



Transparency of climate finance – the merits of AidData

Presented at the Climate Finance Workshop in Venice, 14th October 2010

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Content

- AidData.org - what it is
- Advantages of AidData.org
- Application in research on climate finance

AidData.org - what it is



Online database for tracking development finance

- Most comprehensive database
 - 850,000 projects worth \$4.2 trillion.
- Went public in April 2010 (predecessor PLAID started in 2003)
- Developed by US universities & Development Gateway

Goal

- Easy to use, accessible, transparent
- improve strategic planning and coordination

AidData.org - Advantages

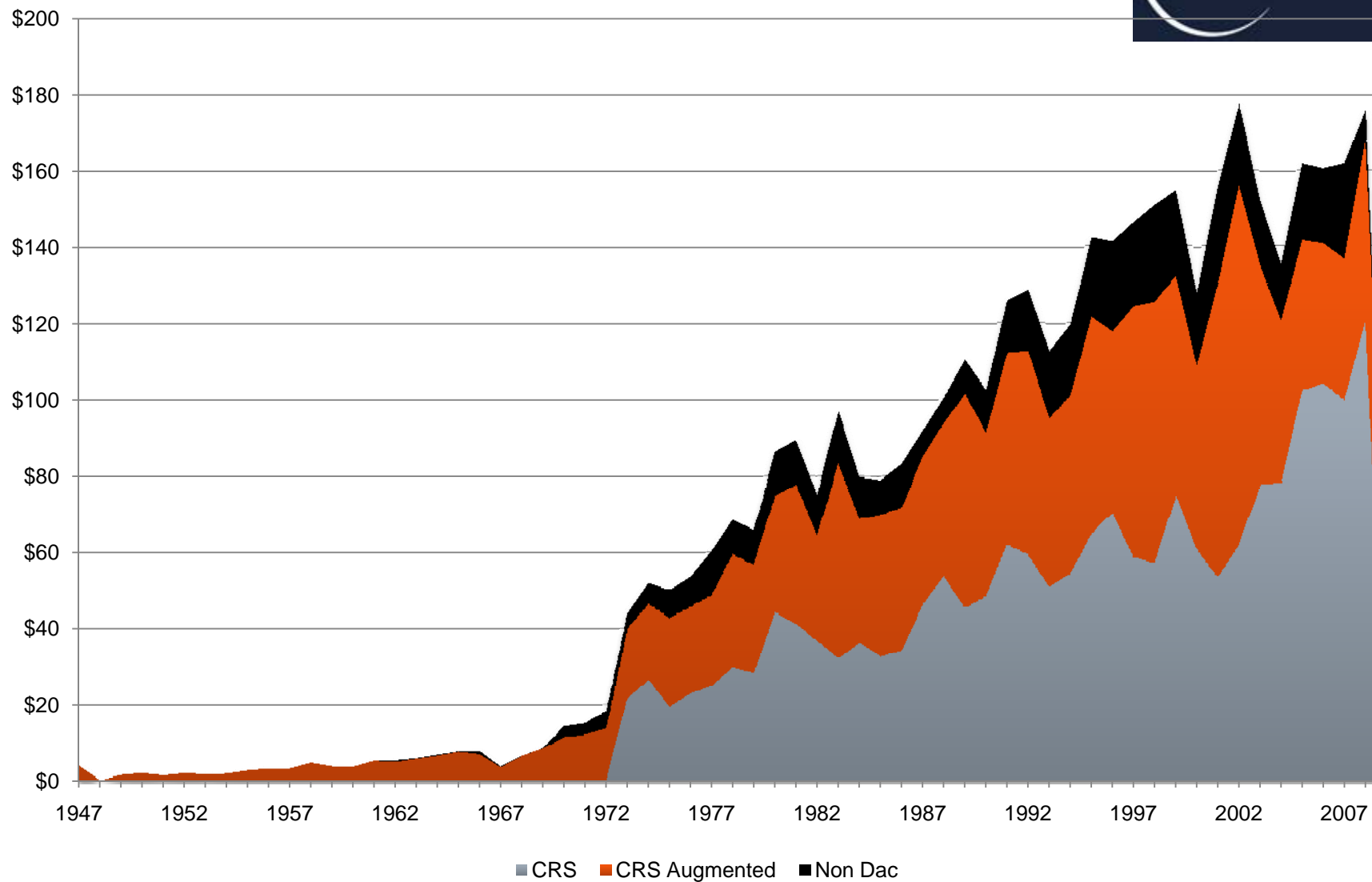


- **Number of donors** (see next slides)

- **Time**
 - Projects back to 1950s
 - Newest projects (up to 2010)

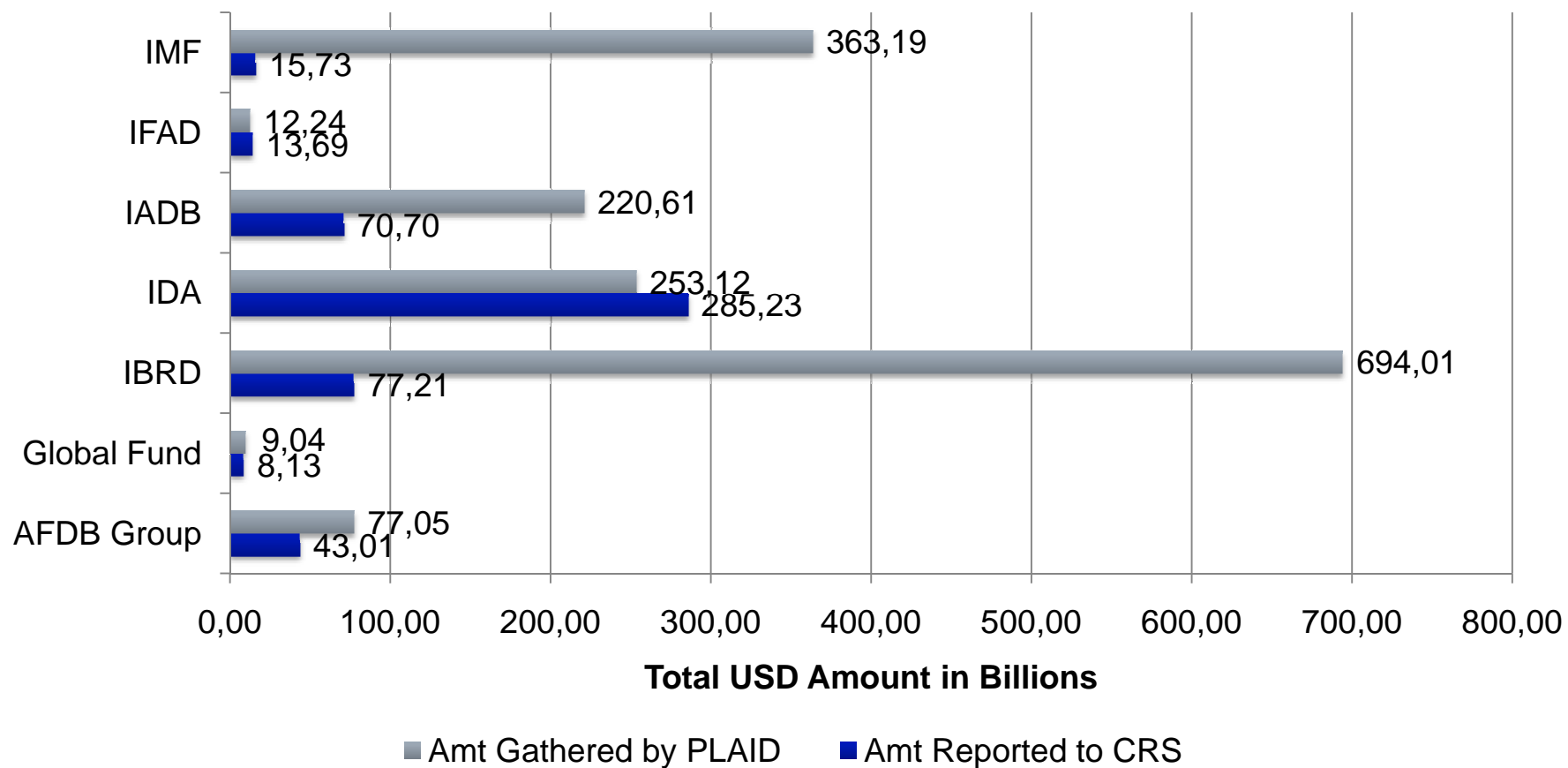
- **Add-ons planned for the future**
 - Reviewed climate coding (in the future)
 - Private flows included
 - Geo-referencing
 - Crowd-sourcing of information on each project

AidData.org - Advantages



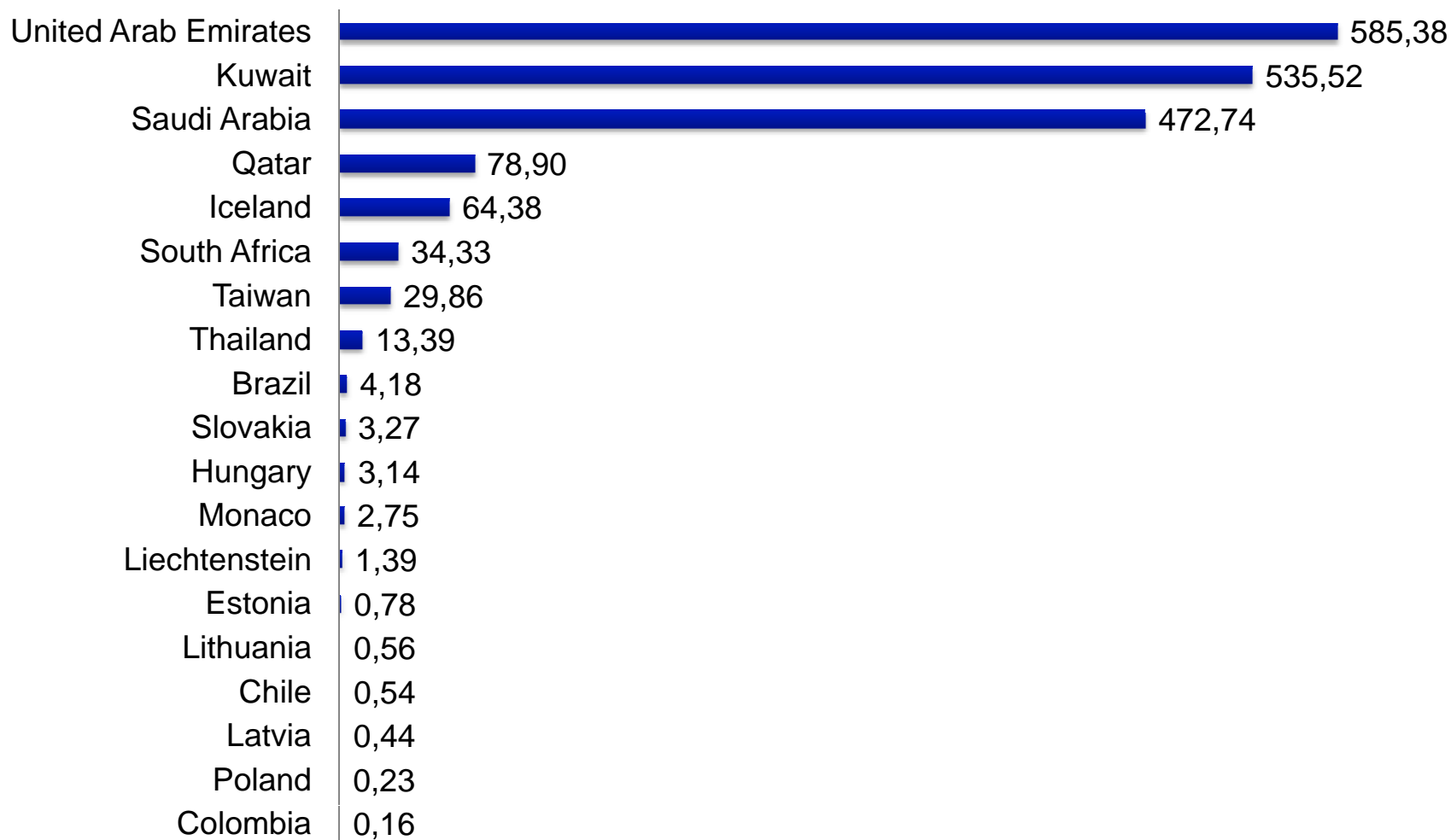


Aggregate Project Amounts for DAC Multilateral Donors





Non-DAC Bilateral Donors: Average Yearly Aid (USD 2000 Millions)



AidData.org - Future georeferencing



Property Regularization Project

\$5,918,542

Commitment Amount in USD

Funded by [United States](#) - MCC in Nicaragua in 2008

Implemented by: [Donor Government/Extending Agency](#)

Description: Land Tenure/Reform - Property Regularization Project (Compact Activity) for Cadastral Mapping Activity.

COMMITMENT	DISBURSEMENT	TOTAL COST
Nom. Amt: \$7,400,000 USD	Nom. Amt: \$1,742,751 USD	[No Data]
Const. Amt: \$5,918,542 USD	Const. Amt: \$1,393,857 USD	

DONOR PROJECT ID	CRS ID	AIDDATA ID	DATA SOURCE
06MCC00052	2006006736	29816380	OECD CRS

Project Contacts

DONOR	RECIPIENT
Resident Country Director Lola Hermosillo (+505) 252-7478 Washington DC	MCA-Nicaragua Dr. Juan Sebastián Chamorro, General Director Cuenta Reto del Milenio - Nicaragua (+505) 311 9000 jschamorro@cuentadelmilenio.org.ni

AidData Purpose & Activity Codes

ACTIVITY CODES	PURPOSE CODE
31130.04: Land surveys	31130: Agricultural land resources
43040.04: Land use and management	
15105.01: Government and civil society	

CRS Codes and Markers

PURPOSE CODE
15140: Government administration

CRS Thematic Markers

Biodiversity	No
Climate Change	No
Desertification	No
Gender	No
Trade	No
PDGG	Yes
Sector Programme	Yes
Trade	No



Recent Comments on Project

C. Ford (15 May): AidData's very sparse description of this project could be significantly improved by using project-level information on MCC's website (here and here). According to MCC, "the Property Regularization... [\[More\]](#)

J. Smith (16 May): MCC conducted extensive analytical work to project the estimated economic benefits of land titling and property registration in Nicaragua. Recent studies in Nicaragua show that regularizing property rights through land titling and property registration have been associated with a 30% increase in asset values and a 10% increase in the... [\[More\]](#)

Witness for Peace Nicaragua Team (20 May): Mr. Smith provides a very clear and compelling rationale for this project, but unfortunately none of these estimated benefits will ever be realized by low-income individuals living in the district of Leon. Due to the circumstances... [\[More\]](#)

[Read All Comments \(4\)](#) [Post a Comment](#)

AidData Community Content

Donor Contributed Content Verified

- Millennium Challenge Compact with Nicaragua (PDF)
- Projected Long-Term Results (Ext. Link)
- Compact Performance Indicators (Excel Spreadsheet)
- View All (5 more)

Recipient Contributed Content Verified

- Monitoring and Evaluation Plan (PDF)
- Environmental and Social Assessment Documentation (PDF)
- MCA-Nicaragua Electronic Bulletins Num. 1 (Ext. Link)
- MCA-Nicaragua Progress Report on Gender Mainstreaming (PDF)
- View All (2 more)

Third-Party Contributed Content

- Freezing out the Farmers: The MCC and the used of foreign aid as a political tool in Nicaragua (PDF -)
- Center for Global Development 2007 Nicaragua Field Report (PDF - 25kb)
- View All (2 more)

News Reports

- Primera Feria Agropecuaria en León (Video)
- CBM terminará la ejecución de \$15 Millones en 2010 (Video)

AidData.org - Future crowd-sourcing



Land Tenure/Reform - Property Regularization Project

Funded by [United States](#) - [MCC](#) in Nicaragua in 2006

Brad Parks
Posted: 15 May 2010 @ 12:45PM
[View Profile](#)
★★★★☆

Louis Berger Group
Posted: 19 May 2010 @ 2:45PM
[View Profile](#)
★★★★☆

John Smith
Posted: 19 May 2010 @ 2:45PM
[View Profile](#)

User Comments

USAID's Inspector General recently conducted [a scathing audit](#) of this project. Also, check out Washington Post's latest [investigative reporting](#) on the contractor's (the Louis Berger Group) shoddy road construction work. This excerpt from the WP article really says it all: "A particularly prized project was a highway from Kabul to Kandahar that Bush requested be completed in less than a year. USAID met the goal, but to do so, it allowed its contractors to place such a thin layer of asphalt in some places that it washed away when snows melted the following spring."

This seems to be another example of political expediency trumping good development practice. When will the US government stop undermining its own success by setting unrealistic deadlines?

B. Parks is mistaken. Phase I of the Kabul-Kandahar Highway Reconstruction Project was successfully completed in record time. I would recommend that he read our firm's on the record [Q&A session](#) with McClatchy Newspapers.

Does anyone know if sec Wikipedia entry seems d [Kandahar Highway](#)

Also, is there any way w whatever we are calling i For example, if I wanted Highway Reconstruction do that?

Post Your Own Com

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Application in research on climate finance (1)

Coding errors of Climate Change Rio Marker

(Michaelowa & Michaelowa 2010)

- CC Rio marker from Aiddata.org vs own coding
 - Overcoding (75% not related to mitigation)
 - Undercoding
 - Coding of adaptation: 10% of all markers
 - (Over-)coding: explained by political interests
- Strange „climate change“ projects

Elephants



love festival



anti-smoking



monetary
climate



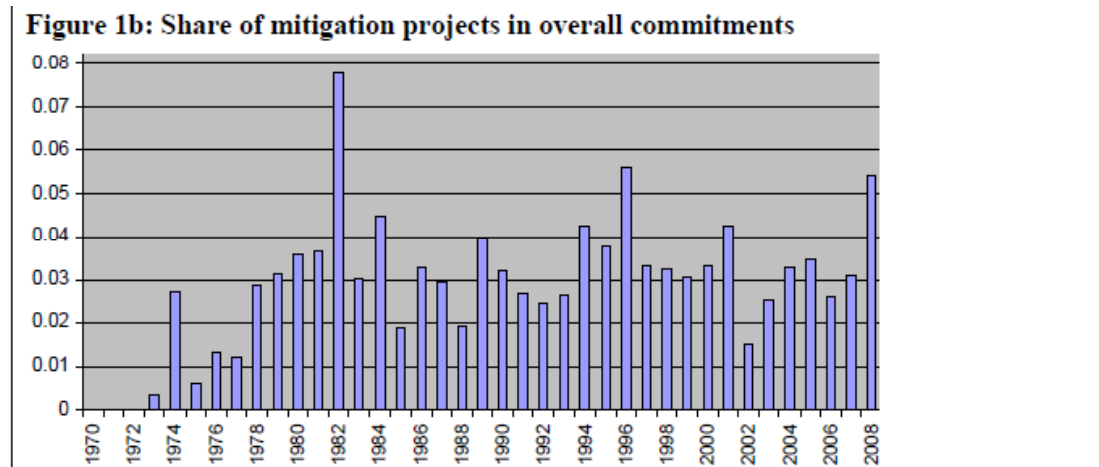
Application in research on climate finance (2)

Old wine in new bottles? Shift of Aid towards Sustainable Energy (Michaelowa & Michaelowa 2010)

- Data from Aiddata.org back to early 1970s
- Share of Sustainable Energy (Renewables & Efficiency)
 - Highly correlated to oil price
 - Increase after Rio, decrease after Kyoto (!)
 - Some evidence for export promotion

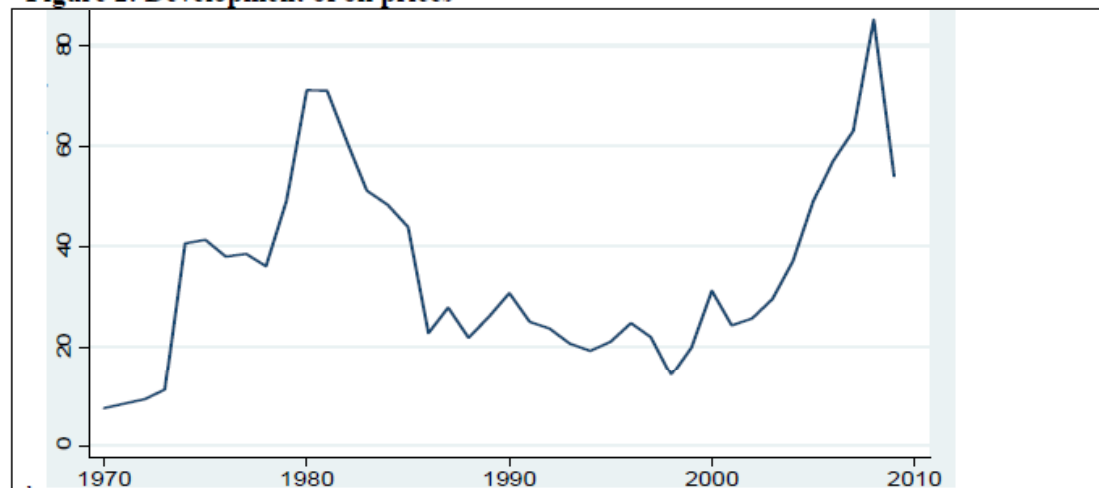
Application in research on climate finance (2)

Old wine in new bottles? Shift of Aid towards Sustainable Energy



Source: AidData (2010), authors' coding.

Figure 2: Development of oil prices¹



¹ In const. 2005 USD. For details see Annex 1.

Source: Energy Information Administration (2010a).

Application in research on climate finance (3)

Baselines for „new and additional“ climate finance

(Stadelmann, Roberts & Michaelowa 2010)

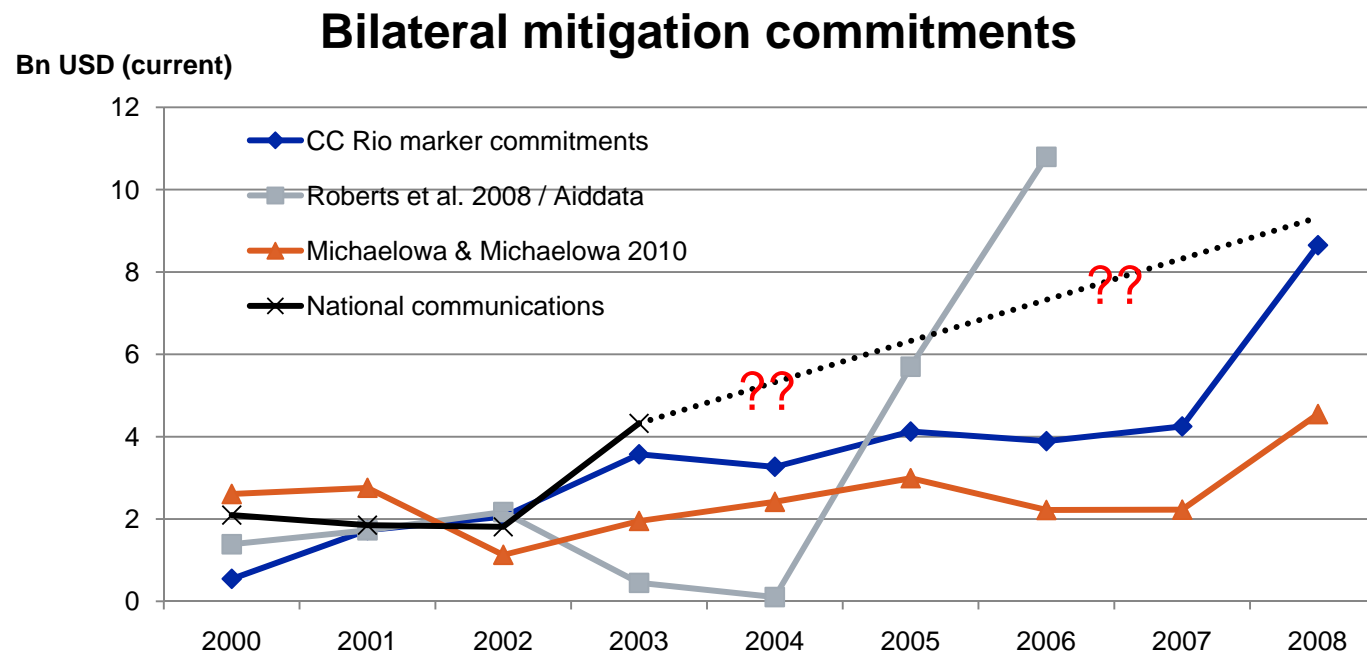
- 8 options / option „Current climate finance“ excluded, why?
 - Transparency not given
 - Data not available or low quality

Criterion	Additional to development assistance	New to existing flows and pledges	Environmental Effectiveness	Distributional considerations	Political feasibility (North)	Political feasibility (South)	Feasibility given budget constraint	Transparency 1: Clarity of definition	Transparency 2: Availability of data	Consistency with other regimes
<i>Way of assessment</i>	<i>No development assistance decrease</i>	<i>No double counting</i>	<i>Funds for mitigation & adaptation</i>	<i>Burden sharing</i>	<i>Statements</i>	<i>Statements</i>	<i>Total of Funds</i>	<i>Clarity</i>	<i>% available</i>	<i>Non-interference with ODA regime</i>
...										
Current climate finance	-	0	0	Middle-sized transfers	+	-	0	(-)	(-)	-
...										
Projection of non-climate ODA	+	(+)	0	Middle-sized transfers	0	+	++	-	-	-

Application in research on climate finance (4)

National communications vs. Rio markers & Aiddata coding (planned research)

- How do 5th national communications (2004-2008) look like?



Application in research on climate finance (5)

Effectiveness of CDM and GEF in promoting renewables

- Panel data regression (120 countries, 20 years)
- Impact of GEF & CDM on grid-based renewables)
- Using Michaelowa coding (AidData) for ODA control variable

Results:

- GEF has larger impact per USD than CDM
- Reasons
 - Additionality
 - Non-price discrimination
 - Tools for alleviating barriers(?)
- CDM impact -> turns even negative if we control for policies

Effectiveness of climate finance

Methods for evaluating effectiveness

- Bottom-up project-per-project
- Top down (regression analysis, CGE)
- > combine and compare the two

Data on effectiveness (CC impact per project/programme)

- Not contained in online databases (OECD, AidData, CDM pipeline)
- Collected by our research group for;
 - CDM (Castro 2009)
 - GEF mitigation (Stadelmann 2009)
- Not (publicly) available for
 - ODA
 - Development banks (incl. CIFs)
 - Adaptation (GEF funds, Adaptation fund)

Conclusions

- Transparency of „climate finance“ is lacking, especially related to disbursements, private flows & effectiveness
- Complex, fragmented system
 - DAC Rio markers, MDB data
 - national communications
 - new fast track websites -> ODI, WRI, fastrackfinance.org
- Aiddata: most encompassing, up-to-date database
 - Build on the the strength of the existing systems
 - Allow for different levels of information (donor, recipients, crowd-sourcing)

Annex

Application in research on climate finance (1)

Coding errors of Climate Change Rio Marker

(Michaelowa & Michaelowa 2010)

- Climate change Rio marker from Aiddata.org vs own coding
 - Overcoding of Rio markers (75% not related to mitigation)
 - Mixing up of adaptation and mitigation (10% of Rio markers)
 - (Over-)coding can be explained by interests of donors and voters
 - Environmental preferences of voters
 - Preferences of donor government
 - Information (short term overcoding)
- Strange „climate change“ projects

