

## Methodological Note

1. **Official Development Assistance (ODA)** is defined as financial flows to countries on the OECD Development Assistance Committee list of eligible countries (available at [www.oecd.org/dac/stats/daclist](http://www.oecd.org/dac/stats/daclist)) and to multilateral development institutions which
  - Is provided by official agencies, including state and local governments, or by their executive agencies; and
  - Aims to promote economic development and welfare of developing countries as its main objective; and
  - Is concessional in character.

The criteria for ODA have been agreed by consensus by the 29 members of the OECD Development Assistance Committee (DAC) and are reviewed periodically. See [Is it ODA?](#) and [current debates on revising the criteria for ODA](#).

2. **“Real ODA”** is a statistical construct by CSOs. According to the DAC criteria for ODA, DAC member donors are permitted to include in their annual report to the DAC on their ODA an estimate of expenditures for refugees for their first year in the donor country, an estimate of the costs associated with students studying in the donor country who come from a developing country, and the full value of any debt that is cancelled by the donor country in the year that it is cancelled. While these three areas are all highly desirable expenditures on the part of donor governments, they do not amount to any transfer of funds to developing countries. Therefore, they can significantly distort the value of ODA in a given year. Many CSOs discount these three items from a donor’s ODA to have a more accurate value for aid that is received by developing countries, or what CSOs call “Real Aid.”
3. Recognizing some of the concerns of developing countries and CSOs (e.g. Real Aid above) about the quality of ODA, the DAC Secretariat has created a measure of **“Country Programmable ODA,”** which is the DAC measure of ODA that is available to be programmed by developing country partners. See the DAC definition of Country Programmable ODA [here](#).
4. The international community did not create a measure to assess the allocation of ODA to the Millennium Development Goals (MDGs). The [Reality of Aid Network](#) has a **proxy indicator for ODA devoted to the MDGs** based on bilateral aid disbursed to specific DAC sector codes in OECD Dataset DAC2a. It includes [Creditor Reporting Sector codes](#) for basic education, basic health, population and reproductive health, water supply and sanitation, agriculture, development food aid and food security, and general environmental protection. Bilateral sector allocated aid is bilateral commitments to sectors less debt cancellation, support for refugees, support for NGOs, administration, and aid unallocated to sectors

(such as humanitarian assistance) in the DAC sector codes.

5. **DAC Country Allocable ODA** is ODA that the donors specifically allocate to a developing country, several countries or a region ([DAC Dataset 2A](#)). It excludes ODA directed to donor country administration costs, refugees in donor countries, development education, students and other eligible expenditures in donor countries.
6. The DAC has developed “**purpose markers**” for donor disbursements to **climate change or gender equality purposes**, among others. These markers allow the donor to code a disbursement for an ODA activity where the stated purpose is climate adaptation or mitigation, or gender equality. There are three markers – principal objective, significant objective, or not targeted. An activity can be marked “significant objective” when the indicated purpose (e.g. gender equality) is an important objective, but is one among several objectives for this activity.

It is important to note that amount recorded for activities marked as a “significant objective” includes the full disbursement for this activity, even though only a portion of the disbursement may be directed to the purpose being monitored. For this reason, purpose markers give an inflated picture of donor purposes. Monitoring activities that are marked as “principal objective,” while incomplete, provide a proxy for the relative importance that the donor gives to this particular purpose in its aid.

7. Donor report to the DAC the amount of donor **ODA channeled to Civil Society Organizations (CSO)** for development and humanitarian purposes. CSOs also raise other funds from private sources for these purposes. There are no accurate statistics on the amounts raised globally by CSOs. A periodic report by the Center for Prosperity, The [Index of Global Philanthropy and Remittances](#), published by the Hudson Institute provides some estimates these privately raised funds. This Report has good coverage of United States CSOs, but limited (but improving) coverage of other countries where CSOs raise significant private funds. Therefore any projection of CSO finance for development cooperation is necessarily an estimate.