

OFFICIAL DEVELOPMENT ASSISTANCE (ODA) and INTERNATIONAL DEVELOPMENT PROJECT (IDP)

How can I work with/for ODA?

A. OFFICIAL DEVELOPMENT ASSISTANCE (ODA)

1. WHAT IS ODA?

Official development assistance (ODA) is defined by the OECD Development Assistance Committee (DAC) as **government aid** that promotes and **specifically targets the economic development and welfare of developing countries**. The DAC adopted ODA as the “gold standard” of foreign aid in 1969 and it remains the main source of financing for **development aid**.

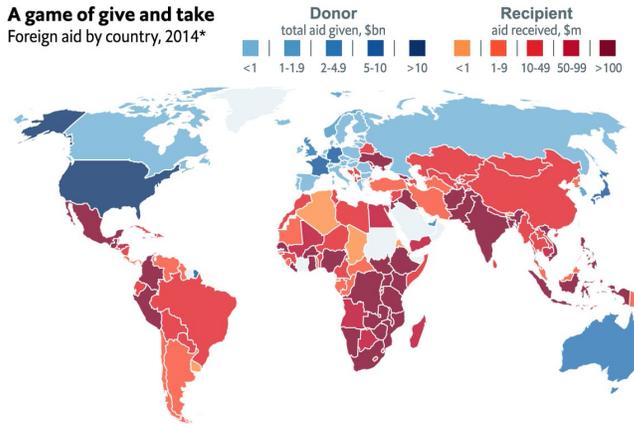
ODA Definition:

Flows of **official financing** administered with the promotion of the **economic development and welfare of developing countries** as the main objective, and which are concessional in character with a grant element of at least 25% (using a fixed 10% rate of discount). By convention, ODA flows comprise contributions of **donor government agencies**, at all levels, **to developing countries** (“bilateral ODA”) and to multilateral institutions. ODA receipts comprise disbursements by bilateral donors and multilateral institutions (*OECD, Glossary of Statistical Terms*)

In other words, **ODA** needs to contain the three elements:

- (a) undertaken by the **official sector** (official agencies, including state and local governments, or their executive agencies)
- (b) with promotion of economic **development** and welfare as the main objective; and
- (c) **assistance** at **concessional** financial terms (if a loan, having a grant element of at least 25%).

A game of give and take
Foreign aid by country, 2014*



2. ODA FOR WHAT?

The main objective of ODA is the **promotion of economic development and welfare of developing countries** (as defined by the OECD-DAC). ODA excludes (i) military aid and promotion of donor’s security interests, and (ii) primarily commercial objectives (e.g. export credits).



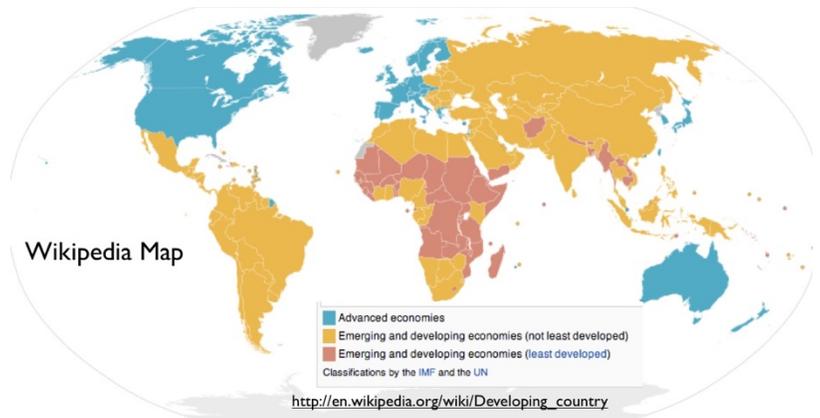
3. ODA FROM WHOM?

ODA is provided by **developed countries** through official agencies, including state and local governments, or by their executive agencies.

A long-standing United Nations target is that **developed countries** should devote 0.7% of their gross national income to ODA.

4. ODA TO WHOM?

ODA benefits **developing countries**. The OECD maintains a list of **developing countries** and territories; **only aid to these countries counts as ODA**. The list is periodically updated and currently contains over 150 countries or territories with per capita incomes below USD 12,276 in 2010.



5. WHAT IS ECONOMIC DEVELOPMENT AND SUSTAINABLE DEVELOPMENT?

Economic development is the process by which a nation **improves the economic, political, and social well-being** of its people.

Sustainable development refers to development that meets the **needs of the present without compromising** the ability of **future generations** to meet their own needs (World Commission on Environment and Development, (Brundtland Commission), 1987, Our Common Future, Oxford University Press, Oxford, United Kingdom). It assumes the conservation of natural assets for future growth and development.



6. WHAT IS THE ROADMAP? THE SUSTAINABLE DEVELOPMENT GOALS (SDGs)

The **Sustainable Development Goals (SDGs)**, or the Global Goals, are a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity.

The **17 Goals** build on the successes of the Millennium Development Goals (MDGs), while including new areas such as **climate change**, economic **inequality**, **innovation**, sustainable consumption, **peace** and justice, among other priorities. The goals are **interconnected** – often the key to success on one will involve tackling issues more commonly associated with another.



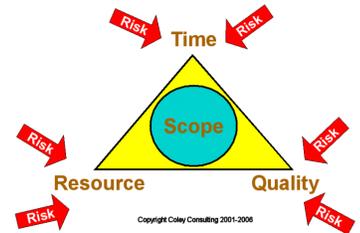
B. INTERNATIONAL DEVELOPMENT PROJECT (IDP)

7. WHAT IS A DEVELOPMENT PROJECT?

A **project** is a **temporary** endeavor undertaken to create a **unique** product or service. The **goal** of all **development** projects is to help **improve people's lives** through skills training and other livelihood programs.

Development organizations prepare and implement **development projects** and work to **strengthen** the capabilities of **local** institutional and promote **community self-reliance** through **sustainable** strategies.

One of the **key success** factors of development projects is when their **planning involves people** who will benefit or be affected by the project. **Beneficiaries** need to **play** a larger **role** in the planning and implementation of development efforts that will reshape their lives. **Involvement of beneficiaries** also increases the likelihood of development efforts realizing their intended **benefits** and can help avoid implementation problems.



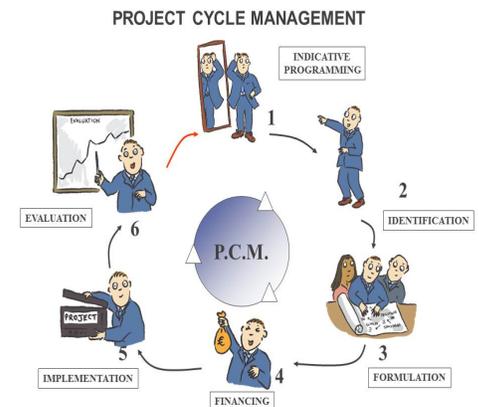
8. WHAT IS AN INTERNATIONAL DEVELOPMENT PROJECT (IDP)?

An **international development project (IDP)** is a **medium to large size public project and/or program** in all sectors of **developing countries** (Youker, R. (2003). The nature of international development projects. Paper presented at PMI® Global Congress 2003—North America, Baltimore, MD. Newtown Square, PA: Project Management Institute).

Identification of an IDP should flow out of a **country strategic planning** process organized by both sector and region. **Selection of projects** reflects the **countries priorities**—not donor's ideas. For example, a **country partnership strategy (CPS)** is the primary planning instrument guiding the Asian Development Bank (ADB) operations in a developing member country (DMC), as well as the monitoring and evaluation tool to track performance over the CPS period.

Design of IDP is for **economic and social development of a developing country** to reduce poverty ("overarching goal"), usually without profit motive (however, the financing agency may have its own motives and objectives). By definition, IDP is part of a **long-term** program. **Management** of IDP requires involvement within the **entire project cycle**, from identification (including indicative financing) to implementation, monitoring, and ex-post evaluation.

Funds for IDP are provided by (i) **multilateral development banks** (MDBs such as the World Bank and regional development banks like ADB, AfDB, IADB); (ii) **United Nations** agencies (e.g., UNDP, FAO, ILO, WHO, UNIDO); (iii) **bilateral** and multi-lateral government agencies (e.g., AFD, JICA, KOICA, USAID, European Union); (iii) **non-governmental organizations** (NGOs like CARE, Médecins Sans Frontière, IFRC, OXFAM, Save the Children); and (iv) Government agencies in **developing countries**. **Financing** of IDP can be **grant** and/or **loan**.



Many actors are involved in IDP (e.g., donor agencies, government organizations, consultants, contractors, trainers, evaluators, researchers, and local beneficiaries including local organizations). Views of the **stakeholders** involved in IDP must be considered to insure **appropriate design** and successful implementation of the IDP. **Beneficiaries participation** during the entire project cycle is widely considered to be one of the most **important** factors of **success** in development.



9. WHAT ARE THE MAIN IDP ISSUE AND CHALLENGE?

Governments in **developing countries** are continually **short of resources** and usually have difficulty meeting the resource requirements they promised at time of project planning and approval.

Local contexts in **developing country** may be **difficult**, sometimes risky. There is often a lack of infrastructure. All resources are in short supply, especially human resources. Local citizens may have a different concept of time and different value structures and cultures. External interventions may be seen in a negative vs. a positive way. The country has its own systems and each donor may have its own systems and all may have key differences.

Local beneficiaries/stakeholders are often **hard to be involved** in project discussions because of literacy, volume, distance and communication problems.

Corruption is often an **endemic** problem and requires monitoring systems to insure transparency.

The **local government environment** is often a “**non-entrepreneurial**” one and yet project success often requires an entrepreneurial project manager and project **champion**.

6 Mistakes that Mess up a Project



C. HOW CAN I WORK WITH/FOR ODA?

By definition, **ODA** is specifically the **official financing** from **developed countries** to **developing countries** to support their **economic development** and **welfare**.

As per English language and usage, it seems that the prepositions “**with**” and “**for**” are interchangeable, with no (significant) difference in meaning. However, the two prepositions imply two different things: (i) “**with**” emphasizes that I’m part of a team or I am working in association with a company, while (ii) “**for**” emphasizes the employer-employee relationship and I work for a company that compensates me for doing my job. Thus, we will differentiate our approach to work “with” vs. “for” ODA.

10. WORKING WITH ODA would therefore imply becoming a **staff** member of (i) a donor government agency or (ii) a multilateral institution, subject to fulfill the mandatory requirement in terms of educational background and degrees, technical expertise and field work experience, and appropriate qualifications (including language skill) for the specific job opportunity.

11. WORKING FOR ODA, on the other hand, would imply becoming a **consultant** for IDP. Most donor agencies and multilateral institutions recruit consultants—local and international—to assist implementing their technical assistance (TA) and/or IDPs. IDPs usually start with a feasibility study where consultants’ inputs are deemed useful. Indeed, a feasibility study is used to determine the viability of an idea, such as ensuring a project is legally and technically feasible as well as economically justifiable. It tells us whether a project is worth the investment—in some cases, a project may not be doable. For example, consulting services are used to perform TA—in the form of studies, surveys, workshops, seminars, and training—helping ADB’s DMCs implement projects, improve capacity, promote technology transfer and stimulate regional cooperation. See:



[How Can I Become an ADB consultant?](#)

This handy guide from ADB’s new Business Center shows you how to search for projects and tenders to see if there are consulting opportunities for which you are qualified, determine if you meet the criteria, and register as a consultant in ADB’s Consultant Management System. ADB consultants must be a citizen of an ADB member country, not be barred from working with ADB, World Bank or ADB’s member countries, and not be a close family member of an ADB employee.

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