

Unclassified

English - Or. English

19 May 2023

**Development Co-operation Directorate  
Development Assistance Committee**

## **DAC Working Party on Development Finance Statistics**

### **Private sector instruments: additionality, reporting requirements and data disclosure, and monitoring, safeguards and disciplines**

Working Party on Development Finance Statistics, 30 May – 1 June 2023, OECD premises Boulogne-Billancourt

As part of the review of the provisional reporting methods for private sector instruments (PSI), this note presents a proposal for strengthening ODA-integrity in the context of PSI through clarifying reporting requirements, designing a mechanism for switching reporting approaches, exploring ways to enhance members' reporting on additionality, proposing possible monitoring and review mechanisms and seeking possible tools to incentivise reporting of complete data under both the instrument and institutional approach. Developed in line with the agreed 2016 HLM general principles for PSI, the proposal takes into account the outcomes of the Part 1 of the review in the first semester of 2022 and builds upon members' discussions in the context of the WP-STAT since September 2022. The note is also informed by the experience from the provisional reporting methods and their implementation in members' reporting.

The note is shared for DISCUSSION under item 6.b of the draft annotated agenda [DCD/DAC/STAT/A(2023)2].

Julia BENN – Email: [julia.BENN@oecd.org](mailto:julia.BENN@oecd.org)  
Tomáš HOS – Email: [tomas.HOS@oecd.org](mailto:tomas.HOS@oecd.org)  
Valérie GAVEAU – Email: [valerie.GAVEAU@oecd.org](mailto:valerie.GAVEAU@oecd.org)

**JT03519293**

## *Private sector instruments: additionality, reporting requirements and data disclosure, and monitoring, safeguards and disciplines*

### Background

1. The provisional reporting methods for private sector instruments (PSI) allow for a cash-flow measurement of donor effort in certain PSI and set related accounting provisions, data requirements and rules for data disclosure. The temporary arrangement also requests members to adopt a unique definition of additionality for reporting purposes. The set of rules, however, falls short in many areas. For example, the cash-flow measurement system introduced hybrid accounting in the ODA measure and brought the DAC statistics at odds with the OECD Recommendation on Good Statistical Practice.<sup>1</sup> The related transparency provisions, safeguards and monitoring mechanisms do not deliver on the principles agreed by the HLM in 2016.<sup>2</sup> Reported data have been found patchy and members' reporting on additionality incomplete and unconvincing. Moreover, there are currently no rules for possible switching between the institutional and instrument approaches. Designed as a temporary solution, the provisional reporting methods do not consider long-term monitoring and review mechanisms. This all is at the detriment of the integrity of ODA.

2. As part of members' review of the provisional reporting methods, this note addresses these shortcomings and anomalies. It does so by clarifying overarching reporting requirements, designing a mechanism for switching reporting approaches, exploring ways to enhance members' reporting on additionality and proposing possible monitoring and review mechanisms. The document also seeks possible tools to incentivise reporting of complete data on PSI under both the instrument and institutional approach.

3. This paper is primarily based on the 2016 HLM general principles for PSI, taking into account the outcomes of the Part 1 of the review in 2022<sup>3</sup> and members' subsequent deliberations to date. The proposals are also informed by the experience from the provisional reporting methods and their implementation in members' reporting.

4. **Members are invited to comment on the proposed emerging safeguards and mechanisms to promote ODA integrity and sound DAC statistics.**

### 1. Reporting requirements

#### 1.1. One system, two points of measurement of ODA donor effort in PSI

5. The 2016 HLM Principles establish two distinct points of measurement of donor effort in providing PSI. ODA is thus counted either at the level of capital increases to PSI vehicles (institutional approach) or at the level of individual activities of the PSI vehicles (instrument approach). This methodology relies on the understanding that both approaches have the capacity to generate comparable ODA levels over time. Data reporting by all

---

<sup>1</sup> See [legalinstruments.oecd.org/en/instruments/OECD-LEGAL-0417](https://legalinstruments.oecd.org/en/instruments/OECD-LEGAL-0417)

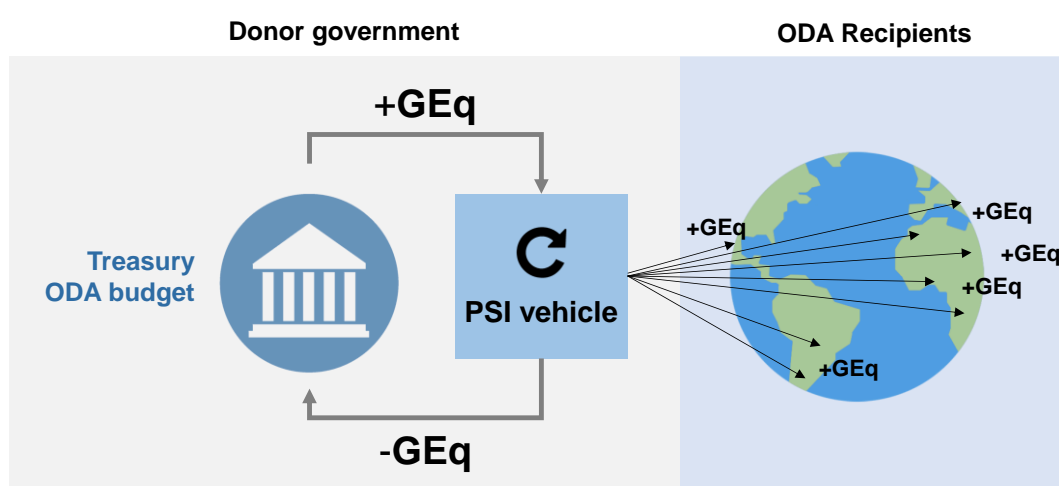
<sup>2</sup> See [www.oecd.org/dac/DAC-HLM-Communique-2016.pdf](https://www.oecd.org/dac/DAC-HLM-Communique-2016.pdf).

<sup>3</sup> See more details on the outcomes of the Part 1 of the review and next steps in DCD/DAC/STAT(2022)15 and DCD/DAC(2022)39/REV1. Details on the approach for members' discussions in the context of the review Part 2 can be found in DCD/DAC/STAT(2022)29.

members, irrespective of the approach used, would thus be subject to the same ODA eligibility criteria, reporting requirements, rules for data disclosure, safeguards and other provisions, as relevant.

6. According to principle iii, members' reporting on PSI in ODA would consist of a) ODA-eligibility assessment of members' PSI vehicles, b) provision of data on individual activities of the vehicles and c) publication of the data under agreed rules. Moreover, principle xiv clarifies that all members will report data on capital increases of their PSI vehicles, irrespective of the approach used. Profits reinvested by PSI vehicles would be reportable for transparency purposes (see principles vii and xiv).

**Figure 1. One system, two points of measurement of ODA donor effort in PSI**



## 1.2. Three PSI data components

7. In light of principles iii, vii and xiv, all members that report PSI in ODA are requested to provide the following three data components as part of their regular data reporting: intra-governmental transfers, individual activities of PSI vehicles and reinvested profits.

8. The Secretariat will develop detailed guidance on reporting of the three data components, keeping in mind the different points of measurement of ODA per reporting approach.

### 1.2.1. Intra-governmental transfers

9. Intra-governmental transfers comprise capital increases of members' PSI vehicles and reflows from PSI vehicles back to the government. Such reflows include both capital returns (decapitalisation) and dividends distributed to the government.

10. [...]

### 1.2.2. Activities of PSI vehicles

11. Activities of PSI vehicles include individual PSI provided to ODA recipients, as well as other activities carried out by the PSI vehicles, such as technical assistance, and administrative costs.

12. [...]

### *1.2.3. Reinvested profits*

13. Reinvested profits are reported through data on capital reflows (e.g. principal repayment of loans, equity sales) as well as interest, fee and dividends received.

14. [...]

15. **Members are invited to comment on the proposed emerging guidance.**

## 2. Switching reporting approaches and the lock-in mechanism

16. As provided for in principles ii and xiii, members may change the approach for measuring donor effort in PSI. Specific provisions are, however, necessary to protect the credibility of ODA, avoid ODA inflation and ensure comparability of members' reporting over time. With this in mind:

- a. When switching from the instrument to the institutional approach, members are invited to notify the Secretariat prior to the submission of their annual Advance Questionnaire for the switching year.
- b. When switching from the institutional to the instrument approach, members' ODA measurement will be subject to a lock-in mechanism to avoid double counting of donor effort. The lock-in mechanism defines a period during which the cumulative sum of grant equivalents of a PSI vehicle's activities stays below the cumulative sum of ODA capital increases of the concerned vehicle. During such a period, members have to continue using the institutional approach. Members who intend to switch from the institutional to the instrument approach are expected to notify the Secretariat well in advance, ideally one year prior to the switching year.

17. Going forward, a more detailed methodology will be developed, building upon work done in the past [see DCD/DAC/STAT(2016)15/REV1].

18. **Members are invited to comment on the proposed emerging guidance on the lock-in mechanism.**

## 3. Additionality

19. Additionality is a core ODA-eligibility criterion of PSI (see principle v. and xi.). To facilitate members' reporting and its comparability across members, the provisional reporting methods include a definition of financial, value and development additionality (see Box 1) and invite activity-level reporting on additionality type (financial, in value or both) in combination with additionality description and a description of the development objective.

20. Although the completeness and quality of the reported data have been improving over time, members, CSOs and other stakeholders have found the provided information patchy and overly brief [see DCD/DAC(2020)10/REV1, DCD/DAC/STAT(2020)23, DCD/DAC/STAT(2022)15 and joint CSO recommendations<sup>4</sup>]. Reporting on additionality

---

<sup>4</sup> See the "Joint CSO recommendations following the Consultation with Civil Society Organisations on Private Sector Instruments held on Thursday 12th January 2023" shared on 25 January 2023 and

is critical not only for demonstrating the ODA eligibility of PSI, but also for communicating members' approaches to building local markets free of market distortive tendencies.

### Box 1. Definition of additionality under the provisional reporting methods for PSI

In the context of reporting on PSI in DAC statistics, an official transaction is considered additional either because of its “financial additionality” or “value additionality”, combined with its “development additionality”.

- Such a transaction is financially additional if it is extended to an entity which cannot obtain finance from the private capital markets (local or international) with similar terms or quantities and for similar developmental purposes without official support, or if it mobilises investment from the private sector that would not have otherwise invested.
- It is additional in value if the official sector offers to recipient entities or mobilises, alongside its investment, non-financial value that the private sector is not offering and which will lead to better development outcomes, e.g. by providing or catalysing knowledge and expertise, promoting social or environmental standards or fostering good corporate governance.
- It conveys development additionality if the development impact of the investment would not have occurred without the partnership between the official and the private sector.

Clarifications:

- Financial additionality refers to financing provided in cases where private sector partners are unable to obtain commercial financing owing to the high-risk nature of the investment. Financial additionality aims to avoid market distortion i.e. institutions do not compete with other commercial finance providers, but rather support capital-constrained markets, and, where possible, crowd in investments.
- Value additionality refers to the specific role and comparative advantage of public institutions as a partner to the private sector, conveyed through nonfinancial contributions such as provision of knowledge and expertise, board participation and links to local networks. Value additionality is a key contributor to improving the quality of investments and business operations from a development perspective. Public institutions ensure the inclusion of safeguards, good corporate governance and foster more socially responsible businesses over time in a way that other investors typically would not.
- Both financial and value additionality should seek to avoid market distortions.

21. With lessons learned from the provisional reporting methods and members' reporting on additionality to date, **members may wish to consider whether there is a need for**

- Revising the definition of additionality in DAC statistics;**
- Developing a classification of additionality types to facilitate their reporting on additionality of individual PSI activities.<sup>5</sup>**

---

“Joint CSO recommendations ahead of the September 2022 meeting of the DAC WP-STAT: Towards increased quality and integrity of ODA in the context of Private Sector Instruments and Special Drawing Rights” shared on 27 September 2023.

<sup>5</sup> Work on such a classification could be inspired by the *Multilateral Development Banks' Harmonized Framework for Additionality in private Sector Operations*<sup>5</sup>, CRS reporting on

22. Overall, it is clarified that, in compliance with principles v, x and xi of the 2016 HLM Communiqué, additionality is assessed for the purpose of DAC statistics:

- a. At the level of PSI vehicles on the additionality *mechanisms* maintained by individual PSI vehicles as part of the ODA-eligibility assessment [see DCD/DAC(2023)22]; and
- b. For individual activities of members' PSI vehicles.

#### 4. Monitoring and safeguards and disciplines

23. The 2016 HLM Communiqué foresaw monitoring mechanisms, safeguards to protect the integrity and credibility of DAC statistics and a review mechanism. These include a biennial report, ODA-integrity safeguard related to data requirements and review timeline.

##### 4.1. Biennial report

24. To ensure the credibility of ODA reporting on PSI, the HLM principle xv put forward a regular (biennial) report covering both quantitative and qualitative aspects of members' PSI.

25. In addition, members' methodological deliberations on individual instruments have invited a biennial report to summarise the outcomes of:

- a. A joint analysis by the DAC and ECG Secretariats to address concerns expressed about blurring the lines between export credits and PSI.<sup>6</sup>
- b. An analysis by the DAC Secretariat of the geographic, recipient income group, sectoral and thematic characteristics of all PSI to address concerns expressed about ODA integrity.<sup>7</sup>
- c. The Secretariat's assessment of the need to update instrument-specific discount rates, if relevant.

26. Moreover, the report will contain an assessment of the quality and comprehensiveness of PSI data reported by individual members, including all three PSI data components (intra-governmental transfers, activities of PSI vehicles and reinvested profits). This analysis will also assess the comparability of reporting under the instrument and institutional approaches over time.

27. The report will be published as unclassified, presented to the DAC and shared with the ECG Secretariat for information. Should the report identify competition or other issues pertaining to ODA integrity or effectiveness, the DAC will be invited to address them in its subsequent discussion.

28. As per principle xv, findings presented in the report can also invite a DAC discussion on the need for minimum standards and disciplines for PSI.

---

additionality to date and other inputs from members and interested stakeholders. This work would be envisaged to take place as part of members' discussions of the third batch of issues in Q3 of 2023.

<sup>6</sup> See DCD/DAC(2023)22.

<sup>7</sup> See DCD/DAC(2023)22, DCD/DAC/STAT(2023)3/REV1, DCD/DAC/STAT(2023)4/REV1 and DCD/DAC/STAT(2023)13/REV1.

29. **Members are invited to comment on the proposed biennial report and associated analyses.**

#### 4.2. Review mechanism

30. Outcomes of the biennial analysis carried out by the Secretariat may also invite the WP-STAT to review and, if agreed, revise relevant aspects of the updated methods for private sector instruments. Such potential adjustments would also be subject to a DAC approval.

31. In addition, the Secretariat will regularly assess the need for reviewing, and possibly revising, the main parameters used for calculating grant equivalents of individual PSI, including the surcharge component of instrument-specific discount rates. For equities, this assessment will be carried out once every four to six years. Outcomes of this assessment will be integrated in the report described in section 4.1.

32. **Members are invited to comment on the proposed review mechanism.**

#### 4.3. ODA-integrity safeguard related to data requirements and transparency

33. The 2016 HLM Communiqué acknowledges the particular nature of PSI in the context of the DAC statistics due to the limited concessionality of the underlying activities and their for-profit orientation. To allow members to demonstrate the ODA-eligibility of their PSI in ODA, the HLM agreement put forward specific criteria and requirements, such as reporting on additionality. Hence, the Secretariat can only warranty the ODA status of members' PSI activities if related data have been provided with complete details on additionality, irrespective of the approach used (see also section 3).

34. The statistical framework for measuring donor effort in PSI works with the joint understanding that both approaches generate comparable levels of ODA over time. To allow for monitoring of this critical premise, the Secretariat can only warranty the ODA status of members' PSI activities if related data have been provided with all information necessary for calculating grant equivalents, irrespective of the approach used.

35. In this vein, non-provision of essential data items on additionality and grant equivalents of individual PSI has the following consequences:

- a. Under the instrument approach, such activities will be disqualified from ODA and will only count in OOF;
- b. Under the institutional approach, a downward adjustment is introduced to the donor effort reported on the most recent ODA capital increase.

36. Inspired by members' adherence to of the Busan Partnership for Effective Development Co-operation<sup>8</sup>, transparency and accountability have played a central role in members' review of the provisional reporting methods thus far. Most stakeholders consulted during the first review part, such as the export credit community, CSOs and the private sector all called for a greater transparency of PSI [see DCD/DAC/STAT(2022)15]. Members' subsequent discussions have indeed resulted in greater data disclosure than what is currently provided for by the provisional methods. Members are encouraged to entrust the Secretariat the possibility to only warranty the ODA status of PSI activities reported by members if and only if all qualitative details have been provided, including channels of

---

<sup>8</sup> See <https://www.oecd.org/dac/effectiveness/busanpartnership.htm>.

delivery, project titles, descriptions and other as specified in instrument-specific safeguards.

37. **Members are invited comment on the proposed reporting requirement safeguard.**

#### 4.4. Other considerations

##### *4.4.1. Untying of PSI*

38. Over the last few years, DAC members and CSOs have stressed the need for a thorough discussion on PSI in the context of untying. Since untying is not an ODA-eligibility criterion for PSI, it is proposed to address this topic as part of members' review on modernising the reporting and implementation framework of the DAC Untying Recommendation [see DCD/DAC(2022)59] to ensure maximum synergies and cross-fertilisation of ideas.

39. **Members are invited to comment on the proposal to discuss PSI in the context of the Untying Review.**

##### *4.4.2. Treatment of PSI provided by vehicles that have not been assessed on their ODA-eligibility or that have been assessed as not ODA-eligible*

40. Some providers choose not to report their PSI in ODA for various reasons. It can also happen that some PSI vehicles will be assessed as not ODA-eligible. Activities of such vehicles are therefore only reportable as OOF.

41. Since grant equivalents of such activities would not be recorded in ODA, reporting on additionality, financial terms and conditions, channels and other descriptive pieces of information is strongly encouraged but optional.

42. Rules for data disclosure pertaining to such OOF PSI activities are identical to those reportable in ODA.

43. **Members are invited to comment on the proposed data requirements and rules for data disclosure of PSI that are not reported in ODA.**

44.

## Annex A. Stocktake of the implementation of the 2016 HLM Principles for PSI

2016 HLM Principle	Batch 1	Batch 2	Batch 3
i. The effort of the official sector in providing PSI will be counted as ODA, while the financial flows themselves will be tracked in the broader measures on flows for sustainable development (TOSSD). Pending the exact definition of these broader measures – a key element of the modernised DAC statistical framework – PSI will be reported in the existing statistical category of other official flows (OOF) or, in the case of guarantees, the recently created category of amounts mobilised through official sector interventions.			×
ii. The effort may be measured either at the point of transfer of funds to a vehicle providing PSI to developing countries or for each PSI transaction between the vehicle and the private enterprise or institution in the partner country. The two methods of calculation are referred to as institutional and instrument-specific approaches respectively. Members may choose to apply in their ODA reporting one approach or the other but need to explicitly indicate for each vehicle the approach chosen. Members may change the approach chosen, but this is subject to a prior notification and verification by the Secretariat that ODA will not be double-counted. In addition, a lock-in period during which the approach may not be changed will be defined. The purpose of the lock-in period is to preserve the credibility of ODA and comparability of members' reporting over time (see principle xiii). The two approaches are implemented with the joint understanding that they should generate, over time, comparable ODA figures for comparable donor efforts and not inflate ODA. HLM follow-up: elaborate a proposal for the lock-in period.	×		×
iii. Reporting on PSI as ODA will be subject to a specific procedure consisting of i) an assessment of the mandate and objectives of the vehicle providing PSI, in particular the extent to which it has the economic development and welfare of developing countries as the main and primary objective of its operations (developmental criterion of ODA) and provides finance which is additional (characteristic of operations for PSI to be in line with the concessional in character criterion of ODA ); ii) provision of flow data in the CRS at the activity level; and iii) publication of data on PSI under agreed transparency provisions and rules on data disclosure. All members' reporting will be subject to the procedure detailed in principles ix and xiv.	×	×	×
iv. The measurement of donor effort will be based, whenever possible, on the grant equivalent method. However, equity investment in a DFI or other vehicle is treated as a sunk cost, initially counted in ODA at face value (applying an ODA coefficient if need be – see principle x), with reflows, if any, counted as negative ODA.	×	×	×
v. Under the instrument-specific approach, the measurement of donor effort will be based on the system of risk-adjusted grant equivalents. However, the system will be adjusted for the fact that i) PSI are non-concessional in nature and that application of the concessionality thresholds agreed in the sovereign loan context in December 2014 could incentivise unnecessary subsidisation of finance; and ii) financing the private sector is generally riskier than the official sector, in principle necessitating a risk premium in the discount rate additional to the already agreed sovereign risk premia, based on evidence and with due consideration to not inflate ODA. Moreover, in the case of PSI, the ODA characteristic is conveyed by – besides the primary development objective – the “additionality” of the finance provided. This suggests there should either be no threshold or a purely technical threshold (to filter out PSI with very small ODA shares). At the same time, there is a need to avoid blurring the lines between developmental and commercially-motivated operations (trade and investment) with the private sector, hence a need for safeguards (see principle xv). HLM follow-up: elaborate recommendations on what would be the appropriate technical threshold and the differentiated risk premia (which could vary by country income group) for the private sector.	×	×	×
vi. Under the institutional approach, donor effort involved in extending PSI to developing countries is measured at the point of placement of funds in the DFI or other vehicle in the donor country. The ODA eligibility assessment of the vehicle (see principle x) determines the share of the funds that can be counted as ODA.	×		
vii. Under both approaches, any dividends or profits on PSI paid back to the government will count as negative ODA. Profits reinvested by the vehicle are not counted as negative ODA, but are reportable in the CRS at aggregate level for transparency purposes (see principle xiv). This principle only applies in cases where the capitalisation of the vehicle has been originally reported as ODA.			×
viii. The two approaches are implemented with the joint understanding that they should generate, over time, comparable ODA figures for comparable donor efforts and not inflate ODA. The DAC will fully review the			×

2016 HLM Principle	Batch 1	Batch 2	Batch 3
system on the basis of first two years of implementation and consider whether any adjustments to this agreement are required.			
ix. The ODA-eligibility assessment will be carried out for all bilateral DFIs and, upon request, for other vehicles, using a common template. The Secretariat will undertake the necessary analysis and present a recommendation on ODA eligibility for consideration by the DAC or a body designated by the DAC. <b>HLM follow-up: elaborate a proposal for the template.</b>	✘		
x. The assessment will be based on an examination of the DFI's mandate, project portfolio, investment strategy and due diligence mechanisms. It will consider the extent to which the institution allocates its finance to ODA-eligible countries, promoting the economic development and welfare of developing countries as its main objective. If necessary, i.e. if the institution is active also in non ODA-eligible countries and/or activity areas, the share of ODA-eligible activities in the institution's total portfolio will be estimated, to establish a coefficient for ODA reporting. Information on the institution's investment strategy and due diligence mechanisms will serve to assess additionality of the finance. <b>HLM follow-up: develop a proposal for the assessment criteria.</b>	✘		
xi. In their ODA reporting on PSI all members will provide, in addition to the standard CRS data items, information on the developmental objectives and additionality at the activity level in the CRS. The compliance of data reported with the principles hereby agreed, regardless of whether a member reports under the institutional or instrument-specific approach, will be assessed by the DAC through peer reviews and the regular (biennial) report on PSI. This will secure transparency and allow for peer learning among members (see principles xiv and xv). <b>HLM follow-up: work on a definition of additionality; elaborate a drop-down menu to report on additionality in the CRS.</b>	✘	✘	✘
xii. The ODA calculation varies depending on the financial instrument used as follows:			
<ul style="list-style-type: none"> <li>▪ Grant contributions are counted at their face value.</li> </ul>			
<ul style="list-style-type: none"> <li>▪ Reimbursable grants are hybrid debt instruments with different types of agreement and initial investment profiles. In cases where enough information is available to estimate the reflows and risk undertaken, measurement will be on a grant equivalent basis; in other cases an ex-post calculation will be applied. <b>HLM follow-up: elaborate a method for reporting on reimbursable grants, taking into account their hybrid nature.</b></li> </ul>		✘	
<ul style="list-style-type: none"> <li>▪ Loans are counted on a grant equivalent basis. The discount rate for the grant element calculation will be differentiated by income group as in the 2014 DAC HLM agreement, in principle with an additional risk premium (see principle v) reflecting the fact that lending to private sector entities is generally more risky than lending to the official sector. <b>HLM follow-up: elaborate i) a proposal for the risk premium (the additional risk premium could vary by income group) and ii) a recommendation on whether loans to the private sector should be exempted from a threshold or whether a technical threshold should be set (see principle v).</b></li> </ul>	✘		
<ul style="list-style-type: none"> <li>▪ Equity investment in a DFI or other vehicle is treated as a sunk cost, initially counted in ODA at face value (applying an ODA coefficient if need be – see principle x), with reflows, if any, counted as negative ODA.</li> </ul>	✘		
<ul style="list-style-type: none"> <li>▪ Equity investments by DFIs or other vehicles in private sector entities in developing countries are counted on a grant equivalent basis ex post, i.e. they are initially counted at face value and their reflows discounted ex post, upon exit. The reflows will be discounted using differentiated discount rates by income group, applying a cap on reflows corresponding to the original investment. In specific cases and where enough information is available to estimate the reflows and risk undertaken, measurement will be on a grant equivalent basis calculated ex ante, adjusted ex post. <b>HLM follow-up: work with DFIs to determine the appropriate discount rates for this calculation.</b></li> </ul>		✘	
<ul style="list-style-type: none"> <li>▪ Guarantees are counted on a grant equivalent basis, applying differentiated discount rates and, when appropriate, an additional risk premium for the private sector (see principle v). As guarantees are non-funded instruments, the discount rates will only take into account operating costs and risk adjustment factors (not the funding cost). <b>HLM follow-up: work with DFIs to establish the relevant discount rates and the risk premia for the private sector. Also formalise the grant equivalent methodology to be applied on public guarantees, and on guarantees other than credit guarantees.</b></li> </ul>	✘		
xiii. To maintain the possibility of comparing ODA figures across members – key feature of DAC statistics – the donor effort involved in each individual PSI will also be reportable, for memorandum, by members applying the institutional approach. This will allow the estimation of the time span over which the two approaches result in equal ODA amounts, and thereby defining the length of the lock-in period to ensure the credibility of the system. In this context, the background of each vehicle (e.g. maturity, capitalisation) should be taken into account.			✘
xiv. ODA reporting on PSI is subject to specific transparency provisions and rules on data disclosure. It follows the key principles listed in the table below:			

2016 HLM Principle	Batch 1	Batch 2	Batch 3
<p>Reporting requirements</p> <p>Data should be reported as much as possible on the same basis by all donor countries. This means that regardless of the approach followed to measure the donor effort (i.e. institutional vs. instrument-specific approach), all members report on their PSI in the same format.</p> <ul style="list-style-type: none"> <li>▪ Reporting on PSI flows is requested in the CRS at the activity level including on financial terms regardless of the approach and whether the activity is ODA-eligible or not.</li> <li>▪ Data on inflows to DFIs are collected from all members. These elements will only be for the Secretariat's analysis for countries choosing the instrument approach.</li> <li>▪ Reporting on capital returns and dividends is requested at aggregate level.</li> </ul>	×	×	×
<p>Data disclosure</p> <p>Apply the same data rules on the information disclosed at activity level regardless of the approach followed to measure the donor effort (i.e. institutional vs. instrument-specific approach).</p> <ul style="list-style-type: none"> <li>▪ Present PSI flows at the activity level, but in compliance with confidentiality obligations with respect to clients (e.g. name of client, financial terms).</li> <li>▪ When the instrument-based approach is chosen, data on capital flows to and from DFIs are not shown in regular DAC statistical presentations, but will be collected by the Secretariat for analytical purposes and will be part of the biennial Secretariat report on PSI, for all members. HLM follow-up: specify rules on reporting requirement and data disclosure jointly with DFIs.</li> </ul>	×	×	×
<p>xv. To ensure the credibility of ODA reporting on PSI, it will be subject to safeguards and regular monitoring by the DAC. The Secretariat will undertake and present for consideration by the DAC or a body designated by the DAC a regular (biennial) report on PSI covering both quantitative and qualitative aspects. The report will analyse the additionality of DFI financing and seek evidence that PSI have not led to crowding out private investors. Questions such as DFIs' evaluation and reporting structures and corporate governance standards will also be addressed. Based on the first report, the DAC will consider whether minimum standards and disciplines for PSI will be developed. HLM follow-up: develop a proposal on safeguards and disciplines required for the purpose of monitoring PSI.</p>			×