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Measuring aid to Basic Social Services

A contribution by the DAC Secretariat for the information of participants at the 5-year review of the World Summit for Social Development (WSSD+5) in Geneva in June 2000.

This paper discusses measuring aid to Basic Social Services (BSS) and summarises the latest data on the subject available in the reporting systems of the Development Assistance Committee (DAC) of the OECD.¹

The paper draws on the study "Opportunities and Constraints for Better Donor Reporting on Basic Social Services", undertaken in 1998 by the OECD with financial support from the Government of the Netherlands, and subsequent discussions at the DAC Working Party on Statistics². UNICEF, UNDP and Development Initiatives (an NGO based in the UK which monitors aid activities) collaborated on the study. Further information can be obtained from the DAC Secretariat. (Please send e-mail to dac.contact@oecd.org).

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1. Annual aggregate DAC Statistics and the Creditor Reporting System (CRS).
 2. The Working Party on Statistics is a subsidiary body of the DAC. Its mandate includes, among other things, proposing improvements in the statistical reporting, ensuring the fullest possible comparability of reporting and promoting the wide use of the data in international institutions, developing countries and DAC Member countries.

OVERVIEW

The DAC statistical definition of aid to Basic Social Services...

The Oslo Consensus on 20/20 Initiative defined basic social services (BSS) as comprising basic education, primary health care (including reproductive health and population programmes), nutrition programmes and safe water and sanitation as well as the institutional capacity for delivering these services. The operational definition established by the DAC Working Party on Statistics identifies aid to BSS through a selection of sector codes. But this "sectoral approach" has its limitations which need to be taken into account when analysing statistical data on aid to BSS.

implies some underestimation...

The sector code identifies "the specific area of the recipient's economic or social structure which the transfer is intended to foster". In DAC reporting (as well as in most donors' internal reporting systems), each activity can be assigned only one sector code. For activities cutting across several sectors, either a multisector code or the code corresponding to the largest component of the activity is used. It follows that:

- DAC statistics on aid to BSS only relate to activities which have BSS as their main purpose and fail to capture aid to BSS delivered within wider sector programmes or multisector programmes.
- Aid to BSS through NGOs may also be excluded, since this is not always sector coded in as much detail as project and programme aid.
- On the other hand, some overestimation can occur when projects deal primarily with BSS but also contain components from other areas.

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Quantitative targets focus political and public attention on development goals. But there are disadvantages. The fact that statistics are used to assess and compare donors' performance can lead to an excessive focus on numbers rather than on content and results. In practice, data collection at the international level requires pragmatism. Taking account of the broad estimations required to fix the target of 20%, trends and orders of magnitude are more important than precise shares.

and estimate the share of aid to BSS in total ODA,

The 20% target is expressed as a percentage of total ODA. This makes for a simple objective, but there are hidden complications. Bilateral ODA includes a number of items which are not programmed in advance, such as emergency aid. Debt reorganisation also varies significantly from one year to another and is not entirely under the control of the aid administration. As regards multilateral ODA, an individual donor can influence the sectoral focus only indirectly e.g. by directing more of its contributions to agencies that support 20/20 or advocating a greater focus on BSS through the governing bodies of other organisations. Another problem is that data on multilateral ODA to BSS, in particular for the European Commission and the UN agencies, are incomplete.

The DAC Working Party on Statistics therefore suggests that aid to BSS should be measured as a share of all the bilateral ODA that can be allocated to sectors. These data are presented in Table 1. The share of aid to BSS in total ODA can be estimated only by adjusting the denominator to allow for incomplete sectoral data on multilateral ODA. The results of the calculations are given in Table 2.

which has still not reached 20%.

In 1997-98, aid to basic social services represented 11% of ODA for all DAC countries combined. This is an underestimation as data are not yet fully available on poverty-focused water supply and sanitation. But in any case, even if all water supply were taken into account, the share would not exceed 15%.

DETAILED STATISTICS

Table 1. DAC countries' bilateral ODA to Basic Social Services 1997-98,
two-year average, \$ million (Source: CRS and DAC statistics)

	Basic education	Basic health	Population programmes	Water supply & sanitation - small systems	Water supply & sanitation - large systems, poverty marked	TOTAL BSS	TOTAL BSS as a % of total bilateral sector allocable ODA
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Australia	35.1	29.2	9.8	0.9	..	75.1	14%
Austria	1.6	5.7	0.0	6.9	4.1	18.3	8%
Belgium	2.3	25.1	3.7	3.9	..	35.0	12%
Canada (1)	9.2	7.4	16.6	0.5	3.1	36.9	6%
Denmark	10.6	6.6	1.5	13.0	..	31.6	6%
Finland	8.5	1.2	1.1	1.2	..	11.9	7%
France (2)	..	..	..	..	..	..	..
Germany	119.6	109.4	89.3	177.8	..	496.0	14%
Ireland (3)	15.9	12.4	0.0	..	..	28.2	35%
Italy	0.1	9.3	0.4	5.0	..	14.7	7%
Japan (4)	172.3	86.1	7.8	53.8	47.3	367.3	3%
Luxembourg	5.9	9.4	0.0	..	..	15.3	27%
Netherlands	58.3	54.8	25.7	30.1	9.6	178.5	17%
New Zealand	5.6	0.0	0.0	..	..	5.6	9%
Norway	19.1	11.5	10.2	0.0	..	40.8	10%
Portugal	0.6	1.1	0.2	..	..	1.9	5%
Spain	10.5	54.1	3.0	9.5	..	77.2	12%
Sweden	43.1	23.5	30.8	0.3	3.9	101.8	15%
Switzerland	12.1	9.5	1.1	3.8	12.5	39.0	13%
United Kingdom	101.7	79.7	75.2	15.3	5.1	277.1	24%
United States	71.2	94.3	570.3	0.1	..	735.9	20%
TOTAL DAC	703.3	630.4	846.8	322.1	85.7	2588.2	10%

Notes:

(1) **Canada** has stated that, pending the introduction of multiple sector coding in CIDA's project management system, data on aid to BSS derived using the sectoral approach will greatly underestimate its efforts. For its internal purposes, Canada monitors "aid to basic human needs" which represents about 30% of Canada's total ODA. These data cannot be sufficiently disaggregated to estimate aid to BSS. (2) The reporting systems of **France** do not enable distinguishing basic from other social services. (3) **Ireland** has not reported aid to BSS in CRS or DAC but provided separate estimates for this report. (4) Data for **Japan** exclude technical co-operation. **Greece** became a Member of the DAC in 1999.

Definitions:

Basic education comprises primary education, basic life skills for youth and adults, and early childhood education. **Basic health** includes basic health care, basic health infrastructure, basic nutrition, infectious disease control, health education, and health personnel development. **Population policies/programmes and reproductive health** covers population policy and administrative management, reproductive health care, family planning, STD control including HIV/AIDS, and personnel development for population and reproductive health. **Aid to water supply and sanitation** is defined as part of basic social services if and only if poverty-focused. This category covers all activities under sector code "water supply and sanitation - small systems" and those under "water supply and sanitation - large systems" which have been reported as being of direct assistance to poor people. Data for the latter are missing for several Members as the poverty marker was introduced in CRS reporting only at the end of 1997. **Multisector aid for basic social services** is identifiable through sector codes from 1999 onwards. The definitions cover, although do not specifically mention, **institutional capacity building, education and training in BSS sub-sectors**. (This follows from the principles of sector coding which identify the sectors ultimately assisted rather than the intermediate method of delivery. E.g., training of primary school teachers is covered by the sector code "primary education".)

As **only a proportion of aid can be allocated to sectors**, the denominator for measuring sectoral targets should logically comprise only the aid that can be so apportioned. Otherwise there is an implicit assumption that none of the aid unallocable by sector benefits basic social services. The denominator used in Table 1 is "bilateral sector allocable ODA" i.e. bilateral ODA excluding categories such as general programme aid (structural adjustment, food aid, budget and balance-of-payments support), emergency aid, debt reorganisation and administrative costs of donors.

Table 2. **DAC countries' bilateral and multilateral ODA to Basic Social Services 1997-98, two-year average, \$ million** (Source: CRS and DAC statistics)

	ODA to Basic Social Services			Total bilateral sector allocable ODA + multilateral commitments	BSS as % of total sector allocable ODA
	Bilateral	Multilateral	TOTAL		
	(1)	(2)	(3)	(4)	(5)
Australia	75.1	12.2	87.3	717	12%
Austria	18.3	11.5	29.8	402	7%
Belgium	35.0	17.0	52.1	523	10%
Canada	36.9	70.0	106.9	1 070	10%
Denmark	31.6	87.7	119.4	968	12%
Finland	11.9	26.2	38.1	287	13%
France	..	..	..	..	..
Germany	496.0	144.6	640.6	5 577	11%
Ireland	28.2	3.8	32.0	128	25%
Italy	14.7	42.4	57.1	835	7%
Japan	367.3	228.4	595.7	12 544	5%
Luxembourg	15.3	2.7	18.0	78	23%
Netherlands	178.5	118.4	296.9	1 591	19%
New Zealand	5.6	1.2	6.9	87	8%
Norway	40.8	82.1	122.9	655	19%
Portugal	1.9	2.4	4.3	62	7%
Spain	77.2	9.2	86.5	982	9%
Sweden	101.8	67.7	169.5	1 018	17%
Switzerland	39.0	26.1	65.1	435	15%
United Kingdom	277.1	118.8	395.9	2 224	18%
United States	735.9	251.5	987.4	5 415	18%
TOTAL DAC	2 588.2	1 324.0	3 912.3	35 598	11%

Notes:

Column (1) reproduces the data on bilateral ODA to BSS from Table 1. **All notes to Table 1 apply equally to this table.**

Column (2) gives the **estimated multilateral ODA to BSS** through the EDF, the multilateral development banks and the UN that can be imputed to individual DAC countries. Data for the EDF and the development banks are based on their reporting on individual aid activities in the CRS. In 1997-98, the EDF reported 4% of its commitments as being for BSS. Consequently, 4% of EU Members' contributions to EDF are included in this column. (As the EDF accounts for between 20-40% of total aid by the Commission, a sizeable share of aid to BSS is not captured in DAC statistics.) Data for IDA over the same period showed that it directed an average of 13% of its lending to BSS. For the regional development banks, the share varied between 6% and 20%. As regards the UN, the data relate to the UNDP, UNICEF and UNFPA which all have internally estimated their BSS related expenditures (16-17%, 75% and 100 % respectively). Other UN agencies are excluded from the table.

Column (3) sums bilateral and multilateral aid to BSS. Column (4) shows the denominator, adjusted for bilateral aid as described in the note to Table 1. Column (5) shows the resulting **estimated** shares for each donor.