
The Effectiveness of Development Aid – EU as a Leader?

Submitted 14/10/21, 1st revision 02/11/21, 2nd revision 23/11/21, accepted 10/12/21

Magdalena Proczek¹, Ewa Osuch-Rak²

Abstract:

Purpose: An attempt was made to build an analytical framework for measuring the evaluation of the effectiveness of EU development aid in comparison to other donors. We integrated the theoretical aspects of development aid effectiveness with practical indicators created by the Center for Global Development, which, in the authors' opinion, are a good analytical tool for assessing the quality of development assistance provided by international institutions and countries.

Design/Methodology/Approach: An inductive method was used to formulate general statements within the following procedures: defining, describing, classifying. Classification was presented using the QuODA method of assessing development aid effectiveness. Comparative analysis and synthesis were also used in the study. The spectrum of applied methods guarantees the objectivity of obtained results.

Findings: Based on the research, it was confirmed that in the light of the realisation of its priorities and its role as an international organisation, the EU is a platform reconciling multinational interests and a coordinator of activities aimed at increasing the effectiveness of development aid. The analysis of the process of increasing the effectiveness of development cooperation and its evaluation by QuODA allowed for the conclusion that the actions undertaken in this field by the EU have not yet proven to be fully effective and have not produced the full extent of expected results.

Practical implications: QuODA is a simple and transparent method with a potential for development. It enabled the study to analyse, compare and classify the EU and other donors of development aid. The literature research and measuring of the quality of provided development aid, as well as performance ratings attributed to individual donors including the EU, allowed for a practical assessment of the effectiveness of EU development aid against other donors that stakeholders can take advantage of.

Originality/Value: In the study, the authors departed from the traditional understanding of development aid effectiveness from the perspective of beneficiaries' activities, focusing instead on assistance provided by the donors. This area is poorly researched and not discussed comprehensively in the available literature. Few researchers have so far addressed this important issue.

¹Associate Professor, Warsaw School of Economics, Warsaw, Poland, Collegium of Socio-Economics, Jean Monnet Chair of the European Union, Centre of Excellence CEWSE, ORCID: 0000-0001-7888-7850, e-mail: mprocz@sgh.waw.pl;

²Phd, Warsaw School of Economics, Warsaw, Poland, Collegium of Socio-Economics, Jean Monnet Chair of the European Union, Centre of Excellence CEWSE, ORCID: 0000-0002-6919-9391, e-mail: eosuch@sgh.waw.pl;

Keywords: *Development aid, cooperation for development, development aid effectiveness, European Union, international organisations, QuODA.*

JEL Classification: *F02, F53, F55, F63.*

Type of paper: *Research paper.*

Acknowledgements: *This publication was produced within the project: Jean Monnet Module on the European Union Multidimensional Strategy for Tackling Africa's Challenges (EU4AFRI). With the support of the Erasmus+ Programme of the European Union. The European Commission support for the production of this publication does not constitute an endorsement of the contents which reflects the views only of the authors, and the Commission cannot be held responsible for any use which may be made of the information contained therein.*

1. Introduction

In the context of deepening global disparities in development and the resulting global problems such as uncontrolled migration, irreversible climate change, or terrorism affecting even highly developed countries, development aid is not only an important element of the foreign policies in developed countries (McLean, 2012) but also an opportunity to overcome the abovementioned global problems, thus ensuring sustainable and balanced development of the world. Transnational in character, parallel, remarkably complex and independently occurring in different parts of the world (Coleman, 2012), global problems require multilateral solutions (Bodenstein, Faust and Furness, 2017). Global operations for solving these problems need to be based on international cooperation centres, such as international organisations.

However, international organisations are currently often perceived as lacking transparency, highly bureaucratic and reluctant to change (Weinstein, 2013), thus ineffective in providing development aid. However, they have a unique mandate to implement development cooperation. Due to the benefits resulting from this solution, countries delegate tasks related to development cooperation to international organisations. These benefits include the expertise of international organisations, their ability to coordinate activities and resolve disputes, and higher credibility of joint commitments (McLean, 2012). The importance of international organisations' social legitimacy should be taken into account as well.

This is because citizens of donor countries perceive international organisations as more focused on the needs of the recipients and are more sceptical of their governments' altruistic motivations to provide aid (Milner, 2006). As a result, international organisations have a significant potential to influence the international development cooperation system, not only due to their financial resources, knowledge and experience, but also due to public trust (Dellmuth and Tallberg,

2020), all owing them to develop and implement new solutions, including those affecting the effectiveness of development assistance.

In Europe, the leading role in improving the effectiveness of development aid is performed by the European Union. As a supranational organisation, the EU is widely regarded as an important international coordinator of development aid (Orbie, 2012), setting directions for the evolution of the aid through its ability to develop and disseminate new solutions in dynamically changing conditions. The member states have transferred part of their sovereign rights to the EU organs, to a degree and in a scope higher than in other organisations, as a result of which the EU has particular legislative, executive and supervisory capacities as regards issues designated by the states, including development aid. EU organs are empowered to impose obligations on member states based on their decisions and receive significant financial resources to carry out these tasks.

Analysing the effectiveness of EU development aid is important because of its volume, in 2019, the EU and its member states provided €75.2 billion's worth of aid, which accounted for over 55% of worldwide development aid (EC, 2020). However, the EU's potential to improve the effectiveness of development aid is rarely presented. The authors wish to fill the research gap discussed above and by taking up the issue in question, they intend to expand the hitherto modest output of analyses in this field.

2. Effectiveness of Development Aid – Evolution of Concepts and Challenges

The effectiveness of development aid relates primarily to the impact of this aid on achieving development goals, which include economic growth, poverty reduction and, as a result, overall economic and social development. This development is understood not only as an increase in the level of GDP, but also as an increase in the standard of living of residents and the development of basic institutions of modern society. Such a broad approach to development goals, the implementation of which is influenced by a number of economic, political or ethical factors, results in the lack of an unambiguous position in the literature concerning the definition, nature and methods of assessing the effectiveness of development aid.

The effectiveness of development aid has been the subject of scientific discourse and public debate since the 1970s. A comprehensive review of the literature in this field has been carried out by Hansen and Tarp (2000), Roodman (2007), Guillaumont and Wagner (2014), Bigsten and Tengstam (2015), or Uh and Siddiky (2017), and others. In Poland, the issue of effectiveness of development aid has been mainly dealt with by Bagiński, Czaplicka, and Szczyciński (2009), Sobotka (2009) and Zajączkowski (2019). The most important studies on the effectiveness of development assistance include the work of Burnside and Dollar, in which the authors showed that development aid has a positive impact on the economic growth

of the recipient country under the condition of well-conducted fiscal, monetary and trade policies, as well as strong and stable state institutions (Burnside and Dollar, 1997, p. 33). In 2000, Hansen and Tarp reviewed the existing concepts of development aid effectiveness, and as a result introduced a division into three generations of research on this subject (Hansen and Tarp, 2000, pp. 377-391): (1) the first generation, in which research is focused on the importance of development aid for the accumulation of capital, as well as investments and savings treated as conditions for the effectiveness of this type of assistance; (2) the second generation, in which the focus is on researching the relationship between development assistance and economic growth; (3) the third generation, in which other factors such as economic policy and state institutions play the key role in the effectiveness of development aid.

In subsequent years, researchers of the issue systematically expanded the catalogue of factors affecting the effectiveness of development aid. For example, Easterley, Levine and Roodman (2004), questioned the view that the stability of economic policy and state institutions is a sufficient condition for the effective use of development aid. Similarly, Antipin and Mavrotas (2006), argued that the impact of development aid on economic growth, reduction of poverty, and economic and social development varies depending on the specific conditions of the recipient state. In 2009, Baliaoune-Lutz and Mavrotas showed that both the institutions and social capital are significant when seeking to increase the effectiveness of development aid and lead to political and social transformation (Baliaoune-Lutz and Mavrotas, 2009). Hence the general statement that aid and its instruments should be tailored to the individual needs of the recipient of development aid.

Studies on the effectiveness of European Union development aid take a particular place in the subject literature. Most often, however, the issue of efficiency is complementary to other issues – for example, the process of Europeanization of development policy and development aid (Orbie and Carbone, 2015; Timofejevs and Henriksson, 2015; Lightfoot and Szent-Iványi, 2014), or the issue of the importance of EU development aid in shaping its position on the international arena (Holden, 2016; Carbone, 2013; Zajączkowski, 2010; Farrel, 2008). In many studies on EU development aid, the authors are more likely to emphasize limitations to the effectiveness of this aid.

For example, K. Arts and K.A. Dickson point to the lack of coherence and effective coordination mechanisms between different policies, directorates and services in the EU, which could mean competitive priorities (Arts and Dickson, 2004, p. 7). Grimm (2008) also points to the role of coordination, adding ambiguously formulated development policy objectives which hinder the measurement of development aid effectiveness and organisational structure within the EU, in particular insufficient staff, lack of strategic documents and inflexible administrative procedures, to the catalogue of the most important restrictions (Grimm, 2008, pp. 13-16). Other issues are also present in the literature of the subject. J. Verschaeve and J. Orbie draw

attention to the relationship between the EU and the OECD DAC Development Assistance Committee for the effectiveness of the activities of both organisations (Verschaeve and Orbie, 2018, p. 15-17). Carbone, in turn, analyzes the importance of joint programming for the effectiveness of EU development aid (Carbone, 2017). In addition, E. Kovářová stresses that the discourse about the EU development aid provided for African states is influenced by the external factors, especially bilateral character of Africa – China relations (contrary to EU multilateralism) or Chinese loans given to African countries. She states that China can be the right stimulus for new form of EU – Africa relations (Kovářová, 2014, p. 351).

As the main objectives of development aid are to combat poverty in developing countries and to strive for sustainable and long-term economic growth, it is difficult to determine aid effectiveness through the interdependence between the costs incurred and capacity to achieve goals associated with aid (Deszczyński, 2011, p. 90). While the end of poverty in the context of the Johannesburg Declaration on Sustainable Development, the Millennium Declaration and the Agenda 2030 is the consensus end of development, there is also a consensus as it comes to the principal means, namely economic growth and good governance that act as growth accelerators (Fukuda-Parr, 2007, p. 11).

Hence, the effectiveness measure recognised in the professional literature is the link between the aid usage and economic growth per capita. The overwhelming majority of recent empirical studies find that economic growth would be lower in the absence of aid, and additionally, that aid is associated with higher public expenditures including those pro-poor than would otherwise have prevailed (McGillivray, 2005). In other words, poverty would be higher in the absence of aid. Nevertheless, links between the aid and poverty eradication though proven are often questioned as: (1) economic growth is influenced by numerous factors independent of aid donors (i.e., bad governance, the absence of transparency and the rule of law) and (2) the aid actual impact can be spread over time since time horizons of different actions vary a lot.

Moreover, aid in its nature is scattered over different economy sectors, therefore, it is difficult to categorise its results (Fryderek, 2010, p. 207). For instance, due to widespread corruption and failed governance in aid recipient countries, funds are not spent according to the purpose and do not reach target aid beneficiaries. The phenomenon of aid reallocation to the public sector not in line with the donor's intention might lead to fiscal leniency and, finally, to the reinforcement of misrule and power of the privileged (Kopiński, 2011, p. 190). Developing countries often lack also suitable resources to implement aid programmes which results in bottle necks, namely the demand generated by aid cannot be satisfied in the environment of unbalanced supply of production factors (that include organisations and human resources) (Kopiński, 2011, p. 187).

The coherence of donor development policies is a condition that translates into the effectiveness of development aid. Every year the number of entities (governments, agencies and banks) providing development assistance increases or the scope of their support for and engagement in assistance activities changes.

The increase is accompanied by increased activity of non-governmental organisations and constant fluctuation in the ranks of recipients – the assistance system consists of many participants, each of whom should have a qualified administration responsible for handling assistance programs (which is a particular challenge in small countries characterised by a labour deficit). To reduce the burden on beneficiaries, countries providing support should strive for harmonisation, i.e., reduction of formalities on the part of recipients, including by making clear and transparent agreements between donors with each other, aimed at relieving recipients of the problems of coordination and evaluation of aid activities (Fryderek, 2010, p. 200).

In addition, the increase in the number of new donors gave developing countries an opportunity to establish new partnerships, which complicated the issue of aid coordination, although a kind of "natural" division of labour has gradually emerged on site, with European donors focusing on social aspects and new donors focusing on infrastructure.

3. Increasing the Effectiveness of Development Aid

The EU has become an active participant in international projects aimed at increasing the effectiveness of aid for impoverished countries. The EU's efforts to increase the quality of cooperation with poor countries are driven not only by internal factors, such as the previously described increasingly noticeable aid inefficiency, but also by changes in the international situation. After adopting Millennium Development Goals on the turn of the new millennium, the attention of the international community turned to the issue of aid effectiveness in underdeveloped countries and to the factors that influence it. It became obvious that the European Union, as one of the world's most significant donors, would actively engage in the international discussion and even become the leader of the changes.

In March 2002, the EU member states participated in the UN International Conference on Financing for Development in Mexico. The outcome of this conference was the Monterrey Consensus, defined by the United Nations as 'the framework for a global partnership for development under which developed and developing countries would undertake joint action to reduce development disparities' (UN, 2005). The Consensus for the first time clearly emphasised the need for developing countries to take responsibility for fighting underdevelopment and for richer countries to support them through free trade and increased financial aid (Desai, 2005). Strong representation of the EU in the negotiation process was important because the signing of this document was considered not only a

breakthrough moment in international development cooperation, but also a turning point in the EU's works on increasing the effectiveness of the financing system for its cooperation with African countries.

Soon, First High-Level Meeting on Aid Harmonization in Rome in 2003 and Second High-Level Meeting on Aid Effectiveness in Paris in 2005 were held, also attended by most of the members of the European organisation. Similar to the one in Italy, the meeting in the capital of France ended with the signing of the Paris Declaration on Development Aid Effectiveness. The document is a type guide on how to effectively combat underdevelopment. The axis of this fight is formed by the five principles of effective development aid: ownership, alignment, harmonisation, results orientation and mutual accountability (OECD, 2005), complemented by a set of measures and indicators subject to constant monitoring and control. It was important for the effectiveness cooperation that EU member states not only committed to the full implementation of the Paris Declaration, but also, by 2010, to additional commitments such as (Bagiński, 2009):

- channelling capacity building assistance through coordinated programmes,
- channelling 50% of government assistance through institutions in partner countries,
- avoiding the creation of any new Project Implementation Units,
- reducing the number of uncoordinated missions by 50%.

The decisions made in Paris found their continuation and further development in the Accra Agenda for Action, adopted during the Third High-Level Meeting in 2008. It sets out the criteria for quality of development assistance. The global community of donors (including EU member states) and recipients decided to 'undertake further reforms and intensify actions to meet the targets and objectives on aid quality for 2010 (OECD, 2008).

A strong emphasis was placed on increasing the predictability of aid transfers, the use of developing country systems, conditionality of aid based on development strategies and their implementation in individual countries, untying, and the involvement of entities other than donors and recipients in the process of increasing aid effectiveness (inclusive partnerships). It is easy to observe that many of these postulates appeared earlier in the Cotonou Agreement (to be discussed later), which suggests that the European Union member states were actively involved in the elaboration of the Accra Agenda for Action as well, and the Cotonou document could serve as a good model.

The Global Partnership for Effective Development Co-operation (GPEDC) was established at the Fourth High Level Forum in Busan in 2011 to enhance the effectiveness of development efforts, ensure long-term results and achieve the Sustainable Development Goals (SDGs) (GPEDC, 2011). The GPEDC provides

support, guidance and knowledge on effective aid strategies and supports the implementation of internationally agreed practical principles for effective development cooperation, such as strengthening the autonomy of developing countries, results-oriented approach, building inclusive partnerships and conducting transparent and accountable development cooperation (GPEDC, 2015).

The former advisor to the Minister of International Cooperation in Egypt and Chair of the OECD/DAC Working Group on Aid Effectiveness, T. Abdel-Malek (2015), who studies the issue, also pointed to other key features of the GPEDC from the perspective of the transformation of the global development aid system:

- development aid was recognised as a catalyst for effective development cooperation and the need to shift the focus from the effectiveness of development assistance to effective development cooperation was noted; moreover, the importance of mobilising domestic resources to finance development, reform of state and non-state institutions, as well as the role of development aid providers' accountability for the results of this kind of assistance was emphasised;
- cooperation between the countries of the Global South (South-South cooperation) and trilateral cooperation, involving in addition to representatives of donors and aid recipients and recipient representatives a wider range of actors such as non-governmental organisations, private enterprises, or universities and colleges were recognised as elements of effective development cooperation;
- the important role of private entities in development cooperation was recognised, particularly in facilitating innovation and creating work places; the GPEDC obliges the interested parties to consult business associations and trade unions in order to ensure adequate regulatory environment and increase these institutions' participation in formulating and implementing development policies.

At the second High Level Meeting of the Global Partnership for Development Effectiveness in Nairobi in 2016, the implementation of the GPEDC was closely linked to the implementation of the 2030 Agenda. The conference was considered groundbreaking due to its unprecedented reach: it was attended by approximately 4.600 participants from 158 countries, and from all the major counties in Kenya, including Kenya's President Kenyatta himself, parliamentarians, representatives of youth associations, farmers, and immigrants (Bena and Tomlinson, 2017). The ability to deliberate in such a wide and diverse group and adopt collective conclusions from the meeting can be seen as a great potential for the GPEDC itself to develop and coordinate dialogue and exchange experiences on the effectiveness of development aid and partnership development.

At the same time, international opinion drew attention to the fact that key developing countries such as Brazil, India, China and South Africa did not participate in the Nairobi deliberations (only Russia took part), which cast doubt on how global the nature of the partnership actually was (Klingebiel 2016). X. Li and G. Qi (2021) state that one of the reasons is the developing countries' perception of the GPEDC as a continuation of the DAC concept, based on Western supremacy.

The same authors emphasise that the experiences of developing countries, which are now creating their own solutions for development cooperation, as well as those of traditional donor countries focused on DAC and GPEDC, are complementary. The increasing importance of new players in global development, as well as strategy adaptation in developed countries present an opportunity to build a more integrated, inclusive global platform for sharing experiences, coordinating and monitoring progress of development cooperation in the partnership-based world.

The SDG and the 2030 Agenda are becoming increasingly important as reference points for national development strategies, particularly among partner countries, and indicators related to them are the basis for assessing development progress. This is an expression of one of the most important principles of effective development cooperation, i.e. joint ownership of objectives, their implementation and results thereof (accountability). Achieving the new SDGs requires intensified and more effective action by a wider range of partners than ever before. It is therefore necessary to strengthen accountability mechanisms to increase the effectiveness of international development cooperation (OECD, 2015).

The 2019 GPEDC report indicates that regarding target 17.15, the rate of coverage of national result frameworks and planning tools by development donors decreased from 64% in 2016 to 62% in 2018. The number of entities that report progress in monitoring the effectiveness of multi-stakeholder activities supporting the achievement of the SDG (target. 17.16) in 2018 was 45% among countries, 66% among multilateral organisations and 57% among bilateral organisations (OECD/UNDP 2019). While long term progress in advancing development partnerships is evident, many areas remain unchanged or even regressing. This is the case i.a. in the alignment of project objectives with partner countries' priorities and the degree to which national result frameworks are used to monitor progress, as well as in the predictability of development cooperation expenditures within national budgets and providing an enabling environment for civil society organisations to be active in development cooperation.

In the spirit of advancing the concept of partnership, in 2019 the GPEDC proposed five principles for partnerships involving private parties at its 17th Steering Committee meeting prior to the High Level Meeting of the Global Partnership in Kampala, Uganda, including: the principle of overall country ownership; the principle of results-based and targeted impact; the principle of inclusive

partnerships, transparency and accountability; and the principle of leaving no one to their own devices (OECD/UNDP 2019).

In 2019, the European Parliament adopted a *Resolution on Improving Development Effectiveness and Aid Effectiveness*, which stressed that the European Union should take a leading role in applying the principles of aid effectiveness and efficiency in order to have a real impact and achieve sustainable development goals in partner countries without leaving anyone to their own devices. The resolution proposed solutions aimed at broader involvement of development cooperation parties in the joint efforts for aid effectiveness, such as the publication by the EC, at least twice a year, of a progress report on aid effectiveness, or meetings in individual partner countries including the EU, representatives of the member states, implementing agencies, international organisations, local and regional authorities and civil society organisations, aimed at identifying challenges and opportunities (EP, 2020).

Meanwhile, in its paper on development aid effectiveness the EP focused on the diversity of partnerships going beyond their political dimension, recognising the key role of the civil society as a partner, both in the consultation process and in the delivery of development services, calling for a stronger focus on local SMEs, smallholder farming and women's empowerment, and acknowledging that the involvement of private subjects at local, national, bilateral and international levels is important for achieving Sustainable Development Goals, mobilising additional development finance and moving towards sustainable economic development, growth and prosperity (EP, 2020).

4. Evaluating the Effectiveness of Development Aid Using the QuODA Method – The Role of the EU

QuODA is a tool developed by the Center for Global Development (CGD) and the Washington-based think tank, the Brookings Institution. QuODA continues to be refined and is gaining more and more approval in the development aid and global development communities. QuODA answers the question of how donors are performing on the commitments they have made to improve the quality of aid (CGD, 2020a).

QuODA focuses on those dimensions of development assistance that are believed and historically known to be the most effective. QuODA aims to improve the quality of aid by assessing and comparing the performance of donors with the commitments they have made to improve the quality of said aid. Furthermore, it enables the grouping and classification of information from different sources, as it directly compares the results achieved by organisations and countries which contribute to development aid. It compares the performance of other stakeholders, such as the Global Partnership for Effective Development Cooperation (GPEDC), the OECD Development Assistance Committee (DAC) or the International Aid Transparency

Initiative (IATI). The aim is to engage them in dialogue and debate to improve the delivery of aid (CGD, 2021a).

The indicators proposed by CGD and the Brookings Institution resulted from a dialogue with donors, development aid institutions and experts, who identified them as the most relevant for improving development aid effectiveness. However, as its authors themselves stress, QuODA is not a complete measure of the effectiveness or impact of development aid. The method focuses only on the efforts of donors, while the outcomes of the aid depend on the combined efforts of donors and beneficiaries of development aid (Birdsall and Kharas, 2016).

According to the latest 2021 publication, QuODA is based on 17 indicators that capture ongoing changes in global development, and data on development aid effectiveness. The indicators are divided into four categories (CGD, 2021b):

- prioritisation (P) – indicates whether beneficiaries, goals and methods of provided development aid are chosen with consideration for ensuring effectiveness (1. aid spent in partner countries, 2. poverty focus, 3. contributions to under-aided countries, 4. core support to multilaterals, 5. supporting fragile states and global public goods);
- ownership (O) – indicates whether activities are carried out in accordance with the priorities of the beneficiaries and involve systems and professionals from the recipient countries (6. alignment at objectives level, 7. use of country financial systems, 8. reliability and predictability, 9. partner feedback);
- transparency (T) – indicates whether the activities are transparent, which is the basis for mutual accountability (10. aid reported in IATI, 11. comprehensiveness of data (CRS), 12. timeliness (IATI and CRS), 13. Untied aid (official), 14. Untied aid (contracts));
- evaluation (E) – indicates how effective the learning systems and assessment methods are (15. evaluation systems, 16. institutional learning systems, 17. results-based management systems).

The QuODA indicators measuring donor performance follow five principles. First, the indicators assess donor actions based on an analysis of incontrovertible data coming from developing countries' economies, their impact on global development or their commitments to international policies. It is possible to compare donor actions with development outcomes, such as GDP growth, reduction of poverty and inequality, improvement of citizens' well-being in developing countries.

However, it is difficult to capture and analyse all types of donor actions and in such cases it is necessary to rely on the international commitments that countries make. These include the Global Partnership for Effective Development Cooperation (GPEDC), the Aid Effectiveness Transparency Initiative (IATI), the 2030 Agenda

for Sustainable Development or the Paris Declaration. Secondly, the indicators assess activities that are primarily under the control of donors, rather than outcomes that are partially or entirely dependent on the actions or responses of recipient countries and the organisations within them. Thirdly, the indicators are measurable in a consistent way for all development assistance donors assessed – both country governments and international donor organisations. Furthermore, it is clear which actions are considered positive (use of incentives) or negative (use of sanctions). Finally, the indicators are based on publicly available data that is transparent, practical and consistent, so that the risk of subjective interpretation can be eliminated (CGD, 2020 b). Due to the lack of annual data publication by CGD, the analysis of the ranking of QuODA indicators will be carried out using data from years 2008, 2012 and 2018 and 2021 - Table 1.

Table 1. Top 20 donors of development aid (2008, 2012, 2018, 2021) according to QuODA

ranking position	2008		2012		2018		2021	
	donor	score	donor	score	donor	score	donor	score
1	AfDF	0,960	GFATM	0,816	New Zealand	0,480	IFAD	1,47
2	GFATM	0,901	AfDF	0,691	AsDF	0,472	AfDF	1,25
3	IDA	0,825	IDB Special	0,686	AfDF	0,447	IDA	1,07
4	IFAD	0,647	Italy	0,465	IDB Special	0,411	Global Fund	0,90
5	Italy	0,358	AsDF	0,428	IDA	0,384	GAVI	0,85
6	New Zealand	0,352	Portugal	0,415	Danemark	0,310	Sweden	0,74
7	Japan	0,344	IDA	0,285	GFATM	0,259	UNDP	0,68
8	AsDF	0,339	Luxembourg	0,279	Ireland	0,230	Finland	0,63
9	Portugal	0,324	IFAD	0,173	GAVI	0,219	Denmark	0,60
10	IDB Special	0,313	United Kingdom	0,134	Australia	0,180	Canada	0,60
11	Luxembourg	0,292	Canada	0,036	Portugal	0,180	WHO	0,59
12	United Kingdom	0,051	Belgium	0,033	Luxembourg	0,170	AsDB	0,57
13	France	0,023	New Zealand	0,032	Canada	0,140	Belgium	0,50
14	UNDP	0,016	France	-0,087	Sweden	0,100	EU Institutions	0,47
15	Danemark	-0,005	Danemark	-0,102	Netherlands	0,040	UNICEF	0,43
16	Belgium	-0,031	Japan	-0,103	EU Institutions	0,031	United Kingdom	0,41
17	UNAIDS	-0,081	Finland	-0,112	Belgium	0,020	Ireland	0,36
18	Australia	-0,139	EU Institutions	-0,118	Finland	0,010	Korea	0,32
19	EU Institutions	-0,143	UNAIDS	-0,145	Japan	0,000	Netherlands	0,26
20	Netherlands	-0,230	Greece	-0,152	IFAD	-0,020	Iceland	0,22

Source: Own elaboration from *www: Quality of ODA (QuODA)*, <https://www.cgdev.org/page/quality-oda-quoda>, (CGD, 2021c).

Analysing the QuODA results, one can conclude that the best quality aid is provided by international institutions while the aid provided by national governments is of

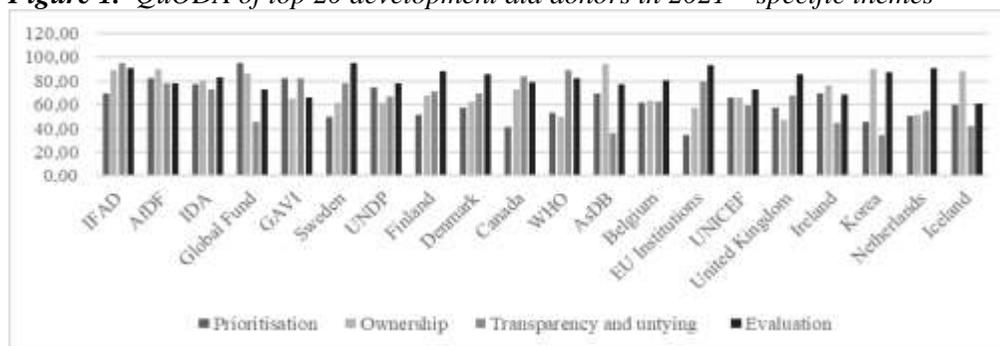
lesser quality. In 2008, the top 10 donors included six international institutions such as the African Development Fund (AfDF), the Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM), and the International Development Association (IDA), which took the top three spots in the ranking.

In the following years, a similar pattern could be observed. It was only in 2018 that New Zealand took the first place in the ranking ahead of the aforementioned organisations, with Denmark in the sixth place. In 2021, international organisations were again ranked first, followed by IFAD, AfDF, IDA, Global Found, GAVI, and Sweden in sixth place. This state of affairs may be due to the fact that international institutions dealing with global development and development aid are more involved in such activities than the governments of countries for which development aid is often just a fulfilment of international obligations and not a priority. International organisations dealing with development aid also have better educated field structures, specialists operating in underdeveloped countries, who know the realities and are often more knowledgeable about local problems than the governments of developed countries. They also have more financial resources.

The EU was ranked 19th, 18th, 16th and 14th in QuODA, respectively in the analysed years. In 2021 (Figure 1), it obtained a score of 0.49 and was only ninth among multilateral institutions behind IFAD, AfDF, IDA, Global Found, GAVI, UNDP, WHO, AsDF. Its best aid effectiveness score that year was in evaluation – third in all donors behind Sweden and New Zealand, fifth in transparency behind IFAD, WHO, Canada and Global Found, 30th in ownership and as high as 35th in prioritisation out of 49 donors.

The EU's best performance was in evaluation systems and results-based management systems. This indicates effective learning systems and evaluation methods for EU development assistance. By contrast, the EU was weakest in 2021 on contributions to under-aided countries and poverty focus, which means that the EU does not select the beneficiaries, objectives and methods of its development assistance with consideration to ensuring its effectiveness.

Figure 1. *QuODA of top 20 development aid donors in 2021 – specific themes*



Source: Own elaboration from [www: https://www.cgdev.org/quoda-2021](https://www.cgdev.org/quoda-2021), (CGD, 2021d).

5. Conclusions

Experts, decision-makers and ordinary citizens alike want to know how development aid money is spent, for what purposes it is used and what results are achieved. This puts pressure on both donors and beneficiaries involved in development aid to conduct transparent, cooperative activities.

In the light of carrying out its priorities and of its role as an international organisation, the EU is a platform for reconciling multinational interests (Finkelstein 1995; Rosenau 1995; Dingwerth and Pattberg 2006) and a coordinator of efforts to address global issues (Rischard 2002-2003), which includes increasing the effectiveness of development aid. Therefore, as a significant global actor, the EU plays an increasingly important role in addressing these issues (Willets, 2011). The Union fulfils this role through the implementation of its foreign policy, with development cooperation at its core.

The analysis of the process of increasing the effectiveness of development cooperation aimed at intensifying economic and social development and integrating developing countries into the global economy allows us to formulate the conclusion that the EU actions undertaken in this area have not yet proved fully effective. The EU's active participation in all initiatives aimed at increasing the effectiveness of assistance to poorer countries on their way to development, its ambition to be a leader in this field as an international organisation, as well as numerous activities undertaken on its forum are positive occurrences. However, it should be noted that 'policies are not judged by their intentions, but by their outcomes'³. The assumptions and goals adopted by the European Union are right, but there are significant problems with their implementation.

Due to the large number of independent factors, it is difficult to propose a universal model to measure the effectiveness of the actions carried out. Many international organisations and entities dealing with the issue of global development and development aid make attempts to present a method for assessing the effectiveness of the activities conducted, both from the perspective of both the development aid beneficiaries and donors.

The QuODA method proposed by the Center for Global Development think tank is an innovative and noteworthy approach. It departs from the traditional understanding of development aid effectiveness from the perspective of beneficiaries' activities, focusing instead on donors' assistance. This is much easier to research and quantify, which makes the method simple and transparent. It enables the measurement the quality of provided development aid and to assign a rating of actions to individual donors and to rank them. This makes it possible to conduct comparative analysis of

³Words by T. Todorov, a philosopher of Bulgarian origin.

various factors potentially affecting donor effectiveness. Moreover, even the most influential international organisations dealing with global development, such as the OECD or the UN, often refer to indicators and rankings created by the CGD. This makes QuODA increasingly popular and credible. Certainly, the approach proposed by the CGD is not without disadvantages, such as frequent changes of the proposed indicators or irregular publication of rankings. However, it should be assumed that it will improve on a yearly basis.

As the value of development aid increases, there will be an increasing emphasis on how carefully the funds are spent. Donors, including the EU, will exert pressure on the evaluation of activities undertaken by the beneficiaries, as well as beneficiaries of development aid will be interested in the best quality of the aid they receive. For that reason, there will be a growing need to create reliable and practical reports which will indisputably and fairly evaluate the actions of both recipients and donors. Perhaps the measurement of development aid effectiveness will also be supported by modern technologies such as big data analysis. This will allow the study of a large number of factors provided with large aggregates of data and help to eliminate the current obstacles.

References:

- Abdel-Malek, T. 2015. *The Global Partnership for Effective Development Cooperation: Origins, actions and future prospects*. Bonn, German Development Institute.
- Antipin, J.E., Mavrotas, G. 2006. *On the empirics of aid and growth: A fresh look*. Research Paper, UNU-WIDER United Nation University, No. 5, 1-25.
- Arts, K., Dickson, A.K. 2004. *EU Development Cooperation: From Model to Symbol*. Manchester, Manchester University Press.
- Bagiński, P. 2009. *Europejska polityka rozwojowa. Organizacja pomocy Unii Europejskiej dla krajów rozwijających się (European development policy. Organization of European Union aid for developing countries)*. Warszawa, CeDeWu.
- Bagiński, P., Czaplicka, K., Szczyciński, J. 2009. *Międzynarodowa współpraca na rzecz rozwoju (International development cooperation)*. Warszawa, Polskie Wydawnictwo Ekonomiczne.
- Baliamoune-Lutz, M., Mavrotas, G. 2009. *Aid effectiveness: looking at the aid-social capital-growth nexus*. *Review of Development Economics*, 13(1), 510-525.
- Bena, F.T., Tomlinson, B. 2017. *The outcome of the 2nd High Level Meeting of the Global Partnership for Effective Development Co-operation and why it matters*. Waterville, AidWatch Canada.
- Birdsall, N., Kharas, H. 2016. *The Quality of Official Development Assistance (QuODA), Third Edition*, Brookings Institute. <https://www.brookings.edu/wp-content/uploads/2016/06/Quality-of-Official-Development-AssistanceFinal.pdf>.
- Birgsten, A., Tengstam, S. 2015. *International Coordination and the Effectiveness of Aid*. *World Development*, 69, 75-85.
- Bodenstein, T., Faust, J., Furness, M. 2017. *European Union Development Policy: Collective Action in Times of Global Transformation and Domestic Crisis*. *Development Policy Review*, 35(4), 441-453.
- Burnside, C., Dollar, D. 1997. *Aid Policies and Growth*. World Bank Policy Research

- Working Paper, No 1777, 1-64.
- Carbone, M. 2013. Between EU actorness and aid effectiveness: The logics of EU aid to Sub-Saharan Africa. *International Relations*, 27(3), 341-355. doi:10.1177/0047117813497300.
- Carbone, M. 2017. Make Europe happen on the ground? Enabling and constraining factors for EU aid coordination in Africa. *Development Policy Review*, 35(4), 531-548.
- CGD. 2020a. Quality of Official Development Assistance: QuODA 2018 Methodology. <https://www.cgdev.org/sites/default/files/quoda-methodology-2018.pdf>.
- CGD. 2020b. Revisiting Aid Effectiveness: A New Framework and Set of Measures for Assessing Aid "Quality". <https://www.cgdev.org/publication/revisiting-aid-effectiveness-new-framework-andset-easures-assessing-aid>.
- CGD. 2021a. QuODA. <https://www.cgdev.org/topics/quoda>.
- CGD. 2021b. Quality of Official Development Assistance QuODA 2021 Methodology. <https://www.cgdev.org/sites/default/files/QuODA-2021-methodology-paper.pdf>.
- CGD. 2021c. Quality of ODA (QuODA). <https://www.cgdev.org/page/quality-oda-quoda>.
- CGD. 2021d. QuODA 2021. <https://www.cgdev.org/quoda-2021>.
- Coleman, W.D. 2012. Governance an Global Public Policy. In: *The Oxford Handbook of Governance*, Levi-Faur D. (ed.). Oxford, Oxford University Press, 673-685.
- Dellmuth, L.M., Tallberg, J. 2020. Why national and international legitimacy beliefs are linked: Social trust as an antecedent factor. *Review of International Organisations*, 15, 311-337.
- Desai, N. 2005. The Monterrey Consensus: developing the policy innovations. In: *Irrelevant or indispensable? The United Nations in the 21st century*, Heinbecker, P., Goff, P. (eds.). Waterloo, Wilfrid Laurier University Press.
- Deszczyński, P. 2011. *Konceptualne podstawy pomocy rozwojowej (Conceptual basis for development assistance)*. Poznań, Wydawnictwo Uniwersytetu Ekonomicznego w Poznaniu.
- Dingwerth, K., Pattberg, P. 2006. Global Governance as a Perspective on World Politics. *Global Governance*, 12(2), 185-203.
- Easterley, W., Levine, R., Roodman, D. 2004. New Data, New Doubts: A Comment on Burnside and Dollar's Aid, Policies and Growth. *American Economic Review*, 94(3), 774-780.
- EP. 2020. European Parliament resolution of 25 November 2020 on improving development effectiveness and the efficiency of aid. https://www.europarl.europa.eu/doceo/document/TA-9-2020-0323_EN.html.
- EC. 2020. The European Union remains world's leading donor of Official Development Assistance with €75.2 billion in 2019. https://ec.europa.eu/international-partnerships/news/european-union-remains-worlds-leading-donor-official-development-assistance_en.
- Farrell, M. 2008. Internationalising EU development policy. *Perspectives on European Politics and Society*, 9(2), 225-240. doi:10.1080/15705850801999776.
- Finkelstein, L.S. 1995. What is Global Governance. *Global Governance*, 1, 367-372.
- Fryderek, Ł. 2010. Zagadnienia skuteczności pomocy rozwojowej (Issues of development aid effectiveness). In: *Wprowadzenie do problematyki pomocy rozwojowej (Introduction to development assistance issues)*, Fryderek, Ł., Jarecka-Stępień, K., Kurpiewska-Korbut, R., Stępień, J. (eds.). Kraków, Księgarnia Akademicka, 197-216.
- Fukuda-Parr, S. 2007. Rethinking The Policy Objectives of Development Aid: From

- Economic Growth To Conflict Prevention. Research Paper, No. 032. Helsinki: UNU-WIDER <https://www.wider.unu.edu/sites/default/files/rp2007-32.pdf>.
- GPEDC. 2011. About the partnership. <https://effectivecooperation.org/about/about-the-partnership/>.
- GPEDC. 2015. The Monitoring Framework of the Global Partnership. <https://effectivecooperation.org/wpcontent/uploads/2015/05/GPEDC-Monitoring-Framework-10-Indicators.pdf>.
- Grimm, S. 2008. Reforms in the EU's aid architecture and management: the Commission is no longer the key problem; let's turn to the system. Discussion Paper/Deutsches Institut für Entwicklungspolitik, 11, 1-42.
- Guillaumont, P., Wagner L. 2014. Aid effectiveness for poverty reduction: lessons from cross-country analyses, with a special focus on vulnerable countries. Working Papers from FERDI, P96, 217-261.
- Hansen, H., Tarp, F. 2000. Policy Arena Aid Effectiveness Disputed. *Journal of International Development*, 12(3), 375-398. doi: 10.1002/(SICI)1099-1328(200004).
- Holden, P. 2016. In Search of Structural Power. EU Aid Policy as a Global Political Instrument. New York, Routledge.
- Klingebiel, S. 2016. Crisis or progress? The Global Partnership for Effective Development Cooperation (GPEDC) after Nairobi. *The Current Column*.
- Kopiński, D. 2011. Pomoc rozwojowa. Teoria i Polityka (Development Aid. Theory and Politics). Warszawa, Wydawnictwo Difin SA.
- Kovářová, E. 2014. Globalization and Africa: How Lost and Marginal is Africa's World Economy Region in the Period of Globalization. In: Proceedings of the 2nd International Conference on European Integration, Honová, I. *et al.* (eds.), Ostrava.
- Lean Mc, E.V. 2012. Donors' Preferences and Agent Choice: Delegation of European Development Aid. *International Studies Quarterly*, 56(2), 381-395.
- Li, X., Qi, G. 2021. Should China Join the GPEDC? Prospects for China and the Global Partnership for Effective Development Cooperation. In: *The Palgrave Handbook of Development Cooperation for Achieving the 2030 Agenda*, Chaturvedi S. *et al.* (eds.). Cham, Palgrave Macmillan, 393-407.
- Lightfoot, S., Szent-Iványi, B. 2014. Reluctant donors? The Europeanization of international development policies in the new member states. *Journal of Common Market Studies*, No. 52(6), 1257-1272. doi: 10.1111/jcms.12141.
- McGillivray, M. 2005. Is aid effective? Helsinki, UNU-WIDER.
- Milner, H.V. 2006. Why Multilateralism? Foreign aid and domestic principal-agent problems. In: *Delegation and Agency in International Organizations*, D.G. Hawkins, *et al.* (eds). New York, Cambridge University Press, 107-139.
- OECD. 2005. The Paris Declaration on Aid Effectiveness. <https://www.oecd.org/dac/effectiveness/34428351.pdf>.
- OECD. 2008. Accra Agenda for Action, https://read.oecd-ilibrary.org/development/accra-agenda-for-action_9789264098107-en#page2.
- OECD. 2015. The concept of accountability in international development co-operation, Development Co-operation Report 2015: Making Partnerships Effective Coalitions for Action. Paris, OECD Publishing.
- OECD/UNDP. 2019. Kampala Principles on effective private sector engagement through development co-operation, Paris. <https://www.oecd.org/dac/effectiveness/Kampala-Principles-on-effective-private-sector-engagement-development-cooperation.pdf>.
- Orbie, J. 2012. The EU's Role in Development: A Full-Fledged Development Actor or

- Eclipsed by Superpower Temptations? In: *The European Union and Global Development An 'Enlightened Superpower' in the Making?*, Gänzle, S., Grimm, S., Makhan D., (eds.). Houndmills, Basingstoke, Hampshire, Palgrave, Macmillan, 17-36.
- Orbie, J., Carbone, M. 2016. The Europeanization of Development Policy. *Journal of European Politics and Society*, 17(1), 1-11.
- Rischar, J.F. 2002–2003. Global Issues Networks: Desperate Times Deserve Innovative Measures. *The Washington Quarterly*, Winter 2002-03.
http://www.twq.com/03winter/docs/03winter_rischar.pdf.
- Roodman, D. 2007. The Anarchy of Numbers: Aid, Development and Cross-Country Empirics. *The World Bank Economics Review*, 21(2), 255-277.
- Rosenau, J.N. 1995. Governance In the Twenty-first Century. *Global Governance*, 1, 13-43.
- Sobotka, B. 2009. Efektywność pomocy rozwojowej (Development aid effectiveness). *Annales Universitatis Mariae Curie-Skłodowska. Lublin-Polonia*, 16(2), 163-177.
- Timofejevs Henriksson, P. 2015. Europeanization of foreign-aid policy in Central and East Europe: The role of EU, external incentives and identification in foreign-aid policy adoption in Latvia and Slovenia 1998-2010. *Journal of European Integration*, 37(4), 433-449. doi: 10.1080/07036337.2014.987140.
- Uh, S., Siddiky, M. 2017. Does Development Aid Work? Improving Aid Effectiveness in International Development Cooperation Efforts. *Bangladesh e-Journal of Sociology*, 14, 120-142.
- UN. 2005. Investing in Development: A Practical Plan to Achieve the Millennium Development Goals. New York, UN Millennium Project.
- Verschaeve, J., Orbie, J. 2018. Ignoring the elephant in the room? Assessing the impact of the European Union on the Development Assistance Committee's role in international development. *Development Policy Review*, 36, O44-O58.
doi:10.1111/dpr.12216.
- Weinstein, J.M. 2013. Transforming Multilateralism: Innovation on a Global Stage.
https://ssir.org/articles/entry/transforming_multilateralism_innovation_on_a_global_stage#.
- Willets, P. 2011. Non-Governmental Organizations in World Politics. *The Construction of Global Governance*. London, New York, Routledge Global Institutions Series.
- Zajączkowski, K. 2010. Development Policy as an Instrument of the EU's External Policy. *Yearbook of Polish European Studies*, 13, 241-262.
- Zajączkowski, M. 2019. Współpraca rozwojowa w ramach Światowej Organizacji Handlu (Development cooperation as part of the World Trade Organization). Warszawa, Oficyna Wydawnicza SGH.