

DEVELOPING WORLD LEADERS SPEAK OUT ON AID DONORS

October 28, 2015 – WILLIAMSBURG, VA – Foreign aid donors are quick to assess the performance of other countries and dispense policy advice, but how well do these “development partners” stack up when rated by leaders in the countries they are trying to help? According to new research released today by AidData, multilaterals like the World Bank do well, the big bilaterals not as well, while the emerging donors lag behind.

According to nearly 6,750 policymakers and practitioners, the development partners that have the most influence on policy priorities in their low-income and middle-income countries are *not* large Western donors like the United States or UK. Instead it is large multilateral institutions like the World Bank, the GAVI Alliance, and the Global Fund to Fight AIDS, Tuberculosis and Malaria.

Why do multilaterals perform well? “One reason is that supranational institutions are often seen as ‘honest brokers’ providing independent and credible policy advice, whereas bilateral aid agencies are subject to the geostrategic or commercial interests of the national governments that control them,” said Brad Parks, Co-Executive Director of AidData.

***Listening to Leaders: Which Development Partners Do They Prefer and Why?* is available at aiddata.org/listening-to-leaders.**

The AidData researchers also found that when aid agencies spend a disproportionate amount of their money on “technical assistance” – highly-paid expert advisers – they actually end up having less sway with the very governments they wish to influence.

“Local ownership of the policymaking process matters,” said Samantha Custer, Director of Policy Analysis and a co-author of *Listening to Leaders: Which Development Partners Do They Prefer and Why?* “When aid agencies align their advice and assistance with the policy priorities of their partner governments, they tend to achieve a policy influence multiplier effect.”

The report draws upon the frank views of policymakers and practitioners from 126 low- and middle-income countries, and attracted the participation of high-level officials across the public, private and civil society sectors, including 47 heads of state or government and 249 heads of government ministries and agencies. Survey participants described their experiences working with more than 100 aid agencies between 2004 and 2013. They also provided invaluable insights into the most pressing problems they face, their top policy priorities, and thoughts on how aid agencies and other external actors can partner with them most effectively.

Join AidData’s Brad Parks, Samantha Custer and external discussants for a webinar on *Listening to Leaders: Which Development Partners Do They Prefer and Why?* on Thursday, November 19, 10:00-11:00 A.M. (U.S. East Coast). They’ll discuss how the survey and analysis can help the international community can retool its efforts to support those who make and shape policy in the developing world.

The report also shows that “less is sometimes more”. By comparing aid dollars spent versus in-country policy influence, the researchers found that several bilateral development partners – including Ireland, New Zealand, and Luxembourg – punch above their weight, efficiently converting modest aid budgets into

greater-than-expected agenda-setting influence, which may reflect their narrow focus on a small number of partner countries.

At the same time, some larger bilaterals are recognized as being particularly effective in certain policy areas: Germany is regarded a leader in environmental policy arena, while the UK is dominant in the anti-corruption and transparency space. U.S. Embassies and USAID missions are seen as particularly valuable sources of democracy reform advice and assistance. “Specialization matters. When an aid agency spreads itself too thinly across many countries and many sectors, it runs the risk of becoming a jack of all trades and a master of none,” said Parks.

The *Listening to Leaders* report also provides evidence that the popular narrative about China’s expanding soft power – in particular, the notion that the “Beijing Consensus” is rapidly eclipsing Western sources of influence in the developing world – is probably overblown. When asked to rate the usefulness of China’s policy advice, developing country leaders ranked China Development Bank, China Ex-IM Bank, and Chinese Embassies 75th, 59th, and 70th, respectively, out of 86 bilateral and multilateral development finance institutions.

About AidData

AidData’s mission is to make development finance more transparent, accountable, and effective. It pursues this mission by engaging in innovative activities that make it possible to more effectively track, target, coordinate, and evaluate development finance. AidData tracks financing for the Sustainable Development Goals, conducts geospatial impact evaluations and RCTs, and collects close-to-real-time data and intelligence from those who are making and shaping development policies and programs on the ground. Development researchers, policymakers and practitioners use the AidData portal - aiddata.org - to compare data on over \$40 trillion in aid, remittances, foreign direct investment from 90 donor agencies.

Listening to Leaders is the second report leveraging data from AidData’s 2014 *Reform Efforts Survey*. AidData is preparing the next wave of the global omnibus survey to be fielded in 2016.

Media contacts:

AidData

Alexander Wooley
Christopher Katella
(757) 221-1248
awooley@aiddata.org
ckatella@aiddata.org

###