



**DEVELOPMENT CO-OPERATION DIRECTORATE
DEVELOPMENT ASSISTANCE COMMITTEE**

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REPORTING DIRECTIVES FOR THE CREDITOR REPORTING SYSTEM

(Note by the Secretariat)

This document contains Directives for reporting to the Creditor Reporting System on Official Development Assistance, Official Aid and Other Official Flows (except export credits). It supersedes instructions in DCD/DAC/TD/ECG(90)1, except for reporting on export credits.

The Directives have been approved by the DAC through the written procedure and are applicable as of 1 July 2002.

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REPORTING DIRECTIVES FOR THE CREDITOR REPORTING SYSTEM

INTRODUCTION

1. The Creditor Reporting System (CRS) is a database on official development assistance (ODA), official aid (OA) and other lending to developing countries and countries in transition. It consists of two distinct sub-sets: a project database on ODA/OA activities, accessible to the public, and a database on non-ODA/OA lending and officially supported export credits, access to which is restricted.

2. The CRS was established in 1967, jointly by the OECD and the World Bank, with the aim of “supplying the participants with a regular flow of data on indebtedness and capital flows”.¹ Calculating capital flows and debt stock remain key functions of the System, but others have evolved in the course of years. In particular, the CRS aid activity database has become the internationally recognised source of data on the geographical and sectoral breakdown of aid and is widely used by governments, organisations and researchers active in the field of development. For DAC Members, the CRS serves as a tool for monitoring specific policy issues, supplementing the information collected at the aggregate level in the annual DAC Statistics.

3. These Reporting Directives for the CRS are presented in three self-contained parts: Part A relating to the aid project database and Part B on other official flows are essentially addressed to DAC Members. Part C on official export credits and private loans and credits under official guarantee or insurance is addressed both to the Members of the DAC and the Members of the Trade Committee Group on Export Credits and Credit Guarantees (TC/ECG).

¹ The term CRS is used through this document to refer to all reporting to which these directives relate. The CRS *stricto sensu* corresponds to the reporting authorised in 1966 by the OECD Council [C(66)100]. The World Bank co-sponsored the creation of this system, and has full access to its data; however, all data collection and treatment is carried out by the DAC Secretariat. A broadening of the system’s scope to cover export credits was requested by the Group of Export Credit and Credit Guarantees of the Trade Committee [TC/ECG(82)9/REV1] and is not shared with the World Bank. Both collections of data are covered by Members’ agreement under Article 3 of the OECD Convention to provide data necessary for the Organisation to fulfil its functions.

Figure 1. CRS databases and their main uses

	Database	Flow of resources	Main uses of the data
PUBLIC ACCESS	CRS/Aid	<ul style="list-style-type: none"> • Official development assistance • Official aid 	<ul style="list-style-type: none"> • Sectoral and geographical distribution of aid • External indebtedness • Tying status of aid • Terms and conditions of aid • Relating aid inputs to policy priorities
	CRS/OOF	<ul style="list-style-type: none"> • Other official flows (except export credits) 	<ul style="list-style-type: none"> • Sectoral and geographical distribution of other official flows • External indebtedness
RESTRICTED ACCESS	CRS/Export credits	<ul style="list-style-type: none"> • Official export credits • Private loans and credits under official guarantee or insurance 	<ul style="list-style-type: none"> • External indebtedness • Exposure and new obligations of export credits (Trade Directorate)

4. The Directives in each Part have a common structure. They first specify the resource flows covered, provide information on the main uses of the requested data and give an overview of reporting by presenting the relevant data collection form.² The reporting concepts are defined in a separate section, which also gives instructions on coding, including references to various classifications, and reporting deadlines. Technical specifications on the reporting format (Unified Standard Input Format - USIF) are given in Annex. Directives in Parts B and C also specify the rules concerning disclosure of CRS data. CRS data on aid activities are accessible to public, whereas data on other official flows and export credits are confidential³ and made available only in aggregate form.

5. The concepts and terminology used in the CRS conform to those used in DAC statistics. Aggregates of commitments and gross and net disbursements available in the CRS should be equal to, included in, or related in a known way to the corresponding annual aggregates reported in the DAC Questionnaire. Figure 2 below illustrates the links at the most general level (between CRS Forms and the main DAC aggregates reportable in Table DAC1). The links are further elaborated on in a specific section in each Part of the Directives.

² The form as such is not completed as reporting takes place electronically. CRS data received on paper forms can no longer be processed.

³ “Confidential” means that non-ODA transaction level data may be made available only to:

- authorised staff of the OECD, BIS and, for developing countries only, the World Bank;
- the OECD Trade Committee Group on Export Credits and Export Credit Guarantees;
- for the exclusive purpose of cross-checking debt statistics by the World Bank, officials of the borrowing developing country, providing the authority of the reporting country to do so is sought and obtained beforehand in each instance (in this case, the source of information may not be revealed).

As regards Form 1C, the information and reports are also shared with the Berne Union.

Figure 2. Links between the CRS and DAC reporting systems

TYPE OF RESOURCE FLOW	DISBURSEMENTS	COMMITMENTS
TOTAL OFFICIAL AND PRIVATE FLOWS		
I. OFFICIAL DEVELOPMENT ASSISTANCE (ODA)		
I.A Bilateral Official Development Assistance	CRS/Aid (Form 2)	CRS/Aid (Form 1)
I.B Multilateral Official Development Assistance		
II. OTHER OFFICIAL FLOWS (OOF)		
II.A Other Official Bilateral Flows <ul style="list-style-type: none"> • OOF except export credits • Official direct export credits 	CRS/OOF (Form 2) CRS/Export credits (Form 3A)	CRS/OOF (Form 1) CRS/Export credits (Form 1C)
II.B Transactions with Multilateral Agencies at Market Terms		
III. PRIVATE FLOWS, AT MARKET TERMS		
III.A Bilateral Private Flows <ul style="list-style-type: none"> • Guaranteed export credits • Non-guaranteed export credits 	CRS/Export credits (Form 3)	CRS/Export credits (Form 1 C)
III.B Multilateral Private Flows		
IV. NET GRANTS BY NON-GOVERNMENTAL ORGANISATIONS (NGOs)		

6. The links between the CRS and the DAC allow the two reporting systems to supplement and reinforce one another. The completeness of CRS data is verified through comparisons with the DAC statistics. Conversely, the quality of DAC statistics - e.g. their conformity with definitions and consistency between Members - can be examined through the CRS, which shows what lies behind the aggregate figures. The CRS-DAC correspondence can also help to clarify the reporting concepts. For example, applying a definition to an individual aid activity can point up gaps or weaknesses in definitions or classifications.

7. Links exist also between the CRS and the statistical reporting systems of some other international organisations. CRS data may be aggregated to yield totals or sub-totals which correspond, for example, to data on official loans collected in the World Bank's Debtor Reporting System (DRS). CRS and DRS data can be cross-checked for individual countries, but it should be remembered that not all aid recipients are World Bank members, and not all World Bank members are on the DAC List of Aid Recipients. CRS data on ODA grants and loans are provided to several international organisations, which incorporate them in their own databases. However, the definitions, classifications and country groupings used by other agencies may not correspond to those of the DAC. Data comparisons should therefore be made with caution. The Secretariat can provide Members with relevant advice on request.

**PART A: CREDITOR REPORTING SYSTEM
AID ACTIVITY DATABASE**

I. Resource flows covered

8. The CRS aid activity database comprises data on official development assistance (ODA) and official aid (OA) activities in developing countries and countries in transition.

Official development assistance (ODA) is defined as those flows to countries on Part I of the DAC List of Aid Recipients (developing countries) and to multilateral institutions for flows to Part I aid recipients which are:

- i. provided by official agencies, including state and local governments, or by their executing agencies; and
- ii. each transaction of which:
 - a) is administered with the promotion of the economic development and welfare of developing countries as its main objective; and
 - b) is concessional in character and conveys a grant element of at least 25% (calculated at a discount rate of 10 per cent).

Official aid (OA) consists of flows that meet all the tests of ODA, except that they are directed to countries on Part II of the DAC List of Aid Recipients (countries in transition) and to multilateral institutions which primarily benefit Part II aid recipients.

9. DAC Members' reporting to the CRS covers their bilateral ODA and OA only. Their multilateral aid i.e. contributions to the regular budgets of the multilateral institutions (also called core funding) is excluded. Financing of specific projects executed by multilateral institutions ("non-core funding", also called "extra-budgetary funding") is classified as bilateral. These projects are reportable in the CRS.

Bilateral transactions are those undertaken by a donor country directly with an aid recipient. They also include transactions with national or international non-governmental organisations active in development and other internal development-related transactions such as interest subsidies, spending on promotion of development awareness, debt reorganisation and administrative costs.

Multilateral contributions are those made to a recipient institution which:

- i. conducts all or part of its activities in favour of development;
- ii. is an international agency, institution or organisation whose members are governments, or a fund managed autonomously by such an agency; and
- iii. pools contributions so that they lose their identity and become an integral part of its financial assets.

If, however, the donor effectively controls the disposal of the funds by specifying the recipient or other aspects of the disbursement (e.g. purpose, terms, total amount, reuse of any repayments), then the contribution should be classified as bilateral, and allocated to the appropriate recipient country.

10. Data on aid activities financed from multilateral institutions' regular budgets are included in the database to the extent possible to improve the system's capacity for sectoral and geographical analysis. Data are collected directly from the agencies concerned. This reporting takes place on a voluntary basis but is highly valued by DAC Members.

11. The CRS excludes private grants from DAC Member countries⁴ and aid from non-DAC bilateral donors.

II. Overview of the data collected in the CRS Aid Activity Database

12. An aid activity can take many forms. It could be a project or a programme, a cash transfer or delivery of goods, a training course or a research project, a debt relief operation or a contribution to an NGO. All bilateral ODA and OA is reportable to the CRS. But the level of detail to be reported varies, in particular between sector-allocable and non-sector-allocable aid.

13. Figure 3 presents the CRS Form 1 used in reporting data to describe individual activities. This is only an illustration. In practice, the form as such is not completed as reporting takes place electronically, usually on a spreadsheet where each column corresponds to one data item and each row to one completed form.

14. The form comprises three sections: Section A identifies the activity. Section B requests basic data on the activity. Section C requests supplementary data. Identification and basic data constitute the minimum reporting requirements, whereas supplementary data items are relevant to certain types of aid only. Their main functions are the following:

Identification data items

- distinguish one individual aid activity from another;
- facilitate database management; and
- allow commitment and disbursement data, reported on Forms 1 and 2 respectively, to be linked.

Basic data items are used to

- analyse the sectoral and geographical distribution of aid;
- verify the ODA eligibility of individual reported activities;
- assess DAC Members' compliance with the 1978 Terms Recommendation and conduct other terms analyses;
- monitor the tying status of aid, including Members' compliance with the DAC Guiding Principles of Associated Financing and Tied and Partially Untied ODA.

Supplementary data

- facilitate use of the information in the field;
- permit checking the accuracy and consistency of purpose coding;
- permit analysis of cross-sectoral issues and linking aid inputs to specific policy objectives or the broader international development goals;
- permit detailed analysis of tied aid credits.

⁴ Bilateral aid administered by non-governmental organisations on behalf of the official sector is included.

Figure 3. Aid and other official flows: Activity description (CRS Form 1)

A. Identification	IBRD/OECD
1. Reporting country/organisation..... --- 2. Extending agency -- 3. CRS Identification no.----- 4. Donor project no.----- 5. Nature of submission..... - <i>(New commitment=1; Revision=2; Increase=3; Decrease= 4)</i>	Creditor Reporting System (CRS) <u>Aid and other official flows: Activity description</u> -- Form 1 --
B. Basic data	C. Supplementary data
6. Recipient country --- 7. Commitment date (dd.mm.yyyy) --- 8. Currency (thousands of) --- 9. Amount committed ----- 10. Type of flow -- <i>(ODA/OA grant=11; ODA/OA grant-like=12; ODA/OA loan=13; ODA/OA equity investment=19; OOF loan=14)</i> For loans only: Terms of repayment 11. Type (EPP=1; Annuity=2; Lump sum=3; Other=5) --- 12. Number of repayments per annum -- 13. Interest rate.....----- 14. Second interest rate----- 15. First repayment date (dd.mm.yyyy).....----- 16. Final repayment date (dd.mm.yyyy).....-----	22. Geographical target area----- 23. Expected starting date (dd.mm.yyyy).....----- 24. Expected completion date (dd.mm.yyyy)----- 25. Channel of delivery----- 26. Description----- ----- ----- ----- ----- -----
17. Short description/Project title (max 72 characters in English or French)----- ----- ----- 18. Sector/Purpose code-----	Policy objectives <i>(Principal=2; Significant=1; Not targeted=0)</i> 27. Gender equality (including WID)..... -- 28. Aid to environment -- 29. Direct assistance to poor people..... -- 30. PD/GG -- Type of aid 31. Free-standing technical co-operation (Yes=1) --- 32. Sector programme (Yes=1)..... -- 33. Investment project (Yes=1)..... -- 34. If investment project, amount of IRTC.....-----
Tying Status	Associated Financing
19. Amount untied----- 20. Amount partially untied.....----- 21. Amount tied-----	35. Associated Financing (Yes=1) -- 36. Amount of export credit-----

15. The data uses are described in greater detail in section “compiling CRS Form 1” below.

16. Reporting on Form 1 should relate to aid commitments. There are cases, however, where the concept of commitment is difficult to apply or where annual commitments are equal, or very close, to annual disbursements. This may justify reporting disbursement data on Form 1.

A commitment is a firm written obligation by a government or official agency, backed by the appropriation or availability of the necessary funds, to provide resources of a specified amount under specified financial terms and conditions and for specified purposes for the benefit of the recipient country.

A disbursement is the placement of resources at the disposal of a recipient country or agency, or in the case of internal development-related expenditures, the outlay of funds by the official sector.

17. In general, commitment data are reportable on Form 1 and disbursement data on Form 2. Form 2 reporting increases the analytical value of CRS data by permitting sectoral and geographical analyses of disbursements, or examining rates of implementation of projects. Form 2 data on ODA/OA loans are indispensable for producing statistics on the outstanding debt of aid recipients.

18. The Directives for reporting on individual aid activities on Form 1 are given below. They provide:

1. information on the main uses of the requested data (why report);
2. definitions of reporting concepts (what to report);
3. coding instructions including references to various classifications (how to report); and
4. reporting deadlines (when to report).

A separate section (II.1.4) covers links between CRS and DAC reporting. Specific instructions on reporting certain types of aid are likewise set apart in section II.1.5. Directives for Form 2 are presented in section II.2. Any questions concerning the Directives can be addressed to the DAC Secretariat (send an email to dac.contact@oecd.org).

II.1 Compiling CRS Form 1

II.1.1 Why report on Form 1?

19. The objective of the CRS Aid Activity Database is to provide a set of readily available basic data that enables analysis on where aid goes, what purposes it serves and what policies it aims to implement. The aim is to collect sufficient core information to meet a variety of needs and avoid a proliferation of parallel international reporting systems. Complete and accurate reporting allows the Secretariat to respond to numerous data requests that would otherwise require special surveys by the aid agencies themselves.

20. Prior to any statistical analysis, the *coverage ratio* of CRS data is assessed in relation to total ODA reported in the DAC.

- *The coverage ratio* measures the comprehensiveness of CRS data. It indicates the extent to which the data can be exploited in analytical work. High coverage permits an in-depth analysis. Low coverage means that CRS data, though descriptive, may not present a balanced picture of DAC Members' aid. Coverage ratios vary over time.
- The coverage ratio is calculated by comparing the CRS total commitments with the corresponding aggregate commitments reported in Table DAC3a (geographical distribution of aid) and in Table DAC5 (sectoral distribution of aid). Data for individual DAC Members are available in CRS On-line on the Internet and are systematically included in responses to data requests.
- The coverage of the CRS data for a specific recipient or sector varies according to the donors and types of assistance involved.

21. The fact that CRS reporting is based on agreed definitions and classifications permits comparisons between donor countries. Furthermore, the direct link to aggregate DAC data enables statistical analysis and verification of the information.

22. The DAC requires data for consideration of specific policy issues and for monitoring donors' compliance with various international recommendations in the field of development co-operation. Data are used, for example, in the preparation of Peer Reviews and meetings of the DAC or its subsidiary bodies. Aid agencies seek information on other donors' activities in their countries/sectors of interest. Outside the DAC, CRS data are mainly used to analyse the sectoral and geographical breakdown of aid for selected years and donors or groups of donors. Requests for data are received from international organisations (e.g. the World Bank, the UNDP and other UN agencies), universities and research institutions, consulting firms, NGOs, and sometimes aid recipients themselves.

23. Paragraph 14 above listed the main functions of the CRS. The examples below illustrate the uses of the basic data items.

Sectoral and geographical analyses

24. Most commonly, sectoral analysis starts with DAC statistics which provide an overall picture of the sectoral distribution of aid and of the relative importance of each sector in the total (e.g. "aid to health" as a share of total sector-allocable bilateral ODA). CRS data are required to examine the sub-sectoral breakdown (e.g. "infectious disease control" as a share of aid to health) and to add a geographical

dimension to analysis (e.g. aid to health in “South America”). Similarly, aid by sector to groups of recipients (e.g. aid to health in “Least Developed Countries”) can be examined. There are plenty of possibilities for data analysis, varying from simple identification of major recipient countries and sectors to assessing whether aid is targeted to countries most in need.

25. By showing what lies behind the aggregate figures, the CRS allows an assessment of the quality of the sectoral data, in particular their consistency with definitions and comparability among Members. Furthermore, descriptive information on the purpose of individual activities enriches sectoral studies and facilitates use of the data in the field (donor representatives or aid recipients).

Terms analysis - Calculation of the grant element

26. The DAC has addressed the question of financial terms of ODA through a series of terms recommendations. The first dates from 1963 and the most recent, still valid, from 1978. In brief, the 1978 Terms Recommendation urged Members to extend their ODA commitments with an average annual grant element of at least 86% (for Least Developed Countries, at least 86 per cent over three years for each country, or 90 per cent annually for the group) and to harmonise terms at the level of individual recipient countries. Members’ compliance with the Recommendation is assessed each year in the Statistical Annex of the Development Co-operation Report.

The grant element reflects the financial terms of a transaction: interest rate, maturity (interval to final repayment) and grace period (interval to first repayment of capital). It is a measure of the concessionality (softness) of a loan. It is calculated as the difference between the face value of a loan and the discounted present value of the service payments the borrower will make over the lifetime of the loan, expressed as a percentage of the face value. (See Annex 1 for the formula and examples.)

Background:

The extent of concessionality can be measured either as the benefit to the borrower, or the opportunity cost to the lender. Both benefit and opportunity cost depend on the interest rate and duration of the loan. In a benefit calculation, concessionality would be calculated from the difference between the interest charged and the market rate of interest which the borrower would otherwise have had to pay. In an opportunity cost calculation, the concessionality would be calculated from the difference between the interest charged and the return that the lender could have expected from the next most profitable means of investing the capital. DAC statistics generally measure costs to donors, and consideration of opportunity costs played an important part in determining a reference rate of interest for calculating grant elements. For practical purposes this was set as 10%.

Verification of the ODA/OA eligibility of an activity

27. Verification of the ODA/OA eligibility of an activity involves testing its developmental objective and its concessionality. The former requires descriptive information on the purpose of the activity and the latter details on the financial terms of the transaction. Only loans with a grant element above 25 per cent are ODA/OA eligible. In addition, an ODA/OA loan has to be “concessional in character”. This means that its interest rate must be below the prevailing market rate. Both the developmental and the concessionality tests are completed as part of CRS Form 1 data entry procedures.

Tying status

28. Since its inception, the DAC has worked with the issue of tying. The 1965 DAC Recommendation on Financial Terms and Conditions suggested “Measures Related to Aid Tying” designed to avoid aid and trade distortion. A strong expansion of the use of ODA in association with export credits (Associated Financing, also called mixed credits) in the early 1980s led the DAC to establish Guiding Principles for the Use of Aid in Association with Export Credits and Other Market Funds in 1983. Their coverage was expanded in 1987 to other tied and partially untied ODA. New Measures including specific requirements with regard to large projects with a value of over SDR 50 million were adopted in 1992 in the so-called Helsinki package. (Cf. Annex 2.)

29. The work on tied aid disciplines has to a large extent been undertaken in parallel with the participants in the Arrangement on Officially Supported Export Credits and the Group on Export Credits and Credit Guarantees of the Trade Committee. The DAC and the Participants in the Arrangement have adopted the same set of disciplines. Monitoring Members’ compliance with the disciplines is based on a system of notification of tied aid offers under the Arrangement and reporting commitments on individual tied aid loans and grants in the CRS.

Tied aid credits (tied and partially untied loans and grants and associated financing) are subject to disciplines concerning their concessionality levels⁵, recipient countries and developmental relevance. These disciplines are designed to ensure that aid is not used for commercially viable projects and that recipient countries receive good value for money.

- *Untied aid* is defined as loans and grants whose proceeds are fully and freely available to finance procurement from all OECD countries and substantially all aid recipient countries.
- *Partially untied aid* is defined as loans and grants which are tied to procurement of goods and services from the donor country and from a restricted number of countries which must include substantially all aid recipient countries.
- All other loans and grants are classified as *tied aid*, whether they are tied formally or through informal arrangements.
- *Associated financing* associates in law or in fact two or more of the following, at least one of which is in effect tied or partially untied:
 - official development assistance;
 - other official flows with a grant element of at least 25 per cent;
 - officially supported export credits, other official flows or other funds with a grant element of less than 25 per cent.

30. The DAC has worked over the years to promote aid untying. Discussions about untying more aid have taken place in the context of aid effectiveness. It is generally argued that untied aid is a more efficient way to deliver assistance. By limiting competition, tied aid raises the cost of many goods and services. Moreover, tied aid tends to favour projects that require capital intensive imports or donor-based

⁵ “Concessionality level” is very similar in concept to the “grant element”. The method of calculation is the same, except that the discount rate varies annually according to the commercial interest reference rates (CIRR) and that the base date for the calculation is the Berne Union starting point, rather than the commitment date. (Cf. Part C.)

expertise over smaller and more poverty-focused programmes. Untying is seen as a step towards increased involvement of developing countries in the selection, design and implementation of aid projects and programmes, and therefore more effective partnerships. In 2001, the DAC adopted a Recommendation on Untying ODA to Least Developed Countries. (Cf. Annex 2.3.) Monitoring and evaluating the implementation of the Recommendation will draw on statistical reporting to the CRS.

II.1.2 What and how to report on Form 1?

31. Specific reporting instructions are set out below, item by item, in the order the items appear on the Form. Instructions on the reporting format and coding, including references to various classifications, are presented in the form of tables. The reporting concepts are defined, where necessary, in the text.

Section A. Form 1: Identification of the activity

1. Reporting country/organisation	See Annex 3 for list of Donor codes.
2. Extending agency	See Annex 3 for list of Agency codes.
3. CRS Identification number	In 6 digits: YYxxxx.

32. Each reporting country or multilateral organisation has its own donor code. DAC Member countries are requested to indicate, in addition, the extending agency i.e. the central, state or local government agency or department administering the activity.

33. The identification number is a six digit number. The first two digits refer to the year in which the activity becomes reportable (e.g. for 1999: 99xxxx, for 2001: 01xxxx). The last four digits are sequential. Where more than one agency reports from the same country, each agency should preferably use its own block of numbers.

4. Donor project number	Enter the number, or combination of letters and numbers, used by the extending agency to identify the activity.
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34. This item facilitates tracking activities in donors' internal databases which may be necessary, for example, to respond to the Secretariat's request to verify the data on certain reported activities or to report disbursement data (see Form 2). Originally, the item was added to the reporting form at the request of the UNDP to facilitate communication in the field.

35. It is recommended that CRS identification numbers are assigned so that there is a one-to-one correspondence with donor project numbers. This simplifies reporting of disbursements on Form 2.

5. Nature of submission	1=new commitment 2=revision 3=increase 4=decrease (cancellation)
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36. When an activity is reported for the first time, it should be marked as a *new commitment*. If changes (either in the amount or the qualitative information) occur during the original commitment year, report a *revision*. Fill out all data items including the ones that have not been revised.

37. *Increases* are amounts added to commitments reported already in previous years. A *decrease* means that a portion of a commitment reported already in a previous year is cancelled in part or in full. Increases and decreases signify a change only in the amount committed. The qualitative information on the activity (e.g. recipient, sector code, markers) remains unchanged.

38. Total commitments per year reported to the CRS should correspond to total bilateral commitments reported in DAC statistics i.e. comprise new commitments and additions to earlier commitments but exclude any commitments cancelled during the same year. Cancellations and reductions in the year reported on of commitments made in earlier years are not taken into account in the analysis of annual commitments, but are recorded in Form 2 database to allow examining rates of implementation of projects. (Commitments measure donors' intentions during a reporting year. Cancellation years after the original commitment means that the intention was not realised, not that it was changed.)

39. Since increases and decreases do not affect the qualitative information on the activity, they should preferably be reported on Form 2 once a year. [Report the amount of increase or (the negative amount of) decrease in the column reserved for this purpose. Cf. paragraph 128.] Links between Form 1 and Form 2 databases ensure the accuracy of annual total commitment statistics.

40. Agencies not compiling Form 2 data are requested to report changes on Form 1 by marking the transactions as an increase or decrease. Use the identification number of the original commitment but provide information on the increase/decrease only. In particular, the commitment date should equal the date of decision to increase/decrease the commitment and the amount should correspond to the amount of increase or (the negative amount of) decrease. Other fields can be left blank as the information is already recorded under the original transaction.

41. A revision after the commitment year that affects the qualitative information of the activity should not be reported as an increase or a decrease. It gives rise to a new commitment (on Form 1) and a cancellation (on Form 2).

Section B. Form 1: Basic data

6. Recipient country	See Annex 4 for recipient codes. ISO codes may also be used.
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42. The term *aid recipient* refers to countries and territories in the DAC List of Aid Recipients (see Annex 4). Part I of the list shows developing countries and territories eligible to receive official development assistance and Part II those eligible to receive official aid.

43. Some activities benefit several aid recipients. Regional projects and programmes are reportable under the most specific available “unallocated” category (e.g. use South of Sahara unallocated for West Africa). The category “developing countries, unspecified” is used if an activity benefits several regions.

44. Activities undertaken on the territory of the donor country should be assigned to individual recipient countries/regions where the services performed are for the benefit of those countries/regions. The examples below illustrate this rule:

- Development-related research, studies or seminars undertaken in the donor country but relating to a particular recipient country/region should be coded under the recipient country/region.
- Training courses in the donor country for developing country participants should be coded under the country/countries of origin of the participants.
- Scholarships in the donor country should be allocated to the countries of origin of the students.

7. Commitment date	Enter in text format DD-MM-YYYY.
8. Currency	See Annex 3 for list of donor/currency codes.
9. Amount committed	Enter the face value of the activity in thousands of units (except for Japanese yen which should be reported in millions).

45. Commitments are considered to be made at the date a loan or grant agreement is signed or the obligation is otherwise made known to the recipient (e.g. in the case of budgetary allocations to overseas territories, the final vote of the budget should be taken as the date of commitment). For activities reported at semi-aggregate level (e.g. food and emergency aid, see also section II.1.5), the commitment date should be set at 31-12-YYYY.

46. Only currencies listed in Annex 3 can be used. Commitments extended in the currencies of aid recipients should be converted before reporting.

10. Type of flow	11=ODA/OA grant 12=ODA/OA grant-like 13=ODA/OA loan 19=ODA/OA equity investment 14=OOF
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47. Classify the activity by type of flow as follows:

Grants are transfers in cash or in kind for which no legal debt is incurred by the recipient. For DAC/CRS reporting purposes, it also includes debt forgiveness, which does not entail new transfers; support to non-governmental organisations; and certain costs incurred in the implementation of aid programmes.

Grant-like flows comprise a) loans for which the service payments are to be made into an account in the borrowing country and used in the borrowing country for its own benefit⁶, and b) provision of commodities for sale in the recipient's currency the proceeds of which are used in the recipient country for its own benefit.

Loans are transfers for which the recipient incurs a legal debt and repayment is required in convertible currencies or in kind. This includes any loans repayable in the borrower's currency where the lender intends to repatriate the repayments or to use them in the borrowing country for the lender's benefit.

Equity investment comprises direct financing of enterprises in the aid recipient country which does not (as opposed to direct investment⁷) imply a lasting interest in the enterprise.

Other official flows are official sector transactions which do not meet the ODA/OA criteria.

48. In DAC statistics, the term "grants" covers both grants and grant-like flows. Loans and equity investment are reportable as separate items under "non-grant ODA/OA".

49. For loans (ODA/OA and OOF), report the terms of repayment.

11. Type of repayment	1=equal principal payments (EPP) 2=annuity 3=lump sum 5=other
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50. The terms of repayment may be the following:

- *Equal principal payments (EPP)* denotes a fixed schedule of equal instalments of principal adding up to the face value of the loan. Interest is charged on outstanding principal and the amount of individual service payments decreases with each payment of principal.

⁶ Transactions in which the service payments are to be applied to the benefit of the donor country, even if they are to be held in the recipient country while awaiting use, are recorded as loans, and are classified as ODA/OA or OOF, as appropriate.

⁷ Direct investment comprises financing by an entity resident in a reporting country which has the objective of obtaining or retaining a lasting interest in an entity resident in an aid recipient country. "Lasting interest" implies a long-term relationship where the direct investor has a significant influence on the management of the enterprise, reflected by ownership of at least ten per cent of the shares of the enterprise, or the equivalent in voting power or other means of control.

- In the *annuity* method, each service payment is established as an equal amount, within which the interest component declines with time while the principal component increases.
- *Lump sum* means the loan is repaid in a single amount (principal and interest) at maturity. If interest is paid at various earlier dates, then the repayment schedule is a particular case of equal principal payments and should be reported under that category.
- If the type of repayment does not correspond to any of the three above, use the code “*other*” and give information on the repayment schedule on a separate form. (See example in Annex 1.)

12. Number of repayments per annum	1=annual 2=semi-annual 4=quarterly 12=monthly
13. Interest rate	} Enter • in 5 digits, e.g. “05200” for 5.2 % ; or • “0” if interest free. } If loan tied to a market interest rate, report the reference rate • e.g. LIBOR6M+1.5%
14. Second interest rate	

51. Most loans have a single interest rate which applies throughout the life of the loan. Enter this rate, including in it any charges in addition to the interest that are payable on the disbursed balance over the life of the loan.

52. Where interest is waived during the grace period (i.e. the interval between the commitment date and the first repayment date), report the loan as having two interest rates, zero interest being charged for the grace period.

53. The following types of loans are classified as OOF:

- loans extended at a fixed interest rate which is above, at or near the prevailing market rate; and
- loans extended at a floating interest rate, tied to the prevailing market rate, and above, at or near that rate.

15. First repayment date	} } Enter in text format DD-MM-YYYY. }
16. Last repayment date	

54. State the dates at which the first and the final repayments of principal are due.

55. Where the repayment schedule depends on the date(s) at which disbursements are made, please provide approximate repayment dates to allow the Secretariat to estimate the grace period and the maturity. (Estimation might be based on the standard terms of repayment applied to a given recipient country or country group.)

17. Short description/Project title	Maximum 72 characters in English or French.
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56. Precise descriptions are particularly valuable to users who undertake detailed sectoral studies or whose task is to co-ordinate aid activities in a country. Provide as much detail as possible within the allocation of 72 characters that will appear in publications.

- Avoid unnecessary wording. (E.g. prefer “Small farmers’ credit scheme” to “The programme aims at improving living standards for small scale farmers through loans to raise agricultural production”. Prefer “Voters’ education programme” to “The programme assists in the education of citizens to participate fully in elections.”)
- Distinguish the provision of goods from the provision of equipment to produce goods. [E.g., “fertiliser delivery”, “fertiliser production equipment”, “fertiliser plant rehabilitation (equipment)”].

57. The official project title can be used as a description if it is in English or French and does not contain non-standard abbreviations.

18. Sector/Purpose code	See Annex 5 for the list of purpose codes.
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58. The CRS sector classification contains the following broad categories:

- *social infrastructure and services* (covering the sectors of education, health, population, water, government and civil society);
- *economic infrastructure and services* (covering transport, communications, energy, banking and finance, business services);
- *production* (covering agriculture, forestry, fishing, industry, mining, construction, trade, tourism);
- *multisector/cross-cutting* (covering general environmental protection, women in development, other multisector including urban and rural development); and
- *non-sector allocable* (for contributions not susceptible to allocation by sector such as balance of payments support, actions relating to debt, emergency assistance and internal transactions in the donor country).

59. Each sector is defined through a number of purpose codes. Purpose coding is based on three general principles. (Complete instructions on purpose coding are given in Annex 5.)

- The sector of destination of a contribution is determined by answering the question “which specific area of the recipient’s economic or social structure is the transfer intended to foster?”. The reported purpose code should relate to the sector ultimately targeted by the contribution, and not to the means used to deliver the aid. For example, agricultural education activities should be reported under agriculture, and not under education.
- Within each sector, supplies, equipment and infrastructure should be allocated to the most specific code available. For example, the construction of a tuberculosis clinic should be coded under “infectious disease control” and not “basic health infrastructure”.

- Only one CRS purpose code can be assigned to each contribution. When the contribution benefits several sectors, the sector that receives the largest proportion of the contribution should be reported.

60. Reporting agencies using internal purpose classifications are invited to work with the Secretariat to establish correspondence tables between their own systems and the CRS, so as to allow automated reporting.

19. Amount untied	In thousands of units (millions if yen). Procurement authorised in all OECD countries and substantially all aid recipient countries.
20. Amount partially untied	In thousands of units (millions if yen). Procurement limited to donor and substantially all aid recipient countries.
21. Amount tied	In thousands of units (millions if yen). Procurement that does not fall under the definitions of untied or partially untied aid (see paragraph 29).

61. The tying status items should not be completed for administrative costs (activities with purpose code 91010). Transactions are reportable as tied unless the donor has, at the time of the aid offer, clearly specified a range of countries eligible for procurement which meets the definitions of untied or partially untied aid (see para. 29). For activities for which the tying status is reported, the sum of the amounts reported as untied, partially untied and tied should equal the total amount of these activities.

62. For the purposes of monitoring the 2001 DAC Untying Recommendation, Members that can report the tying status of free-standing technical co-operation (FTC; as indicated at item 31) at the level of individual activities in the CRS are invited to do so - in particular for FTC to Least Developed Countries (LDCs). Members without full CRS coverage of the tying status of their bilateral ODA to LDCs should report an annual aggregate of their total bilateral LDC ODA (including FTC) that is untied.

Section C. Form 1: Supplementary data

22. Geographical target area	Specify the area (town, region) in the recipient country that is intended to benefit from the activity. Specify the recipient countries if the activity benefits several recipients.
23. Expected starting date	} Enter in text format DD-MM-YYYY. }
24. Expected completion date	
25. Channel of delivery	Enter the name of the bilateral or multilateral implementing agency (e.g. UN agency, NGO).

63. These items, originally added on the reporting form at the request of the UNDP, enhance the value of CRS data in the field. Geographical target area and channel of delivery help to identify a specific activity in the recipient country. (For example, a UNICEF project financed by donor X is generally known in the field as a “UNICEF project” rather a “project by donor X”). The expected starting and completion dates allow identification of activities being implemented at any point of time.

26. Description	E.g. project summary.
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64. Many agencies’ databases contain project summaries or descriptions of the main objectives of the activity. These can be included in the CRS database in a text field of unrestricted length. The information permits the Secretariat to check the accuracy and consistency of purpose coding. In addition, descriptive information is valuable in detailed sectoral studies.

27. Gender equality (including WID)	} 2=principal objective } 1=significant objective 0=not targeted] See Annex 6 for the definition.
28. Aid to environment	
29. Direct assistance to poor people	
30. Participatory development/Good governance (PD/GG)	

65. These markers seek information on the policy objectives served by the activity. The marking system contains three levels:

- Principal (primary) policy objectives are those which can be identified as being fundamental in the design and impact of the activity and which are an explicit objective of the activity. They may be selected by answering the question “would the activity have been undertaken without this objective?”.
- Significant (secondary) policy objectives are those which, although important, were not the prime motivation for undertaking the activity.
- The score “not targeted” means that the activity was examined but found not to target the policy objective.

66. Leave the field blank if the activity has not been screened against the objective.

67. Detailed instructions on reporting on the policy objectives of aid, including definitions, criteria for eligibility and examples of typical activities, are given in Annex 6.

31. Free-standing technical co-operation	1=Yes.
32. Sector programme	1=Yes.
33. Investment project	1=Yes.
34. If investment project, amount of IRTC	In thousands of units (millions of yen).

68. These items cover some possible forms of aid, defined as follows:

Free-standing technical co-operation is defined as financing of activities whose primary purpose is to augment the level of knowledge, skills, technical know-how or productive aptitudes of the population of aid recipient countries, i.e. increasing their stock of human intellectual capital, or their capacity for more effective use of their existing factor endowment. It includes the cost of personnel, training and research, as well as associated equipment and administrative costs.

Sector programme aid comprises contributions to carry out wide-ranging development plans in a defined sector such as agriculture, education, transportation, etc. Assistance is made available “in cash” or “in kind”, with or without restriction on the specific use of the funds, but on the condition that the recipient executes a development plan in favour of the sector concerned.

Investment projects comprise a) schemes to increase and/or improve the recipient’s stock of physical capital and b) financing the supply of goods and services in support of such schemes.

Investment-related technical co-operation is defined as the financing of services by a donor country with the primary purpose of contributing to the design and/or implementation of a project or programme aiming to increase the physical capital stock of the recipient country. These services include consulting services, technical support, the provision of know-how linked to the execution of an investment project, and the contribution of the donor’s own personnel to the actual implementation of the project (managers, technicians, skilled labour etc.).

69. Sector programmes are identified using item 32. All information related to sector programmes is collected in textual form, using item 26 *description*. The reporting is as follows:

- **If the sector programme is originally committed in the form of several components:** report each component separately, and indicate in item 26 that they are part of the same programme.
- **If the sector programme is committed in the form of a global amount, and its components are known only at a later stage:** report the global programme first. Once the different components become known, describe them with more detail (targeted sub-sectors and allocated amounts) by revising item 26 of the original Form 1.

35. Associated Financing	1=Yes.
36. Amount of export credit	In thousands of units (millions if yen). Use the currency indicated in item 8.

70. ODA extended in association with export credits or other flows at or near market rates is reportable as associated financing. (Also called mixed credits. See definition in para. 29 and Annex 2.) Report the grant or loan as any other aid activity, but fill out item 35 and report the associated export credit amount in item 36. Check that the export credit amount is expressed in the same currency as the ODA amount. If necessary, convert the export credit amount using the annual average rate used for DAC reporting.⁸ The sum of the amount committed (item 9) and the amount of export credit (item 36) equals the actual financial flow to the recipient country i.e. the amount of the associated financing package.

⁸ If not known at the time, use the most representative average rate available.

71. When an associated financing package includes both an ODA grant and an ODA (or OOF) loan, report the grant and the loan as separate transactions but assign them the same CRS identification number or explain the link in a remark under item 26. Report the export credit amount under the loan transaction only.

72. The ODA component of an associated financing package may be provided in the form of an interest subsidy. Such packages are called “pre-mixed credits”, “monobloc” or “single integrated transactions”. Report the actual interest subsidy provided by the official sector in item 9.⁹ The amount to report in item 36 is the “export credit equivalent” i.e. the value of the export credit less any grant made to subsidise the interest rate.¹⁰

73. Use the description field (item 26) to give information on any other funds injected in the package (e.g. private bank loans, contributions from private investors) and explain how the components of the package are articulated.

74. The export credit components are reportable in further detail on Form 1C. (See Part C of the Directives.)

II.1.3 When to report on Form 1?

75. Data on individual aid activities are reportable continuously throughout the year. Table 1 below gives the recommended data transmission schedule. Observing the schedule will ensure that up-to-date information is available on-line and in regular statistical publications, permit reporters to take advantage of CRS reporting when preparing their annual DAC returns, facilitate data collection and processing by the Secretariat and maximise the utility of the CRS to the wider group of users.

Table 1. Recommended Form 1 data transmission schedule

Aid activities committed during 2000	Should be reported during
New commitments	
1 st quarter 2000	2 nd quarter 2000
2 nd quarter 2000	3 rd quarter 2000
3 rd quarter 2000	4 th quarter 2000
4 th quarter 2000	1 st quarter 2001
Revisions Increases and decreases	1 st quarter 2001

76. New commitments should be reported on a quarterly basis so as to provide fresh data to support the work of the DAC and its Members (e.g. peer reviews, consideration of specific policy issues). Electronic data transmission techniques (e.g. CRS On-line) permit fast dissemination of the information

⁹ Under no circumstances may the reported subsidy exceed the amount represented by the difference between the actual cost of raising the funds and the interest terms ultimately offered.

¹⁰ If an associated financing commitment consists of an export credit of 60 units and an ODA grant (or loan) of 40 units, the amount of the package is 100 units and the amounts to report under items 9 and 36 are 40 units and 60 units respectively. However, if the ODA grant of 40 units is provided specifically to reduce the interest charged on the export credit of 60 units, the amount of the package is only 60 units. The amounts to report in items 9 and 36 are then 40 units and 20 units respectively.

also to users outside the DAC.¹¹ Aid activities subject to specific reporting instructions (see section II.1.5) can be reported on an annual basis.

77. Revisions should be reported *en bloc* at the end of the year to facilitate data processing by the Secretariat. Increases and decreases should likewise be reported only once at the end of the year, preferably on Form 2. Agencies not compiling Form 2 data should use Form 1. (See paragraphs 39-40 and 128.)

78. Ideally, reporting on individual aid activities for a commitment year should be completed within three months after the end of the year. This allows for the utilisation of CRS data to compile aggregate commitment tables of the DAC Questionnaire. (Specific instructions are given in section “Links with the DAC reporting system” below.)

79. If reporting on individual aid activities is based on disbursements rather than commitments, annual data transmission during the 1st quarter of the following year is recommended.

II.1.4 Links between Form 1 and the DAC questionnaire

80. Data on individual aid activities collected on CRS Form 1 correspond to bilateral ODA and OA commitment aggregates reportable in the DAC Questionnaire. Members with complete Form 1 reporting can therefore compile a substantial portion of tables DAC1, 3a, 5, 5a and 6 by aggregating their CRS reports. Alternatively, the Secretariat can assist Members by pre-compiling the requested DAC bilateral commitment aggregates, provided a mechanism “validating” the data is agreed upon in order to ensure their accuracy and completeness as well as to maintain donors’ control over, and responsibility for, those aggregates. Before submitting DAC tables compiled in this way, Members must ensure that all eligible expenditures not reported to the CRS are included.

81. Total bilateral commitments per year reportable in the DAC can be derived from the CRS through items “*Nature of submission*” (item 5 of Form 1) and “*Commitments*” (item 9 of Form 2). The examples below illustrate the amounts to include in the calculations. (See also paragraphs 36-41 and 128).

Total commitments per year should comprise new commitments and additions to earlier commitments but exclude any commitments cancelled during the same year. Cancellations and reductions in the year reported on of commitments made in earlier years are not taken into account in the analysis of annual commitments.

N.B. Annual commitments comprise new undertakings entered into in the year in question, regardless of when disbursements are expected. This is **not** the same as the amounts expected to be disbursed before the end of the year.

¹¹ While the CRS is a statistical system and reporting therefore always looking backwards in time, quarterly reporting would satisfy most needs for up-to-date information on aid activities for programming purposes and thereby obviate the need for parallel international reporting systems.

Example 1.	Case 1.	Case 2.	Case 3.
One-year commitment	No changes to original commitment	Revised during the original commitment year	Unused funds cancelled the year after
Original commitment in 2000	1000	1000	1000
Change in 2000		-300	
Total commitment to report in 2000	1000	700	1000
Change in 2001			-100
Total commitment to report in 2001			0

Example 2.	Case 1.	Case 2.	Case 3.	Case 4.
Multi-year commitment	No changes to original commitment	Increased after the original commitment year	Decreased after the original commitment year	Both increased and decreased after the original commitment year
Original commitment in 2000	3000	3000	3000	3000
Total commitment to report in 2000	3000	3000	3000	3000
Change in 2001		1000	-1000	1500
Total commitment to report in 2001		1000	0	500

82. Both the CRS and the DAC systems divide ODA/OA flows into grants and non-grants. The DAC sector classification is defined through the CRS purpose codes. Both systems request data on the same policy objectives and use the same recipient codes. A one-to-one correspondence between the CRS and the DAC can therefore be defined for most requested bilateral commitment aggregates. Figure 4 below illustrates the aggregation technique. Annex 7 contains complete instructions on how to derive the DAC bilateral commitment aggregates from the CRS for each table.

Figure 4. Derivation of DAC bilateral commitment aggregates from CRS Form 1 data
Example: Table DAC3a

	GRANTS	Of which: Ass.fin. interest subsidies	LOANS AND OTHER LONG-TERM CAPITAL	TOTAL	Of which: Technical co- operation
	<i>Select CRS Form 1 transactions that have a type of flow (item 10) equal to:</i>				
PART I COUNTRIES					
I. EUROPE TOTAL	<i>11 or 12</i>	<i>11 or 12</i>	<i>13 or 19</i>	<i>11, 12, 13 or 19</i>	<i>11, 12, 13 or 19</i>
Albania <i>071</i>					
Bosnia-Herzegovina <i>064</i>					
Croatia <i>062</i>					
Etc. <i>etc.</i>					
	<i>and that meet the following criteria:</i>				
		<i>Associated Financing (item 35) = 1</i>			<i>FTC (item 31) = 1</i>

II.1.5 Specific instructions for Form 1 reporting on technical co-operation, contributions to non-governmental organisations, emergency aid and food aid, debt reorganisation and administrative costs

83. Paragraphs 12-16 above (Overview of the data collected in the CRS Aid Activity Database) explain that Members' CRS reporting should cover all of their bilateral ODA/OA activities but that the level of detail of reporting could vary for different forms of aid. The general principle is that, as a minimum, reporting should comprise identification and basic data (sections A and B of CRS Form 1) whereas supplementary data (section C of Form 1) are required for certain forms of aid only. There are cases, however, where attaining the objective of complete CRS coverage necessitates further simplification of reporting and thereby justifies exceptions to the general reporting rules. For example:

- Members may not be able to compile data on all individual technical co-operation activities as this would mean reporting thousands of transactions of relatively small value. Semi-aggregate reporting can be recommended.
- Information available at the commitment stage may be too general for the purposes of the CRS. Ex-post reporting (e.g. on aid in support of NGOs) based on disbursements can be preferred to commitments data.
- Reporting may be feasible only if use is made of the reporting format readily available in agencies' internal systems.

84. The following expands these points, giving guidance on reporting on those forms of aid that may require exceptional treatment. Members who have no problem reporting 100 % of their bilateral ODA/OA to the CRS following the general instructions do not need to change their procedures.

Technical co-operation

85. Complete coverage of technical co-operation is necessary to ensure the accuracy of CRS-based sectoral and geographical analyses (cf. para. 24-25). Data gaps restrict analysis, in particular in sectors or policy areas where a large share of aid is extended in the form of technical co-operation, e.g. education, health and PD/GG.¹²

86. The term technical co-operation (see para. 68 for definition) covers a large variety of aid activities. Some technical co-operation is extended in the form of projects. As their administration does not differ from that of other project aid, they should be reported individually following instructions in section II.1.2 above, preferably on a quarterly basis.

87. Non-project technical co-operation comprises activities such as the supply of volunteers or experts, and provision of scholarships. These are usually funded through specific TC budget lines, which may or may not be administered by the main aid agency. The exact use of funds is seldom known at the

¹² The reliability of CRS data on DAC Members' aid to education in a specific recipient country or region depends largely on the system's coverage on technical co-operation. Analysis of aid to economic infrastructure or production sectors is less affected as other forms of aid are dominant. But even in the case of traditional non-TC sectors, data gaps complicate analysis. The quality of information on the relative importance of each sector in total aid to a country depends largely on the size of Members' TC programmes in that country and the extent to which they have been reported.

commitment stage. Consequently, data on the sectoral and geographical breakdown of such TC programmes are often collected on disbursement basis only. As disbursement data can be very detailed (one “activity” corresponding to one individual expert or student), aggregation by recipient and sector (purpose code) is recommended prior to reporting to the CRS.

88. Table 2 below presents an example of how the reporting procedure might vary between different TC programmes.

Table 2. Reporting of technical co-operation to the CRS Form 1. Example.

Typical executing agency	Form of technical co-operation	Reporting procedure
Main aid agency	<ul style="list-style-type: none"> • TC projects • Feasibility studies 	Quarterly reports on individual activities (commitments)
Main aid agency or sector ministries	<ul style="list-style-type: none"> • Experts and volunteers • Scholarships programmes • Trainees 	Annual report on disbursements aggregated by sector (purpose code) and by recipient
Development research institute	<ul style="list-style-type: none"> • Research 	Annual report on disbursements aggregated by sector (purpose code) and by recipient

89. While reporting on technical co-operation to the CRS can imply using different procedures for different agencies and Members, data transmission should follow the instructions given in section II.1.2 above. Semi-aggregated data should be reported, as all other CRS data, electronically on a spreadsheet where each column corresponds to one CRS data item. Each row represents one aggregate transaction. All identification and basic data items should be compiled (with the exception of tying status). Supplementary data items may be omitted, since aggregating individual activities will normally preclude assessment of the relevance of items such as the various policy markers. Semi-aggregate data on technical co-operation should be transmitted annually, preferably within three months after the end of the year.

Contributions to non-governmental organisations (NGOs)

90. In DAC statistics, contributions to NGOs are classified under two categories: aid to NGOs and aid through NGOs.

Aid to NGOs covers official funds paid over to national and international non-governmental organisations for use at the latter's discretion.

Aid through NGOs covers official funds made available to NGOs for use on behalf of the official sector, in connection with purposes designated by the official sector, or known to and approved by the official sector.

Non-governmental organisations are defined as private non-profit-making agencies, including co-operative societies and trade unions, which are active in development and national in the sense that their funds are fully or mainly obtained from sources in the donor economy. Agencies which are funded internationally are classified as international non-governmental organisations.

91. *Aid to NGOs* means official contributions to programmes and activities which NGOs have developed themselves, and which they implement on their own authority and responsibility. *Aid through NGOs* means payments by the official sector for NGOs to implement projects and programmes which the official sector has developed, and for which it is ultimately responsible. The latter includes “joint financing” schemes where government agencies and NGOs consult about activities, jointly approve them and/or share their funding.

92. When an activity could fit into either category, examine the characteristics of the activity approval process and the degree of control by the official sector in the allocation of funds so as to determine whether the NGO acts, or not, on behalf of the official sector. The examples below provide some further guidance.

- **Funding of NGOs’ programme aid** should be classed as *aid to NGOs*: Subsidies to a general programme of assistance, without endorsement by the official sector of the specific activities to be undertaken, could not be regarded as having been provided for use on the official sector’s behalf.
- **Funding of project activities where the NGO contributes its own funds and where the official sector has essentially no say in the design or implementation of the project** should be classed as *aid to NGOs*: This covers cases in which the official sector makes either a direct contribution to an existing NGO project, or a block grant to be used at the NGO’s discretion on either general administrative overheads, or specific projects of the NGO’s choice. These modes of funding cannot plausibly be viewed as supporting activities carried out on the official sector’s behalf.
- **Funding of project activities where the NGO does not contribute any of its own funds to the same activity** should be classed as *aid through NGOs*: If the NGO is not contributing any of its own funds to an activity financed by the official sector, this is a clear indication that the NGO is acting on the official sector’s behalf, and the expenditure should therefore be classed as *aid through NGOs*.
- **Funding of project activities jointly financed by the official sector and the NGOs, and approved after consultation between the two**, should normally be reported as *aid through NGOs*: In most “joint financing” schemes, official and NGO representatives meet to review proposed projects and agree on those that will receive official funding. The original proposals will normally be drawn up by NGOs, but in response to guidelines as to the type of projects likely to receive official support. Officially funded projects will in principle meet these guidelines. During the review process, the official sector may in effect alter project design by making suggestions or imposing conditions on its support. It is also likely that most projects in this category would not take place unless official funding were received. In this context, it seems reasonable to regard such joint financing schemes as *aid through NGOs*, although the final determination depends on the degree of official sector influence in practice.¹³

¹³ This has the side-benefit of allowing sectoral classification of the funds, and counting them towards donors’ BSS or other sectoral targets.

93. In the CRS, report *aid to NGOs* under purpose codes 92010, 92020 or 92030. The total of the amounts reported under such purpose codes should be the same as the amount reported under code 920 (Support to NGOs) in Table DAC5. The individual activities carried out by NGOs with these funds need not be reported to the CRS, unless requested in the context of a special study.

94. Report *aid through NGOs* individually in accordance with section II.1.2. (Only the official grant should be reported, not the total cost of the project.) While reporting may entail providing detailed qualitative information on many small activities, it is usually easier and more informative to report these individually than to attempt to aggregate the data. Where it is more convenient, reporting on individual activities may be carried out *ex post* on the basis of disbursements.

Emergency aid and food aid

95. Emergency aid may be reported to the CRS as an aggregated total by recipient and purpose code (71010, 72010, 72020 and 72030); and where possible by channel of delivery. Knowing the channel of delivery enables a distinction to be made between aid delivered directly by the donor and aid channelled through a multilateral organisation. (For instructions on reporting semi-aggregate data, see paragraph 89.)

96. Emergency aid activities include various types of supplies (blankets, tents, medicines) and food (wheat, milk products). Individual activities may be monitored by specialised agencies (WFP for food aid) and their reporting may be too detailed for the CRS and the sectoral studies for which it is the source. Furthermore, some items in Form 1 relating to policy objectives and other markers are not as relevant for emergency aid as for other forms of aid.

97. The commitment concept may be difficult to apply to some components of emergency aid (for example aid to refugees in the donor country). Some emergency aid is held in reserve at the beginning of the year, to be allocated as needs arise (natural disasters, conflicts). Emergency aid may therefore be reported on a disbursement basis, so as to show its actual geographical distribution.

98. If developmental food aid and food security assistance (purpose code 52010) are an integral part of the government's co-operation programme, they may be reported as individual activities according to section II.1.2 above, where necessary on a disbursement basis.

Debt reorganisation

99. Reporting on debt reorganisation in the CRS is consistent with the principles of reporting on debt reorganisation in DAC statistics. Consult the *DAC Handbook* for Reporting Debt Reorganisation in the DAC Questionnaire [DCD/DAC/STAT(2000)16] for the definitions of all debt reorganisation operations. This section gives guidance on how to apply the definitions in CRS Form 1 reporting. An overview of the CRS data requirements (both Form 1 and Form 2) is given in Annex 8.

100. Debt reorganisation that leads to new amounts of ODA in DAC statistics is reportable on CRS Form 1. The data are required for sectoral and geographical analyses which consider aid to a specific sector in relation to total bilateral ODA. Debt reorganisation that does not give rise to new ODA should not be reported on Form 1.¹⁴

¹⁴ Since debt operations are only partly covered, aggregate statistics on debt reorganisation cannot be derived from Form 1. DAC statistics provide these.

101. Debt reorganisation may be reported as an aggregated total by recipient and purpose code (60010, 60020, 60030, 60040, 60061, 60062, 60063).

a. *Debt cancellation* [cf. *DAC Handbook*, para. 8-24]

102. Debt cancellation (with a developmental motive) is reportable as a debt forgiveness grant. Report commitments on CRS Form 1 using purpose code 60020 and, if possible, indicate in the activity description whether ODA, OOF or private debt has been cancelled.

103. For cancellation of ODA debt, report only forgiven interest.¹⁵ For cancellation of OOF or private debt, report both forgiven principal and interest. Report the commitment in a lump sum during the year in which the agreement to cancel debt legally comes into force. (This applies equally to Options 1 and 2 of the *DAC Handbook*.¹⁶)

104. Relief of multilateral debt under the HIPC Initiative should be reported as other action on debt (see para. 115), not under this item.

b. *Rescheduling of ODA debt* [cf. *DAC Handbook*, para. 25-28]

105. ODA debt rescheduling is reportable on CRS Form 1 only if new amounts of ODA are committed i.e. if interest is capitalised. Report the amount of capitalised interest (and **not** the total amount of the rescheduling) using purpose code 60040 and type of flow 13. The terms of repayment (items 11-16) do not need to be specified since ODA loan reschedulings remain ODA regardless of the new repayment terms.

106. Agencies that no longer extend new ODA loans are exempted from compiling Form 1 on debt rescheduling. The Secretariat will derive the necessary commitment data from Form 2 where debt rescheduling is reported as an adjustment (items 15-16 and 19-20 of Form 2).

107. One rescheduling operation may comprise loans in several currencies. For simplicity, report on Form 1 preferably only one transaction which is the sum of the amounts of capitalised interest reported on Form 2 with several currencies, converted to the reporting currency.

c. *Rescheduling of OOF debt as ODA* [cf. *DAC Handbook*, para. 29-33]

108. Rescheduling that consists of transforming OOF loans (other than export credits) into ODA loans outside the framework of the Paris Club is reportable on Form 1 using purpose code 60040 and type of

¹⁵ The amount of principal has already been counted as a commitment at the time of reporting the original loan. Reporting forgiven principal would mean counting it twice and therefore overstating total ODA commitments over time. In DAC statistics, forgiven principal is reportable, however, along with an offsetting repayment of the principal owed.

¹⁶ Members that have chosen Option 1 of the *DAC Handbook* can derive commitments of ODA debt forgiveness from their CRS Form 2 data provided the latter are complete. Select flowcode 13 and sum up, for any given recipient country, the amounts under item “interest forgiven”. Cancellation of OOF (excluding export credits) can be derived from Form 2 in a similar manner by selecting flowcode 14 but summing up both item “interest forgiven” and “principal forgiven”. In year-by-year reporting (Option 2), Form 2 data cannot be directly used since the debt cancellation commitment includes also the discounted present value of the interest payments forgone.

flow 13. Report both principal and interest rescheduled (including any principal and interest to be rescheduled in the future) in the year in which the agreement to reschedule legally comes into force.

d. Paris Club debt reorganisation [cf. *DAC Handbook*, para. 38-52]

109. In DAC statistics, Paris Club concessional agreements are reportable under two categories: the element of debt relief (i.e. reduction in the net present value of the borrower's obligations) as a debt forgiveness grant under ODA, and a rescheduling under OOF. In CRS Form 1, report the debt forgiveness grant only. Use purpose code 60020 and specify in activity description the type of concessional agreement (e.g. "Paris Club debt reduction" or "Paris Club debt service reduction"). The notional OOF component of the operation does not have to be reported on CRS Form 1.¹⁷

110. Paris Club non-concessional debt reorganisation involves no ODA. Do not report these operations, as only new ODA resulting from debt reorganisation is reportable on CRS Form 1.

e. Debt conversions [Cf. *DAC Handbook*, para. 53-66]

111. Direct conversions are reportable as ODA if they are the subject of a bilateral agreement between debtor and creditor governments and they have a developmental motive. Indirect conversions are not reportable on Form 1 as they involve no outflow of resources from the public sector.

112. For direct conversion of ODA debt, report only converted interest. (See footnote 15). For conversion of OOF or private debt, report both converted principal and interest. Report them on Form 1 as ODA grants (flow code 11) using purpose code 60061. The additional grant of debt forgiveness to reflect the eventual discount granted by the official sector should be reported separately using purpose code 60020.

113. Information on the sectoral allocation of the counterpart funds is reportable in the activity description (item 26). State, for example, "debt for environment" or "debt for education". Use this text field also to indicate the total value of debt converted.

f. Service payments to third parties [cf. *DAC Handbook*, para. 67]

114. Service payments to third parties i.e. debt service paid by a donor to a third party creditor on behalf of the debtor country are reportable on Form 1. Use purpose code 60010 to report service payments to private sector bodies and 60030 for those to multilateral organisations (e.g. payments to cover arrears owed by an aid recipient to the African Development Bank).

g. Contributions to the HIPC Initiative [cf. *DAC Handbook*, para. 71-72]

115. Relief of multilateral debt under the HIPC Initiative, if earmarked to a specific recipient country, is also reportable under purpose code 60030. Do **not** use code 60020 (debt forgiveness, relates only to debt owed to the donor country).

¹⁷ Members may wish to include data on the OOF component in their Form 1 reporting for the sake of completeness of commitment data on official flows. If so, report an amount equal to the actual amounts rescheduled less the amounts reported as debt forgiveness (in order not to overstate the total flow to the recipient).

Administrative costs

116. Administrative costs are included in the CRS database (purpose code 91010) in order to have complete coverage of bilateral ODA, but the detail of such costs (embassy staff costs, for example) are not sought by CRS. Reporting should be as follows¹⁸:

- If the donor's reporting system allows identification of administrative costs by recipient country and such costs are actually distributed among these countries in Table DAC3a, the CRS report should also give total administrative costs for each recipient country;
- If the geographical distribution of administrative costs is not reported in Table DAC3a then the total should be reported to the CRS as a single transaction.

117. The table below gives the optimal level of detail for reporting the forms of aid covered by specific instructions.

Table 3. Summary of specific instructions for Form 1 reporting

Forms of aid		Purpose-codes	Level of detail of reporting
<i>Technical co-operation</i>	Projects	Various	Individual activities
	Other forms	Various	Aggregates by purpose code and by recipient (disbursements where necessary)
<i>Contributions to NGOs</i>	Aid to NGOs	92010 92020 92030	One transaction per NGO
	Aid channelled through NGOs	Various	Individual activities (disbursements where necessary)
<i>Food aid and emergency aid</i>	Emergency aid	71010 72010 72020 72030	Aggregates by purpose code, recipient and where possible by channel of delivery (disbursements where necessary)
		Developmental food aid/Food security assistance	52010
<i>Debt reorganisation</i>			See Annex 8
<i>Administrative costs</i>		91010	Aggregates by recipient or an overall total

¹⁸ If administrative costs are not reported to the CRS, or if they are less than the sum reported in Table DAC1, line 1.A.1.11 (Administrative costs not included elsewhere), the Secretariat will ask the Member's permission to include the shortfall in the CRS database.

II.2 Compiling CRS Form 2

II.2.1 Why report Form 2?

118. In addition to providing data on individual aid commitments, the CRS aid activity database is designed to yield an annual record of the actual international transfer of financial resources - commitments, disbursements, repayments, interest payments - to enable:

- compilation of statistics on the outstanding debt of aid recipients;
- sectoral and geographical analyses of aid disbursements; and
- monitoring project implementation.

These data are collected on Form 2, an illustration of which is given below in Figure 5.

Debt statistics

119. CRS Form 2 data on ODA/OA and OOF loans are used to compile the OECD's creditor-based statistics on the outstanding debt of aid recipient countries.¹⁹ Form 2 is the only international source of ODA/OA debt data. The data serve multiple purposes, including measuring debt sustainability and vulnerability, assessing credit risk, and informing initiatives on debt relief.

Sectoral and geographical analyses of aid disbursements

120. Commitment data are sufficient for most sectoral and geographical analyses of aid undertaken from a donor perspective. Commitments measure donors' intentions and thereby permit monitoring the targeting of resources to specific purposes and recipient countries. Commitments fluctuate as aid policies change, reflecting donors' responses to political upheavals or international recommendations in the field of development co-operation. Disbursement data show the realisation of donors' intentions and the implementation of policies, allowing donors' actual performance to be assessed. In general, disbursement data better describe aid flows from a recipient's point of view.

Project implementation

121. While there is always some lag between commitments and disbursements, unexpected delays in execution of aid activities are also common. Some commitments never result in disbursements and are eventually cancelled. Problems in project implementation can arise from many causes, and may be generalised or specific to one donor, sector, or form of aid. Disbursement data allow comparisons to be made at various levels to help to quantify these problems. Data on project implementation are also requested at the field level (especially by UNDP) for programming and co-ordination purposes.

¹⁹ Official export credits and private loans and credits under official guarantee or insurance are covered in Part C of these Directives.

Figure 5. Aid and other official flows: Annual status of activity implementation and outstanding debt (CRS Form 2)

A. Identification		<i>IBRD/OECD</i>	
		Creditor Reporting System (CRS)	
		<u>Aid and other official flows: Annual status of activity implementation and outstanding debt</u>	
		-- Form 2 --	
1. Reporting country.....	---		
2. Extending agency	--		
3. CRS Identification no.	-----		
4. Donor project no.	-----		
5. Recipient country	---		
6. Currency (thousands of)	---		
7. Type of flow	--		
<i>(ODA/OA grant=11; ODA/OA grant-like=12; ODA/OA loan=13; ODA/OA Equity investment=19; OOF loan=14)</i>			
8. Reporting year	----		
B. Status of implementation			
9. Commitments (during the year)	-----	11. Undisbursed (end of year)	-----
10. Disbursements (during the year)	-----	12. Disbursed (end of year)	-----
For loans only:			
C. Debt service and adjustments		D. Outstanding debt	
Debt service payments received during the year		Status, end of year	
13. Amortisation	-----	24. Principal disbursed and still outstanding.....	-----
14. Interest received	-----	25. Arrears of principal (included in item 24).....	-----
Adjustments (including debt reorganisation) during the year		26. Arrears of interest	-----
Added to loan			
15. Principal rescheduled from another loan.....	-----		
16. Capitalised interest	-----		
Deducted from loan			
17. Principal forgiven	-----		
18. Interest forgiven	-----		
19. Principal rescheduled to another loan	-----		
20. Interest rescheduled to another loan	-----		
21. Principal converted	-----		
22. Interest converted	-----		
Other adjustments			
23. Other adjustments	-----		
		E. Future debt service	
		27. First year, principal	-----
		28. First year, interest	-----
		29. Second year, principal	-----
		30. Second year, interest	-----
		31. Third year, principal	-----
		32. Third year, interest	-----

II.2.2 *What, how and when to report on Form 2?*

122. All loans, grants and equity investments by the official sector (other than direct and rescheduled export credits) are reportable on Form 2, regardless of which government agency extends them. Reporting takes place electronically, usually on a spreadsheet where each column corresponds to one data item and each row to one activity.

123. Specific reporting instructions are set out below, item by item, in the order the items appear on the Form. As in the case of Form 1, instructions on the reporting format and coding, including references to various classifications, are presented in the form of tables. The reporting concepts are defined, where necessary, in the text.

124. The reporting items are presented in five sections. Sections A and B (Identification of the activity and Status of implementation) apply equally to all types of flows. Sections C, D and E relate to loans only, and can therefore be ignored by reporters dealing only with grants and equity investments.

125. Form 2 on ODA/OA and OOF loans should be transmitted to the Secretariat three months after the end of the reporting year. The deadline for grants and other flows is end-June. Loans and grants data should be transmitted in separate files to facilitate their processing. In any case, compilation of disbursement data on grants should not delay reporting on loans which is needed to meet strict publication deadlines.

Reporting items relevant to all types of flows

Section A. Form 2: Identification of the activity

126. Section A of Form 2 identifies the activity and the reporting year. Items 1-4 are common to Forms 1 and 2 and permit linkages between the two data sets. Items 5-7 are included for quality control purposes. (See paragraphs 32-35 and 42-47 for detailed instructions.) Item 8 records the reporting year.

1. Reporting country	See Annex 3 for list of donor codes.
2. Extending agency	See Annex 3 for list of agency codes.
3. CRS Identification number	In 6 digits: YYxxxx.
4. Donor project number	Enter the number, or combination of letters and numbers, used by the extending agency to identify the activity.
5. Recipient country	See Annex 4 for list of recipient codes.
6. Currency	See Annex 3 for list of donor/currency codes. Report in currency of transaction.
7. Type of flow	11=ODA/OA grant 12=ODA/OA grant-like 13=ODA/OA loan 19=ODA/OA equity investment 14=OOF (non-export credit)
8. Reporting year	Enter in text format YYYY.

Section B. Form 2: Status of implementation

127. The implementation of an aid activity can go on for several years. Section B requests data on annual disbursements, cumulative disbursements and funds that remain to be disbursed. During implementation it may become necessary to increase the funding for the activity or, conversely, a part of an activity could be cancelled releasing funds for other purposes. Section B therefore also requests data on annual commitments.

Operations during the year

9. Commitments	During the year. In thousands of units (except for Japanese yen which should be reported in millions). Enter decrease with a negative sign.
10. Disbursements	During the year. In thousands of units (millions if yen).

128. *Commitments:* For the original commitment year, report the initial commitment taking account of any revisions of the commitment that occurred during the year. After the original commitment year, report only the annual increases (net amounts added to earlier years' commitments) or decreases (net reductions in earlier years' commitments). Report only one (positive or negative) amount for each activity per year. *Disbursements:* Report the amount disbursed during the year, net of any recoveries on grants.

129. Item 9 *commitments* on Form 2 and item 9 *amount committed* on Form 1 correspond as follows:

- for a new commitment, the same amount (including revisions of the current year) is reported on both forms (see example below) ;
- for an increase or a decrease of a previous commitment, the amount is reported preferably on Form 2 only (see para. 39-40).

Reporting commitments during the year on Form 2.	(1)	(2)	(3)	(4)	(5)
Example.	No changes to original commitment	Revised during original commitment year	Increased after original commitment year	Decreased after original commitment year	Both increased and decreased after original commitment year
Original commitment in 2000	3000	3000	3000	3000	3000
Change in 2000		1000			
Amount to report in item 9 in 2000	3000*	4000*	3000*	3000*	3000*
Change in 2001			1000	-1000	1500 -1000
Amount to report in item 9 in 2001			1000	-1000	500

* Equal to amount reported on Form 1.

Status, end of year

11. Undisbursed	} } } At the end of the year. In thousands of units (millions if yen).
12. Disbursed	

130. Report as *undisbursed* the portion of the total commitment that remains to be disbursed or to be drawn as of the end of the reporting year (i.e. the amount which has not yet been put at the direct disposal of the recipient). Report as *disbursed* the cumulative amount disbursed of the total commitment (i.e. add up annual disbursements from the original commitment year up to the end of the reporting year). The sum of undisbursed and disbursed amounts should equal the total commitment.

131. Data on the implementation status reported in successive Forms 2 should correspond as follows:

- Amount *undisbursed* at the end of period equals

	amount undisbursed at the end of previous period		Item 11 (year) =
<u>minus</u>	disbursements during the period		item 11 (year-1)
<u>plus</u>	any changes to the amount committed		- item 10 (year)
			+ item 9 (year)

- Amount *disbursed* at the end of the period equals

	amount disbursed at the end of previous period		Item 12 (year) =
<u>plus</u>	disbursements during the period		item 12 (year-1)
			+ item 10 (year)

<u>Reporting on activity implementation on Form 2. Example 1.</u>	2000	2001	2002
Disbursed over 3 years			
Original commitment (Form 1)	1000		
Commitments (item 9)	1000		
Disbursements (item 10)	600	300	100
Undisbursed (item 11)	400	100	0
Disbursed (item 12)	600	900	1000

	2000	2001	2002	2003
Reporting on activity implementation on Form 2. Example 2.				
Disbursed over 3 years, commitment increased in second year, unused funds cancelled in fourth year				
Original commitment (Form 1)	1000			
Commitments (item 9)	1000	500		-400
Disbursements (item 10)	600	300	200	
Undisbursed (item 11)	400	600	400	0
Disbursed (item 12)	600	900	1100	1100

132. Omit fully disbursed grants from subsequent Forms 2. Loans should be reported on Form 2 until no outstanding principal or interest remains (see section D below), regardless of whether the agency continues to extend new loans.

Reporting for loans only

133. Sections C, D and E of Form 2 request data on the outstanding loans of aid recipients, including details of debt service, debt reorganisation and other adjustments.

Section C. Form 2: Debt service and adjustments

Debt service payments received during the year

13. Amortisation	}	During the year. In thousands of units (millions if yen).
14. Interest received		

134. Report as *amortisation* principal payments received from the aid recipient during the reporting year, including any payments of arrears of principal. *Interest received* corresponds to the amount of interest and/or other charges received from the aid recipient, including payments to expunge or reduce interest due or in arrears.

135. Debt service payments received during the year should be taken into account when reporting the status of outstanding debt at the end of the year in Section D. Before turning to Section D, check whether any debt reorganisation operations or other adjustments were implemented or agreed on during the year. If yes, fill out items 15-23 requesting data on adjustments. Otherwise move directly to item 24 (principal disbursed and still outstanding) in paragraph 147.

Adjustments (including debt reorganisation) during the year

136. Most of this section concerns debt reorganisation. Debt reorganisation usually affects the composition or amounts of individual loans. For example, individual loans may be combined or the outstanding principal increased or reduced through debt cancellation, rescheduling or conversion.²⁰ These amounts should be reported as adjustments on Form 2, and taken into account when reporting the status of outstanding debt at the end of the year in Section D.

137. Reporting on debt reorganisation on Form 2 is consistent with the principles of reporting on debt reorganisation in DAC Statistics, but the level of detail is different. Consult the *DAC Handbook for Reporting Debt Reorganisation on the DAC Questionnaire* [DCD/DAC(2000)16] for the definitions of all debt reorganisation operations. An overview of the CRS reporting requirements for the main debt reorganisation categories of the *DAC Handbook* is given in Annex 8.

Added to loan as a result from rescheduling

15. Principal rescheduled from another loan	} During the year. In thousands of units (millions if yen).
16. Capitalised interest	

138. Amounts added to a loan during the year through rescheduling or refinancing are reportable under items *principal rescheduled from another loan* and *capitalised interest*; the latter can originate from the same or another loan. Although these items are combined to make up the new consolidated principal, it is necessary to report each element separately according to its origin (former principal and former interest) so as to permit the identification of new amounts of ODA/OOF used in the operation.²¹ The capitalised interest should include any additional late interest or penalties that are capitalised under the rescheduling as well as the interest transferred from the old loan. The rescheduling of each maturity should be reported in the year in which the rescheduling is implemented. This may happen all at once when the agreement legally comes into force, or over time, for example, as maturities on the old loan fall due.

139. No entry is required for reschedulings which simply involve deferred payments on existing loans without any transfer of principal from one loan to another or any capitalisation of interest.

²⁰ Cancellation and conversion result in a reduction in debt, and are reported as amounts deducted from the loans concerned. Rescheduling, on the other hand, does not provide any reduction in debt and will typically involve the consolidation of principal and/or interest from one loan into another effective loan (unless it is simply a deferral of payments). Consolidations are treated as new loans in CRS reporting. When a rescheduling take place, the amounts of principal and interest are transferred from the old loan to the consolidation loan. Additional amounts of capitalised late interest and penalty charges may also be included in the consolidation. The amounts transferred from the old loan are recorded as deductions from the loans whilst the amounts consolidated will be recorded as additions to the new consolidated loans.

²¹ In DAC statistics, only capitalised interest counts as a new commitment or disbursement when ODA is rescheduled, or when an OOF is rescheduled as an OOF loan. When an OOF loan is rescheduled as ODA the full amount rescheduled is considered as a new ODA commitment or disbursement.

Deducted from loan

140. Amounts deducted from a loan during the year through debt forgiveness, rescheduling or conversion are reportable under items 17-22. Any amount of principal forgiven, rescheduled to another loan or converted during the year reduces the amount of principal disbursed and still outstanding at the end of the year. Where there are arrears of interest at the end of the previous year, these will be reduced if any of this interest is forgiven, rescheduled to another loan or converted during the year.

17. Principal forgiven	} During the year. In thousands of units (millions if yen).
18. Interest forgiven	

141. *Principal and interest forgiven* are reportable as adjustments during the year in which the agreement to forgive legally comes into force.²² Report only forgiveness resulting from cancellation due to a development motive under these items. Report cancellation due to write-off under item 23.²³

19. Principal rescheduled to another loan	} During the year. In thousands of units (millions if yen).
20. Interest rescheduled to another loan	

142. *Principal and interest rescheduled* are reportable as adjustments during the year in which rescheduling or refinancing is implemented. Report any amounts of principal and interest removed from the loan and transferred to another loan (or repayment stream). Check that, for any given recipient, the sum of amounts under item 19 equals the sum of amounts under item 15. Similarly, check that, for any given recipient, the sum of amounts under item 16 is greater or equal to the sum of amounts under item 20.

143. No entry is required for reschedulings which simply involve deferred payments on existing loans without any transfer of principal from one loan to another or any capitalisation of interest.

21. Principal converted	} During the year. In thousands of units (millions if yen).
22. Interest converted	

144. *Principal and interest converted* are reportable separately as adjustments during the year in which the debt conversion is implemented.

²² In order to ensure the accuracy of statistics on outstanding debt, forgiveness is reportable on Form 2 in a lump sum regardless of the option chosen for reporting this item in the DAC reporting system.

²³ Debt service reduction through a Paris Club concessional debt reorganisation agreement is not reportable under adjustments as "amounts forgiven", since it does not change the outstanding debt stock.

145. Conversions are associated with forgiveness when they have a developmental motive and involve a discount granted by the official sector. For such operations, report the forgiven and converted amounts of principal and interest separately under the appropriate headings. The amount to report as debt forgiveness (items 17 and 18) is the discount granted by the official sector. The amount to report as a conversion is the value of the local counterpart funds, real estate or equity provided by the debtor. Any amounts paid to the creditor's official sector by the private sector in order to purchase the loan under an indirect conversion should be reported as *amortisation* (item 13).

Other adjustments

23. Other adjustments	During the year. In thousands of units (millions if yen).
------------------------------	---

146. Other adjustments may arise for a variety of reasons including write-off, movements in exchange rates and previous reporting errors. Only adjustments to principal disbursed and still outstanding should be reported. Report positive or negative amounts, depending on whether the adjustment increases or decreases the principal disbursed and still outstanding at the end of the year.

Section D. Form 2: Outstanding debt

147. Total debt outstanding at the end of the year is defined as the sum of *principal disbursed and still outstanding* and *arrears of interest*.

24. Principal disbursed and still outstanding	} At the end of the year. In thousands of units (millions if yen).
25. Arrears of principal (included in item 24)	
26. Arrears of interest	

148. Report under *principal disbursed and still outstanding* the amount of principal owed on the loan at the end of the reporting year. Report separately any *arrears of principal* and *interest* at the end of the reporting year, including arrears that have arisen during the reporting year. Arrears of principal are part of the principal owed on the loan and should be included in the amount reported under item 24 (i.e. item 25 is an "of which" item of 24). Arrears of interest, by contrast, are not part of this amount. Any past due or overdue late interest (interest which accrues on arrears) should be treated as arrears of interest.

149. Entries in sections B, C and D of successive Forms 2 should be consistent as follows:

Amount *principal disbursed and still outstanding* at the end of the period equals

Item 24 (year) =

plus Amount principal disbursed and still outstanding at the end of previous period
minus disbursements during the period
 amortisation

+ Item 24 (year-1)
 + item 10 (year)
 - item 13 (year)

If adjustments (including debt reorganisation) during the year:

plus adjustments of principal and interest added to the loan during the year
minus adjustments of principal removed from the loan during the year
plus other adjustments during the year

+ items 15 and 16 (year)
 - items 17 and 19 and 21 (year)
 + item 23 (year)

Reporting on outstanding debt on Form 2. Example 1.	2000	2001	2002	2003	2004	2005	2006	2007
Loan disbursed over 3 years, repaid according to original schedule								
Original commitment (Form 1)	1000							
Commitments (item 9)	1000							
Disbursements (item 10)	600	300	100					
Undisbursed (item 11)	400	100	0	0	0	0	0	0
Disbursed (item 12)	600	900	1000	1000	1000	1000	1000	1000
Amortisation (item 13)					250	250	250	250
Principal disbursed and still outstanding (item 24)	600	900	1000	1000	750	500	250	0

Reporting on outstanding debt on Form 2. Example 2.	2000	2001	2002	2003	2004	2005	2006	2007	2008
Loan disbursed over 3 years, repayments delayed by a year, interest paid on time									
Original commitment (Form 1)	1000								
Commitments (item 9)	1000								
Disbursements (item 10)	600	300	100						
Undisbursed (item 11)	400	100	0	0	0	0	0	0	0
Disbursed (item 12)	600	900	1000	1000	1000	1000	1000	1000	1000
Amortisation (item 13)						250	250	250	250
Principal disbursed and still outstanding (item 24)	600	900	1000	1000	1000	750	500	250	0
Arrears of principal (item 25)					250	250	250	250	0

Reporting on outstanding debt on Form 2. Example 3. Debt service and adjustments for debt reorganisation.

At the end of 2000 a loan with a 2% rate of interest, and annual amortisation of 100 units, has outstanding amounts of principal of 640 units of which 40 units are arrears of principal. (See Box A below.) In 2001 there is an agreement to reschedule arrears and amounts falling due from 2001 to 2003 at an interest rate of 1% at the time amounts fall due under on the original loan. In 2004 the remaining loan is forgiven in its entirety. Box B shows the reporting of the original loan. Box C shows the resulting rescheduled amounts to be reported from 2001 to 2008. N.B. No adjustment item is reported to reflect the reduction in the interest rate as this does not affect the outstanding amounts on the loans.

	2000	2001	2002	2003	2004	2005	2006	2007	2008
A. Situation prior to debt reorganisation -									
Debt service due under original schedule									
Amortisation	100	100	100	100	100	100	100		
Interest	13.2	11.2	9.2	7.2	5.2	3.2	1.2		
<i>Debt service received in 2000</i>									
Amortisation	60								
Interest received	13.2								

	2000	2001	2002	2003	2004
B. Reporting on the original loan					
<i>Amounts deducted from loan</i>					
Principal forgiven (item 17)					300
Interest forgiven (item 18)					5.2
Principal rescheduled (item 19)		140	100	100	
Interest rescheduled (item 20)		11.2	9.2	7.2	
<i>Outstanding debt</i>					
Principal disbursed and still outstanding (item 24)	640	500	400	300	0
Of which: Arrears of principal (item 25)	40				
Arrears of interest (item 26)					

	2000	2001	2002	2003	2004	2005	2006	2007	2008
C. Loan resulting from rescheduled amounts									
<i>Debt service payments</i>									
Amortisation (item 13)					67.6	75	75	75	75
Interest received (item 14)			1.5	2.6	3.7	3.0	2.2	1.5	0.8
<i>Amounts added to the loan</i>									
Principal rescheduled from another loan (item 15)		140	100	100					
Capitalised interest (item 16)		11.2	9.2	7.2					
<i>Amounts deducted from loan</i>									
Principal forgiven (item 17)									
Interest forgiven (item 18)									
<i>Outstanding debt</i>									
Principal disbursed and still outstanding (item 24)		151.2	260.4	367.6	300	225	150	75	0
Of which: Arrears of principal (item 25)									

Section E. Form 2: Future debt service

27. First year, principal	} In thousands of units (millions if yen).
28. First year, interest	
29. Second year, principal	
30. Second year, interest	
31. Third year, principal	
32. Third year, interest	

150. Report the amounts of principal and interest due on debt outstanding, including arrears, during the first, second and third year following the end of the reporting period. The amounts should reflect any changes from the original schedule arising from rescheduling. Arrears are due immediately and should therefore be reported as due in the first year. Service (principal and interest) due in the future of undisbursed amounts should not be included.

**PART B: CREDITOR REPORTING SYSTEM
REPORTING ON OTHER OFFICIAL FLOWS (OOF)**

I. Resource flows covered

151. In DAC statistics, other official flows are classified under four categories: export-related transactions, investment-related transactions, rescheduling, and other bilateral securities and claims. Only the latter three categories are reportable as OOF on Forms 1 and 2. Export credits are reportable on CRS Form 1C and Form 3 (see Part C of the Directives).²⁴

152. It may sometimes be difficult to distinguish OOF extended for commercial purposes from official export credits. When in doubt, recall that export credits are granted to promote the export of specific goods (as opposed to general finance for productive investment), their funding requests are initiated by the exporter (as opposed to the aid recipient) and they are not represented by a negotiable instrument.

Other official flows (OOF) are defined as transactions by the official sector with countries on the DAC List of Aid Recipients which do not meet the conditions for eligibility as official development assistance or official aid, either because they are not primarily aimed at development, or because they have a grant element of less than 25%. The main classes of transactions included are official export credits, official sector equity and portfolio investment, and debt reorganisation undertaken by the official sector at non-concessional terms (irrespective of the nature or the identity of the original creditor).

153. **Investment-related OOF** covers official equity and portfolio investment, including joint ventures, with aid recipients (which does not qualify as ODA/OA). The primary purpose of such transactions is the creation and management of viable (usually private sector) enterprises in aid recipient countries. Loans and subsidies by the official sector to a private company in the donor country to help finance a specified investment in an aid recipient country are also part of investment-related OOF.

154. **Debt rescheduling** is another main category of OOF. Rescheduling of non-export credit OOF is reportable in Form 2.²⁵ When the rescheduling is a Paris Club concessional rescheduling, a grant for debt forgiveness will also be reportable in Form 1.

155. Most of the remainder of non-export-credit OOF consists of **official loans with a grant element below 25%**. Agencies that extend aid in the form of loans typically provide concessional and non-concessional financing. Most non-concessional lending is targeted to infrastructure projects, but loans to

²⁴ Other export-related transactions - loans and interest subsidies in support of private export credits - are not reportable in the CRS.

²⁵ Data on rescheduling of export-credit debt are reportable semi-annually on Form 3 (see Part C of the Directives).

financial intermediaries to set up credit schemes are also common. The process to identify and prepare projects is similar to that of ODA/OA loans. The funding request comes from the aid recipient. It relates to a specific project or an investment scheme which is then prepared and appraised for its developmental effects according to donor procedures. Policy objectives such as aid to environment may also be addressed.

II. Compiling data (CRS Form 1 and 2) on non-export-credit OOF

II.1 Why report non-export-credit OOF?

156. Analyses that focus on a recipient's total *resource receipts* generally distinguish between official development finance (ODF), export credits and private flows. Non-export-credit OOF constitutes part of ODF.

Official development finance (ODF) is measured only in relation to the total receipts of aid recipients, not for individual donor countries. It is defined as the sum of bilateral ODA, concessional and non-concessional resources from multilateral sources, and bilateral other official flows made available for reasons unrelated to trade.

157. Reporting on CRS Form 1 (Activity description) permits sectoral and geographical analyses to cover ODF. In the sectors of economic infrastructure and services (e.g. transport, banking and financial services) or production (e.g. industry), OOF can represent a considerable share of ODF. Its exclusion would result in statistics giving a partial view of official sector involvement in financing these sectors in aid recipient countries.

158. Reporting on CRS Form 2 (Annual status of activity implementation and outstanding debt) is required to compile statistics on the outstanding debt of aid recipients and to undertake sectoral and geographical analyses of ODF on the basis of disbursements.

Confidentiality

159. Data reported to the CRS on non-export-credit OOF are confidential at the level of individual activities. No restriction is placed on the disclosure of commitment data on non-export-credit OOF aggregated by DAC5 sector within a recipient from each donor provided they combine at least three activities.

II.2 What and how to report?

160. Data on non-export-credit OOF commitments are reportable on CRS Form 1 (Activity description) following instructions in part A, section II.1.2 of the Directives. It is sufficient to report identification and basic data items only. (See sections A and B of Form 1, para. 31-62.) OOF

disbursements and the status of outstanding debt are reportable on Form 2 following instructions in Part A, section II.2.2 of the Directives. (See para. 122-151.) The instructions as regards reporting deadlines are the same as for ODA/OA.

II.3 Links with DAC statistics

161. Aggregate data for non-export-credit OOF are requested in Tables DAC1, DAC2b and DAC5. Data reported on CRS Form 1 cannot be directly linked with the headings of Table DAC1 as the classification in DAC1 is more detailed than the one in the CRS.²⁶ By contrast, Members with complete Form 1 reporting on OOF can compile the sectoral aggregates on OOF in Table DAC5 by aggregating their CRS reports. The CRS is the only source of information on the geographical breakdown of OOF commitments.

²⁶ Non-export-credit OOF reported in the CRS corresponds to the “Other long term” category of Table DAC2b.

REPORTING DIRECTIVES FOR THE CREDITOR REPORTING SYSTEM

ANNEXES

Annex No./Title	Includes	Relevant section of the Directives
		II.1 Compiling CRS Form 1
1. Terms analysis - Calculation of the grant element	<ul style="list-style-type: none"> Grant element formulas and examples Recommendation on Terms and Conditions of Aid (1978) 	<i>II.1.1 Why report?</i>
2. Tied aid disciplines and Untying Recommendation	<ul style="list-style-type: none"> DAC Guiding Principles for Associated Financing and Tied and Partially Untied Official Development Assistance (1987) New Measures in the Field of Tied Aid (1992) Recommendation on Untying Official Development Assistance to Least Developed Countries (2001) 	
3. List of DAC Members and agencies	<ul style="list-style-type: none"> List of Donor and Agency codes 	<i>II.1.2 What and how to report?</i>
4. DAC List of Aid Recipients	<ul style="list-style-type: none"> List of Recipient codes 	
5. Reporting on the purpose of aid	<ul style="list-style-type: none"> Classification by Sector of Destination, the List of CRS Purpose codes 	
6. Reporting on the policy objectives of aid	<ul style="list-style-type: none"> Policy objective marker definitions 	
7. Derivation of DAC bilateral commitment aggregates from CRS Form 1 data	<ul style="list-style-type: none"> Table DAC1 Table DAC3a Table DAC5 Table DAC5a Table DAC6 	<i>II.1.4 Links with the DAC questionnaire</i>
8. Overview of reporting on debt reorganisation on Form 1 and Form 2		II.1 Compiling CRS Form 1 II.2 Compiling CRS Form 2
9. Unified Standard Input Format - USIF (Form 1 and Form 2)	<ul style="list-style-type: none"> Instructions for electronic data transmission 	II.1 Compiling CRS Form 1 II.2 Compiling CRS Form 2

ANNEX 1. TERMS ANALYSIS - CALCULATION OF THE GRANT ELEMENT**1.1 Grant element formula and examples**

The formulas below apply to three particular types of repayment: equal principal payments, annuity or lump sum repayment. In all other cases, the grant element calculation is based on the repayment schedule (see examples).

1. FORMULAS

Variables entering in the formulas:

M	= Maturity
G	= Grace period
A	= Number of repayments per year
INT	= Interval between the commitment date and the first repayment date minus the interval between two successive repayments = $G - 1/A$
DR	= Repayment duration = $M - INT$
I	= Discount rate (10% = 0.1)
R1	= Interest rate during grace period
R2	= Interest rate during repayment period
D	= Discount rate per period = $((1+I)^{1/A}) - 1$
NR	= Total number of repayments = $A * DR$
C1	= $(1+I)^{INT}$
C2	= $(1+I)^{DR}$
GE	= Grant element

- **Equal principal payments**

General formula

$$GE = 100 * (1 - ZG - ZM - ZX)$$

where

$$ZG = R1 * (1 - 1/C1) / (A * D)$$

$$ZM = (1/NR) * (1/C1) * ((1 - 1/C2) / D)$$

$$ZX = (R2 / (A * NR)) * (1/C1) * ((1/C2) - 1 + D * NR) / (D * D)$$

Simplified formula when the interest rate is the same for the whole period: $R1 = R2 = R$

$$\left[1 - \frac{R/A}{D} \right] * \left[1 - \frac{\frac{1}{(1+D)^{A*INT}} - \frac{1}{(1+D)^{A*M}}}{(A*M - A*INT)*D} \right]$$

The first bracket corresponds to the difference between the interest rate and the discount rate; the second bracket takes into account the repayment profile.

- **Annuity**

$$GE = 100*(1-ZG-ZX)$$

where

$$ZG = R1 * (1 - 1/C1) / (A * D)$$

$$ZM = 1 / ((1 + R2/A)^{NR} - 1) + 1$$

$$ZX = (R2/A) * ZM * (1/C1) * ((1 - 1/C2) / D)$$

- **Lump sum repayment (principal and interest)**

$$GE = 100 * ([1 - (1 + R2*G)] / (1+I)^M)$$

2. EXAMPLES

A loan of 1000 units is committed and disbursed on 1 January 2001. Its duration is 10 years, and the interest rate is 2.5% p.a. The examples below cover the following repayment options:

- *Example 1:* 16 six-monthly repayments starting on 1 July 2003, the first eight of 75 units, the next six of 60 units and the last two of 20 units;
- *Example 2:* Equal principal repayments by six-monthly instalments, commencing on 1 July 2003;
- *Example 3:* Annuities: equal six-monthly repayments (principal and interest combined), commencing on 1 July 2003;
- *Example 4:* Single lump sum repayment of principal and interest on 1 July 2011.

In the first three options, it is assumed that interest only is paid six-monthly from 1 January 2001 to 30 June 2003.

Applying the formulas

The variables take the following values:

M	= 10
G	= 2.5
A	= 2
INT	= 2
DR	= 8
I	= 0.1
R1	= 0.025
R2	= 0.025

Applying the formulas leads to the following results:

- *Example 1:* not applicable (see below for calculation on the basis of the repayment schedule)
- *Example 2: equal principal payments* **GE = 32.4 %**
- *Example 3: annuity* **GE = 32.9 %**
- *Example 4: lump sum repayment (principal and interest)* **GE = 51.8 %**

Calculation on the basis of the repayment schedules

- *Example 1*

Date payment due	Period (p)	Principal outstanding	Future payments			Six-month factor at 10% p.a. (1.10) ^p	Present value of future payments
			Principal	Interest	Total		
01/01/2001							
01/07/2001	0.5	1000.0		12.5	12.5	1.05	11.9
01/01/2002	1	1000.0		12.5	12.5	1.10	11.4
01/07/2002	1.5	1000.0		12.5	12.5	1.15	10.8
01/01/2003	2	1000.0		12.5	12.5	1.21	10.3
01/07/2003	2.5	1000.0	75.0	12.5	87.5	1.27	68.9
01/01/2004	3	925.0	75.0	11.6	86.6	1.33	65.0
01/07/2004	3.5	850.0	75.0	10.6	85.6	1.40	61.3
01/01/2005	4	775.0	75.0	9.7	84.7	1.46	57.8
01/07/2005	4.5	700.0	75.0	8.8	83.8	1.54	54.5
01/01/2006	5	625.0	75.0	7.8	82.8	1.61	51.4
01/07/2006	5.5	550.0	75.0	6.9	81.9	1.69	48.5
01/01/2007	6	475.0	75.0	5.9	80.9	1.77	45.7
01/07/2007	6.5	400.0	60.0	5.0	65.0	1.86	35.0
01/01/2008	7	340.0	60.0	4.3	64.3	1.95	33.0
01/07/2008	7.5	280.0	60.0	3.5	63.5	2.04	31.1
01/01/2009	8	220.0	60.0	2.8	62.8	2.14	29.3
01/07/2009	8.5	160.0	60.0	2.0	62.0	2.25	27.6
01/01/2010	9	100.0	60.0	1.3	61.3	2.36	26.0
01/07/2010	9.5	40.0	20.0	0.5	20.5	2.47	8.3
01/01/2011	10	20.0	20.0	0.3	20.3	2.59	7.8
							sum = 695.7

$$GE = (1000 - 695.68)/1000 = \mathbf{30.4 \%}$$

- *Example 2: Equal principal payments*

	Date payment due	Period (p)	Principal outstanding	Future payments			Six-month factor at 10% p.a. (1.10) ^p	Present value of future payments
				Principal	Interest	Total		
Grace	01/01/2001							
	01/07/2001	0.5	1000.0		12.5	12.5	1.05	11.9
	01/01/2002	1	1000.0		12.5	12.5	1.10	11.4
	01/07/2002	1.5	1000.0		12.5	12.5	1.15	10.8
	01/01/2003	2	1000.0		12.5	12.5	1.21	10.3
	01/07/2003	2.5	1000.0	62.5	12.5	75.0	1.27	59.1
	01/01/2004	3	937.5	62.5	11.7	74.2	1.33	55.8
	01/07/2004	3.5	875.0	62.5	10.9	73.4	1.40	52.6
	01/01/2005	4	812.5	62.5	10.2	72.7	1.46	49.6
	01/07/2005	4.5	750.0	62.5	9.4	71.9	1.54	46.8
Maturity	01/01/2006	5	687.5	62.5	8.6	71.1	1.61	44.1
	01/07/2006	5.5	625.0	62.5	7.8	70.3	1.69	41.6
	01/01/2007	6	562.5	62.5	7.0	69.5	1.77	39.2
	01/07/2007	6.5	500.0	62.5	6.3	68.8	1.86	37.0
	01/01/2008	7	437.5	62.5	5.5	68.0	1.95	34.9
	01/07/2008	7.5	375.0	62.5	4.7	67.2	2.04	32.9
	01/01/2009	8	312.5	62.5	3.9	66.4	2.14	31.0
	01/07/2009	8.5	250.0	62.5	3.1	65.6	2.25	29.2
	01/01/2010	9	187.5	62.5	2.3	64.8	2.36	27.5
	01/07/2010	9.5	125.0	62.5	1.6	64.1	2.47	25.9
	01/01/2011	10	62.5	62.5	0.8	63.3	2.59	24.4
								sum = 676.1

$$GE = (1000 - 676.1)/1000 = 32.4 \%$$

- *Example 3: Annuity*

Date payment due	Period (p)	Principal outstanding	Future payments			Six-month factor at 10% p.a. (1.10) ^p	Present value of future payments
			Principal	Interest	Total		
01/01/2001							
01/07/2001	0.5	1000.0		12.5	12.5	1.05	11.9
01/01/2002	1	1000.0		12.5	12.5	1.10	11.4
01/07/2002	1.5	1000.0		12.5	12.5	1.15	10.8
01/01/2003	2	1000.0		12.5	12.5	1.21	10.3
01/07/2003	2.5	1000.0	56.8	12.5	69.3	1.27	54.6
01/01/2004	3	943.2	57.6	11.8	69.3	1.33	52.1
01/07/2004	3.5	885.6	58.3	11.1	69.3	1.40	49.7
01/01/2005	4	827.3	59.0	10.3	69.3	1.46	47.4
01/07/2005	4.5	768.3	59.7	9.6	69.3	1.54	45.2
01/01/2006	5	708.6	60.5	8.9	69.3	1.61	43.1
01/07/2006	5.5	648.1	61.2	8.1	69.3	1.69	41.1
01/01/2007	6	586.8	62.0	7.3	69.3	1.77	39.1
01/07/2007	6.5	524.8	62.8	6.6	69.3	1.86	37.3
01/01/2008	7	462.0	63.6	5.8	69.3	1.95	35.6
01/07/2008	7.5	398.5	64.4	5.0	69.3	2.04	33.9
01/01/2009	8	334.1	65.2	4.2	69.3	2.14	32.4
01/07/2009	8.5	268.9	66.0	3.4	69.3	2.25	30.8
01/01/2010	9	202.9	66.8	2.5	69.3	2.36	29.4
01/07/2010	9.5	136.1	67.6	1.7	69.3	2.47	28.0
01/01/2011	10	68.5	68.5	0.9	69.3	2.59	26.7
							sum = 670.9

$$GE = (1000 - 670.9)/1000 = 32.9 \%$$

- *Example 4: Lump sum repayment (principal and interest)*

Date payment due	Period (p)	Principal outstanding	Future payments			Six-month factor at 10% p.a. (1.10) ^p	Present value of future payments
			Principal	Interest	Total		
01/01/2001							
01/07/2001	0.5	1000				1.05	
01/01/2002	1	1000				1.10	
01/07/2002	1.5	1000				1.15	
01/01/2003	2	1000				1.21	
01/07/2003	2.5	1000				1.27	
01/01/2004	3	1000				1.33	
01/07/2004	3.5	1000				1.40	
01/01/2005	4	1000				1.46	
01/07/2005	4.5	1000				1.54	
01/01/2006	5	1000				1.61	
01/07/2006	5.5	1000				1.69	
01/01/2007	6	1000				1.77	
01/07/2007	6.5	1000				1.86	
01/01/2008	7	1000				1.95	
01/07/2008	7.5	1000				2.04	
01/01/2009	8	1000				2.14	
01/07/2009	8.5	1000				2.25	
01/01/2010	9	1000				2.36	
01/07/2010	9.5	1000				2.47	
01/01/2011	10	1000	1000	250	1250	2.59	481.9

$$GE = (1000 - 481.9)/1000 = \mathbf{51.8 \%}$$

- Reporting “Other” type of repayment: example form

Reporting country	CRS Identification Number	Compilation date (DD/MM/YYYY)	Currency in which amounts reported	Date payment due		Estimated future payments	
				Month	Year	Principal	Interest
See Annex 3 for list of Donor Codes	991045	31/12/1999	See Annex 3 for list of Donor / Currency Codes	6	2005	2500	525
	991045	31/12/1999		12	2005	2500	499
	991045	31/12/1999		6	2006	2500	472
	991045	31/12/1999		12	2006	2500	446

	991045	31/12/1999		6	2009	2500	315
	991045	31/12/1999		12	2009	2500	289
	991045	31/12/1999		6	2010	416	263
	991045	31/12/1999		12	2010	416	258
	991045	31/12/1999		6	2011	416	254
	991045	31/12/1999		12	2011	416	249

	991045	31/12/1999		6	2019	416	184
	991045	31/12/1999		12	2019	416	180
	991045	31/12/1999		6	2020	417	175
	991045	31/12/1999		12	2020	417	171
	991045	31/12/1999		6	2021	417	166
	991045	31/12/1999		12	2021	417	162

	991045	31/12/1999		6	2039	417	9
991045	31/12/1999	12	2039	417	4		

1.2 Recommendation on Terms and Conditions of Aid (1978)

(See the 1978 DAC Chair Report on Development Co-operation)

PREAMBLE

The Development Assistance Committee, having reviewed the Recommendation on Terms and Conditions of Aid adopted by the DAC at its High Level Meeting on 16th to 18th October, 1972,

Approving the progress made towards fulfilling or surpassing the objectives set out in this Recommendation, and noting the favourable average terms of aid provided by DAC Members as a group,

Recognising the desirability for further improvement in the financial terms of Members' programmes of Official Development Assistance, considered not only as a whole but also in their application to the specific needs of individual developing countries,

Reaffirming that equal attention must also be given to the provision of an adequate and sustained volume of Official Development Assistance,

Recognising that the continuing differences in the terms provided by Member countries impair the spirit of the common effort and render more difficult the maintenance of the most liberal standards of terms,

Bearing in mind the special needs of the least-developed countries,

Renewing its resolve to seek appropriate ways and means of advancing towards untying national aid programmes and urging its Members in the meantime to mitigate as much as possible the adverse effects of aid tying,

Adopts - one country having reserved its position¹ - the following Recommendation which supersedes that of 1972:

I. Coverage of the Terms Objectives

1. The objectives of this Recommendation apply to Official Development Assistance (ODA) commitments, made on and after the 1st of January, 1978. ODA is defined as those flows to developing countries and multilateral institutions provided by official agencies, including state and local governments, or by their executive agencies, each transaction of which meets the following tests:

- a) it is administered with the promotion of the economic development and welfare of developing countries as its main objective, and
- b) it is concessional in character and contains a grant element² of at least 25 %.

¹ Italy lifts its reservation in 1993.

II. Objectives for Financial Terms

2. In order to achieve a further softening of overall financial terms of ODA, Members should endeavour fully to maintain or achieve as soon as possible an average grant element in their ODA commitments of at least 86 per cent. In this connection the special value of grant assistance is recognised.

3. Countries whose ODA commitments as a percentage of GNP are significantly below the DAC average will not be considered as having met the terms target.

III. Recognition of Circumstances of Individual Recipient Countries and Harmonisation of Terms

4. Members should relate the terms of aid on a case-by-case basis to the circumstances of each developing country or group of countries. In particular, Members should provide a substantial part of the assistance given to developing countries with the severest economic problems in the form of grants or on very soft terms. Member countries which already extend a large proportion of their assistance on soft terms, but concentrate it on a limited number of recipients, should aim to grant increasingly soft terms also on their assistance to other recipients whose circumstances also call for soft terms.

5. The Development Assistance Committee will continue to review the current position and prospects regarding the income level, the development performance, the balance of payments, the debt servicing burden, etc. This should assist individual donors in formulating their terms policies and may provide the basis for a common view on the terms appropriate to individual developing countries or group of countries.

6. Members should make concerted efforts to harmonise terms at the level of the recipient country. They should make use of consortia, consultative groups or other concerted aid operations, where these exist, in co-operation as appropriate with the international bodies involved, in order to reach a common view as to the appropriate terms at which assistance should be provided. Where no such co-ordinating arrangements exist, terms harmonisation should be sought through an appropriate form of consultation, the nature of which might be the subject of an exchange of views in the DAC.

7. The absence of harmonisation of donors' aid terms is liable to be particularly harmful to poorer developing countries. In extending aid to such countries Members should not only take account of the circumstances of the country itself but also be guided by the terms of the donors extending their aid at soft terms to that country. Members who hitherto have provided funds on harder terms, should do their best to come as close as possible to the average terms of all bilateral DAC donors to the individual country.

IV. Special Terms for Least-Developed Countries

8. A group of least-developed countries has been identified by the UN for which, apart from any other special measures, the softest possible terms of aid are appropriate. Official Development Assistance to these countries should be essentially in the form of grants and, as a minimum, the average grant element of all commitments from a given donor should either be at least 86 per cent to each least-developed country over a period of three years, or at least 90 per cent annually for the least-developed countries as a group.

² "Grant element" is the difference between the face value of a financial loan commitment and the discounted present value (using a 10% discount rate) of the service payments to be made by the borrower during the lifetime of the loan, expressed as a percentage of the face value.

9. DAC Members should endeavour fully to extend their ODA commitments to other countries whose needs are the greatest on the best grant element possible.

V. Regular Review of Implementation

10. The achievements of individual Member countries in implementing the agreed objectives set out above will be regularly appraised in the DAC as part of the Aid Reviews. In addition, the DAC will review each year the progress under the various provisions of this Recommendation.

VI. Need for Non-Project Assistance and Local Cost Financing

11. While acknowledging the advantages of the project approach, Members recognise that it is necessary to consider the overall needs of the developing country as well as its balance of payments and other factors, and that it may be appropriate to provide aid to finance general import costs or local costs of development, or both. With respect to local cost financing, Members shall take into account the Guidelines on Local Cost Financing adopted by the DAC on 27th October, 1977.

VII. Review of Other Officially Extended or Supported Flows³

12. The objectives of the Recommendation apply to Official Development Assistance. In addition, however, other officially extended or supported flows are of continued importance as a source of finance. DAC Members, therefore, agree to review more fully, in consultation with other interested Committees of the OECD, their basic approaches to extending such flows to developing countries, and their relationship to aid and development considerations. Further, the DAC will keep itself informed of the incidence of other officially extended or supported flows and their geographic distribution, especially with respect to those developing countries with severe external debt situations.

³ Including officially extended and officially guaranteed private export credits as well as officially guaranteed private foreign investment.

ANNEX 2. TIED AID DISCIPLINES AND UNTYING RECOMMENDATION

2.1 DAC Guiding Principles for Associated Financing and Tied and Partially Untied Official Development Assistance (1987)

(See the 1987 DAC Chair Report on Development Co-operation)

I. Preamble

1. Recognising the need to avoid the risk of distortion of aid and trade, DAC Members undertake to ensure that Associated Financing and Tied and Partially Untied Official Development Assistance will promote priority developmental objectives and are consistent with fair trade competition and to this end adopt the Guiding Principles set out below. Most of these principles constitute good practice for Official Development Assistance generally but they are particularly important where there may be a risk of aid and trade distortion.

II. Definitions

2. *Official Development Assistance* (ODA) is defined as those resources to developing countries (and multilateral institutions) provided by official agencies, including state and local governments, or by their executive agencies, each transaction of which meets the following tests:

- It is administered with the promotion of the economic development and welfare of developing countries as its main objective, and
- It is concessional in character and contains a grant element of at least 25 per cent. To calculate the grant element of an ODA transaction, a 10 per cent discount rate is used.

3. *Associated Financing* with developing countries associates in law or in fact two or more of the following:

- Official Development Assistance;
- Other Official Flows with a grant element of at least 25 per cent;
- Officially supported export credits, other official flows or other funds with a grant element of less than 25 per cent.

4. Associated Financing transactions may take various forms -- such as "mixed credit", "mixed financing", "joint financing", "parallel financing" or single integrated transactions. Their main characteristic is that the concessional component is linked in law or in fact to the non-concessional component, that either the non-concessional or the concessional component or the whole financing

package is in effect tied or partially untied and that the availability of concessional funds is conditional upon accepting the linked non-concessional component. In determining association or linkage “in fact” due consideration should be given to the existence of informal understandings between the recipient and the donor authority and the intention by the donor through the use of ODA to facilitate the acceptability of a financing package.

5. *Untied Official Development Assistance* is defined as loans or grants which are freely and fully available to finance procurement from substantially all developing countries and from OECD countries. Funds provided to finance the recipient's local costs are also defined as untied. *Partially Untied Official Development Assistance* is defined as loans or grants which are in effect tied to procurement of goods and services from the donor country and from a restricted number of countries which must include substantially all developing countries. For the purposes of these Guiding Principles *Tied Official Development Assistance* is defined as loans or grants which are either in effect tied to procurement of goods and services from the donor country or which are subject to procurement modalities implying limited geographic procurement eligibility other than those described above under Partially Untied.

6. A transaction is defined to be *in effect* tied or partially untied if:

- It is the subject of a formal or informal understanding to that effect between the recipient and the donor country, or
- It involves practices which the Development Assistance Committee and the Participants in the Arrangement on Guidelines for Officially Supported Export Credits may determine to result in such tying or partial untying. In cases of substantial doubt as to whether a certain financing practice falls within the scope of the above definition, the donor country shall furnish evidence in support of any claim that such a practice is untied or partially untied.

7. For a transaction to qualify as untied or partially untied, respectively, the donor has to inform the recipient, at the time of the aid offer, clearly and explicitly of the countries which are eligible for procurement. In accordance with the Memorandum of Understanding on Untying of Bilateral Development Loans in Favour of Procurement in Developing Countries, Members wishing to extend Partially Untied Official Development Assistance will notify the Chairman of the DAC, and through him other DAC Members, of those developing countries which are eligible for procurement.

III. Guiding Principles¹

8. Members confirm that Associated Financing and Tied and Partially Untied Official Development Assistance should be the subject of greatest possible transparency.

9. Members will continue the mutual ex post examination of individual Associated Financing and Tied and Partially Untied Official Development Assistance transactions.

10. Members will refrain from extending commitments of Associated Financing and Tied and Partially Untied ODA transactions which do not comply with the rules of the Arrangement on Guidelines for Officially-Supported Export Credits set out in the Appendix.^{2 3}

¹ As regards Associated Financing, paragraphs 9 to 17 apply to transactions containing an element of Official Development Assistance.

² The Arrangement rules concerning the minimum permissible concessional level and its calculation affect neither the ODA definition nor the reporting of ODA disbursements and commitments: the

11. Members undertake to confine Associated Financing and Tied and Partially Untied Official Development Assistance to priority projects and programmes which are carefully appraised against developmental standards.

12. In implementation of these principles, Members undertake:

- To establish and make available, during 1987 and subsequently as required, to other DAC Members and the OECD Secretariat the criteria for the selection and design of projects and programmes financed by a) Associated Financing, b) Tied or Partially Untied ODA with a grant element of less than 50 per cent, and c) where different from b) above, Tied or Partially Untied ODA with a grant element of 50 per cent or more, including the exceptional conditions under which ODA is being used for “matching”;
- To conduct thorough ex post evaluations of representative selections of projects and programmes financed by Associated Financing and Tied and Partially Untied ODA, including the effects of tying on development effectiveness, and to make the results of the evaluations available for the regular DAC Associated Financing Reviews;
- In response to a request by Members of the Working Party on Financial Aspects of Development Assistance, to prepare thorough reports on individual projects and programmes financed by Associated Financing or Tied or Partially Untied ODA to determine possible aid or trade distortion. These reports shall be prepared in accordance with criteria established by the Working Party which shall include project selection and appraisal procedures. Such reports shall be prepared promptly after the request has been received and be made available for the regular DAC Associated Financing Reviews;
- A summary of the reports shall be submitted to the next DAC High-Level Meeting following the DAC Associated Financing Review at which they were considered.

13. The following considerations are important in examining the developmental priority of all projects and programmes financed with ODA. Members undertake to pay particular attention, when examining the developmental priority of a project or programme to be financed with Associated Financing or Tied and Partially Untied Official Development Assistance with a grant element of less than 50 per cent to these considerations:

- It is part of investment and public expenditure programmes already approved by the central financial and planning authorities of the recipient country;
- It has been the subject of review and general endorsement in such international aid co-ordination arrangements as may exist;
- It is being co-financed with an international development finance institution;

threshold for ODA eligibility remains a grant element of 25 per cent, calculated with a discount rate of 10 per cent, and the grant element of ODA commitments continues to be calculated using a 10 per cent discount rate.

³

Associated Financing transactions whose Official Development Assistance component consists solely of technical co-operation are exempted from this rule, provided that the technical co-operation component remains below 3 per cent of the total value of the Associated Financing transaction or below \$1 million, whatever is lower.

- Particular care will be applied in the examination of projects where evidence exists that they had been considered and rejected by an international development finance institution or another DAC Member on grounds of low developmental priority.

14. In conformity with the DAC Recommendation on Terms and Conditions of Aid, which stipulates that Members should relate the terms of aid on a case-by-case basis to the circumstances of each developing country or group of countries, Members undertake to tailor also the terms of Associated Financing to the economic situation, stage of development and debt servicing capacity of the recipient country.

15. In line with this general principle, to the extent that Associated Financing or Tied or Partially Untied ODA is provided to Least Developed Countries (as defined by the United Nations), Members will ensure that the transaction takes place on favourable terms. Members undertake to restrain the use of Tied and Partially Untied ODA and of ODA for Associated Financing in case of stronger developing countries, both as a proportion of the total ODA programme and, subject to paragraph 10, for individual transactions, apart from technical co-operation.

16. Members reconfirm the importance of the “Good Procurement Practices for Official Development Assistance” approved by the DAC and the undertakings contained therein.

17. In order to ensure full transparency in the proposed use of Associated Financing and Tied and Partially Untied Official Development Assistance, especially prior to contract decisions, Members will use the system of contact points in their administrations actively and respond fully and promptly to requests for information by other Members on aid offers for particular projects.

IV. Statistical Reporting Requirements

18. Members reaffirm their commitments to comply fully and promptly with the standard requirements of the Creditor Reporting System which includes Associated Financing and Tied and Partially Untied Official Development Assistance. In particular, Members will notify within two months of the signature date of the grant or loan agreement (specifying amounts, financial terms, tying status and purpose):

- Individual ODA grants and loans, specifying those used for Associated Financing;
- Individual OOF (“Other Official Flows”) grants and loans, specifying those used in Associated Financing; and
- Individual officially supported export credits used in Associated Financing.

Under the Creditor Reporting System, reporting of technical co-operation grants is voluntary unless they are used in Associated Financing. Low value grants (less than \$10 000) may be grouped for individual recipients.

V. Review and Appraisal

19. Members agree to review periodically, through the DAC Working Party on Financial Aspects of Development Assistance, their policies and practices concerning Associated Financing and Tied and Partially Untied ODA against the Guiding Principles set out above. Members will provide information on policies and procedures as required for the review and will inform the DAC of any significant new policies adopted in this area. The Guiding Principles themselves will be the subject of review in the light of experience.

VI. Co-operation with the OECD Group on Export Credits and Credit Guarantees and with the Participants in the Export Credit Arrangement

20. The DAC Working Party on Financial Aspects of Development Assistance will follow closely relevant work of the Group on Export Credits and Credit Guarantees of the Trade Committee and the Participants in the Arrangement on Guidelines for Officially Supported Export Credits and co-operate with these Groups as required.

Appendix

First Stage

- a) The minimum concessionality level for tied and partially untied aid credits to Least Developed Countries will be increased to 50 per cent.

The minimum concessionality level for tied and partially untied aid credits to all other developing countries will be increased to 30 per cent.

- b) The discount rate for calculating the concessionality level will be related to the commercial interest reference rates (CIRR) for each currency and will be calculated as follows:

$$\text{CIRR} + 1/2 (10 - \text{CIRR})$$

- c) These measures will enter into force on 15th July 1987.

Second stage

- a) The minimum concessionality level for tied and partially untied aid credits will be increased to 35 per cent for developing countries other than Least Developed Countries.

- b) The discount rate for calculating the concessionality level will be calculated as follows:

$$\text{CIRR} + 1/4 (10 - \text{CIRR})$$

- c) The interest rate subsidies for importing countries in Category I of the matrix will be abolished. The matrix interest rates for importing countries in Categories II and III will be increased by 30 basis points.

- d) These measures will enter into force on 15th July 1988.

2.2 New Measures in the Field of Tied Aid (1992)

(See the Development Assistance Manual: DAC Principles for Effective Aid)

OECD Members are agreed on the following general principles

1. Policies for export credit and aid credit should be complementary: those for export credits should be based on open competition and the free play of market forces and those for tied aid credits should provide needed external resources to countries, sectors or projects with little or no access to market financing, ensure best value for money and minimise trade distortion and contribute to developmentally effective use of these resources.

Member countries of the Development Assistance Committee

- reaffirming the DAC Revised Guiding Principles for Associated Financing and Tied and Partially Untied Official Development Assistance of 1987 as well as the DAC Principles for Project Appraisal of 1988;
- acknowledging the valuable role of untied aid for the development of recipient countries' economies and societies as well as for minimising trade distortions and thus encouraging each other to provide aid in this form wherever possible;
- recognising the importance of managing tied aid in a way that ensures obtaining best value for money and minimising trade distortion;
- emphasising the advantages of international competitive bidding for obtaining best value for money and minimising trade distortion;

Undertake to implement the following new measures:

I. Large projects

2. In respect of large projects with a value of more than SDR 50 million, financed by tied aid¹ credits, with the exception of credits which according to the rules and definitions of the Arrangement on Guidelines for Officially Supported Export Credits have a concessionality level² of 80 per cent or above, and consistent with the rules of the Arrangement on mandatory consultations in case of projects larger than SDR 50 million, the DAC agreed to the following:

¹ Tied aid includes associated financing, tied ODA and partially untied ODA. For the purpose of this provision, technical co-operation, humanitarian and disaster relief action are excluded from tied aid. Untied ODA is defined as loans and grants which are freely and fully available to finance procurement from substantially all developing countries and from OECD countries. For transactions to qualify as untied or partially untied, respectively, the donor has to inform the recipient at the time of the aid offer, clearly and explicitly, of the countries which are eligible for procurement.

² The Arrangement rules and definitions concerning the calculation of the concessionality level are used at the stage of notification of tied aid transactions. They do not affect the DAC ODA definition nor the reporting of ODA disbursements and commitments.

Mutual appraisal

3. The principles for mutual appraisal set out below constitute good practice for all large projects but they are particularly important for tied aid credits where there may be a risk of aid and trade distortion.
4. DAC Member countries recognise the value of the participation by the World Bank Group in the preparation and financing of large projects.
5. Where the World Bank Group does not participate, interested donors will seek to agree to co-ordinate with the World Bank, also using where appropriate contacts at local level, to ensure that the project is consistent with the objectives of the dialogue between it and the recipient government concerning policies and resource allocation in the sector concerned.
6. They also agree to co-ordinate with the recipient country and each other on project preparation and appraisal work, including a joint review of the project prior to finally committing aid funds, in keeping with the DAC Principles for Project Appraisal and the Checklist for Developmental Quality of Aid-Financed Projects which is based on these Principles (the Checklist is produced in the publication "Development Assistance Manual: DAC Principles for Effective Aid", paragraphs 444 to 452).
7. DAC Member countries will develop procedures which will facilitate such collaboration, including at the field level, among themselves and between them, the World Bank Group and the recipient country. These procedures should ensure also co-ordination with financing from untied sources.

Appropriate financing terms

8. Interested donors will consult, together with the recipient authorities, with a view to agreeing appropriate financing terms for a large project consistent with the economic situation of the recipient country concerned. However, donors would not be expected to harden the terms at which they normally extend assistance to the country concerned.

International competitive bidding

9. Offers of aid for large projects should be subject to the recipient authorities undertaking arrangements for international competitive bidding (ICB) in accordance with internationally accepted practice.³
10. Contracts financed by tied aid credits should be awarded to the lowest evaluated bidder, concerning both price and technical factors, before taking into account the financing terms. However, it is recognised that seriously resource-constrained poor countries, in awarding a contract, may need to take into account the availability of financial resources at concessional terms, provided the award goes to a supplier which ranked second or third in bid evaluation for price and quality or where the price margin is reasonable.

II. Limitations on use of tied aid credits

11. DAC Member countries recognise the importance for development of the productive sectors and economic infrastructure and of appropriate market oriented pricing policies. However, for projects in these

³ DAC Members agreed Good Procurement Practices for Official Development Assistance in 1986, which include "Minimum Conditions for Effective International Competitive Bidding", and possible exceptions from ICB.

areas market financing is often appropriate and available, especially in stronger developing countries. Official development assistance is therefore preferably used for other areas.

12. For these reasons, and consistent with the rules of the Arrangement, DAC Member countries will limit the extension of tied aid credits as follows, with the exception of credits with a value of less than SDR 2 million or which according to Arrangement rules and definitions have a concessionality level of 80 per cent or above or unless otherwise agreed under the provisions of the Arrangement.

- a) Tied aid credits, except for credits to Least Developed Countries, shall not be extended to public and private projects that normally should be commercially viable if financed on market or Arrangement terms.

The key tests for such aid eligibility are:

- is the project financially non-viable, i.e. does it lack capacity with appropriate pricing determined on market principles, to generate cash flow sufficient to cover the project's operating costs and to service the capital employed; or
- is it reasonable to conclude, based on communications with other participants, that it is unlikely that the project can be financed on market or Arrangement terms?

The above tests are intended to describe how a project should be evaluated to test whether it should be financed with such aid or with export credits. Through the consultation process, a body of experience is expected to develop over time that will more precisely define, for both export credit and aid agencies, ex ante guidance as to the line between the two categories of projects.

- b) There shall be no tied aid credits to countries whose per capita GNP would make them ineligible for 17 or 20 year loans from the World Bank.⁴ If such credits which according to Arrangement rules and definitions have a concessionality level of 80 per cent or above are extended to these countries, they might be used mainly for exceptional balance-of-payments support and for financing of projects in such areas as the social field, environment, good governance and emergency aid.

13. The DAC recognises the importance of all the provisions in the Arrangement; in case of consultations, DAC Member countries will co-operate with Participants.

III. Further work

14. Member countries agree to pursue work in the following areas:

- a) monitor Member countries' compliance with the new measures above, as well as with the DAC Guiding Principles for Associated Financing and Tied and Partially Untied ODA;

⁴ Currently GNP/capita over \$2 465 in 1990. A country will only be moved to, or from, this income category after its World Bank income category has remained unchanged for two consecutive years. The list of countries in this category is subject to automatic, annual revision. Notwithstanding classifications of countries ineligible or eligible to receive tied aid, tied aid policy for Bulgaria, CSFR, Hungary, Poland and Romania is covered by the Participants' agreement, as long as such agreement is in force, to try to avoid such credits other than outright grants, food aid and humanitarian aid. The OECD Ministers endorsed this policy in June 1991.

- b) work on a more precise definition on tied ODA and monitor Member countries' practices in the use of tied ODA;
- c) work on a more precise definition of untied and partially untied ODA and monitor Member countries' practices, including procurement results, and work further towards greater use of untied ODA;
- d) harmonise and improve further definitions and procedures contained in the Good Procurement Practices for Official Development Assistance;
- e) monitor Member countries' ODA terms performance, with particular emphasis on terms for tied aid, including associated financing;
- f) the DAC will take stock of progress made in the above areas by the end of 1993.

2.3. DAC Recommendation on Untying Official Development Assistance to the Least Developed Countries (2001)

(See DCD/DAC(2001)12/FINAL)

I. Objectives and Principles

1. Members of the OECD's Development Assistance Committee (DAC) agree to the objective of untying their bilateral official development assistance (ODA) to the Least Developed Countries as a means to:

- foster co-ordinated, efficient and effective partnerships with developing countries;
- strengthen the ownership and responsibility of partner countries in the development process;
- demonstrate responsiveness to the requests from partner countries and others to increase the use of untied aid in order to promote aid effectiveness; and
- contribute to broader efforts with partner countries to promote their integration into the global economy

2. This Recommendation reflects the results of discussions in the DAC to respond to the Mandate provided at its 1998 High Level Meeting (see Appendix III) and the shared intentions of DAC Members to:

- untie their ODA to the Least Developed Countries to the greatest extent possible;
- promote and sustain adequate flows of ODA in terms of quality, volume and direction, in particular to the Least Developed Countries, and ensure that ODA to the Least Developed Countries will not decline over time as a result of the implementation of this Recommendation;
- achieve balanced efforts among DAC Members.

3. This initiative is targeted on the Least Developed Countries because of their relative dependence on aid and their relatively greater need for accelerated progress towards the International Development Goals, as set out in the report "Shaping the 21st Century: the Contribution of Development Co-operation". This initiative aims to capture, for these countries, the benefits of open procurement markets.

4. In promoting the above objectives, DAC Members consider that reinforcing partner country responsibility for procurement, with appropriate guarantees for effectiveness, accountability, probity and transparency, is intrinsic to this initiative. Similarly, promoting local and regional procurement in partner countries is a shared goal. DAC Members will work with partner countries to identify needs and to support efforts in both areas.

5. This Recommendation does not restrict the prerogative of DAC Members to untie ODA to a greater extent than set out herein. DAC Members are invited to continue to provide untied ODA in areas not covered by the Recommendation when they already do so, and to study the possibilities of extending untied aid in such areas. Neither does this Recommendation pre-empt positions that DAC Members may take in discussions on related issues in other fora.

6. Promoting effort-sharing among Members is an integral part of this Recommendation. Variations in the structures and geographical orientations of Members' aid programmes, together with the coverage

provisions of this Recommendation, can result in sizeable differences in the extent to which their ODA to the Least Developed Countries is presently untied, and in respect of their aid performance in the Least Developed Countries more generally.

II. Implementation

a) Coverage

7. Untying is a complex process. Different approaches are required for different categories of ODA, and actions by Members to implement the Recommendation will vary in coverage and timing. Bearing this in mind, DAC Members will untie their ODA to the Least Developed Countries to the greatest extent possible and in accordance with the criteria and procedures set out in this Recommendation:

- i) DAC Members agree to untie, by 1 January 2002, ODA to the Least Developed Countries in the following areas: balance of payments and structural adjustment support; debt forgiveness; sector and multi-sector programme assistance; investment project aid; import and commodity support; commercial services contracts, and ODA to Non-Governmental Organisations for procurement related activities.
- ii) In respect of investment-related technical co-operation and free standing technical co-operation, it is recognised that DAC Members' policies may be guided by the importance of maintaining a basic sense of national involvement in donor countries alongside the objective of calling upon partner countries' expertise, bearing in mind the objectives and principles of this Recommendation. Free-standing technical co-operation is excluded from the coverage of the Recommendation.
- iii) In respect of food aid, it is recognised that DAC Members' policies may be guided by the discussions and agreements in other international fora governing the provision of food aid, bearing in mind the objectives and principles of this Recommendation

8. This Recommendation does not apply to activities with a value of less than SDR 700,000 (SDR 130,000 in the case of investment-related technical co-operation).

b) Effort-Sharing

9. Promoting a more balanced effort-sharing among Members is a necessary process. Pursuant to paragraphs 2, 5, and 6 of this Recommendation, Members agree to undertake their best endeavours to identify and implement supplementary effort-sharing actions in accordance with the mechanism set out below.

Mechanism

10. To this end, Members should apply the following reference indicators matrix and procedures:

- Reference indicators matrix

11. The situations of Members and their evolution over time with respect to initial positions and reference points will be set out in a reference indicators matrix (see Appendix I). The elements of this matrix will be used in conjunction with Member performance profiles (see below) to monitor and assess the progress made by DAC Members towards more balanced effort-sharing.

- Member performance profiles

12. Members will prepare annual country profiles setting out their positions in respect of the reference indicators matrix and, on that basis, identify initial and medium term supplementary actions to promote effort-sharing. Peer review of these profiles by the DAC will be used to help Members identify and undertake supplementary actions in furtherance of a more balanced effort-sharing in respect of the reference indicators matrix.

13. The implementation of this part of the Recommendation will be assessed as part of the annual reports covering all aspects of this Recommendation. These reports will be considered by the DAC High Level Meeting, which may recommend further actions, as well as in the peer reviews of individual Member's development co-operation policies. An overall review of the effort-sharing mechanism and procedures will be conducted in 2009. On the basis of the DAC's assessment of the progress of Members towards a more balanced effort-sharing, this part of the Recommendation will be open to review with the objective of improving Members' performance towards a more balanced effort-sharing.

c) Procurement regime

14. The procurement of goods and services covered by this Recommendation should follow the DAC's Good Procurement Practices.

15. In conducting procurement of aid-supported goods and services, and in partnership with developing countries, DAC Members should apply relevant commitments and guidance such as:

- The 1996 DAC Recommendation on Anti-Corruption Proposals for Aid-Funded Procurement;
- The 1997 OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions.

d) Transparency

16. For untied aid offers covered by this Recommendation, DAC Members should, and in collaboration with developing country partners as appropriate, provide or ensure *ex ante* notification.

17. DAC Members should respond promptly and fully to requests by other Members for further information on, or clarification concerning untied aid offers covered by this Recommendation.

18. DAC Members should ensure that the DAC will be provided with information on contract awards pertaining to the untied aid offers covered by this Recommendation.

e) Derogation

19. For individual aid offers, DAC Members may, in exceptional circumstances, take measures inconsistent with the terms of this Recommendation, in situations where they believe it to be justified on the basis of overriding, non-trade related, development interests. Derogations are to be justified in a letter to the Secretary-General of the OECD and to the DAC Chair and will be followed up in review procedures.

f) Monitoring and evaluation

20. The DAC will monitor all aspects of this Recommendation through a combination of different mechanisms:

- Annual reports covering all aspects of the Recommendation, as well as the experience in delivering its objectives. These reports, which will be reviewed by the DAC in time for its annual High Level Meeting, will, inter alia:
 - assess the impact of the Recommendation on the volume, quality and directions of ODA flows;
 - set out Members' policies in respect of investment-related technical co-operation and food aid;
 - review the implementation of this Recommendation with respect to promoting effort-sharing among Members in accordance with the mechanism set out in section IIb above;
 - review DAC Members' procurement practices and patterns for untied aid offers;
 - assess progress towards strengthening partner countries' local procurement capacities and improving the access of partner countries' enterprises to aid funded procurement;
 - address, in addition to the provisions for bilateral consultations set out above, specific concerns that may be raised by individual DAC Members in respect of the Recommendation.
- The annual reports will also provide input for the peer reviews of individual DAC Member's development co-operation programmes.
- A comprehensive evaluation of its implementation and impact will be carried out by the High Level Meeting in 2009. This evaluation will also pay particular attention to the implementation of this Recommendation with respect to achieving a balance of efforts among DAC Members and promoting and sustaining ODA flows to the Least Developed Countries.

21. DAC Members will work with stakeholders, particularly developing country partners, to ensure the Recommendation delivers its objectives.

Appendix I

Operational procedures and understandings

22. This Annex forms an integral part of the Recommendation on untying ODA to the Least Developed Countries. It details, where necessary, provisions concerning operational procedures and understandings related to the coverage and implementation of this Recommendation.

I. Definitions and coverage

23. Untied ODA refers to loans or grants which are freely and fully available to finance procurement from substantially all aid recipient countries and from OECD countries. Members which have rules of origin, or minimum national content rules, should take any steps necessary to ensure that ODA untied in accordance with this Recommendation is both *de jure* and *de facto* untied.

24. This Recommendation applies to DAC Members' bilateral ODA to the Least Developed Countries. The list of Least Developed Countries (as may be periodically modified by the United Nations) is set out in Appendix II.

25. Definitions of the ODA categories addressed in this Recommendation are as set out in the DAC's Statistical Reporting Directives [DCD/DAC(2000)10]. Further work will be undertaken as a matter of priority to operationalise the definitions of investment-related technical co-operation (including its component activities) and food aid to ensure an effective implementation of the Recommendation.

Commercial services contracts

26. For the purposes of this Recommendation, commercial services contracts are defined as contracts let on a commercial basis to a company for the running or management of a utility or distribution network.

ODA provided for NGOs

27. ODA provided for NGO activities is covered by this Recommendation only to the extent that NGOs are involved in procurement-related activities included in its coverage. Grants for the core support of development NGOs or their programmes are excluded.

Management services arrangements

28. Management services arrangements (i.e. "technical co-operation" provided by donors primarily for the purpose of carrying out the administration of their own aid projects and programmes) are excluded from the coverage of this Recommendation.

II. Transparency

29. DAC Members recognise that efforts to promote partner country responsibility for procurement are intrinsic to this untying initiative. In situations where partner countries have responsibility for conducting procurement, some of the information requirements set out below may be available in the first instance from partner countries or their procurement agents. Members should report in a timely manner the information required by the following provisions, or should work effectively with partner countries to do so.

i) Ex ante notification

30. Untied aid offers covered by this Recommendation are to be notified *ex ante*. These notifications should include the following information:

- Notifying Member, agency and contact point;
- Recipient country;
- Project description;
- Sector/activity and DAC purpose code;
- Project value (in donor currency and SDR);
- Bidding period (start and closing dates);
- Procurement regime (if not International Competitive Bidding, state regime and justification);
- Details of agency responsible for procurement and from which further information or details (e.g. bidding periods, procurement regime, bidding documentation) can be requested,

and all other information that the Member deems appropriate.

31. Notifications should be made to the Secretariat not less than 30 calendar days prior to the opening of the bidding period.

32. Bidding periods should ensure sufficient time to all suppliers to prepare and submit bids, while taking account of the circumstances of the procurement agent. Bearing this in mind, bidding periods should normally be not less than 45 calendar days, except for large projects (with a value of, or exceeding, SDR 50 million), where bidding periods should normally be not less than 90 calendar days.

33. Notifications should be made available to DAC Members and to potential suppliers through the DAC's Internet bulletin board. DAC Members may also, in addition, wish to use their own facilities to publicise the aid offers contained in notifications.

ii) Exchange of information procedures

34. DAC Members which have received an enquiry from another Member concerning individual untied aid offers covered by this Recommendation should respond promptly (i.e. within 14 calendar days) and fully, providing all information relevant to the request, including information concerning donor financing of services related to the design and implementation of the notified project. Such enquiries and responses should use electronic means of communication. The DAC Members concerned should, together, take all possible steps to clarify or resolve issues arising.

35. Where that latter is not possible, a DAC Member may, if it so wishes, broaden the initial bilateral exchange of information to other DAC Members, in order to solicit views on issues pertaining to the implementation of the Recommendation.

36. The periodic reviews of the implementation of the Recommendation will also address experience with these procedures.

iii) *Information on contract awards*

37. DAC Members should provide the Secretariat with information on contract awards pertaining to individual *ex ante* notifications. This information should include the name, address and country of incorporation of the firm awarded the contract (or the prime contractor, where a syndicate of firms is concerned). The above information should be provided on an annual basis and be reviewed in the context of the overall review procedures.

III. Reference Indicators Matrix

	Members' positions ¹	Reference point	Index ²
I. Bilateral LDC ODA untying ratio		0.60	
II. Effort-sharing composite indicator ³		0.04	

^{1.} 5 year average.

^{2.} Members' positions as ratios of reference points.

^{3.} Calculated according to standing DAC practices, pending future work on the definition of multilateral ODA and its tying status, as follows: (bilateral LDC ODA/GNP times bilateral LDC untying ratio) + multilateral LDC ODA/GNP. The presentation of the composite indicator, and the reference indicators matrix more generally, will set out in full their component elements.

Appendix II**Least Developed Countries (as at 1 May 2001)**

Afghanistan	Liberia
Angola	Madagascar
Bangladesh	Malawi
Benin	Maldives
Bhutan	Mali
Burkina Faso	Mauritania
Burundi	Mozambique
Cambodia	Myanmar
Cape Verde	Nepal
Central African Republic	Niger
Chad	Rwanda
Comoros	Samoa
Congo, Dem.Rep.	Sao Tome and Principe
Djibouti	Senegal
Equatorial Guinea	Sierra Leone
Eritrea	Solomon Islands
Ethiopia	Somalia
Gambia	Sudan
Guinea	Tanzania
Guinea-Bissau	Togo
Haiti	Tuvalu
Kiribati	Uganda
Laos	Vanuatu
Lesotho	Yemen
	Zambia

Appendix III

Aid procurement liberalisation: 1998 DAC HLM mandate

38. HLM participants mandate the Working Party on Financial Aspects to work on a Recommendation on untying ODA to the Least Developed Countries (LDCs), including the relevant implementation issues, with a view to presenting a proposed text to the HLM in 1999. A status report should be presented to the Senior Level meeting (SLM) of the DAC in December 1998.

39. Participants recognised that in order to arrive at an agreed text, the following issues, in particular, will have to be satisfactorily addressed:

- The need for effective donor co-ordination and partnerships with developing countries that reflect responsiveness, efficiency and effectiveness of development co-operation.
- Assessment of potential effects on the quality, volume and direction of ODA flows.
- Helping develop the capacities of the private sector and procurement systems in partner countries.
- The importance of maintaining a basic sense of national involvement in donor countries (especially in certain forms of technical co-operation) alongside the objective of calling upon partner countries' expertise.
- The need to take into account differences in the structures and starting points of Members' programmes with respect to volume, ODA/GNP ratio, distribution and existing untying of aid.
- Initiatives to enlist the understanding and involvement of the business community in Member countries and promote wide public information and support.
- The impact of further procurement liberalisation on regional arrangements such as the Lomé Convention.
- Thorough examination of the modalities involved in the untying initiative, including:
 - ⇒ appropriate procurement modalities (including safeguards against corruption);
 - ⇒ manageable thresholds, coverage and exclusions (including with respect to technical co-operation and promotion of procurement from local and regional sources in developing partner countries);
 - ⇒ definitions and reporting arrangements on the tying status of ODA
 - ⇒ mechanisms for confidence building and transparency, including provision of relevant statistical information;
 - ⇒ monitoring and peer review.

ANNEX 3. LIST OF DAC MEMBERS AND AGENCIES**Names and codes****DAC MEMBERS**

<i>COUNTRY</i> Name	<i>AGENCIES</i> Code Name	Acronym	Code	
AUSTRALIA	801	Australian Agency for International Development	AusAid	5
		Export Finance and Insurance Corporation	EFIC	72
AUSTRIA	1	Federal Ministry of Finance	BMF	1
		Various ministries	MIN	2
		Federal Government of Austria	Breg	3
		Federal Ministry of Foreign Affairs	BMA	5
		Provincial governments, local communities	Reg	6
		Federal Chancellery	BKA	7
		Miscellaneous	MISC	99
BELGIUM	2	Oesterreichische Kontrollbank AG	OeKB	4
		Ministry of Finance	MF	1
		Directorate General for International Co-operation	DGIC	4
CANADA	301	Ducroire National Office	OND	31
		Canadian International Development Agency	CIDA	1
		International Development Research Centre	IDRC	2
		Canadian Government	CG	4
DENMARK	3	Export Development Corporation	EDC	31
		Ministry of Foreign Affairs	MFA	1
		Danish International Development Agency	DANIDA	2
		Danish Co-operation for Environment and Development	DANCED	4
EUROPEAN COMMUNITIES	918	EKR	EKR	72
		Commission of the European Communities	CEC	1
FINLAND	18	European Investment Bank	EIB	2
		Finnish Government	FG	1
		FinnFund	FF	2
		Ministry of Foreign Affairs	MFA	3
		FIDE	FIDE	4
		FinnVera	FinnVera	72

FRANCE	4	Natexis Banque Populaire	Natexis	2
		French Development Agency	AFD	3
		Priority Solidarity Fund	FSP	4
		Ministry of Economy, Finance and Industry	MINEFI	8
		French Central Bank	BF	14
		Ministry of Foreign Affairs	MAE	57
		Coface	Coface	71
GERMANY	5	Bundesministerium für Wirtschaftliche Zusammenarbeit und Entwicklung	BMZ	1
		Kreditanstalt für Wiederaufbau	KfW	2
		German Investment and Development Company	DEG	4
		Foreign Office	F.O.	11
		Federal States & Local Governments	L.G.	12
		Federal Institutes	Fed.Inst.	14
		German Development Service	DED	15
		Federal Ministries	Fed.Min.	16
		Foundations/Societies/Misc. (non federal)	Found.	17
		Deutsche Gesellschaft für Technische Zusammenarbeit	GTZ	52
		Deutsche AusgleichsBank	DtA	54
		Hermes Kreditversicherungs-AG	Hermes	34
GREECE	40	Ministry of Foreign Affairs	YPEJ	1
		Ministry of National Economy	YPEUO	2
		Ministry of the Interior, Public Administration and Decentralisation	YPESDDA	3
		Ministry of National Defence	YPEUA	4
		Ministry of the Environment, Land Planning and Public Works	YPEHODE	5
		Ministry of National Education and Religions	YPEPU	6
		Ministry of Agriculture	YPGE	7
		Ministry of Health - Welfare	YPYG-PR	8
		Ministry of Merchant Marine	YEN	9
		Miscellaneous	Alloi	20
IRELAND	21	Department of Foreign Affairs	DFA	1
		Department of Industry and Commerce	DIC	71
ITALY	6	Azienda Italiana per gli Interventi sui Mercati Agricoli	AIMA	2
		Direzione Generale per la Cooperazione allo Sviluppo	DGCS	4
		Mediocredito Centrale	MC	5
		Central administration	CA	7
		Local administration	LA	8
		Sezione Speciale per l'Assicurazione del Credito all'Esportazione	SACE	74

JAPAN	701	Japanese Government	JG	1
		Ministry of Foreign Affairs	MOFA	2
		Food Aid agency	Food aid	6
		Office for Overseas Fishery Co-operation	OFCF	7
		Japanese International Co-operation Agency	JICA	8
		Japanese Overseas Development Co-operation	JODC	10
		Japan Bank for International Co-operation	JBIC	11
		Ministry of Economy, Trade and Industry	METI	71
LUXEMBOURG	22	Lux-Development	LuxDev	1
		Ducroire Office	ODL	22
NETHERLANDS	7	Ministry of Foreign Affairs (DGIS)	MFA	1
		Netherlands Gov. through Netherlands Investment Bank for Developing Countries	NG/NIO	4
		NCM Credit Management Worldwide	NCM	33
NEW ZEALAND	820	Ministry of Foreign Affairs and Trade	NZG	1
NORWAY	8	Norwegian Agency for Development Co-operation	NORAD	1
		Ministry of Foreign Affairs	MFA	4
		Statens Nærings og Distriktsutviklingsfond	SND	7
		NORFUND	NORFUND	8
		Eksport Finans	EF	72
		Garantiinstituttet for Eksportkreditt	GIEK	71
PORTUGAL	9	Portuguese Government	GP	1
		Portuguese Co-operation Institute	ICP	2
		Other	Other	3
		Conselho de garantias financeiras	COSEC	71
SPAIN	50	Instituto de Credito Oficial	ICO	1
		Ministry of Agriculture, Fisheries, and Food	AGR	4
		Ministry of Foreign Affairs	MFA	5
		Ministry of Economy and Finance	ECON	6
		Ministry of Education and Science	EDUC	7
		Ministry of Public Works	MPW	8
		Ministry of Industry and Energy	MIE	9
		Ministry of Environment	ENV	10
		Ministry of Health	MOH	11
		Ministry of Labour and Social Affairs	EMP	12
		Ministry of Interior	INT	13
		Ministry of Public Administration	MPA	14
		Autonomous Governments	AG	15
		Municipalities	MUNIC	16
		Miscellaneous	MISC.	17
Compania Espanola de Seguros de Credito a la Exportación	CESCE	2		

SWEDEN	10	Ministry of Foreign Affairs	MFA	2
		Swedish Government	SG	3
		Swedish International Development Authority	Sida	6
		Swedish Export Credits Guarantee Board	EKN	71
SWITZERLAND	11	Swiss Confederation	CS	1
		Development and Co-operation Directorate	DDC	4
		Secretary of State for the Economy	SECO	5
		Export Risk Guarantee Agency	ERG	71
UNITED KINGDOM	12	Department for International Development	DFID	1
		CDC Capital Partners PLC	CDC	2
		Export Credit Guarantee Department	ECGD	5
UNITED STATES	302	Agency for International Development	AID	1
		Department of Agriculture	AGR	2
		Department of Treasury	DTRE	6
		Department of Defence	DOD	7
		Miscellaneous	MISC.	8
		Department of Interior	INTERIOR	9
		Peace Corps	PEACE	10
		State Department	STATE	11
		Trade and Development Agency	TDA	12
		Export Import Bank	EXIM	31

Note: ISO codes may also be used. (Australia AUS; Austria AUT; Belgium BEL; Canada CAN; Denmark DNK; Finland FIN; France FRA; Germany DEU; Greece GRC; Ireland IRL; Italy ITA; Japan JPN; Luxembourg LUX; Netherlands NLD; New Zealand NZL; Norway NOR; Portugal PRT; Spain ESP; Sweden SWE; Switzerland CHE; United Kingdom GBR; United States USA; European Communities CEC)

MULTILATERAL ORGANISATIONS

Name	Acronym	Code
<i>United Nations Programmes and Funds</i>		
United Nations Development Programme	UNDP	959
United Nations Children's Fund	UNICEF	963
United Nations Population Fund	UNFPA	974
<i>World Bank group</i>		
International Development Association	IDA	905
International Bank for Reconstruction and Development	IBRD	901
<i>Regional banks</i>		
African Development Bank	AfDB	913
African Development Fund	AfDF	914
Asian Development Bank	AsDB	915
Asian Development Bank, Special Fund	AsDF	916
Inter-American Development Bank	IDB	909
Inter-American Development Bank, Special Operation Fund	IDB Sp.Fund	912
<i>Other agencies</i>		
International Fund for Agricultural Development	IFAD	988

ANNEX 4. DAC LIST OF AID RECIPIENTS**List of Aid Recipients for resource flows from 1 January 2001,
and recipient codes used in reporting****PART I COUNTRIES**

<i>EUROPE</i>	<i>CRS Code</i>	<i>ISO Code*</i>
Albania	071	ALB
Bosnia-Herzegovina	064	BIH
Croatia	062	HRV
Macedonia (FYROM)	066	MKD
Malta	045	MLT
Moldova	093	MDA
Slovenia	061	SVN
Turkey	055	TUR
Yugoslavia, Fed. Rep.	067	YUG
States of ex-Yugoslavia unspecified	088	YUG
Europe unallocated	089	QSA
<i>AFRICA</i>		
<i>AFRICA, NORTH OF SAHARA</i>		
Algeria	130	DZA
Egypt	142	EGY
Morocco	136	MAR
Tunisia	139	TUN
North of Sahara unallocated	189	QMD
<i>AFRICA, SOUTH OF SAHARA</i>		
Angola	225	AGO
Benin	236	BEN
Botswana	227	BWA
Burkina Faso	287	BFA
Burundi	228	BDI
Cameroon	229	CMR
Cape Verde	230	CPV
Central African Republic	231	CAF
Chad	232	TCD
Comoros	233	COM
Congo, Dem. Rep.	235	ZAR
Congo, Rep.	234	COG
Côte d'Ivoire	247	CIV
Djibouti	274	DJI
Equatorial Guinea	245	GNQ
Eritrea	271	ERI
Ethiopia	238	ETH

Gabon	239	GAB
Gambia	240	GMB
Ghana	241	GHA
Guinea	243	GIN
Guinea-Bissau	244	GNB
Kenya	248	KEN
Lesotho	249	LSO
Liberia	251	LBR
Madagascar	252	MDG
Malawi	253	MWI
Mali	255	MLI
Mauritania	256	MRT
Mauritius	257	MUS
Mayotte	258	COM
Mozambique	259	MOZ
Namibia	275	NAM
Niger	260	NER
Nigeria	261	NGA
Rwanda	266	RWA
St.Helena	276	SHN
Sao Tome & Principe	268	STP
Senegal	269	SEN
Seychelles	270	SYC
Sierra Leone	272	SLE
Somalia	273	SOM
South Africa	218	ZAF
Sudan	278	SDN
Swaziland	280	SWZ
Tanzania	282	TZA
Togo	283	TGO
Uganda	285	UGA
Zambia	288	ZMB
Zimbabwe	265	ZWE
South of Sahara unallocated	289	<i>QME</i>
Africa unspecified	298	<i>QMA</i>

AMERICA***NORTH & CENTRAL AMERICA***

Anguilla	376	AIA
Antigua & Barbuda	377	ATG
Barbados	329	BRB
Belize	352	BLZ
Costa Rica	336	CRI
Cuba	338	CUB
Dominica	378	DMA
Dominican Republic	340	DOM
El Salvador	342	SLV
Grenada	381	GRD
Guatemala	347	GTM
Haiti	349	HTI
Honduras	351	HND
Jamaica	354	JAM
Mexico	358	MEX
Montserrat	385	MSR
Nicaragua	364	NIC

Panama	366	PAN
St.Kitts-Nevis	382	KNA
St.Lucia	383	LCA
St.Vincent & Grenadines	384	VCT
Trinidad & Tobago	375	TTO
Turks & Caicos Isl.	387	TCA
West Indies unallocated	380	<i>QNB</i>
N. & C. America unallocated	389	<i>QNC</i>
<i>SOUTH AMERICA</i>		
Argentina	425	ARG
Bolivia	428	BOL
Brazil	431	BRA
Chile	434	CHL
Colombia	437	COL
Ecuador	440	ECU
Guyana	446	GUY
Paraguay	451	PRY
Peru	454	PER
Suriname	457	SUR
Uruguay	460	URY
Venezuela	463	VEN
South America unallocated	489	<i>QNE</i>
America unspecified	498	<i>QNA</i>
<i>ASIA</i>		
<i>MIDDLE EAST ASIA</i>		
Bahrain	530	BHR
Iran	540	IRN
Iraq	543	IRQ
Jordan	549	JOR
Lebanon	555	LBN
Oman	558	OMN
Palestinian admin. areas	550	PSE
Saudi Arabia	566	SAU
Syria	573	SYR
Yemen	580	YEM
Middle East unallocated	589	<i>QRE</i>
<i>SOUTH & CENTRAL ASIA</i>		
Afghanistan	625	AFG
Armenia	091	ARM
Azerbaijan	520	AZE
Bangladesh	666	BGD
Bhutan	630	BTN
Georgia	095	GEO
India	645	IND
Kazakhstan	521	KAZ
Kyrgyz Rep.	522	KGZ
Maldives	655	MDV
Myanmar (Burma)	635	MMR
Nepal	660	NPL

Pakistan	665	PAK
Sri Lanka	640	LKA
Tajikistan	524	TJK
Turkmenistan	525	TKM
Uzbekistan	523	UZB
South & Central Asia unalloc.	689	<i>QRD</i>
<i>FAR EAST ASIA</i>		
Cambodia	728	KHM
China	730	CHN
East Timor	765	TMP
Indonesia	738	IDN
Korea, dem.	740	PRK
Laos	745	LAO
Malaysia	751	MYS
Mongolia	753	MNG
Philippines	755	PHL
Thailand	764	THA
Viet Nam	769	VNM
Far East Asia unallocated	789	<i>QRB</i>
Asia unspecified	798	<i>QRA</i>
<i>OCEANIA</i>		
Cook Islands	831	COK
Fiji	832	FJI
Kiribati	836	KIR
Marshall Islands	859	MHL
Micronesia, Fed. Sts.	860	FSM
Nauru	845	NRU
Niue	856	NIU
Palau	861	PLW
Papua New Guinea	862	PNG
Samoa	880	WSM
Solomon Islands	866	SLB
Tokelau	868	TKL
Tonga	870	TON
Tuvalu	872	TUV
Vanuatu	854	VUT
Wallis & Futuna	876	WLF
Oceania unallocated	889	<i>QTA</i>
Unspecified	998	<i>QZA</i>

PART II COUNTRIES***MORE ADVANCED
DEVELOPING COUNTRIES*** ***CRS Code*** ***ISO Code****

Aruba	373	ABW
Bahamas	328	BHS
Bermuda	331	BMU
Brunei	725	BRN
Cayman Islands	386	CYM
Chinese Taipei (Taiwan)	732	TWN
Cyprus	030	CYP
Falkland Islands	443	FLK
French Polynesia	840	PYF
Gibraltar	035	GIB
Hong Kong, China	735	HKG
Israel	546	ISR
Korea	742	KOR
Kuwait	552	KWT
Libya	133	LYB
Macao	748	MAC
Netherlands Antilles	361	ANT
New Caledonia	850	NCL
Qatar	561	QAT
Singapore	761	SGP
United Arab Emirates	576	ARE
Virgin Islands (UK)	388	VIR
MADCT unallocated	105	<i>QPI</i>

CEECs/NIS

Belarus	086	BLR
Bulgaria	072	BGR
Czech Republic	068	CZE
Estonia	082	EST
Hungary	075	HUN
Latvia	083	LVA
Lithuania	084	LTU
Poland	076	POL
Romania	077	ROM
Russia	087	RUS
Slovak Republic	069	SVK
Ukraine	085	UKR
CEECs unallocated	101	<i>QSB</i>
NIS unallocated	102	<i>SUN</i>
CEECs/NIS unallocated	079	<i>QSB</i>
PART II unallocated	106	<i>QP2</i>

* For group of countries (unallocated or unspecified), ISO codes do not exist. ISO-type codes have been created by the Secretariat and are indicated in *italics*.

ANNEX 5. REPORTING ON THE PURPOSE OF AID [see DCD/DAC(99)20]

CLASSIFICATION BY SECTOR OF DESTINATION

General

1. The sector of destination of a contribution should be selected by answering the question “**which specific area of the recipient’s economic or social structure is the transfer intended to foster**”. The sector classification does **not** refer to the type of goods or services provided by the donor. Sector specific education or research activities (e.g. agricultural education) or construction of infrastructure (e.g. agricultural storage) should be reported under the sector to which they are directed, not under education, construction, etc.
2. Some contributions are not susceptible to allocation by sector and are reported as non-sector allocable aid. Examples are aid for general development purposes, balance of payments support, actions relating to debt, emergency assistance and internal transactions in the donor country.

CRS Purpose Codes

3. In the CRS, data on the sector of destination are recorded using 5-digit purpose codes. The first three digits of the code refer to the corresponding DAC5 sector or category. Each CRS code belongs to one and only one DAC5 category. The last two digits of the CRS purpose code are sequential and not hierarchical i.e., each CRS code stands for itself and can be selected individually or grouped to create sub-sectors. The sequential numbers have, however, been standardised for codes with similar functions as follows:

- The **most general** CRS codes end in the sequential number **10**. It refers to policy, planning and programmes; administration, institution capacity building and advice; combinations of activities and unspecified activities falling outside other code headings.
- The **main codes** have sequential numbers **20, 30, 40** and **50**.
- The **detailed codes** have sequential numbers in the range **61 - 79**.
- Sector-specific **education, training and research** codes have sequential numbers in the range **81 - 89**. Sector-specific **services** have codes with sequential numbers in the range **91 - 99**.

Identifying the most suitable purpose code - Examples

4. As stated above, sector coding identifies the specific areas of the recipient’s economic or social development the transfer intends to foster. Some examples illustrating the choices follow:
 - a) Construction of housing for experts working on an agricultural development project:
 - The appropriate code is “agricultural development” (31120) and **not** “housing policy and administrative management”.

Construction of apartments in three cities:

- The appropriate code is “housing policy and administrative management” (16210).

b) Privatisation of the National Energy Agency:

- The appropriate code is “energy policy and administrative management” (23010) and **not** “privatisation”.

State enterprise restructuring programme:

- The appropriate code is “privatisation” (25020).

c) Assistance to Ministry of Education to prepare an education sector programme:

- The appropriate code is “education policy and administrative management” (11110) and **neither** “government administration” **nor** “economic and development policy/planning”.

Training of government officers in project preparation:

- The appropriate code is “economic and development policy/planning” (15010).

d) Rail equipment delivery:

- The appropriate code is “rail transport” (21030).

Rail equipment production:

- The appropriate code is “transport equipment industry” (32172).

e) Fertilizer delivery:

- The appropriate code is “agricultural inputs” (31150) and **not** “import support (commodities)”.

Import of general goods and services:

- The appropriate code is “import support (commodities)” (53040).

5. Within each sector, care should be taken to allocate supplies, equipment and infrastructure to the most specific code available. For example:

a) Construction of a tuberculosis clinic:

- The appropriate code is “infectious disease control” (12250) and **not** “basic health infrastructure”.

District hospitals rehabilitation programme:

- The appropriate code is “basic health infrastructure” (12230).

b) Primary school books delivery:

- The appropriate code is “primary education” (11220) and **not** “education facilities and training”.

Paper supply for printing school books:

- The appropriate code is “education facilities and training” (11120).

6. Sector specific education activities are to be included in the respective sectors, either in a specific education code or in a general code. For example:

a) Upgrading of an agricultural training centre:

- The appropriate code is “agricultural education” (31181).

b) Environmental training course for mineral resource department:

- The appropriate code is “Mineral/mining policy and administrative management” (32210) and neither “environmental education/training” nor “advanced technical and managerial training”.

When the purpose code does not match precisely the activity being reported

7. Within each sector or category, the first purpose code listed (sequential number “10”) is defined to include activities falling outside the other code headings. When using this code, give as much detail as possible in the written description.

8. In exceptional cases, the CRS purpose codes can be assigned at the level of detail of Table DAC5. The Secretariat should be consulted before using this option.

THE LIST OF CRS PURPOSE CODES

DAC5 CODE	CRS CODE	DESCRIPTION	Clarifications / Additional notes on coverage
110		EDUCATION	
111		Education, level unspecified	<i>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).</i>
	11110	Education policy and administrative management	Education sector policy, planning and programmes; aid to education ministries, administration and management systems; institution capacity building and advice; school management and governance; curriculum and materials development; unspecified education activities.
	11120	Education facilities and training	Educational buildings, equipment, materials; subsidiary services to education (boarding facilities, staff housing); language training; colloquia, seminars, lectures, etc.
	11130	Teacher training	Teacher education (where the level of education is unspecified); in-service and pre-service training; materials development.
	11181	Educational research	Research and studies on education effectiveness, relevance and quality; systematic evaluation and monitoring.
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 youth and adults	Formal and non-formal education for basic life skills for young people and adults (adults education); literacy and numeracy training.
	11240	Early childhood education	Formal and non-formal pre-school education.
113		Secondary education	
	11320	Secondary education	Second cycle systematic instruction at both junior and senior levels.
	11330	Vocational training	Elementary vocational training and secondary level technical education; on-the job training; apprenticeships; including informal vocational training.
114		Post-secondary education	
	11420	Higher education	Degree and diploma programmes at universities, colleges and polytechnics; scholarships.
	11430	Advanced technical and managerial training	Professional-level vocational training programmes and in-service training.

Note: Sector specific education activities are to be included in the respective sectors, either in a specific education code such as Agricultural education or in a general code such as Communications policy/administrative management.

DAC5 CODE	CRS CODE	DESCRIPTION	Clarifications / Additional notes on coverage
120		HEALTH	
121		Health, general	
	12110	Health policy and administrative management	Health sector policy, planning and programmes; aid to health ministries, public health administration; institution capacity building and advice; medical insurance programmes; unspecified health activities.
	12181	Medical education/training	Medical education and training for tertiary level services.
	12182	Medical research	General medical research (excluding basic health research).
	12191	Medical services	Laboratories, specialised clinics and hospitals (including equipment and supplies); ambulances; dental services; mental health care; medical rehabilitation; control of non-infectious diseases; drug and substance abuse control [excluding narcotics traffic control (16361)].
122		Basic health	
	12220	Basic health care	Basic and primary health care programmes; paramedical and nursing care programmes; supply of drugs, medicines and vaccines related to basic health care.
	12230	Basic health infrastructure	District-level hospitals, clinics and dispensaries and related medical equipment; excluding specialised hospitals and clinics (12191).
	12240	Basic nutrition	Direct feeding programmes (maternal feeding, breastfeeding and weaning foods, child feeding, school feeding); determination of micro-nutrient deficiencies; provision of vitamin A, iodine, iron etc.; monitoring of nutritional status; nutrition and food hygiene education; household food security.
	12250	Infectious disease control	Immunisation; prevention and control of malaria, tuberculosis, diarrheal diseases, vector-borne diseases (e.g. river blindness and guinea worm), etc.
	12281	Health education	Information, education and training of the population for improving health knowledge and practices; public health and awareness campaigns.
	12282	Health personnel development	Training of health staff for basic health care services.

DAC5 CODE	CRS CODE	DESCRIPTION	Clarifications / Additional notes on coverage
130		POPULATION POLICIES/ PROGRAMMES AND REPRODUCTIVE HEALTH	
	13010	Population policy and administrative management	Population/development policies; census work, vital registration; migration data; demographic research/analysis; reproductive health research; unspecified population activities.
	13020	Reproductive health care	Promotion of reproductive health; prenatal and postnatal care including delivery; prevention and treatment of infertility; prevention and management of consequences of abortion; safe motherhood activities.
	13030	Family planning	Family planning services including counselling; information, education and communication (IEC) activities; delivery of contraceptives; capacity building and training.
	13040	STD control including HIV/AIDS	All activities related to sexually transmitted diseases and HIV/AIDS control e.g. information, education and communication; testing; prevention; treatment, care.
	13081	Personnel development for population and reproductive health	Education and training of health staff for population and reproductive health care services.

DAC5 CODE	CRS CODE	DESCRIPTION	Clarifications / Additional notes on coverage
140		WATER SUPPLY AND SANITATION	
	14010	Water resources policy and administrative management	Water sector policy, planning and programmes; water legislation and management; institution capacity building and advice; water supply assessments and studies; groundwater, water quality and watershed studies; hydrogeology; excluding agricultural water resources (31140).
	14015	Water resources protection	Inland surface waters (rivers, lakes, etc.); conservation and rehabilitation of ground water; prevention of water contamination from agro-chemicals, industrial effluents.
	14020	Water supply and sanitation - large systems	Water desalination plants; intakes, storage, treatment, pumping stations, conveyance and distribution systems; sewerage; domestic and industrial waste water treatment plants.
	14030	Water supply and sanitation - small systems	Water supply and sanitation through low-cost technologies such as handpumps, spring catchment, gravity-fed systems, rain water collection, storage tanks, small distribution systems; latrines, small-bore sewers, on-site disposal (septic tanks).
	14040	River development	Integrated river basin projects; river flow control; dams and reservoirs [excluding dams primarily for irrigation (31140) and hydropower (23065) and activities related to river transport (21040)].
	14050	Waste management/disposal	Municipal and industrial solid waste management, including hazardous and toxic waste; collection, disposal and treatment; landfill areas; composting and reuse.
	14081	Education and training in water supply and sanitation	

DAC5 CODE	CRS CODE	DESCRIPTION	Clarifications / Additional notes on coverage
150		GOVERNMENT AND CIVIL SOCIETY	
	15010	Economic and development policy/ planning	Macro-economic, fiscal and monetary policy and planning; social planning; economic and social analysis and forecasting; structural reforms; development planning; organisational development; support to ministries involved in aid co-ordination; other ministries and government departments when sector cannot be specified.
	15020	Public sector financial management	Strengthening financial and managerial accountability; public expenditure management; improving financial management systems; tax assessment procedures; budget drafting; field auditing; measures against waste, fraud and corruption.
	15030	Legal and judicial development	Constitutional development, legal drafting; institutional strengthening of legal and judicial systems; legal training and education; legal advice and services; crime prevention.
	15040	Government administration	Systems of government including parliament, local government, decentralisation; civil service and civil service reform.
	15050	Strengthening civil society	Community participation and development; co-operatives; grassroots organisations; development of other participatory planning and decision making procedures and institutions.
	15061	Post conflict peace-building (UN)	Participation in the post-conflict peace-building phase of United Nations peace operations (activities such as human rights and elections monitoring, rehabilitation of demobilised soldiers, rehabilitation of basic national infrastructure, monitoring or retraining of civil administrators and police forces, training in customs and border control procedures, advice or training in fiscal or macroeconomic stabilisation policy, repatriation and demobilisation of armed factions, and disposal of their weapons; support for landmine removal).
	15062	Elections	Electoral assistance and monitoring, voters' education [other than in connection with peace building (15061)].
	15063	Human rights	Monitoring of human rights performance; support for national and regional human rights bodies; protection of ethnic, religious and cultural minorities [other than in connection with peace building (15061)].
	15064	Demobilisation	Integration of demobilised military personnel into the economy; (micro)-disarmament; conversion of production facilities from military to civilian outputs [other than in connection with peace building (15061)].
	15065	Free flow of information	Uncensored flow of information on public issues, including activities that increase the professionalism, skills and integrity of the print and broadcast media (e.g. training of journalists).
	15066	Land mine clearance	Explosive mine removal for developmental purposes [other than in connection with peace building (15061)].

DAC5 CODE	CRS CODE	DESCRIPTION	Clarifications / Additional notes on coverage
160		OTHER SOCIAL INFRASTRUCTURE AND SERVICES	
161		Employment	
	16110	Employment policy and administrative management	Employment policy and planning; labour law; labour unions; institution capacity building and advice; support programmes for unemployed; employment creation and income generation programmes; occupational safety and health; combating child labour.
162		Housing	
	16210	Housing policy and administrative management	Housing sector policy, planning and programmes; excluding low-cost housing and slum clearance (16220).
	16220	Low-cost housing	Including slum clearance.
163		Other social services	
	16310	Social/ welfare services	Social legislation and administration; institution capacity building and advice; social security and other social schemes; special programmes for the elderly, orphans, the disabled, street children; social dimensions of structural adjustment; unspecified social infrastructure and services, including consumer protection.
	16320	General government services	General services by government (or commissioned by government) e.g. police, fire protection; cartography, meteorology, legal metrology, aerial surveys and remote sensing; including administrative buildings.
	16330	Settlement	Land settlement/compensation; resettlement of displaced persons.
	16340	Reconstruction relief	Multisectoral social programmes after emergency or conflict.
	16350	Culture and recreation	Including libraries and museums.
	16361	Narcotics control	In-country and customs controls including training of the police; educational programmes and awareness campaigns to restrict narcotics traffic and in-country distribution.
	16362	Statistical capacity building	Both in national statistical offices and any other government ministries.
	16381	Research/scientific institutions	When sector cannot be identified.

DAC5 CODE	CRS CODE	DESCRIPTION	Clarifications / Additional notes on coverage
210		TRANSPORT AND STORAGE	<i>Note: Manufacturing of transport equipment should be included under code 32172.</i>
	21010	Transport policy and administrative management	Transport sector policy, planning and programmes; aid to transport ministries; institution capacity building and advice; unspecified transport; activities that combine road, rail, water and/or air transport.
	21020	Road transport	Road infrastructure, road vehicles; passenger road transport, motor passenger cars.
	21030	Rail transport	Rail infrastructure, rail equipment, locomotives, other rolling stock; including light rail (tram) and underground systems.
	21040	Water transport	Harbours and docks, harbour guidance systems, ships and boats; river and other inland water transport, inland barges and vessels.
	21050	Air transport	Airports, airport guidance systems, aeroplanes, aeroplane maintenance equipment.
	21061	Storage	Whether or not related to transportation.
	21081	Education and training in transport and storage	

DAC5 CODE	CRS CODE	DESCRIPTION	Clarifications / Additional notes on coverage
220		COMMUNICATIONS	
	22010	Communications policy and administrative management	Communications sector policy, planning and programmes; institution capacity building and advice; including postal services development; unspecified communications activities.
	22020	Telecommunications	Telephone networks, telecommunication satellites, earth stations.
	22030	Radio/television/print media	Radio and TV links, equipment; newspapers; printing and publishing.

DAC5 CODE	CRS CODE	DESCRIPTION	Clarifications / Additional notes on coverage
230		ENERGY GENERATION AND SUPPLY	
	23010	Energy policy and administrative management	Energy sector policy, planning and programmes; aid to energy ministries; institution capacity building and advice; unspecified energy activities including energy conservation.
	23020	Power generation/non-renewable sources	Thermal power plants including when heat source cannot be determined; combined gas-coal power plants.
	23030	Power generation/renewable sources	Including policy, planning, development programmes, surveys and incentives. Fuelwood/ charcoal production should be included under forestry (31261).
	23040	Electrical transmission/ distribution	Distribution from power source to end user; transmission lines.
	23050	Gas distribution	Delivery for use by ultimate consumer.
	23061	Oil-fired power plants	Including diesel power plants.
	23062	Gas-fired power plants	
	23063	Coal-fired power plants	
	23064	Nuclear power plants	Including nuclear safety.
	23065	Hydro-electric power plants	Including power-generating river barges.
	23066	Geothermal energy	
	23067	Solar energy	Including photo-voltaic cells, solar thermal applications and solar heating.
	23068	Wind power	Wind energy for water lifting and electric power generation.
	23069	Ocean power	Including ocean thermal energy conversion, tidal and wave power.
	23070	Biomass	Densification technologies and use of biomass for direct power generation including biogas, gas obtained from sugar cane and other plant residues, anaerobic digesters.
	23081	Energy education/training	Applies to all energy sub-sectors; all levels of training.
	23082	Energy research	Including general inventories, surveys.

Note: Extraction of raw materials for power generation should be included in the mining sector.
Energy manufacturing should be included in the industry sector.

DAC5 CODE	CRS CODE	DESCRIPTION	Clarifications / Additional notes on coverage
240		BANKING AND FINANCIAL SERVICES	
	24010	Financial policy and administrative management	Finance sector policy, planning and programmes; institution capacity building and advice; financial markets and systems.
	24020	Monetary institutions	Central banks.
	24030	Formal sector financial intermediaries	All formal sector financial intermediaries; insurance, leasing, venture capital, etc. (except when focused on only one sector).
	24040	Informal/semi-formal financial intermediaries	Micro credit, savings and credit co-operatives etc.
	24081	Education/training in banking and financial services	

DAC5 CODE	CRS CODE	DESCRIPTION	Clarifications / Additional notes on coverage
250		BUSINESS AND OTHER SERVICES	
	25010	Business support services and institutions	Support to trade and business associations, chambers of commerce; legal and regulatory reform aimed at improving business and investment climate; private sector institution capacity building and advice; public-private sector networking; e-commerce. Where sector cannot be specified: general support to private sector enterprises (in particular, use code 32130 for enterprises in the industrial sector).
	25020	Privatisation	When sector cannot be specified. Including general state enterprise restructuring or demonopolisation programmes; planning, programming, advice.

DAC5 CODE	CRS CODE	DESCRIPTION	Clarifications / Additional notes on coverage
311		AGRICULTURE	
	31110	Agricultural policy and administrative management	Agricultural sector policy, planning and programmes; aid to agricultural ministries; institution capacity building and advice; unspecified agriculture.
	31120	Agricultural development	Integrated projects; farm development.
	31130	Agricultural land resources	Including soil degradation control; soil improvement; drainage of water logged areas; soil desalination; agricultural land surveys; land reclamation; erosion control, desertification control.
	31140	Agricultural water resources	Irrigation, reservoirs, hydraulic structures, ground water exploitation for agricultural use.
	31150	Agricultural inputs	Supply of seeds, fertilizers, agricultural machinery/equipment.
	31161	Food crop production	Including grains (wheat, rice, barley, maize, rye, oats, millet, sorghum); horticulture; vegetables; fruit and berries; other annual crops.
	31162	Industrial crops/export crops	Including sugar; coffee, cocoa, tea; oil seeds, nuts, kernels; fibre crops; tobacco; rubber.
	31163	Livestock	Animal husbandry; animal feed aid.
	31164	Agrarian reform	Including agricultural sector adjustment.
	31165	Agricultural alternative development	Projects to reduce illicit drug cultivation through other agricultural marketing and production opportunities (see code 43050 for non-agricultural alternative development).
	31181	Agricultural education/training	
	31182	Agricultural extension	Non-formal training in agriculture.
	31183	Agricultural research	Including plant breeding, physiology, genetic resources, ecology, taxonomy, disease control, agricultural biotechnology.
	31184	Livestock research	Including animal health, breeding and genetics, nutrition, physiology.
	31191	Agricultural services	Marketing policies & organisation; storage and transportation, creation of strategic reserves.
	31192	Plant and post-harvest protection and pest control	Including integrated plant protection, biological plant protection activities, supply and management of agrochemicals, supply of pesticides, plant protection policy and legislation.
	31193	Agricultural financial services	Financial intermediaries for the agricultural sector including credit schemes; crop insurance.
	31194	Agricultural co-operatives	Including farmers' organisations.
	31195	Livestock/veterinary services	Animal health and management, genetic resources, feed resources.

DAC5 CODE	CRS CODE	DESCRIPTION	Clarifications / Additional notes on coverage
312		FORESTRY	
	31210	Forestry policy and administrative management	Forestry sector policy, planning and programmes; institution capacity building and advice; forest surveys; unspecified forestry and agro-forestry activities.
	31220	Forestry development	Afforestation for industrial and rural consumption; exploitation and utilisation; erosion control, desertification control; integrated forestry projects.
	31261	Fuelwood/charcoal	Forestry development whose primary purpose is production of fuelwood and charcoal.
	31281	Forestry education/training	
	31282	Forestry research	Including artificial regeneration, genetic improvement, production methods, fertilizer, harvesting.
	31291	Forestry services	

DAC5 CODE	CRS CODE	DESCRIPTION	Clarifications / Additional notes on coverage
313		FISHING	
	31310	Fishing policy and administrative management	Fishing sector policy, planning and programmes; institution capacity building and advice; ocean and coastal fishing; marine and freshwater fish surveys and prospecting; fishing boats/equipment; unspecified fishing activities.
	31320	Fishery development	Exploitation and utilisation of fisheries; fish stock protection; aquaculture; integrated fishery projects.
	31381	Fishery education/training	
	31382	Fishery research	Pilot fish culture; marine/freshwater biological research.
	31391	Fishery services	Fishing harbours; fish markets; fishery transport and cold storage.

DAC5 CODE	CRS CODE	DESCRIPTION	Clarifications / Additional notes on coverage
321		INDUSTRY	
	32110	Industrial policy and administrative management	Industrial sector policy, planning and programmes; institution capacity building and advice; unspecified industrial activities; manufacturing of goods not specified below.
	32120	Industrial development	
	32130	SME development	Direct support to the development of small and medium-sized enterprises in the industrial sector, including accounting, auditing and advisory services.
	32140	Cottage industries and handcraft	
	32161	Agro-industries	Staple food processing, dairy products, slaughter houses and equipment, meat and fish processing and preserving, oils/fats, sugar refineries, beverages/tobacco, animal feeds production.
	32162	Forest industries	Wood production, pulp/paper production.
	32163	Textiles, leather and substitutes	Including knitting factories.
	32164	Chemicals	Industrial and non-industrial production facilities; includes pesticides production.
	32165	Fertilizer plants	
	32166	Cement/lime/plaster	
	32167	Energy manufacturing	Including gas liquefaction; petroleum refineries.
	32168	Pharmaceutical production	Medical equipment/supplies; drugs, medicines, vaccines; hygienic products.
	32169	Basic metal industries	Iron and steel, structural metal production.
	32170	Non-ferrous metal industries	
	32171	Engineering	Manufacturing of electrical and non-electrical machinery, engines/turbines.
	32172	Transport equipment industry	Shipbuilding, fishing boats building; railroad equipment; motor vehicles and motor passenger cars; aircraft; navigation/guidance systems.
	32181	Technological research and development	Including industrial standards; quality management; metrology; testing; accreditation; certification.

Note: Only includes aid to production or manufacturing.
Provision of finished products should be included under relevant sector.

DAC5 CODE	CRS CODE	DESCRIPTION	Clarifications / Additional notes on coverage
322		MINERAL RESOURCES AND MINING	
	32210	Mineral/mining policy and administrative management	Mineral and mining sector policy, planning and programmes; mining legislation, mining cadastre, mineral resources inventory, information systems, institution capacity building and advice; unspecified mineral resources exploitation.
	32220	Mineral prospection and exploration	Geology, geophysics, geochemistry; excluding hydrogeology (14010) and environmental geology (41010), mineral extraction and processing, infrastructure, technology, economics, safety and environment management.
	32261	Coal	Including lignite and peat.
	32262	Oil and gas	Petroleum, natural gas, condensates, LPG, LNG; including drilling and production.
	32263	Ferrous metals	Iron and ferro-alloy metals.
	32264	Nonferrous metals	Aluminium, copper, lead, nickel, tin, zinc.
	32265	Precious metals/materials	Gold, silver, platinum, diamonds, gemstones.
	32266	Industrial minerals	Baryte, limestone, feldspar, kaolin, sand, gypsum, gravel, ornamental stones.
	32267	Fertilizer minerals	Phosphates, potash.
	32268	Offshore minerals	Polymetallic nodules, phosphorites, marine placer deposits.

DAC5 CODE	CRS CODE	DESCRIPTION	Clarifications / Additional notes on coverage
323		CONSTRUCTION	
	32310	Construction policy and administrative management	Construction sector policy and planning; excluding construction activities within specific sectors (e.g., hospital or school construction).

DAC5 CODE	CRS CODE	DESCRIPTION	Clarifications / Additional notes on coverage
331		TRADE POLICY AND REGULATIONS	
	33110	Trade policy and administrative management	Trade policy and planning; support to ministries and departments responsible for trade policy; trade-related legislation and regulatory reforms; analysis and implementation of multilateral trade agreements e.g. technical barriers to trade and sanitary and phytosanitary measures (TBT/SPS); mainstreaming trade in national development strategies (e.g. poverty reduction strategy papers); wholesale/retail trade; unspecified trade and trade promotion activities.
	33120	Trade facilitation	Simplification and harmonisation of international import and export procedures (e.g. customs valuation, licensing procedures, transport formalities, payments, insurance); support to customs departments; tariff reforms.
	33130	Regional trade agreements (RTAs)	Support to regional trade arrangements (e.g. SADC, ASEAN, FTAA, ACP/EU); elaboration of rules of origin and introduction of special and differential treatment in RTAs.
	33140	Multilateral trade negotiations	Support aid recipients' effective participation in multilateral trade negotiations, including training of negotiators, assessing impacts of negotiations; accession to WTO and other multilateral trade-related organisations.
	33181	Trade education/training	Human resources development in trade not included under any of the above codes. Includes university programmes in trade.

DAC5 CODE	CRS CODE	DESCRIPTION	Clarifications / Additional notes on coverage
332		TOURISM	
	33210	Tourism policy and administrative management	

DAC5 CODE	CRS CODE	DESCRIPTION	Clarifications / Additional notes on coverage
400		MULTISECTOR/CROSS-CUTTING	
410		General environmental protection	Non-sector specific.
	41010	Environmental policy and administrative management	Environmental policy, laws, regulations and economic instruments; administrative institutions and practices; environmental and land use planning and decision-making procedures; seminars, meetings; miscellaneous conservation and protection measures not specified below.
	41020	Biosphere protection	Air pollution control, ozone layer preservation; marine pollution control.
	41030	Bio-diversity	Including natural reserves and actions in the surrounding areas; other measures to protect endangered or vulnerable species and their habitats (e.g. wetlands preservation).
	41040	Site preservation	Applies to unique cultural landscape; including sites/objects of historical, archeological, aesthetic, scientific or educational value.
	41050	Flood prevention/control	Floods from rivers or the sea; including sea water intrusion control and sea level rise related activities.
	41081	Environmental education/ training	
	41082	Environmental research	Including establishment of databases, inventories/accounts of physical and natural resources; environmental profiles and impact studies if not sector specific.
420		Women in development	Non-sector specific.
	42010	Women in development	Including multisectoral WID projects and programmes; promotion of and support to WID groups and networks; conferences, seminars, etc.
430		Other multisector	
	43010	Multisector aid	
	43020	Multisector aid for basic social services	Basic social services are defined to include basic education, basic health, basic nutrition, population/ reproductive health and water supply and sanitation – small systems.
	43030	Urban development and management	Integrated urban development projects; local development and urban management; urban infrastructure and services; municipal finances; urban environmental management; urban development and planning; urban renewal and urban housing; land information systems.
	43040	Rural development	Integrated rural development projects; e.g. regional development planning; promotion of decentralised and multi-sectoral competence for planning, co-ordination and management; implementation of regional development and measures (including natural reserve management); land management; land use planning; functional integration of rural and urban areas; geographical information systems.
	43050	Non-agricultural alternative development	Projects to reduce illicit drug cultivation through, for example, non-agricultural income opportunities, social and physical infrastructure (see code 31165 for agricultural alternative development).
	43081	Multisector education/training	Including scholarships.

Note: Sector specific environmental protection and gender equality/WID activities should be included in the respective sectors, and the environment and gender equality marker checked.
Multi-sector/cross-cutting includes only environment and WID activities not allocable by sector.

DAC5 CODE	CRS CODE	DESCRIPTION	Clarifications / Additional notes on coverage
500		COMMODITY AID AND GENERAL PROGRAMME ASSISTANCE	<i>Note: Sector specific programme assistance is to be included in the respective sectors, using the structural adjustment flag if appropriate.</i>
510		Structural Adjustment Assistance with World Bank/IMF	Includes structural adjustment programmes either cofinanced with or undertaken in co-ordination with the World Bank and the IMF.
	51010	Structural adjustment	When not allocable by sector.
520		Developmental food aid/Food security assistance	
	52010	Food aid/Food security programmes	Supply of edible human food under national or international programmes including transport costs; cash payments made for food supplies; project food aid; food aid for market sales; excluding emergency food aid.
530		Other general programme and commodity assistance	
	53010	Balance-of-payments support	Including general programme assistance (when not allocable by sector).
	53020	Budget support	Including administrative budget support.
	53030	Import support (capital goods)	Capital goods and services; lines of credit.
	53040	Import support (commodities)	Commodities, general goods and services, oil imports.

DAC5 CODE	CRS CODE	DESCRIPTION	Clarifications / Additional notes on coverage
600		ACTION RELATING TO DEBT	
	60010	Action relating to debt	Actions falling outside the code headings below; training in debt management.
	60020	Debt forgiveness	
	60030	Relief of multilateral debt	Grants or credits to cover debt owed to multilateral financial institutions; including contributions to HIPC Trust Fund.
	60040	Rescheduling and refinancing	
	60061	Debt for development swap	Allocation of debt claims to use for development (e.g., debt for education, debt for environment).
	60062	Other debt swap	Where the debt swap benefits an external agent i.e. is not specifically for development purposes.
	60063	Debt buy-back	Purchase of debt for the purpose of cancellation.

DAC5 CODE	CRS CODE	DESCRIPTION	Clarifications / Additional notes on coverage
700		EMERGENCY ASSISTANCE	
710		Emergency food aid	
	71010	Emergency food aid	Food aid normally for general free distribution or special supplementary feeding programmes; short term relief to targeted population groups affected by emergency situations. Excludes food security assistance programmes/food aid (52010).
720		Other emergency and distress relief	
	72010	Emergency/distress relief	All emergency, distress relief and humanitarian aid except food aid and aid to refugees; disaster preparedness.
	72020	Aid to refugees (in donor country)	
	72030	Aid to refugees (in recipient countries)	Including internally displaced people.

DAC5 CODE	CRS CODE	DESCRIPTION	Clarifications / Additional notes on coverage
910		ADMINISTRATIVE COSTS OF DONORS	
	91010	Administrative costs	

DAC5 CODE	CRS CODE	DESCRIPTION	Clarifications / Additional notes on coverage
920		SUPPORT TO NON-GOVERNMENTAL ORGANISATIONS	<i>Official funds to be paid over to national and international private voluntary agencies for use at the latter's discretion.</i>
	92010	Support to national NGO's	In the donor country.
	92020	Support to international NGO's	
	92030	Support to local and regional NGO's	In the recipient country or region.

DAC5 CODE	CRS CODE	DESCRIPTION	Clarifications / Additional notes on coverage
998		UNALLOCATED/ UNSPECIFIED	
	99810	Sectors not specified	Contributions to general development of the recipient should be included under programme assistance (53010).
	99820	Promotion of development awareness	Spending in donor country for heightened awareness/interest in development co-operation (brochures, lectures, special research projects, etc.).

**ANNEX 6. REPORTING ON THE POLICY OBJECTIVES OF AID [see
DCD/DAC/STAT(97)1]**

The DAC policy marker system

1. The marker system facilitates monitoring and co-ordination of Members' activities in support of the DAC policy objectives for the 21st century. These cover the areas of economic well-being, social development, environment sustainability and regeneration and democratic accountability, protection of human rights and the rule of law.
2. Some of the DAC goals are clearly sector-focused (e.g. universal primary education, reduction of maternal mortality rate), and the CRS sector classification gives the necessary detail to collect data on aid activities in these fields. Certain aspects of environmental sustainability can likewise be captured through purpose codes (e.g. specific activities for environmental policy and planning, biosphere protection, biodiversity conservation and hazardous waste management). However, activities across all economic sectors can be targeted to environmental sustainability. Poverty reduction or gender equality measures are applied in various sectors. To identify these activities, the following markers have been defined: gender equality incorporating women in development (WID), aid to environment, direct assistance to poor people, and participatory development/good governance (PD/GG).
3. Policy marker data are **descriptive** rather than quantitative. The system allows for the identification of activities targeted to a policy objective. It gives information on the degree to which Members implement the agreed policies in their aid programmes.

Reporting directives

4. Data collection on the policy objectives of aid is based on a marking system with three values:
 - principal objective;
 - significant objective;
 - not targeted to the policy objective.
5. **Principal** (primary) policy objectives are those which can be identified as being fundamental in the design and impact of the activity and which are an explicit objective of the activity. They may be selected by answering the question "would the activity have been undertaken without this objective?".
6. **Significant** (secondary) policy objectives are those which, although important, are not one of the principal reasons for undertaking the activity.
7. The score **not targeted** means that the activity has been screened against, but was found not be targeted to, the policy objective.

8. An activity can have more than one principal or significant policy objective. To qualify for a score “principal” or “significant”, the objective has to be explicitly promoted in project documentation. Avoiding negative impact is not a sufficient criterion.

9. It is important to note that the same activity could score differently depending on the level of focus on the policy objective - it is important to examine whether the policy is the main objective or a subsidiary objective.

10. For data processing purposes, the scores are given numeric values: “2” for principal, “1” for significant and “0” for not targeted. An **empty** field indicates that the activity has not been marked (not screened against the objective).

Coverage

11. Policy objective markers should be applied to all bilateral aid excluding administrative costs. In other words, they will cover both sector-allocable and non sector-allocable aid. Similarly, they cover all forms of aid (e.g. investment projects, technical co-operation)

12. If, with a view to reducing the administrative burden, some Members have decided to exclude certain activities from their marker systems, the marker field for these activities should be left empty. The Secretariat should be informed of the coverage.

Definitions

13. The definitions are given below.

GENDER EQUALITY INCORPORATING WOMEN IN DEVELOPMENT (WID)

DEFINITION	<p>Gender equality as a goal of development and development assistance efforts aims to achieve equality of benefit, resources and opportunity between women and men in aid recipient countries. Gender disparities may be addressed by:</p> <p>(a) mainstreaming gender equality into all development co-operation efforts; and/or</p> <p>(b) positive actions to promote gender equality incorporating women in development (WID) activities.</p>
CRITERIA FOR ELIGIBILITY	<p>(a) Gender equality and/or women in development (WID) is explicitly promoted in activity documentation; and</p> <p>(b) Gender analysis has been carried out, either separately or as an integral part of standard procedures, demonstrating the need to promote equality and/or women in development (WID); and</p> <p>(c) Gender analysis has been incorporated into activity design so that the activity meets a number of the following criteria:</p> <ul style="list-style-type: none"> – Gender sensitive strategies and implementation plans are incorporated and reflected in the activity budget. – Specific means have been designed to help overcome identified barriers to women’s full participation in the activity. – Specific means have been included to help to ensure equitable participation and control by women and men over the activity output. – Gender sensitive indicators including impact indicators have been or will be developed for monitoring and evaluation. – Gender skills are used in design and will be used in implementation and monitoring. – Gender sensitive consultation is carried out at all levels and stages.
EXAMPLES OF TYPICAL ACTIVITIES	<p>Any activity may be marked against this marker if the above criteria for eligibility [(a)-(c)] are fulfilled.</p> <ul style="list-style-type: none"> – An example of an activity that could be marked as principal objective is support to legal literacy for women or support to male networks against gender violence. Such an activity could target women specifically, men specifically or both women and men. – Many water projects, health projects, forestry projects, civil service projects, public expenditure reviews are likely to have a significant objective mark depending on the extent and way gender issues are to be addressed. – Projects in the same sector may score differently depending on the importance of equality as an objective. For example, a social safety net project which focuses specifically on assisting women as a particularly disadvantaged group in a society thus promotes gender equality and would be marked with a principle objective score. A social safety net project which focuses on the community as a whole and ensures that women as well as men are involved would be marked with a significant objective score. <p>See also Appendix: Additional guidance note on marking.</p>

AID TO ENVIRONMENT

DEFINITION

An activity should be classified as environment-oriented (score Principal or Significant) if:

- a) It is intended to produce an improvement, or something that is diagnosed as an improvement, in the physical and/or biological environment of the recipient country, area or target group concerned; **or**
- b) It includes specific action to integrate environmental concerns with a range of development objectives through institution building and/or capacity development.

CRITERIA FOR ELIGIBILITY

- a) The objective is explicitly promoted in activity documentation; **and**
- b) The activity contains specific measures to protect or enhance the physical and/or biological environment it affects, or to remedy existing environmental damage; **or**
- c) The activity contains specific measures to develop or strengthen environmental policies, legislation and administration or other organisations responsible for environmental protection.

EXAMPLES OF TYPICAL ACTIVITIES

The list is not exhaustive. The activities may be scored against the objective only if the above criteria for eligibility are fulfilled.

- **Social infrastructure and services:** Water resources protection; water resources policies and water management that take into account environmental and socio-economic constraints, sanitation or waste management practices that bring environmental benefits.
- **Economic infrastructure and services:** Infrastructure projects designed with comprehensive and integrated environmental protection and management components; activities promoting sustainable use of energy resources (power generation from renewable sources of energy); energy conservation.
- **Production sectors:** Sustainable management of agricultural land and water resources; sustainable forest management programmes, combating land degradation and deforestation; sustainable management of sea resources; adoption and promotion of cleaner and more efficient technologies in production processes; measures to suppress or reduce pollution in land, water and air (e.g. filters); increasing energy efficiency in industries; sustainable use of sensitive environmental areas for tourism. (**Sustainable natural resources management** is a combination of management practices that have been planned and selected on the basis of interdisciplinary and participatory assessment of ecological, social and economic impacts of alternative management options, and resolution of possible conflicts or disputes concerning the significance and acceptability of the impacts of the proposed management alternatives.)

N.B. Activities that can be assigned the sector code “**general environmental protection**” i.e. environmental policy and administrative management, biosphere protection, bio-diversity, site preservation, flood prevention/control, environmental education/training, environmental research **score**, by definition, **principal** objective.

DIRECT ASSISTANCE TO POOR PEOPLE (1)

DEFINITION

An activity should be classified as poverty-oriented (score Principal or Significant) if:

CRITERIA FOR ELIGIBILITY

EXAMPLES OF TYPICAL ACTIVITIES

The list is not exhaustive. The activities may be scored against the objective only if the above criteria for eligibility are fulfilled.

- (a) The poor have been identified as the primary target group of the activity, **and**
 - (b) The activity includes specific action to remedy causes of poverty (e.g. structural reforms favouring the poor), or to deal with the consequences of poverty (e.g. direct poverty reduction).
-
- (a) The objective is explicitly promoted in the activity documentation; **and**
 - (b) The poor have been explicitly identified through poverty assessment or the activity documentation explains the reasons why the target group is considered to be poor.
-
- **Social infrastructure and services:** Provision of basic subsistence goods and public services for the poor (e.g. adequate food, water, housing); improvements in social infrastructure designed to enhance the income earning potential and productive capabilities of the vulnerable groups (e.g. basic education and health care); provision of safety nets (i.e. temporary or permanent income support for the poor); direct employment creation for the poor (e.g. labour-intensive public works programmes); assistance to strengthen the recipient's capacity to formulate and monitor poverty reduction strategies and programmes (e.g. social dimensions of adjustment programmes); aid to NGOs working in favour of the poor.
 - **Production sectors:** Micro-enterprise development programmes, informal sector programmes; legal changes to give the poor improved access to productive assets (e.g. land, equipment, credit); agricultural extension; social forestry programmes.
 - **Structural reforms:** Political reforms designed to encourage the participation of the poor to improve their livelihood security; economic and institutional reforms in favour of the poor (e.g. employment creation).

- (1) **Poverty** denotes inability of an individual or a family to command sufficient resources to satisfy basic economic and social needs. Poverty results from people having insufficient assets, being unable to secure employment, facing difficulty marketing their products or services, and/or being subject to discrimination because of disability, ethnicity or gender.

As the poverty line varies from country to country (and from region to region in a country), the definition of people qualifying as poor will depend on local circumstances. Their identification will take account of lack of access to a secure livelihood and to essential services which ensure the ability to become a productive and healthy individual. Poverty can be assessed through a variety of measures, such as income/expenditure or nutritional status (especially of children), or through dialogue with poor people themselves about what they consider to be the key elements of poverty and vulnerability.

Generally, poverty may be defined as "the income level below which a minimum nutritionally adequate diet plus essential non-food requirements are not affordable".

PARTICIPATORY DEVELOPMENT/GOOD GOVERNANCE (PD/GG)

DEFINITION

An activity should be classified as PD/GG-oriented (score Principal or Significant) if:

CRITERIA FOR ELIGIBILITY

It is intended to enhance elements of participatory development, democratisation, good governance and the respect of human rights.

- (a) The objectives are explicitly promoted in activity documentation; **and**
 (b) The activity contains specific measures to promote one or several of the PD/GG aspects defined as follows:

- Participatory development, i.e. establishing new systems, structures or institutions through which groups, communities or people in a country can play an active and influential role in shaping decisions that affect their lives.
- Democratisation, which integrates participation and pluralism, including the right of opposition, into the political life of the country and provides a basis for legitimacy of the government.
- Good governance, i.e. the accountability, efficiency, and effectiveness of the official sector, an independent judiciary as well as the rule of law, and effective, responsible and equitable administration at all levels of government.
- Human rights, i.e. actions specifically designed to strengthen the respect for, and to facilitate the implementation of, internationally agreed human rights.

EXAMPLES OF TYPICAL ACTIVITIES

The list is not exhaustive. The activities may be scored against the objective only if the above criteria for eligibility are fulfilled.

- Civil service reform; support to labour unions, workers' education programmes, combating child labour; support to police forces, customs.
- Education and training programmes; decentralisation programmes.

N.B. Activities that can be assigned one of the following sector codes **score**, by definition, **principal** objective: public sector financial management, legal and judicial development, strengthening civil society, post-conflict peace-building, elections, human rights monitoring and education, demobilisation, free flow of information.

Appendix

GENDER EQUALITY INCORPORATING WOMEN IN DEVELOPMENT (WID): ADDITIONAL GUIDANCE ON MARKING

1. This marker differs from the previous WID marker in that the focus is on gender equality (that is equality between women and men) as an objective rather than on women as a target group.
2. Nevertheless, it includes women in development (WID) activities (providing the criteria for eligibility are fulfilled). The WID specific activities are incorporated into an overall gender equality approach. The new marker is thus broader than the former WID marker. (As before, where it is appropriate, the WID sector code may be used.) Members no longer using the term WID in their internal procedures should ignore the references to women in development in the marker definition and eligibility criteria.
3. **Gender analysis** may be carried out at national (e.g. gender profiles), community or institutional levels. It may be carried out separately or as part of standard procedures (the logical framework design process etc.). Gender analysis is probably most effective when it is an integrated part of the policy, programme and project planning process.
4. Achieving a marker for gender equality as a principal objective is not “better” than achieving a marker for gender equality as a significant objective, although the former scores “2” and the latter “1”. If true mainstreaming is practised, gender equality will often be a significant objective, integrated into projects, across the range of sectors.
5. **Gender equality is explicitly promoted in activity documentation.** This means that the documentation should clearly show what steps will be taken towards this long-term goal. For example, a primary school project might be designed to benefit both boys and girls but, since a smaller proportion of girls than boys presently receive primary education, the project would take steps to increase the proportion of girls benefiting. In order to score against this marker activities should have the objective of taking steps towards furthering gender equality although full equality may be beyond the scope of this project/programme. The concept of gender equality acknowledges that different treatment of women and men may sometimes be required to achieve sameness of results, because of different life conditions or to compensate for past discrimination.
6. A principal mark is normally given where the activity would not have been undertaken without a gender equality objective. The paired example below distinguishes between principal and significant marks:
 - a) After carrying out a gender analysis it is found that the majority of farmers in a particular area are women. An agricultural extension project aims to hire and train substantial numbers of women in order that women gain equal access to extension services. This project would be marked with gender equality incorporating women in development (WID) as a **principal objective** (i.e. “2”).

b) An agricultural extension project is planned with the aim of increasing crop production in a particular area. During the pre-design phase a gender analysis pointed to the need to carry out specific actions to involve women. A homestead vegetable production co-operative was therefore set up as part of the overall project. This project would be marked with gender equality incorporating women in development (WID) as a **significant objective** (i.e. “1”).

7. Each Member, depending on their organisation and the specific circumstances, may determine the number of design criteria which need to be met to achieve a marker.

8. Members may decide whether they wish to use “gender equality” or “equality between women and men” when translating the marker into their own language.

ANNEX 7. DERIVATION OF DAC BILATERAL COMMITMENT AGGREGATES FROM CRS FORM 1 DATA

7.1 Table DAC1 Disbursements and commitments of official and private flows

Links applicable to

- line items under heading I.A Bilateral Official Development Assistance; and
- column 115 Commitments (Amounts agreed).

TO ARRIVE AT THE FOLLOWING DAC COMMITMENT AGGREGATES...	... SUM THE CRS FORM 1 TRANSACTIONS THAT MEET THE FOLLOWING CRITERIA:		
	Type of flow (Item 10)	& Purpose code (Item 18)	& Other criteria
I.A Bilateral Official Development Assistance	11, 12, 13 or 19		
1. Bilateral grants, total	11 or 12		
1.1 Project and programme aid		< 50000 or 51010 or 53010-53040 or 99810	Sum of a) + b) below.
a) Investment project aid		< 50000	<i>Inv.proj. (Item 33) = 1 & FTC (Item 31)<>1 & Sector progr. (Item 32)<>1 & AF<>1</i>
b) Programme aid		< 50000 or 51010 or 53010-53040 or 99810	Residual category [any other combination of type of aid markers or no type of aid markers, including however sector programme assistance (line below)]
Of which:			
Sector programme assistance		< 50000	<i>Sector progr. = 1 & FTC<>1 & Inv.proj.<>1 & AF <> 1</i>
1.2 Technical co-operation		< 50000	FTC = 1 & Inv. Proj. <>1 & Sector prog.<>1 & AF <> 1
1.3 ODA grants in AF packages		< 50000 or 51010, 53010-53040	AF = 1
Of which: Interest subsidies		< 50000 or 51010, 53010-53040	<i>No direct link.</i>
1.4 Developmental food aid		52010	
1.5 Emergency and distress relief		71010-72030	
Of which:			
- Relief food aid		71010	
- Aid to refugees, total		72020-72030	
Of which: Refugees in donor countries		72020	
1.6 Debt forgiveness, total			<i>No direct link.</i>
a) ODA claims			
b) OOF claims			
c) Private claims			
Memo: Grant for debt service reduction			
1.7 Other action on debt			<i>No direct link.</i>
a) Service payments to third parties			
b) Debt conversion			
c) Debt buybacks			
d) Other			

Table DAC1 cont. Links applicable to

- line items under heading I.A Bilateral Official Development Assistance; and
- column 115 Commitments (Amounts agreed).

<i>TO ARRIVE AT THE FOLLOWING DAC COMMITMENT AGGREGATES...</i>	<i>... SUM THE CRS FORM 1 TRANSACTIONS THAT MEET THE FOLLOWING CRITERIA:</i>		
	<i>Type of flow (Item 10)</i>	<i>& Purpose code (Item 18)</i>	<i>& Other criteria</i>
<p>1.8 General (core) support to nat. NGOs 1.9 General (core) support to int. NGOs 1.10 Promotion of development awareness 1.11 Admin. costs not included elsewhere 1.12 Other (including recoveries)</p>		<p>92010 92020, 92030 99820 91010</p>	
<p>Memo: - Assistance for democratic development - Contributions to combating narcotics - Post-conflict peacebuilding operations - Assistance to demobilisation efforts</p>	<p>11 or 12 </p>	<p>15010,15020,15030, 15050,15062,15063 or 15065 16361 or 43050 15061 15064</p>	<p>& PD/GG policy marker (item 30)=2 or 1.</p>
<p>2. Non-grant bilateral ODA</p>	<p>13 or 19</p>		
<p>2.1 Loans by government or official agencies</p>			
<p>a) Food aid loans</p>	13	52010	
<p>b) Rescheduling</p>		60040	
<p>b.i. ODA claims (capitalised interest)</p>			b.i-b.ii: No direct link.
<p>b.ii. OOF claims</p>			
<p>c) Other lending</p>		<> 52010, 60040	
<p>2.2 Acquisition of equity</p>	19		
<p>of which: Debt swaps</p>			No direct link.
<p>Participation in joint ventures w.</p>			
<p>recip. countries</p>			
<p>2.3 Other</p>	13		No direct link.
<p>Memo: - Loans included in AF packages</p>	13		AF = 1

7.2 Table DAC3a Destination of official development assistance and official aid - Commitments

Links applicable to

- line items under headings Part I countries (Bilateral ODA) and Part II countries (Bilateral OA); and
- all columns except column 310 capital subscriptions.

	(301) GRANTS	(308) Of which: Ass.fin. interest subsidies	(310) CAPITAL SUBSCRIP- TIONS	(304) LOANS AND OTHER LONG-TERM CAPITAL	(305) TOTAL	(306) Of which: Technical co- operation
<u>PART I COUNTRIES</u>	<i>Select CRS Form 1 transactions that have a type of flow (item 10) equal to:</i>					
I. EUROPE TOTAL						
Albania 071	11 or 12	11 or 12	////////////////////////////////	13 or 19	11, 12, 13 or 19	11, 12, 13 or 19
Bosnia-Herzegovina 064			////////////////////////////////			
Croatia 062			////////////////////////////////			
Etc. etc.			////////////////////////////////			
	<i>and that meet the following criteria:</i>					
<u>PART II COUNTRIES</u>						
I. MORE ADVANCED DEVELOPING COUNTRIES						
Aruba 373		<i>AF = 1 (item 35); no direct link on interest subsidies</i>	////////////////////////////////			<i>FTC = 1 (item 31)</i>
Bahamas 328			////////////////////////////////			
Bermuda 331			////////////////////////////////			
Etc. etc.			////////////////////////////////			
			////////////////////////////////			

7.3 Table DAC5 Official bilateral commitments by sector of destination

Links applicable to

- all line items and columns calculated on the basis of commitments.

CODE	SECTOR OF DESTINATION/ MAJOR PURPOSE	SELECT FROM THE CRS FORM 1 TRANSACTIONS THAT HAVE	(521) Investment projects	(522) Programme aid	(527) Other inc. commodities & supplies	(524) Technical co-op.	(528) TOTAL ODA	(529) of which: GRANTS	(530) OOF
		<i>Type of flow (item 10) & Purpose code (item 18)</i>	<i>11,12,13, 19</i>				<i>11 or 12</i>		<i>14</i>
111	Education, level unspecified	<i>11110-11181 &</i>	<i>Inv.proj. = 1 (Item 33)</i>	<i>Sector prog. = 1 (Item 32)</i>	<i>Any combination of type of aid markers or no type of aid markers</i>	<i>FTC = 1 (Item 31)</i>			
112	Basic education	<i>11220-11240 &</i>							
113	Secondary education	<i>11320-11330 &</i>							
114	Post-secondary education	<i>11420-11430 &</i>							
Etc.	TOTAL SECTOR ALLOCABLE	<i>< 50000 &</i>							
500	COMMODITY AID AND GENERAL PROGRAMME ASSISTANCE	<i>51010-53040 &</i>	<i>////////////////////</i>	<i>If extended in</i>	<i>If extended in</i>	<i>////////////////////</i>			
			<i>////////////////////</i>	<i>cash</i>	<i>commodities</i>	<i>////////////////////</i>			
			<i>////////////////////</i>	<i>(no direct link).</i>	<i>(no direct link).</i>	<i>////////////////////</i>			
510	Structural adjustment with WB/IMF	<i>51010 &</i>	<i>////////////////////</i>			<i>////////////////////</i>			
520	Developmental food aid	<i>52010 &</i>	<i>////////////////////</i>			<i>////////////////////</i>			
530	Other general programme and	<i>53010-53040 &</i>	<i>////////////////////</i>			<i>////////////////////</i>			
Etc.	commodity assistance		<i>////////////////////</i>			<i>////////////////////</i>			

Note: Add in column 530 official export credit commitments (reportable on Form 1C).

7.4 Table DAC5a

Geographical distribution of technical co-operation by sector - Official bilateral commitments (or gross disbursements)

Links applicable to

- all line items and columns calculated on the basis of commitments.

	(521) Education	(534) of which: Basic education	(522) Health	(535) of which : Basic health	(523) Water, sanitation, sewage	(524) Other social Infrastr.	(525) Energy	(526) Transport and communications	(527) Other economic infrastr.	Cont. (See below.)
<u>PART I COUNTRIES</u>	Select CRS Form 1 transactions that have:									
I. EUROPE, TOTAL	- type of flow (<i>item 10</i>) = 11, 12,13 or 19; and									
Albania	- FTC = 1 (<i>item 31</i>)									
Bosnia-Herzegovina	and that meet the following criteria:									
Croatia	purpose code = 11220-11240									
Etc.	12110-12282									
	12220-12282									
	14010-14081									
	13010-13081, 15010-15066, 16110, 16210-16220, 16310-16381									
	23010-23082									
	21010-21081, 22010-22030									
	24010-24081, 25010-25020									
<u>PART II COUNTRIES</u>										
I. MORE ADVANCED DEVELOPING COUNTRIES										
Aruba										
Bahamas										
Bermuda										
Etc.										

7.4 Table DAC5a (cont.)

Geographical distribution of technical co-operation by sector - Official bilateral commitments (or gross disbursements)

Links applicable to

- all line items and columns calculated on the basis of commitments.

	(528) Agriculture	(529) Industry, mining & construction	(530) Trade & tourism	(531) OTHER AND MULTISECTOR	(532) TOTAL	(533) Memo: Gender equality (incl. WID)
<u>PART I COUNTRIES</u>	Select CRS Form 1 transactions that have: - type of flow (<i>item 10</i>) = 11, 12,13 or 19; and - FTC = 1 (<i>item 31</i>) and that meet the following criteria:					
I. EUROPE, TOTAL						
Albania	071					
Bosnia-Herzegovina	064					
Croatia	062					
Etc.	etc.					
<u>PART II COUNTRIES II</u>	purpose code = 31110-31195, 31210-31291, 31310-31391	purpose code = 32110-32181, 32210-32268, 32310	purpose code = 33110-33181, 33210	Any other purpose code	Any purpose code	ny purpose code & Gender equality = 1 or 2 (<i>item 27</i>)
I. MORE ADVANCED DEVELOPING COUNTRIES						
Aruba	373					
Bahamas	328					
Bermuda	331					
Etc.	etc.					

7.5 Table DAC6

Bilateral and multilateral official loans by maturity periods, grace periods and interest rates - Commitments

Links applicable to

- all items for bilateral loans only.

Programme or Authority (group into ODA and OOF)	Amount \$ million	Code type	Number of transactions	Maturity period	Grace period	Interest rate	Grant element
				Years		Per cent	
Report CRS Form 1 transactions that have a type of flow (item 10) equal to 13 for ODA and 14 for OOF. Derive the information below from Form 1:							
Recipient country (item 6)	Amount committed (item 9 converted in \$ million)	1 : New concessional ODA loans 2 : New OOF loans 3 : ODA rescheduling or refinancing with grant element above 25% 4 : ODA rescheduling or refinancing with grant element below 25% 5 : OOF debt reorganisation	1	Number of years between the commitment date (item 7) and the final repayment date (item 16)	Number of years between the commitment date (item 7) and the first repayment date (item 15)	Interest rate (item 13)	See Annex 1 for compilation
Sub-total ODA							
Sub-total OOF							
TOTAL		////////////////////		////////	////////	////////	////////

ANNEX 8. OVERVIEW OF REPORTING ON DEBT REORGANISATION ON FORM 1 AND FORM 2

Type of reorganisation	Form 1	Form 2
<p>DEBT CANCELLATION with a developmental motive (reportable in DAC statistics as a debt forgiveness grant)</p> <p>a. Cancellation of ODA debt</p> <p>b. Cancellation of non-export credit OOF debt</p> <p>c. Cancellation of export credits or private debt</p>	<p>a. For ODA debt, report only forgiven interest.</p> <p>b-c. For other debt, report both forgiven principal and interest.</p>	<p>Forgiven amounts are reportable as adjustments in a lump sum during the year in which the agreement to cancel debt legally comes into force, regardless of the <i>DAC Handbook</i> option chosen.</p> <p>a-b. Report the amount of forgiven principal under item 17 and forgiven interest under item 18. Adjust item 24 to take account of forgiven principal.</p> <p>c. See Form 3 set (Part C of the Directives).</p>
<p>DEBT RESCHEDULING/REFINANCING</p> <p>a. Rescheduling/refinancing of ODA debt (reportable in DAC statistics if includes capitalised interest)</p> <p>b. Rescheduling of (non-export credit) OOF debt on ODA terms</p> <p>c. Paris Club concessional debt reorganisation (reportable in DAC statistics under two categories: the element of debt relief as a debt forgiveness grant under ODA and a rescheduling under OOF)</p> <p>d. Paris Club non concessional reorganisation</p>	<p>a. Report only capitalised interest.</p> <p>b. Report both rescheduled principal and capitalised interest.</p> <p>c. Report debt forgiveness grants but not the OOF loan.</p> <p>d. Do not report (since operation involves no ODA).</p>	<p>a. <i>For loans from which amounts have been deducted:</i> Report the amounts of principal and interest rescheduled to another loan under items 19 and 20 respectively. Adjust item 24 to take account of rescheduled principal. <i>For loans to which rescheduled amounts have been added:</i> Report principal rescheduled from another loan under item 15 and capitalised interest under item 16. <i>For any given recipient,</i> the sum of amounts under item 15 should equal the sum of item 19.</p> <p>b. Report as (a) above.</p> <p>c-d. Report as (a) above, if the operation covers non-export credit OOF loans. Make <u>no</u> entry for debt forgiveness. N.B. Rescheduled export credits are reportable on Form 3. (See Part C of the Directives.)</p>
<p>DEBT CONVERSION</p> <p>a. Direct conversions (reportable in DAC statistics as ODA grants if have a developmental motive)</p> <p>b. Indirect conversions</p>	<p>a. For conversion of ODA debt, report only converted interest. For other debt, report both converted principal and interest.</p> <p>b. Do not report on Form 1 as they involve no outflow of resources from the public sector.</p>	<p>Affects Form 2 if the operation covers ODA or non-export credit OOF loans. If so:</p> <p>a-b. <i>For loans from which amounts have been deducted:</i> Report the amount of converted principal under item 21 and converted interest under item 22. Adjust item 24 to take account of converted principal. If discount granted by the official sector, report the forgiven and converted amounts of principal and interest separately under items 17-18 and 21-22.</p>

ANNEX 9. UNIFIED STANDARD INPUT FORMAT (USIF)

All data reported to the CRS should be in electronic format.¹ This Annex defines the Unified Standard Input Format (USIF) for reporting on Form 1 and Form 2.

What is USIF?

In brief, USIF can be described as a flat file where each row represents a complete CRS transaction and each cell one CRS data item. USIF permits the Secretariat to process CRS data (i.e. undertake quality controls and upload the data in the database) using automatic procedures. It improves the timeliness of CRS data by reducing the length of processing time.

USIF files can be submitted in various modes: spreadsheet (e.g. Excel, Lotus), table (Access, Dbase, etc.) or ASCII format. The Secretariat **strongly recommends** the use of ASCII files in **CSV² format** as this can be read and produced by any software. If spreadsheets or tables are transmitted, it is important to verify that all fields are recorded in text format (e.g., date formats in Excel have previously created problems in data treatment).

Contacts at the OECD

For all questions related to USIF or modes of transmission,
contact the Secretariat at:

Tel: (33-1) 45 24 90 24

Fax : (33-1) 44 33 61 46

Email : dac.contact@oecd.org

¹ Paper forms can no longer be processed.

² CSV = Comma Separated Values.

*USIF file structure and examples**USIF Form 1*

Column number and name	Value
1. Reporting country/organisation	See Annex 3 for list of Donor codes.
2. Extending agency	See Annex 3 for list of Agency codes.
3. CRS Identification number	In 6 digits: YYxxxx.
4. Donor project number	Enter the number, or combination of letters and numbers, used by the extending agency to identify the activity.
5. Nature of submission	1=new commitment 2=revision 3=increase 4=decrease (cancellation)
6. Recipient country	See Annex 4 for recipient codes. ISO codes may also be used.
7. Commitment date	Enter in text format DD-MM-YYYY .
8. Currency	See Annex 3 for list of donor/currency codes.
9. Amount committed	Enter the face value of the activity in thousands of units (except for Japanese yen which should be reported in millions).
10. Type of flow	11=ODA/OA grant 12=ODA/OA grant-like 13=ODA/OA loan 19=ODA/OA equity investment 14=OOF
11. Type of repayment	1=equal principal payments (EPP) 2=annuity 3=lump sum 5=other
12. Number of repayments per annum	1=annual 2=semi-annual 4=quarterly 12=monthly
13. Interest rate	} Enter • in 5 digits, e.g. "05200" for 5.2 % ; or • "0" if interest free.
14. Second interest rate	} If loan tied to a market interest rate, report the reference rate • e.g. LIBOR6M+1.5%
15. First repayment date	} } Enter in text format DD-MM-YYYY .
16. Last repayment date	}
17. Short description/Project title	Maximum 72 characters in English or French.
18. Sector/Purpose code	See Annex 5 for the list of purpose codes.
19. Amount untied	In thousands of units (millions if yen). Procurement authorised in all OECD countries and substantially all aid recipient countries.
20. Amount partially untied	In thousands of units (millions if yen). Procurement limited to donor and substantially all aid recipient countries.
21. Amount tied	In thousands of units (millions if yen). Procurement that does not fall under the definitions of untied or partially untied aid (see para.29).

22. Geographical target area	Specify the area (town, region) in the recipient country that is intended to benefit from the activity. Specify the recipient countries if the activity benefits several recipients.
23. Expected starting date	} } Enter in text format DD-MM-YYYY. }
24. Expected completion date	
25. Channel of delivery	Enter the name of the bilateral or multilateral implementing agency (e.g. UN agency, NGO).
26. Description	E.g. project summary.
27. Gender equality (including WID)	} 2=principal objective 1=significant objective 0=not targeted } See Annex 6 for the definition. }
28. Aid to environment	
29. Direct assistance to poor people	
30. Participatory development/Good governance (PD/GG)	
31. Free-standing technical co-operation	1=Yes.
32. Sector programme	1=Yes.
33. Investment project	1=Yes.
34. If investment project, amount of IRTC	In thousands of units (millions of yen).
35. Associated Financing	1=Yes.
36. Amount of export credit	In thousands of units (millions if yen). Use the currency indicated in item 8.

Example of a USIF transmission in ASCII delimited format

```
"3","2","001069","104.DAN.8.L.312.","3","282","19-09-2001","3","2064","11","","","","","","MALARIA
AND HEALTH","12182","2064","","","Tanzania","10-01-2001","31-05-2002","National Institute for Medical
Research","The purpose of the project is to enhance research capacity in Tanzania regarding
malaria.", "0","0","0","0","1","","","",""
"3","2","011001","104.0.30.Vietnam.mof","1","769","26-03-2001","3","2040","11","","","","","WATER
TREATMENT","14030","2040","","","Di An","01-04-2001","31-12-2002","Binh Doung Water supply
Company","To build a water treatment plant to be able to supply clean drinking water to the population in the
area.", "0","2","0","0","","","",""
"3","2","011002","104.Bhu.24","1","630","01.01.2001","3","5200","11","","","","","SUPPORT TO
LOCAL NEWSPAPER","15050","3400","","","1800","Bhutan","01-02-2001","31-12-2003","The Ministry of
Finance","Improved information and education levels in Bhutan. Capacity building in
Kuensel.", "0","0","0","2","","","",""
```

Note:

- Descriptive information (columns 17, 22, 25 and 26) should be provided in quotes (“.”) since any commas in the text would be taken as a separator of CSV format.

- Including a header row in the file facilitates data treatment. Use column numbers or names as follows:

"01","02","03","04","05","06","07","08","09","10","11","12","13","14","15","16","17","18","19","20","21","22","23","24","25","26","27","28","29","30","31","32","33","34","35","36" **or**

"reporting country/organisation","extending agency","CRS identification number","donor project number","nature of submission","recipient country","commitment date","currency","amount committed","type of flow","type of repayment","number of repayments per annum","interest rate","second interest rate","first repayment date","last repayment date","short description/project title","sector/purpose code","amount untied","amount partially untied","amount tied","geographical target area","expected starting date","expected completion date","channel of delivery","description","gender equality (including WID)","aid to environment","direct assistance to poor people","participatory development/good governance (PD/GG)","free-standing technical co-operation","sector programme","investment project","if investment project amount of IRTC","associated financing","amount of export credit"

USIF Form 2

1. Reporting country	See Annex 3 for list of donor codes.
2. Extending agency	See Annex 3 for list of agency codes.
3. CRS Identification number	In 6 digits: YYxxxx.
4. Donor project number	Enter the number, or combination of letters and numbers, used by the extending agency to identify the activity.
5. Recipient country	See Annex 4 for list of recipient codes.
6. Currency	See Annex 3 for list of donor/currency codes. Report in currency of transaction.
7. Type of flow	11=ODA/OA grant 12=ODA/OA grant-like 13=ODA/OA loan 19=ODA/OA equity investment 14=OOF (non-export credit)
8. Reporting year	Enter in text format YYYY.
9. Commitments	During the year. In thousands of units (except for Japanese yen which should be reported in millions). Enter decrease with a negative sign.
10. Disbursements	During the year. In thousands of units (millions if yen).
11. Undisbursed	At the end of the year. In thousands of units (millions if yen).
12. Disbursed	At the end of the year. In thousands of units (millions if yen).
13. Amortisation	During the year. In thousands of units (millions if yen).
14. Interest received	During the year. In thousands of units (millions if yen).
15. Principal rescheduled from another loan	During the year. In thousands of units (millions if yen).
16. Capitalised interest	During the year. In thousands of units (millions if yen).
17. Principal forgiven	During the year. In thousands of units (millions if yen).
18. Interest forgiven	During the year. In thousands of units (millions if yen).
19. Principal rescheduled to another loan	During the year. In thousands of units (millions if yen).
20. Interest rescheduled to another loan	During the year. In thousands of units (millions if yen).
21. Principal converted	During the year. In thousands of units (millions if yen).
22. Interest converted	During the year. In thousands of units (millions if yen).

