

Multi-bi aid: Tracking the evolution of earmarked funding to international development organizations from 1990 to 2012

Codebook

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Abbreviations

AfDF	African Development Bank
AsDB	Asian Development Bank
AsDF	Asian Development Fund
ARTF	Afghanistan Reconstruction Trust Fund
CGIAR	Consultative Group on International Agricultural Research
CITIES	Cities Alliance
CRS	Creditor Reporting System (OECD aid activity database)
DAC	Development Assistance Committee
DFID	Department for International Development
EIF	Enhanced Integrated Framework
ESMAP	Energy Sector Management Program
EU	European Union
FAO	Food and Agriculture Organization
FSO	Fund for Special Operations
GAVI	Global Alliance for Vaccination Initiative
GCDT	Global Crop Diversity Trust
GCF	Green Climate Fund
GEF	Global Environment Facility
GF	Global Fund (to Fight Aids, Tuberculosis and Malaria)
GFATM	Global Fund to Fight Aids, Tuberculosis and Malaria
GPE	Global Partnership on Education
IADB	Inter-American Development Bank
IDA	International Development Association
IDO	International Development Organization
IFPRI	International Food Policy Research Institute
ILO-IPEC	International Labor Organization International Program on the Elimination of Child Labor
IMF	International Monetary Fund
INGO	International Non-Governmental Organization
IOM	International Organization for Migration
JPO	Junior Professional Program
MDTF	Multi-donor trust fund
ODA	Official Development Aid (OECD definition)
ODIHR	Office for Democratic Institutions and Human Rights
OECD	Organization for Economic Co-Operation and Development
OSCE	Organization for Security and Co-operation in Europe

PPP	Public-Private Partnership
PRGF	Poverty Reduction and Growth Facility
RDB	Regional Development Bank
SDTF	Single-donor trust fund
TF	Trust fund
UN	United Nations
UNCHS	United Nations Center for Human Settlements
UNDCP	United Nations Drug Control Program
UNEP	United Nations Environment Program
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNIDO	United Nations Industrial Development Organization
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children Fund
UNMAS	United Nations Mine Action Service
UNODC	United Nations Organization for Drugs and Crime
UN WOMEN	United Nations Entity for Gender Equality and the Empowerment of Women
WBG	World Bank Group
WHO	World Health Organization
3MDG	Three MDG Fund (formerly, Three Diseases Fund)

Terms and conditions

Please request current citation of the multi-bi aid dataset from the authors.

1 Introduction

Multi-bi aid is an increasingly important source of funding for various multilateral organizations (see Reinsberg, Michaelowa, and Eichenauer 2015 for an overview). Multi-bi aid refers to aid flows from donor countries that are channeled through multilateral organizations but earmarked by donors for specific regions, countries, themes, or sectors (OECD 2012: 28). Existing records of multi-bi aid data are not suitable for analyzing the evolution of the phenomenon and its effects. We therefore introduce a dataset adapted for the purpose of studying multi-bi aid. The next section describes the data and presents our solutions to these challenges. Sections 2, 3, 4, and 5 explain the components of the dataset and the coding rules.

1.1 Data on multi-bi aid: challenges and solutions

The OECD's Development Assistance Committee (DAC) provides data about the official development assistance provided by donor countries. Member countries report to the DAC their aggregate flows of multilateral, multi-bi and bilateral aid (Table DAC1) and information about the individual aid activities financed by their aid in the Creditor Reporting System (CRS). The data structure is provided corresponding to either the perspective of the donor country or the recipient country. For our research interest, we take the perspective of the multilateral institution in defining earmarked aid flows.¹

Our definitions and data requirements thus differ from the donor perspective inherent in Table DAC1 and the CRS. The next section describes the available datasets and is followed by a discussion of the data challenges that result from our research question. The subsequent sub-sections provide our re-operationalization of the aid flows and describe how we aim to tackle the data challenges.

1.2 Data on multi-bi aid flows

The OECD/DAC Secretariat records two types of databases on ODA flows reported by donors. Table DAC1 records aggregate bilateral, multi-bi and multilateral aid flows. Total multi-bi flows received by individual multilateral organizations are not reported.

The Creditor Reporting System (CRS) contains information about donor-reported individual aid activities for bilateral and multi-bi aid flows. Some of the information contained in the detailed project descriptions is systematically recorded in variables indicating, e.g., the sector

¹ Our SNIS research project considers the implication of multi-bi aid for multilateral organizations.

and the beneficiaries of the aid activity. Particularly useful for our purpose, CRS also contains a *channelcode* variable that records the institution to which the aid project is delegated for implementation. Donors may channel their aid flows through a range of institutions, including bilateral aid agencies, or non-governmental organizations. Most importantly, earmarked aid activities channeled through a multilateral institution² are considered multi-bi aid activities. The OECD/DAC Secretariat maintains a list called "Annex 2" of all eligible institutions for Official Development Assistance (ODA). Institutions are assigned a unique 5-digit channelcode within Annex 2. The list only includes the most important multilateral institutions. Moreover, an institution may graduate across different categories of channels according to decisions of the OECD/DAC Working Party on Statistics.

Beyond OECD/DAC data, the reporting from individual multilateral organizations about earmarked aid inflows is certainly most accurate. However, such data are not available for all organizations over a prolonged time period and are not easily comparable across organizations.

1.3 Data limitations and challenges

There are three interlinked challenges facing researchers that seek to study the phenomenon of multi-bi aid, notably (1) data quality and data coverage; (2) discontinuities over time due to "graduation"; (3) risk of double-counting aid.³

Data quality and data coverage

The existing OECD/DAC datasets do not readily allow tracking the flows of multi-bi aid over a prolonged time period. Donors have only provided the channel institution since 2004 and reporting quality across donors and even within donors is heterogeneous. Generally, the reporting quality has improved in the last few years.⁴

² We use "multilateral aid institution" as a catch-all term for international development organizations (e.g., UNICEF), pass-through multilaterals (e.g., 3MDG fund) and multilateral partnerships (e.g., Cities Alliance). In individual cases, this differs from current practice of the OECD, which does not consider multilateral partnerships as multilateral institutions.

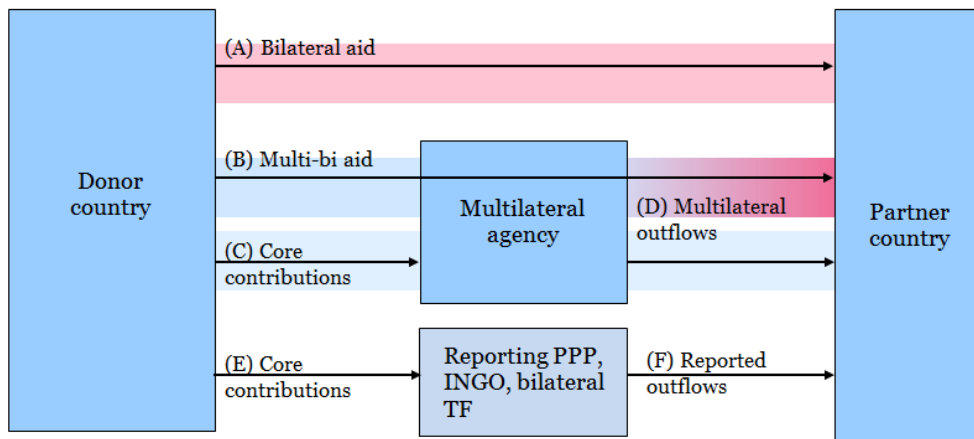
³ The OECD/DAC Secretariat is of course aware of issues of double-counting and their aggregate statistics are not affected by this. However, the issue of discontinuities in aid types remains a problem for researchers interested in these specific aid types.

⁴ CRS data have some well-known problems of coverage and underreporting in earlier years (see, <http://www.oecd.org/dac/stats/crsguide.htm>, accessed November 24, 2014).

Discontinuities over time due to "graduation"

For the purpose of studying multi-bi aid, the re-classification of aid flows from multi-bi to multilateral, the "graduation", generates problematic discontinuities for time-series analysis. To understand of the problem, one needs to be familiar with the OECD's conceptual definition of multilateral aid and its practical implementation.

Figure 1: Aid accounting according to the OECD/DAC Secretariat.



Source: Own representation based on communication with DAC secretariat.

The figure shows that the OECD/DAC aid statistics take the perspective of either the donor country, or the partner country, to avoid double counting. From the perspective of the donor country, multi-bi aid only refers to the part of bilateral aid channelled through a traditional multilateral agency (B). Conversely, contributions to pass-through multilaterals and other trust funds are fully accounted for as multilateral core contributions (E), even though some of these funds may become earmarked aid to another multilateral agency at the next delegation stage. From the perspective of the partner country, all flows from a multilateral agency are alike, whether initially earmarked by a donor or not (D). This accounting approach ignores the perspective of the multilateral agency.

Conceptually, the OECD defines multilateral ODA as comprising "official concessional contributions to multilateral agencies" (OECD 2012: 14).⁵ These flows are also referred to as multilateral "core" contributions (to be distinguished from "non-core" or multi-bi contributions described in detail below). The OECD/DAC refers to multilateral core aid as "multilateral inflows". According to the OECD/DAC's statistical directives, a contribution is classified as multilateral only if the institution: (i) "conducts all or part of its activities in favour of development; (ii) is an international agency, institution, or organisation whose members are governments

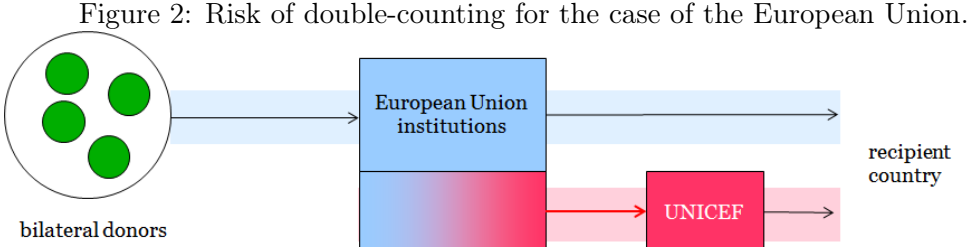
⁵ According to the OECD, "multilateral organisations" are international institutions with governmental membership. They include organisations to which donors' contributions are reported, either in whole or in part, as multilateral ODA as well as organisations that serve only as channels for bilateral ODA" (OECD, 2012).

or a fund managed autonomously by such an agency; and (iii) pools contributions so that they lose their identity and become an integral part of its financial assets" (OECD 2012: 14).

In practice, the OECD/DAC maintains a list of ODA-eligible multilateral organizations, Annex 2. The list of ODA-eligible multilateral aid institutions is revised yearly, and any changes have to be approved by the DAC members. Contributions to some of the newly added multilateral organizations then start to be considered as multilateral aid instead of multilateral channels, which means that from one year to another they stop being accounted as multi-bi aid and start to be counted as multilateral aid (see section 6 for a detailed discussion). A graduation however does not change the mandate of the respective institution. From the perspective of the international development organization (IDO) receiving the funds, the funding from the graduated institution is just as narrowly earmarked as before.

Risk of double-counting aid

The structure of the readily available OECD/DAC aid statistics accounts for the perspective of either the bilateral donor or the recipient country. Our interest however lies in earmarked aid from the perspective of the multilateral implementing organization. The naïve combination of the available aid statistics (DAC1 and CRS) for the study of multi-bi aid would result in double-counting of aid flows due to the reporting structure in CRS.



This problem is easily explained by the case of the EU as illustrated in Figure 2. The EU is reporting as a bilateral donor to CRS while, simultaneously, bilateral contributions to the EU by its member states are counted in full as multilateral aid. This problem multiplied with the proliferation of "pass-through multilaterals" – new multilaterals without implementing capacity that channel their funds to IDOs for implementation, notably Global Alliance for Vaccination Initiative (GAVI), Global Environment Facility (GEF), and Global Fund to Fight Aids, Tuberculosis, and Malaria (GFATM). These institutions all report as "bilateral" donors in the CRS while re-

ceiving multilateral contributions from bilateral governments.⁶ Thus, the risk of double-counting becomes more pronounced due to the rise of these pass-through multilaterals (see section 6 for a detailed description of one example).

In the following, we show how our data coding effort contributes to alleviating the empirical challenges in the study of multi-bi aid.

1.4 Adjustments for the study of multi-bi aid

Our re-coded and adjusted data, based on publicly available OECD/DAC aid data, allow studying how multi-bi aid evolved over time for all multilateral institutions. They also allow assess how much donors restrict the use of earmarked funding, which we simply refer to as "depth of earmarking". Figure 3 illustrates how we distinguish between the three types of aid. We then discuss how the re-attribution of certain flows resolves the challenges outlined.

Multilateral aid (line 1)

As the first line of figure 3 illustrates, we consider all unearmarked aid to a multilateral organization as multilateral aid (as does the OECD/DAC). This means that contributions to multilateral institutions reported in the CRS, which are unearmarked according to our coding and thus are not multi-bi aid, are also considered multilateral aid. The OECD/DAC cannot re-attribute unearmarked aid because their data do not have earmarking indicators.

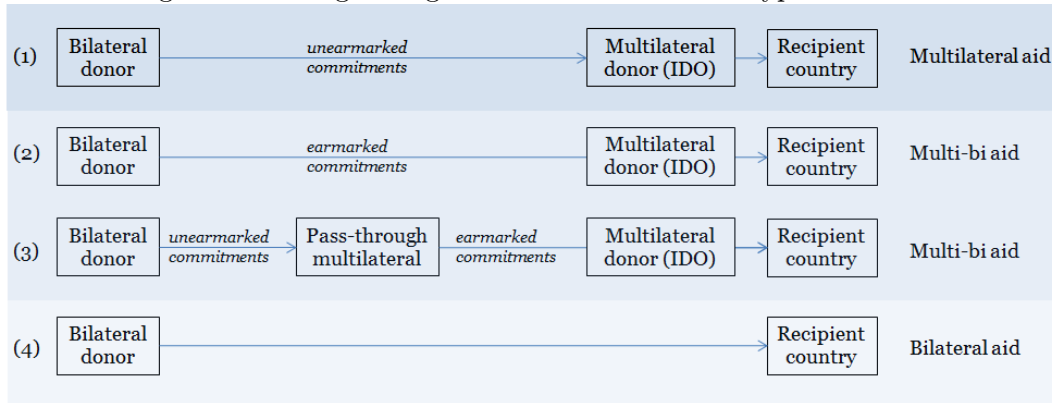
Multi-bi aid (lines 2 and 3)

From the perspective of multilateral organizations, multi-bi aid comes from two sources. The first source is earmarked contributions from bilateral donor countries. The second sources is earmarked contributions from pass-through multilaterals, themselves financed by multilateral aid contributions of bilateral donor countries. As shown in the figure, our multi-bi aid concept includes these flows from lines 2 and 3.

Our operationalization of the multi-bi aid concept is more encompassing than that of the OECD while we keep their definition of multi-bi aid ("earmarked aid channeled through multilateral institutions"). The difference to the OECD/DAC arises because of a change in perspective.

⁶ IDOs might also engage in passing through part of their own funds. In particular, UN agencies might only implement part of the funds received while passing on funds to other UN entities. We thank Pawel Gmyrek for highlighting this.

Figure 3: Distinguishing multi-bi aid from other types of aid.



Notes: "International development organizations" (IDOs) and "pass-through multilaterals" are defined below (see section 3.2). We take the perspective of implementing agencies, therefore multi-bi aid can be extended by both donor countries and pass-through multilaterals. All non-earmarked contributions to multilateral donors are considered multilateral aid. Bilateral aid is development assistance provided under the direct responsibility of donor country agencies (adapted from Reinsberg, Michaelowa, and Eichenauer 2015: 10).

The OECD/DAC counts as earmarked contributions only aid to multilateral agencies directly provided by donor countries. From the perspective of a multilateral organization, however, one also needs to account for the earmarked contributions received via pass-through multilaterals (i.e., GAVI, GEF, or GFATM). Aid flows from pass-through multilaterals are earmarked because they have more narrow mandates than the implementing organizations so that almost all of their aid outflows are received as earmarked aid by the IDO.⁷ Our operationalization of multi-bi aid provides a complete picture of earmarked inflows for the implementing multilateral organization (the IDO). In the years prior to 2004, the OECD/DAC has no multi-bi aid statistics. Our dataset contains the multi-bi aid volumes for the entire 1990-2012 period.

We also extend the OECD/DAC list of ODA-eligible multilateral organizations (Annex 2) with channelcodes to identify multi-bi aid to all multilateral institutions.

Bilateral aid (line 4)

Bilateral aid is defined as by the OECD/DAC with respect to its CRS data (line 4). Minor changes in bilateral aid flows may result from assigning and correcting channelcodes in the CRS data. In contrast, DAC1 data summarizes total bilateral aid, which includes multi-bi aid defined by the OECD/DAC as "bilateral aid channeled through multilateral institutions". However, one

⁷ Some outflows from pass-through multilaterals are also channeled to private implementing organizations (e.g., NGOs), but this is not relevant for the purpose of tracking multi-bi aid.

must exclude multi-bi aid from aggregate bilateral aid in order to avoid double counting. Our aggregate data adopts this adjustment (see Component 3, section 5).

Our volumes of multi-bi aid calculated from the perspective of multilateral organizations are larger than the corresponding OECD/DAC figures. This is because our extension and improvement in channelcodes from our hand-coding results in higher flows of multi-bi aid, and hence potentially lower volumes of (net) bilateral aid in the CRS data. For multilateral aid, there are two adjustments. On the one hand, our flows are smaller because we deduct the originally multilateral contributions to pass-through multilaterals that eventually become multi-bi aid. On the other hand, multilateral aid includes unearmarked aid channeled through multilateral institutions as reported in the CRS data. These flows are neglected because the CRS data do not have indicators for earmarking.

1.5 Addressing the data challenges

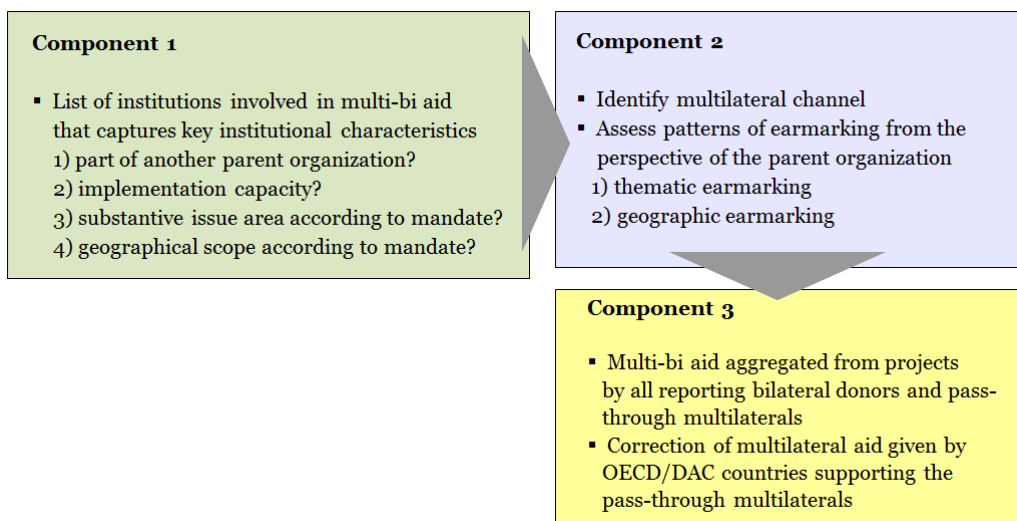
Our dataset gives a complete and prolonged account of multi-bi aid from the perspective of the implementing multilateral organizations. The manual re-coding of the channelcodes and the earmarking depth in the CRS data over the 1990-2012 period improve data quality and data availability over a longer time span. The extended Annex 2 allows us to uniquely identify over major 200 multilateral organizations (while recording overall more than 600 multilateral channels). The re-operationalization of multi-bi aid as described in the previous section has the advantage of avoiding double-counting and discontinuities in the data. We achieve continuity in the data by defining contributions as multi-bi aid whenever earmarking takes place anywhere in the delegation process.

The dataset is thus readily usable for studying the evolution of multi-bi aid over time and analyzing the proliferation of multilateral institutions. More generally, this dataset improves the quality of existing data by our hand-coding of channelcodes of individual multi-bi aid activities.⁸

⁸ Well-known quality problems and underreporting of aid activities remain in those aspects of the data which were not re-coded (e.g., coverage, see OECD CRS guide: <http://www.oecd.org/dac/stats/crsguide.htm> (accessed November 24, 2014)).

2 The components of the multi-bi aid dataset

Figure 4: Components of the multi-bi aid dataset



The database consists of three components:

Component 1: Multilateral institutions. This cross-sectional dataset lists all multilateral institutions through which donors channeled aid activities from 1990 to 2012. The database includes variables on key characteristics of these multilateral institutions such as substantive mandates, institutional characteristics, and governance arrangements, using information available on their websites and secondary sources as of autumn 2014. Component 1 therefore extends and updates Annex 2 of the OECD/DAC.

Component 2: Aid activities. This component records multi-bi aid activity data at the project level, based on the CRS aid activity data of OECD/DAC. The dataset covers all bilateral aid and multi-bi aid activities by DAC donors from 1990 to 2012. For multi-bi aid activities, the dataset contains updated information on the channelcode as well as information on the depth of earmarking of such activities along several dimensions. All new variables are based on hand-coding of aid activity information.

Component 3: Aggregate aid. This time series dataset includes the adjusted aggregated data on multilateral, multi-bi and bilateral aid flows over the 1990-2012 period. Data are adjusted in a way that amounts from all three types of aid flows aggregate up to the total annual amounts of ODA provided by donors.

We consider Component 2 – the hand-coding of aid activities with respect to multilateral implementing channels – our main contribution to the study of multi-bi aid. Our coding on Component 2 pursues two goals (see also section 4).

Our first interest is to identify whether aid reported as bilateral is bilateral or multi-bi aid. In technical terms, we are interested in the variable *channelcode*. In terms of coverage, donors have started reporting the channelcode in 2004, and it is only recently that reporting has become more complete and accurate. Hence, besides validating the existing reporting, we complete the dataset by inserting channelcodes for years prior to 2004, starting in 1990. This is important because multi-bi aid activities are hidden in the older bilateral aid data, erroneously considered as bilateral aid for these years. Thus, multi-bi aid is systematically underestimated for years before the mid-2000s.

Our second interest is in qualifying the "depth of earmarking" of multi-bi aid. We use the information from project descriptions. We have added additional variables to the dataset to capture those features. Those variables are explained in section 4.

Our overall coding process has proceeded as follows. We started with Component 2, completing the information on the multilateral channelcodes. Based on the information of donors' use of multilateral institutions, we generated Component 1, an extension of the OECD/DAC's list of multilateral organizations eligible for Official Development Assistance (ODA). Then, we turned back to Component 2 to assess the depth of earmarking of the aid projects that are channeled through a multilateral institution as identified in Component 1. For Component 3, we aggregated aid amounts for multi-bi aid activities, relying on the list of eligible institutions (Component 1) and the reported aid flows through these institutions at the level of individual projects (Component 2). Hence, Component 3 includes aggregated flows of multi-bi aid, along with bilateral aid and multilateral aid after the necessary adjustments that avoid discontinuities and double-counting are made (see Figure 4).

3 Component 1: Multilateral institutions

This component seeks to build up a database on multilateral aid institutions. Its main purpose is to assess through which (new) multilateral institutions donors channel their multi-bi aid, and, which IDOs receive most earmarked funding.

Component 1 is a cross-sectional dataset of all multilateral aid institutions that have received funding from DAC donors during the 1990-2012 period. We assign a unique channelcode to each multilateral institution and code key characteristics of these institutions, using the most recently available information. Our cross-sectional dataset of all multilateral institutions extends the OECD's list of ODA-eligible multilateral organizations (Annex 2).

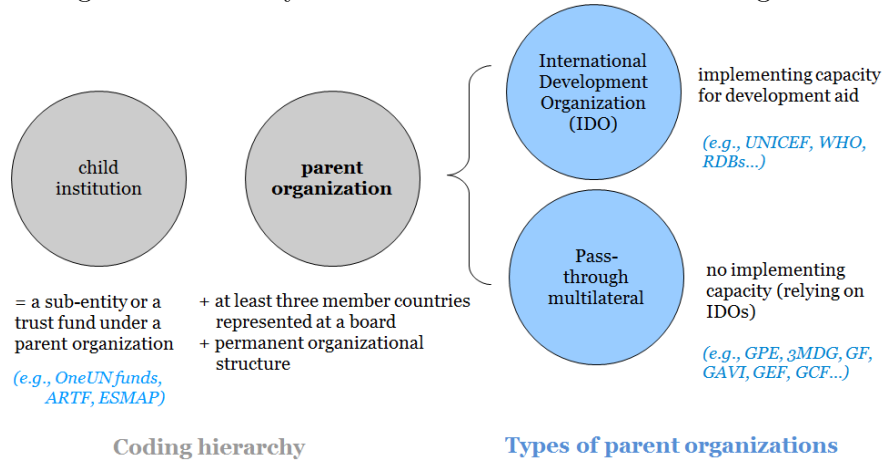
We proceed in three steps. In section 3.1, we describe in detail our approach of identifying multilateral institutions. Second, we lay out our criteria for a multilateral institution in section 3.2. Third, we provide information on the variables that further characterize the multilateral institutions (section 3.3 for so-called parent organizations, and section 3.4 for so-called child institutions).

3.1 Approach

Our list of multilateral institutions is based on an inductive approach. This allows us to identify all multilateral institutions used by bilateral donors at least once in the 1990-2012 period. We assign each multilateral institution a channelcode, extending the OECD's Annex 2 of 193 multilateral institutions (as of June 7, 2012) to 686 multilateral institutions (not all of these institutions are major multilateral channels, as explained below). While our dataset is thought to be as complete as possible, we do not claim to be exhaustive.

Our database differs from other databases of international organizations because we focus on multilateral institutions active in development cooperation (the OECD/DAC's Annex 2 was created for the purpose of identifying ODA-eligible multilateral organizations and we build on their work). Norm-setting institutions are excluded. As mentioned above with respect to discontinuity in time series data, the OECD's list of multilateral organizations may change every year and their list of channelcodes has become longer over the period considered. For consistency, we thus treat multilateral institutions as if they were coded in 2012.⁹

Figure 5: Hierarchy of multilateral channels and defining criteria.



Notes: The coding of multilateral institutions is hierarchical. Child institutions have an own child channelcode but are affiliated with one parent organization which is the only organizations a child institution may use for implementation. Child institution and parent organization thus share the parent channelcode (see also Figure 6). International development organizations (IDOs) and pass-through multilaterals may receive a parent channelcode. This is because they both have a permanent organizational structure and at least three sovereign members. However, only IDOs have the capacity to implement projects, while pass-through multilaterals rely on the implementing capacities of IDOs.

3.2 Classifying multilateral institutions

We apply certain criteria to determine whether or not multilateral institutions are included in our dataset. We differentiate between three types of multilateral institutions, namely international development organizations, pass-through multilaterals, and non-independent multilateral institutions.

International development organizations and pass-through multilaterals share two characteristics. First, they have at least three member countries represented at some Board and a permanent organizational structure (i.e., a secretariat). The distinctive criterion between these two types of multilateral institutions is the capacity to implement projects. In other words, we call a multilateral institution an international development organization if the organization has implementing capacity and pass-through multilateral otherwise. Note that pass-through multilaterals rely on IDOs for implementation of the activities funded (also see the right hand side of Figure 3).

⁹ For example, UN WOMEN was created by a merger of three UN agencies dedicated to women issues, however, we only assigned a single *channelcode* throughout the entire period.

The third type of multilateral institution is either a sub-entity or a trust fund of a multilateral organization. These multilateral institutions depend on IDOs not only for implementation but rely on its financial management and are established under their law. Typically, this legal arrangement precludes that a trust fund uses an IDO other than its hosting parent organization to implement projects.¹⁰

Hence, our cross-sectional database of eligible multilateral channels has a two-level hierarchical structure. The first level of the hierarchy refers to independent multilateral organizations. All IDOs and pass-through multilaterals receive their unique parent channelcodes. Parent-channel institutions include traditional multilateral organizations like the World Bank and a broad range of new institutions that have proliferated after the end of the Cold War. These new multilaterals receive their own channelcode because they "are autonomous institutional arrangements" (Droesse 2011: 19) or they represent alliances with "legally constituted financing arms" (Droesse 2011: 26). Some of the new pass-through multilaterals have not yet been assigned their own channelcode by the OECD/DAC, hence, we generated new channelcodes.¹¹

The second level of the hierarchy assigns a child channelcode for dependent multilateral institutions, such as trust funds. Departing from legal practice, we consider de-facto affiliation as the criterion for assigning institutions to parent organizations.¹² Importantly, the projects financed by the child organization must have a sole multilateral implementer, which will be the parent channel. If multilateral affiliates use several IDOs as implementers, they do receive an own parent channelcode. Parent channelcode and child channelcode only differ for child institutions.

Based on this cross-section list of multilateral institutions and the multi-bi aid activity data with corresponding channelcodes, it is possible to evaluate the relevance of each institution for development purposes, its popularity with different donor countries, and its use over time.

For all organizations with their own unique *parentID*, we code a number of characteristics explained under section 3.3. We also collect variables for specified institutions housed at a parent organization, for example whether the institution associated with *childID* is a sub-entity or a

¹⁰ Indeed, this is the legal criterion used by the World Bank. More recently, however, it has become possible to have contracting-out agreements even within trust funds hosted by the World Bank. Since this is empirically not a relevant phenomenon, we abstract from such anomalies.

¹¹ In the dataset, the variable *annex2* indicates whether the multilateral institution was listed on Annex 2 (June 2012 version of Annex 2).

¹² Note that from a legal perspective, affiliates of multilateral organizations that are based on their own establishing treaty (e.g., IDA, AfDF, or AsDF) are independent of these organizations, whereas special windows are not (e.g., FSO at IADB, PRGF at IMF) (Droesse 2011: 60). We do not find this a useful basis of distinction for questions of identification of multi-bi aid from the perspective of IDOs. Hence, concessional windows and special funds created under the institutional law of the parent organization have their own parent channelcode, regardless of the legal instrument establishing these special windows. This is consistent with current OECD/DAC practice.

Figure 6: Simplified snapshot of the dataset on multilateral aid institutions.

<i>parentID</i>	<i>childID</i>	<i>Acronym</i>	<i>IDO</i>	<i>parentSector</i>	<i>parentRegion</i>	...
30008	30008	CITIES	0	430	430	...
41122	41122	UNICEF	1	998	998	...
44000	44000	WBG	1	998	998	...
44000	44201	ARTF	1	998	998	...
44000	44231	ESMAP	1	998	998	...
47043	47043	GCDT	0	311	998	...
47201	47201	3MDG	0	121	635	...
...

Notes: The list of multilateral institutions extends the OECD/DAC list of ODA-eligible multilateral organizations and adds several variables capturing the mandate, the age and the institutional hierarchy of multilateral institutions.

(single-donor) trust fund of the parent organization, and in which sectors and regions it is active (see section 3.4). A glance at the dataset is given below (see Figure 6).

3.3 Variables at the *parentID* level

Parent organization *parentID* 5-digit code

Any multilateral organization with permanent secretariat and at least three donors in a Board.

Child institution *childID* 5-digit code

De-facto affiliated institution that solely relies on the implementing capacity of the parent organization. Without a child institution being specified, *childID* equals *parentID*.

Acronym *acronym* short string

Acronym of the institution associated with *childID*.

Full name *name* string

Full name of the institution associated with *childID*.

International Development Organization *ido* binary variable

parentID with implementing capacity (for pass-through multilaterals, *ido*=0 must be coded). Missing if *childID* \neq *parentID*.

Year of establishment *yestab* 4-digit number

All-purpose organization *allpurpose* binary variable

Organization covers several main sectors of ODA (equivalent to *parentSector*=998).

Sector *parentSector* 3-digit OECD code

Most general *sectorcode* that circumscribes the mandate of the parent organization. For example, *parentSector*=110 indicates an organization that only addresses "education".

Global organization *global* binary variable

Organization has global mandate (equivalent to *parentRegion*=998).

Geographical mandate *parentRegion* 3-digit OECD code

Most general *recipientcode* that circumscribes the geographical scope of the parent organization. For example, *parentRegion*=625 for an aid institution that only operates in Afghanistan.

Previously listed on Annex 2 *annex2* binary variable

annex2 = 1 if parent organization has been listed on Annex 2 (version June 7, 2012).

3.4 Variables at the *childID* level

Sub-division of parent organization *sub* binary variable

sub = 1 if *childID* is a sub-division of *parentID*; if *sub* = 0 and *childID* differs from *parentID*, the child institution may be a trust fund, or a program housed at the parent organization.

Trust fund under parent organization *tf* binary variable

Institution associated with *childID* is a trust fund housed at the parent organization; trust funds being managed by a specified sub-division also have *sub* = 1.

Single-donor trust fund *sdtf* binary variable

sdtf = 0 if specified child institution is a multi-donor trust fund, otherwise *sdtf* = 1.

Child-institution sector *childSector* 3-digit OECD code

Most general *sectorcode* that circumscribes the mandate of the institution associated with *childID*.

Child-institution region *childRegion* 3-digit OECD code

Most general *recipientcode* that circumscribes the geographical scope of the institution associated with *childID*.

4 Component 2: Aid activities

The multi-bi aid activity data, which is the second component of the multi-bi aid dataset, has two purposes:

1. Assigning a multilateral channelcode to each multi-bi aid activity (*parentID* and a, possibly equivalent, *childID*)
2. Assessing the depth of earmarking along different dimensions, taking the perspective of the multilateral institution

We explain each of these two objectives in greater detail below, after having presented the coding procedure for this component.

4.1 Coding procedure

Using the additional information from the individual project descriptions, we added and updated the channelcodes wherever they were missing, incorrect or imprecise (section 4.2). This allowed us to eventually obtain a comprehensive dataset with detailed channelcodes for all DAC donors from 1990 to 2012.

We further added information on the degree of earmarking from the perspective of the implementing organization (section 4.3). For this purpose, we evaluated project descriptions with respect to three potential dimensions of earmarking: (1) a thematic dimension (section 4.3), (2) a geographic dimension (section 4.3), and (3) an institutional dimension (section 4.3).

Within each dimension, we distinguish between no earmarking, soft earmarking, and tight earmarking depending on the degree of flexibility left to the IDOs that eventually manage and implement the projects. On the thematic dimension, for instance, tight earmarking implies that the exact project is specified, whereas soft earmarking only specifies the sector or general theme to which aid must be allocated. For geographic earmarking, we distinguish between the definition of the country (tight earmarking) and the definition of the broader region (soft earmarking). For institutional earmarking, soft earmarking refers to contributions to specific (sub-)divisions of the implementing IDOs, while tight earmarking involves the delegation of staff from the bilateral donor to the IDOs to carry out a concrete task.

Finally, we coded the available information on whether multi-bi aid reflects the initiative of a group of bilateral donors resulting in multi-donor trust funds (MDTFs) or individual undertakings leading to single donor trust funds (SDTFs) (Section 4.3). The coding regarding MDTFs versus SDTFs is based on two types of information. First, the project descriptions may entail references to a well-known trust fund having its own *childID*. Second, any mentioning of collaboration

Figure 7: The structure of the multi-bi aid activity data.

<i>Year</i>	<i>Donor</i>	<i>Recipient</i>	<i>Sector</i>	<i>Project title</i>	<i>Channel name</i>		<i>parentID</i>	<i>childID</i>	<i>thm</i>	<i>prj</i>	<i>reg</i>	...
...
1990	1	625	151	...	...	...	44000	44201	1	0	0	...
1990	1	625	410	...	...	...	44000	44000	0	1	0	...
1990	2	625	151	...	...	...	44000	44201	1	0	0	...
1990	2	998	111	...	...	...	41122	41122	0	1	0	...
1990	3	998	111	...	...	...	41122	41122	1	0	0	...
...

Note: This is a simplified snapshot of the dataset to ease illustration.

with other donors in the project description led to a coding as an MDTF.¹³ Further variables that are only of secondary role are described in section 4.3. In addition to the new variables, our dataset includes some original CRS variables.

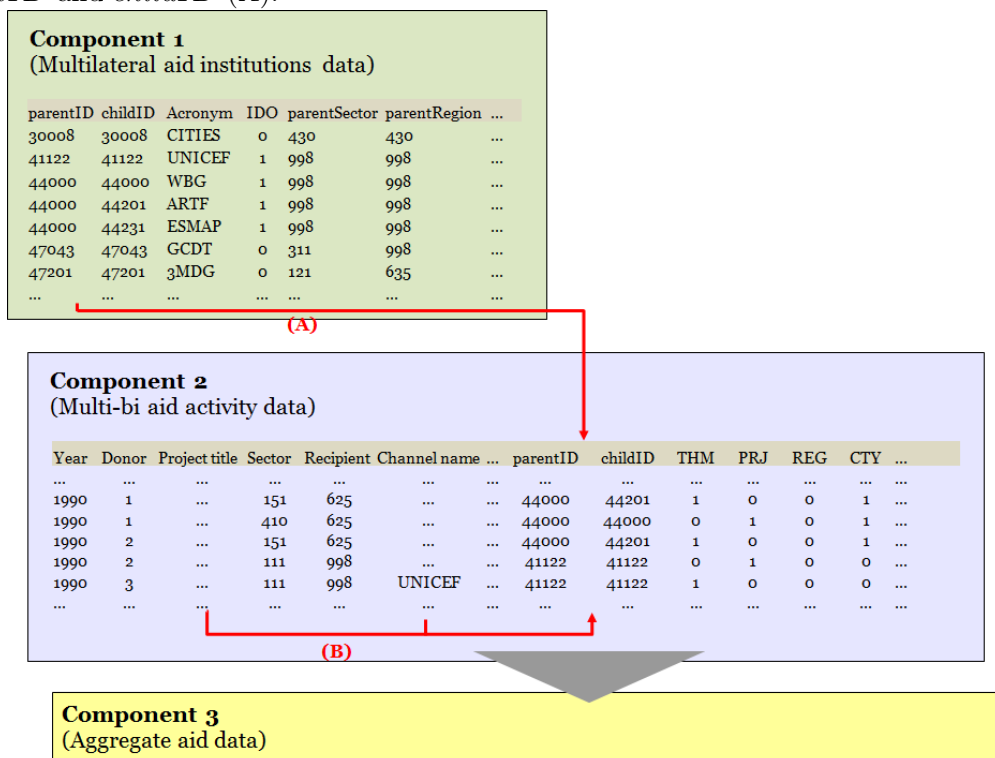
4.2 Completing the channelcode

As mentioned above, the coding of multi-bi aid is based on the CRS aid activity database. CRS records donor-supervised bilateral aid activities, third-country executed aid and aid activities channeled to multilateral institutions for implementation. We are interested in multi-bi aid, which, technically speaking means that we focus on aid activities with a multilateral institution in the CRS variable channelcode.

Three possible situations must be distinguished as regards the information contained in the channelcode and in the project description as provided by donors in the CRS data. In the first case, donors did not specify the exact channel (i.e., channelcode is blank from 1990 to 2004). However, the channel institution can often be inferred from channelname, which would state the name of the organization receiving the funds, or any of the three variables that contain further information on the project, notably projecttitle, shortdescription, and longdescription. We have implemented an automatic pre-coding on these auxiliary variables to filter out the relevant multilateral institutions using keyword searches with institution names. Subsequently,

¹³ This procedure may leave some MDTFs unidentified and hence bias our shares towards an overestimation of SDTFs. Yet, a comparison with data from the World Bank, where detailed information for the type of trust funds is available, increases our confidence in the appropriateness of our coding.

Figure 8: Process of identifying multi-bi aid activities through the information available in project-specific variables such as projecttitle and channelname (B), and plugging in relevant *parentID* and *childID* (A).



we went through each pre-coded multi-bi aid activity to verify the channel institution (see Figures 7 and 8).

From 2004 onwards, donors started providing the channelcode. For this period, we verified this information based on the very same approach used in the case of missing channel information, thereby correcting obvious mistakes and more precisely specifying the multilateral institution if reported information was too general (e.g., only UN reported even though UNICEF was used as channel). Using our approach, we coded *parentID* and *childID* (possibly identical to *parentID*) based on explicit reporting of the channelcode as well as auxiliary project information. In some instances, we could identify the multilateral institution even though it did not have a channelcode on Annex 2. The channelcode would then merely have a general multilateral identifier, but our variable *parentID* would have a precise identifier with a newly created institution code.¹⁴ To maintain consistency with Annex 2, we created another variable *channel1* to which we assigned the general multilateral identifier when an institution was not explicitly mentioned on Annex 2.¹⁵

In a third coding situation, it was not possible to reconstruct the multilateral institution through which the donor channeled its aid. However, a general entry in the channelcode indicated that the donor reported a multi-bi aid activity. Since in these cases we lack an independent source of verification whether the activity actually was multilaterally channeled, we left *parentID* blank but copied the general *channelcode* into *channel1*.¹⁶ In this way, we can recover the aggregate amount of multi-bi aid based on donors' own reporting of these activities.

In addition, our coding allows for the tracking of cases of multiple channeling. The CRS database only records the first channel of an aid activity. This implies that CRS project data do not record potential downstream multilateral channels. Nor do they capture cases in which several IDOs are involved in project implementation. Therefore, we added the variables *channel2* and *channel3* to account for possible downstream multilateral agencies, inferring this information from the auxiliary project variables. In the case of earmarked contributions to pass-through multilaterals, *channel1* records the pass-through multilateral (i.e., GEF), while *channel2* records the implementing IDO (i.e., United Nations Environment Program (UNEP)).¹⁷

¹⁴ For example, the 3MDG fund would have *channel1*=47000, even though it can be exactly identified in our coding by *parentID*=47201.

¹⁵ Throughout our coding, we ensured the highest possible degree of consistency with Annex 2. However, we treated multilateral institutions as if they existed in earlier years, e.g. see footnote 9 on UN WOMEN.

¹⁶ For example, if the donor merely reported *channelcode*=40000, we coded *channel1*=40000, but *parentID*=., since the particular institution was unknown.

¹⁷ In this case, *channel1* and *parentID* would be identical, as *parentID* also captures the first channel.

4.3 Qualifying the type of earmarking

Although multi-bi aid always implies that an IDO receives earmarked funds, it remains an unresolved question of how much discretion the IDO has in carrying out these funds. The project descriptions contain useful information, namely the variables *shortdescription*, *projecttitle*, and *longdescription*. Other sources of information about earmarking to regions, countries or sectors can be found in variables such as *recipientcode* (aid beneficiary), *aid_t* (aid type), and *sectorcode* (CRS code of the sector at three digits) of the aid activity.¹⁸ We always coded from the perspective of the organization contained in *parentID* when deciding on the type of earmarking. This implies that we need to have identified the multilateral institution and assigned a *parentID* (Figure 9). From the perspective of the parent organization, we then coded three dimensions of earmarking, distinguishing between thematic, geographic, and institutional earmarking.

Thematic earmarking

We differentiate between soft earmarking (for broad development sectors) and tight earmarking (for specific projects). These categories are mutually exclusive: An activity is either thematically earmarked, or it is earmarked for a specific project.

Earmarking at the project level (*prj*) is the tightest type of earmarking and applies when a donor pre-determines funds for specific activities that have a clearly defined output, a specified beneficiary, and a clearly delineated intervention period. Examples include preparatory studies, official reports, evaluations, or conference proceedings. We used aid type for further verification; project-type interventions have the code C01 though it is often missing.

Thematic earmarking (*thm*) occurs when donors target a particular area in the overall mandate of the IDO. For example, the World Bank is an all-purpose IDO, but donors might want to assist "fragile states" through the multi-bi channel, which would be thematic earmarking. Some IDOs have established their own programs, e.g., for reducing water pollution. Funding of programs means co-financing programs about which the IDO decides how exactly to allocate and implement funds.

No thematic earmarking exists if contributions support the overall mandate of the IDO in an unrestricted way. Donors may report this as "general contribution", or as "support to the work program of UNHCR" (while "support to the HIV/AIDS program of UNICEF" would be *thm*=1 again). Support for the work program is *thm*=0 because there is no earmarking from

¹⁸ For example, multi-bi aid can only occur in aid types B03, B04, C01, D01, D02 but a blank does not mean that it is not multi-bi aid (see CRS Annex).

the perspective of the IDO.¹⁹

From this logic, it follows that thematic coding is specific to the IDO. The list of multilateral institutions in Component 1 includes a variable indicating the highest possible sector-code for each multilateral institution (*parentSector*), i.e., also for each IDO (see section 3).

Geographic earmarking

With respect to the geographic earmarking depth, we distinguish between regional earmarking (*reg*) and country earmarking (*cty*). Again, the two indicators are mutually exclusive. The variable *recipientcode* together with information on the geographic scope of the IDO mandate (*parentRegion*, see Component 1) and the project description indicate which level of earmarking applies.

Regional earmarking refers to funds pre-determined for a region or a group of at least two countries in an IDO that would otherwise be able to support a larger group of countries. For example, aid channeled to the AsDB is *reg*=0 if the Asian region is specified as recipient region, but *reg*=1 if funds may be used only in the Caspian region (without a specific country being specified).

Country earmarking implies that implementation of the aid activity is restricted to one country (and the parent organization is not a country-specific organization), i.e., *cty*=1.

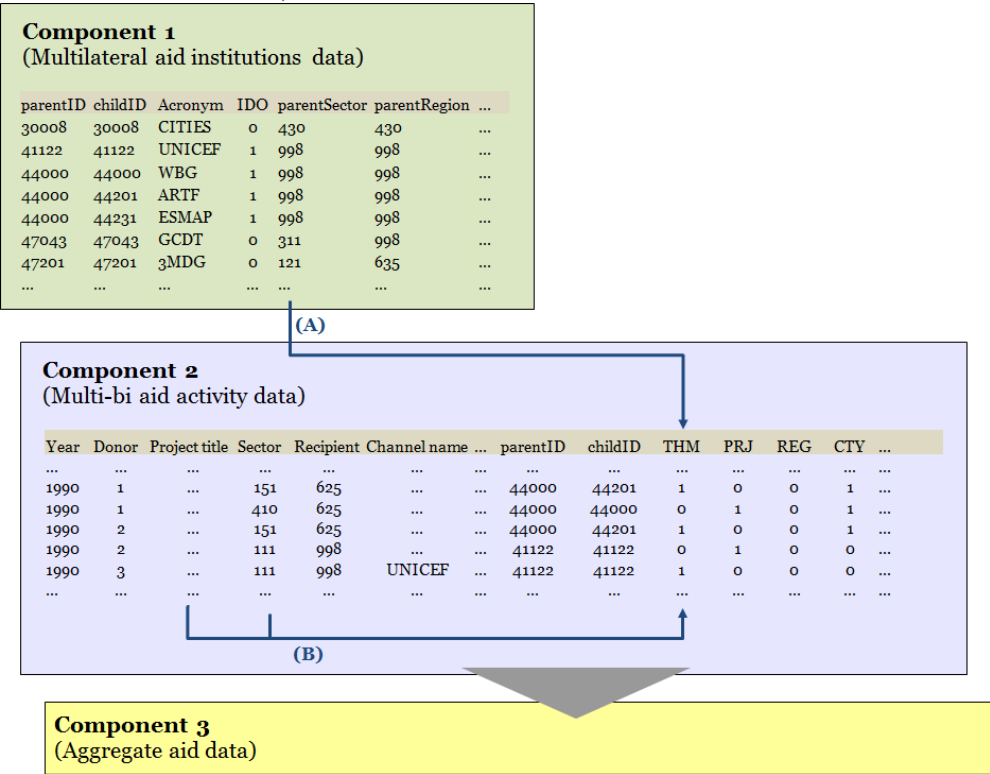
Institutional earmarking

We also consider earmarking with respect to sub-entities of multilateral institutions (*inst*) and earmarking with respect to bilateral and other staff (*staffbi* and *staffco*). These categories are not mutually exclusive.

First, *inst*=1 refers to multi-bi aid that is earmarked to particular departments or other sub-units such as a working group under the roof of a head organization. For example, OSCE has a special liaison office in Warsaw, ODIHR, which supports dedicated issues. Another example of *inst*=1 would be United Nations Drug Control Program (UNDCP), the flagship program of

¹⁹ With these coding instructions, the coding of some aid modalities is still not straightforward. For example, budget support channeled through IDOs is a flexible resource for recipients, but not IDOs. IDOs are involved in the supervision of the aid activities of the recipient rather than in the elaboration of their own projects. Therefore, budget support may rather be *thm*=1. In contrast, if a donor covers debt owed by the recipient to the IDO, this frees up resources for the IDO that it can freely use to allocate to its own projects. Hence, the correct coding would be *thm*=0. Some organizations have their own sub-accounts for buyback of debt, that are given its own *childID* in Component 1.

Figure 9: Schematic illustration of the coding process on the thematic dimension (similar for other earmarking dimensions).



Note: The figure schematically illustrates the coding process for the depth of earmarking, taking the example of the thematic dimension. First, we compared the activity purpose (variable *sectorcode*, Component 2) with information about the general scope of thematic activities by the IDO according to its mandate (variable *parentSector*, Component 1). If the mandate is more general than the specified activity, this implied that a thematic earmark must be set. Second, we consulted the qualitative information on the project to decide upon the level of specificity of the activity. Third, in case of doubt, we considered the information about the type of activity (*aid_t*). If the donor indicated the activity to be a distinct project, we coded *prj*=1. Hence, the decision between *thm*=1 and *prj*=1 involves various information, implying a coder judgment. We used single coding, with automatic plausibility checks, and random spot checks.

UNODC. In addition, *inst=1* applies if donors indicate specific implementing agencies under a pass-through mechanism (e.g., UNEP-implemented activity through the GEF or an earmarked contribution to a CGIAR research program through a specified research institute such as IFPRI). We code trust funds as *tf=1* (see below), and never as *inst=1*.

Along a staff dimension, we distinguish three scenarios through a combination of two variables. If a bilateral donor sends its own experts to the IDO, we consider this the tightest earmarking (bilateral staff, *staffbi=1*). We verified our coding of *staffbi* with the CRS variable aid type, which should feature D01 for "donor personnel" though information is often missing.

If the IDO receives funds to hire additional staff at its own discretion, this implies soft earmarking (co-financed staff, *staffco=1*). *staffco=1* also applies to cases in which a donor provides in-kind support for office space, salaries, and related social charges for existing individual positions inside IDOs (e.g., special representatives, ombudsmen, committee chairs, and the like).

If bilateral staff is provided for a UN peace-keeping mission, then *staffbi=0* and *staffco=0* because there is no influence of the donor on the operations of the IDO. The coding rule applies to other organizations whose main purpose is to conduct field missions. In cases of doubt whether staff was sent by the donor country, we coded *staffbi=1* and *staffco=1* (e.g., "staff expert").

Trust funds

The variable *tf* captures explicit reference in the project description that multi-bi aid is paid into a trust fund or that a new administrative agreement has been concluded with an IDO, i.e., *tf=1* if a "trust fund" was explicitly mentioned as the form in which the contribution was held (a similar key word is "facility"). Note that *tf=1* only for TFs hosted at IDOs. De-facto independent multilateral trusts may have their own parent channelcode and hence from the perspective of this fund, there is no TF-earmarking.

Whenever *tf=1*, we conducted further research about the governance structure of the fund to decide whether it was supported by only one donor (*sdtf=1*) or multiple donors (*sdtf=0*). Sometimes, donors refer to a "multi-donor fund" in the project description. The variable aid type can help assess whether a trust fund is a SDTF or not; *B04* indicates a basket fund, which can never be a SDTF. An example of a SDTF would be a Memorandum of Understanding or partnership agreement between a donor and the IDO, which specifies the use of funds by the trustee. Examples are "framework agreement with UNIDO", or "Bank-Netherlands partnership program". If *tf=0*, SDTF is always missing (*sdtf=.*). Some TFs have gained momentum to such an extent that we have assigned them separate identifiers (i.e., a new *childID*, see Component 1 of the dataset).

Other variables

There are further variables that are only of secondary interest that give an idea of the types of activities supported through multi-bi aid. Thus, these variables should not be included in aggregate indices of earmarking of multi-bi aid. Most of the following variables are hand-coded from project-level information.

Since we focus on development activities with the goal of long-term impacts, we generate a binary variable indicating a humanitarian relief activity (*hum*). While the three-digit *sectorcode* 720 is a good guidance of short-term aid activities in the realm of humanitarian relief, our ultimate basis of judgment is the project description. It turned out that some donors reported *sectorcode* 720 even though the activity was not humanitarian, at least not from the perspective of the IDO. We always checked whether activities with these properties can be plausibly defined as humanitarian relief, which is conventionally defined as short-term operations lasting no longer than six months and that is directed towards alleviating immediate needs arising from disasters and sudden-onset shocks. Hence, we did not code feeding programs at WFP as humanitarian aid if they are not related to a specific crisis (e.g., school feeding programs).

All earmarking dimensions can also apply to a humanitarian relief activity. Cash contributions for a humanitarian cause are always *thm*=0, as well as contributions to an emergency response facility (which in addition is *tf*=1). In-kind contributions of several assets are *thm*=1, as well as "protracted relief operations". Finally, specific in-kind contributions, or contributions targeted to specific sub-groups of beneficiaries that are narrower than what the mandate of the IDO prescribes (e.g., "urban poor girls supported through UNICEF") are *prj*=1.

For humanitarian aid activities, we check whether the donor responds to a call (*r2c*=1 and *hum*=1), i.e., the IDOs or recipient countries themselves demand aid. *r2c* is automatically coded based on key words such as calls, appeals, or consolidated appeals (mostly by the UN) in the project descriptions and manually corrected. It is important to code this variable since arguably, earmarking in these circumstances is less of a problem from the perspective of IDOs.

Finally, donors sometimes make available funding to assess their multi-bi programs, either by the implementing IDO or by means of independent evaluations from third parties. An indication of such activities would be aid that is non-allocable to a specific sector (*sectorcode*=998) and that no recipients are specified. The binary indicator variable *ev* captures activities evaluating the work of IDOs. The variable is primarily hand-coded, partly assisted by automatic coding based on keywords.

In the process of hand-coding the data, we became aware of special cases that were more frequent than expected. We resorted to automatic coding to generate additional variables of interest based on the terms used in the project descriptions and the notes of the coders in the

variable *problem* (PR) (search terms listed in the next section).

Delegates financing Bilateral donors frequently earmark aid for supporting travel costs of conference delegates from developing countries (*deleg*=1).

Conferences Donors have an interest to support specific multilateral conferences. We code as *conf*=1 those multi-bi aid activities supporting conferences, seminars or workshops.

Support to missions Donor countries often send bilateral staff on missions to developing countries. Missions are in-kind and short-term support to the work of multilateral organizations (*mis*=1). Missions are conducted to observe elections, or for capacity building and knowledge transfer such as police training. Missions are not considered staff earmarking (*staffbi*) as long as the IDO relies on missions qua its mandate to perform its duties. In the realm of missions, no special treatment is given to donor country nationals and thus *mis* is not an earmark but an activity qualifier.

Reports Multi-bi aid is often used to finance reports and studies. These cases are automatically coded as *rep*=1.

Co-financing Whenever multi-bi aid supports an existing project of the multilateral agency, this co-financing is captured by *cof*=1. However, spot checks revealed that "co-financing" can have different meanings in different contexts. In most cases, donors indeed reinforced an existing project of an IDO. We consider this important qualifying information, as it would affect our interpretation of project earmarking (*prj*=1): If the project was co-financed, it would exist anyway and thus do not reduce the autonomy of the IDO in the same way as a newly established project based on donor priorities. Wherever possible, we verified that co-financing was used in this meaning. However, the automatic coding could not exclude cases in which bilateral donors co-financed each other to charge an IDO with the implementation of their joint priorities (e.g., "This project, co-financed by DFID and AusAid, aims at [...]").

Verification mission To capture verification missions, which are activities to examine evidence of impact of aid projects, we code the variable *verf*=1.

Window The variable *wdw* equals one whenever the project description mentions a specific window of a trust fund.

Capacity support Activities earmarked for institutional capacity building of the IDO are coded as *cap*=1.

Note that the most obvious coding using keywords like "(un)earmarked contribution" can be misleading. Donors did not specify their reference level when using terms such as earmarking. For example, an "unearmarked contribution" to a small trust fund housed at a large organization may ultimately reflect a higher level of "earmarking" than an earmarked contribution for a broad theme given to the overall organization. Moreover, donors used these terms haphazardly, leading us to dismiss the possibility of a separate variable to be coded.

4.4 Variables in the multi-bi aid dataset

This section lists all variables by order of appearance in the database. Note that all dimensions of earmarking are applicable to the *parentID*. The *childID* merely serves for identification of relevant affiliates of the main institution. *parentID* and *childID* are based on the cross-section database of multilateral institutions, explained in section 3. Note that in addition to the variables mentioned in this section, our dataset also includes some original CRS variables.

Parent organization *parentID** 5-digit code

Equals *parentID* from Component 1, based on successful identification of the institution, otherwise missing.

Child institution *childID** 5-digit code

Equals *childID* from Component 1, based on successful identification of the institution, otherwise jointly missing with *parentID*.

First channel *channel1* 5-digit code

Equals *parentID* if institution appears on Annex 2, otherwise it is a more general code provided by the donor; first channel of a multi-bi aid activity.

Second channel *channel2* 5-digit code

Second channel of a multi-bi aid activity, otherwise missing.

Third channel *channel3* 5-digit code

Third channel of a multi-bi aid activity, otherwise missing.

Thematic earmark *thm** binary variable

thm = 1 if donor specifies a broad theme within the overall portfolio of activities of the parent organization, e.g., "improvement of infrastructure" (World Bank), "minorities protection" (International Organization for Migration); but *thm* = 0 for "Mine clearance through UNMAS" (UNMAS has its own *parentID*).

Project earmark *prj** binary variable

prj = 1 if donor specifies a precise project (a clearly identifiable intervention) at the parent organization, e.g., "to revise the earlier UNCHS manual on solid waste vehicle and equipment" (UNCHS), "building the basis for a state statistical system".

Regional earmark *reg** binary variable

reg = 1 if donor specifies a (sub-)region within the mandate of the parent organization, e.g., "shelters in Transnistria/Abchasia" (UN), "ILO-IPEC Trafficking" and *recipientcode*=798; *reg* = 1 also if a list of countries is given within which the activity may take place.

Country earmark *cty** binary variable

cty = 1 if donor specifies a country within the mandate of the parent organization, e.g., "UNDP electoral assistance in Sudan", but *cty* = 0 for a general contribution to the 3MDG fund.

Institutional earmark *inst** binary variable

inst = 1 if donor specifies a sub-entity of a parent organization, e.g., "support to UN Crime Prevention Center (UNODC)", "expert to the Global Water unit" (World Bank); "UNESCO Institute for Statistics" (there is a separate *childID* for this institute due to its frequent use, while *parentID* is UNESCO).

Bilateral staff exchange *stafabi** binary variable

stafabi = 1 if the donor sends its own personnel to the program, e.g., "Junior Professional Officer (JPO)", "Associate Expert Program", "funding for secondment at the UNESCO Institute of Statistics"; hand-coding assisted by key word search on "secondment", "JPO", and similar items.

Other staff support *stafco** binary variable

stafco = 1 for donor support to an existing position untied to nationality (e.g., "office of the Secretary-General", "ombudsmen", "tax exemption for employees"); demand for consultancy from the organization (e.g., "consultancies", "Globalkredit Sachverständige", "to support consultancy costs for the UN initiative...").

Earmarked contribution *em** binary variable

em = 1 if donor explicitly states that the activity is earmarked, e.g., "contribution affectée", "... specified activities in humanitarian action", "earmarked contribution to CGIAR"; hand-coding assisted by key word search in several languages.

Unearmarked contribution *unem** binary variable

unem = 1 if donor explicitly states that the activity is unearmarked, e.g., "World Food Program - core funding", but also, "unearmarked contribution to ILO-IPEC program" (even though *thm* = 1); hand-coding assisted by key word search in several languages.

Trust fund *tf** binary variable

tf = 0 if no explicit reference to a trust fund (not necessarily listed under Component 1); *tf* = 1 for explicitly mentioned SDTFs and MDTFs (e.g., "UNIDO IDF", "ARTF", "ESMAP TF"); *tf* = 1 also for partnership agreements (see also, *sdtf* = 1).

Single-donor trust fund *sdtf** binary variable

Missing if *tf* = 0; for *tf* = 1, *sdtf* = 1 if SDTF explicitly mentioned or for a partnership agreement between the donor and the IDO, otherwise *sdtf* = 0.

Humanitarian activity *hum* binary variable

hum = 1 for humanitarian interventions, e.g., "UN/APP Ethiopia Drought", "UN Flash Appeal Pakistan Floods".

Response to UN call *r2c* binary variable

r2c = 1 if donor contributed to an appeal, e.g., "Flash Appeal Pakistan Floods"; hand-coded variable assisted by key word search for "CAP" and "appeal".

Evaluation *ev** binary variable

ev = 0 for operational activities (unless the only mandate of the agency is to do evaluations); *ev* = 1 for evaluation activities (e.g., "evaluation of water irrigation project"), hand-coding partly assisted by key word search on "evaluation" or "assessment".

Capacity building *cap* binary variable

cap = 1 if donor supports institutional capacity of the multilateral institution (typically a partnership), but not institutional capacity building for the ultimate beneficiary; key word search and manual validation;

Key words: "capacity", "instit*strength*".

Co-financing *cof* binary variable

cof = 1 if donor supports an existing project for which the parent organization employs its own resources; key word search and manual validation;

Key words: "co-financing".

Conference *conf* binary variable

conf = 1 if donor supports workshops at multilateral organizations; key word search and

manual validation;

Key words: "workshop", "conference", "seminar", "curso", "roundtable", "debate", "meeting", "ASEM".

Recipient-country delegation *deleg* binary variable

deleg = 1 if donor assumes expenses related to participation of delegations at multilateral conferences; key word search and manual validation;

Key words: "representative", "particip*", "travel cost", "travel expen*", "deleg*".

Report *rep* binary variable

rep = 1 if donor support knowledge function of multilaterals through the preparation of reports; key word search and manual validation;

Key words: "report", "study", "human development report", "world dev* rep*" (and other pertinent publications).

Verification *verf* binary variable

verf = 1 for verification missions and other activities aimed at providing "evidence of impact"; key word search and manual validation;

Key words: "verif*", "audit".

Mission *mis* binary variable

mis = 1 if activity involves donor participation in a field mission; key word search on selected channel institutions, manual validation.

Key words: "mission", "observat*", "election", "police train*".

Window under a trust fund *wdw* binary variable

wdw = 1 if donor only contributes to a specific window in a larger programmatic trust fund (e.g., private sector window at GFASP); key word search and manual validation;

Key words: "window", "track"

UN volunteers *unv* binary variable

Always coded *channel2*=41135 and *channel1* the receiving institution in the UN system (hence, *channel1*=*parentID*); Key word search and use of channel information.

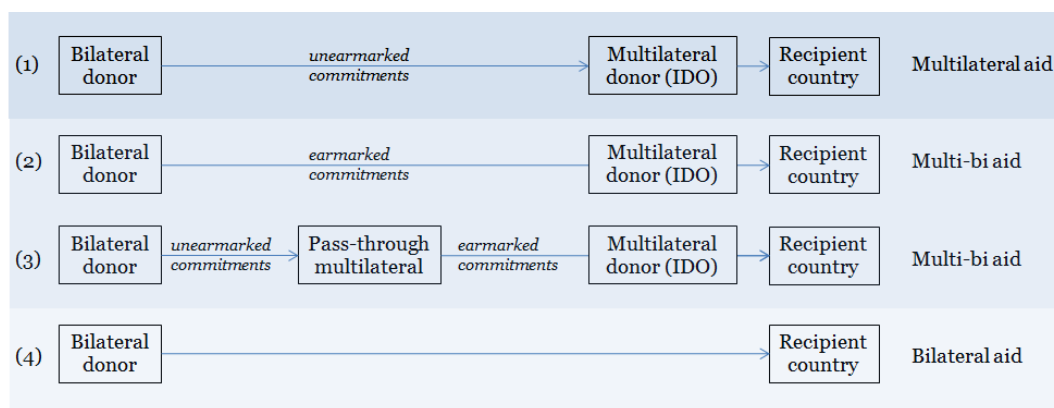
Notes: Variables with an asterisk are only coded when *parentID* and *childID* are not empty. For some variables, we used a pattern-matching algorithm *strmatch* in STATA, which allows searches with placeholders. Please request the detailed do-file for further information.

5 Component 3: Aggregate aid

The third component of our database is a time series dataset including the adjusted amounts of multilateral, bilateral, and multi-bi aid. The first part of this section describes our approach, while the second part lists the variables of Component 3.

5.1 Obtaining aggregate aid figures

Figure 3 (see below, replicated from above) illustrates how we distinguish between the three types of aid.



Notes: Figure replicated from above.

As the first line in the figure illustrates, we consider all unearmarked aid to a multilateral organization as multilateral aid (like the OECD). Hence, contributions to multilateral institutions, which are unearmarked according to our coding, are considered multilateral aid as well (unlike the OECD/DAC because their dataset lacks indicators for earmarking).

The second and third line show how we define multi-bi aid. All contributions having a multilateral channelcode in the CRS data are considered multi-bi aid. Line (2) thus corresponds to the OECD's definition of multi-bi aid. In addition and unlike the OECD, we also consider as multi-bi aid all contributions channelled to an international development organization with implementing capacity (an IDO) through a pass-through multilateral. Even though the aid flow from the bilateral donor to the pass-through multilateral is unearmarked, the aid is received as earmarked aid by the implementing agency. Due to the narrow mandates of pass-through multilaterals, all of their aid outflows are received as earmarked aid by the IDO which have broader mandates.

Given our approach to capture multi-bi aid from the perspective of implementing IDOs, some adjustments to the traditional channels of aid are necessary. On the one hand, aggregate

bilateral aid in the DAC1 table includes multi-bi aid. The OECD/DAC considers multi-bi aid as a bilateral flow being channeled through IDOs. To obtain the net amount of bilateral aid (bilateral aid not channeled through IDOs), we simply subtract multi-bi aid from total bilateral aid.

On the other hand, aggregate multilateral aid includes the unearmarked donor contributions to pass-through multilaterals, particularly, the European Union institutions, GAVI, GEF, and the GFATM. Among all multilaterals, we have coded multi-bi aid exhaustively for these four multilaterals. Hence, the aid amounts in CRS through these four multilaterals that ultimately became earmarked contributions to implementing IDOs must be deducted from the multilateral aid accounts of donor countries to avoid double-counting. Note that other outflows from these four multilaterals as far as they are not channeled through IDOs are not affected. For example, if the EU institutions channel 10 percent of their own outflows through other IDOs, while implementing 90 percent on their own, the original multilateral contributions of their member states must be deducted by exactly 10 percent, assuming that member state inflows that are intended to be earmarked later on will ultimately match the earmarked outflows.

5.2 List of variables for Component 3

Year *year* 4-digit number

Any year between 1990 and 2012.

Multilateral aid *ml* float number

Aggregated multilateral aid as reported to the OECD/DAC statistics (Table DAC1) covering 23 DAC donors; figures converted into 2011 constant million USD.

Net multilateral aid *mlnet* float number

Multilateral aid (*ml*) corrected in two ways: (1) the amount of multilateral contributions to four multilaterals that eventually become earmarked contributions to IDOs (these four multilaterals are GAVI, GEF, GFATM, and EU institutions); (2) activities in the CRS data channeled through multilateral institutions that actually are unearmarked (hence, correcting coding errors on the part of donors).

Bilateral aid *biDAC1* float number

Bilateral aid as reported to the aggregate OECD/DAC statistics (Table DAC1) covering 23 DAC donors; figures converted into 2011 constant million USD.

Net bilateral aid *biDAC1net* float number

Bilateral aid (*biDAC1*) corrected for the multi-bi aid flows by the 23 DAC bilateral donors

(*mbi_bl*); figures converted into 2011 constant million USD. An alternative is provided by the aggregation of bilateral aid activities (not channeled through multilaterals) based on the CRS (*biCRSnet*). Until the mid-2000s, donors reported their total bilateral flows separately from the individual aid projects, which may imply some discrepancy between these figures.

Multi-bi aid *mbi* float number

Total multi-bi aid contributed by any donor; aggregated from Component 2.

Multi-bi aid from donor countries *mbi_bl* float number

Multi-bi aid from bilateral donor countries (corresponding to line 2 in Figure 3). 23 DAC donor countries covered from 1990 to 2012.

Multi-bi aid from four pass-through multilaterals *mbi_pm* float number Multi-bi aid from four multilaterals (i.e., GAVI, GEF, GFATM, EU institutions), corresponding to line 3 of Figure 3.

6 Examples

6.1 Example of discontinuity and risk of double-counting

"The Global Environment Facility (GEF) was created in 1991 as a programme within the World Bank, but gaining more autonomy in 1994 in the wake of the Rio Earth Summit. GEF generally contributes its funds to the World Bank, the UNDP or the UN Environment Programme (UNEP) for actual implementation (GEF 2013). Once the OECD/DAC recognized the GEF as an independent agency, the GEF's contributions to the actually implementing IDOs were accounted for as bilateral aid. Simultaneously, the bilateral donors' contributions to the GEF that provided the financial basis for the GEF's funding of World Bank, UNDP or UNEP programmes were reported as multilateral aid. Hence, simply adding up all financial flows leads to double counting ever since the GEF was recognized as an autonomous organisation whose own aid allocation also appears in DAC statistics. In contrast, had the GEF been continued as a simple program within the World Bank, related contributions would have been counted only once, namely as bilateral, earmarked aid channelled through the World Bank.

This is no rare example: In summer 2014, there were more than 90 of these "pass-through multilaterals", i.e., multilateral funds funding the activities of existing IDOs. They are often called "global funds" by the OECD or "financial intermediary funds" by the World Bank. As explained above at the example of the GEF, whenever the DAC members consider these organisations as sufficiently autonomous from their parent organisations (e.g., the World Bank or the

UN), the contributions of bilateral donors to these organisations are coded as multilateral aid in the CRS, while the pass-through organisations' own contributions are considered as bilateral aid. These new multilaterals - along with the GEF one might want to mention the Global Fund to Fight Aids, Tuberculosis and Malaria (GFATM) or the Global Partnership for Education (GPE) generally earmark their financial contributions when they provide them to the IDOs eventually intended to implement the projects. Hence eventually, aid channelled through these organisations mostly turns into multi-bi aid." (Reinsberg, Michaelowa, and Eichenauer 2015: 9).²⁰

6.2 Coding examples

We do not provide examples in this codebook, as the data can be easily browsed through in statistical software. Students of multi-bi aid in particular institutions will be able to filter the relevant channelcodes and hence understand how specific project information were coded as regards the depth of earmarking.

7 References

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²⁰ For an excellent account of the history of the GEF, see Marcoux, Peeters, and Tierney (2012).

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