framework.
- Weak in the identification of technical cooperation, gender-targeted aid, and DAC policy markers. Timely reporting can be improved.
- The statistical systems of all DAC donor members have not been able to match the evolving demands placed on the DAC/CRS databases. Requests for more aid details may be desired by policy makers and others, but statistical systems across donors struggle or are unable to meet these expanded demands.
- Ask policy makers who want new and expanded purpose codes in CRS reporting to first demonstrate that they can populate the new structure with internal data – if they can, support the expansion. Recent example: proposed new coding structure for democracy