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Development Co-operation Directorate
Development Assistance Committee

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DAC Working Party on Development Finance Statistics

Co-operation modalities: Frequently Asked Questions

Information Note: In June 2013, a Frequently Asked Question (FAQ) document was produced (DCD/DAC/STAT/RD(2013)1/RD5) on types of aid. Since 2020, the type of aid classification was renamed as co-operation modalities and reporting was made mandatory for both ODA and OOF activities. At the same time, new modalities were introduced in December 2021 ([DCD/DAC/STAT(2021)12/REV1] to better reflect the level of earmarking of members' contributions to multilateral organisations. This document contains an updated version of the FAQ document that has become obsolete after the above-mentioned modifications.

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FAQ 1. How to classify contributions to finance the following:

Strategies and policy reforms for beneficiary governments

1. Deciding on the classification depends on the form of the contribution to the developing country i.e.:
 - Capacity development to assist the government with the elaboration of policy reforms and strategies: this should be classified as C01-Project-type interventions;
 - General budget support for implementing the strategies and reforms: this should be classified as A01-General budget support (co-operation modality A02-Sector budget support- can be used if a specific sector is targeted).

Contributions to trust funds managed by multilateral institutions

2. Unearmarked contributions to certain trust funds are considered as multilateral aid as they comply with the criteria for a contribution to be considered as multilateral in the Reporting Directives:
 - a) the recipient institution conducts all or part of its activities in favour of development and developing countries; and
 - b) the recipient institution: (i) is an international agency, institution or organisation whose members are governments, who are represented at the highest decision-taking level by persons acting in an official capacity and not as individuals; or (ii) is a fund managed autonomously by a multilateral agency as defined in i); and
 - c) funds are pooled so that they lose their identity and become an integral part of the recipient institution's financial assets.
3. **Only contributions to trust funds included in the DAC list of ODA-eligible international organisations, and classified as multilateral (B022) in that list can be reported as multilateral.** All other contributions to trust funds (even if unearmarked) should be classified as B03. Earmarked contributions to trust funds should be generally classified as B033. When the donor designs the activity but channels it through an international organisation, the activity should be classified as C01.
4. **The Secretariat publishes a guidance document on how to report contributions to trust funds** (see the latest version of "Reporting contributions to trust funds managed by multilateral institutions: Guidance document" in <https://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/data-collection-and-resources-for-data-reporters.htm>). The document is updated on a regular basis (as of May 2022, the latest version is DCD/DAC/STAT(2021)23/REV2). Reporters are invited to use this document in their reporting of contributions to trust funds.

Researchers from developing countries

5. Contributions to researchers from developing countries in research institutes are reported as co-operation modality D02. Researchers from donor countries who perform their researches in donor countries are also classified as D02. D01 – Donor country personnel is applied only for researchers from donor countries sent to developing countries.

Capacity building for debt management

6. Capacity building for debt management should be reported as C01-Project-type interventions (and not F01-Debt relief) and purpose code 15111-Public finance management.

Junior Professional Officers – “JPOs”

7. Contributions funding “JPOs” should be coded with co-operation modality D01.

Contributions to the OECD

8. Core contributions to the Development Centre (channel code 47081) and to the Sahel and West Africa Club (47029) should be coded B021 (multilateral).

9. Voluntary contributions to the Development cluster (including the Development Co-operation Directorate (DCD), the Multilateral Organisation Performance Assessment Network (MOPAN), the Global Partnership for Effective Development Co-operation (GPEDC) and Paris 21) should be coded B03 (bilateral). Contributions to DCD and MOPAN should be classified as B032. Contributions to GPEDC and Paris 21 should be classified as B031.

10. Any ODA-eligible contribution to any other OECD Directorate better fits under B033, or C01 if the donor designs the activity and channels it through the OECD.

Emergency aid

11. Contributions for emergency aid (purpose codes 720xx) through international organisations (INGOs, multilateral organisations) should preferably be recorded as follows:

- Contributions in response to “appeals” by international organisations e.g. flash appeals, Consolidated Appeal Process (CAP), Common Humanitarian Action Plan (CHAP): B03;
- Other emergency interventions: C01 for projects channelled through international organisations, D01 for JPOs seconded to these organisations.

18. Activities for reconstruction relief and rehabilitation (purpose code 73010) or disaster prevention and preparedness (74010) generally fall under co-operation modality C01.

19. Core contributions to INGOs are classified as B01 and core contributions to multilateral organisations as B02.

FAQ 2. Is it possible to report on donor core support to NGOs at the project level, based on information received (ex-post) from the NGOs? What modality should be applied in such a situation?

12. For analytical purposes, it is useful to obtain detailed information on how NGOs have allocated donors' core funding. Where possible, the recommendation is to report project details rather than the original core contributions. However, as donors' funds were in the form of "core contributions", the activities should be reported with a co-operation modality ***B01-Core support to NGOs, other private bodies, PPPs and research institutes*** (and not *C01-Project-type interventions*). In these cases, the field ***bi/multi*** should be set to value 7 (*ex- post information on the use of core support to NGOs*).

FAQ 3. Should all project-type interventions be flagged as “investment”?

13. Not all project-type interventions are investments. Project-type interventions (co-operation modality C01) cover “investment” projects e.g. infrastructure projects, but also other projects such as technical co-operation activities including feasibility studies or capacity building projects. These TC activities can be recorded under C01. (Other TC activities are recorded elsewhere: sending donor country experts under D01, ad-hoc training programmes or workshops under D02.)

Examples of project-type interventions

| Project title | Recipient | Investment | AF | FTC | Co-operation modality | Purpose code |
|--|------------|------------|----|-----|-----------------------|--------------|
| Tramway project | Ukraine | 1 | | | C01 | 21030 |
| UHT processing plant and dairy farm project | Mozambique | 1 | 1 | | C01 | 32161 |
| Feasibility study for tramway project | Ukraine | | | 1 | C01 | 21030 |
| Ministry of justice capacity building: rule of law | Moldova | | | 1 | C01 | 15130 |

FAQ 4. Are there rules on possible combinations of co-operation modalities and other CRS classifications (e.g. channel codes, bi/multi and purpose codes)?

14. There are indeed some rules for certain co-operation modalities, as certain combinations of values would result in inconsistencies. Rules are described below [see also the latest version of “CRS Reporting Check-list” in <https://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/data-collection-and-resources-for-data-reporters.htm> :

A01: General budget support

- A01 → Purpose code = 51010*
- Generally, Parent channel = 12000.

* Note that purpose code=51010 can also be associated with co-operation B03 in the case of contributions for general budget support channelled through trust funds (see FAQ 1.b).

A02: Sector budget support

- A02 → Purpose code different from 51010 or 99810.
- Generally, Parent channel = 12000.

B01: Core support to NGOs, other private bodies, PPPs and research institutes

- B01 ↔ Bi/multi =3.
- Parent channel = 20000, 30000 or 51000.

B02: Core contributions to multilateral institutions

- B02 ↔ Bi/multi =2.
- Check that the organisation is on the DAC list of ODA-eligible international organisations (Annex 2 in the Reporting Directives)
- Channel code is in Annex 9 of the Reporting Directives (Parent channel = 40000), see also the list of codes available on-line.

B03: Contributions to specific-purpose programmes and funds managed by International Organisations (multilateral, INGO)

- Parent channel = 21000 or 40000.
- A choice has to be made between B03 (contributions to programmes and funds) and C01 (earmarked contributions to specific activities). General contributions to trust funds are classified as B031 or B032. Contributions where the donor has a significant influence on the allocation of funds are reported as B033. When the donor designs the activity but channels it through an international organisation, the activity should be classified as C01.

C01: Project-type interventions

- Generally, if Investment = 1, Co-operation modality = C01.
- Type of blended finance = 1 (Associated finance) → Co-operation modality =C01.

F01: Debt relief

- Purpose code 600xx ; Type of finance 6xx.

G01: Administrative costs

- If Purpose code 91010 → Co-operation modality G01
- Generally, if co-operation modality G01 → Purpose code 91010
- Purpose code 99810 not accepted.
- Channel code=11000. (51000 for public universities)

H01: Development awareness

- If purpose code 99820 → co-operation modality H01
- Generally, if co-operation modality H01 → Purpose code 99820

H02: Refugees/ asylum seekers in-donor-countries

- If purpose code 93010 → co-operation modality H02
- Generally, if co-operation modality H02-H05 → Purpose code 93010

H03: Asylum-seekers ultimately accepted

- If purpose code 93010 → co-operation modality H02-H05
- Generally, if co-operation modality H02-H05 → Purpose code 93010

H04: Asylum-seekers ultimately rejected

- If purpose code 93010 → co-operation modality H02-H05
- Generally, if co-operation modality H02-H05 → Purpose code 93010

H05: Recognised refugees

- If purpose code 93010 → co-operation modality H02-H05
- Generally, if co-operation modality H02-H05 → Purpose code 93010

FAQ 5. What is the relation between technical co-operation and co-operation modalities?

15. Free-standing technical co-operation (FTC) is not defined as a co-operation modality, but helps to more closely characterise donors' contributions. The FTC definition is based on the "purpose" of the activity (i.e. "...activities financed by a donor country whose primary purpose is to augment the level of knowledge, skills, technical know-how...") and encompasses activities delivered through various modalities. Capacity building projects recorded under co-operation modality *C01-Project-type interventions* comply with the FTC definition, and categories D01-D02 and E01-E02 should generally be reported as FTC.

- If co-operation modality in (D01, D02, E01, E02) → FTC = 1
- If co-operation modality in (C01, B03) → FTC in (null/blanc, 1)
- Else → FTC = null/blanc

FAQ 6. Can a donor country-based NGO be reported as channel of delivery when co-operation modality is B03 - Contributions to specific-purpose programmes and funds managed by international organisations?

16. The examples below illustrate cases where donor country-based NGOs administer contributions to funds managed by international organisations. The recommendation is to report the international organisation concerned as the channel, not the donor country-based NGO.

Example 1 – the international organisation managing the fund is an INGO: Norway contributes to ICRC Special Fund for Disabled (co-operation modality = B03) but the contribution is administered by a Norwegian NGO (Norwegian Red Cross) on behalf of the Norwegian Government.

17. The Secretariat recommends that the beneficiary organisation (ICRC Special Fund for Disabled) is recorded as the channel of delivery, rather than the intermediary organisation (Norwegian Red Cross). This is because the Norwegian Red Cross will not really implement the activity, but will administer the funds on behalf of the Norwegian Government. It is important to also consider that the “channel” item is used to calculate statistical aggregates on aid channelled through NGOs, through multilateral organisations, and even through specific organisations, e.g. through ICRC. If the Norwegian Red Cross appears as the channel instead of ICRC Special Fund for the Disabled, this will not affect the “aid through NGOs” aggregate, but ICRC will not be easily identifiable as beneficiary of the contribution.

Example 2 – the international organisation managing the fund is a multilateral organisation. In this example, an NGO would administer contributions to a fund managed by a multilateral organisation (e.g. Afghanistan Reconstruction Trust Fund-ARTF).

18. The recommendation of the Secretariat is to report the WB/ARTF as the channel; otherwise, the contribution will be counted as “aid through NGOs” instead of “aid through multilaterals”.

19. Contributions to programmes and funds managed by national NGOs should be reported as C01 “project-type interventions”.