

Série grise

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Inequality Mapping: A Research Facility to Better Understand Inequalities EU-AFD Research Facility on Inequalities

Mapping of inequalities reducing initiatives in European countries

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This project is of part of the EU-AFD Research Facility in Inequalities, funded by the European Union. The program coordinated by the AFD, which is leading more than 20 studies with academic and institutional partners in a number of developing, emerging and developed countries. The research projects supported in this context will be used to identify the most relevant approaches and policies to fight inequality.

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ACRONYMS

AECID	Agencia Española de Cooperación Internacional para el Desarrollo; / Spanish Agency for International Development Cooperation
AFD	Agence Française de Développement / French Development Agency
BMZ	Bundesministerium für Wirtschaftliche Zusammenarbeit und Entwicklung / Federal Ministry for Economic Development and Cooperation (Germany)
CEQ	Commitment to Equity
CLS	Cellule Lien Social (AFD, now Division Lien Social)
CoP	Community of Practice
CRS	Common Reporting Standard (OECD)
DAC	Development Assistance Committee (OECD)
DEEP	Data and Evidence to end Extreme Poverty (previously DETER) (UK)
DRM	Domestic Resource Mobilisation
ENABEL	Agency for Development Cooperation of the Belgian Federal Government
EC/EU	European Commission / European Union
FCAS	Fragile and Conflict Affected States
FCDO	Foreign, Commonwealth and Development Office (UK)
GIZ	Gesellschaft für Zusammenarbeit / German Agency for International Cooperation
HRBA	Human Rights Based Approach
IFD	Research Facility on Inequalities (AFD)
IMF	International Monetary Fund
INTPA	Directorate-General for International Partnerships (EC)
IRF	Research Facility on Inequalities
KfW	German Development Bank (former Kreditanstalt für Wiederaufbau)
LDC	Least Developed Countries
LGBTIQ	Lesbian, Gay, Bisexual, Transgender, Intersex and Queer persons
LLMIC	Low and Middle-Income Countries
LNOB	Leave no-one behind
M&E	Monitoring & Evaluation
MIC	Middle-Income Countries
MoU	Memorandum of Understanding
MS	Member State (of the EU)
ODA	Official Development Assistance
OECD	Organisation for Economic Cooperation and Development
PS4D	Private Sector for Development

SDC	Swiss Agency for Development Cooperation
SDG	Sustainable Development Goals
SECO	State Secretariat for Economic Affairs (Switzerland)
SIDA	Sweden International Development Agency
UK	United Kingdom
UNU	United Nations University

Box 1 Inequality as concept

Inequality as concept

Inequality is multidimensional and means different things to different people: **there is no commonly agreed definition** of what constitutes inequality. The European Union document 'Addressing income inequalities through development cooperation' is the main source of the understanding expressed in the current report.

Inequality refers to the unequal distribution of goods, resources and rights; it is inherently a relational concept.

Equity and equality are related, but not the same. Equity means that individuals' needs and requirements are taken into account and that those individuals are treated accordingly; equality refers to a situation in which every individual is granted the same rights and responsibilities, regardless of individual differences, in the absence of discrimination based on sex, age, ethnicity, disability, nationality, and so on.

Inequality can be **economic, social, political** and **environmental** (in all kind of combinations). Also a distinction can be made between inequality of **outcome** and inequality of **opportunity** (ensuring a common starting point). **Economic inequality** is most described as the differences between individuals' or groups' positions within the economic distribution, in terms of income, consumption or wealth. Schoolers sometimes refer to income and wealth inequality as the 'narrow understanding' of inequality. **Social inequalities** refer to the distribution of public and social goods - e.g., access to and achievements in education, health and nutrition, housing, employment, along with security, power, and rights (if in addition to the economic inequality, it is sometimes labelled as the 'broad understanding').

Another distinction made is between **horizontal** (those that exist between groups e.g., based on gender or ethnicity, religion etc.) and **vertical inequalities** (referring to variations among individuals or households within a particular group, region etc.).

Inequality and poverty are related to each other, but different. Whereas poverty focuses on a segment of the population for which living standards fall below a minimum level (i.e., a poverty line), inequality refers to the unequal distribution of goods, resources, and rights. Poverty and inequality are strongly interconnected through the distribution of income. High levels of inequality, however, may be observed in societies where poverty rates are relatively low because of large differences between the most disadvantaged individuals or groups and the rest of the population. This underpins the **Leave no one behind (LNOB)** as the central, transformative promise of the 2030 Agenda for Sustainable Development and its Sustainable Development Goals (SDGs).

Source: The European Union, 2021, reference Document N29. Addressing income inequalities through development cooperation (Volume 1 Concepts and Definitions).

PART 1. MAPPING OF INEQUALITIES REDUCING INITIATIVES IN EUROPEAN COUNTRIES: FINAL REPORT

EXECUTIVE SUMMARY AND MAIN FINDINGS

This report presents the findings of the project “Mapping of inequalities reducing initiatives” among European countries, conducted at the initiative of the EU-AFD Research Facility on Inequalities (IRF), a programme funded by the European Union (EU) and managed by Agence Française de Développement (AFD).

Adelante Knowledge and Development's network was commissioned to conduct a mapping exercise, initially among 15 Member States, consisting of (i) a preliminary web review and quantitative analysis to structure (ii) a survey enriched by interviews of representatives of 15 EU Member States (MS) and two non-members¹ (in this report the 17 countries included in the mapping are referred to as MS+).

The current report reflects the results of this survey (responded to by 12 MS+) and interviews (conducted with 9 MS +) with illustrations from the quantitative analysis² (see volume 3). The survey and interviews sought to obtain an understanding of how MS+ understand social and economic inequalities, their commitment to addressing those inequalities, the policies that have been put in place to reduce inequalities (as promoted by Sustainable Development Goal 10 [SDG 10]) through their Official Development Assistance (ODA) to partner countries, and how these policies are translated into countries' development cooperation (both at ministerial and development agency level).

The report has been structured around five stages of ODA policy planning and implementation: 1. the conceptual awareness of inequality; 2. the commitment to contribute to the reduction of inequalities; 3. the preparation process of that support through research, training, tools; 4. the operationalisation of interventions and 5. the monitoring and evaluation of interventions for the purposes of consolidation and improved performance.

DIMENSION 1: AWARENESS

MAIN FINDINGS

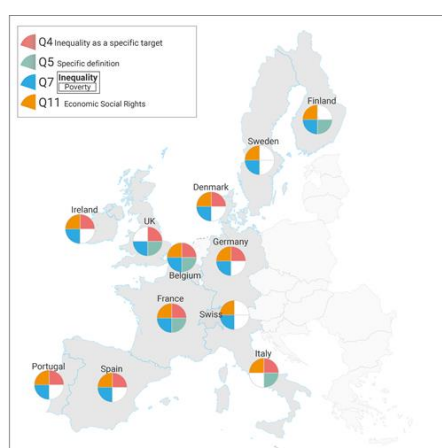
MS+ perceive the concept of 'inequality' as multi-faceted and hence complex (see Box 1 for concepts used in the mapping). About half of the MS+ apply a specific definition of inequality. MS+ use descriptions of inequality according to terminologies such as “exclusion and discrimination” (Switzerland), “inclusion” (Ireland); or “multi-dimensional poverty” (Sweden).

While a generally shared definition of 'inequality' is lacking, the MS+ use descriptions that are broad enough to encompass SDG 10. Seven (7) out of the 12 respondents consider the reduction of inequalities a more encompassing concept than, or one that leads to, the reduction of poverty.

¹ Member States: Austria, Belgium, Denmark, France, Finland, Germany, Greece, Italy, Ireland, Luxembourg, The Netherlands, Portugal, Slovenia, Spain, Sweden and non-MS: United Kingdom and Switzerland. The unit of analysis of the mapping exercise is the country. This report does not present information and/or analysis disaggregated by ministry and agency, according to whom responded to the survey. For detail on Methodology, see section 1.

² Inequality Mapping: A Research Facility to Better Understand Inequalities EU-AFD; Mapping initiatives, research and projects around inequality; Volume 2- Quantitative Analysis- deliverables 1.1, 1.2 and preparation of deliverables 2.2 and 3.1.

Figure 2. Awareness (overview)



Source: answers to the survey (Q4, 5, 7 & 11). N=12

The use of concepts such as horizontal and vertical inequalities, wealth and opportunities is not common and reveals that while different forms of inequalities are integrated in their conceptual frame(s), the 'within country' features are not necessarily tackled. For example, some MS+ indicate that their development policy priorities include economic and social rights and two (2) countries have indicated that because of SDG 10, their perspective towards poverty and inclusion has been broadened. But few MS+ focus on inequalities between income, wealth, or other groups³.

Ministries and agencies' policy documents usually refer to the economic, social, and rights dimensions (9 out of 12 countries) and refer to different levels: internationally (among countries, 8 out of 12); sectoral or thematic; and in relation to specific target populations.

GAPS AND OPPORTUNITIES

Half of the respondent countries have not specifically defined the concept of inequality or use a different terminology to that of poverty reduction and vulnerable groups. The concepts used are not expressed with objectively verifiable indicators and targets to come to an operationalisation of 'reducing inequalities' and often target a single thematic component (such as gender, persons with disabilities, ethnic minorities) while there are other components such as income, wealth, religion, sexual orientation, etc. that also need to be considered. Three (3) countries referred to the additional vulnerability of certain groups due to climate change.

In the formulation of policies, strategies and activities, MS+ could make use of existing concepts in the literature and reference documents, such as the EU Reference Document "Addressing income inequalities through development cooperation" (September 2021). The document defines inequalities and suggests focussing on the bottom 40% and top 10% strata in society. In that context there is an opportunity to ensure that clear concepts are established to define inequalities in the sense of SDG 10, to be applied at "within country" level (e.g., between bottom 40% and top 10%).

When looking at cross-cutting dimensions, the focus on climate change as a key transversal dimension at the root of inequalities is an important common basis for developing tools and approaches for reducing inequalities for those countries directly affected by the impact of climate change (drought, floodings, etc). This does not necessarily cover the concept of "just transition" as stressed by Belgium, Ireland and the United Kingdom. Addressing the reduction of inequalities due to climate change (adaptation and mitigation) offers an opportunity for creating consensus on the need to include both the top 10% of the income /wealth bracket and the Bottom 40% as climate change affects the entire

population and is very visible (floodings in cities, droughts, etc.) .

³ Note that MS+ may address themes that are conceptually close (such as "exclusion, inclusion or discrimination") but not necessarily equivalent to addressing inequality.

DIMENSION 2: COMMITMENT

MAIN FINDINGS

On The commitment of MS+ to support the reduction of inequalities is usually expressed in policy documents (White Papers); country, sectoral or thematic strategies; and/or at the programme / intervention level. Seven (7) MS+ explicitly state a commitment to reduce inequalities, although the interpretation of this commitment varies by country. The general policy documents ('white papers') usually refer to economic, social and rights dimensions of inequality. For Belgium, Finland⁴, Ireland and Sweden the commitment refers to the eradication of (extreme) poverty, to which the reduction of inequalities is considered instrumental. From that perspective, the reduction of inequalities (SDG 10) is seen as instrumental to achieve SDG 1.

MS+ refer to inequalities **among countries** by expressing their commitment in terms of total development assistance (aiming at the international target of 0.7% of Gross National Income); a preference for ODA allocations and other support to the Least Developed Countries (LDCs) and/or countries in a situation of fragility (11 out of 12). However, during interviews, no MS+ indicated that the formulation of SDG 10 (in 2015) has led to a major shift in ODA allocations.

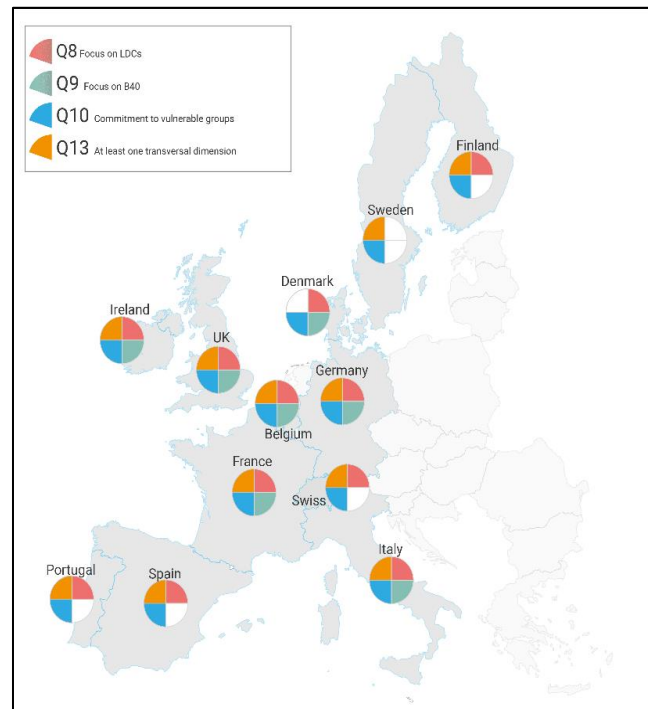
The commitment of MS+ to support the reduction of inequalities is expressed by approaches at country level that show a **preference for either marginal regions**, specific sectors and/or themes and within these, **for vulnerable groups** (i.e., women, youth, unemployed, persons with disabilities, LGBTIQ communities, ethnic minorities and others). Education, government, health, population policies, social infrastructure, agriculture, water supply and general environment are sectors commonly targeted⁵. Nine (9) MS+ take a differentiated approach in line with economic, social or rights dimensions. A focus on the bottom 40% (and the top 10%) forms part of these approaches, be it more at strategic (agencies) and thematic level (7 out of 12 countries) rather than as broad development policy (2 out of 12). A Human Rights Based Approach and Leave No One Behind are regularly referred to as approaches to tackle inequalities.

While 4 MS+ apply the stratification of preference for LDC's (or countries in a situation of fragility), and within these a preference for marginal regions and within these a focus on vulnerable groups. This focus and stratification can also be applied for non-LDCs. All countries address multiple categories of vulnerable groups and, in general, all countries focus on gender or on the geographic location. There is an apparent consensus about commitments to specific target groups, like women, persons with disabilities, the poorest of the poor, frequently expressed in terms of 'the bottom 40%'. However, MS+ rarely reported a combination of commitments to vulnerable groups with a transversal dimension.

⁴ For example, Finland. See: Theories of Change and Aggregate Indicators for Finland's Development <https://um.fi/documents/35732/0/theories-of-change-and-aggregate-indicators-for-finlands-development-policy-2020.pdf>.

⁵ Please consult volume 3 – quantitative analysis for analysis up to 2020 based in OECD DAC data.

Figure 3. Commitment (overview)



Source: answers to the survey (Q8, 9, 10, & 22) N=12 & N=8(Q9)

The table below presents the vulnerable groups that MS+ declare (through their Ministry, Bank or Agency) are focused on during the formulation of their interventions (Q10. Following on the above, does the focus during formulation of an intervention by your Ministry / Bank/ Agency refer to the following vulnerable groups? Choose as many answers as necessary).

Table 1. Focus on vulnerable groups during formulation of an intervention by a Ministry / Bank/ Agency

	BE	DK	FI	FR	DE	IE	IT	PT	ES	SE	CH	UK
Income bracket/consumption/wealth	●	●		●			●	●	●	●	●	
Gender	●	●	●	●	●	●		●	●	●	●	●
Age			●	●			●			●	●	●
Ethnicity			●	●					●	●	●	●
Migratory status			●	●			●			●	●	●
Disability			●	●		●	●	●	●	●	●	●
Geographic location	●	●	●	●	●	●	●	●	●	●	●	
Other				●*	●*							●*

*France: Religion and disabilities

*Germany: On an agency Level, Environment, Climate, Conflict and Context, Human Rights, Safeguards and Gender

*Switzerland: SDC Guidance wheel with exclusion factors

*UK: Strong focus on LGBT+ and a conference held on 'freedom of religion or belief in 2022

GAPS AND OPPORTUNITIES

While MS+ frequently refer in their policies and approaches to the 'bottom 40%', they are not addressing inequalities through the prism of the Bottom 40% / Top 10%: privileged groups or the structural causes of

discrimination / marginalisation of the targeted groups is either not mentioned or further analysed.⁶ This absence is perhaps the result of the long-term focus on poverty (SDG1) alleviation targeted at specific groups. At the programme / intervention level the 'top 10%' is usually not a topic either, as this is politically contentious and requires preparedness through research, training and strategic policy dialogue. The importance of addressing wealth inequalities within a country is borne out by research: income inequality within some countries has risen significantly, driven in large part by the dramatic increase of top incomes (Piketty, 2014)⁷ developing countries being today somewhat more unequal on average than three decades ago (Alvaredo and Gasparini, 2013)¹⁰ while a reduction in inequality leads to a higher elasticity of poverty reduction with respect to growth. In literature, inequalities are considered to be a threat to governance and stability.

Two (2) MS+ indicated that in absence of an agreed upon marker, interventions aimed at reducing inequalities may not be labelled as such.

During interviews, some MS+ mentioned that the impact of climate change is an aggravating transversal dimension that may deepen inequalities in society. Since the impact affects most sectors and all strata of societies, but with different levels of vulnerability, addressing climate change through adaptation provides opportunities to tackle root causes of inequality. Focusing on the bottom 40% improves access to assets (land, agricultural input) and services (WASH, education, health, transport, financial inclusion) and not only reduces vulnerability, but also enhances the bottom 40%'s capabilities.

DIMENSION 3: PREPAREDNESS

MAIN FINDINGS

Being committed to embark upon programmes and interventions in the field of SDG 10 requires preparedness, deliberate choices, time and resources. This is a dynamic process, leading to a revision of existing commitments according to pre-established criteria to meet the objective of reducing inequalities, as indicated by 3 MS+ (Switzerland, Germany, Sweden).

Proper preparedness consists of a blend of research, learning from other's experiences, training, and the elaboration of toolkits. Research helps to define concepts and agree on objectives and approaches for achieving them. Out of the 12 MS+, 8 conduct (directly or indirectly⁸) research, of which 4 conduct studies together with the partner country. For example, Germany has conducted (and is in the process of conducting) Inequality Diagnostics in a number its partner countries. (Seven) 7 MS+ (also) make use of research by others (for two countries, it is the only source of research information). Preparatory research prior to the formulation of interventions is usually done with the national entities or based on published research.

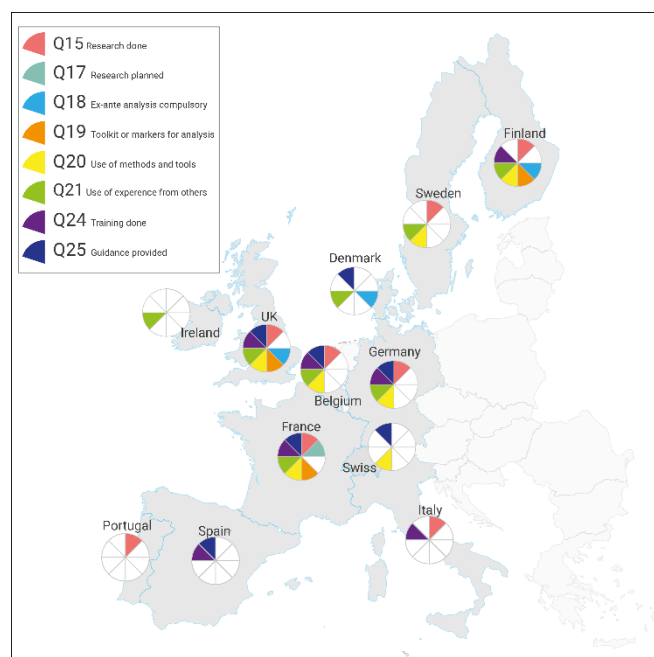
⁶ See for the political economy perspective on inequality the section 'Introduction'.

⁷ Piketty, T. (2014). *Capital in the twenty-first century*. Harvard University Press.

Alvaredo, F., and Gasparini, L. (2015). Recent trends in inequality and poverty in developing countries. In Atkinson, A. B., & Bourguignon, F. (Eds.). (*Handbook of Income Distribution* SET vols. 2A-2B. Elsevier, Pages 697-805.

⁸ MS+ finance research either through direct assignments (contracts with specific Terms of Reference) and / or core funding to institutes and/or universities. The latter is usually more general in character and may encompass research related to / or relevant to understand inequalities and how to reduce these.

Figure 4. Preparedness (overview)



Source: answers to the survey (Q15,17-21,24,25) N=12

Denmark, the United Kingdom and Finland have a compulsory ex-ante analysis at intervention level that requires analyses covering inequalities⁹. The UK indicated to implement a broad flagship research programme to reduce poverty and inequalities. In the case of Finland, a human rights context analysis is required from the perspective of the cross-cutting objectives (gender equality, non-discrimination, disability inclusion, biodiversity, climate resilience and low-emission development). On a more targeted level of research on inequalities, only France has published its research over the last year and has planned to do so for the coming 12 months.

Table 2 presents, in summary form, the declared use of a) ex-ante inequalities analysis, b) methods, specific toolkits and/or internal equality markers by MS+ during formulation. In case of use, it also indicates which methodologies are being used for developing country /sector/ intervention strategies. The following examples were provided:

- Inequalities diagnostics from Agence Française de Développement
- Systematic country diagnostic reports (SCDs)
- Commitment to Equity (CEQ) Assessment
- Commitment to Reducing Inequality Index (CRII)
- Multidimensional Inequality Framework (MIF)
- Geographical allocation of budgets
- Equity Tool

⁹The United Kingdom carries out Gender and social inclusion analysis for programmes and policies.

Table 2. Use of methods and tools for analysis of interventions (Q18, Q19 and Q20)

	Ex-ante inequalities analysis compulsory in formulation	Use of specific toolkit to all programmes / projects & specific 'internal markers' on inequality to all programmes/projects	Methodologies used for analysing developing country /sector/ intervention strategies								
			Diagnostic AFD	SCDs	CEQ Assessment	CRII	MIF	Geo allocation	Equity tool	Future use planned	Other
BELGIUM											✓
DENMARK											
FINLAND											✓
FRANCE			✓		✓			✓	✓		
GERMANY											
IRELAND											
ITALY											
PORTUGAL											
SPAIN											
SWEDEN				✓		✓	✓	✓			
SWITZERLAND											✓
UK					✓			✓			✓

Yes No Cannot answer

Other methodologies indicated:

Belgium: Indicators

Finland: Guidance on HRBA

Switzerland: LNOB and other analyses

UK: Gender and social inclusion analysis + country development diagnostics

At the sector or thematic level, toolkits can be applied to assess the effect of envisaged interventions on equality. Impact analysis is not conducted systematically, while the use of specific toolkits is not common (3 out of 12 MS+). Existing toolkits and instruments are often applied by a single MS+ only: the AFD Inequalities Diagnostics is used by France only; the Systematic country diagnostic report (SCD), the Commitment to reducing Inequality Index, and the Multidimensional Inequality Framework are used by Sweden, while the Commitment to Equity Assessment (CEQ) is used by the United Kingdom and France. The United Kingdom used CEQ to inform the development its strategy for tax reforms as a tool for development and as a source of data for country development diagnostics. Other countries either lack toolkits to assess impact on inequalities or are in the process of elaborating these (Belgium, Ireland).

Except for Finland, Denmark and the United Kingdom, the ex-ante inequalities analysis during formulation of an intervention is not compulsory.

Training on inequality is done either for all or specific staff and consists of either specific training or modules added to existing training programmes. Three (3) MS+ plan to enhance their training with content on the reduction of inequalities, while 5 out of 12 countries indicate that there is no specific training. Both Belgium and Finland indicate that training is extended to all staff, although this may encompass only certain aspects of inequalities (i.e., human rights, gender equality). Only the United Kingdom, Denmark and Switzerland provide special guidance to their staff and consultants on how to support activities related to the reduction of inequalities. Four countries plan to do so soon.

Almost all countries indicate that they make use of the experience of others, or of being inspired by good practices and flagship programmes of other countries and participate in multi-country initiatives.

GAPS AND OPPORTUNITIES

Although research is conducted (to a different degree and with different purposes), the products are still insufficiently translated into practical terms (for example as done in the EU Reference Document - Tools

and Methods Series N°29¹⁰ and the AFD Research Paper on Distributional Impacts of Development Cooperation Projects¹¹). Research initiatives are thus either of a general analytical nature (diagnostic tools) or focused on one specific dimension (i.e., human rights, gender in a country context), or just programme or project related. In general, these initiatives are hardly focused on strategic operational solutions. Since only 4 countries use dedicated methodologies for analysing inequalities, there is space for more practical analytical tools. However, there is even more demand for examples of approaches that lead to effective contributions to reduce inequalities. This is compounded by the scarcity of examples of operational successes (flagship programmes). In the absence of these documented experiences, learning from others has remained modest. As indicated in the EU reference document, research is also a tool to facilitate the dialogue among stakeholders on inequalities. Where there is no prior existing data or analysis, and where the inequalities issue is very sensitive, research can help to start the conversation in a “neutral” manner.

There are opportunities to develop analytical tools further; and to strive for a standardised use of tools (in either the context of OECD-DAC and/or EU; both could promote research exchange). Exploring further the effectiveness of programmes and interventions at country / thematic level on the reduction of inequalities (Germany has started diagnostic studies in nine of its target countries) could also provide lessons for the development of tools and instruments.

Overall guidance on inequality, as well as training in operationalisation of the commitment to reduce inequalities is provided by less than half of the MS+. Drawing lessons from existing work done at partner country level (i.e., current German studies) may provide insights into how to integrate outcome inequalities into the design of interventions.

DIMENSION 4: OPERATIONALISATION

MAIN FINDINGS

The operationalisation of policies aimed at the reduction of inequalities can unfold in various forms, amongst others (i) policy dialogue on the subject; and (ii) through activities and interventions in target countries.

MS+ can contribute to the reduction of inequalities by making the subject a cross-cutting theme in high-level bilateral policy dialogue with the partner countries. This is done with either all partner countries (Sweden, Finland, Portugal) or with some selected countries (United Kingdom, Denmark, France, Italy and Ireland; 5 out of 12), or in exceptional cases (Spain). Sweden applies guidance / norms on policy dialogue that encompass gender equality, climate change, the human rights-based approach; and the perspective of the poor as part of its multi-dimensional perspective on poverty. Switzerland indicated that during its policy dialogue with partner countries, the Leave No One Behind principle is discussed at different levels. For implementation of operations, MS+ make use of either budget support mechanisms; projects and/or broad, multi-faceted flagship programmes (including loans). None of the 12 MS+ apply budget support as a sole mechanism, but Denmark, Finland, France, Spain and Portugal indicated that budget support (or comparable programmes or fully aligned aid mechanisms) forms part of their portfolio to address inequalities. The survey did not contain questions concerning the modalities applied by (national) development banks for tackling inequalities (i.e., loans for social protection programmes), but some do apply methods comparable to budget support. The survey did not enquire about working through sub-national governments, something considered to be of potential interest given the ample experience in this field (Belgium, France, Switzerland).

Seven (7) countries (Belgium, Finland, France, Germany, Italy, United Kingdom, Sweden) use project modality with the public sector as well. All MS+ consider the funding of civil society organisations active in advocacy and lobbying, or directly supporting vulnerable population groups, instrumental to reduce inequalities, and provide support through them. Some MS+ observed that the role of civil society to reduce inequalities is rather small compared to that of Governments, while in contrast others stress the importance of networks (Spain), partnerships and alliances (Ireland, Finland, United Kingdom, Switzerland) with civil society organisations in the effort to reduce inequalities.

Among the MS+, France is in the process of formulating a flagship programme on inequality, while the United Kingdom referred to the implementation of a flagship research programme to reduce poverty

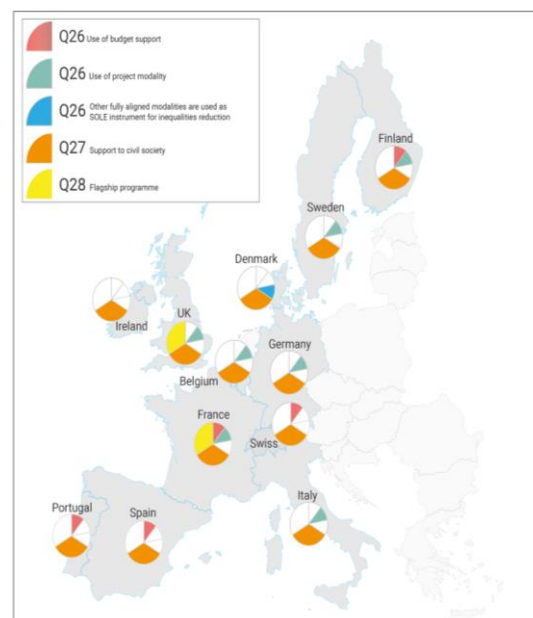
¹⁰ European Union, 2021, Reference Document N29. Addressing income inequalities through development cooperation. Volume 3: Guidelines for mainstreaming the reduction of inequality in interventions. Available at [Capacity4Dev](https://ec.europa.eu/europeaid/en/capacity4dev).

¹¹ Agence Française de Développement (AFD), 2018. The distributional impacts of development cooperation projects. projects (See: www.afd.fr/en/ressources/distributional-impacts-development-cooperation-projects).

and inequalities in addition to specific interventions that focus on reducing income poverty through social protection. MS+ raised the question of what should be understood by a flagship programme and indicated that some of their programmes could be considered as such (i.e., tackling inequalities by 'poorest of the poor' programmes, gender equity, social protection, access to justice; and redistributive tax reform). This illustrates the high level of overlap in MS+ views between approaches addressing poverty reduction and alleviation and perspectives to reduce inequalities. MS+ qualifying their ODA as poverty reduction may implicitly address inequalities – in different dimensions- as well.

While MS+ do strive for the reduction of inequalities, this is an assumed implicit effect or impact of the interventions. Being aware of the political sensitivity, only in exceptional cases the reduction of inequalities is the explicit objective of broad-based (flagship) programmes.

Figure 5. Operationalisation (overview)



Source: answers to the survey (Q26-28) N=12

GAPS AND OPPORTUNITIES

MS+ implement programmes aimed at reducing inequalities but do so mainly through non-governmental organisations (for example, social protection programmes) and civil society organisations (advocacy, lobbying). More encompassing programmes aimed at reducing inequalities from a multi-dimensional perspective are absent or at least scarce, possibly due to the political sensitivities that surround the strive for higher equality¹². In the absence of these broader flagship programmes, MS+ lack examples of 'good practices' that could be used for the formulation of new initiatives.

None of the MS+ referred to the (potential) effects on (in)equality of their support to private sector development (i.e., through loans provided by development banks), or private sector for development (PS4D) activities (for which the impact on inequality is largely unknown).

Analysing and disentangling the effect and impact of poverty reduction programmes is necessary to avoid the perception or belief that reducing poverty is tantamount to tackling the root causes of inequality. Indeed, the lack of reference to the privileged groups in the inequality comparison is an important gap but a necessary requirement to tackle inequalities. The EU Reference document suggests involving all stakeholders (marginalised groups but also the privileged) throughout the project cycle. This could be a role for civil society organisations, e.g. represented voices, and applied research (academia, think tanks) and concrete experiences.

Incorporating better the Member States' Development Banks that have a significant volume of loans and grants in the approaches and efforts to reduce inequalities should be explored.

¹² As mentioned in the EU Reference document, reducing inequalities is a contentious issue illustrated by the concept of Top10/Bottom40)

DIMENSION 5: MONITORING AND EVALUATION

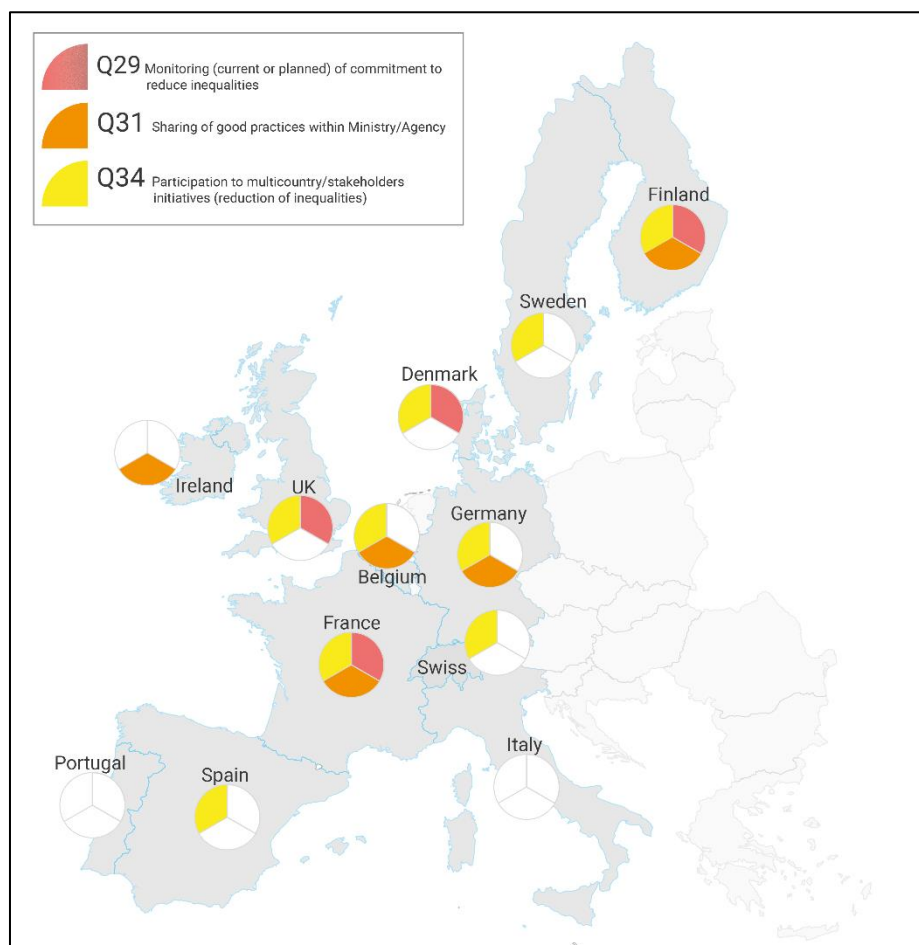
MAIN FINDINGS

Despite MS+ commitment to contribute to SDG 10, eight (8) out of 12 countries indicated that they do not to monitor their commitments to reducing inequalities (yet), even if a general monitoring framework exists. Finland (amongst others, a 4-years reporting to Parliament) and the United Kingdom (annual human rights report; gender markers and disability inclusion marker) monitor their commitments to reduce inequalities, while Denmark monitors the reduction of inequalities. France indicated that it plans to do so in the near future. In no MS+ is the monitoring of commitments to the reduction of inequality directly related to the SDG 10 indicators.

The monitoring, evaluation and learning from operational activities and interventions is more common: Finland, Denmark, Switzerland, France and Belgium carry out systematic operational monitoring.

Nine (9) countries follow the progress in policy dialogue concerning cross-cutting issues that encompass inequality. Four (4) countries actively follow the results of other MS+ for learning, when it comes to monitoring and evaluation results. Only 4 of the 12 countries (Belgium, Germany, Finland and France) share the results of their successfully evaluated approaches and operations with the partner countries involved.

Figure 6. Monitoring & Evaluation (overview)



Source: answers to the survey (Q29, 31 & 34) N=10

GAPS AND OPPORTUNITIES

The current monitoring and evaluation of support to reduce inequalities does not seem to be associated with the SDG 10 indicators. There is an obvious opportunity to link existing monitoring systems with these

indicators¹³¹⁴. As is common practice, monitoring and evaluation exercises and reports are a good opportunity to structure dialogue between different actors and to reflect about inequalities in the country concerned.

In general, MS+ do not monitor their commitments to inequality (nor do they plan to do so), since there is -apparently- no demand from either government or Parliament to do so.

The lack of a shared conceptual framework on inequality hampers the systematic monitoring and evaluation of the root causes of inequality (development path and internationalisation, political economy factors, for example), as well as the measurement of the effectiveness and impact of external support to reduce inequalities. Some MS+ commented that the complexity of impact measurement methods combined with the limited statistical capacity of partner countries hampers the systematic monitoring and evaluation of inequalities.

MS+ have indicated that civil society organisations are their main vehicle for supporting the reduction of inequalities, but also mention that the effectiveness is possibly less than with projects in the public sector. The absence of broad flagship programmes with the public sector hampers learning in this field.

There are various opportunities (be it in OECD-DAC or EU context) to share experiences and evaluation results regarding the commitment to reducing inequalities. This could be done by MS+ that have monitoring frameworks, as well as those that conduct effect / impact evaluations (i.e., on major programmes like taxation, employment generation; gender, youth, vulnerable groups; access to justice, public services).

Although mentioned by MS+, there is little research and understanding of the inequality aspects of climate change and the energy transition, hence an opportunity to explore the linkages between the two.

Another related challenge is referred to by the EU Knowledge4 Policy platform, being the challenge to understand better the effect of development cooperation on trends in inequalities, i.e. polarisation in education; growing disparities in the labour market; the widening of health-related inequalities¹⁵; 'slow marginalisation' processes, such as (urban) gentrification and (rural) depopulation processes.

¹³ See for indicators, Chapter 6 Monitoring, Evaluation and Learning.

¹⁴ Alternatively MS+ may agree on specific indicators through the EU funded Inequality Research Facility and the OECD COP Poverty and Inequalities

¹⁵ The EU Commission's platform for evidence-based policymaking, Knowledge4Policy (K4P) has taken on research on some of these trends. See: https://knowledge4policy.ec.europa.eu/diversifying-inequalities_en.

INTRODUCTION

The EU-AFD Research Facility on Inequalities (IRF) is a programme funded by the European Union (EU) and managed by *Agence Française de Développement* (AFD). It aims to improve knowledge and understanding of economic and social inequalities, their determinants and underlying mechanisms, at different spatial levels¹⁶, as well as the most effective policies and approaches to reduce these. The Facility also aims to engage in a joint reflection with Member States (MS) on ways to strengthen the contribution of EU development cooperation to the fight against inequalities, in the framework of the implementation of Agenda 2030, and to contribute to EU development policy whose overarching objective is the eradication of poverty.

In the context of the IRF, the project "Mapping of inequality initiatives" (hereinafter referred to as 'mapping'), has been carried out for two purposes:

1. To comprehend what 15 EU Member States -and two other countries, the United Kingdom and Switzerland- understand by 'inequalities' and what they are doing to address them, and how¹⁷. Based on that assessment the objective is to jointly learn and improve the development cooperation approach to addressing inequalities by both countries and the EU.
2. To obtain a global overview of how the focus on social and economic inequalities (income inequalities), their dynamics, causes, consequences, and effective policy responses, are translated into countries' development agendas (both at ministry and agency level). The latter requires an identification of the political and thematic gaps in subject areas related to inequalities.

This report presents the activities and findings of the research conducted among 15 + 2 countries regarding their initiatives, activities and research into the reduction of inequalities and how it is incorporated into their development cooperation.

To this end, this mapping collects data from the 15 EU Member States (MS)¹⁸ plus the United Kingdom and Switzerland, in order to better capture what is understood by the concept of 'inequalities' and what these countries (hereafter referred to as MS+) do to address inequalities in the context of their development cooperation policies and programmes. It seeks to obtain a global overview of how the focus on social and economic inequalities (income inequalities), their dynamics, causes, consequences, and effective policy responses are translated into MS+' development cooperation (both at ministry and agency level). The intention is to subsequently derive indications regarding the political and thematic gaps related to inequalities on how to jointly learn and improve the development cooperation approach to address inequalities.

¹⁶ These determinants are often found in political economy factors. The political economy perspective on inequality indicates:

- High inequality leads to **elite capture** which leads to lower growth (through market and government failure) and threatens democracy
- Inequality threatens both **political and social stability**: non acceptance of inequalities can lead to increased resort to crime and violence by the disadvantaged, or those perceiving themselves as such.
- Inequality threatens the "social capital" i.e., the ability of communities to share common values and coordinate actions at the **local level** for the greater good.
- Inequality is also likely to threaten the "social contract" i.e., the capacity of a people to agree on common values and efficient policies at the **national level**.

Source: Robillard, 2021, training for INTPA

¹⁷ In this report the researchers understand 'inequality' as the unequal distribution of goods, resources and rights. It is measured in terms of opportunities or outcomes (for people with the same identity). Vertical inequality points to the gaps between individuals and contrasts to the horizontal view – focusing on the unequal opportunities that different groups have. It is expressed in income, social goods, environmental resources, or decision making - economic inequality (income and wealth and consumption). See Box 1.

¹⁸ Member States: Austria, Belgium, Denmark, France, Finland, Germany, Greece, Italy, Ireland, Luxembourg, The Netherlands, Portugal, Slovenia, Spain, Sweden and non-MS: United Kingdom and Switzerland.

STRUCTURE OF THE REPORT

The present report is divided into the following:

Volume 1 or main report presents the key findings according to the five dimensions of analysis and identifies a series of gaps and opportunities for better integrating the reduction of inequalities in ODA.

- This Introduction presents the rationale for the mapping and Chapter 1 explains the methodological approach.
- Chapter 2 presents the main findings on the awareness and understanding of inequalities and their reduction in international cooperation policies. It provides an overview of the main concepts used in relation to 'inequality' and its multifaceted contents, as well as the MS+ readiness to act in relation to the subject, be it in terms of research, training, activities or projects.
- Chapter 3 explores the MS+ commitment to tackling inequalities and (if so) how this is expressed in the relevant policies concerning development cooperation.
- Chapter 4 identifies practices and challenges in the preparatory stages of any intervention aimed at addressing inequalities. It does so by examining what tools are in place to address inequalities at the identification/formulation stages.
- Chapter 5 shows how MS have operationalized activities and identifies possible flagship programmes related to the achievement of SDG 10.
- Chapter 6 explores the activities in the area of Monitoring and Evaluation and the types of learning that are derived from it.
- The Annexes include:
 - Annex 1: Consolidated comments tables
 - Annex 2: List of people interviewed
 - Annex 3: CRS Codes

Volume 2 presents the Quantitative survey using official ODA data published by OECD.

THE WHY, WHAT AND HOW OF THE MAPPING

Inequality threatens long-term social and economic development, harms poverty reduction and destroys people's sense of fulfilment and self-worth¹⁹. SDG 10 is among the core priorities of the EU development policies in relation to the overarching objective of the eradication of poverty and promotion of sustainable economic growth. The well-known slogan 'to ensure that no-one is left behind' does not address both perspectives of SDG 10: inequalities *between* countries and inequalities *within* countries.

The targets set for SDG 10 encompass -amongst others- (i) to reduce income inequalities, (ii) to promote universal social, economic and political inclusion, (iii) to ensure equal opportunities and end discrimination, (iv) to adopt fiscal and social policies that promote equality.

Box 2. SDG 10 Reduce inequalities within and among countries

Targets:

10.1 By 2030, progressively achieve and sustain income growth of the bottom 40 per cent of the population at a rate higher than the national average.

10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.

¹⁹ United Nations Sustainable Development Goals. [Reduced Inequalities: why it matters?](#)

10.3 Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard.

10.4 Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality.

10.5 Improve the regulation and monitoring of global financial markets and institutions and strengthen the implementation of such regulations.

10.6 Ensure enhanced representation and voice for developing countries in decision-making in global international economic and financial institutions in order to deliver more effective, credible, accountable and legitimate institutions.

10.7 Facilitate orderly, safe, regular and responsible migration and mobility of people, including through the implementation of planned and well-managed migration policies.

10.A Implement the principle of special and differential treatment for developing countries, in particular least developed countries, in accordance with World Trade Organization agreements.

10.B Encourage official development assistance and financial flows, including foreign direct investment, to States where the need is greatest, in particular least developed countries, African countries, small island developing States and landlocked developing countries, in accordance with their national plans and programmes.

10.C By 2030, reduce to less than 3 per cent the transaction costs of migrant remittances and eliminate remittance corridors with costs higher than 5 per cent.

Source: [Sustainable Development Goals](#)

Based on the objectives described above, the key **purposes** of this mapping are:

(i) to provide information about the key actors and the progress of the fight against inequalities through development cooperation

(ii) to offer key elements of analysis that could possibly serve as a basis for comparative analysis across time (to track the progress of the different MS+) and

(iii) to pave the way for exchanges, lessons and actionable measures to mainstream the approach towards the fight against inequalities in international cooperation practices within a European context .

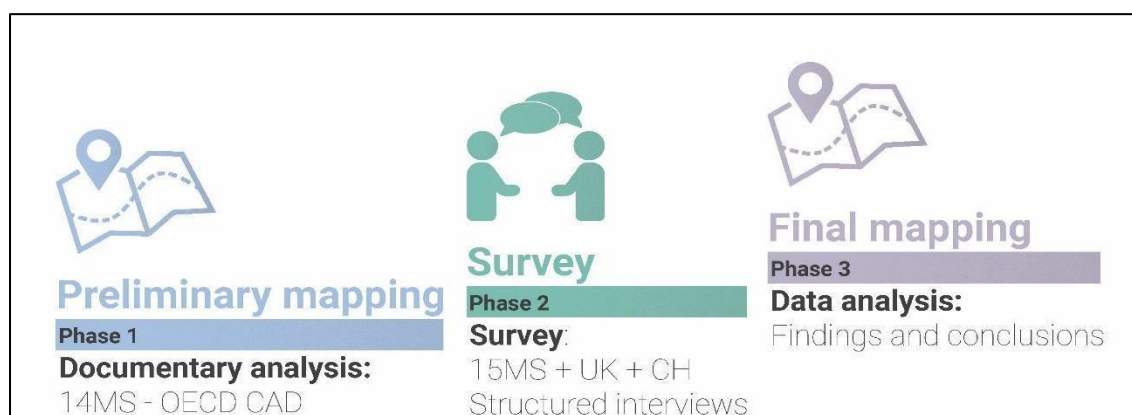
Ultimately, the overview could serve as an input into the Steering Committee of the EU-AFD Research Facility enabling its translation into EU development cooperation and EU MS strategies. This may take the form of mainstreaming, development of guides, training, specific financing and projects.

The mapping has been carried out in three phases:

1. The first phase of the mapping entailed desk/web-based research into the current policies and practices of EU Member States (MS) regarding inequalities. The analysis was structured around a set of commonly agreed criteria/issues that allowed for an easy, non-judgemental comparison across MS. This information was then used to construct a survey with a view to completing the data and filling any gaps.
2. The second phase comprised the survey and interviews with representatives of the Ministries responsible for development cooperation and -if applicable- national development agencies. The second phase was conceived as a logical follow-up covering a slightly extended population (the same EU Member States were consulted, while Switzerland and the UK were added; together referred to as MS+) using a pre-defined survey (to Ministries and Agencies) combined with a follow up interview to get a better understanding of the response and particularities per country.
3. The third phase consisted of the analysis and interpretation of all the information gathered, presented in its report and its annexes.

Note that a quantitative analysis (see Volume 3), based on published data and statistics, has been conducted. It complements the mapping by means of a different perspective, looking back at ODA²⁰ commitments and disbursement patterns²¹.

Figure 7. Phases and methodology



Source: own elaboration

WHAT DOES THE MAPPING PRESENT IN THIS REPORT COVER?

The mapping has been structured around a **conceptual framework that encompasses different criteria of analysis**, such as how EU MS' cooperation entities understand the concept of inequality and how these cooperation entities put into practice their understanding of inequality through activities, projects and/or research.

As far as the **unit of analysis** is concerned, and taking into account the particularities of each country's development policy and institutional set-up, the mapping has taken into account actors/respondents in the field of international cooperation in the European context (be it either a Ministry of Foreign Affairs, a Ministry of Development Cooperation, or a comparable entity, a more or less autonomous implementing agency in the area of development cooperation or a national development bank. The institutional arrangement varies from country to country.

The countries that responded to the survey and interviews were:

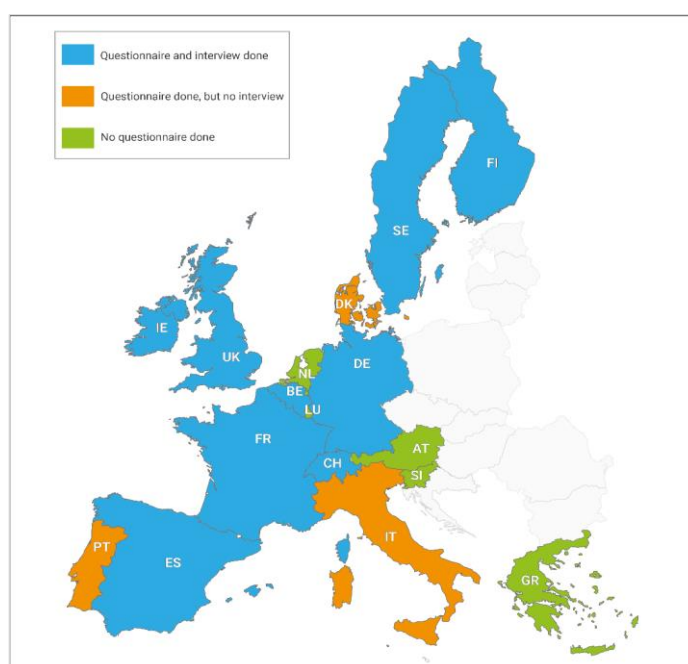
- Belgium (BE)
- Denmark (DK)
- Finland (FI)
- France (FR)
- Germany (DE)
- Italy (IT)
- Ireland (IE)
- Portugal (PT)
- Spain (ES)
- Sweden (SE)
- Switzerland (CH)
- United Kingdom (UK)

The results of the questionnaire and interviews have been tabulated and systematised by topic.

²⁰ The Official Development Assistance refers to the total official (public) flows (grants and loans with at least 25% gift component) to developing countries (eligible and classified according to criteria based on GDP) and multilateral organisations. ODA statistics are based on self-reporting by OECD-DAC member states. Total ODA data encompass bilateral aid flows (but are not restricted to bilateral aid). For disaggregation of ODA statistics refer to: www.oecd.org/dac.

²¹ Inequality Mapping: A Research Facility to Better Understand Inequalities EU-AFD; Mapping initiatives, research and projects around inequality; Volume 2- Quantitative Analysis.

Figure 8. Countries covered by the mapping



Source: answers to the survey

1. A BRIEF NOTE ON METHODOLOGY

The mapping exercise of how inequalities are appraised in development cooperation implies that MS should be active in an international context (i.e., UN, OECD-DAC) and have defined their own policies and strategies. The same MS as explored in Phase 1 were considered as logical samples. Since there are countries very close to the European Union, but not MS, active in development cooperation that share the same principles, the United Kingdom and Switzerland were added to the sample²², bringing the total sample to 17 countries.

The **Unit of Analysis** is the (Member) State. This 'state' should not be understood as a monolith, since in development cooperation, MS+ may operate through (more or less) independent development agencies and/or development banks. In most MS+, the ministry responsible for development cooperation sets the policy objectives and boundaries (White Papers) and conditions for operationalisation / implementation and provides the budget. The development agencies are responsible for operational strategies and implementation. The ministry/ies responsible for development cooperation and the agencies influence each other when it comes to agenda – setting, policy making and knowledge sharing. Both the ministry and agencies may be responsible for monitoring and evaluation, as well as for information sharing and policy dialogue.

MS+ states are part of the international development community and are influenced by that larger community (for example the UN platforms, EU, OECD-DAC), while the MS+ itself influences the development community by sharing its research / evaluation results and through its active participation in international fora. The MS+ form part of an 'open system' that is influenced both from inside (agencies, interest groups, political parties) and from outside (international development community), while its own knowledge and budget influences the others. In the survey / interviews, this context of mutual influence was taken into consideration by looking into what MS+ learn from each other in terms of research, analysis, tools, and evaluation results.

²² This rather arbitrary addition was agreed upon between the AFD Research Facility and the implementing Adelante researchers.

1.1 THE SURVEY

The main activity of the second phase of the mapping was the elaboration of -and conduct of- a **survey**. After a mock-up test and a pilot survey / interview with France, the survey was rolled out to the entire sample of 17 countries. This was done in two steps:

1. Each country received a survey questionnaire through the AFD Inequalities Research Facility, with corresponding explanations. By country, there could have been more than a single survey, e.g., for a ministry of Foreign Affairs, a development bank and / or a development agency.
2. Based on the responses to the survey, an interview was conducted to ensure the full understanding of the answers provided.

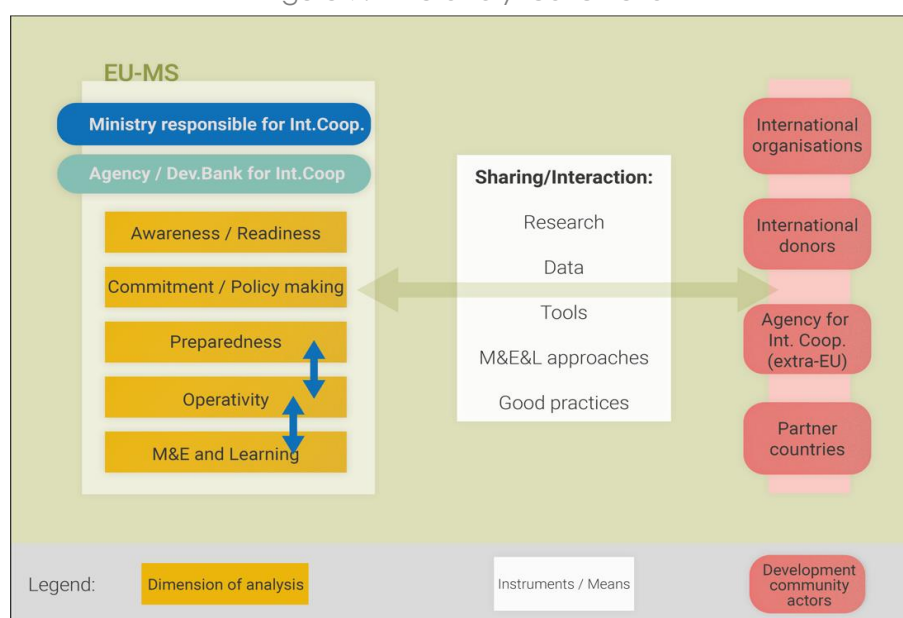
1.2 FIVE ANALYTICAL CRITERIA

The questionnaire was structured around a conceptual framework that encompasses five criteria (following the project cycle):

1. The level of awareness of inequalities and their different, multidimensional expressions, as well as the readiness of MS+ to confront inequalities, and willingness to contribute to a reduction of inequalities.
2. The country's commitment to act, as expressed in higher level policy statements and/or by active participation in international dialogues on the issue of inequalities.
3. The preparedness, as evidenced by conducting research and/or analysis of inequalities in the geographical or thematic areas of their interest, by making use of existing analytical tools, or developing these, or by drawing on the experience of others.
4. The entering into operations, through dedicated (or indirect) programmes, interventions or support activities. To that end, tools are needed, and budget should be made available.
5. The continuous monitoring as well as periodic evaluation (on effects and if feasible, impact) to enable learning for feed-back and improvement. .

These five analytical criteria, put in an 'open system' can be visualised as follows (Figure 9).

Figure 9. Five analytical criteria



Source: own elaboration

1.3 RESPONSE TO THE SURVEY

Of the 17 invited countries, 12 responded to the survey and were subsequently interviewed (65%)²³.

In 6 countries (Denmark, Finland, Germany, Ireland, Portugal and United Kingdom) it was the Ministry responsible for Development Cooperation that responded to the survey, while for 5 countries (Italy, Spain, Sweden, Switzerland and Belgium) it was the Development Agency. In the case of France, AFD is both an agency and a development bank.

For 5 countries, the response represented the visions of both the Ministry and the Development Agency in that country (Spain, UK, Sweden, Switzerland and Belgium). This means that the ministries were either contacted and did not add to the survey or that the agency is the main actor when it comes to the strategy for International Cooperation.

The Departments / entities / units represented in interviews show a high degree of diversity and reflect that 'inequality' is multi-faceted and not the exclusive domain of specialised departments or units.

Table 3. Response by Department, Division or Unit

Country	Department, Division, Unit that responded
Belgium	Global Health, Social Protection and Human rights unit ²⁴
Denmark	Evaluation, Learning and Quality Assurance Unit
Finland	Unit for Sectoral Policy, Department of Development Policy
France	Cellule Lien Social (CLS) and Head of research department
Germany	Ministry for Development Cooperation (BMZ); Agency for International Cooperation (GIZ)
Ireland	Ministry of Foreign Affairs (Development Cooperation Division is responsible for Irish Aid)
Italy	Italian Agency for Development Cooperation (AICS)
Portugal	Bilateral Cooperation Directorate Multilateral and European Cooperation Directorate Planning, Programming and Statistics Office Evaluation and Audit Office
Spain	Agencia Española de Cooperación Internacional para el Desarrollo (AECID)- Director's Office
Sweden	Sida's Chief Economist Team
Switzerland	Swiss Agency for Development Cooperation (SDC) and State Secretariat for Economic Affairs (SECO) ²⁵
United Kingdom	Gender and Equalities Department, Foreign Commonwealth and Development Office

1.4 LIMITATIONS

²³ Except Portugal, Italy and Denmark.

²⁴ The implementing Agency for Development Cooperation is ENABEL

²⁵ The Swiss a development agency SDC and the Peace and Human Right Division are part of the Federal Department of Foreign Affairs. SECO is part of the Federal Department of Economic Affairs, Education and Research (EAER).

It was envisaged that the period required for the survey and interviews would be 6 to 8 weeks. In practice, it took considerably more time to identify the persons willing and able to respond to the survey and participate in interviews (5 months).

The response rate may at first glance appear as low. This may reflect a variety of situations. Some countries are engaged with the OECD DAC CoP and the Strategic Committee of the AFD IRF, being thus more easily mobilised. However, COVID-19 still took its toll on the availability of staff in ministries and agencies, able and willing to respond to the survey. In other cases, staff usually working in development cooperation had been re-allocated to address the humanitarian crisis and migration flows induced by the Russian-led invasion of Ukraine.

When reading the survey results, attention of the reader is called to the different policy cycles of the countries: current development policies and strategies were being revised at the time of the survey and both the quantitative analysis and the interviews may not fully reflect the new focus.

2. AWARENESS: THE UNDERSTANDING OF INEQUALITIES AND THEIR REDUCTION IN INTERNATIONAL COOPERATION POLICIES

- Most of the MS+ that responded to the survey understand inequality as a concept encompassing poverty and use concepts that are broad enough to encompass SDG 10.
- Half of the studied MS+ use a specific definition of inequality, half use descriptions derived from a different terminology, such as "inclusion", "exclusion and discrimination" and others. Few take an approach to inequalities that focuses on the relative nature of inequalities, as within and between countries.
- The majority of MS+ refer to the economic, social and rights dimensions of inequality and distinguish between different levels: international; country; sectoral or thematic; and target populations.

2.1 HOW ARE INEQUALITIES UNDERSTOOD/APPRaised?

Survey questions under analysis

Q5. In case the development cooperation of your country specifically targets inequalities (Q4), and inequality or inequalities are referred to in the development cooperation policy and strategies of your country, do you apply a specific definition of the term "inequality"? *Note that in this survey we are not interested in gender inequalities in general terms, but are interested in relation to specific areas, for example access to economic services.*

Q6. If positive, how is inequality defined? *Open question*

The first criterion focuses on the **level of awareness of inequalities and their different, multidimensional expressions**, as well as the MS+ readiness to confront inequalities, and willingness to contribute to a reduction of inequalities. In the absence of such an awareness, most likely a country will not take initiatives to reduce inequalities.

Inequality is a multi-faceted concept that can be understood from different perspectives. Inequality can be understood exclusively in economic terms (income, wealth, resource endowment for example), or social terms (gender inequality; ethnic inequality), judicial (access to rights), or environmental (the weight of environmental degradation) or any combination of these. In understanding the kind of activities that a Member State may undertake in relation to the reduction of inequalities it is important to understand the concepts used.

It can be stated that most of the responding MS+ may have not defined the concept 'inequality' in their policies and development strategies. Out of the twelve countries surveyed, five did so.

Table 4. Countries that use a specific definition of inequality

Categories	Number	Countries
Countries using a specific definition	5	Belgium, Finland, France, Italy and United Kingdom
Countries not using a specific definition	7	Denmark, Germany, Ireland, Spain, Sweden, Switzerland and Portugal

In those MS+ that do not use a specific definition there are associated concepts or terminology in use, like "exclusion and discrimination" (Switzerland), "inclusion" (Ireland); "multidimensional poverty expressed through four dimensions: resources, opportunities & choice, power & voice, human security)" and "deprivation" (of rights, security, access) (Sweden). Some countries indicated that they seek to reduce inequalities as a way to reduce poverty (Finland).

Table 5. Definitions of inequality (Q5)

Belgium: The whole of unequal inputs (e.g., goods, resources and opportunities) and outcomes (including utilities) of people that lead to or are the result of unfair treatment, including the process that connects, causes and reinforces these inequalities.
Finland: The overall impact of Finland's development policy aims to reduce poverty and inequalities as defined by SDGs 1 and 10 ²⁶ .
France: AFD considers the various forms of inequalities through its 100% Social Link strategy and its objective to "reduce vertical and horizontal inequalities, including inequalities of wealth and opportunities". The indicator used to follow the good implementation of this strategy is that projects (in form of project, program or budget support support) target and/or takes into account the Bottom 40 percent.
Italy: As stated by the Programming Document of the Italian Cooperation 2021-2023: "The post Covid-19 scenario confirms the strategic vision of the Italian Cooperation: favouring the sustainable development by creating opportunities and enhancing Italy's expertise in strategic sectors for partner countries and for our country. It is a medium and long-term vision that has the horizon of reference the 2030 Agenda and its pillars - People, Planet, Prosperity, Peace, Partnerships - with a an approach based on respect for human rights and a closer look at the human dimension, at the protection of fundamental freedoms, the strengthening of the rule of law, social justice: access to health, drinking water and food, a healthy environment, education, work, gender equality and the women empowerment, the construction of effective, responsible and inclusive institutions at all levels, attention to "do not leave anyone behind" ²⁷ .
United Kingdom: The main political focus is on tackling horizontal equalities, with a focus on progressing gender equality across societies, and advancing rights and outcomes for those most excluded – including LGBT people and persons with disabilities, as well as for the poorest and those left furthest behind. The UK supports research programmes focused on improving the evidence and income inequality and social programmes focused on the most marginalised (e.g., the UK funded IMF programme).

²⁶ See Finland's Theory of Change (page 18-19).

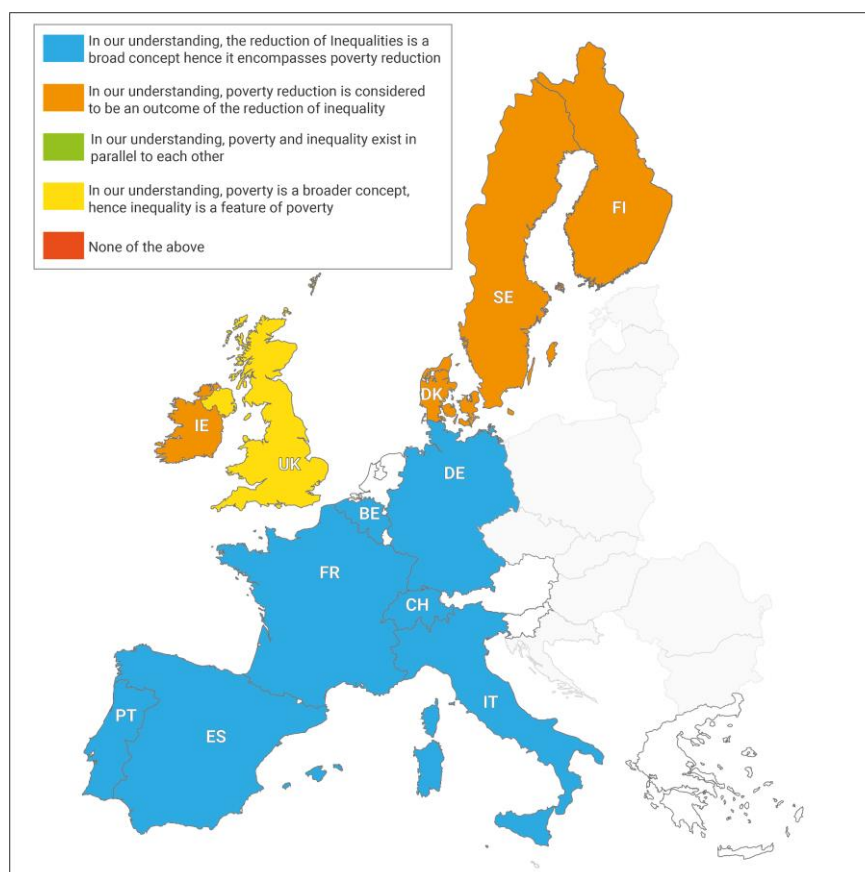
²⁷ Strategic Vision paragraph, page 1.

2.2. HOW DOES THE FIGHT AGAINST INEQUALITIES RELATE TO POVERTY REDUCTION?

Survey questions under analysis

Q7. How does the concept of 'inequality' used by your Ministry or Bank/Agency relate to 'poverty reduction'?

Figure 10. Relation between inequality and poverty



Source: answers to the survey (Q7) N=12

In the effort to reduce poverty, inequality plays a role, as indicated by various MS+. But not all countries frame the relationship between the reduction of inequalities and poverty in the same manner. The survey suggested several options.

7 out of the 12 respondents consider the reduction of inequalities a broader concept that encompasses or leads to a reduction of poverty. No respondent argued the other way around during the interviews. 3 countries are of the opinion that poverty reduction is an outcome of the reduction of inequalities; one that both concepts can be applied in parallel to each other. The United Kingdom indicated that there is an overlap between inequalities and poverty, while Finland considered poverty and inequality as parallel phenomena. Poverty within a country is often concentrated in particular groups, reflecting mutually reinforcing processes and patterns of socio-cultural, economic and political inequality, which also play out in marked spatial inequalities²⁸.

²⁸ The UK stated that poverty and inequalities are intersecting. Intersectionality is highlighted in: UNESCO (2010) EFA global monitoring report: reaching the marginalised. Education for All; Kazeem, A. et al (2010) "School attendance in Nigeria: understanding the impact and intersection of gender, urban-rural residence, and socioeconomic status" pp. 295-319 in Comparative Education Review, 54 (2), May 2010.

2.3. INSTITUTIONAL LEVEL OF THE DEFINITION

Survey questions under analysis

Q4. Does the development cooperation of your country specifically target inequalities, beyond gender inequalities?

Q32. Are you familiar with the EU-level Reference Document "Addressing income inequalities through development cooperation" and its definition of inequalities, as well as its focus on the bottom 40% and top 10% strata in society?

The countries' definition or description of the concepts around inequality may have been defined at various levels. The same applies to certain targets for what is expected to be achieved over time.

For six (6) of the 12 countries, inequalities are specifically targeted in White Papers of Development Policies (UK, Denmark, Finland, France, Ireland), while for another 4 countries, this is done at the level of the Development Agency or Bank, hence at the strategic level (Spain, France, Belgium, Italy). In some cases, this targeting takes place at both levels (Germany, United Kingdom, Portugal).

Finally, it must be noted that out of the 12 countries, eight (8) are familiar with the EU Reference Document "Addressing income inequalities through development cooperation"²⁹ (hence, 4 are not aware of it). Note that among the Member States, only Finland and Portugal were not aware of the publication of this Tools and Methods Series document.

3.COMMITMENT : COMMITMENT TO TACKLING INEQUALITIES AND ITS EXPRESSION IN THE RELEVANT POLICIES

- The majority of MS+ refer to inequalities in their main policy and strategy documents for development cooperation.
- There is a unanimous commitment on gender, persons with disabilities, and the lowest income bracket as priorities.
- MS+ also refer to their commitment to reducing inequalities by an explicit focus on LDCs/LMDCs for ODA allocation.
- The intended approaches to reducing inequalities are usually differentiated by main cause, expression, or consequences of social and rights inequalities.
- Education, governance, health, population policies, social infrastructure, agriculture, water supply and general environment are sectors commonly targeted.
- MS+ indicate that inequalities are transversally caused/ aggravated by climate change. This dimension is increasingly taken into consideration.

Commitment is understood as the explicit undertaking by a country to reduce inequalities within the partner countries, with different focus either between the Bottom 40% and the Top 10% (wealth), by groups, by themes/sectors.

Inequalities are specifically targeted by 10 countries, beyond gender inequalities, either at policy, strategic or flagship level. Sweden specifically targets gender inequalities as part of its wider government policy (Q4). The reduction of inequalities is a cross-cutting theme for 9 (Q33) of the countries, while only one country (United Kingdom) has a flagship programme targeting research on poverty and inequalities (Q28). For Belgium, Ireland and Sweden the commitment is related to achieving the reduction of poverty, for which the reduction of inequalities is instrumental.

²⁹ European Union, 2021, Tools and Methods Series N°29. Addressing income inequalities through development cooperation. Available at Capacity4Dev.

This generally expresses the view that the reduction of inequalities should be prioritised as a way to achieve SDG1.

3.1. EXPLICIT COMMITMENT

Survey question under analysis

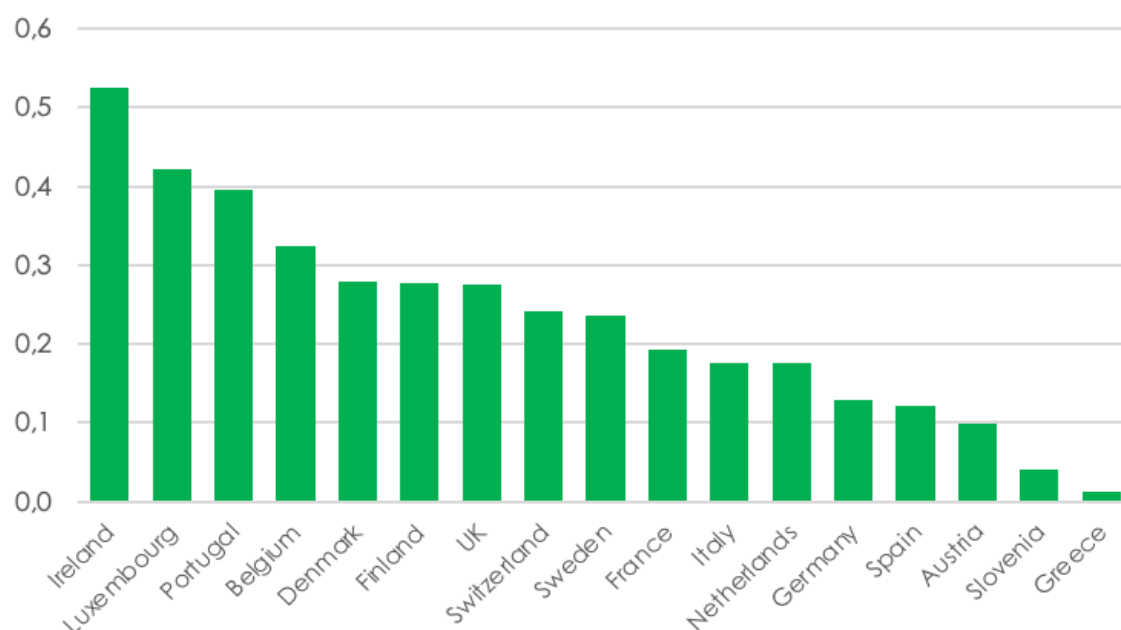
Q8. Is your Ministry / Bank/ Agency committed to a focus on a specific group of countries for allocating ODA that are considered a priority, e.g.; Least Developed Countries; Lower middle-income countries, specific grouping for historical ties?

More precisely, 11 countries have expressed a commitment at policy level, reflected in their agencies' strategies (including in a flagship strategy in the case of France) to focus their ODA on LDCs, SIDS and LMICs with a clear commitment expressed to LDCs. Historical ties may affect the final distribution of aid. In some cases (Germany, Sweden, Switzerland) the countries indicated that the commitments are revised in each cooperation policy based on specific criteria.

The above can be compared to the data collected from the OECD statistics³⁰, reflecting the focus on inequalities between countries and on poverty reduction.

Figure 11 below shows the ranking of donors according to the share of their ODA channelled towards LDCs (on average between 2015 and 2020 and on a commitments basis). The second histogram, Figure 12, shows the same ranking except that it has been obtained based on disbursements (net of debt relief). It shows that for many donors including large ones such as Sweden, Italy, France, Germany, United Kingdom, less than a third of their ODA is channelled towards LDCs, suggesting that the targeting remains in favour of countries classified as richer than LDCs. This fact is not altered by the measure of ODA since when considering disbursements instead of commitments (as reported in Figure 12), we larger donors with a relatively low proportion of their ODA channelled towards LDCs, suggesting that they tend to favour middle-income countries as the principal destination of their ODA.

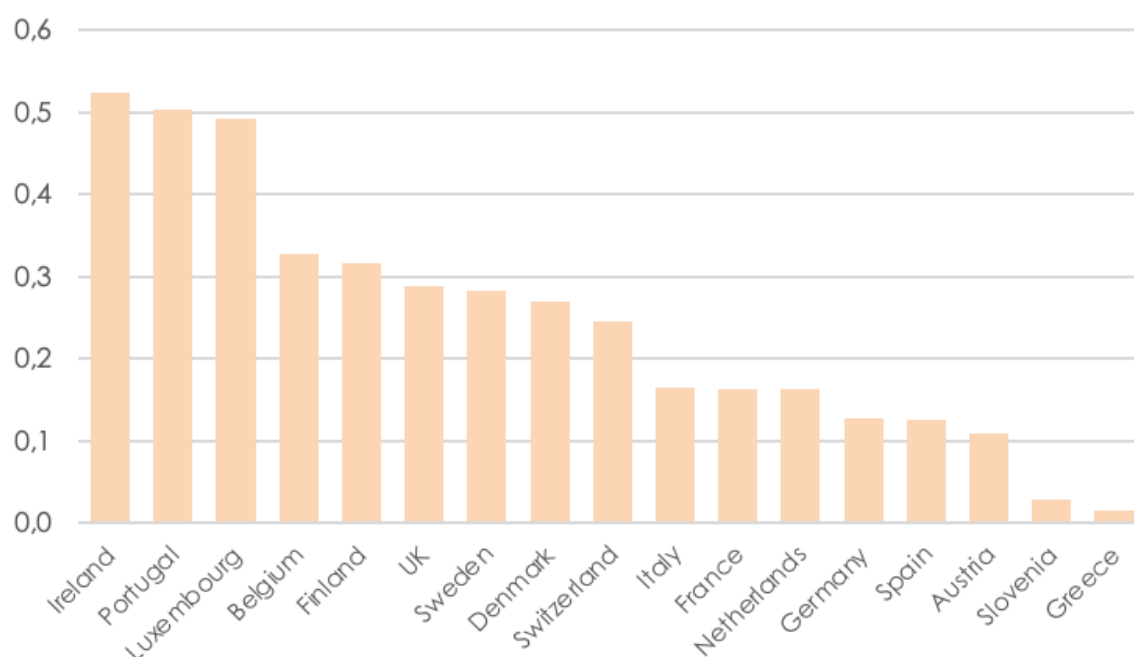
Figure 11. Share of ODA to LDCs (commitments - net of tech. coop.) (% of total ODA), on average over 2015 – 2020)



³⁰ See the UN website for both the definition and list of LDCs: <https://www.un.org/development/desa/dpad/least-developed-country-category.html> and the OECD for the data <https://www.oecd.org/development/financing-sustainable-development/development-finance-data/idonline.htm>

Source: Authors' computation. Bilateral ODA commitments and technical cooperation data have been retrieved from the DAC3a database available at the International Development Statistics databank hosted by the DAC.

Figure 12. Share of ODA to LDCs (disbursements - net of debt relief) (% of total ODA), on average over 2015 – 2020)

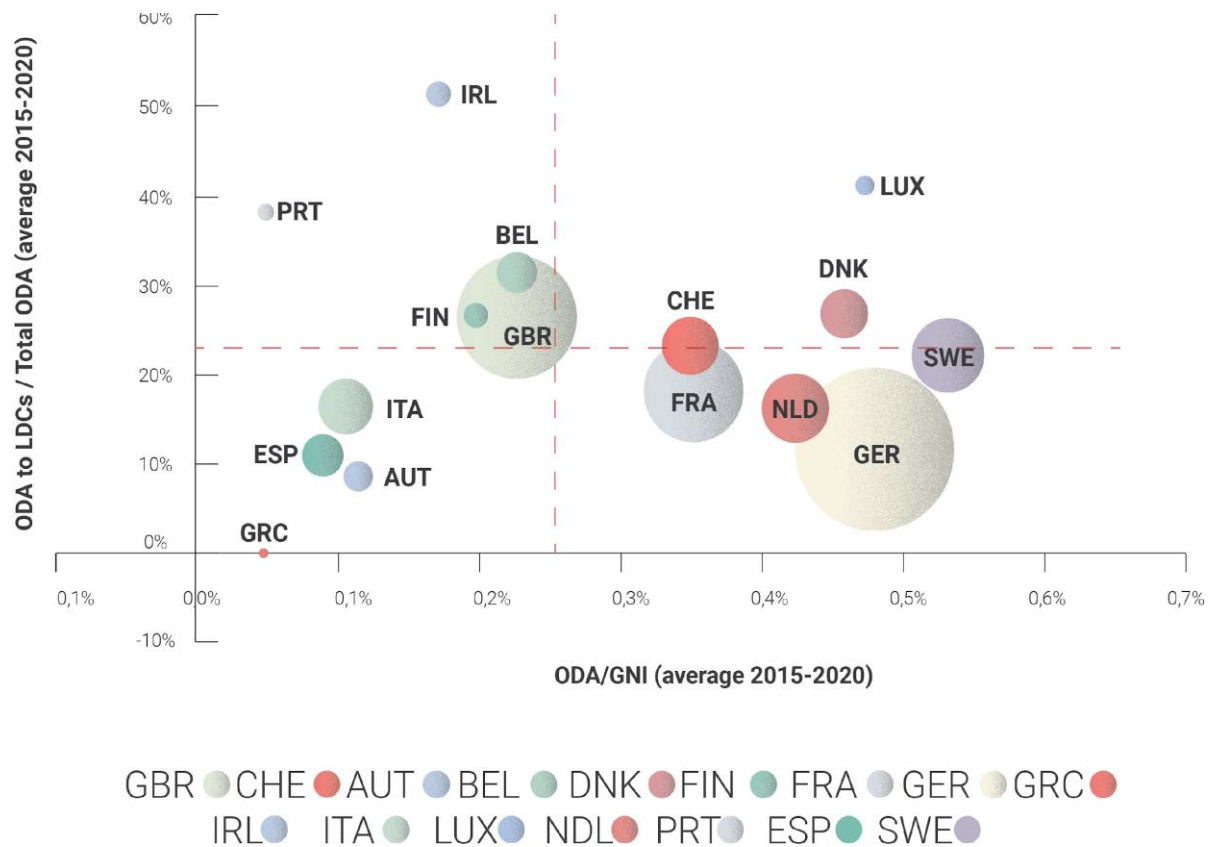


Source: Authors' computation. Bilateral ODA disbursement and debt relief data have been retrieved from the DAC2a database available at the International Development Statistics databank hosted by the DAC. ODA disbursements net of debt relief are computed as following: $ODA \text{ gross net of DR} = [ODA \text{ gross loans} - \text{rescheduled debt}] + [\text{grants total} - \text{grants debt forgiveness}]$. The share of ODA net of debt relief allocated to LDCs is therefore given by $LDCs \text{ ODA gross net of debt relief} / DCs \text{ ODA gross net of debt relief}$.

Figure 13 below reports the mapping in case ODA is expressed in terms of disbursements (net of debt relief) rather than in commitments (both lead to a rather similar picture). Taking a comparative approach and grouping donors according to the average performance of the sample, a first group composed of Luxembourg, Sweden, Denmark and Switzerland stands out as having above average performance in terms of ODA/GNI (the indicator measuring the overall performance of each donor in terms of development assistance efforts, relative to the size of their economy) and share of ODA to LDCs in total ODA. We observe that the largest donors are quite close to this group of donors.

Note that few of the donors within our sample has reached the United Nations' target of 0.7% of GNI destined to development cooperation on average over the period of study (see Fig.14).. Almost all donors (besides Ireland, Luxembourg and Portugal) target most of their ODA disbursements towards Middle-Income Countries. The potential drivers: may be: ODA's return is a positive function of governance (weaker in LDCs); lower absorption capacity of LDCs; larger extent of inequalities (in various dimensions) in MICs.

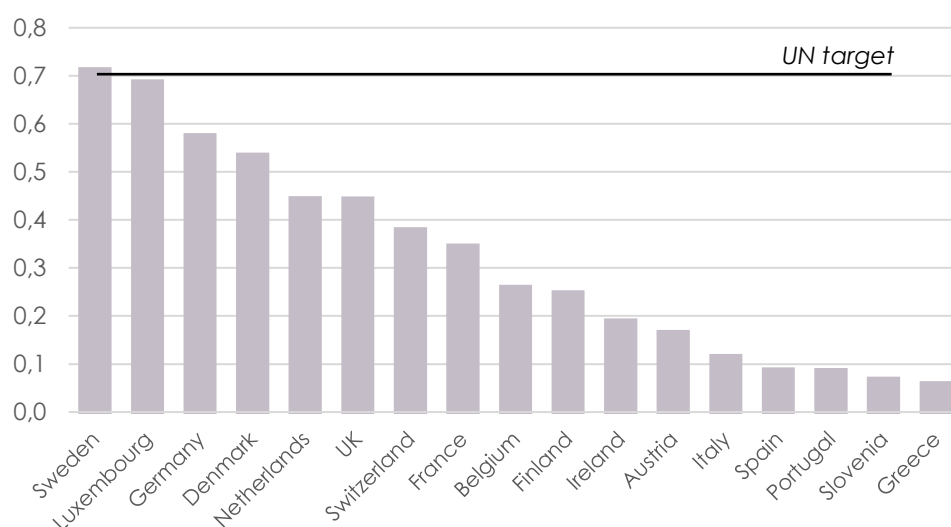
Figure 13. Mapping ODA efforts and LDCs targeting (by donors)



Source: Authors' computation. ODA disbursement and debt relief data have been retrieved from the DAC2a database available at the International Development Statistics databank hosted by the DAC. Calculations of ODA net of debt relief follows the same methodology as the one reported in Figure 12 footnote. Data for GNI come from the World Development Indicators database. The LDCs list is the one available within the DAC2a database and follows the UN classification of LDCs.

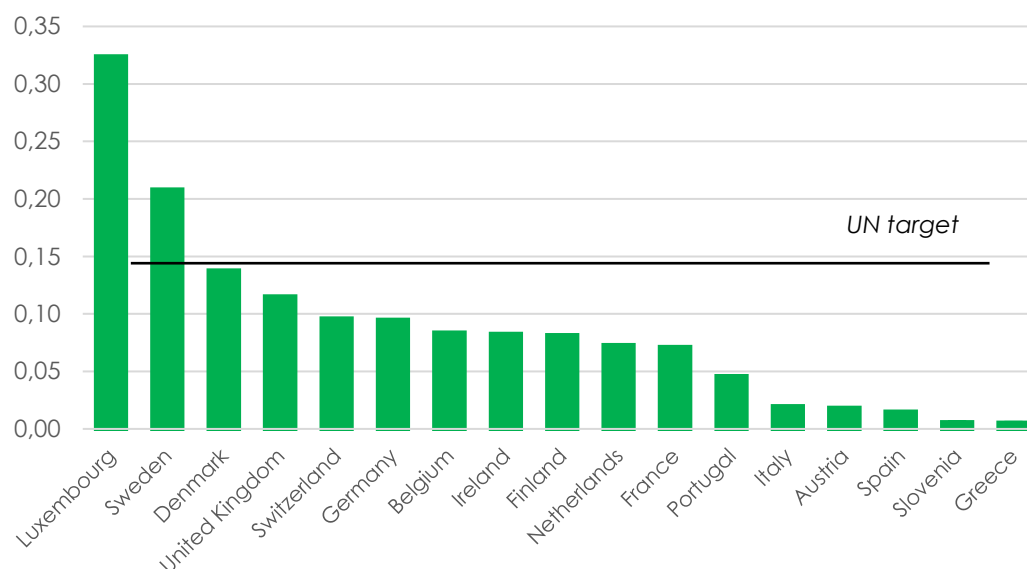
Note: Each dot denotes one donor. The size of the dot depends on the weight of each donor (its share) in the overall amounts of ODA that has been disbursed by the 17 donors in 2020. X axis reports the average ODA-to-GNI ratio (over 2015-2020). The Y axis reports the average share of ODA that each donor has directed towards LDCs between 2015 and 2020. Lastly, vertical and horizontal dash-lines represent the mean value (computed over the 17 donors) of the average ODA-to-GNI ratio and of the average share of ODA to LDCs in total ODA, respectively. ODA ratios reported in this graph are based on ODA gross disbursements net of debt relief.

Figure 14. Total ODA Disbursements (net of debt relief) as % of GNI (on average over 2015-2020)



Source: Authors' computation. ODA disbursements and debt relief data have been retrieved from the DAC2a database available at the International Development Statistics databank hosted by the DAC. Data for GNI come from the World Development Indicators database.

Figure 15. ODA Disbursements (net of debt relief) to LDCs as % of GNI (on average over 2015-2020)



Source: Authors' computation. ODA disbursements et debt relief data have been retrieved from the DAC2a database available at the International Development Statistics databank hosted by the DAC. Data for GNI come from the World Development Indicators database. The LDCs list is the one available within the DAC2a database and follows the UN classification of LDCs.

3.2. FOCUS ON BOTTOM 40% AND TOP 10%

Survey question under analysis

Q9. For your support, do you focus on reducing inequalities between the bottom 40% and the top 10% of the population within the partner country or region (Ministry /Bank/ Agency)?

For addressing inequalities within countries (Q9), the focus on the bottom 40% and the top 10% is essential. The bottom 40% is well recognised, following the SDG 10, by 7 countries of the sample, mainly at agency and flagship levels, while the double focus on the bottom 40% and top 10% is only addressed by 2 countries at central policy or agency levels (Q9) and 2 countries at thematic level.

Only France has a central policy that recognises the need to address the within country inequalities through the prism of Bottom 40% /Top 10% of income distribution, while Belgium has the same, but at agency level. Ireland, Spain, Sweden and Switzerland indicate that reducing inequalities between the Bottom 40% and the Top 10% of the population is a priority for allocating ODA, leading to flagships in the case of Belgium, France and Switzerland.³¹

3.3. FOCUS ON VULNERABLE GROUPS

Survey questions under analysis

Q10. Following on the above, does the focus during formulation of an intervention by your Ministry / Bank/ Agency refer to the following vulnerable groups?

Gender

Ethnicity

Income bracket/consumption/wealth

Geographic location

Q11. Do the policy documents on development cooperation of your Ministry / Bank / Agency refer to the economic / social / rights dimensions of inequality?

Q12. At programme / project level, is the approach towards reducing inequalities differentiated by main cause or origin, expression or consequences of inequalities (economic, social, rights) ?

Q13. Does the approach refer to inequalities caused / aggravated by transversal dimensions?

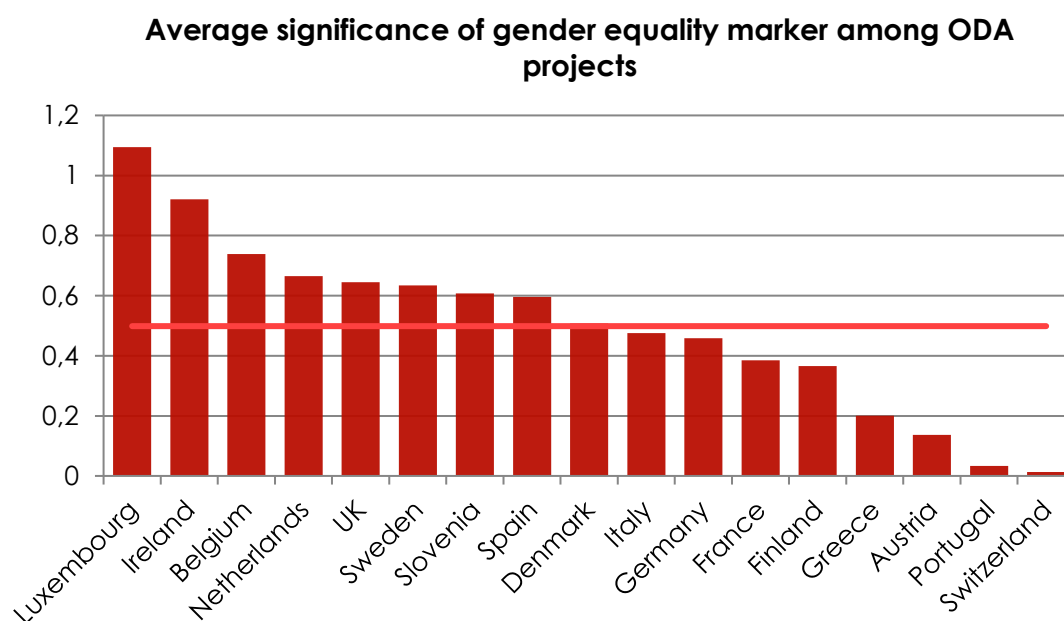
Q14. Is it explicitly referred to in the decision to fund programmes and projects (either as a list of themes or marker) by your Ministry / Bank/ Agency?

When testing for the focus on vulnerable groups, the picture is much more positive (Q10), with gender and geographic location targeted by 10 MS+ (out of 12). France, Sweden and Switzerland are including all or almost all SDG 10 vulnerable groups (see Box 2) in their formulation. This is well reflected in the ODA data on markers.

In addition, we below report in Figure 16 and 17, the ranking of sampled donors based on their overall effort in targeting specific types of inequalities and as assessed by the DAC marker policy. Regarding the average effort deployed in 2020 (the latest year for which we have information on DAC markers) in targeting gender inequalities and disability-based inequality, one can notice that Luxembourg, Ireland, and the UK (to some extent) stand out among the donors that dedicate most of their ODA projects to such objectives.

³¹ After the survey and interview, the UK government published a reviewed Strategy for international development - GOV.UK, referring to the Bottom 40% and Top 10% (www.gov.uk)

Figure 16. Average significance of targeting gender inequalities among ODA projects ³²



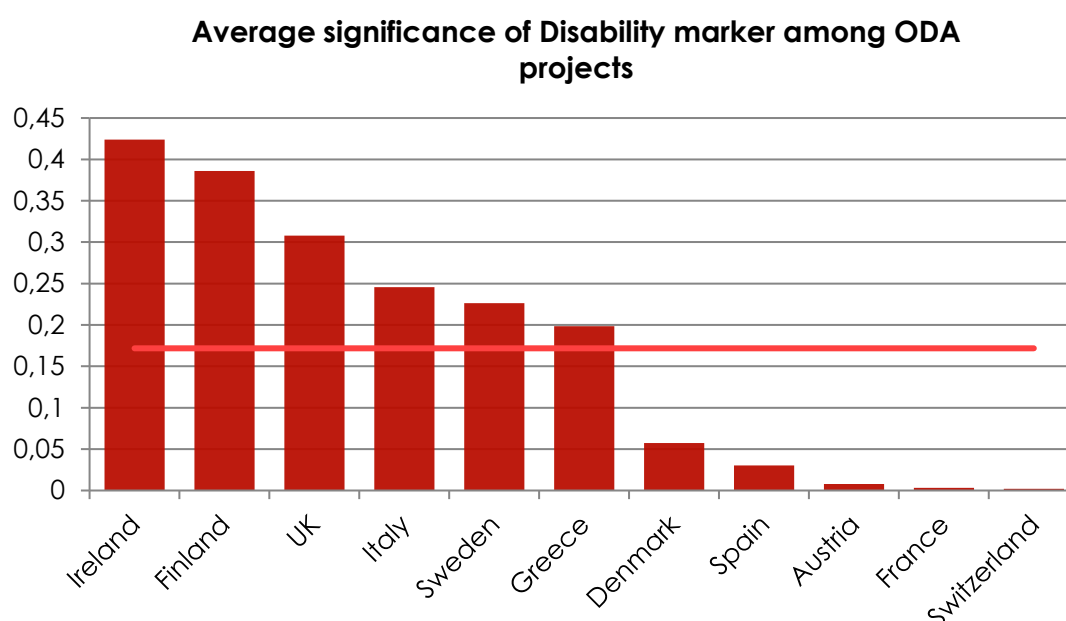
Source: Authors' computation; DAC2a database

Note: Authors' computation. We compute the average grade for gender marker over all ODA projects that have been subject to the marker policy evaluation (i.e. projects with a reported gender marker of 0, 1 or 2). The average grade is therefore the weighted sum of gender equality targeting grade (weighted by the total amount of the project), divided by the total number of projects with a non-missing value for the gender marker. Consequently, for some marker categories, some sampled donors are missing as they do not provide marker grade for their projects. ODA disbursement data by project and marker grades have been retrieved from the Creditor Reporting System (CRS) database available at the International Development Statistics databank hosted by the DAC.

Interpretation for all figures reporting marker performance ranking: red line denotes the mean value across donors. The above graph must be read as follows: For each donor, across all their aid projects evaluated by the gender equality marker, the grade associated to the gender equality marker is (on average, weighted by the project value) equal to 0.5. For instance, Luxembourg, on average, finances projects with 1.1 of gender equality targeting (close to 1, which means that gender equality is secondary objective). Note that a donor with a low average significance level can be a donor with very few projects targeting gender equality (among projects coded under the gender marker) as compared to the number of projects financed.

³² These are the seven markers out of twelve that we consider as having a strong emphasis on inequality reduction. Other markers are Trade Development, Biodiversity, Climate Mitigation, Climate Adaptation, and Desertification.

Figure 17: Average significance of persons with disabilities targeting among ODA projects



Source: Authors' computation; DAC2a database

Note: Authors' computation. We compute the average grade for disability marker over all ODA projects that have been subject to the marker policy evaluation (i.e. projects with a reported disability marker of 0, 1 or 2). The average grade is therefore the weighted sum of disability targeting grade (weighted by the total amount of the project), divided by the total number of projects with a non-missing value for the disability marker. Consequently, for some marker categories, and especially the disability marker, some sampled donors are missing as they do not provide marker grade for their projects ODA disbursement data by project and marker grades have been retrieved from the Creditor Reporting System (CRS) database available at the International Development Statistics databank hosted by the DAC.

After considering the 7 markers defined as targeting inequalities (in a multidimensional way), in addition to gender and disability inequalities, we present below the donors in the sample that appear most frequently in the top 5 of the average targeting effort for each of the 7 markers among all their ODA projects. Once again, Luxembourg and Ireland stand out, as well as Belgium and Italy, which surprisingly fall rather low in the ranking when the analysis is based on other types of inequality targeting indicators.

Table 6. Presence in the top 5 (across the 7 categories)

Luxembourg	5
Belgium	5
Italy	5
Ireland	4

Most MS+ use one of the vulnerable groups categories during country strategy and / or formulation of intervention to clearly define the vulnerable groups, with a preference for gender, geography, persons with disabilities and income bracket/consumption/wealth. This latter category may reflect the use of household income surveys by for example National Statistical Bureaus. The partner countries' context are determinants in this approach and allow a vast array of possibilities when designing country strategies and interventions.

The policy documents of the ministries and agencies usually refer to the dimension of inequalities (Q11) for economic (9 MS+), social (10 MS+) and rights (9 MS+) dimensions as well specific social groups (10 MS+). It does not provide an additional level of analysis. However, when taking the perspective as to how

interventions are designed to address the origin, expression or consequences of inequalities (Q12), 6 countries do seek to differentiate by economic dimension and 8 by social and rights dimensions, while 3 countries do not have a specific differentiation beyond *Leave No One Behind*, gender or vulnerable groups (Germany, Ireland and Switzerland). Importantly, some countries indicate that - in absence of a marker- interventions may not be labelled as inequality reducing at all. Several countries refer to the Human Right Based and the Leave No One Behind approaches as indicative for their differentiated approach.

When looking at whether transversal dimensions that may aggravate inequalities are included in the country's approach, 10 MS+ respond positively for climate change, while Sweden and the UK indicate trade relations as well.

Finally, it is important to understand if the links are made through the M&E and knowledge exchange to use experience from other donors and their evaluations in the development of guidance and training. Indeed, most countries report that they make use of the tools and methodologies developed by others (5 MS+) and are inspired by their good practice (8 MS+) (Q21). Belgium and France learned from others' flagship programmes but Italy and Spain report that they did not learn from others on inequalities. Learning from others is perhaps a practice that is more frequent at partner country level where exchange may be favoured by proximity (vicarious learning) and exchanging dialogue fora at sector level. The approaches on persons with disabilities and inclusion of Norway, UK, France, Germany, and the EU Tools and Methods Series were cited as examples.

4. PREPAREDNESS: WHAT TOOLS AND METHODS ARE IN PLACE TO ADDRESS INEQUALITIES?

- MS+ can prepare themselves for actions aimed at reducing inequalities through a variety of means such as research, training, learning from others' experiences and the elaboration of toolkits.
- About half of the MS+ conduct some sort of research on inequalities (usually at country and thematic level; 4 MS+ do so together with the partner country involved. Six MS+ make use of research published by others. In one case that is the only reference.
- At thematic or intervention level, an ex-ante analysis is compulsory in Sweden only.
- Training on the subject varies: 2 MS+ indicate the training is extended to all staff; 3 MS+ restrict it to specific themes, while 5 do not provide special training of staff.
- Special guidance to staff on inequalities is provided by 2 MS+
- 8 MS+ countries make use of experiences gained by other countries.

4.1. RESEARCH

Survey questions under analysis

Q15. Does your Ministry / Bank/ Agency conduct research on inequalities to count with informed policies and strategies as well as solid information for projects/programmes?

Q16. Over the last 12 months (approximately), how many research assignments have either been conducted or assigned by your Ministry / Bank/ Agency?

Q17. In case no research is being conducted, does any plan exist to do so?

As discussed in the EU Tools and Methods Series Reference Document No 29³³, addressing income inequalities through development cooperation, "Gathering new data is a costly and lengthy process, and sometimes it is just not possible. But even where relevant data exist (e.g., where national household surveys are carried out), analysing them in relation to inequality requires specific knowledge and skills (different skills than the ones needed for policy analysis and strategy), as well as time and resources". Logically this process needs to be guided and supported by research, guidance and training and retro-fed by the learnings obtained from implementation (see chapter 6 on Monitoring, evaluation and knowledge exchange). Guidance is not only required for gathering data but for carrying out the context analysis and focusing on how to use it, in order to address the Bottom 40% and Top 10%, i.e., within country inequalities, spatial and geographical inequalities and improving fiscal policies (Domestic Resource Mobilisation [DRM] and spending).

Research is a key element of preparedness as it helps defining concepts, agreeing objectives and ways /channels for achieving them; in brief, research should be at the root of the intervention logic of international cooperation.

Most countries (8 out of 12) carry out directly or indirectly some level of research (Q15) but only 4 countries directly conduct or assign research projects, reflecting their research requirements. Among these 6 countries conduct research in agreement with national entities, thereby opening up opportunities to carry these topics in the policy dialogue with government. Apart from directly conducting or assigning research, 6 countries use the research done by others, while 3 countries claim they do not research inequalities at all. Some countries consider that context analysis is tantamount to research, (Switzerland, Ireland). France finances research through the Inequality Research Facility and uses a full diagnostic tool at country level that supports doing research with national entities. The United Kingdom requires, by law,

³³ European Union, 2021, Reference Document N29. Addressing income inequalities through development cooperation. Volume 3: Guidelines for mainstreaming the reduction of inequality in interventions. Available at [Capacity4Dev](#).

that all interventions include a focus on equalities³⁴ with a focus on vulnerable groups (those with specific characteristics defined as; age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, sexual orientation) or at risk of discrimination, while research teams³⁵ carry out research into poverty and inequality.

When analysing more specifically the research assignment (Q16); we find that some countries are either not able to track specific research assignments or are funding other entities' research programmes (e.g., United Nations University) through core funding. This indicates that there is a level of disconnection between research and agencies' needs and may limit the use of research for policy and strategy development. The absence of planning for new research reinforces the disconnect (Q17). However, some countries referred to specific research done, though not specifically targeting inequalities. Only France and Germany mentioned specific research on inequalities. Interestingly both countries developed inequalities' diagnostic tools.

4.2. EX-ANTE DIAGNOSTICS

Survey questions under analysis

Q18. In the process of formulation of programmes and projects, is ex-ante inequalities analysis compulsory in your Ministry / Bank/ Agency?

Q19. If positive, do you apply a specific toolkit to that end that applies to all programmes / projects, and do you apply specific 'internal markers' on inequality that applies to all ?

Q20. If positive, which methodologies are used for analysing developing country /sector/ intervention strategies?

Q21. To which extent do you make use of successfully evaluated practices or approaches taken by other development partners with respect to the reduction of inequalities in the formulation of your programmes and projects?

"Understanding what inequality looks like in a country is essential"³⁶, during the context analysis, and with a view to understanding the drivers of inequalities and to continuously revise and update the context analysis. Only 3 countries (United Kingdom, Finland and Denmark) require that an ex-ante inequalities analysis be carried out, while Belgium plans to make it compulsory. Other countries offer a specific toolkit (Germany, France) or plan to approve one soon (Ireland) but do not make it compulsory in order to offer flexibility to their staff at country level (Q18 & Q19). Note that in the case of Finland, the toolkit focused on human rights as well as political economy when elaborating the countries' strategies and programmes. The United Kingdom has used specific toolkits (the Country Development Diagnostic and Gender and Social Inclusion Analysis) although it indicates that these may not be systemically applied and the United Kingdom is increasing efforts to mainstream equalities. France is applying an inequality marker as well, providing a useful learning ground for defining a common marker³⁷.

Those countries that use a special toolkit are among this having conducted more research. France is using its Inequalities Diagnostic³⁸, as well as the Commitment to Equity (CEQ) Assessment³⁹, the Equity

³⁴ In the United Kingdom: Equality Act 2010, International Development; Gender Equality Act, 2014,

³⁵ For example, the Research and evidence Department; the Economics and Evaluation Directorate.

³⁶ "How the situation has evolved (or not) over time, what the main drivers of inequality are and what the scope for change may be. This section examines the scope of country context analysis, its two main fields (situation analysis and sensibilities analysis), the possibility of comparing inequality situations internationally, and what to do when no data or analytical material are available". Source: European Union, 2021, Reference Document N29. Addressing income inequalities through development cooperation. Available at [Capacity4Dev](https://www.capacity4dev.eu/).

³⁷ The Sustainable Development Analysis Grids | AFD - Agence Française de Développement

³⁸ **Inequalities diagnostics: a tool for analysing inequalities in Africa - South africa, Côte d'Ivoire, Ghana, Kenya.** (www.afd.fr/en/carte-des-projets/inequalities-diagnostics-tool-analyzing-inequalities-africa-south-africa-cote-divoire-ghana-kenya).

³⁹ Led by Nora Lustig since 2008, the Commitment to Equity (CEQ) project is an initiative of the Centre for Inter-American Policy and Research (CIPR) and the Department of Economics, Tulane University, the Centre for Global

tool⁴⁰ and analysis of the geographical allocation of budgets (largely drawing on the work done by the IRF). Sweden also uses an array of methodologies comprising the Systematic Country Diagnostic (SCD) reports, Commitment to Reducing Inequality Index⁴¹, Multidimensional Inequality Framework (MIF)⁴² and analysis of the geographical allocation of budgets. The UK also uses the Commitment to Equity (CEQ) Assessment and analysis of the geographical allocation of budgets.

4.3. GUIDANCE AND TRAINING

Survey questions under analysis

Q24. Does your Ministry organise or provide specific training on inequalities to staff in the Ministry / Bank/ Agency or have modules on inequality been inserted into existing training material over the last 12 months (e.g., evaluation and monitoring, Logical framework analysis, programme design)?

Q25. Does your Ministry / Bank/ Agency provide support or any guidance to its staff and consultants on developing strategies/programmes/ projects to support its work on reduction of inequalities?

Guidance and training are essential support to staff when operationalising a commitment and the ensuring policy. Training on inequalities is only starting with 4 countries providing training, either to all staff (2), to specific staff (2) or through specific modules (3 MS+) although, except in the case of France and Belgium, the trainings are not dedicated specifically to inequalities but tackle broader concepts that refer to inequalities (Q24). Thus, they may not enable a full understanding of the different dimensions of inequalities and of the importance to use data in analysing within country inequalities, Bottom 40%, Top 10% inequalities and how to dialogue on this contentious topic. The recent inclusion of inequalities in the EU training programme led to one webinar and one dedicated training on inequalities, drawing on the IRF workshop and research material as well as the World Inequality Lab, in the wake of which the Spanish cooperation also initiated training development.

While specific guidance specifically targeting inequalities is planned by 4 countries (France, Belgium, Spain, Denmark), United Kingdom, Denmark and Switzerland have guidance that includes references to inequalities but not specifically in the reduction of outcomes and vertical inequalities.

The quantitative analysis shows that overall, the countries of the sample spend at least half of their ODA resources on countries with large income-inequality levels (see Figure 18 below).

Figure 18. Share of ODA commitments (net of tech. coop.) to income-inequality categories of countries, by quartiles (see source below)⁴³

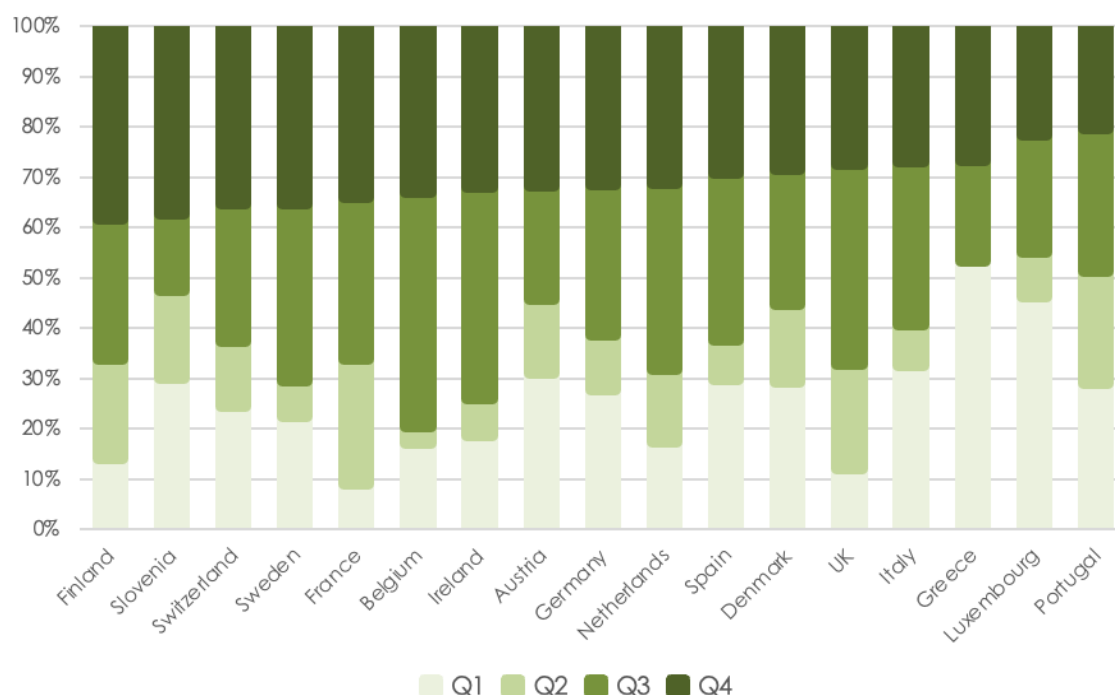
Development and the Inter-American Dialogue. The CEQ project is housed in the Commitment to Equity Institute at Tulane. For more details visit www.commitmenttoequity.org.

⁴⁰ Equity tool (<https://www.equitytool.org>)

⁴¹ Development Finance International, Oxfam. Lawson, Max & Martin, Matthew. The Commitment to Reducing Inequality Index 2018. . (<https://oxfamlibrary.openrepository.com/handle/10546/620553>)

⁴² The Multidimensional Inequality Framework (MIF) and Toolkit will help you measure and understand inequalities, identify their causes and explore potential solutions for inequality reduction in a consistent and systematic way. Developed by the Centre for Analysis of Social Exclusion (CASE at LSE), the School of Oriental and African Studies (SOAS) and Oxfam, it is based on Amartya Sen's Capability Approach, and provides guidance to assess inequalities in seven domains that matter for human life, such as health, education and knowledge, or the ability to have influence and voice.

⁴³ Overall, we note that, most of the donors' favour (relatively) high income-inequality countries in their international assistance strategy. In line with the situation about the limited focus on LDCs discussed above, this could be explained by the structural features of recipient countries targeted by largest donors as the fourth quartile comprises a lot of middle-income and emerging countries such as Brazil, Mexico, Costa Rica, Botswana, South Africa, or Chile.



Source: Authors' computation. ODA commitments and technical cooperation data have been retrieved from the DAC3a database available at the International Development Statistics databank hosted by the DAC. Inequality ranking is based on the latest Gini observed in recipient countries between 2015 and 2020 (or on the average Gini when several indices are available for a recipient country over this period of study). Q1, Q2, Q3, and Q4 refer to the share of developing countries targeted by sampled donors into their development cooperation, belonging to the first, second, third and fourth quartiles of Gini distribution among developing countries, respectively. Q4 (Q1) countries are therefore countries with the highest (lowest) level of inequality among developing countries. Gini figures come from the World Development Indicators.

However, ODA channelled to sectors that are supposed to have the largest impact in reducing inequalities (see INTPA list of 32 CRS codes, Annex 3) remains low (14% of overall aid commitments, 26% for LDCs) over the period 2015⁴⁴-2020. This is particularly true for the biggest donors when it comes to ODA dedicated to LDCs (as reported in Figure 20 below). Indeed Germany, France, and the UK, on average over the period 2015-2020, were standing below the average share of inequality-reducing ODA among sampled donors and were also those having recorded below than average variation in such a share (although average seems to be pulled by Greece and Slovenia).

⁴⁴ 2015 corresponds to the start of the implementation of the SDGs, notably SDG 10.

Figure 19. Mapping of Inequality-reducing ODA (provided to DCs)

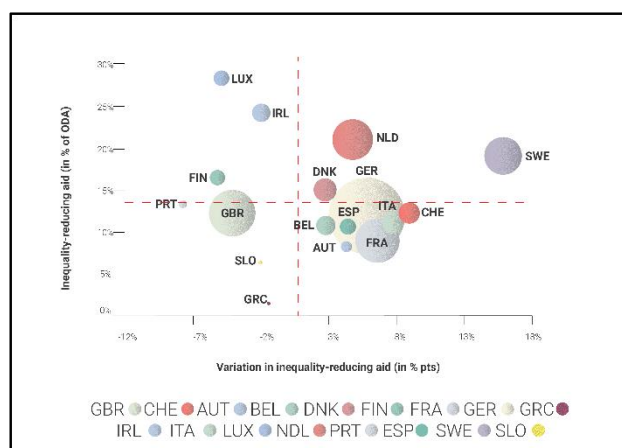
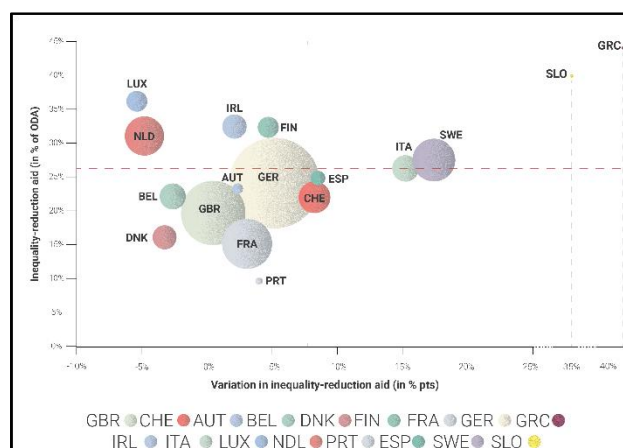


Figure 20. Mapping of Inequality-reducing ODA (provided to LDCs)



Source: Authors' computation. For both graphs, ODA commitments and technical cooperation data have been retrieved from the DAC3a database available at the International Development Statistics databank hosted by the DAC. ODA commitments are net from technical cooperation. For Figure 5b, the LDCs list is the one available within the DAC3a database and follows the UN classification of LDCs. Inequality-reducing aid is computed as explained in the quantitative analysis, based on CRS aid data.

5. OPERATIONALISATION: PRACTICES THAT CAN CONTRIBUTE TO ADDRESS INEQUALITIES

The operationalisation of commitments can take various forms. We highlight policy dialogue and cooperation programmes.

- MS+ can contribute by making the subject a cross-cutting theme in high-level bilateral policy dialogue with the partner countries. Three MS+ countries do that with all their partner countries. 4 with selected countries; and one just in exceptional cases.
- The Budget Support modality may be used by only 4 MS+ for reducing inequalities as one amongst others, while others use the project modality.
- 10 MS+ see the role of civil society as instrumental to reduce inequalities.
- Almost all MS+ use civil society organisations as their (main) operational channel, while 5 MS+ work with the public sector as well.
- Real flagship programmes on the theme do not exist.

5.1. POLICY DIALOGUE

Survey question under analysis

Q33. Is the reduction of inequalities a cross-cutting theme or topic in high-level bilateral policy dialogue with partner countries?

One way to contribute to the reduction of inequalities is to make the subject a cross-cutting theme in high-level bilateral policy dialogue with the partner countries. This could be done with either all partner countries, or with some selected countries, for example in those countries where inequalities are the most severe.

Sweden raises the issue of inequalities in its policy dialogue with all partner countries, while France, Denmark, Italy, Ireland and the United Kingdom do so with some partner countries. Spain raises the issue in exceptional cases only. Finland raises the topic indirectly as part of its focus on human rights.

Sweden underpinned its stand of raising the issue in all policy dialogue by relating it to its multi-dimensional view of poverty, which is the core subject of Sweden's (SIDA's) development efforts. This is done through a guidance / norm on policy dialogue that encompasses gender equality, climate change, the human rights-based approach; and the perspective of the poor.

Switzerland, although it could not answer the question in the survey, indicated that its policy dialogue is based on Leave No One Behind at different levels. Hence, it considers its policy dialogue for inclusion, supported by the experience of programmes and projects, an important component with assumed impact at the local, national, and global levels.

In the case of Ireland and Belgium, raising the subject depends as whether the policies or topics have poverty consequences. In the case of Germany, it mainly depends on the context.

Figure 21. The reduction of inequalities in high-level bilateral policy dialogue



Source: answers to the survey

Survey questions under analysis

Q22. What are the priority sectors/themes currently targeted by the development cooperation policies and strategies of your country (Codes refer to OECD - DAC codes)?

Q23. As far as policy intentions exist for the near future, which of the sectors/themes mentioned in the previous question will be new -or additional- targets? (Codes refer to OECD - DAC codes)?

The development cooperation policies and strategies by the majority of the 12 countries declared (8 or more) as priority sectors/themes the following: education, government and civil society, health, agriculture, population policies, social infrastructure and water supply. Roughly half of the countries refer to Banking, Energy, Business, Development Food Assistance and other Multisectors. A minority of countries (less than 5 out of 12) reported the following sectors: communications, trade policies, transport, industry and tourism (and general budget support).

5.2. ACTIVITIES AND INTERVENTIONS

5.2.1 BUDGET SUPPORT

Survey questions under analysis

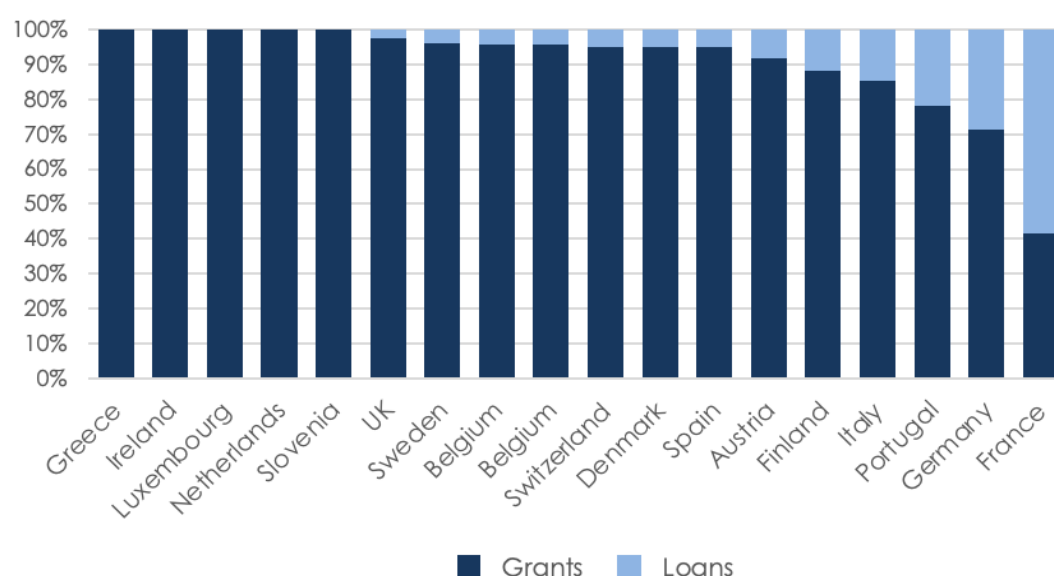
Q26. Does your Ministry / Bank/ Agency use budget support (or other fully aligned aid modalities) as an instrument for inequalities reduction?

Since inequality is a multi-faceted concept with cross-cutting linkages, budget support, or other fully aligned policy support instruments, could contribute to integrate policy measures aimed at the reduction of inequalities, including issues the fiscal policies (taxes and subsidies). The survey results however indicate that beyond exceptional cases (Denmark, Finland, France, Portugal, and Spain), the MS+ do not use budget support (or other fully aligned modality) as part of their portfolio. In principle, the Spanish development cooperation has not use budget support as a funding mechanism but in one case (Mozambique health sector). However, its FONPRODE programme is one of the main instruments and offers credits to partner states mainly for water management and infrastructure.

Seven (7) MS+ (Belgium, Germany, France, Finland, Italy, United Kingdom, Sweden) indicated that they work in bilateral cooperation with the public sector through the project modality. The survey did not contain questions concerning loans from development banks for tackling inequalities (although AFD is both an agency and development bank).

Figure 22 below shows, among sampled donors, the share of loans and grants among their overall ODA, on average over the period 2015-2020. It suggests that most of these donors provide less than 10% of their overall ODA through loans, except for Finland, Italy, Portugal, Germany and France in particular. The latter dedicating only 40% of its ODA to grants.

Figure 22. Financing mix (commitments, on average over 2015 – 2020)



Source: Authors' computation. ODA commitments data have been retrieved from the DAC3a database available at the International Development Statistics databank hosted by the DAC.

5.2.2 CIVIL SOCIETY

Survey question under analysis

Q27. Does your Ministry / Bank/ Agency consider the funding of projects by civil society organisations / advocacy / lobbying groups instrumental to reducing inequality?

Most countries (10 MS+ out of 12) consider civil society organisations (lobbying, advocacy, direct support to vulnerable groups) as instrumental in reducing inequalities and provide support through them. In fact, these MS+ view civil society organisations as their main operational channel for reducing inequalities, through advocacy, lobbying for certain purposes and/or support to marginalised groups in society, for example through the press, the Ombudsman mechanism, or influencing politicians. That can be in an array of fields, in economic terms, in social terms or in relation to access to services (including justice). During the interview, Belgium stressed the point that civil society can play a role when it comes to reducing inequalities, but that this role is rather small as compared to the ones of the state.

Germany observed that the survey refers to advocacy, lobbying groups etc, an area covered by the German Development Cooperation, but not restricted to it, since a large part of the activities is precisely with the public sector. Ireland ("partnership approach"), Spain ("network of MoU's with NGO networks and institutions, alliances and partnerships"), United Kingdom (disability rights organisations, women's rights organisations, LGBTIQ) and Switzerland ("decent work alliance") all stress the importance of networks, partnerships and alliances with civil society organisations, while Finland highlights how civil society organisations "support solutions to development problems and reduction of inequalities in developing countries"⁴⁵ and favour their local knowledge.

5.2.3 FLAGSHIP PROGRAMMES

Survey question under analysis

Q28. Does your Ministry / Bank/ Agency have a flagship programme focusing explicitly on inequalities?

The survey aimed to identify whether the participating countries had a flagship programme targeting the reduction of inequalities and/or was in the process of formulating one. MS+ interpreted this question in the survey in different ways. Questions were raised: "what is to be understood by a flagship programme" (France) or "a lot of areas can be considered as tackling inequalities e.g., poorest of the poor, gender, social protection, equal participation (representation); redistributive tax reform (Ireland).

The United Kingdom claimed it does have a flagship research programme but indicated that there are many programmes that tackle inequalities in one way or another. Reference was made to the Data and Evidence to end Extreme Poverty (DEEP), programme⁴⁶ managed by FCDO's Research and Evidence Division. This programme is supporting innovative ways of combining traditional sources of information (surveys, census and administrative) with big data (satellite imagery of night-time lights, mobile phone use etc.) to provide high-frequency, granular and near real-time poverty measures. The United Kingdom supports partner governments to expand and strengthen their social protection systems, which directly support vulnerable individuals and households and persons living in poverty.

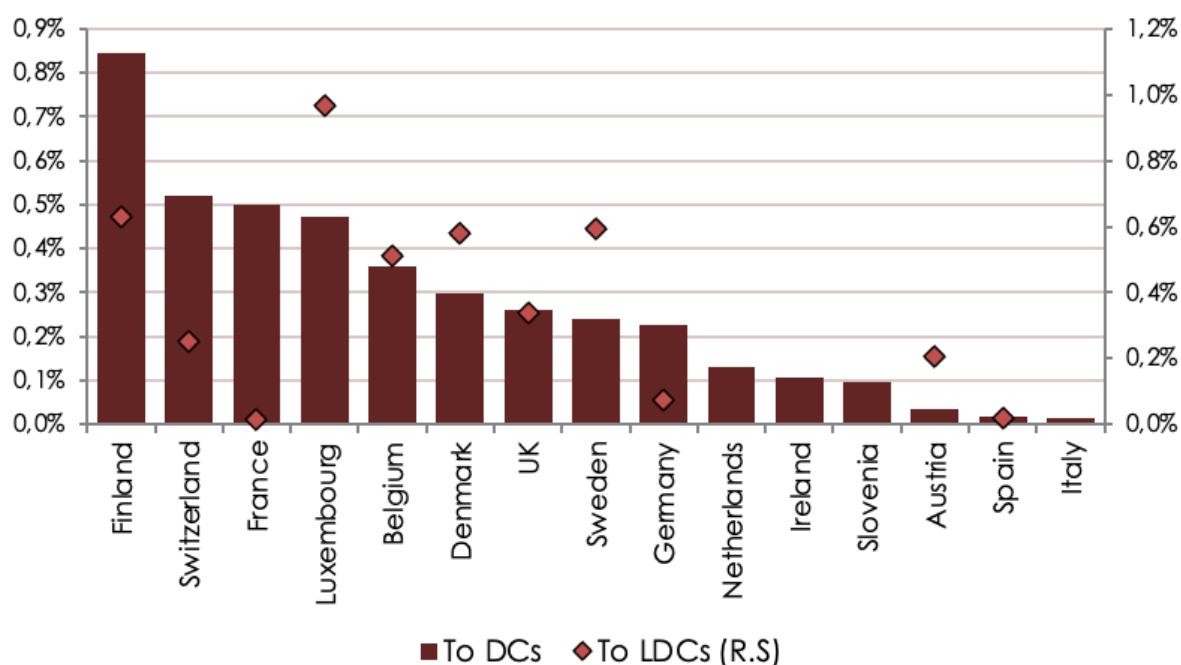
Domestic Resource Mobilization (DRM) would be a good case in point, promoted as an overall policy in 2011 via the "Spend More, Tax Better" focus. DRM has been put centre stage as a necessary means of financing economic and social development (especially in low-income countries where the average tax-to-GDP ratio remains below 20%). Yet, DRM also represents a significant tool that might help curb inequality if it is employed to foster redistributive taxation. To switch from regressive to progressive tax systems, most LDCs need to invest in direct taxation rather than relying on their main source of tax revenues, which, in general relies on indirect taxation such as VAT or excise duties. This type of shift is challenging and requires the technical and financial support of bilateral and multilateral donors. Figure 23 below shows the distribution of donors providing DRM support to developing countries and to LDCs.

⁴⁵ Report on Development Policy Extending Across Parliamentary Terms , Ministry for Foreign Affairs Helsinki 2021 Finland, p.25; https://julkaisut.valtioneuvosto.fi/bitstream/handle/10024/163218/VN_2021_29.pdf

⁴⁶ DEEP is a 7-year long FCDO-funded programme which helps to better understand the changing nature of global extreme poverty; and use this understanding to support more effective strategies, policies and programmes for poverty reduction, in particular in fragile and conflict-affected states and situations (FCAS). Implemented in Nigeria, Kenya, DRC, Afghanistan, South Sudan, Pakistan, Mozambique, Malawi, India and Burundi.

Finland's support to DRM is through various partners and international initiatives (i.e. African tax Administration Forum) but also through its 'institutional cooperation instrument'⁴⁷ - a financing instrument between a Finnish specialized government agency and a developing country government agency aimed at e.g. increased taxation capacity in partner countries, which is considered relevant for the reduction of inequalities.

Figure 23. DRM support by donor (in % of total commitments), average over 2015-2020



Source: ODA commitments data for Domestic Resource Mobilization (DRM) have been retrieved from the Creditor Reporting System (CRS) database available at the International Development Statistics databank hosted by the DAC. Sectoral commitments retrieved from the CRS dataset are ODA commitments intended to be disbursed through all possible channels (i.e. including through multilateral institutions, NGOs and civil society, PPPs, etc.).

Note: Histogram reports the share of ODA dedicated to DRM sector (committed to DCs over 2015-2020) for each donor. Diamond-shaped points do the same for DRM ODA committed to LDCs only. Figures for LDCs must be read on the right vertical axis while those for DCs must be read on the left axis.

⁴⁷ <https://um.fi/documents/35732/0/Institutional+Cooperation+Instrument+-Manual+-+version+8+%286%29.pdf>

6. MONITORING, EVALUATION AND LEARNING: INFORMED DECISIONS BASED ON EVIDENCE

- The monitoring of MS+ commitments in the field of inequality and development cooperation exists in exceptional cases only. Seven out of 10 countries do not monitor their commitment to reducing inequality.
- Four MS+ monitor specific programmes that refer to dimensions of inequality (human rights, gender).
- Only 4 MS+ share the results of successfully evaluated approaches and operations with the partner countries involved.
- Nevertheless, most MS+ gather the experience of others as a source of information on good practices and participate in multi-country initiatives linked to the reduction of inequalities.

As highlighted by the EU Reference Document N29, "mainstreaming inequalities is data intensive" and "requires a clear and honest dialogue with all stakeholders". Projects and programmes require constant monitoring as well as periodic evaluation (on effects and if feasible, impact) to enable the learning for feedback and improvement on how to tackle inequalities and to feed policy dialogue.

This entails not only accurate and appropriate data, but also processes of data analysis to inform and feed dialogue and decision-making. Similarly, M&E should be associated with the other phases of the project or programme cycle. Already in the identification phase it is necessary to know what data need to be collected, what is its availability and/or accessibility and how it will be used so that the reduction of inequalities is a priority that is integrated into country/sector strategies and intervention designs. Commitment monitoring refers to the monitoring of the commitments made to the objective(s) of reducing inequalities.

In this analysis, MS+ were asked about the monitoring of their commitments to the objective(s) of reducing inequalities (by means of specific indicators beyond ODA flows) and about the systems (if any) in place to monitor and evaluate their programmes/projects from an inequality perspective. Complementary to this, MS+ were also asked about the use of successfully evaluated approaches of other development partners to inform the identification of their own interventions as well as a source of information and/or internal dialogue among their staff. Finally, the participation of MS+ in exchange forums on inequality has been also asked, with the understanding that this is also a way of nurturing reflection and learning about approaches and practices of interest that can have an impact on the way they develop their own actions.

Survey questions under analysis

- **Q.29** Does your Ministry / Bank/ Agency monitor its commitment to reducing inequality?
- **Q.30** Does your Ministry / Bank/ Agency have an operational system in place for the monitoring and evaluation of your programmes / projects aimed at the reduction of inequalities?
- **Q.31** Are successfully evaluated approaches and practices by other countries concerning inequalities reduction collected and shared by the staff of your Ministry / Bank/ Agency?
- **Q.34** Does your Ministry / Bank/ Agency take part in any multi stakeholder/ multi country initiative linked to the reduction of inequalities? Q. 35 And if so, which one(s)?

6.1. MONITORING COMMITMENT

Monitoring the commitment to reduce inequalities is not a common practice yet. Nevertheless, the United Kingdom, Denmark, Finland, and France are in the process of developing systems to that end (in the case of France materialised by establishing a specific Commission for that purpose; with a deadline in 2022).

It is interesting to see that there are different mechanisms in place through which countries monitor and report on, such as in relation to human rights (e.g., United Kingdom and its annual report on the Foreign, Commonwealth & Development Office (FCDO) human rights work), gender equality or inclusion (e.g., Switzerland whose standard results indicators request disaggregation by gender and at least one specific LNOB group to measure progress with regards to reducing inequalities).

SDG-10 indicators that are of particular interest for monitoring change to reduce outcome inequalities⁴⁸ are:

- Indicator 10.1.1 : the growth rates of household expenditure or income per capita among the bottom 40 per cent of the population and the total population.
- Indicator 10.4.1 : the labour share of GDP, comprising wages and social protection transfers.
- 10.4.2 Redistributive impact of fiscal policy.

And, from the migration perspective:

- 10.7.2 Number of countries with migration policies that facilitate orderly, safe, regular and responsible migration and mobility of people.
- 10.7.3 Number of people who died or disappeared in the process of migration towards an international destination.

6.2. M&E OF PROGRAMMES AND PROJECTS

In the same way, at the operational level, most MS+ (except Finland and Switzerland) do not consider having in place M&E systems specifically designed to track progress regarding the reduction of inequalities, although they may have general M&E frameworks that include indicators related to inequality (e.g., gender, inclusion, disability, etc.).

6.3. KNOWLEDGE SHARING CONDUCIVE TO LEARNING

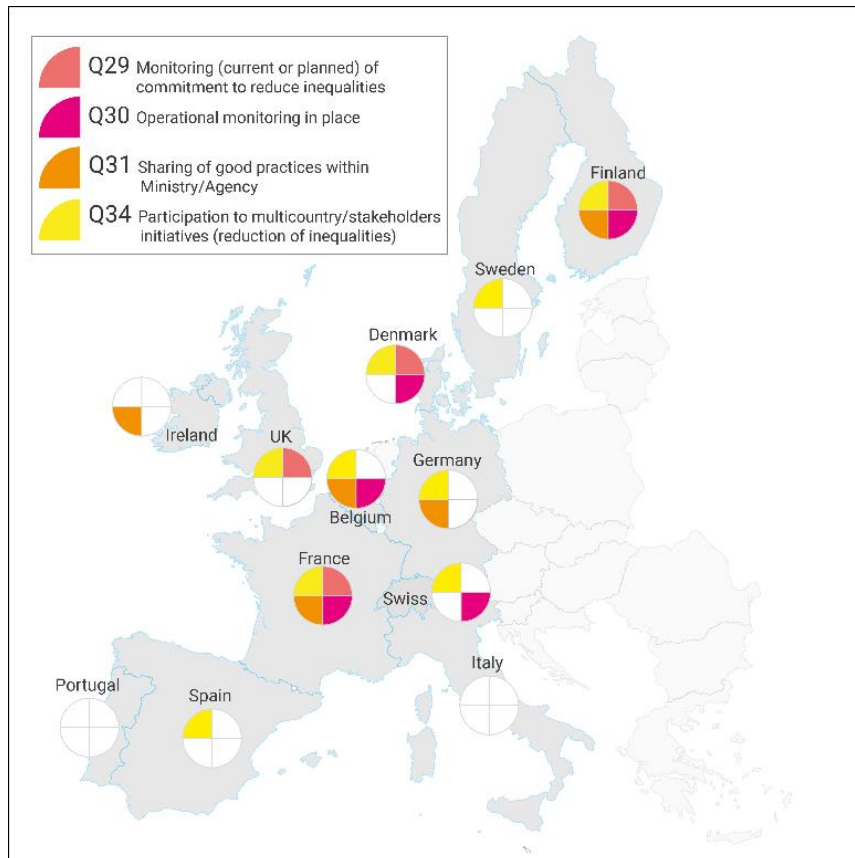
Knowledge sharing is a key driver for learning and preparing for future action. In this regard, most MS+ confirmed to collect and share successful experiences among their staff. This is done either through the ministry or agency disseminating the information to their staff (e.g., the United Kingdom, France, Sweden and Germany) or through a more particular dissemination at partner country/intervention level (e.g., Finland, Switzerland, Belgium and Ireland). However, the degree of systematisation of these practices so that they can permeate the work processes of the different MS+ is unknown. The role of the OECD DAC was cited to improve access and use such evaluations.

Another way to promote learning is through exchange and/or participation in multi stakeholder/ multi-country initiatives in a particular field. In this case, it can be said that the majority of MS+ are, or have been, part of a multi-country or multi-stakeholder initiative aimed at reducing inequalities. The participation in the DAC's Community of Practice on Poverty and Inequalities and in the AFD's research

⁴⁸ Based on information by GLZ.

Facility is mentioned repeatedly. Also, reference was made to some specific projects addressing inequalities that have been carried out with other partner countries or institutions such as the World Bank.

Figure 24. Overview of M&E and knowledge sharing in relation to inequalities



Source: answers to the survey

PART 2. MAPPING INITIATIVES, RESEARCH AND PROJECTS AROUND INEQUALITY: QUANTITATIVE ANALYSIS

1. DOES THE COUNTRY SPECIFICALLY TARGET LDCS THROUGH ITS ODA? AND MORE PRECISELY LDCS FACING LARGE INCOME INEQUALITIES?

1.1. METHODOLOGY

SOURCES

This question aims to assess the efforts undertaken by the sampled countries in targeting the poorest countries in the world i.e., the Least Developed Countries (LDCs) defined as low-income countries confronting severe structural impediments to sustainable development and highly vulnerable to economic and environmental shocks as well as having low levels of human assets. There are currently 46 countries on the list of LDCs which is reviewed every three years by the Committee for Development (CDP).⁴⁹ To conduct this exercise, we drew on various datasets. As was the case for question 6, we first retrieved data about ODA commitments and disbursements by country as well as by recipient groups. More specifically, we consider the overall group of destination countries i.e., developing countries as well as a sub-set of recipient countries classified by the United Nations as the LDCs. Relevant ODA flows are available under the DAC3a and the DAC2a datasets of the International Development Statistics hosted by the OECD, for commitments and disbursements, respectively.⁵⁰

In addition, we couple information about ODA flows with data on income inequality (as well as other measures, aimed at capturing the multidimensional nature of inequalities) in order to observe whether recipient countries with the largest levels of inequality are those receiving the larger proportion of aid provided by country.

1.2. EVALUATION CRITERIA

CRITERIA #1: AID EFFORTS

The first criterion to evaluate within question 6 is the overall aid efforts deployed by sampled donors, expressed with respect to the size of their economy. To do so, we collected data on ODA disbursements (and alternately commitments) at destination to developing countries (and LDCs) and divided the overall amount of aid by their Gross National Income (GNI) retrieved from the World Bank Indicators database.⁵¹ We do such calculation for all years from 2015 to 2020 and then obtain the average effort by each sampled donor. This enables us to appreciate the degree of involvement of each donor in international cooperation (on average since the SDGs' release), to rank them according to this ratio, and see the number of donors getting close to the UN target of 0.7% of GNI. As with the Q6, we focus on

⁴⁹ See the UN website for both the definition and list of LDCs: <https://www.un.org/development/desa/dpad/least-developed-country-category.html>

⁵⁰ <https://www.oecd.org/development/financing-sustainable-development/development-finance-data/idsonline.htm>

⁵¹ <https://databank.worldbank.org/source/world-development-indicators>

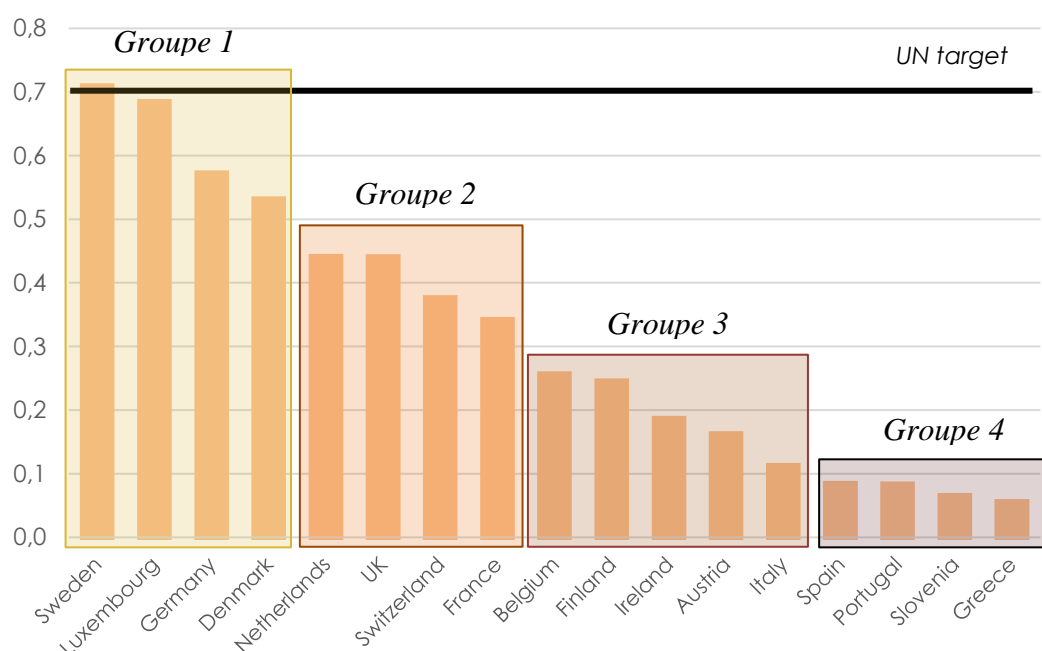
average performance from 2015 onwards, as focusing the analysis on the latest year available (within the DAC databases) could lead to a misinterpretation of the actual trend of donors' official development strategy.

RESULTS

We start by showing the ranking of donors according to their ratio of ODA disbursements to GNI (**Figure 1a.** below). We then repeat this exercise focusing on commitments made solely to LDCs (**Figure 1b.**).

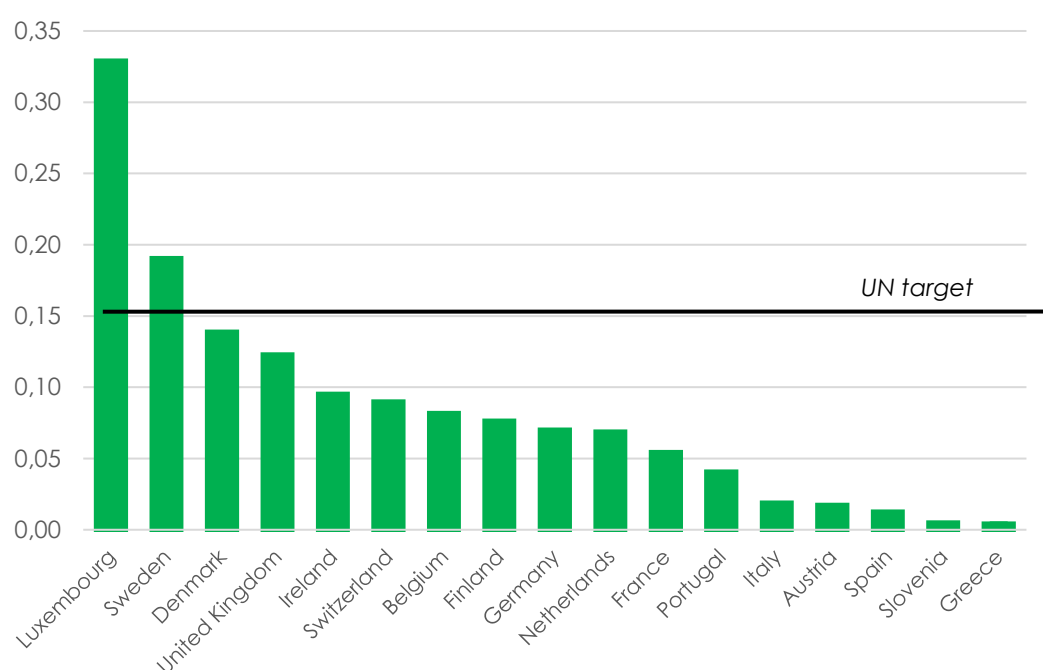
The first conclusion that can be drawn from the histogram for all developing countries is that none of the donors within our sample, beside Sweden, has reached the United Nations' target of 0.7% of GNI in ODA disbursements, on average and over the period of study. The distribution of donors in terms of ODA disbursements can be divided into 4 different groups. The first group comprises Sweden, Luxembourg, Germany and Denmark which report a ratio superior to 0.5% of their GNI. The second group of donors reports a ratio of between 0.3 and 0.5% of GNI. This group encompasses Netherlands, UK, Switzerland and France. The third group includes Belgium, Finland, Ireland, and Austria for which the ratio of ODA to GNI is around 0.15-0.3%. The fourth group is made of donors for whom aid effort represents at maximum 0.11% of their GNI, thus fall far below to the UN target of 0.7% of GNI.

Figure 1a. Total ODA Disbursements as % of GNI (on average over 2015-2020)



Note: Authors' computation. Disbursements are net of debt relief flows. ODA disbursement and debt relief data have been retrieved from the DAC2a database available at the International Development Statistics databank hosted by the DAC. Data for GNI come from the World Development Indicators database. The list of LDCs provided by the OECD-IDS is consistent with the official UN list of LDCs.

Figure 1b. ODA Disbursements to LDCs as % of GNI (on average over 2015-2020)



Note: Authors' computation. Disbursements are net of debt relief flows. ODA disbursement and debt relief data have been retrieved from the DAC2a database available at the International Development Statistics databank hosted by the DAC. Data for GNI come from the World Development Indicators database. The list of LDCs provided by the OECD-IDS is consistent with the official UN list of LDCs.

These clusters of countries are however a bit less evident when focusing on ODA provided to LDCs. Luxembourg is an outlier with respect to the other sampled countries, most of which on average devote less than 0.1% of their GNI to the provision of ODA for LDCs (except other Nordic countries but Finland, and UK). The story is quite similar if we then look at commitments rather than disbursements. Unlike Q8 where most of the analysis is based on CRS data which may be questionable when it comes to disbursements, the issues addressed here are more oriented towards assessing the actual efforts of donors to provide external resources to developing countries. We therefore complement the analysis of disbursements with figures on commitments. Figures 1a and 1b above are therefore reproduced in the Annex (Figure A1a and A1b), where the ranking of donors is based on commitments performance. Although the ranking does not change much, we notice that all sampled donors fall below the UN target of 0.7% of GNI overall, and for LDCs of 0.15%-20% of GNI (except Luxembourg in for the latter category). As for the other donors, when comparing disbursements to commitments, most of them are disbursing less than what they initially committed to provide (besides UK, Sweden and Denmark that are disbursing significantly more), with Germany and France recording the largest gaps between disbursements and commitments (0.079 and 0.076 percentage points respectively). We see the same trends when focusing on ODA to LDCs rather than overall ODA, with Sweden and UK in first place and France and Ireland disbursing less than originally planned (by 0.011 and 0.014 percentage point respectively). Equally, if one concentrates on disbursement for 2020, rather than the average effort between 2015 and 2020 (see Figure A2.a and A2.b in the appendix).

Overall, the trends observed confirm that those donors making the greatest efforts in terms of ODA are mainly Northern donors, who also more often meet (or even exceed) their commitments in terms of what they actually disburse. The largest donors in terms of absolute amounts of ODA provision (both commitments and disbursements), such as France, Germany and the UK, are lower in the ranking when assessing the effort relative to the size of their economy (with the exception of the UK when it comes to aid to LDCs). Regardless of the ratio considered, the bottom places in the ranking are occupied by the Southern donors (Italy, Portugal, Spain, Slovenia, Greece) and Austria.

CRITERIA #2: AID TO LDCS

In order to assess the second criteria in Q6, we have computed several measures of ODA, taking both the commitments and disbursements approach:

- i. We first compute the **share of commitments destined to LDCs**. This is obtained by dividing the commitment of financial resources destined to LDCs by the amount of financial resources that goes to DCs (*LDCs total commitments / DCs total commitments*).
- ii. We also consider an alternative measure of commitments that, within the existing literature on aid⁵², has been shown to better reflect the real amount of ODA committed to recipient countries which consists in ODA net of technical cooperation (*Total commitments – Technical cooperation*). The indicator corrected for technical cooperation is therefore given by: *LDCs total commitments net of technical cooperation / DCs total commitments net of technical cooperation*.
- iii. We next conduct the same analysis but focusing on disbursements rather than commitments. The indicator is therefore the **share of ODA gross disbursements going to LDCs**. To do so, we divide the total amount of ODA disbursements going to LDCs by the total amount channelled to DCs (*LDCs ODA gross disbursements / DCs ODA gross disbursements*).
- iv. Then we compute the same measure but net of debt relief. More specifically we take the ODA gross disbursements net of debt forgiveness grants and net of rescheduled debt (*ODA gross net of DR = [ODA gross loans - rescheduled debt] + [grants total - grants debt forgiveness]*). The share of ODA net of DR allocated to LDCs is therefore given by *LDCs ODA gross net of DR / DCs ODA gross net of DR*.
- v. Lastly, although the amount of ODA provided to LDCs as a proportion of entire ODA represents a good proxy of a country's efforts in helping the poorer and more vulnerable countries, it is necessary to focus on the financing mix provided by a country to recipient countries to assess the degree of concessionally offered by these various donors. Consequently, we also consider the **share of Grants and Loans in commitments to LDCs**, in order to assess whether LDCs benefit from more concessional financing as compared to ODA provided to middle income countries. To do so we compute the ratio of *Grants as a proportion of total commitments* to have the share of grants, and then *Loans and other long-term capital as a share of total commitments* to have the share of loans in total ODA. All those computations are obtained on the basis of flows solely targeting LDCs.

RESULTS

Figure 2a. below shows the ranking of donors according to the share of their ODA channelled towards LDCs (on average between 2015 and 2020 and on a commitments basis). The second histogram, Figure 2b., shows the same ranking except that it has been obtained based on disbursements (net of debt relief). Lastly, the third histogram reports the decomposition of ODA commitments provided by each sampled donor by grants and loans in order to appreciate the financing mix offered by each MS.

The LDC category as defined by the United Nations and reported within the CRS encompasses 47 countries⁵³ and represents more than a third of the group of 147 developing countries. Figure 2a. shows that for many donors including large ones such as Sweden, Italy, France, Germany, UK or Netherlands, less than a third of their ODA is channelled towards LDCs, suggesting that the targeting remains in favour of countries classified as richer than LDCs. This fact is not altered by the measure of ODA since when considering disbursements instead of commitments (as reported in Figure 2b. below), we again find a lot of the larger donors with a relatively low proportion of their ODA channelled towards LDCs, hence suggesting that they tend to favour middle-income countries as the principal destination of their ODA.

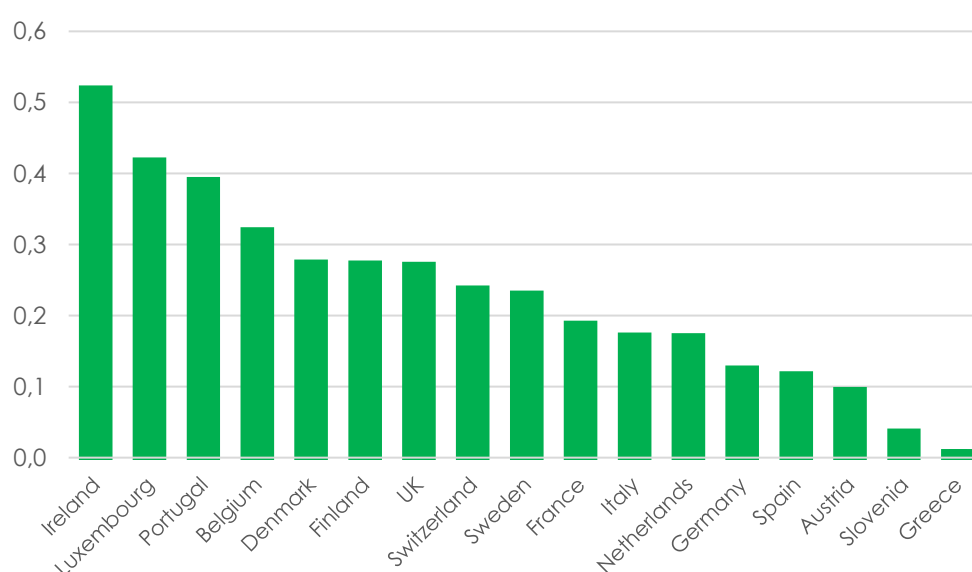
⁵² Roodman, D. (2007). The anarchy of numbers: aid, development, and cross-country empirics. The World Bank Economic Review, 21(2), 255-277.

⁵³ See the appendix of Q6 for a list of LDCs.

There are several possible explanations for this lack of targeting to LDCs: (i) It might relate to the generally poorer governance observed in many LDCs which prevents a sound use of aid flows, thus reducing the marginal returns of donors' financing assistance. As in the late 1990s and following the paper by Burnside and Dollar (2000)⁵⁴, a policy reorientation led most bilateral donors to allocate aid where it could be the most efficient (in terms of economic growth), thus leading them to target developing countries with sound economic policies and therefore with good institutions i.e., better governance.

(ii) Another reason that might explain this targeting approach by sampled donors is the potential gap that may exist in terms of inequality between LDCs and other DCs. Over the past decade we have observed a significant rise in income inequality in emerging countries, with the middle class getting richer and leaving a sizeable proportion of the population behind. Therefore, a larger share of ODA dedicated to (lower) middle-income countries (with potentially larger income inequalities than LDCs where the majority of the population is extremely poor) at the expense of least developed countries might also reflect a targeting policy more oriented towards inequality reduction (which however can be questioned on the basis of following results in Q8). (iii) Lastly, these figures could simply reflect an aid allocation policy unable to identify countries with the largest external financing needs and where foreign assistance might contribute significantly to reducing inequalities and poverty. But it might also reflect the lower capacity of LDCs in absorbing large amounts of ODA.

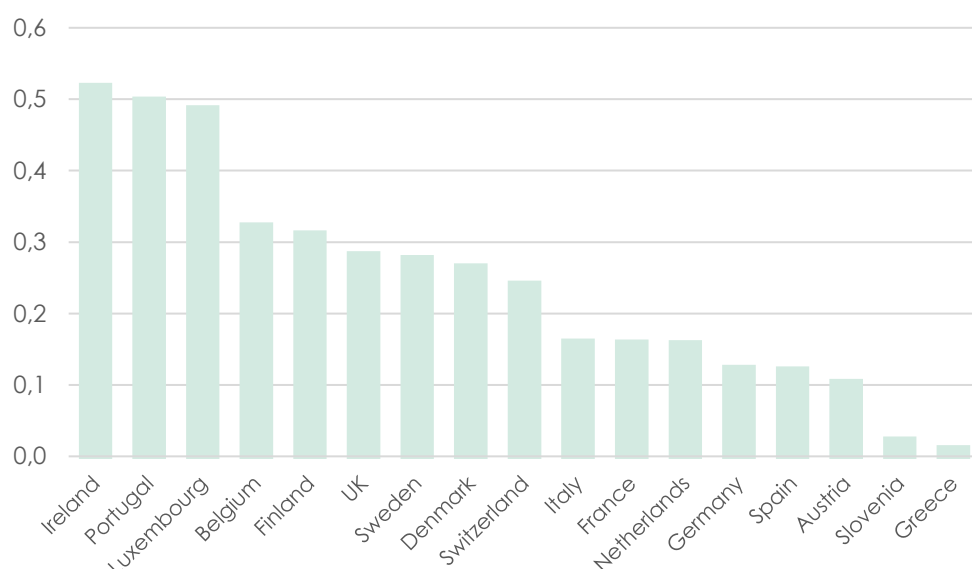
Figure 2a. Share of ODA to LDCs (commitments - net of tech. coop.), on average over 2015 – 2020



Note: Authors' computation. ODA commitments and technical cooperation data have been retrieved from the DAC3a database available at the International Development Statistics databank hosted by the DAC. The list of LDCs provided by the OECD-IDS is consistent with the official UN list of LDCs.

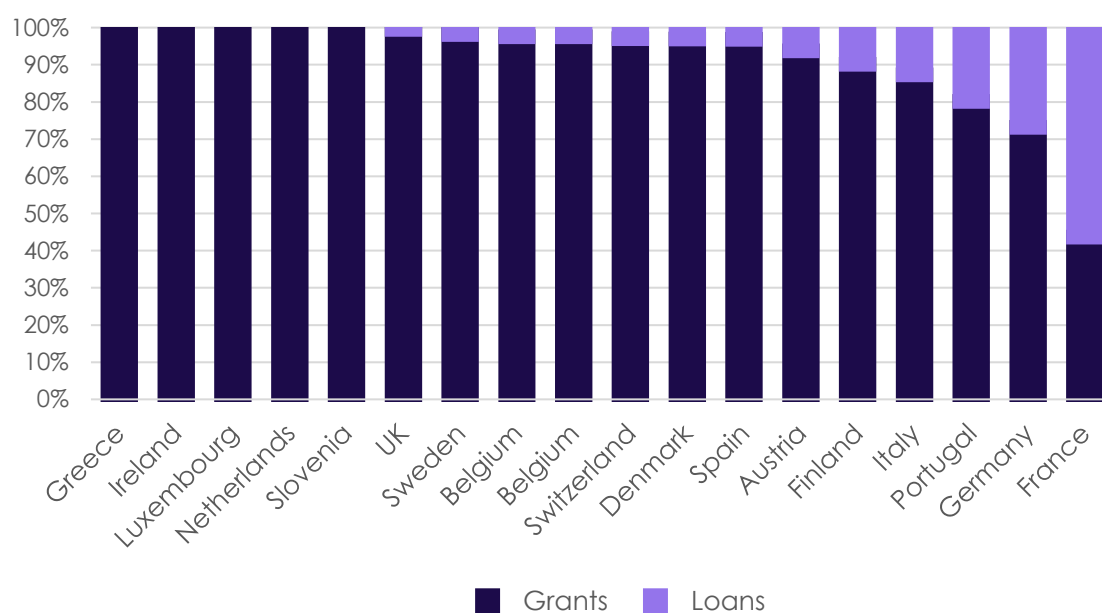
⁵⁴ Burnside, C., & Dollar, D. (2000). Aid, policies, and growth. *American Economic Review*, 90(4), 847-868.

Figure 2b. Share of ODA to LDCs (disbursements - net of debt relief), on average over 2015 – 2020



Note: Authors' computation. ODA disbursements and debt relief data have been retrieved from the DAC2a database available at the International Development Statistics databank hosted by the DAC. The list of LDCs provided by the OECD-IDS is consistent with the official UN list of LDCs.

Figure 3. Financing mix (commitments, on average over 2015 – 2020)



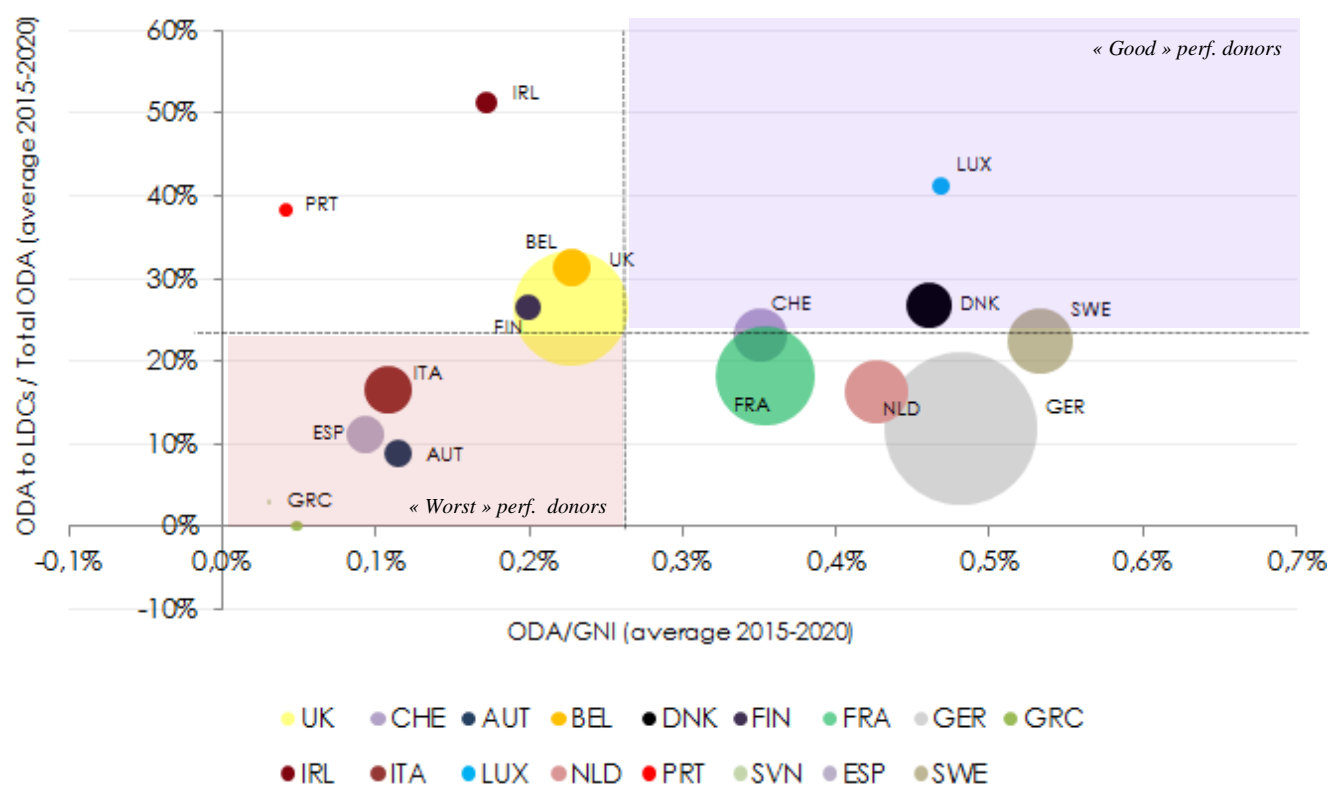
Note: Authors' computation. ODA commitments (loans and grants) data have been retrieved from the DAC3a database available at the International Development Statistics databank hosted by the DAC.

Turning then to the composition of ODA channelled to LDCs, from the Figure above it can be seen than most sampled donors provide a significant concessional assistance to this category of countries as their development assistance is made up of grants in a pretty large manner (more than 80% of total ODA provided). Three donors operate in a significantly different way. Portugal, Germany and especially France provide a significant share of their ODA to LDCs through loans which imply capital and interest repayments (at rates that can vary from one donor to another).

Lastly, we summarize the information retrieved from the graphs above into one single mapping of donors in our sample, by plotting them according to their performance in terms of ODA-to-GNI ratio and in terms of ODA share that is channelled towards LDCs. We then weight each observation (so each donor) by its weight in the total ODA provided by the 17 sampled donors (in 2020). Figure 4 below reports the mapping when ODA is measured in terms of disbursements (net of debt relief) rather than with commitments (which nevertheless lead to a rather similar picture).

Taking a comparative approach and grouping donors according to the average performance of the sample, a first group composed of Luxembourg, Sweden, Denmark and Switzerland stands out as having above average performance in terms of ODA/GNI and share of ODA to LDCs in total ODA. We observe that the largest donors are quite close to this group of donors, suggesting that some additional efforts could help them improve their relative position. We then find, again, Austria and Southern European donors such as Italy, Spain, Greece and Slovenia among the “worst performing” donors. Belgium, Finland, UK and Ireland (in a lesser extent) are on the borderline of “good donors”, but fall short in terms of ODA/GNI ratio. Overall, this mapping helps to understand the strengths and weaknesses of the cooperation strategy of the donors in the sample, as some are relatively good performers in terms of overall ODA effort but fall short of the others when it comes to cooperation with LDCs (such as Germany). Others perform better when it comes to targeting LDCs but disburse too little relative to the size of their economy (e.g., Ireland).

Figure 4. Mapping ODA efforts and LDCs targeting (by donors)



Note: Authors' computation. ODA disbursement and debt relief data have been retrieved from the DAC2a database available at the International Development Statistics databank hosted by the DAC. Data for GNI come from the World Development Indicators database. The list of LDCs provided by the OECD-IDS is consistent with the official UN list of LDCs. Each dot denotes one donor. The size of the dot depends on the weight of each donor (its share) in the overall amounts of ODA that has been disbursed by the 17 donors in 2020. X axis reports the average ODA-to-GNI ratio (over 2015-2020). The Y axis reports the average share of ODA that each donor has directed towards LDCs between 2015 and 2020. Lastly, vertical and horizontal dash-lines represent the mean value (computed over the 17 donors) of the average ODA-to-GNI ratio and of the average share of ODA to LDCs in total ODA, respectively.

CRITERIA #3: AID TO COUNTRIES DEPENDING ON LEVEL OF INEQUALITY

Lastly, we investigated whether donors consider the level of inequality prevailing in destination countries when allocating their ODA. Inequality is a very broad, all-encompassing concept that includes various types and forms of inequality. We first consider income-inequality as represented by Gini index data which are readily available over the period of study for most developing countries receiving foreign assistance from donors. The Gini indices for developing countries were taken from the *World Development Indicators* database over the 2015-2019 period⁵⁵. As Gini indices are not available every year for each developing country, we computed the average level of Gini over 2015-2019 which enables us to obtain at least one observation for almost every aid receiving country. We then used the Gini distribution across developing countries to define four quartiles. The fourth quartile comprises the 25% of developing countries with the higher values of Gini, i.e., the more severe prevalence of income-inequality. Once the four clusters of countries were defined, we then computed, for each donor, the share of total ODA commitments devoted to each quartile of countries. That way, one can appreciate whether some sampled donors favour developing countries from the fourth quartiles (countries the most exposed to income inequality) or conversely target countries from the first quartile, which would suggest that income inequality is not considered in the allocation process.

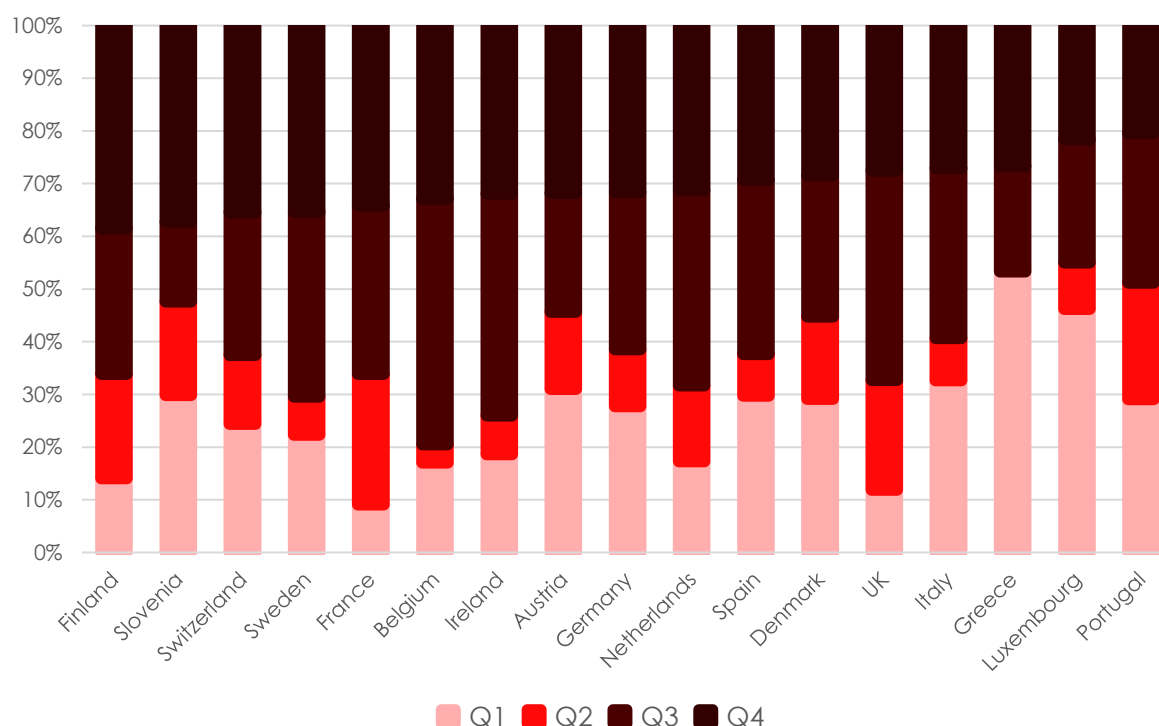
RESULTS

Figure 5 below shows the ranking of the sampled countries according to the share of their ODA commitments (net of technical cooperation) that are directed at the group of countries belonging to the fourth quartile.

At first sight, it seems that a very large number of the sampled countries allocate more than half of their ODA to countries with the largest levels of income-inequality (Q4 & Q3). Indeed, only Greece and Luxembourg direct most of their development assistance to developing countries belonging to the first and second quartile, i.e., developing countries with the lowest income-inequalities. Overall, we note that, the majority of donors favour (relatively) high income-inequality countries in their international assistance strategy. In line with the situation with regard to the limited focus on LDCs discussed above, this could be explained by the structural features of recipient countries targeted by largest donors as the fourth quartile comprises a lot of middle-income and emerging countries such as Brazil, Mexico, Costa Rica, Botswana, South Africa, or Chile.

⁵⁵ For most of developing countries, Gini indices for 2020 were not available. Besides, we think 2020 Gini indices might not be representative of the structural state of inequality within these countries because of the health crisis that probably fueled significant increase in income inequality in developing countries.

Figure 5. Share of ODA commitments (net of tech. coop.) to income-inequality categories of countries



Note: Authors' computation. ODA commitments and technical cooperation data have been retrieved from the DAC3a database available at the International Development Statistics databank hosted by the DAC. Inequality ranking is based on the latest Gini observed in recipient countries between 2015 and 2020 (or on the average Gini when several indices are available for a recipient country over this period of study). Gini figures come from the World Development Indicators. Q1, Q2, Q3, Q4 denote respectively the first, second, third and fourth quartile of the country distribution in terms of inequality. Countries belonging to the fourth (first) quartile are therefore the most (least) unequal countries among all developing countries, based on their average level of Gini between 2015 and 2020.

2. QUANTITATIVE EVIDENCE OF SECTORS TARGETED BY THE SAMPLED COUNTRIES' COOPERATION STRATEGY

2.1. METHODOLOGY

SOURCE

In order to assess quantitatively the efforts deployed by the samples countries in addressing inequality issues in developing countries through their cooperation strategy, we reviewed sectoral aid data available under the *Credit Reporting System (CRS)* from the International Development Statistics database hosted by the OECD.⁵⁶

⁵⁶ <https://stats.oecd.org/Index.aspx?datasetcode=CRS1>

The CRS has several advantages. Firstly, the amount of aid commitments and disbursements are reported at the sector level, meaning that each project financed by a country is allocated to the sector targeted by the project. Secondly, the granularity of sectors is extremely thin and goes from 1 to 5 digits (1 being the higher aggregation and 5 the thinner/lower level of disaggregation). Thirdly, ODA flows are reported by donors and recipient countries, as well as groups of recipient countries, which allow us capturing the amounts of ODA provided by a country to either all developing countries, or to a specific sub-group such as the Least Developed Countries (LDCs). Lastly, the OECD has recently implemented a so-called marker policy, where each aid project is assessed through the lens of a series of markers related to a priority issue (such as gender equality, disability, nutrition, etc.).⁵⁷ The marker has a rating that goes from 2 to 0, with 2 indicating that the specific issue is the principal objective of the project under review, 1 indicating that the issue is a significant objective of the given project and 0 indicating that the issue is not targeted by the project.

Yet, the CRS is not perfect and has some shortcomings such as the level of completeness of the information. As it is up to the donor to register aid projects and financial flows throughout the year, as well as to define the relevant sector targeted by the project, reported amounts are not always exhaustive and might suffer from under-reporting or may not be assigned to a sector (henceforth inflating the “unspecified sector” category).

2.1. EVALUATION CRITERIA

CRITERIA #1: AID BY SECTOR

As question 8 intends to provide evidence about the sectoral priorities in the aid allocation process, we first retrieve from the CRS, mean amounts of official assistance provided by each donor sampled⁵⁸, by sector, from 2015 to 2020. We focus on average ODA (over 2015-2020) rather than the contribution in a given year, as existing literature has shown that ODA flows can be affected by economic shocks in donor countries and thus be extremely volatile from one year to the next (which would not reflect the direction of the donor cooperation strategy). Therefore, focusing on the period following the adoption of the SDGs (2015 onwards), allows us to appreciate the policy orientation of each donor in terms of development assistance and with respect to the most recent development agenda.

Note that for most of the analysis we decided to focus on ODA commitments rather than disbursements as the former are more inclined in reflecting the direction of the donor cooperation strategy. Moreover, disbursements have been often criticized in the existing literature for its lack of exhaustiveness and accuracy (usually suffer from an under-reporting bias). However, one must also be cautious about looking only at donor commitments, as the story could be told the other way around, with commitments being seen as an overestimate of the actual amount of aid provided. David Roodman⁵⁹, arguing for the use of disbursements rather than commitments, justifies his choice on the grounds that *“Large and persistent gaps between commitments and disbursements may reflect a tendency of certain donors to promise more than they can realistically deliver, or a failure to learn from history that certain recipients cannot absorb aid as fast as donors hope. On balance, it seems best to stick with disbursements and avoid the risk of rewarding donors for overpromising aid or systematically underestimating the capacity to absorb it.”*

In what follows, we nevertheless decide to stick with ODA commitments since they are the focus of negotiations (particularly in terms of sectoral allocations). The issue of matching disbursements with commitments is of a different nature, and the issues at stake are not limited to aid dedicated to reducing inequalities.

We first report the disaggregation of all the sectoral aid (at the 1-digit level) provided by sampled donors in 2020 to appreciate the overall repartition of ODA commitments to developing countries (DC), which include all ODA recipients (**Figure 1a.**), and least developed countries (LDCs) (**Figure 1b.**). We observe

⁵⁷ <https://www.oecd.org/dac/gender-development/BMZ%202014%20The%20Policy%20Marker%20System.%20DACBMZ%20Markers.%20Guidelines.%20EN.pdf>

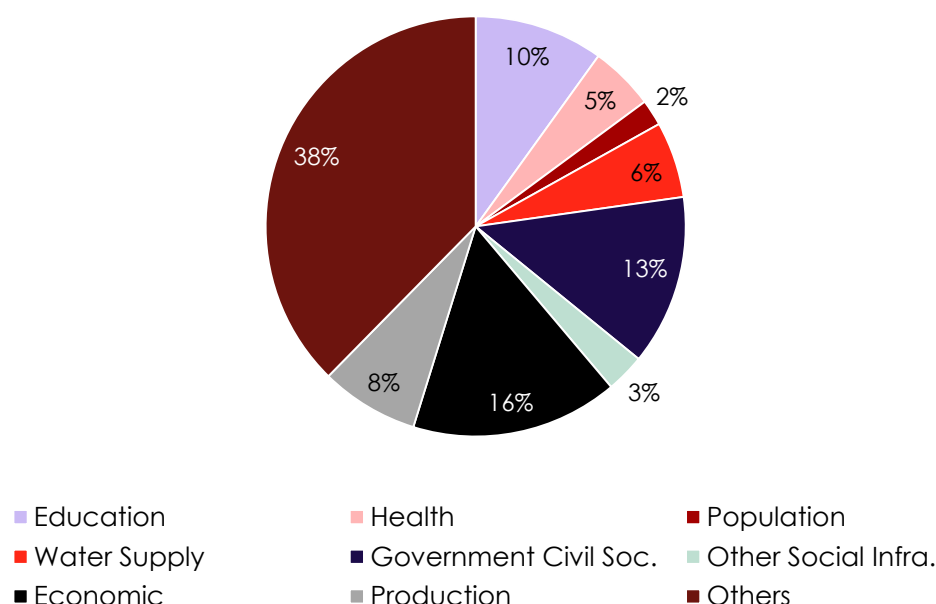
⁵⁸ We consider the following 17 donors for the quantitative analysis: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Slovenia, Spain, Sweden, Switzerland, and UK.

⁵⁹ Roodman D., 2004. An Index of Donor Performance, Center for Global Development Working Paper 42, Washington D.C.

that social sectors account for a rather large share as it concentrates more than a quarter of sectoral aid available (around 26 % for all recipients, and up to 30 % for LDCs). Contrary to what we claimed earlier, we focus on figures for 2020 as reproducing the same graphic with overall amount provided between 2015-2020 leads, for developing countries especially, to an overstatement of the share allocated to “other” sectors (because of the stockpiling of large amounts of unallocated aid that leads this category to largely outweigh the share of other sectors).⁶⁰

Since LDCs only represent a share of developing countries receiving aid from donors under study, we reproduced above graphs in the appendix but focusing solely on LMICs and UMICs, alternately, in order to observe whether sectoral aid allocation within these income-groups differs from the two categories we just reviewed. The share of aid dedicated to social sectors for LMICs and UMICs ((see **Figures A2a** and **A2b** in the appendix) lies in between the one observed for all DCs and LDCs, with however a larger share for social sectors⁶¹ in LMICs than in UMICs which amounts to 34% and 35%, respectively.

Figure 1a. ODA by sectors (provided by sample donors to all DCs, in 2020)

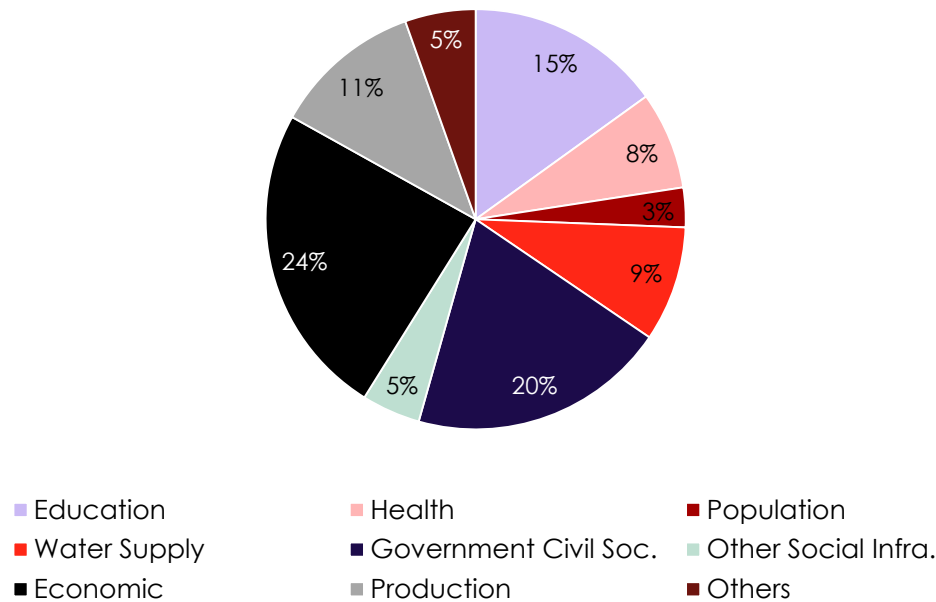


Note: Authors' computation. Sectoral aid data (ODA commitments to all DCs) have been retrieved from the Creditor Reporting System hosted by the International Development Statistics hosted by the OECD-DAC. Note that the “Others sector” category includes Refugee aid, Humanitarian Assistance, Commodity Aid, Actions related to debt, Multisector aid, and Unallocated aid.

⁶⁰ See Figure A1a. and A1b. in the Appendix.

⁶¹ Are considered as social sectors: Education, Health, Population, Water Supply and Other Social Infrastructures.

Figure 1b. ODA by sectors (provided by sample donors to LDCs, in 2020)



Note: Authors' computation. Sectoral aid data (ODA commitments to all DCs) have been retrieved from the Creditor Reporting System hosted by the International Development Statistics hosted by the OECD-DAC. Note that the "Others sector" category includes Refugee aid, Humanitarian Assistance, Commodity Aid, Actions related to debt, Multisector aid, and Unallocated aid.

We next compute the share of total ODA commitments dedicated to a specific sector by each donor of the sample, on average and over 2015-2020.⁶² We then report the five biggest donors by sector, i.e., donors which devote the larger share of their development assistance to the given sector. The top 5 are reported for 8 sectors, which cover some of the sub-sectors pre-identified by INTPA as having a significant impact on reducing inequality, namely Education (110), Health (120), Population Policies & Reproductive Health (130), Water Supply & Sanitation (140), Government & Civil Society (150), Other Social Infrastructures & Services (160), Banking and Financial Services (240), General Environment Protection (410). Table 1 below (**Panel A** column) shows the top 5 country in terms of commitments to a given sector for all developing countries. One can first notice that biggest European donors such as Germany, France, or the UK do not show up often in the top positions (except for some sectors such as General Environment Protection for Germany and France, and Water Supply and Sanitation for the latter). Conversely, smallest donors such as Slovenia, Portugal and Ireland are better positioned in terms of individual efforts, suggesting that given their overall budget dedicated to Official Development Assistance these donors tend to specialize much more than donors with larger ODA resources which might favour spreading their development assistance across various sectors.

Yet shares reported in Panel A aim at capturing donors' relative effort of each in terms of sectoral priorities, but do not represent the absolute effort deployed by each donor since, as previously explained, biggest donors with the largest resources in terms of ODA probably do not concentrate all their aid budget on one specific sector. Consequently, and in addition to the previous shares computed, we also report (in **Panel B** column of Table 1) the 5 largest donors in each sector defined as those having the largest share of the overall ODA (granted by the 17 donors under study) provided to each sector. From those results emerges a more traditional story, as we find the largest European donors, namely Germany, France and the UK in top positions.

Table 2 reproduces the exercise for least developed countries only. In the same vein as for the overall ODA provided (i.e., to all developing countries), rankings indicate that donors with lower financial means in terms of ODA (such as Greece, Slovenia, or Austria) tend to specialize more than larger donors by devoting a larger share of their ODA to few specific sectors. In order to confirm this indication, we have computed a sectoral aid fragmentation index for each donor in the sample and plot it with respect to their overall amounts of commitments (in constant USD) (see **Figure 2** below).

⁶² For instance, for aid dedicated to the education sector this share is obtained by computing the education aid-to-total aid ratio for each year between 2015 and 2020. We then compute the mean ratio over these five years.

The fragmentation index is obtained by computing a Gini-Simpson index which is basically 1 minus a Herfindahl-Hirschman index of market concentration (here applied to sectoral ODA). The Herfindahl-Hirschman index is obtained by calculating the sum of the ODA shares (squared) devoted to each sector. The lower the shares, the lower the index and thus the lower the concentration of aid. The Gini-Simpson index is simply equal to 1 minus the Herfindahl-Hirschman index, which allows us to interpret this value as the extent of ODA fragmentation (the higher the Gini-Simpson index, the greater the fragmentation of ODA). The formula is:

$$Sector_ODA_Frag_{i,2015-20} = 1 - \sum_{j=1}^{18} Share_{i,2015-20,j}^2$$

With $Sector_ODA_Frag_{i,2015-20}$ the sectoral aid fragmentation index of the donor i computed over all its sectoral ODA flows provided between 2015 and 2020, and $Share_{i,2015-20,j}^2$ is the share of its sectoral ODA allocated to the sector j ⁶³, squared. The index is obtained based on ODA commitments provided to all DCs.

Table 1. Top 5 European donors by sector (for all DCs)

Panel A		Panel B		Panel A		Panel B	
Education				Health			
Top 5 in % of donors' ODA		Top 5 in % of Sector ODA		Top 5 in % of donors' ODA		Top 5 in % of Sector ODA	
Slovenia	38%	Germany	44%	United Kingdom	13%	United Kingdom	35%
Portugal	34%	France	25%	Ireland	13%	Germany	28%
Austria	22%	United Kingdom	11%	Luxembourg	10%	France	13%
Luxembourg	15%	Austria	3%	Portugal	7%	Switzerland	5%
France	13%	Italy	3%	Belgium	7%	Italy	4%
Population				Water Supply & Sanitation			
Top 5 in % of donors' ODA		Top 5 in % of Sector ODA		Top 5 in % of donors' ODA		Top 5 in % of Sector ODA	
Netherlands	7%	Netherlands	31%	France	9%	Germany	41%
Denmark	3%	United Kingdom	25%	Slovenia	6%	France	34%
United Kingdom	3%	Germany	14%	Netherlands	5%	Netherlands	7%
Sweden	3%	Sweden	10%	Luxembourg	5%	United Kingdom	5%
Luxembourg	3%	Denmark	5%	Germany	5%	Switzerland	4%
Government Civil Society				Other Social Infrastructures			
Top 5 in % of donors' ODA		Top 5 in % of Sector ODA		Top 5 in % of donors' ODA		Top 5 in % of Sector ODA	
Sweden	24%	Germany	36%	Portugal	12%	Germany	40%
Denmark	23%	United Kingdom	14%	Slovenia	5%	France	22%
Netherlands	22%	Netherlands	13%	Ireland	5%	United Kingdom	12%
Switzerland	17%	Sweden	11%	France	3%	Netherlands	5%
Finland	16%	France	9%	Austria	3%	Sweden	5%
Banking & Fina. Serv.				Gen. Environment Protec.			
Top 5 in % of donors' ODA		Top 5 in % of Sector ODA		Top 5 in % of donors' ODA		Top 5 in % of Sector ODA	
Luxembourg	6%	Germany	55%	France	5%	Germany	48%

⁶³ The following 18 sectors are considered for the sectoral fragmentation index: Education, Health, Population, Government and civil society, Other social infrastructure, Transport and storage, Communications, Energy, Banking and Financial services, Business and other services, Agriculture forestry and fishing, Industry mining and construction, General environment protection, Other multisector, General budget support, Development food assistance, Other commodity assistance. We do not consider emergency aid or aid dedicated to actions related to debt in our calculation since they capture more punctual ODA.

Finland	6%	France	20%	Germany	5%	France	23%
Germany	6%	United Kingdom	14%	Sweden	4%	United Kingdom	12%
United Kingdom	4%	Switzerland	3%	United Kingdom	4%	Sweden	6%
France	4%	Netherlands	3%	Denmark	2%	Netherlands	3%

*Note: Authors' computation. Sectoral aid data by donor (ODA commitments to all DCs) have been retrieved from the Creditor Reporting System hosted by the International Development Statistics hosted by the OECD-DAC. The ranking of donors in **Panel A** column is based on the share of their total ODA commitments to DCs that they devote to one of the sectors reported above. For instance, over 2015-2020, on average, Slovenia allocated almost 35% of its ODA to the Education sector. The ranking of donors in **Panel B** has been established on the basis of the "weight" of each donor in the sector, which is defined as the share of the overall sectoral ODA (granted by the 17 donors considered in the analysis) that each donor is providing. For instance, Germany accounts for 43% of the total ODA allocated by the 17 donors to the Education sector (and to all DCs).*

Table 2. Top 5 European donors by sector (for all LDCs)

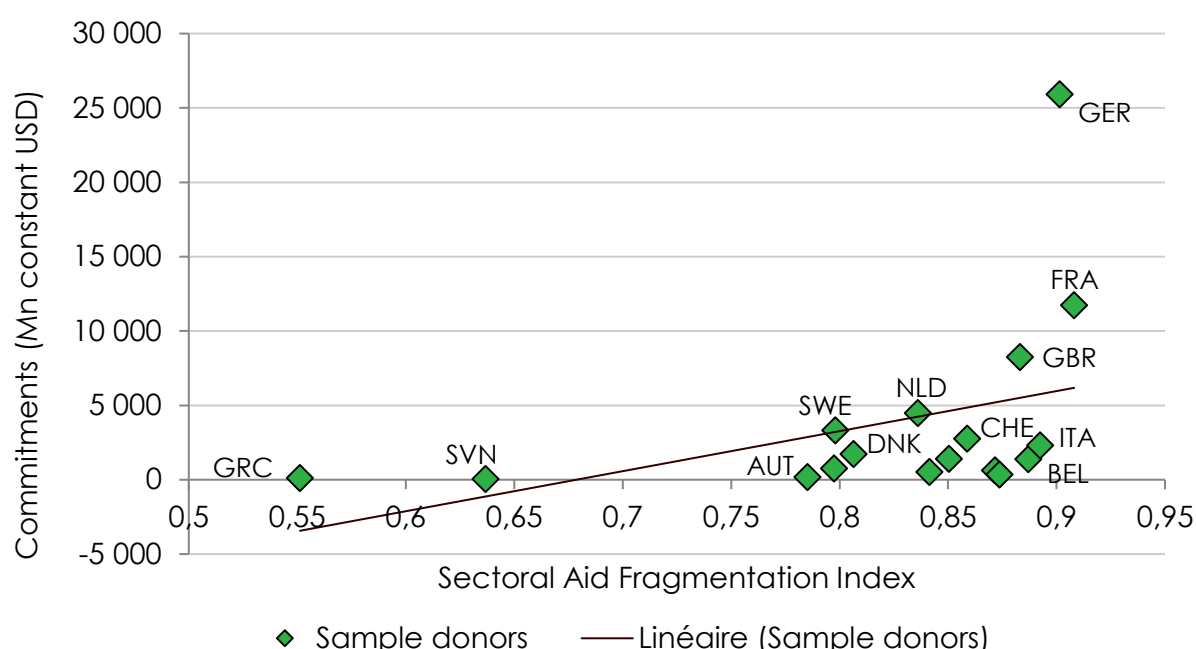
Education				Health			
Top 5 in % of donors' ODA		Top 5 in % of Sector ODA		Top 5 in % of donors' ODA		Top 5 in % of Sector ODA	
Greece	60%	France	29%	Ireland	19%	United Kingdom	22%
Portugal	45%	Germany	26%	Italy	15%	Germany	21%
Luxembourg	21%	United Kingdom	10%	Slovenia	14%	France	11%
Finland	20%	Sweden	5%	Belgium	14%	Belgium	8%
Slovenia	20%	Switzerland	5%	Spain	12%	Sweden	7%
Population				Water Supply & Sanitation			
Top 5 in % of donors' ODA		Top 5 in % of Sector ODA		Top 5 in % of donors' ODA		Top 5 in % of Sector ODA	
Netherlands	16%	United Kingdom	27%	France	17%	France	40%
Slovenia	13%	Netherlands	25%	Netherlands	12%	Germany	25%
United Kingdom	6%	Germany	18%	Slovenia	12%	Netherlands	9%
Sweden	5%	Sweden	9%	Austria	9%	United Kingdom	9%
Belgium	5%	France	7%	Finland	8%	Italy	3%
Government Civil Society				Other Social Infrastructures			
Top 5 in % of donors' ODA		Top 5 in % of Sector ODA		Top 5 in % of donors' ODA		Top 5 in % of Sector ODA	
Denmark	36%	Germany	32%	Austria	8%	United Kingdom	25%
Sweden	27%	United Kingdom	15%	Sweden	8%	Germany	24%
Switzerland	23%	Sweden	12%	Ireland	7%	France	15%
Slovenia	23%	Denmark	9%	Portugal	7%	Sweden	13%
Finland	21%	Switzerland	8%	United Kingdom	6%	Switzerland	4%
Banking & Fina. Serv.				Gen. Environment Protec.			
Top 5 in % of donors' ODA		Top 5 in % of Sector ODA		Top 5 in % of donors' ODA		Top 5 in % of Sector ODA	
Austria	3%	Germany	54%	Slovenia	48%	Germany	49%
Germany	3%	France	23%	Germany	3%	United Kingdom	15%
France	2%	United Kingdom	10%	Sweden	2%	France	15%
Denmark	2%	Sweden	6%	United Kingdom	1%	Sweden	10%
Sweden	1%	Denmark	2%	France	1%	Denmark	3%

*Note: Authors' computation. Sectoral aid data by donor (ODA commitments to all LDCs) have been retrieved from the Creditor Reporting System hosted by the International Development Statistics hosted by the OECD-DAC. The ranking of donors in **Panel***

A column is based on the share of their total ODA commitments to LDCs that they devote to one of the sectors reported above. For instance, over 2015-2020, on average, Greece allocated 63% of its ODA to the Education sector. The ranking of donors in **Panel B** has been established on the basis of the “weight” of each donor in the sector, which is defined as the share of the overall sectoral ODA (granted by the 17 donors considered in the analysis) that each donor is providing. For instance, France accounts for 27% of the total ODA allocated by the 17 donors to the Education sector (and to all LDCs).

Figure 2 below confirm our hypothesis based on prior observations, that larger donors tend to be active in terms of development assistance in more sectors than donors with lower ODA means which decide to concentrate their efforts over few sectors, probably in order to concentrate resources and maximize their impact in the targeted sector, as covering more sectors would inevitably results in lower ODA amounts per sector, and thus in marginal project (in terms of amounts).

Figure 2. Donor's diversification profile



Note: Authors' computation based on ODA sectoral commitments, retrieved from the CRS database. Higher values of Sectoral Aid Fragmentation Index reflect higher diversification in terms of sectoral aid (i.e., more sectors targeted by one single donor). Linéaire captures the linear fit between observations.

CRITERIA #2 : AID TO SECTORS WITH SIGNIFICANT IMPACT ON INEQUALITY REDUCTION

Looking at the data by sector can however be misleading as one cannot claim that all ODA targeting a given sector is inequality-reducing as not all sub-sectors will directly, or even indirectly, tackle inequality issues. Consequently, the objective consists in retrieving data about aid flows that are expected to reduce inequality. To do so, we considered aid provided to those sectors and sub-sectors which have been identified by INTPA as having a significant impact on inequality reduction. This 5-digit sector analysis is reported below and covers a wide range of sub-sectors such as Primary Education or Basic Health care (see Box 1 below for a description of inequality-reducing sectoral ODA according to INTPA).

We then start by looking at the share of sectoral aid commitments considered as inequality reducing by INTPA in total ODA allocated to developing countries (and alternately to LDCs). The calculation of this share is obtained by summing all the ODA flows recorded in the 32 sub-sectors (5-digit level) and dividing this total, by total ODA commitments (both to developing countries, i.e., sectoral aid to DCs and total aid commitments to DCs). Such a share thus represents a proxy of the effort deployed by each donor in targeting sectors with potential impact on inequality reduction and helps answering the following question: *Among all aid provided to developing countries (or conversely to the sole LDCs), how much is allocated to sectors identified as having a strong impact on inequality reducing?* Therefore, comparisons between donors provide an interesting ranking in terms of how well they address inequality issues in their development cooperation strategy, regardless of the absolute amounts of ODA provided by each donor.

Box 1: Identifying Inequality-reducing ODA

In their internal document that we got access to, INTPA (International Partnerships), the division responsible for international partnership and the development policy of the European Commission, define a list of 32 CRS codes for (5-digit) sub-sectors with a potentially large impact on inequality reduction, henceforth considering aid targeting these sectors as inequality-reducing. These sectors are reported below and are categorized by their corresponding 2-digit sector. We also report the total number of 5-digit sub-sectors in each 2-digit sector in order to appreciate how many of these sectors those considered as inequality-reducing account for.

Education (11): *(6 out of 15 sectors)*

11120: Education Facilities & training; 11220: Primary Education; 11230: Basic life skills for adults; 11240: Early childhood education; 11250: School feeding; 11330: Vocational training

Health (12): *(4 out of 18 sectors)*

12220: Basic health care; 12230: Basic health infrastructure; 12240: Basic nutrition; 12261: Health education

Population Policies & Reproductive policies & Reproductive Health (13) *(3 out of 5 sectors)*

13020: Reproductive health care; 13030: Family planning; 13034: STD control including HIV/AIDS

Water Supply & Sanitation (14): *(4 out of 11 sectors)*

14030: Basic drinking water supply & basic sanitation; 14031: Basic drinking water supply; 14032: Basic sanitation; 14050: Waste management disposal

Government & Civil Society (15): *(3 out of 22 sectors)*

15150: Democratic participation & civil society; 15180: Ending violence against women & girls; 15261: Child soldiers (prevention & demobilization)

Other Social infrastructures and services (16): *(7 out of 11 sectors)*

16010: Social protection; 16020: Employment creation; 16040: Low-cost housing; 16050: Multisector aid for basic social services; 16064: Social mitigation of HIV/AIDs; 16070: Labour rights; 16080: Social dialogue

Banking & Financial Services (24): *(2 out of 6 sectors)*

24040: Informal/semi-formal financial intermediaries; 24050: Remittances' facilitation, promotion, optimization

Other Multisector (43): *(2 out of 10 sectors)*

43060: Disaster risk reduction; 43072: Household food security programs

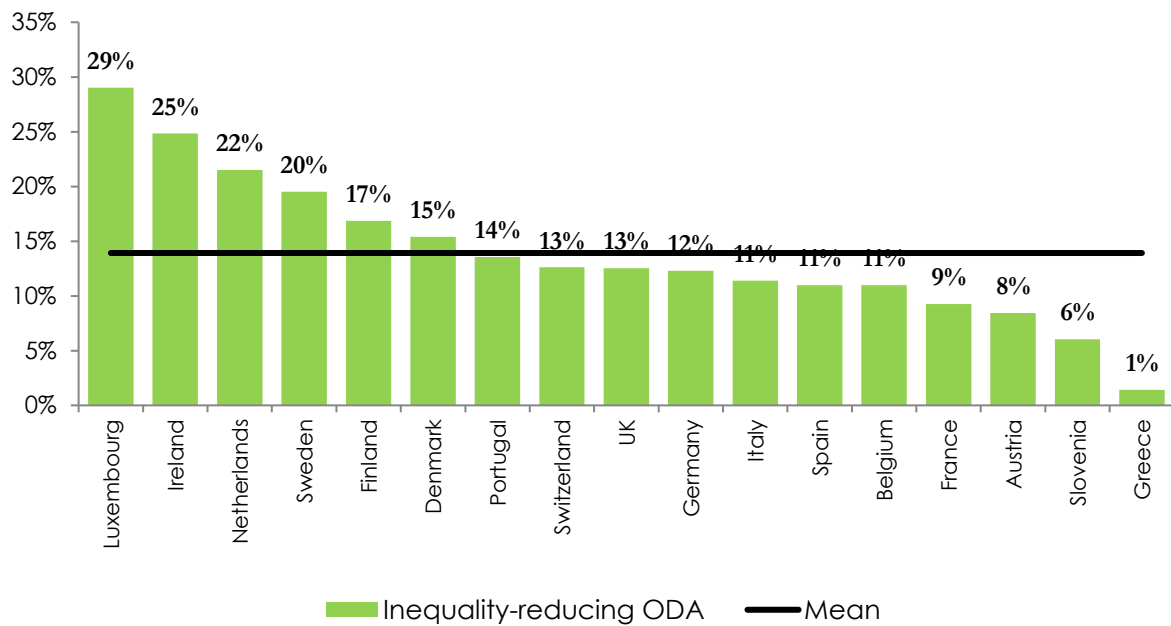
Development Food Assistance (52): *(1 out of 1 sector)*

52010: Food assistance

Figure 3a below presents histograms of this share by donor (computed over 2015-20120, on average), and compare the results with what is observed for ODA targeting LDCs specifically (**Figure 3b**).

Figure 3a. Inequality-reducing ODA (as % of total ODA)

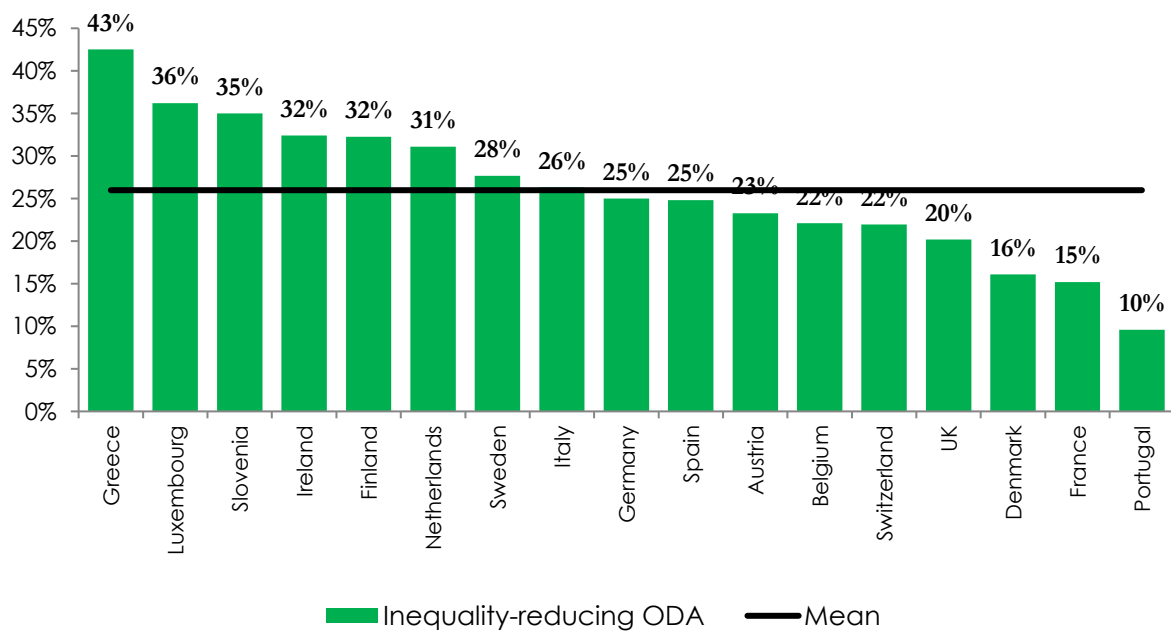
Provided to DCs (on average 2015-2020)



Note: Authors' computation. Sectoral aid data (ODA commitments to all DCs) have been retrieved from the Creditor Reporting System hosted by the International Development Statistics hosted by the OECD-DAC. Inequality-reducing ODA computation explained above in the core text. Solid black line represents the mean value of the share of ODA allocated to inequality-reducing sectors, computed across the 17 donors considered in the analysis.

Figure 3b. Inequality-reducing ODA (as % of ODA to LDCs)

Provided to LDCs (on average 2015-2020)



Note: Authors' computation. Sectoral aid data (ODA commitments to all DCs) have been retrieved from the Creditor Reporting System hosted by the International Development Statistics hosted by the OECD-DAC. Inequality-reducing ODA computation explained above in the core text. Solid black line represents the mean value of the share of ODA allocated to inequality-reducing sectors, computed across the 17 donors considered in the analysis. Histograms are reproduced in the Appendix for 2020.

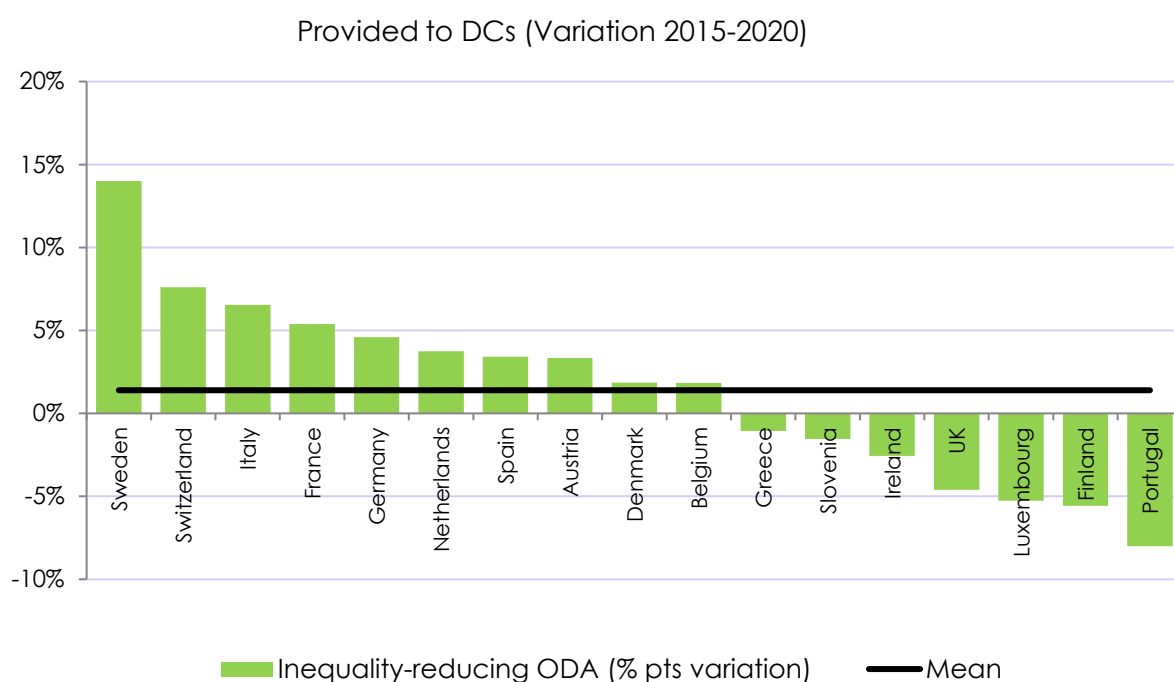
Figure 3a provides some interesting insights. First, it shows that Luxembourg and Nordic donors have the largest share of their ODA commitments allocated to sectors that reduce inequality, suggesting that inequality issues are an important objective of their development cooperation strategy. It is also interesting to note that while the donors in the sample allocate on average about 14% of their total ODA commitments to sectors that may have a significant impact on inequality, the major European donors such as the UK, Germany, Italy, and France all fall below this average ratio, with France allocating only 9% of its total ODA to these sectors. Figure 3b reports the same percentage, but only considering ODA to LDCs, thus showing the share of ODA channelled to LDCs that is allocated to sectors that reduce inequality. While Greece was at the bottom of the ranking in Figure 3a, it is now the donor that makes the largest effort to target its ODA to areas that reduce inequality, but only to LDCs. This means that Greece allocates most of its ODA resources to middle-income countries, where inequality issues are not central to the thematic focus of Greek cooperation, but that of the remaining (and therefore quite marginal) amounts of ODA provided to LDCs, almost half is allocated to sectors aimed at reducing inequality.

Beside the particular situation of Greece, we then find again Luxembourg, Slovenia and Nordic countries in the next positions, still lying above the average ratio. As far as the largest donors are concerned, it can be seen that while Germany's effort is now close to the average (about a quarter of its ODA to LDCs targeting inequality), the UK and France are further down the scale. The ratio for Denmark is also surprisingly low as it was not the case regarding its overall ODA and which thus suggest that the Danish development cooperation does not pay particular attention to inequality issues in recipient LDCs. Almost all countries perform better in "addressing inequality" when cooperating with LDCs (as compared to their overall development cooperation, i.e. with all developing countries) except Portugal, which deploys less efforts when channelling aid to LDCs than to all developing countries (and probably to middle-income countries).

We repeat the exercise for 2020 only (**Figures A3a** and **A3b** in the appendix) but the ranking remains pretty stable as compared to what is observed on average over the period of study. However, when reproducing histograms for LMICs and UMICs the distribution of donors' involvement in sector aimed at reducing inequality varies. Albeit Luxembourg remains the top donors according to this criteria, Italy and Spain perform much better when it comes about targeting inequality reducing in middle income countries, both on average over 2015-2020 (**Figures A4a** and **A4b** in the appendix) as well as for 2020 only (**Figures A5a** and **A5b** in the appendix).

The above graphs present a first picture of how reducing inequality is important in donors' assistance strategy. But, while they provide an interesting snapshot of where each donor stands as compared to the others, they do not tell much regarding the dynamic of each donor in addressing such themes through their ODA. We suggest investigating such dynamics next by reproducing the exercise but focusing on the variation in the share of inequality-reducing ODA between 2015 and 2020 rather than the average value over this period. To do so we simply compute the difference (in percentage points) between the 2015 and 2020 shares of ODA allocated to inequality-reducing sectors. **Figures 4a** and **4b** provides histograms for both ODA dedicated to all developing countries and to least developed countries, respectively.

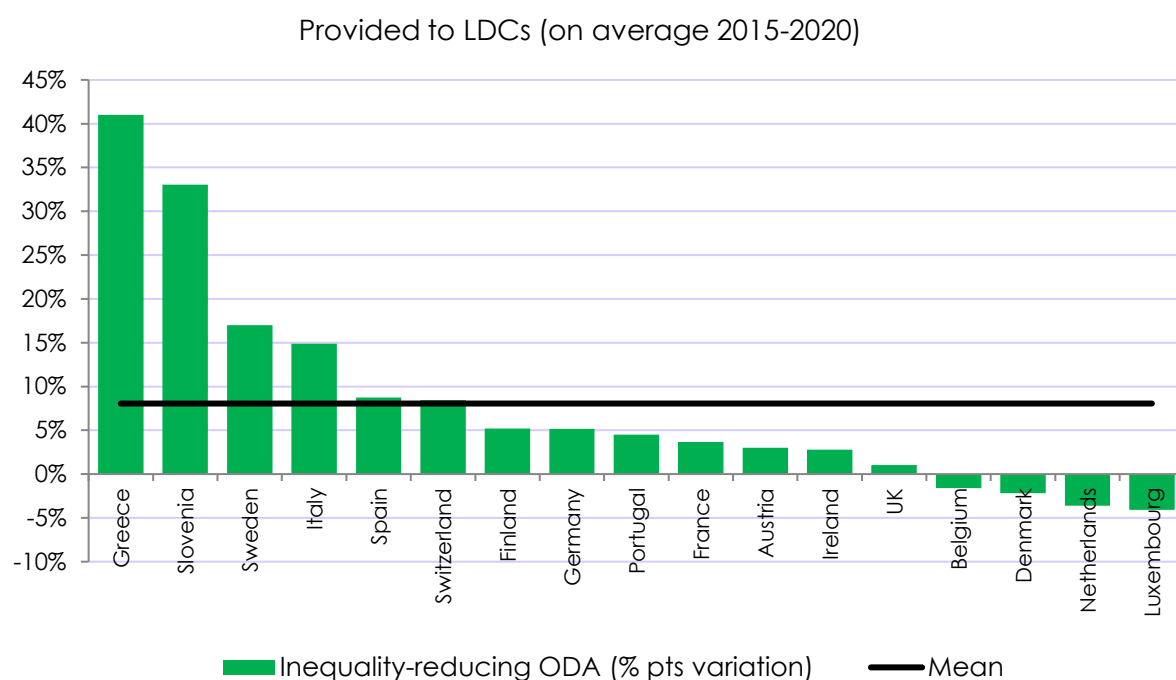
Figure 4a. Variation in Inequality-reducing ODA (as % of total ODA)



Note: Authors' computation. Sectoral aid data (ODA commitments to all DCs) have been retrieved from the Creditor Reporting System hosted by the International Development Statistics hosted by the OECD-DAC. The variation indicates absolute change in inequality-reducing ODA (expressed in percentage of total ODA) between 2020 and 2015. Solid black line represents the mean value of the share of ODA allocated to inequality-reducing sectors, computed across the 17 donors considered in the analysis.

Interestingly, donors that performed relatively poorly on average over 2015-2020, including the largest donors, were the ones that experienced positive (and even above average) changes in their share of inequality-reducing ODA (with the exception of UK). Germany, Italy, and France increased the share of their ODA they devote to inequality-reducing sectors by about 4.9, 7, and 5 percentage points, respectively. Conversely, donors that were good performers over the period under study have decreased their effort, quite significantly for Luxembourg and Finland. Among the best-performing donors (on average), only Sweden, Netherlands and Denmark showed progress in focusing on reducing inequality through their ODA between 2015 and 2020. The story is quite similar when focusing on ODA provided to LDCs (Figure 4b below), albeit with a reduction for Netherlands in their share of ODA devoted to these specific sectors. In the case of France, the lower involvement in these sectors could explain the relatively poor performance over the period studied when looking at the average effort to address inequality through ODA in recipient LDCs.

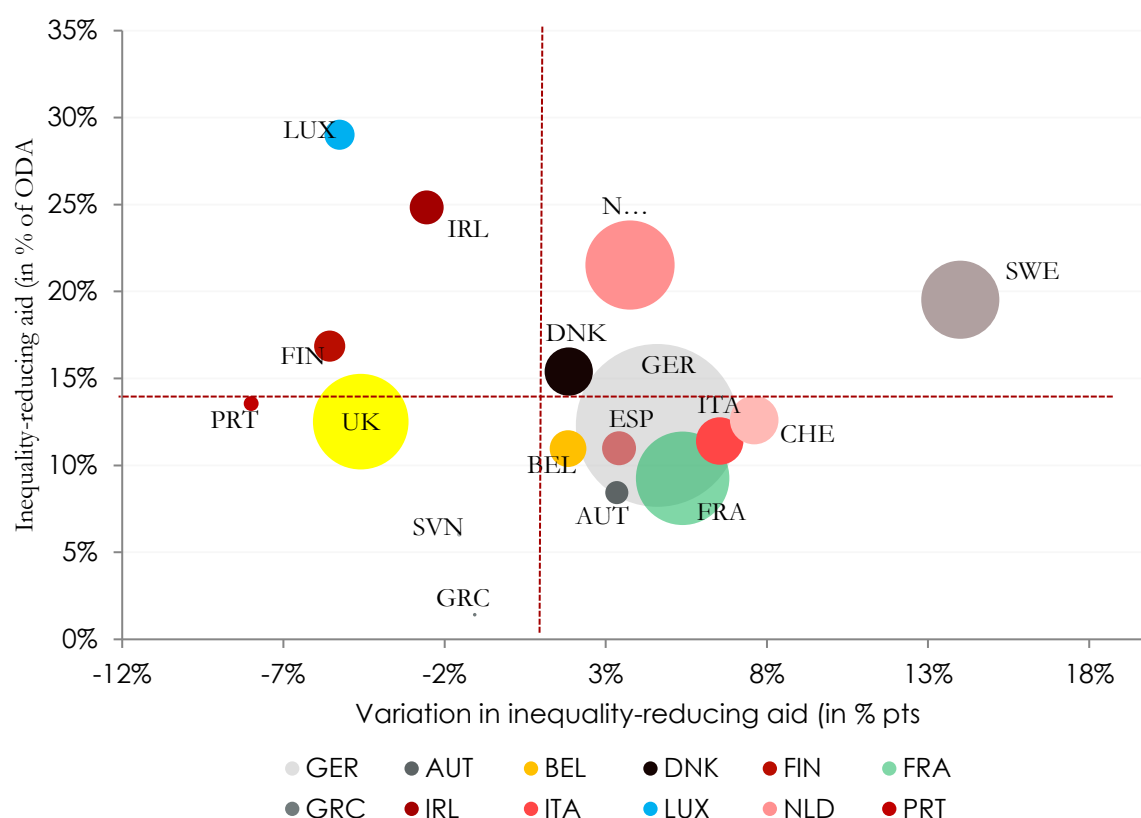
Figure 4b. Variation in Inequality-reducing ODA (as % of ODA to LDCs)



Note: Authors' computation. Sectoral aid data (ODA commitments to all LDCs) have been retrieved from the Creditor Reporting System hosted by the International Development Statistics hosted by the OECD-DAC. The variation indicates absolute change in inequality-reducing ODA to LDCs (expressed in percentage of total ODA to LDCs) between 2020 and 2015. Solid black line represents the mean value of the share of ODA allocated to inequality-reducing sectors, computed across the 17 donors considered in the analysis.

We then suggest crossing information from Figures 3 and 4 into a single graph in order to map donors' profile in terms of inequality-reducing ODA provision. **Figure 5a** below thus report for each donor, its performance in terms of the share of its ODA commitments that has been allocated, on average between 2015 and 2020, to sectors defined as inequality-reducing (y axis) reported in Figure 3, as well as the variation of this share between 2015 and 2020 (x axis) as reported in Figure 4. We then compute the share of each donor in the overall inequality-reducing ODA committed between 2015 and 2020 by the 17 donors of the analysis in order to weight each donor's observation. Figure 5a considers ODA committed to developing countries, while **Figure 5b** focuses on ODA commitments to least developed countries only.

Figure 5a. Mapping of Inequality-reducing ODA (provided to DCs)



Note: Authors' computation. Based on sectoral ODA commitments data retrieved from the CRS database available at the International Development Statistics databank hosted by the DAC. Each dot denotes one donor. The size of the dot depends on the weight of each donor (its share) in the overall amounts of inequality-reducing ODA that has been provided to DCs by the 17 donors between 2015 and 2020. X axis reports the variation between 2015 and 2020 of the share of donor's ODA that is allocated to inequality-reducing sectors? The variation is expressed in percentage points. The Y axis reports the average share of ODA that each donor has directed towards inequality-reducing sectors between 2015 and 2020. Lastly, vertical and horizontal dash-lines represent the mean value (computed over the 17 donors) of the variation in inequality-reducing ODA and of the inequality-reducing ODA, respectively.

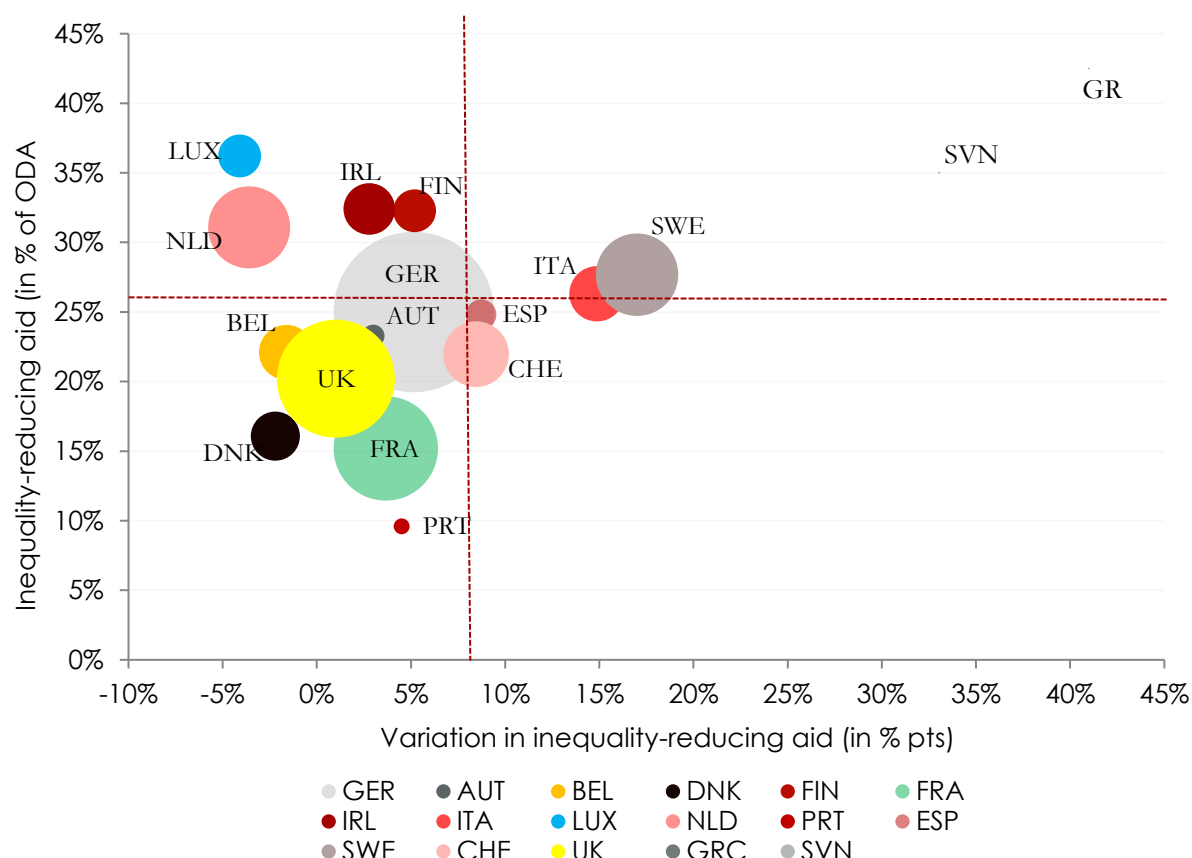
Donors' mapping in Figure 5a above helps us in understanding their importance and dynamics in fighting inequality issues in their development cooperation. As suggested priority, donors that mostly contribute to sectors intended to reduce inequality have increased their efforts over the past years, but still record a level of commitment inferior to the average performance among sampled donors. Yet, the dynamics observed since 2015 and the remaining room for manoeuvre are promising, as the main actors besides UK (i.e. Germany, France, and Italy), which appeared quite concentrated (along with the small EU donors) in Figure 5a, seem to have improved the focus of their development cooperation by giving more weight to inequality issues since 2015. As an example to follow, this group of donors might consider the case of Sweden, a relatively large donor in terms of its contribution to total ODA aimed at reducing inequality (represented by the size of the bubble), which has significantly increased its share of ODA to these specific sectors (x-axis) and committed about one-fifth of its total ODA to sectors expected to reduce inequality (y-axis), on average and over the study period. In parallel, another (less encouraging) picture emerges from this graph: the best performing donors (besides Sweden), i.e., those with a significant share of their ODA dedicated to inequality reduction sectors, have decreased their contribution to these sectors since 2015, and while some of them remain marginal contributors to the overall effort (Portugal, Finland), others are rather significant contributors to this specific sectoral aid (Netherlands).

Yet the story is quite different if one focuses on ODA to LDCs, as donors are much less clustered and much more scattered. Although Sweden remains one of the best performing donors, Italy is among the "good performers" this time,

The orientation of development cooperation by France, the UK, Belgium, Denmark, and Portugal with LDCs is more questionable, however, as their position in Figure 5b suggests a diminished consideration of inequality issues in their development assistance to these countries. It could be argued that inequality

issues are less important in low-income countries where, although related, poverty issues may be the primary reason for giving aid, relegating inequality to second place. But the LDCs remain a fairly heterogeneous group of countries, some of which have worrying levels of inequality that require external assistance.

Figure 5b. Mapping of Inequality-reducing ODA (provided to LDCs)



Note: Authors' computation. Based on sectoral ODA commitments data retrieved from the CRS database available at the International Development Statistics databank hosted by the DAC. Each dot denotes one donor. The size of the dot depends on the weight of each donor (its share) in the overall amounts of inequality-reducing ODA that has been provided to LDCs by the 17 donors between 2015 and 2020. X axis reports the variation between 2015 and 2020 of the share of donor's ODA that is allocated to inequality-reducing sectors. The variation is expressed in percentage points. The Y axis reports the average share of ODA that each donor has directed towards inequality-reducing sectors between 2015 and 2020. Lastly, vertical and horizontal dash-lines represent the mean value (computed over the 17 donors) of the variation in inequality-reducing ODA and of the inequality-reducing ODA, respectively.

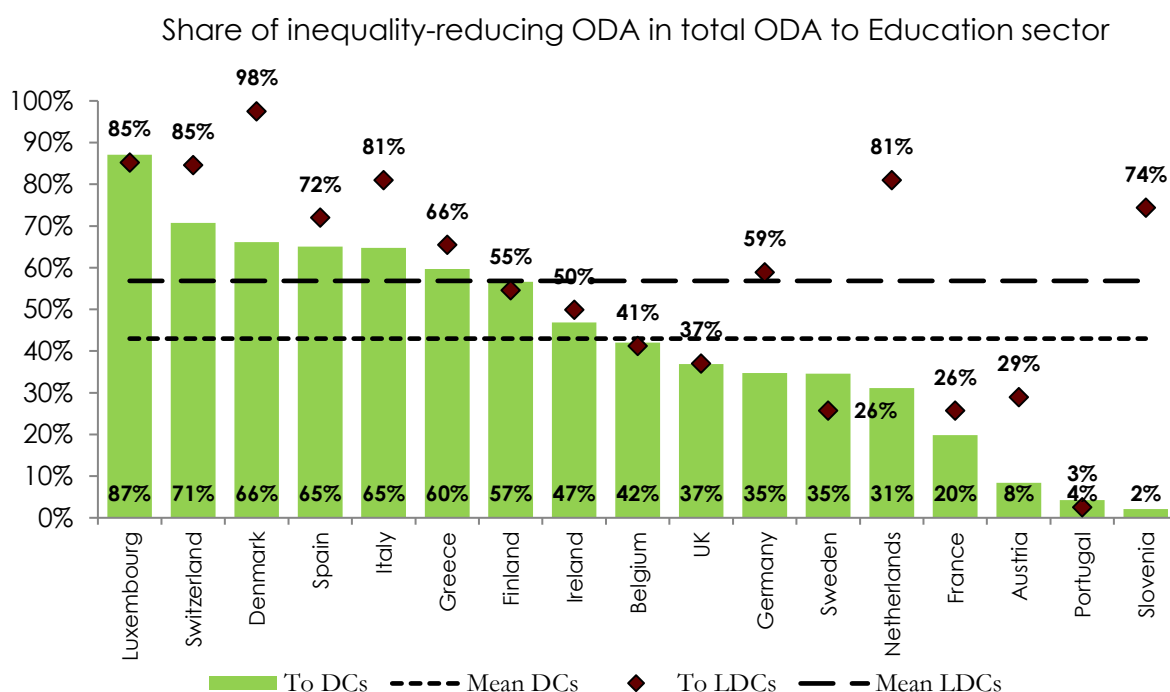
The charts above provide an initial representation of the consideration of inequality issues in the overall development assistance of the donors in the sample. Nevertheless, and as noted earlier, some of these donors have a long history of cooperation within sectors that they consider important and have therefore been able to develop significant expertise in assisting specific areas such as education, health or water supply. The question then becomes, among these sectoral contributions, how successful are donors in targeting, as a priority, those sectors that are expected to have the greatest impact on reducing inequality?

To do so, we deepened the analysis by focusing on the share of inequality-reducing ODA within each 2-digit sector, for each donor. For instance, we have computed the share of all the commitments dedicated to sectors 11120, 11220, 11230, 11240, 11250, 11330⁶⁴ over total commitments allocated to the education sector (11) (over 2015-2020). By doing this we aim to capture the extent to which donors are tackling educational inequality as part of their total aid dedicated to the sector. By way of example, and in other words, this calculation makes it possible to answer the following question: Of the total aid provided to the education sector, what share is allocated to sub-sectors identified as having a strong

⁶⁴ 11120: Education Facilities & training; 11220: Primary Education; 11230: Basic life skills for adults; 11240: Early childhood education; 11250: School feeding; 11330: Vocational training

impact on reducing inequality? As with Figures 3a and 3b, the resulting shares are used to compare performance across donors in terms of their ability to address inequality issues in their aid allocations, regardless of their ODA resources. Results are reported for sectors 11 to 16 in **Figures 6a to 6f** below and for both developing countries, as a whole, and least developed countries.

Figure 6a. Inequality-reducing ODA as % of total ODA in the education sector (average over 2015-2020)

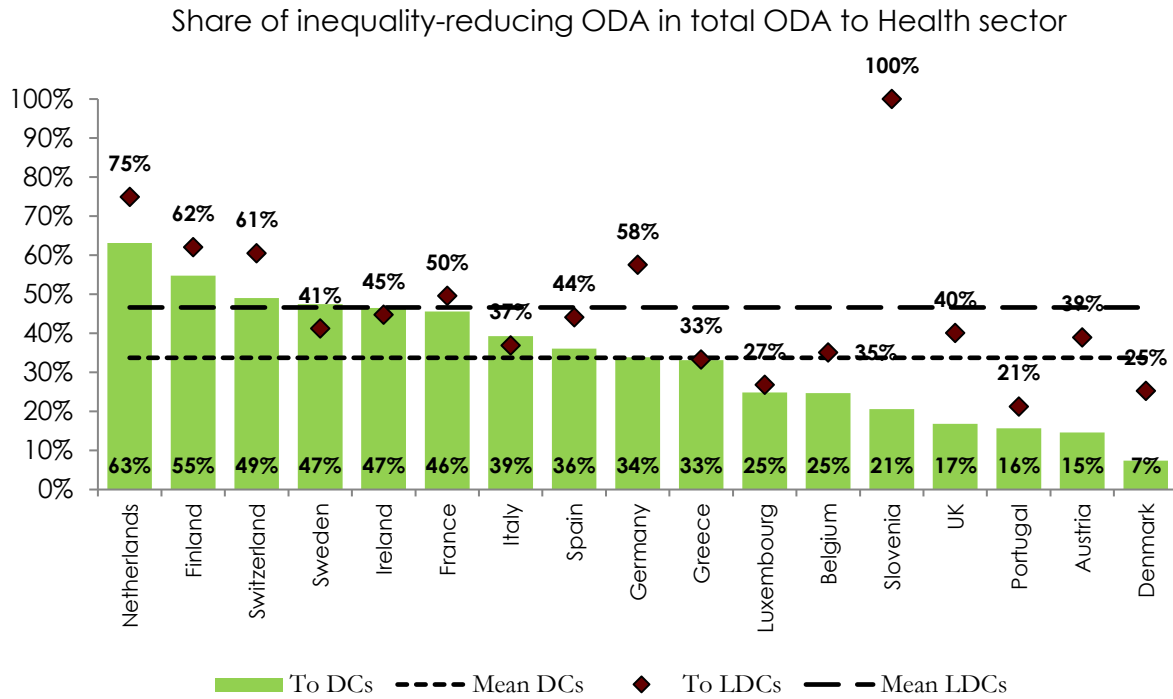


Note: Authors' computation. Based on sectoral ODA commitments data retrieved from the CRS database available at the International Development Statistics databank hosted by the DAC. Histogram reports the share of inequality-reducing ODA (committed to DCs over 2015-2020) in the 2-digit sector for each donor. Diamond-shaped points do the same for inequality-reducing ODA committed to LDCs only. Dash-lines represent the mean value (computed across the 17 donors) of these shares for both DCs' ODA (short-dash) and LDCs' ODA (long-dash). Percentages in bold font are values associated to vertical bars while other percentages denote values related to diamond-shaped points.

If we first consider the education sector, where among the 15 existing sub-sectors, only 6 have been identified by INTPA as having a strong impact on the reduction of inequalities, a first group of successful donors stands out: Luxembourg, Switzerland, Denmark, Spain, Italy and Greece. These donors allocate at least 65% of their total education ODA to the education sectors that INTPA identifies as most promising for reducing inequality. This percentage increases to 70% (at least) if we consider only development aid to LDCs. Moreover, we note that Denmark allocates almost all of its education aid to LDCs to these specific sectors. While Slovenia and the Netherlands target these sectors relatively little when considering total ODA to education, they also perform quite well in terms of aid to education in LDCs.

Lower down the ranking, large donors such as France and the UK, as well as some smaller ones such as Portugal and Austria, do poorly in targeting education sectors that reduce inequality, both in their overall cooperation and when considering only their cooperation with LDCs. Belgium and, surprisingly, Sweden (which does not seem to be really concerned with inequality issues when it comes to education aid) also show little effort when it comes to supporting inequality-reducing sectors in recipient LDCs. Finally, Germany is below the average effort in terms of support to these education sectors (for all developing countries).

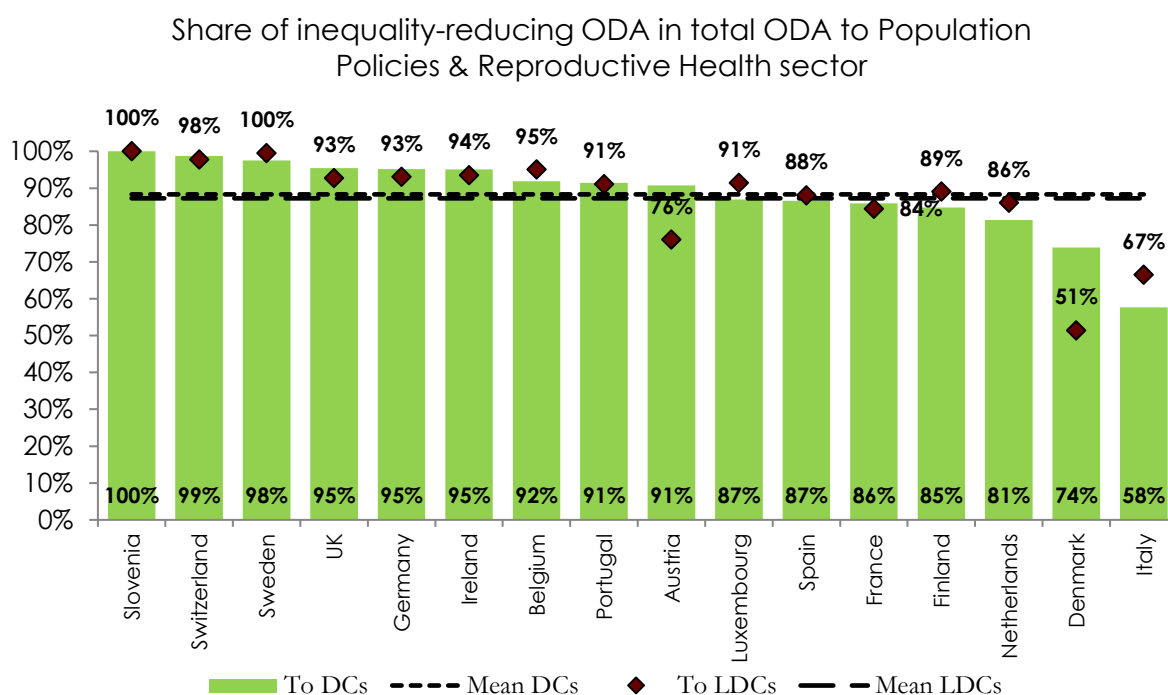
Figure 6b. Inequality-reducing ODA as % of total ODA in the health sector (average over 2015-2020)



Note: Authors' computation. Based on sectoral ODA commitments data retrieved from the CRS database available at the International Development Statistics databank hosted by the DAC.

With regard to ODA devoted to the health sector, only 4 of the 18 sub-sectors are defined by INTPA as reducing inequalities, thus leading to lower shares for each donor, with the exception of Slovenia which (as for education) allocates a significant share of its health ODA (all of it in fact) for LDCs to these specific sub-sectors. The Netherlands, Finland, Switzerland, Sweden, Ireland and France also perform quite well in targeting these sectors, highlighting a higher degree of concern about health inequalities than education inequalities, particularly for Sweden and France. However, as we observed for education, the UK, Portugal, Austria, and Denmark (surprisingly) do not seem to favour the subsectors thought to affect inequality the most. Germany, Italy, Greece and Spain are all in the middle of the donors in the sample.

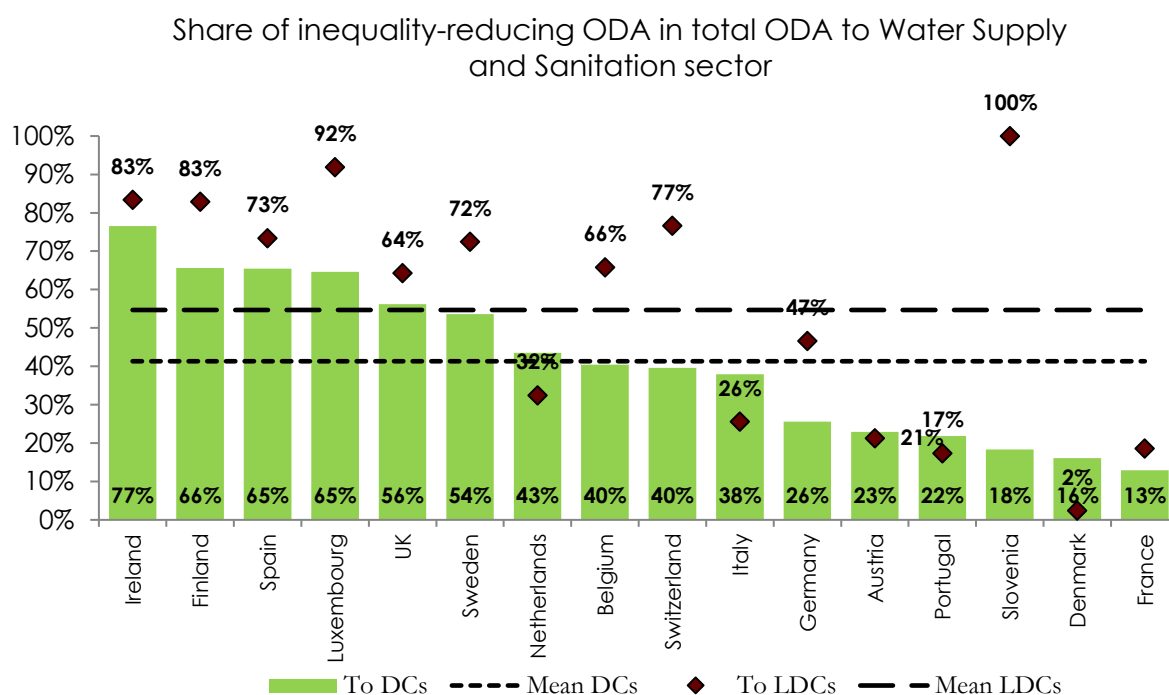
Figure 6c. Inequality-reducing ODA as % of total ODA in the population policies and reproductive health sector (average over 2015-2020)



Note: Authors' computation. Based on sectoral ODA commitments data retrieved from the CRS database available at the International Development Statistics databank hosted by the DAC. The mean value for shares of inequality-reducing ODA committed to DCs cofound with these for LDC. Greece is not reported in this Figure as it does not provide ODA for this sector.

As three of the five sub-sectors of the population policy and reproductive health sector are defined as being aimed at reducing inequalities, the shares of each donor are quite high. We note only that Denmark, Netherlands, and Italy are among the worst performers in support of these subsectors, relative to other donors. Nevertheless, the share of their sectoral ODA that they devote to these sub-sectors remains relatively high (except perhaps for Denmark when it cooperates with LDCs).

Figure 6d. Inequality-reducing ODA as % of total ODA in the water supply and sanitation sector (average over 2015-2020)

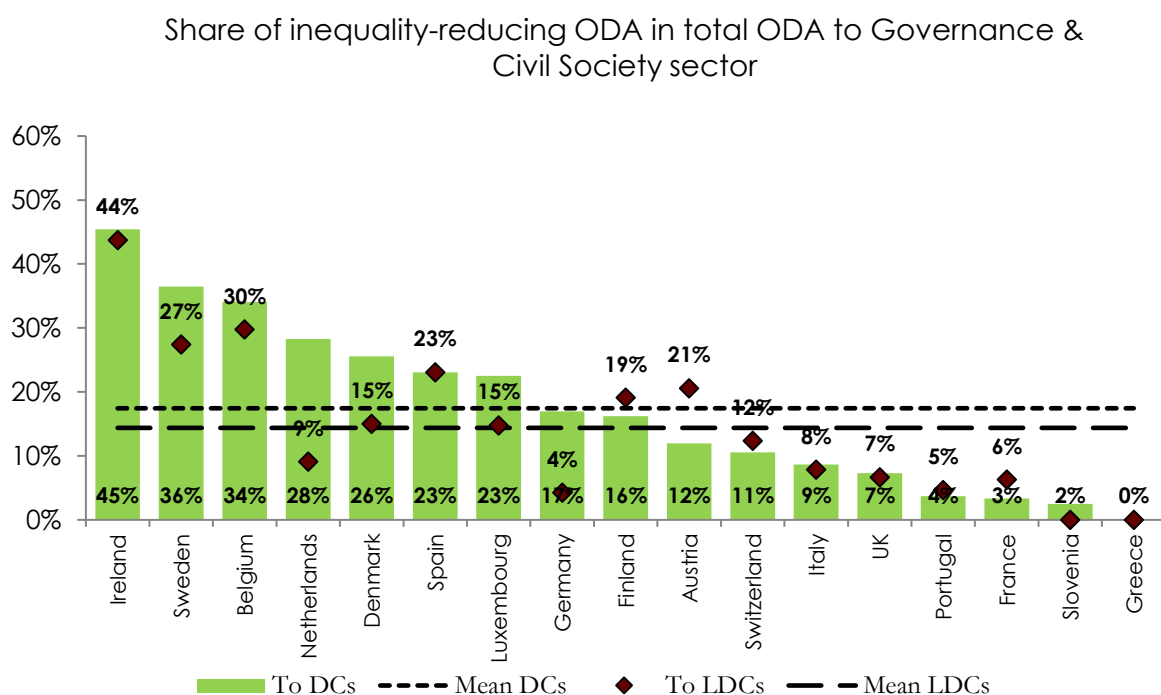


Note: Authors' computation. Based on sectoral ODA commitments data retrieved from the CRS database available at the International Development Statistics databank hosted by the DAC. Greece is not reported in this Figure as it does not provide ODA for this sector.

As with the health sector, only two of the eleven sub-sectors included in the water supply and sanitation sector are considered to have a significant impact on reducing inequality. However, a group of donors including Ireland, Finland, Spain, Luxembourg, the UK and Sweden (and Slovenia when it comes to LDC development assistance) perform remarkably well in favouring inequality-reducing subsectors in the allocation of their water supply and sanitation aid, both for their overall ODA and for that exclusively for LDCs. Although Switzerland and Belgium perform below the average donor effort in overall ODA, they allocate a significant share of their sectoral ODA to LDCs to these sub-sectors. As for the lower performing donors, we again find France, Denmark, Portugal and Austria at the bottom of the ranking (with Germany to a lesser extent), and those regardless of whether the focus is on overall ODA or on LDCs.

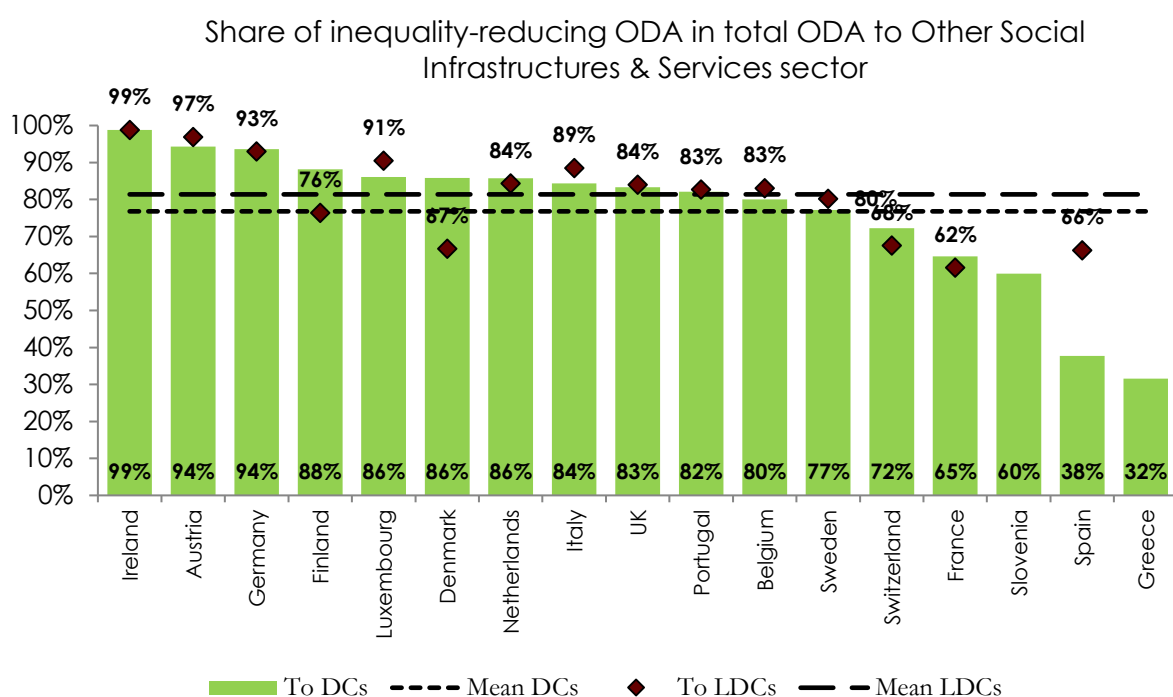
The story is quite similar when focusing on ODA to the governance and civil society sector, with Germany and Denmark performing better than before, again relative to other donors. Conversely, the UK and Switzerland are below the average effort when it comes to addressing inequality issues in this specific sector. Overall, the shares remain low, which may be explained by the fact that only three out of twenty-two subsectors are considered by INTPA to reduce inequality. However, this further highlights the performance of Ireland as well as Sweden and Belgium, which allocate more than a third of this sectoral aid to sub-sectors of interest.

Figure 6e. Inequality-reducing ODA as % of total ODA in the governance and civil society sector (average over 2015-2020)



Note: Authors' computation. Based on sectoral ODA commitments data retrieved from the CRS database available at the International Development Statistics databank hosted by the DAC.

Figure 6f. Inequality-reducing ODA as % of total ODA in the other social infrastructures and services sector (average over 2015-2020)



Note: Authors' computation. Based on sectoral ODA commitments data retrieved from the CRS database available at the International Development Statistics databank hosted by the DAC.

Lastly, since seven out of eleven subsectors in the other social infrastructures and services sector have been flagged as inequality-reducing, most of donors report pretty satisfying performance, beside Greece, Spain, Slovenia, France and, in a lesser extent, Switzerland.

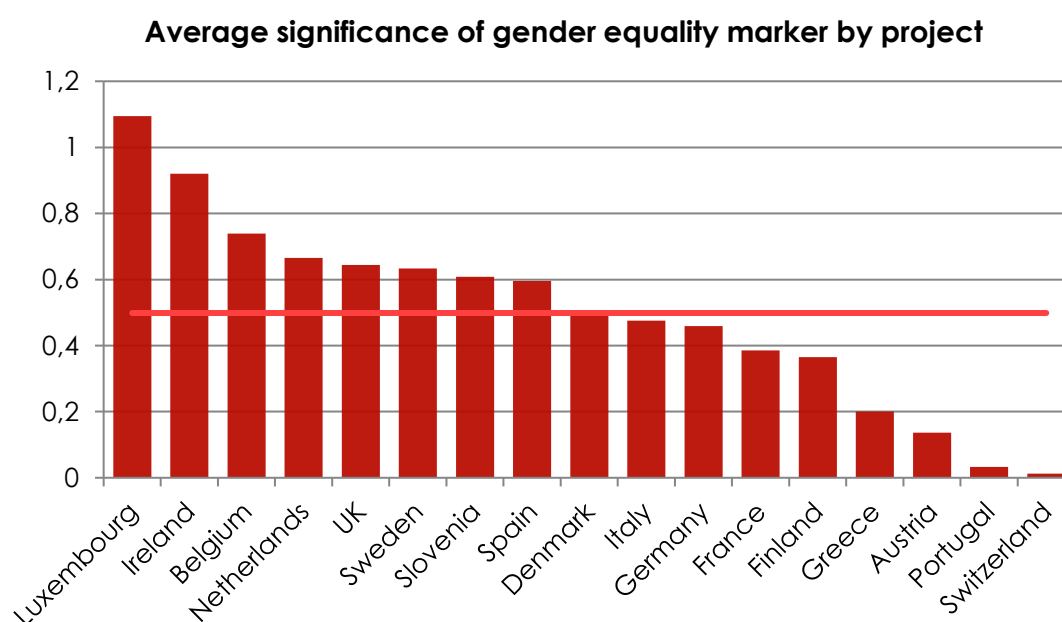
CRITERIA #3 : RELEVANT MARKERS IN THE CONTEXT OF INEQUALITY REDUCTION

We next reviewed the markers provided at the project level in the CRS dataset. The analysis covers all **projects financed in 2020** by donors from the sample, and focuses on those markers that have a higher level of relevance in the context of inequality reduction such as: **Gender**, **Disability**, **Nutrition**, **RMNCH** (Reproductive, Maternal, Newborn and Child Health), **PDGG** (Participatory Development and Good Governance), **Environment**, and **DRR** (Disaster Risk Reduction).⁶⁵

Once collected, we create the average relevance score of each marker by project, by simply computing the sum of relevance indices over all the projects financed by a given donor (only considering projects subject to marker evaluation i.e. with non-missing information as regards the marker score) in 2020⁶⁶, then dividing this number by the overall number of projects (again, subject to marker evaluation). As some projects are bigger than others, donors' effort in targeting inequality could be reflected by the amount they dedicate to those projects. Therefore, we carried out the same calculation, but weight marker scores by the weight of each project in the total amount of ODA disbursements of the given donor in 2020.

The histograms below (**Figure 7**) show the weighted marker scores by donor and for 2020. By way of example, a score around 1 in gender equality for a given country would indicate that for all the projects that this donor is financing, gender equality is (on average) a secondary objective (significant objective in marker parlance). Given the large number of projects, the scores are not that high for some marker and must be interpreted in relative rather than absolute terms i.e., in comparison to the scores of other donors. Note that unlike criteria #1, markers are only available for all developing countries and not for the sub-set of least developed countries. Therefore, histograms are reported for DCs only (as well as for disbursements only).

Figure 7. Marker significance for donors' projects (for all DCs)



Note: Authors' computation. We compute the average grade for gender marker over all ODA projects that have been subject to the marker policy evaluation (i.e. projects with a reported gender marker of 0, 1 or 2). The average grade is therefore the weighted sum of gender equality targeting grade (weighted by the total amount of the project), divided by the total number of projects with a non-missing value for the gender marker. Consequently, for some marker categories, some sampled donors are missing as they do not provide marker grade for their projects. ODA disbursement data by project and marker grades

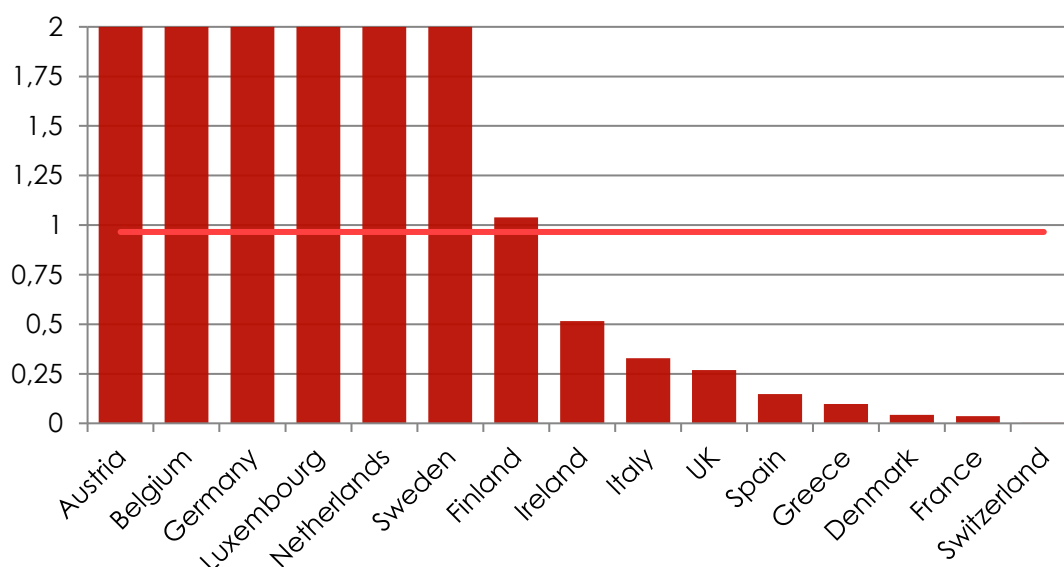
⁶⁵ These are the seven markers out of twelve that we consider as having a strong emphasis on inequality reduction. Other markers are: Trade Development, Biodiversity, Climate Mitigation, Climate Adaptation, and Desertification.

⁶⁶ We focus on 2020 as historical series of markers are not available under the CRS.

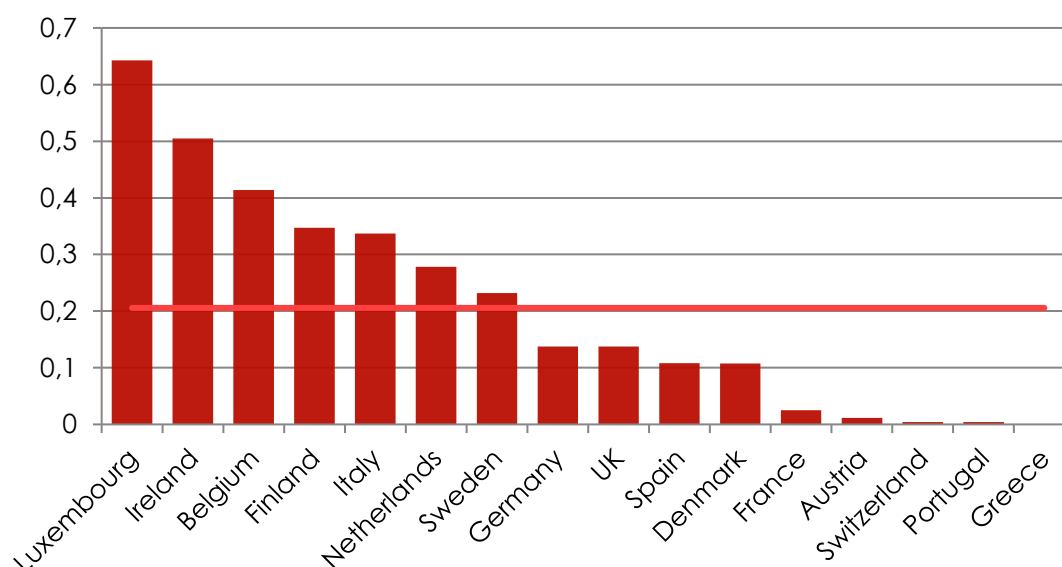
have been retrieved from the Creditor Reporting System (CRS) database available at the International Development Statistics databank hosted by the DAC.⁶⁷

Interpretation for all figures reporting marker performance ranking: Red line denotes the mean value across donors. The above graph must be read as follows: For each donor, across all their aid projects evaluated by the gender equality marker, the grade associated to the gender equality marker is (on average, weighted by the project value) equal to 0.5. For instance, the Luxembourg, on average, finances projects with 1.1 of gender equality targeting (close to 1, which means that gender equality is secondary objective). Note that a donor with a low average significance level can be a donor with very few projects targeting gender equality (among projects coded under the gender marker) as compared to the number of projects financed.

Average significance of Nutrition marker by project

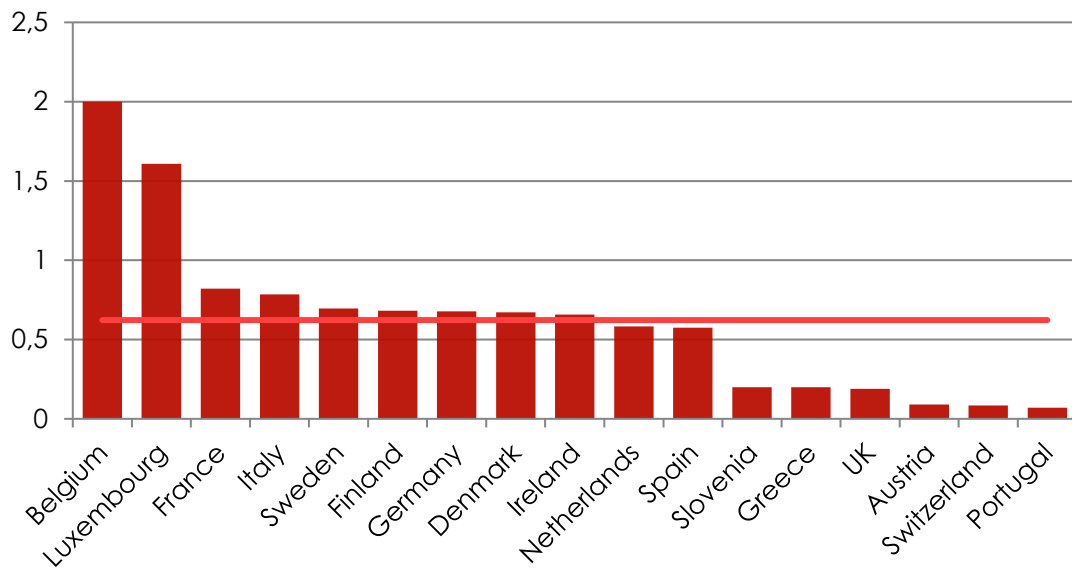


Average significance of RMNCH marker by project

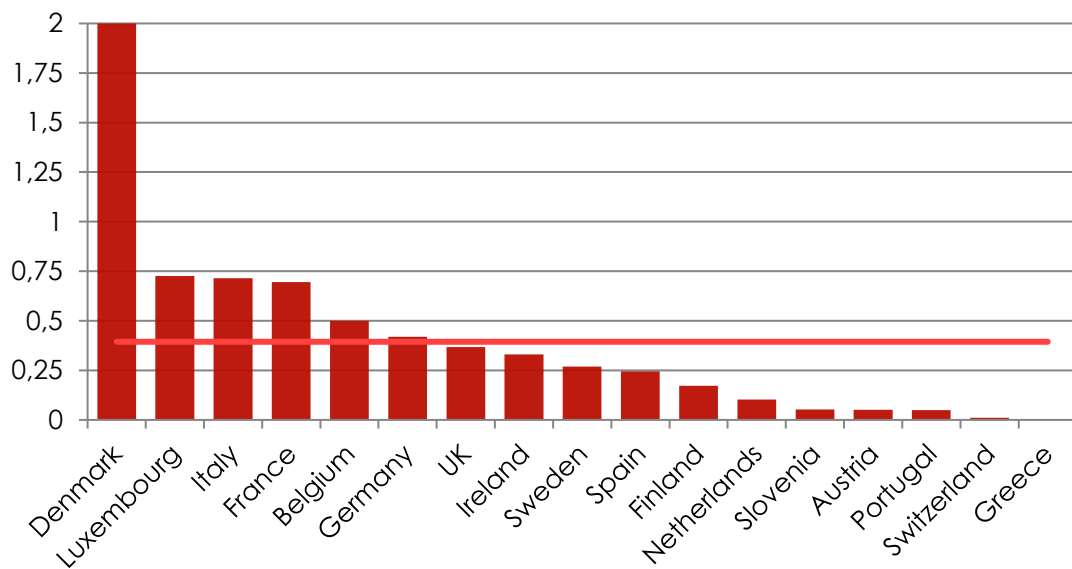


⁶⁷It should be noted that this measure was discussed during the finalization of the report in favor of the same measure but considering in the denominator only projects with a marker score of 1 or 2, thus omitting from the calculation projects with markers scored "0". Nevertheless, we report in the appendix the graph for the gender equality marker excluding projects with a marker of "0", which highlights the ranking distortion implied by such a change (see Figure A6 in the appendix).

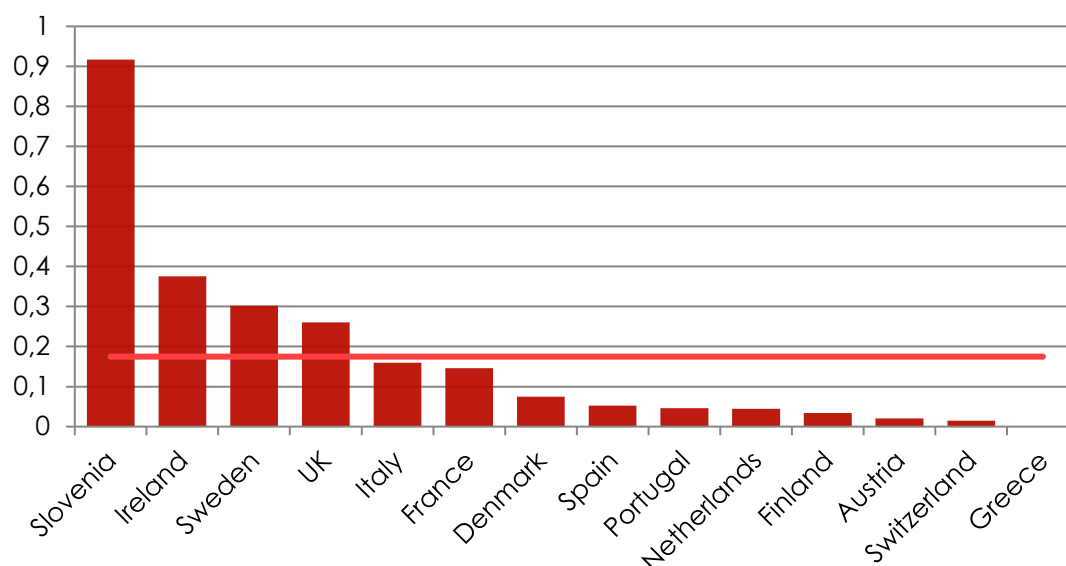
Average significance of PDGG marker by project



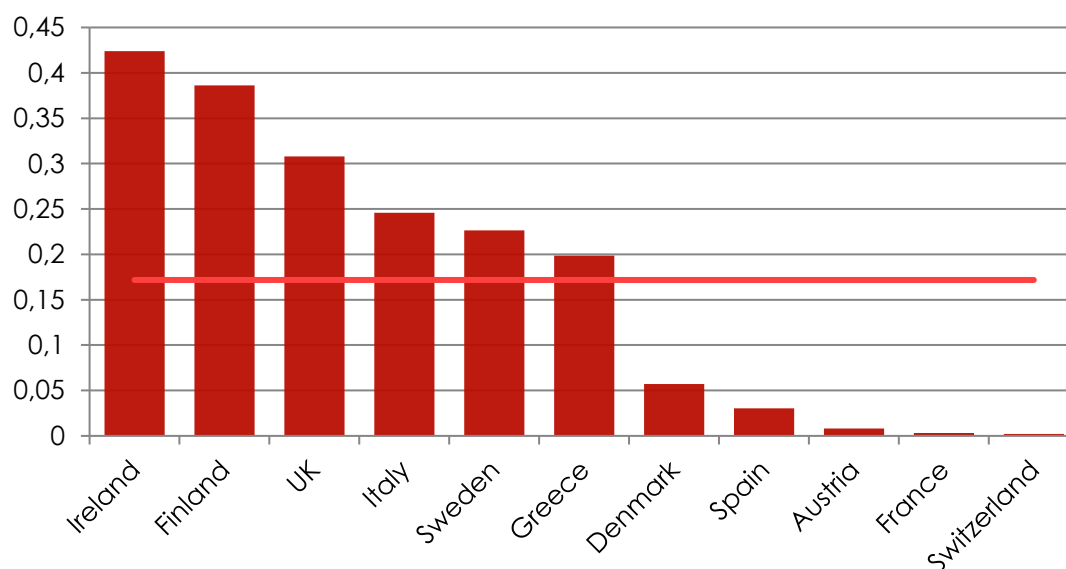
Average significance of Environment marker by project



Average significance of DRR marker by project



Average significance of Disability marker by project



Based on the above graphs, we can see that among the seven markers under study, some donors appear more frequently than others among the top performers, namely Luxembourg, Belgium, Italy and Ireland. This group of donors is, at first sight, quite surprising, especially in view of the presence of Belgium and Italy, which rarely appear in the first positions when the ranking is established on the share of sectoral ODA aimed at reducing inequalities. This raises the question of the information provided by this markers policy compared to that which we have obtained by calculating the shares of commitments in specific subsectors aimed at reducing inequality (at least more than other sub-sectors):

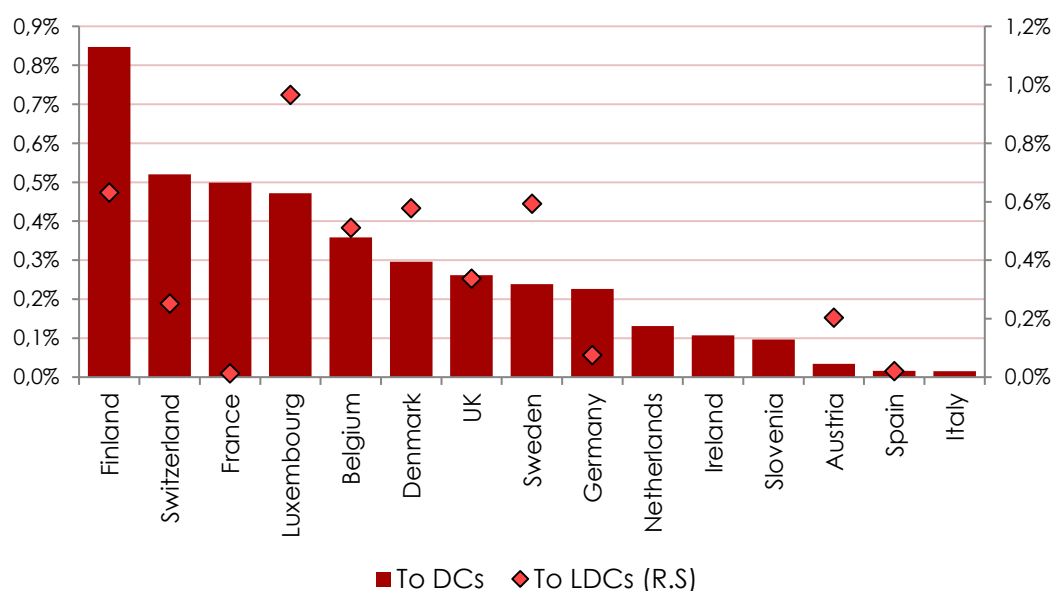
Presence in the top 5 (across the 7 categories)

Luxembourg	5
Belgium	5
Italy	5
Ireland	4

CRITERIA #4 : AID TO DOMESTIC RESOURCE MOBILIZATION

Criteria #4 aims at assessing amount of donors funding committed to domestic resource mobilization. Since the Addis-Ababa Conference on Financing for Development that took place in July 2015, Domestic Resource Mobilization (DRM) has been put centre stage as a necessary means of financing economic and social development (especially in low-income countries where the average tax-to-GDP ratio remains below 20%). Yet, DRM also represents a significant tool that might help curbing inequality if it is employed to foster redistributive taxation. In order to switch from regressive to progressive tax systems, most LDCs need to invest in direct taxation rather than relying on their main source of tax revenues, which, in general relies on indirect taxation such as VAT or excise duties. This type of shift is challenging and requires the technical and financial support of bilateral and multilateral donors. Drawing on the CRS, we retrieved the amount of ODA dedicated to DRM for each donor, on average over 2015-2020 and then computed the share of this funding over total ODA commitments. The same is done for ODA disbursement in the Appendix (Figure A6). **Figure 8** below shows the distribution of donors according to this ratio, for those providing DRM support to developing countries and to LDCs.

Figure 8. DRM support by donor (in % of total commitments), average over 2015-2020



Note: Authors' computation. Based on sectoral ODA commitments data retrieved from the CRS database available at the International Development Statistics databank hosted by the DAC. Histogram reports the share of ODA dedicated to DRM sector (committed to DCs over 2015-2020) for each donor. Diamond-shaped points do the same for DRM ODA committed to LDCs only. Figures for LDCs must be read on the right vertical axis while those for DCs must be read on the left axis. Slovenia, Ireland, and Netherlands do not provide DRM support to LDCs. France committed, on average over 2015-2020, 0.013% of their overall ODA to DRM support in LDCs.

One can notice that better performing donors in terms of prioritizing assistance to domestic resource mobilization are Finland, Switzerland, France and Luxembourg as well as Belgium when it comes about ODA to all developing countries. When focusing on ODA to LDCs, Luxembourg, and in a lesser extent Sweden, are those giving more weight to DRM in their development assistance. The story is relatively similar when approaching ODA with disbursement (**Figure A7** in the appendix), albeit the average effort is significantly lower than when resorting to measures in terms of commitments (especially with regards to ODA to LDCs), underlying once again the necessity of matching disbursements with initial commitments.

APPENDICES

PART 1. MAPPING OF INEQUALITIES REDUCING INITIATIVES IN EUROPEAN COUNTRIES: FINAL REPORT

APPENDIX 1. CONSOLIDATED COMMENT TABLES

The purpose of the Annex is to present an overview of examples, ideas or practical information that have been shared by the MS+ participating in the analysis, either through comments added in the survey questionnaires or through additional testimonies provided during the interviews or in the subsequent revision comments of the draft report.

The information has been edited for easier understanding and standardised presentation.

Q4 & Q5	Does the development cooperation of your country specifically target inequalities, beyond gender inequalities? If positive (i.e., the development cooperation of your country specifically targets inequalities) and inequality or inequalities are referred to in the development cooperation policy and strategies of your country, do you apply a specific definition of the term “inequality”? – Note that in this survey we are not interested in gender inequalities in general terms, but are interested in relation to specific areas, for example access to economic services.
Belgium	<ul style="list-style-type: none">• Inequality is a global challenge for Enabel next to 4 other themes.• There is a concept note on Inequalities.
Finland	<ul style="list-style-type: none">• The priority areas are:<ul style="list-style-type: none">- To enhance the rights and status of all women and girls.- Sustainable economies and decent work.- Education.- Peaceful, democratic societies.- Climate and natural resources (including equitable access to affordable and clean, sustainably produced renewable energy; improved possibilities to produce and access safe, nutritious, and adequate food; improved and equitable access to basic and sustainable drinking water, sanitation services, and improved hygiene).• In addition, cross-cutting objectives including gender equality and non-discrimination (focus on disability inclusion).
Germany	<ul style="list-style-type: none">• Inequality seen as a more encompassing concept that broadens the concept "Inclusion".
Ireland	<ul style="list-style-type: none">• Inequalities not specifically targeted: a "Furthest Behind First" approach is followed.

	<ul style="list-style-type: none"> • Focus on poverty reduction, understanding poverty as a multi-dimensional phenomenon. • "In a better world" policy paper does specifically refer to addressing inequalities. Strategies are country specific and prioritise inclusion e.g., access to services.
Spain	<ul style="list-style-type: none"> • Focus on tackling inequalities implicitly addressed through sectoral or thematic approaches. • A diagnosis being carried out to better understand how to address inequalities.
Sweden	<ul style="list-style-type: none"> • Main focus on poverty reduction, with emphasis on gender equality. • Concept closely linked to Sida's definition of multidimensional poverty ⁶⁸(expressed through four dimensions: resources, opportunities & choice, power & voice, human security). • Inequalities in the four dimensions of poverty are growing ground for unequal economic opportunities.⁶⁹ • Relation of SDG 10 to 3 thematic directions of the policy for development cooperation: ⁷⁰ Productive employment, decent work and sustainable business; Free and fair trade and sustainable investment; Migration and development.
Switzerland	<ul style="list-style-type: none"> • Switzerland's overall goal is poverty reduction. Inequality is recognised as a persistent development challenge in its International Cooperation Strategy. • SDC follows a LNOB approach. • One of the four LNOB commitments aims for transformative change by tackling exclusion, discrimination, and inequality, including gender inequalities..."⁷¹)
UK	<ul style="list-style-type: none"> • FCDO is legally bound to consider the impact of its policies and expenditure on combatting inequalities under the Equality Act (2010) and the International Development (Gender Equality Act) 2014. • Parliament oversights on inequalities. Focus on horizontal inequality. • Under the Public Sector Equality Duty (PSED), ⁷²all Government Departments must evidence consideration of how proposals affect those with protected characteristics (nine protected characteristics: Age; Disability; Gender reassignment; Marriage and civil partnership; Pregnancy and maternity; Race (including colour, nationality, ethnic or national origin); Religion or belief; Sex; and Sexual Orientation). • Several targeted programme activities aimed at reaching those "furthest behind" – including women and girls and persons with disabilities.

Q6	If positive, (i.e., the development cooperation of your country specifically targets inequalities), how is inequality defined?
Belgium	<ul style="list-style-type: none"> • The whole of unequal inputs (e.g., goods, resources, and opportunities) and outcomes (including utilities) of people that lead to -or are the result of- unfair treatment, including the process that connects, causes and reinforces these inequalities.
Denmark	<ul style="list-style-type: none"> • Inequality as the entry point to understanding the structural causes of poverty. It is also crucial to ensure social cohesion and hence peace and stability.

⁶⁸ See: <https://cdn.sida.se/publications/files/sida62028en-dimensions-of-poverty-sidas-conceptual-framework.pdf>

⁶⁹ See: <https://www.sida.se/publikationer/income-inequality-trends-drivers-and-pathways-to-sustainable-development>

⁷⁰ See: https://www.government.se/49a184/contentassets/43972c7f81c34d51a82e6a7502860895/skr-60-engelsk-version_web.pdf

⁷¹ See: SDC's LNOB Guidance.

⁷² See: <https://www.gov.uk/government/publications/public-sector-quick-start-guide-to-the-public-sector-equality-duty.pdf>

	<ul style="list-style-type: none"> • Economic, political and social inequalities are key factors in development; these, have their singular characteristics and consequences, and need to be analysed in the development context. • Important to identify the barriers that people encounter in their efforts to raise living standards (e.g., skewed land distribution, favouritism in public services, lack of political representation and not having a voice in the decision-making in society). • Main focus is put on inequalities within countries, but inequalities between / among countries (by nature, but development policy initiatives) need to be considered too.
Finland	<ul style="list-style-type: none"> • The reduction of poverty and Inequalities is aligned with SDG10 (e.g., Finland's Theory of Change).⁷³
France	<ul style="list-style-type: none"> • Various forms of inequalities are addressed to “reduce vertical and horizontal inequalities, including inequalities of wealth and opportunities” (100% Social Link strategy). • The Bottom 40 percent are considered in implementation of this strategy.
Ireland	<ul style="list-style-type: none"> • Inequalities as a concept are not specifically defined.
UK	<ul style="list-style-type: none"> • No explicit definition of inequalities.

Q7	How does the concept of “inequality” used by your Ministry or Bank/Agency relate to ‘poverty reduction’?
Ireland	<ul style="list-style-type: none"> • Inequalities perceived as a barrier/distraction to poverty reduction. • Programmes targeting inequalities need to be justified in terms of their potential to reduce poverty.
UK	<ul style="list-style-type: none"> • Assessment of the overlap between inequalities and poverty is carried out.

Q8	Is your Ministry / Bank/ Agency committed to a focus on a specific group of countries for allocating ODA that are considered a priority, e.g.: Least Developed Countries; Lower middle-income countries, specific grouping for historical ties?
Finland	<ul style="list-style-type: none"> • Least developed countries prioritised.
France	<ul style="list-style-type: none"> • Least developed countries prioritised.
Germany	<ul style="list-style-type: none"> • Not selected according to specific criteria, but a wide range of different targets.
Ireland	<ul style="list-style-type: none"> • Focus on LDCs and SIDS.
Spain	<ul style="list-style-type: none"> • Some Least Developed Countries from Africa and Middle-income countries from Latin American prioritised.
UK	<ul style="list-style-type: none"> • Focus on LDCs, with historical ties to the commonwealth.

Q9	For your support, do you focus on reducing inequalities between the bottom 40% and the top 10% of the population within the partner country or region (Ministry /Bank/ Agency)?
Belgium	<ul style="list-style-type: none"> • Difficult to mainstream.
Germany	<ul style="list-style-type: none"> • Not used as a criterion for country / regional selection.
Ireland	<ul style="list-style-type: none"> • Commitment to reaching the furthest behind first, focused, in practice, on delivering for the bottom.
Sweden	<ul style="list-style-type: none"> • Connection to income poverty as part of multidimensional poverty.

⁷³ See: <https://um.fi/documents/35732/0/theories-of-change-and-aggregate-indicators-for-finlands-development-policy-2020.pdf>

UK	<ul style="list-style-type: none"> • Priority areas outlined in the 2022 UK Government's International Development Strategy⁷⁴
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Q10	Following on the above, does the focus during formulation of an intervention by your Ministry / Bank/ Agency refer to the following vulnerable groups?
Belgium	<ul style="list-style-type: none"> • Income bracket/consumption/wealth mainly focused on poverty. • Gender, focus on rationalisation and transparency for more equity in education and health. • Geographic location. (Example of exclusion of a segment of the population by social status in Mauritania: the pigmies).
Finland	<ul style="list-style-type: none"> • All possible grounds for discrimination addressed based on Human Rights-based approach and context analyses.
France	<ul style="list-style-type: none"> • Religion to be considered.
Germany	<ul style="list-style-type: none"> • Environment, Conflict, Human Rights, Safeguards to be considered.
Ireland	<ul style="list-style-type: none"> • All possible grounds for discrimination addressed based on "Furthest Behind First" • Intervention formulation is highly context specific.
Sweden	<ul style="list-style-type: none"> • Vulnerable groups identified based on multidimensional poverty analysis • The point of departure for the MDPA is identifying and analysing the different interests, needs and preconditions of people living in poverty. • "Who" in the MDPA Poverty Toolbox refers to all women, men, girls and boys, as well as non-binary persons living in poverty.⁷⁵ • Their situation is likely to differ depending on sex, age, gender and transgender identity or expression, sexual orientation, disability, ethnicity, and religion or other belief. • Discrimination may be based on these grounds and others such as language, political and other opinion, and birth or other status. There may also be differences based on location (rural/urban or geographical location etc), socioeconomic status and other factors. The situation could also differ between members of the same household or unit of analysis.
Switzerland	<ul style="list-style-type: none"> • Not all criteria always applied. • Vulnerable groups are being defined by context.
Q11	Do the policy documents on development cooperation of your Ministry / Bank / Agency refer to the economic / social / rights dimensions of inequality?
Finland	<ul style="list-style-type: none"> • Focusing on decent work is one way to reduce income and wealth related inequalities.
Sweden	<ul style="list-style-type: none"> • All areas included through the multi-dimensional analysis of poverty.
UK	<ul style="list-style-type: none"> • FCDO's annual report on support to human rights .⁷⁶ • FCDO's rights-based disability inclusion strategy .⁷⁷ • The Government's Integrated review of foreign policy includes a commitment to human rights .

⁷⁴ New [UK government's strategy for international development - GOV.UK \(www.gov.uk\)](#), may 2022); <https://www.gov.uk/government/publications/uk-governments-strategy-for-international-development>

⁷⁵ See: https://cdn.sida.se/app/uploads/2021/08/24161355/MDPA-Guiding_Questions.pdf

⁷⁶ See: <https://www.gov.uk/government/collections/human-rights-and-democracy-reports>

⁷⁷ See: <https://www.gov.uk/government/publications/dfids-disability-inclusion-strategy-2018-to-2023>

Q12	At programme / project level, is the approach towards reducing inequalities differentiated by main cause or origin, expression, or consequences of inequalities (economic, social, rights)?
Finland	<ul style="list-style-type: none"> • Human rights-based approach to address all forms of inequalities • Addressing discrimination based on gender, age, disability, ethnicity, race, sexual orientation, gender identity, religion, indigenous origin, etc. is also prioritised.
Germany	<ul style="list-style-type: none"> • Each project safeguards the attention to inequality, but do not differentiate for practical reasons.
Ireland	<ul style="list-style-type: none"> • Projects may not be classified as tackling inequalities, but they may have an impact on it. • This is linked to their focus on poverty ("furthest behind").
Switzerland	<ul style="list-style-type: none"> • Projects may address economic/social/rights inequalities depending on the goal • LNOB approach: addressing multiple dimensions of poverty and factors of exclusion.
UK	<ul style="list-style-type: none"> • All programmes are obliged to do an equality impact assessment covering all these elements.
Q13	Does the approach refer to inequalities caused / aggravated by transversal dimensions?
Belgium	<ul style="list-style-type: none"> • Orientation to the circular economy, fair electricity distribution (in relation to climate change). • However, there may be difficulties.
Germany	<ul style="list-style-type: none"> • Human Rights Based Approach is always applied. • Each project safeguards the attention to inequality. • Opportunities to translate the intention to operational actions depend on the context.
Ireland	<ul style="list-style-type: none"> • Climate change, a renewed area of work, addressed through a climate justice lens (those least responsible are the most affected).
Sweden	<ul style="list-style-type: none"> • Inequalities caused by conflict as well as other external factors (e.g., Covid-19 etc.) to be also considered.
Switzerland	<ul style="list-style-type: none"> • Interactions between inequalities and relevant transversal themes are generally assessed during project formulation.
UK	<ul style="list-style-type: none"> • FCDO's work on climate change considers the impact on the dimensions of equalities (e.g. disability, gender etc). • Trade deals also consider the impact on equalities.
Q14	Is it explicitly referred to in the decision to fund programmes and projects (either as a list of themes or marker) by your Ministry / Bank/ Agency?
Belgium	<ul style="list-style-type: none"> • There is an intention, but it has not yet materialised.
Spain	<ul style="list-style-type: none"> • Linked to Climate Change
Sweden	<ul style="list-style-type: none"> • Not explicitly referred. • However, Sida's long-term development interventions are expected to contribute to changes that benefit people living in poverty (or, in special cases, people living under oppression), directly or indirectly, in the short or long term. • An appraisal of new interventions assesses how the contribution, and the cooperation partner will improve the situation for women and men, girls and boys, living in poverty.
UK	<ul style="list-style-type: none"> • All programmes are required to consider the impact on equalities in their business cases.

- Also, to input the gender equality marker and disability inclusion marker.
- This is reviewed annually.

Q15	Does your Ministry / Bank/ Agency conduct research on inequalities to count with informed policies and strategies as well as solid information for projects/programmes formulation?
Belgium	<ul style="list-style-type: none"> • Two types of research: action research (thorough monitoring of what is being done) and survey research. • Intended to be applied to all projects, but not always at the same level.
Germany	<ul style="list-style-type: none"> • Inequality Diagnostics (not compulsory and not applied always) can be applied at the request of/the initiative of the experts working in a certain country and/or programme. • Not used for country selection.
Ireland	<ul style="list-style-type: none"> • Research can be carried out as part of mission strategies to identify gaps in different issues. • In-country and multilateral research on inequalities supported on an ad-hoc basis. • Research on a project basis can be considered (e.g., UNICEF research into barriers to education, Sierra Leone).
Spain	<ul style="list-style-type: none"> • Research conducted with OXFAM (currently in progress).
Switzerland	<ul style="list-style-type: none"> • Political economy analysis (PEA) or related assessments conducted to identify needs and define project objectives. • SDC LNOB guidance based on four key questions: Who is excluded? From what? Why? By whom? • Efforts to identify those who are (or are at risk of) being left behind by way of multi-dimensional measures. • Intersecting inequalities, such as social identity combined with other exclusion mechanisms are taken into account.
UK	<ul style="list-style-type: none"> • FCDO draws on World Bank country level analysis to inform own diagnostics at country level. • Research funded via institutions (e.g., IMF, World Bank, etc.), multi-donor trust funds, etc. • Research produced at a country office level, usually in response to partners. • The Chief Economist Office carries out research on poverty and inequality.
Q16	Over the last 12 months (approximately), how many research assignments have either been conducted or assigned by your Ministry / Bank/ Agency?
Belgium	<ul style="list-style-type: none"> • Test of ex-ante equality assessment tool; feasibility study of UHC in Guinea
Finland	<ul style="list-style-type: none"> • Finland commissions various studies and research.
Germany	<ul style="list-style-type: none"> • Inequality Diagnostics Ghana, Zambia, South Africa, Namibia, Indonesia, Vietnam, Mexico, Peru, Colombia, Paper on Just Transition, Study on Fiscal Policies to reduce inequality.
Spain	<ul style="list-style-type: none"> • Learn about the impact of COVID 19 on Central American societies. The effect of some public policies on mortality and inequality.
Sweden	<ul style="list-style-type: none"> • Education; Support through UN agencies; Food supply/food security; support to democratisation; reduced poverty; normative dialogue/advocacy for prioritised policy areas.
Q17	In case no research is being conducted, does any plan exist to do so?

Spain	<ul style="list-style-type: none"> • A diagnosis under elaboration on how Spanish cooperation addresses the fight against inequalities. • A guide to mainstream the approach to the fight against inequalities under development together with OXFAM.
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Q18	In the process of formulation of programmes and projects, is ex-ante inequalities analysis compulsory in your Ministry / Bank/ Agency?
Belgium	<ul style="list-style-type: none"> • Not compulsory. It has been planned to do so.
Finland	<ul style="list-style-type: none"> • During the preparation phase of longer country programmes and strategies, also political, economic analyses are conducted.
Ireland	<ul style="list-style-type: none"> • Toolkit in the process of being approved.
Sweden	<ul style="list-style-type: none"> • Only ex-ante analysis of poverty.
UK	<ul style="list-style-type: none"> • All programmes are required to consider the impact on equalities in their business cases. • Reviewed annually.

Q19	If positive, do you apply a specific toolkit to that end that applies to all programmes / projects, and do you apply specific 'internal markers' on inequality that applies to all programmes/ projects?
Finland	<ul style="list-style-type: none"> • Guidance on human rights-based approach and cross-cutting objectives.
France	<ul style="list-style-type: none"> • There are toolkits for inequality (AFD); but also, feasibility studies. • Not always compulsory.
Ireland	<ul style="list-style-type: none"> • Toolkit being approved.
Sweden	<ul style="list-style-type: none"> • Toolkit developed for poverty analysis.
UK	<ul style="list-style-type: none"> • The Country Development Diagnostic tool, Gender and Social Inclusion analysis (developed by the Social Development Adviser Cadre).

Q20	If positive, which methodologies are used for analysing developing country /sector/ intervention strategies?
Belgium	<ul style="list-style-type: none"> • Use of indicators as mentioned in the ex-ante equity assessment tools.
Sweden	<ul style="list-style-type: none"> • Use of a combination of methodologies and tools.
UK	<ul style="list-style-type: none"> • CEQ has helped to inform the FCDO's tax for development work and social protection work.

Q21	To which extent do you make use of successfully evaluated practices or approaches taken by other development partners with respect to the reduction of inequalities in the formulation of your programmes and projects?
Belgium	<ul style="list-style-type: none"> • AFD research facility, GIZ, EU reference document, OECD/DAC, etc.
Finland	<ul style="list-style-type: none"> • Approach on disability and inclusion (taken from Norway) • Use of FCDO work. • On gender, use of work by countries with strong policies.
Germany	<ul style="list-style-type: none"> • Reference Document on Inequalities.
Spain	<ul style="list-style-type: none"> • Implicitly, exchanges with other member states help to spur reflection and action (e.g., the Enabel initiative). • This exchange is not systematic.
UK	<ul style="list-style-type: none"> • The FCDO country development diagnostics followed best practice by the World Bank in creating country growth diagnostics.

Q22	What are the priority sectors/themes currently targeted by the development cooperation policies and strategies of your country (Codes refer to OECD - DAC codes)?
Germany	<ul style="list-style-type: none"> • Good Financial Governance (In relation to 510-General Budget Support)
Sweden	<ul style="list-style-type: none"> • Disbursed in % in 2021: • 150 Gov & CSO (30,5%) • 720 Emergency response (18%) • 430 Other multisector (6,8%) • 160 Other Social Infrastr & Services (6,7%) • 410 General Env Protection (5,5%) • 120 Health (5,4%). • 130 Population Policies/Programmes & Reproductive Health (5,3%) • 310 Agriculture, forestry, fishing (5,2%) • 230 Energy (3,2%) • 110 Education (3,2%) • 140 Water supply & sanitation (2,8%) • 320 Industry, mining, construction (2,3%)
Q23	As far as policy intentions exist for the near future, which of the sectors/themes mentioned in the previous question will be new -or additional- targets? (Codes refer to OECD - DAC codes)?
Germany	<ul style="list-style-type: none"> • Gender Equality (in relation to 430-Other multisector).
Portugal	<ul style="list-style-type: none"> • To be defined in the upcoming Strategy for Development Cooperation.
Spain	<ul style="list-style-type: none"> • Defined in the 2023-2026 Master plan / Cooperation Law for the Spanish cooperation.
Sweden	<ul style="list-style-type: none"> • No specific new sectors/themes in the forecast for the coming year (2023). • However, more focus on Financing for Development.
UK	<ul style="list-style-type: none"> • To be defined after the budget allocation process of FCDO.
Q24	Does your Ministry organise or provide specific training on inequalities to staff in the Ministry / Bank/ Agency or have modules on inequality been inserted into existing training material over the last 12 months (e.g., evaluation and monitoring, Logical framework analysis, programme design)?
Finland	<ul style="list-style-type: none"> • Training is on human rights, non-discrimination, gender equality and disability inclusion.
Germany	<ul style="list-style-type: none"> • Interactive Learning Sessions from Global Project (GIZ) on Agency Level.
Ireland	<ul style="list-style-type: none"> • Training will be implemented with the toolkit on "furthest behind".
Spain	<ul style="list-style-type: none"> • Training for AECID staff with OXFAM, INTPA (CUBA EUD) and AFD organised in June 2022.
Switzerland	<ul style="list-style-type: none"> • Inequality issues implicitly covered through other trainings (e.g., PCM).
UK	<ul style="list-style-type: none"> • Training on Gender and Social Inclusion analysis (GESI) by social development cadre.

- In addition, frequent training run on a range of equalities issues (e.g., equalities impact assessments, equalities and human rights, gender equality etc.)

Q25	Does your Ministry / Bank/ Agency provide support or any guidance to its staff and consultants on developing strategies/programmes/ projects to support its work on reduction of inequalities?
Germany	<ul style="list-style-type: none"> • More selective trainings, work on a wider coverage of the topic in progress.
Spain	<ul style="list-style-type: none"> • See reference to work being carried out with OXFAM (Q.18)
Switzerland	<ul style="list-style-type: none"> • SDC Guidance on LNOB to identify drivers of exclusion to reduce inequalities. • Several other thematic guidance notes (e.g., on financial inclusion; education; health etc.)
UK	<ul style="list-style-type: none"> • There are guides on the public sector equality duty (PSED), disability inclusion and gender equality and gender and social inclusion analysis.
Q26	Does your Ministry / Bank/ Agency use budget support (or other fully aligned aid modalities) as an instrument for inequalities reduction?
Spain	<ul style="list-style-type: none"> • Budget support implemented (e.g., Mozambique, health sector) in addition to the FONPRODE (credits to partner states mainly for water management and infrastructure).
Sweden	<ul style="list-style-type: none"> • There is no General Budget Support, but Sector Budget Support.
UK	<ul style="list-style-type: none"> • FCDO provides direct support via sectors e.g., social protection sector. • There is no gender budget support.
Q27	Does your Ministry / Bank/ Agency consider the funding of projects by civil society organisations / advocacy / lobbying groups instrumental to reducing inequality?
Belgium	<ul style="list-style-type: none"> • Civil society can play a role. • However, it is rather limited compared to the role of the state.
Ireland	<ul style="list-style-type: none"> • Strong focus on CSOs through the "partnership approach".
Finland	<ul style="list-style-type: none"> • <i>civil society organisations (CSOs) support solutions to development problems and reduction of inequalities</i> • local and field knowledge value
Spain	<ul style="list-style-type: none"> • Wide network of agreements/MoUs with NGO networks and institutions.
Switzerland	<ul style="list-style-type: none"> • Support to certain Swiss NGOs via programme contributions.
UK	<ul style="list-style-type: none"> • Support to CSOs, disability rights organisations, Women's rights organisations, LGBTI+.
Q28	Does your Ministry / Bank/ Agency have a flagship programme focusing explicitly on inequalities?
Finland	<ul style="list-style-type: none"> • Strong policy commitment towards reducing poverty and inequalities as the overall objective of development policy and cooperation.
Ireland	<ul style="list-style-type: none"> • Projects/programmes are classified as specifically addressing inequalities.

	<ul style="list-style-type: none"> • However, work in a lot of areas that would be considered as tackling inequalities (e.g., poorest of the poor, gender, social protection, equal participation (representation) redistributive tax reform etc.).
UK	<ul style="list-style-type: none"> • Various programmes that tackle inequalities in one way or another (ex. DEEP as a flagship research programme plus the work done on social protection in several countries).

Q29	Does your Ministry / Bank/ Agency monitor its commitment to reducing inequality?
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Finland	<ul style="list-style-type: none"> • Indicators match priority areas of change. • Annual reporting, • 4-year reporting to the Parliament.
France	<ul style="list-style-type: none"> • A Commission to monitor inequalities to be created. • Indicators, logical framework and evaluation programmes exist at country and subject level.
Switzerland	<ul style="list-style-type: none"> • SDCs standard results indicators request for disaggregation (by gender and at least one specific LNOB group) to measure progress with regards to reducing inequalities.
UK	<ul style="list-style-type: none"> • Annual reporting on the FCDO's Human rights work. • Monitoring of OECD markers (gender and disability inclusion).

Q30	Does your Ministry / Bank/ Agency have an operational system in place for the monitoring and evaluation of your programmes / projects in particular aimed at the reduction of inequalities?
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Finland	<ul style="list-style-type: none"> • A sub-system to monitor the reduction of inequalities as part of the overall system.
France	<ul style="list-style-type: none"> • A Learning and Evaluation Department in place.
Ireland	<ul style="list-style-type: none"> • The Focus of monitoring is on poverty reduction. • Inequalities is a theme within that context.
Sweden	<ul style="list-style-type: none"> • No operational system in place to monitor the reduction of inequalities • However, a very developed monitoring and reporting system exists for ODA registration.
UK	<ul style="list-style-type: none"> • A "delivery framework dashboard" to facilitate results reporting under development. • All programmes have their own Key Performance Indicators, some of which measure equality aspects e.g., gender, disability, inclusion.

Q31	Are successfully evaluated approaches and practices by other countries concerning inequalities reduction collected and shared by the staff of your Ministry / Bank/ Agency?
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Finland	<ul style="list-style-type: none"> • In general, HRBA and inequalities.
Sweden	<ul style="list-style-type: none"> • Approaches and practices from OECD DAC Community of Practice for Poverty & Inequality shared with staff.

Q32	Are you familiar with the EU-level Reference Document "Addressing income inequalities through development cooperation" and its definition of inequalities, as well as its focus on the bottom 40% and top 10% strata in society?
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No comments.

Q33	Is the reduction of inequalities a cross-cutting theme or topic in high-level bilateral policy dialogue with partner countries?
Belgium	<ul style="list-style-type: none"> • Inequality is a global challenge within the strategy of Enabel. • However, no view on its use in practice at high-level bilateral policy dialogue.
Germany	<ul style="list-style-type: none"> • Activities depend on the context (e.g., agreements in bilateral negotiations or what the opportunities are).
Ireland	<ul style="list-style-type: none"> • Largely focused on poverty consequences.
Sweden	<ul style="list-style-type: none"> • Policy Dialogue guidance is being developed (Normative Dialogue: Gender equality, Climate Change, HRBA, Perspective of the poor).
Switzerland	<ul style="list-style-type: none"> • Focused on LNOB at different levels.
Q34 & 35	Does your Ministry / Bank/ Agency take part in any multi stakeholder/ multi country initiative linked to the reduction of inequalities? If positive, which ones?
Belgium	<ul style="list-style-type: none"> • Steering committee of the AFD research facility and related events. • Global TEI on inequality.
Denmark	<ul style="list-style-type: none"> • OECD DAC Community of Practice for Poverty & Inequality.
Finland	<ul style="list-style-type: none"> • OECD DAC Community of Practice for Poverty & Inequality.
France	<ul style="list-style-type: none"> • OECD DAC Community of Practice for Poverty & Inequality. • EU.
Germany	<ul style="list-style-type: none"> • Research Facility, TEA.
Spain	<ul style="list-style-type: none"> • Several projects with partners (e.g., rural development in Ecuador with World Bank, water and sanitation in Dominican Republic and Nicaragua with IADB).
Sweden	<ul style="list-style-type: none"> • OECD DAC Community of Practice for Poverty & Inequality.
Switzerland	<ul style="list-style-type: none"> • Dialogue with the World Bank. • OECD DAC Community of Practice for Poverty & Inequality.
UK	<ul style="list-style-type: none"> • Several multi-donor social protection programmes to reduce poverty and inequality (e.g., PSNP Ethiopia).

APPENDIX 2. LIST OF PEOPLE INTERVIEWED

Country	Name	Email	Organisation
Belgium	Paul Bossyns	paul.bossyns@enabel.be	Enabel
Finland	Mina Mojtahedi		Ministry of Foreign Affairs
	Tiina Markkinen		Ministry of Foreign Affairs
France	Iris Johns	johnsi@afd.fr	AFD
Germany	Holger APEL	holger.apel@giz.de	GIZ
	Miriam Reiboldt	miriam.reiboldt@giz.de	GIZ
	Dr. Marlen Homeyer	marlen.homeyer@bmz.bund.de	BMZ
Ireland	Kate Brady	Kate.brady@dfa.ie	DFA
Spain	Javier Jimenez	Javier.Jimenez@aecid.es	AECID
	Andres Zuleta	andres.zulueta@aecid.es	AECID
Sweden	Agnes Stenstrom	agnes.stenstrom@sida.se	SIDA
	Susanne Gable	susanna.gable@sida.se	SIDA
Switzerland	Stephanie Guha	Stephanie.Guha@eda.admin.ch	Swiss Agency
UK	Lara Karat	lara.karat@fcdo.gov.uk	DFID- FCDO is comprised of the former DFID (development agency) and the FCO (diplomatic service).

APPENDIX 3. LIST OF CRS PURPOSE CODES SELECTED BY INTPA

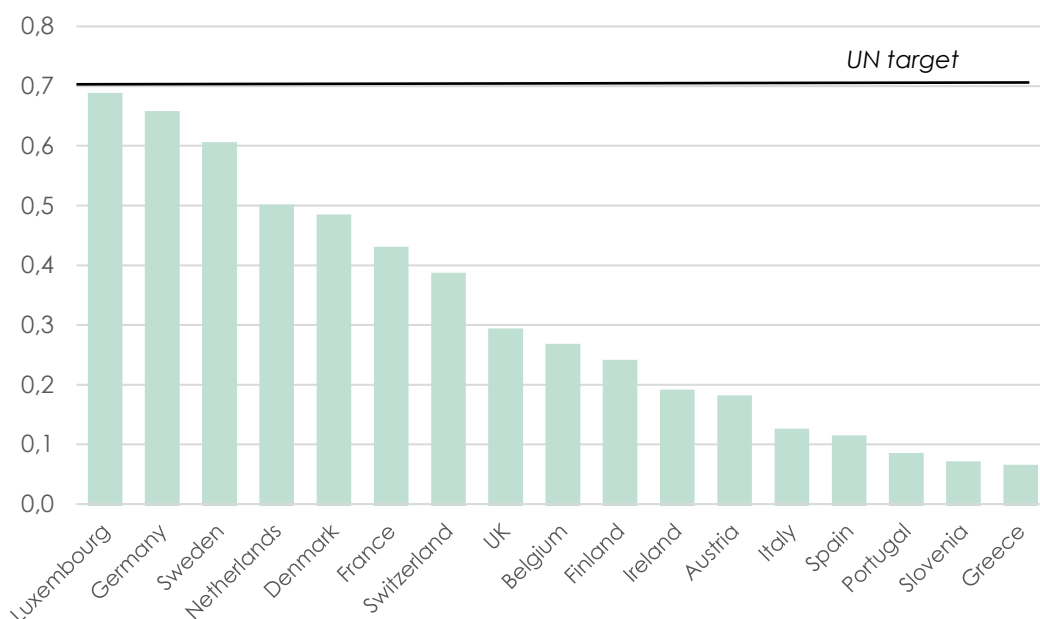
In their internal document that we got access to, INTPA (International Partnerships), the division responsible for international partnership and the development policy of the European Commission, define a list of 32 CRS codes for (5-digit) sub-sectors with a potentially large impact on inequality reduction, henceforth considering aid targeting these sectors as inequality-reducing. These sectors are reported below and are categorized by their corresponding 2-digit sector.

DAC 5 CODE	CRS CODE	DESCRIPTION	Clarifications / Additional notes on coverage
110		Education	
111		Education, Level Unspecified	The codes in this category are to be used only when level of education is unspecified or unknown (e.g., training of primary school teachers should be coded under 11220).
	11120	Education facilities and training	Educational buildings, equipment, materials; subsidiary services to education (boarding facilities, staff housing); language training; colloquia, seminars, lectures, etc.
112		Basic Education	
	11220	Primary education	Formal and non-formal primary education for children; all elementary and first cycle systematic instruction; provision of learning materials.
	11230	Basic life skills for adults	Formal and non-formal education for basic life skills for adults (adults' education); literacy and numeracy training. Excludes health education (12261) and activities related to prevention of noncommunicable diseases. (123xx).
	11240	Early childhood education	Formal and non-formal pre-school education.

PART 2. MAPPING INITIATIVES, RESEARCH AND PROJECTS AROUND INEQUALITY: QUANTITATIVE ANALYSIS

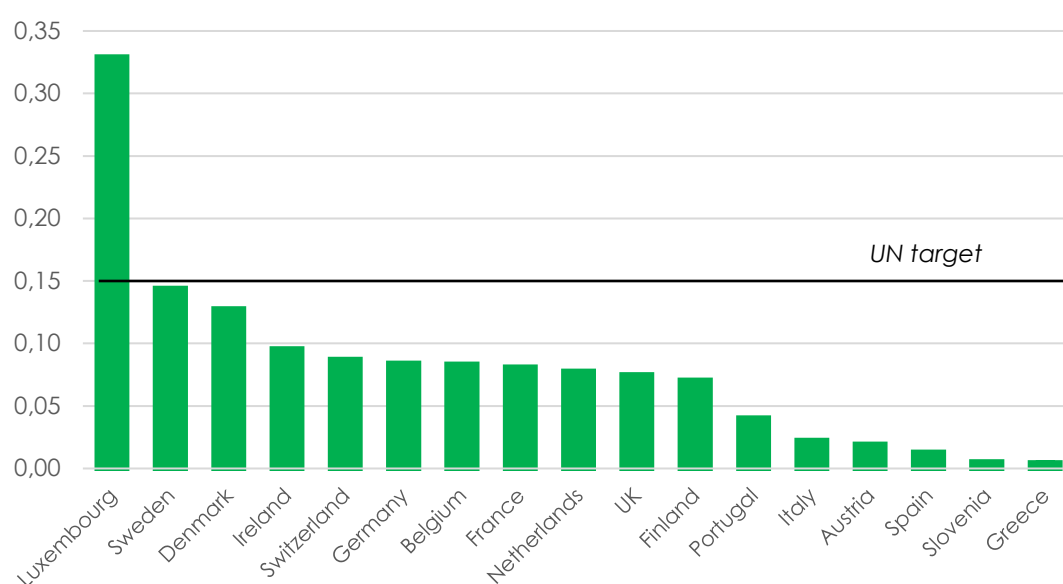
APPENDIX 1. DOES THE COUNTRY SPECIFICALLY TARGET LDCs THROUGH ITS ODA? AND MORE PRECISELY LDCs FACING LARGE INCOME INEQUALITIES?

Figure A1a. Total ODA Commitments as % of GNI (on average over 2015-2020)



Note: Authors' computation. ODA commitments data have been retrieved from the DAC3a database available at the International Development Statistics databank hosted by the DAC. GNI data stem from the World Development Indicators databank hosted by the World Bank.

Figure A1b. ODA Commitments to LDCs as % of GNI (on average over 2015-2020)



Note: Authors' computation. ODA commitments data have been retrieved from the DAC3a database available at the International Development Statistics databank hosted by the DAC. GNI data stem from the World Development Indicators databank hosted by the World Bank. The list of LDCs provided by the OECD-IDS is consistent with the official UN list of LDCs.

Figure A2a. Total ODA Disbursements as % of GNI (in 2020)

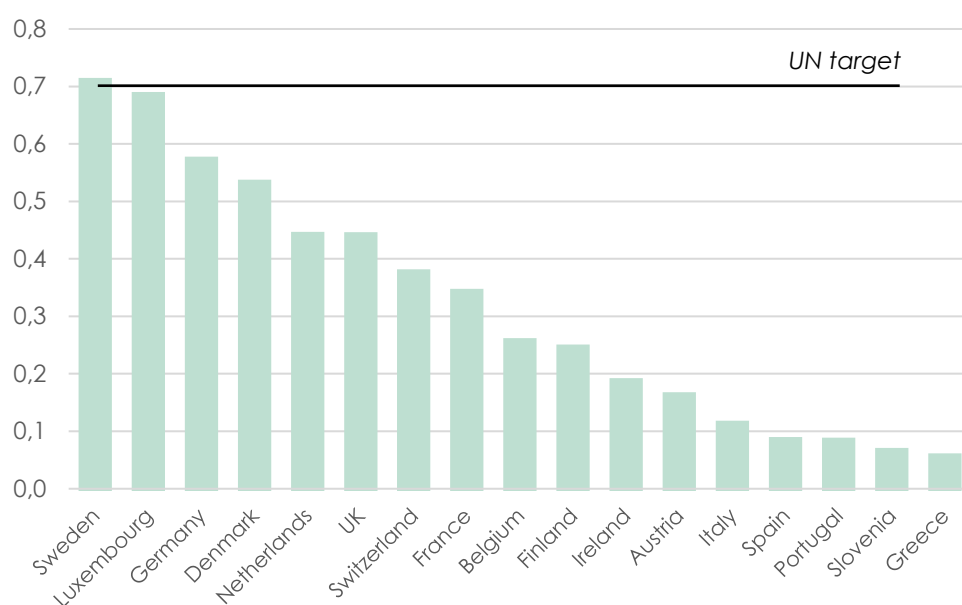
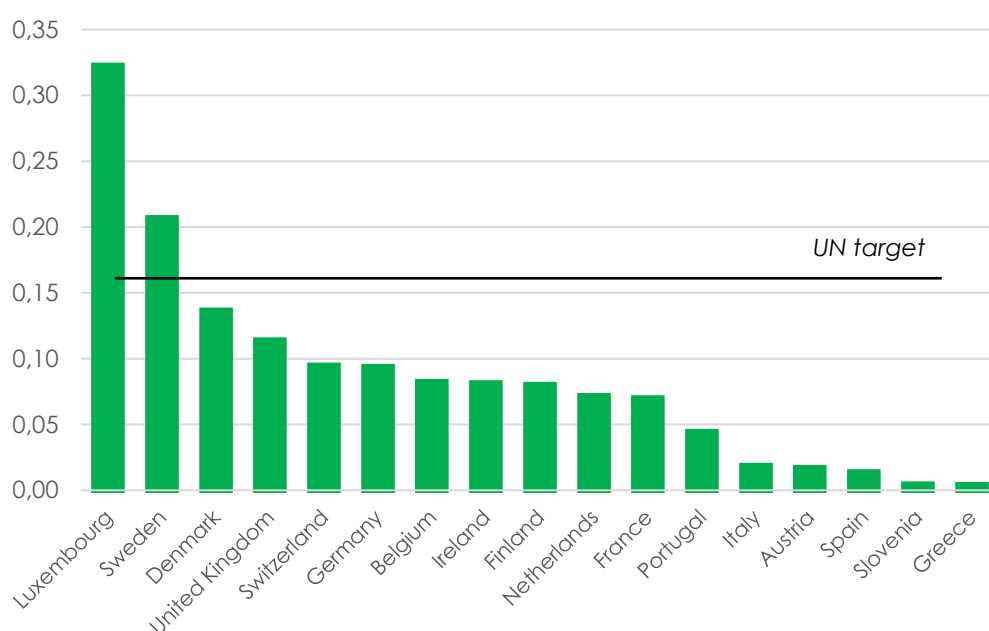


Figure A2b. ODA Disbursements to LDCs as % of GNI (in 2020)



Note: Authors' computation. Disbursements are net of debt relief flows. ODA disbursement and debt relief data have been retrieved from the DAC2a database available at the International Development Statistics databank hosted by the DAC. Data for GNI come from the World Development Indicators database. The list of LDCs provided by the OECD-IDS is consistent with the official UN list of LDCs.

APPENDIX 2. QUANTITATIVE EVIDENCE OF SECTORS TARGETED BY THE SAMPLED COUNTRIES' COOPERATION STRATEGY

List of Least Developed Countries by region, as reported by the CRS for 2021:

Africa: Burundi, Comoros, Djibouti, Eritrea, Ethiopia, Madagascar, Malawi, Mozambique, Rwanda, Somalia, South Sudan, Sudan, Tanzania, Uganda, Zambia, Angola, Central African Republic, Chad, Democratic Republic of the Congo, Sao Tome and Principe, Lesotho, Benin, Burkina Faso, Gambia, Guinea, Guinea Bissau, Liberia, Mali, Mauritania, Niger, Senegal, Sierra Leone, Togo

Asia: Cambodia, Lao People's Democratic Republic, Timor-Leste, Afghanistan, Bangladesh, Bhutan, Myanmar, Nepal

Latin America and the Caribbean: Haiti

Middle East and North Africa: Yemen

Oceania: Solomon Islands, Vanuatu, Kiribati, Tuvalu

List of Lower Middle Income Countries by region, as reported by the CRS for 2021:

Africa: Kenya, Cameroon, Congo, Eswatini, Cabo Verde, Côte d'Ivoire, Ghana, Nigeria

Asia: Indonesia, Mongolia, Philippines, Viet Nam, India, Pakistan, Sri Lanka

Latin America and the Caribbean: El Salvador, Guatemala, Honduras, Nicaragua, Bolivia

Eastern Europe and Central Asia: Kosovo, Moldova, Ukraine, Armenia, Georgia, Kyrgyzstan, Uzbekistan, Tajikistan

Middle East and North Africa: Egypt, Morocco, Tunisia, Jordan, Syrian Arab Republic, West Bank and Gaza Strip

Oceania: Papua New Guinea, Micronesia, Tokelau

List of Upper Middle Income Countries by region, as reported by the CRS for 2021:

Africa: Mauritius, Equatorial Guinea, Gabon, Botswana, Namibia, South Africa, Saint Helena

Asia: China, Malaysia, Thailand, Maldives

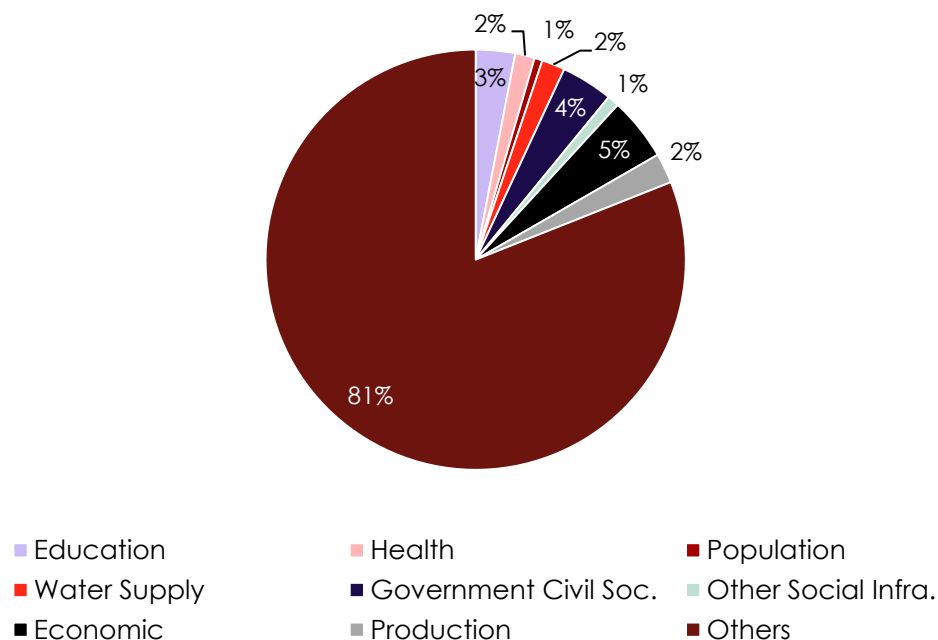
Latin America and the Caribbean: Antigua and Barbuda, Cuba, Dominica, Dominican Republic, Grenada, Jamaica, Montserrat, Saint Lucia, Saint Vincent and the Grenadines, Belize, Costa Rica, Mexico, Panama, Argentina, Brazil, Colombia, Ecuador, Guyana, Paraguay, Peru, Suriname, Venezuela

Eastern Europe and Central Asia: Albania, Belarus, Bosnia and Herzegovina, Montenegro, North Macedonia, Serbia, Turkey, Azerbaijan, Kazakhstan, Turkmenistan

Middle East and North Africa: Algeria, Libya, Iran, Iraq, Lebanon

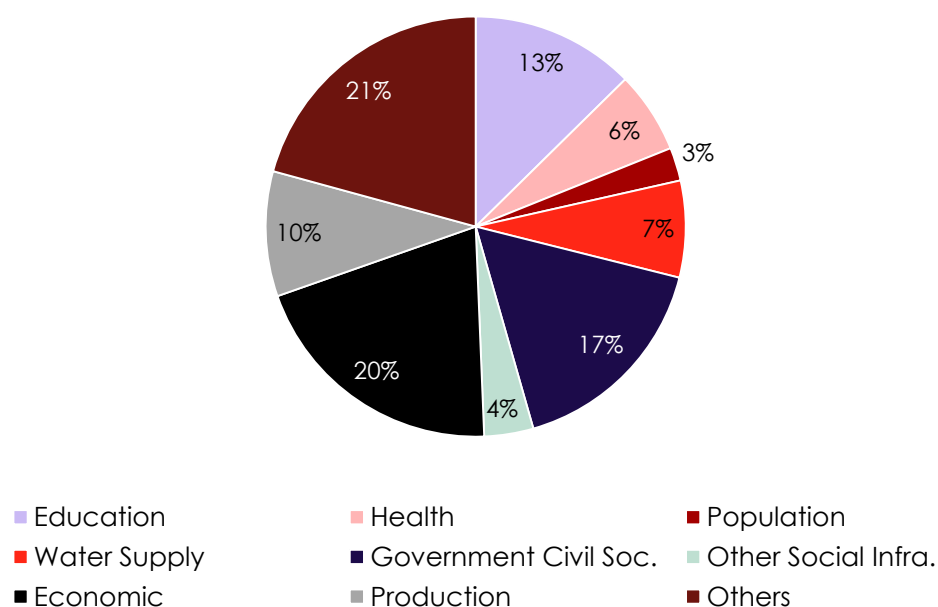
Oceania: Fiji, Marshall Islands, Nauru, Palau, Cook Islands, Niue, Samoa, Tonga, Wallis and Futuna

Figure A1a. ODA by sectors (provided by sample donors to all DCs, over 2015-2020)



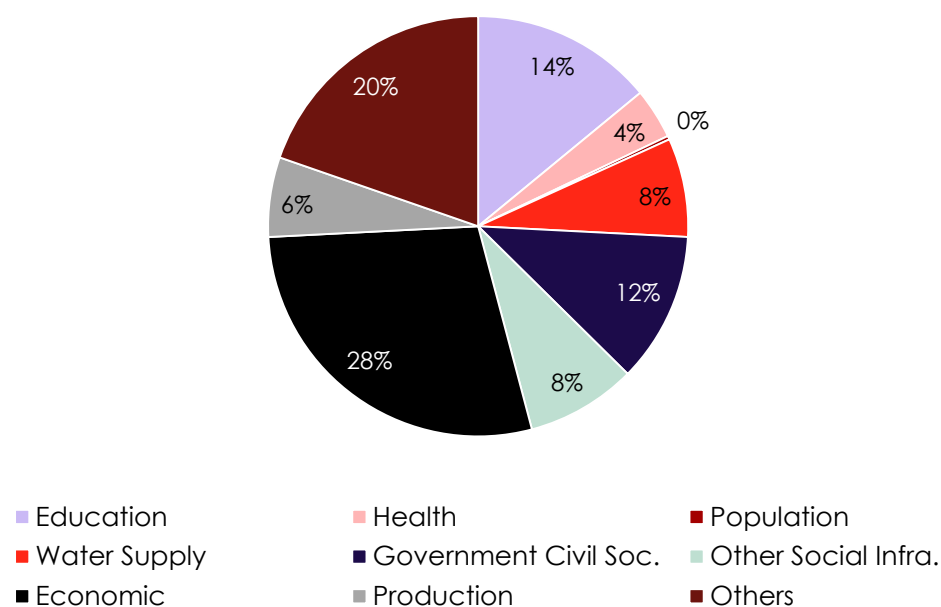
Note: Authors' computation. Sectoral aid data (ODA commitments to all DCs) have been retrieved from the Creditor Reporting System hosted by the International Development Statistics hosted by the OECD-DAC. Note that the "Others sector" category includes Refugee aid, Humanitarian Assistance, Commodity Aid, Actions related to debt, Multisector aid, and Unallocated aid.

Figure A1b. ODA by sectors (provided by sample donors to LDCs, over 2015-2020)



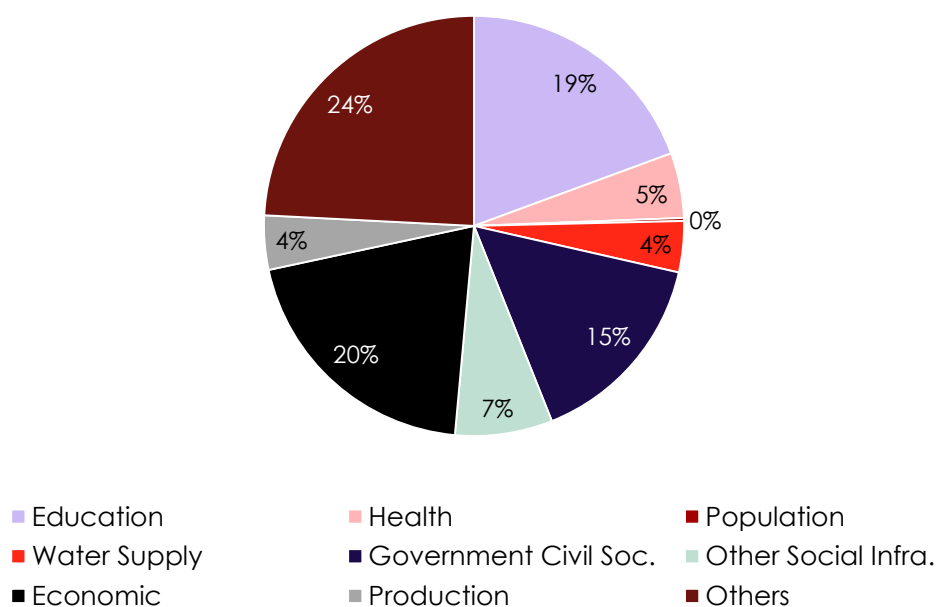
Note: Authors' computation. Sectoral aid data (ODA commitments to all DCs) have been retrieved from the Creditor Reporting System hosted by the International Development Statistics hosted by the OECD-DAC. Note that the "Others sector" category includes Refugee aid, Humanitarian Assistance, Commodity Aid, Actions related to debt, Multisector aid, and Unallocated aid.

Figure A2a. ODA by sectors (provided by sample donors to LMICs, in 2020)



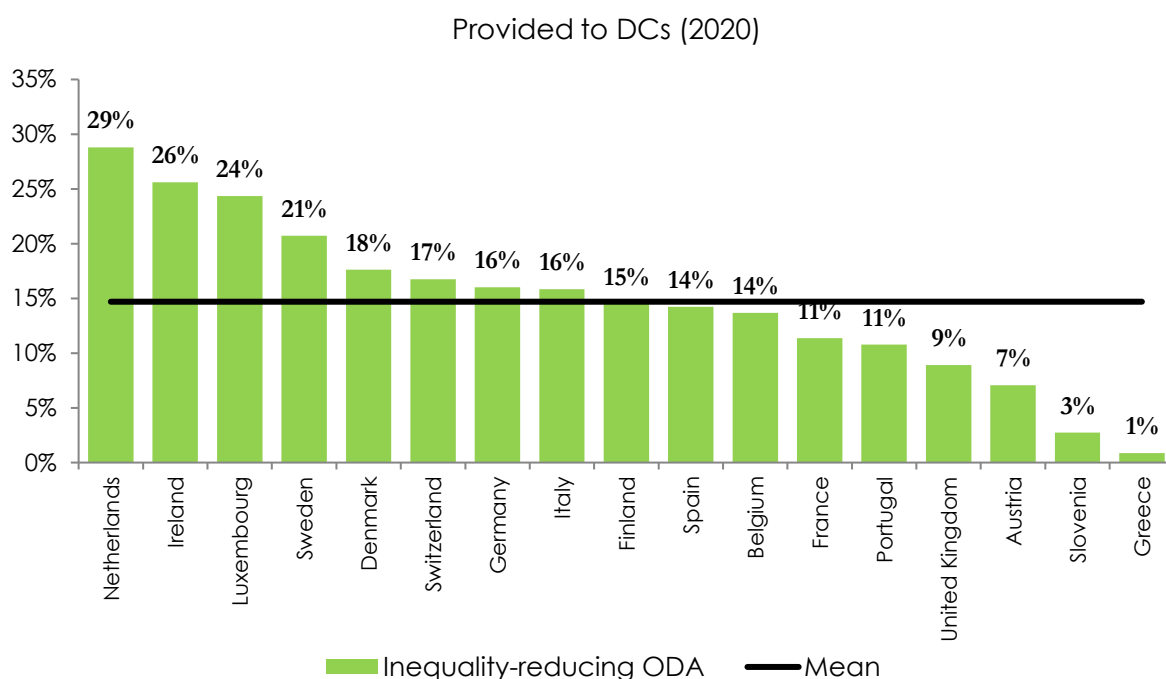
Note: Authors' computation. Sectoral aid data (ODA commitments to all LMICs) have been retrieved from the Creditor Reporting System hosted by the International Development Statistics hosted by the OECD-DAC. Note that the "Others sector" category includes Refugee aid, Humanitarian Assistance, Commodity Aid, Actions related to debt, Multisector aid, and Unallocated aid.

Figure A2b. ODA by sectors (provided by sample donors to UMICs, in 2020)



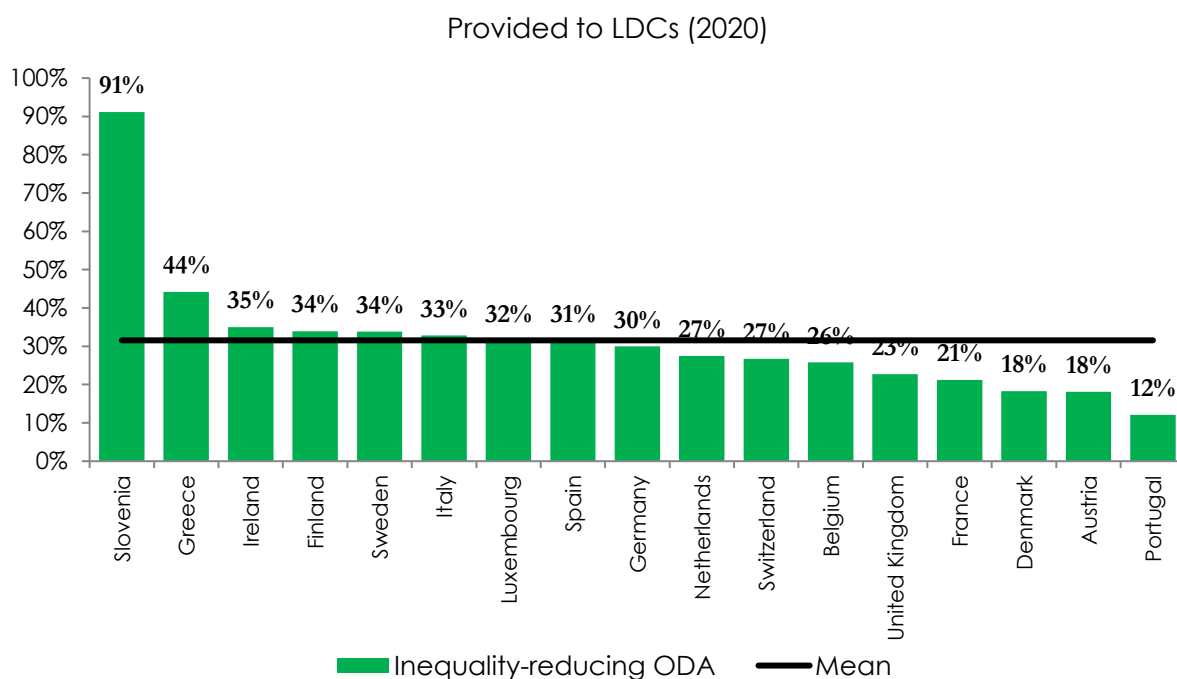
Note: Authors' computation. Sectoral aid data (ODA commitments to all UMICs) have been retrieved from the Creditor Reporting System hosted by the International Development Statistics hosted by the OECD-DAC. Note that the "Others sector" category includes Refugee aid, Humanitarian Assistance, Commodity Aid, Actions related to debt, Multisector aid, and Unallocated aid.

Figure A3a. Inequality-reducing ODA (as % of total ODA) – 2020



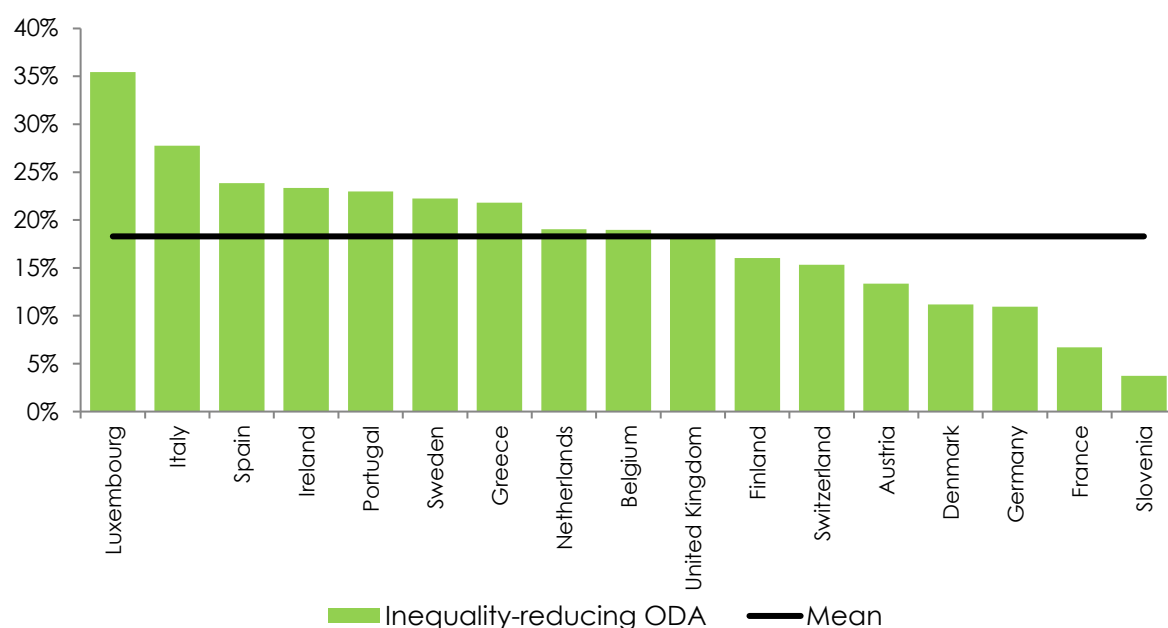
Note: Authors' computation. Sectoral aid data (ODA commitments to all DCs) have been retrieved from the Creditor Reporting System hosted by the International Development Statistics hosted by the OECD-DAC. Inequality-reducing ODA computation explained above in the core text. Solid black line represents the mean value of the share of ODA allocated to inequality-reducing sectors, computed across the 17 donors considered in the analysis.

Figure A3b. Inequality-reducing ODA (as % of total ODA to LDCs) – 2020



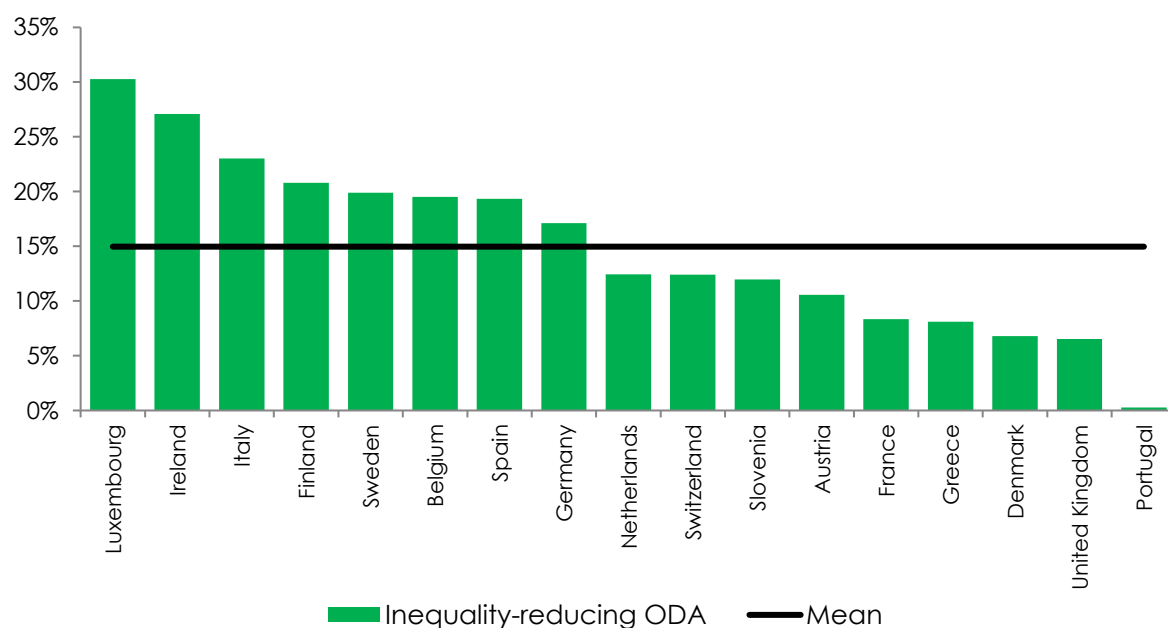
Note: Authors' computation. Sectoral aid data (ODA commitments to all LDCs) have been retrieved from the Creditor Reporting System hosted by the International Development Statistics hosted by the OECD-DAC. Inequality-reducing ODA computation explained above in the core text. Solid black line represents the mean value of the share of ODA allocated to inequality-reducing sectors, computed across the 17 donors considered in the analysis.

Figure A4a. Inequality-reducing ODA (as % of total ODA) – 2015-2020 – LMICs



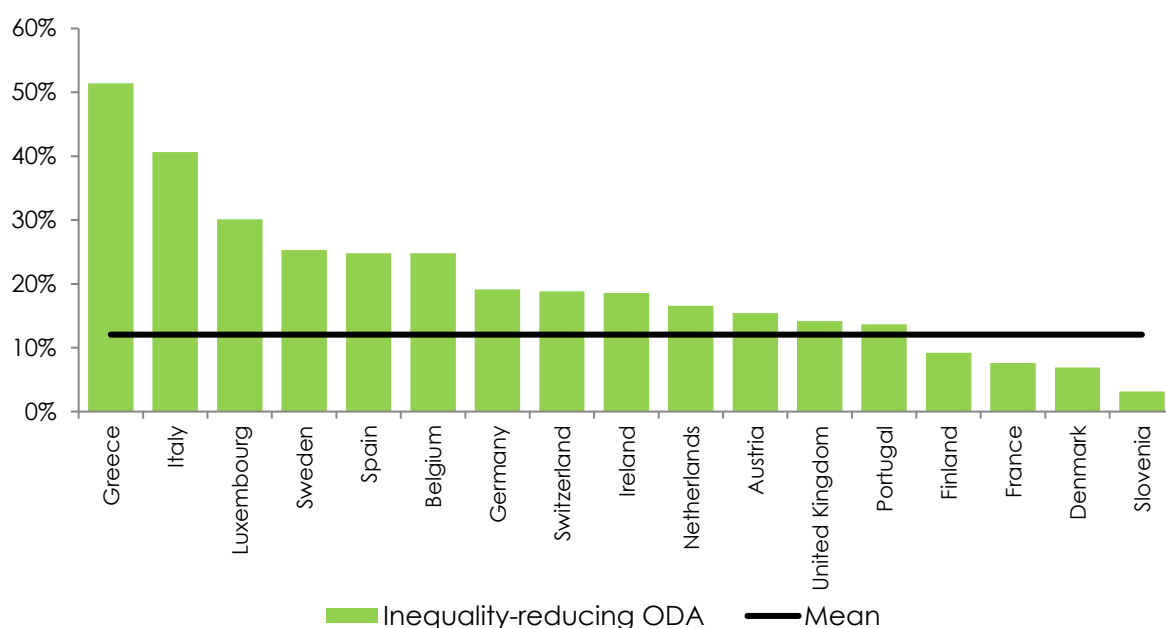
Note: Authors' computation. Sectoral aid data (ODA commitments to all LMICs) have been retrieved from the Creditor Reporting System hosted by the International Development Statistics hosted by the OECD-DAC. Inequality-reducing ODA computation explained above in the core text (here reported as the average over 2015-2020). Solid black line represents the mean value of the share of ODA allocated to inequality-reducing sectors, computed across the 17 donors considered in the analysis.

Figure A4b. Inequality-reducing ODA (as % of total ODA) – 2015-2020 – UMICs



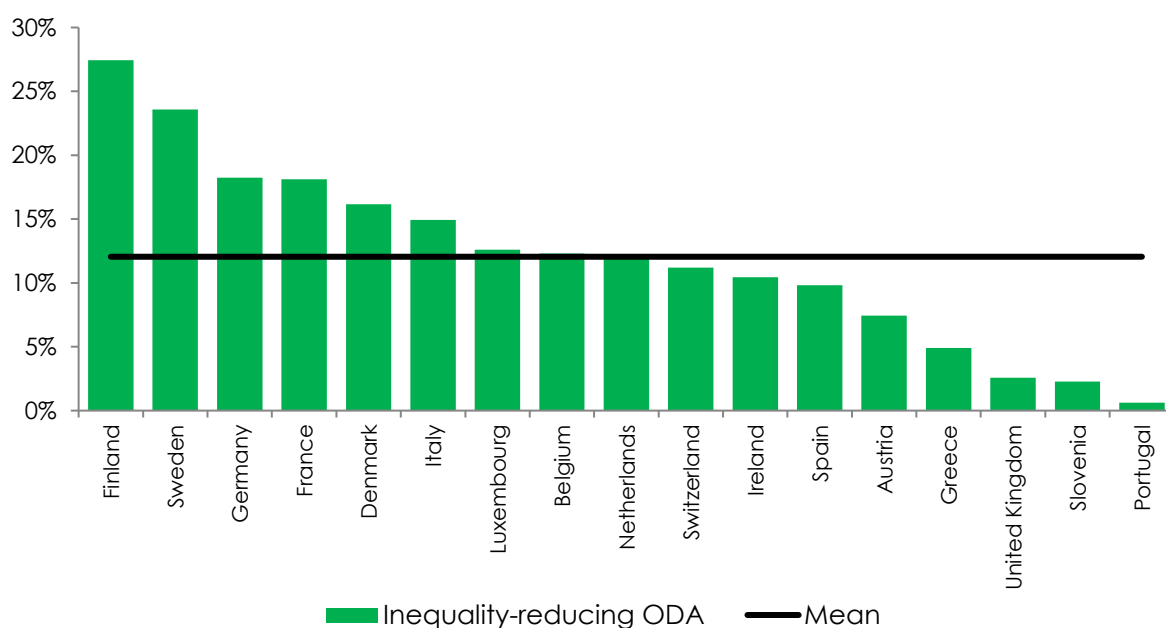
Note: Authors' computation. Sectoral aid data (ODA commitments to all UMICs) have been retrieved from the Creditor Reporting System hosted by the International Development Statistics hosted by the OECD-DAC. Inequality-reducing ODA computation explained above in the core text (here reported as the average over 2015-2020). Solid black line represents the mean value of the share of ODA allocated to inequality-reducing sectors, computed across the 17 donors considered in the analysis.

Figure A5a. Inequality-reducing ODA (as % of total ODA) – 2020 – LMICs



Note: Authors' computation. Sectoral aid data (ODA commitments to all LMICs) have been retrieved from the Creditor Reporting System hosted by the International Development Statistics hosted by the OECD-DAC. Inequality-reducing ODA computation explained above in the core text. Solid black line represents the mean value of the share of ODA allocated to inequality-reducing sectors, computed across the 17 donors considered in the analysis.

Figure A5b. Inequality-reducing ODA (as % of total ODA) – 2020 – UMICs



Note: Authors' computation. Sectoral aid data (ODA commitments to all UMICs) have been retrieved from the Creditor Reporting System hosted by the International Development Statistics hosted by the OECD-DAC. Inequality-reducing ODA computation explained above in the core text. Solid black line represents the mean value of the share of ODA allocated to inequality-reducing sectors, computed across the 17 donors considered in the analysis.

Figure A6. Ranking comparison for gender equality marker, when the sample of projects is censored on those ranked 1 and above.

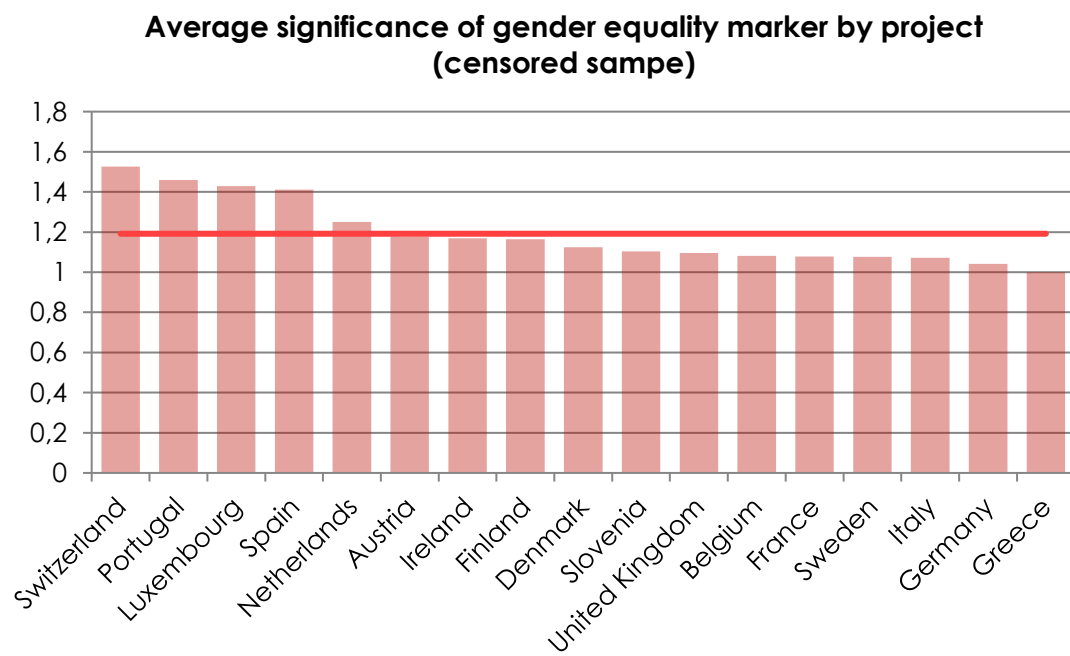
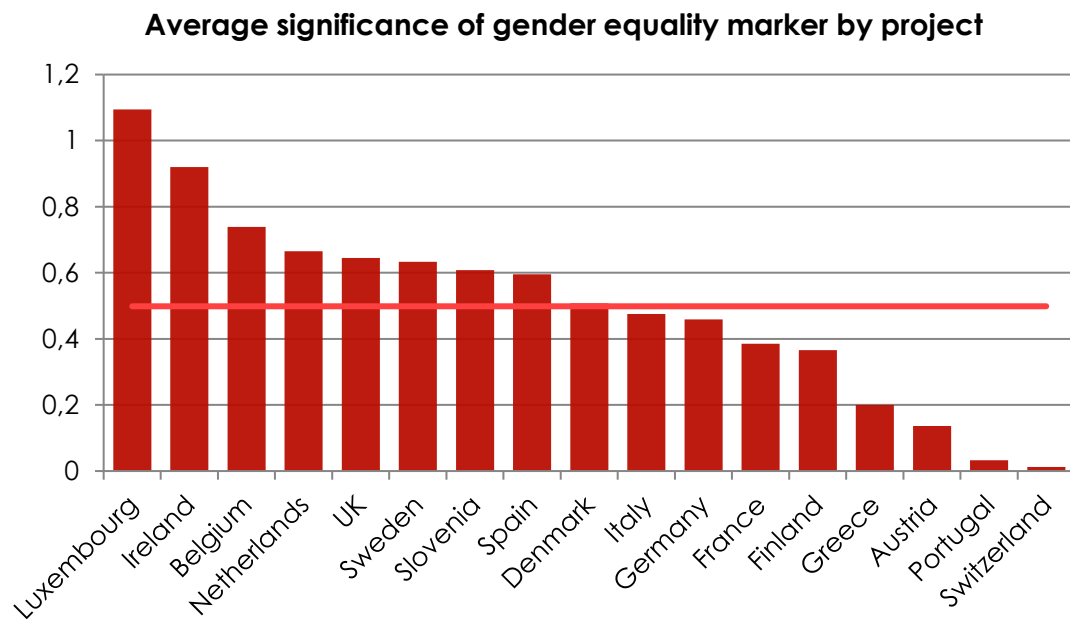
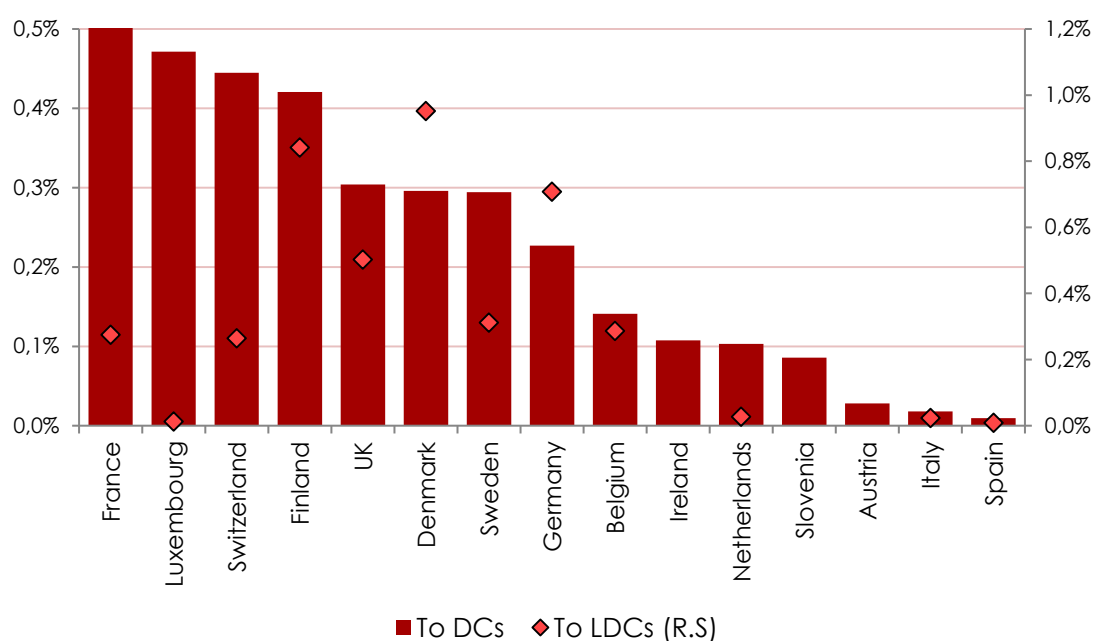


Figure A7. DRM support by donor (disbursements), average over 2015-2020



Note: Authors' computation. Based on sectoral ODA disbursements data retrieved from the CRS database available at the International Development Statistics databank hosted by the DAC. Histogram reports the share of ODA dedicated to DRM sector (disbursed to DCs over 2015-2020) for each donor. Diamond-shaped points do the same for DRM ODA disbursed to LDCs only. Figures for LDCs must be read on the right vertical axis while those for DCs must be read on the left axis.

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Agence Française de Développement (AFD) implements France's policy on international development and solidarity. Through its financing of NGOs and the public sector, as well as its research and publications, AFD supports and accelerates transitions towards a fairer, more resilient world. It also provides training in sustainable development (at AFD Campus) and other awareness-raising activities in France.

With our partners, we are building shared solutions with and for the people of the Global South. Our teams are at work on more than 4,000 projects in the field, in the French Overseas Departments and Territories, in 115 countries and in regions in crisis. We strive to protect global public goods – promoting a stable climate, biodiversity and peace, as well as gender equality, education and healthcare. In this way, we contribute to the commitment of France and the French people to achieve the Sustainable Development Goals (SDGs). Towards a world in common.

Abstract

This report presents the findings of the project "Mapping of inequalities reducing initiatives" among European countries, conducted at the initiative of the EU-AFD Research Facility on Inequalities (IRF), a programme funded by the European Union (EU) and managed by Agence Française de Développement (AFD).

Adelante Knowledge and Development's network was commissioned to conduct a mapping exercise, initially among 15 Member States, consisting of (i) a preliminary web review and quantitative analysis to structure (ii) a survey enriched by interviews of representatives of 15 EU Member States (MS) and two non-members (in this report the 17 countries included in the mapping are referred to as MS+).

The current report reflects the results of this survey (responded to by 12 MS+) and interviews (conducted with 9 MS +) with illustrations from the quantitative analysis (see volume 3). The survey and interviews sought to obtain an understanding of how MS+ understand social and economic inequalities, their commitment to addressing those inequalities, the policies that have been put in place to reduce inequalities (as promoted by Sustainable Development Goal 10 [SDG 10]) through their Official Development Assistance (ODA) to partner countries, and how these policies are translated into countries' development cooperation (both at ministerial and development agency level).

The report has been structured around five stages of ODA policy planning and implementation: 1. the conceptual awareness of inequality; 2. the commitment to contribute to the reduction of inequalities; 3. the preparation process of that support through research, training, tools; 4. the operationalisation of interventions and 5. the monitoring and evaluation of interventions for the purposes of consolidation and improved performance.

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