

Unclassified

English - Or. English

1 July 2022

Development Co-operation Directorate
Development Assistance Committee

DAC Working Party on Development Finance Statistics

Summary record of informal meeting of the WP-STAT

16-18 March 2022

The Revised Draft Summary Record was sent to the WP-STAT for APPROVAL via the written procedure.
No objections were expressed by the 28 June 2022's deadline; the record is therefore considered approved, issued as FINAL, and declassified.

Julia Benn Julia.Benn@oecd.org
Giorgio Gualberti Giorgio.Gualberti@oecd.org

JT03498765

WP-STAT meeting, 16-18 March 2022 - Summary Record

Item 1. Introduction and welcome

1. The Chair, Mr. Jérôme Le Roy, opened the meeting and welcomed the participants. He welcomed the Vice-Chairs, Ms. Megumi Muto and Ms. Mirjam Rordorf Duvaux, who also greeted the participants, and the DAC facilitators, Ms. Leveke Neumann and Mr. Dirk Platzen.
2. The DAC facilitator, Ms. Leveke Neumann, summarised the main topics discussed at recent DAC meetings. She recalled the January 2022 Senior Level Meeting (SLM) that had treated COVID response, the implementation of the DAC Declaration on climate, the topic of working with others, and finance for development. In the March meeting the DAC had discussed the war in Ukraine and its humanitarian consequences, with the DAC Chair calling for increased resources with a view of many needs for ODA worldwide, and reaffirming the role of the Secretariat in tracking support to refugees. Another topic treated by the DAC was the Programme of Work and Budget (PWB). Members had responded to a survey on the priorities for the next biennium, which had reaffirmed the centrality of the work on ODA and statistics. Ms. Neumann also recalled that the Chair of the WP-STAT had been invited to give an update on the activities of the working party in the DAC. Finally, the DAC had also discussed the enlargement of the DAC in general terms, a discussion that had sparked from the request of Lithuania to join the DAC.

Item 2. Adoption of the agenda

3. The Chair signalled a change in the order of the agenda, with item 5 moved to the end the first day of the meeting. The Chair also signalled a room document from France for discussion under item 17.
4. Members adopted the meeting agenda.

Item 3. Changes to DAC statistical systems to be implemented in 2022 on 2021 reporting

5. The Secretariat (Ms. Elena Bernaldo de Quiros) presented the revised document [DCD/DAC/STAT(2021)31/REV1] on changes to the DAC statistical collections that included the changes approved by members after the November 2021 meeting.
6. The Secretariat also recalled that the written procedure on ODA coefficients for the UN Regular Budget (UNRB) and related UN entities [DCD/DAC/STAT(2021)20/REV2] had not been approved by members in February 2022, and that the follow-up actions would be discussed under Item 5 of the agenda.
7. Members took note of the changes in DAC statistical systems to be implemented in 2022 on 2021 data reporting.

Item 4. Forward spending survey (FSS) – initial feedback from 2021 reporting and discussion on next steps regarding this data collection

8. The Secretariat (Mr. Mark Baldock) presented the results of providers' reporting on the 2021 edition of the FSS.
9. Several members stated that the FSS was a useful and unique tool with regards to aid effectiveness and predictability. Four members indicated their ability to report N+3 years of data, but others indicated that their longer-term ODA allocations did not go beyond N+1 or N+2 years. One member suggested that the Survey be reduced in scope with mandatory reporting on priority themes, e.g. climate financing. Another raised the issue of the timing of the survey, which causes a reporting strain as the same teams need to report simultaneously both CRS and FSS.
10. The Chair invited members to post any further comments on FSS in the community space. The Secretariat will propose a streamlined version of the FSS at the WP-STAT in June.

Action Points

Members were invited to post any further comments on the FSS in the community space. The Secretariat will propose a streamlined version of the FSS which could contain mandatory reporting on key data and possibly voluntary reporting on thematic trends, with a reduced time span to 2 years at the WP-STAT in June.

Item 5. Updates to the Annex 2 list of ODA-eligible International Organisations – pending issues from the written procedure

11. The Secretariat (Mr. Harsh Desai) recalled the status of the recent papers presented by the Secretariat on Annex 2 in particular:
 - In November 2021 the Secretariat had presented a paper that considered proposals for adding six organisations to the Annex 2 list of ODA-eligible international organisations [DCD/DAC/STAT(2021)30]. The paper had not recommended the inclusion of the International Institute for Justice and Rule of Law (IJJ) and of the International Criminal Police Organisation (ICPO). One member had not agreed with the Secretariat's assessment to exclude IJJ and ICPO and had asked the Secretariat to further review these organisations.
 - Another member had asked the Secretariat to consider adding the UN Multi-Partner Trust Fund Office (MPTFO) to the Annex 2 list, rather than each trust fund managed by the MPTFO separately.
12. With regard to IJJ, the Secretariat informed members that there had been further consultations that confirmed the Secretariat's original assessment that IJJ did not meet the multilateral criteria for Annex 2. However, IJJ is currently revisiting its funding structure which could lead to revise this assessment. While a moratorium of five years exists for resubmitting multilateral institutions for Annex 2, members agreed that IJJ could be resubmitted if and when it will be operational under a revised funding structure.
13. With regard to ICPO, the Secretariat clarified that the ICPO was not eligible due to its global mandate: its activities benefit developing and developed countries alike under a global co-operation framework for information sharing. The members agreed with this interpretation.
14. With regard to MPTFO, the Secretariat indicated that the proposed approach could lead to the inclusion of trust funds that were not fully ODA-eligible. The Secretariat recalled the document that assessed the eligibility of individual UN trust funds managed by the MPTFO [DCD/DAC/STAT/RD(2021)1, Annex 3], with some trust funds failing to meet both of the criteria for inclusion on Annex 2. The Secretariat also informed members that – based on its discussions with the MPTFO Secretariat – only four of these trust funds qualify as multilateral in nature. It

would therefore continue assessing the inclusion of individual trust funds in Annex 2 to ensure that each fund met the criteria for inclusion.

15. The Secretariat clarified that following the CEPI 2.0 replenishment event, it would continue working with CEPI to obtain sufficient information to propose a coefficient for members' approval. This will be done as part of the regular, annual review of Annex 2.
16. Finally, the Secretariat explained that the proposal on the revision of the ODA coefficients of the United Nations Regular Budget (UNRB) and related UN entities [DCD/DAC/STAT(2021)20/REV2] had not been approved. Members had requested the Secretariat to update the proposal with the new data submitted by UNEP. The Secretariat is in the process of analysing the additional data provided by UNEP and will prepare a revised proposal for members' approval. The Chair emphasized that this change affected the reporting calendar and should not be considered as a precedent.

Action Points

Regarding UNRB

- Subject to the timely provision of any further data/information by UNEP, a new proposal for UNEP and UNRB will be finalised by the end of April and then sent to members for approval.
- Members will discuss at the June WP-STAT meeting when the potential new coefficients will take effect (in the CRS reporting on 2021 ODA due on 15 July, or later).

Regarding pending issues on other Annex 2-related items:

- Following the conclusion of the CEPI 2.0 replenishment, the Secretariat will continue corresponding with CEPI to obtain the necessary information to propose a coefficient for CEPI 2.0 (starting with 2023 reporting on 2022 flows) for members' approval. This will be done as part of the regular Annex 2 review process in 2022.

Item 6. Tracking support for refugees and refugee situations in developing countries in the CRS

17. The Secretariat (Ms. Marisa Berbegal-Ibáñez and Mr. Jens Hesemann) presented a note on Tracking support for refugees and refugee situations in developing countries in the CRS [DCD/DAC/STAT(2022)3].
18. Members thanked the Secretariat for the note. They appreciated the involvement of UNHCR, UNRWA and OHCHR as well as relevant experts. Twenty members expressed support for tracking through the keyword field support provided to refugees in forced displacement situations (including refugees, IDPs and their host communities). No member disagreed.
19. Members commented on the options presented in the paper. Some members will share written comments on the definitions of the keywords after the meeting. On the reporting of activities that only partially benefit refugees and refugee situations, several members indicated that they were not in favour of splitting activities into different lines: it would be technically cumbersome, add burden to the reporting and create a false sense of accuracy. One member stressed that such splitting would also make it difficult to monitor projects over the years. A few members were open to the alternative – a threshold – put forward by the Secretariat (e.g. applying keywords when at least 50% of the programme supports displaced populations), but were open to further discussion.
20. Some members flagged the difficulty to distinguish the components that were benefitting different categories of forced displaced populations. One member enquired whether it would be appropriate to attribute an activity to one category e.g. refugees, even if it benefitted also other categories e.g. host communities, as long as orders of magnitude per category were respected. Other members

asked for further guidance on the use of estimates and stated they would be happy to engage with the Secretariat to develop such estimates.

21. Some members asked to improve clarity, including the definitions of some ineligible groups, e.g. the economic migrants, and how to define “host communities”. A few members asked for clarification on whether socio-economic integration would be included as support to refugees. A member proposed that the country of departure and destination for refugees returnees to be indicated. A member suggested to add “stateless persons” in the list of exclusions from the keyword. Another member indicated that TOSSD is a better starting point for measuring support to forcibly displaced populations than the CRS.
22. On the definitions, members provided several comments indicated below, while others said they would provide written comments.
 - “refugee”: a member suggested adding “For the purpose of this tracking” at the beginning of the second sentence, and that the mention “who is seeking asylum” should be removed (as well as the mention of “asylum seekers” in the definition on refugee returnee, for consistency). In its view, *Prima Facie* recognition should not be included. Another member suggested extending the definition to people in refugee-like situations, in accordance with UNHCR guidelines.
 - “host communities”: a member commented that the definition would need to be clarified, and that the last sentence (“It includes institutions and populations, which interact with, or are impacted by, the refugees/IDPs/returnees.”) implied too broad coverage.
 - Some members also suggested defining additional terms:
 - “mixed flows”;
 - “migration” and “migrants” that are explicitly mentioned in the exclusions;
 - “stateless person”;
 - “deportation/forced return” and “voluntary repatriation/return”.
23. Noting the related topics, two members supported making links with the DAC Temporary Working Group on Clarifying the ODA eligibility of migration-related activities. One of them suggested introducing keywords for migrants.
24. The Secretariat clarified that socio-economic integration is indeed included. It will continue consulting with relevant UN experts on the issue and will present an updated proposal for keyword fields for approval at the June WP-STAT meeting.

Action Points

The Secretariat will open a discussion in the community space to receive comments on the definitions proposed for the keywords. The Secretariat will then prepare a proposal for the June meeting.

Item 7. In-donor refugee costs: Final report on the implementation of the clarifications agreed in 2017

25. The Secretariat (Ms Valérie Gaveau and Ms Lola Touitou) presented its report on members’ implementation of the clarifications agreed in 2017 for the ODA reporting of in-donor refugee costs [DCD/DAC/STAT(2022)1] as well as the [website](#) dedicated to this topic where the models were disseminated (individual models as well as synthetic presentation). Members were invited to discuss the next steps, namely possible further review of members’ models and implementation of the Secretariat’s recommendations.

26. Members welcomed the Secretariat's report and highlighted it marked the completion of a successful WP-STAT process to implement the HLM decision taken in 2017. It was suggested to make this report publically available. Members also welcomed the tool developed to compare countries' methodologies and appreciated the transparency effort. One member however disagreed to publicly disclose its methodology on the OECD website, due to internal political reasons and the sensitivity of such data.
27. On the subject of further alignment with the clarifications, one member stated that it had already reached out to the Secretariat to update its methodology and another said it would consult internally to do so. A few members also expressed specific concerns that they would like to discuss with the Secretariat. Some members indicated that they considered their methodology as final and would oppose any further refinement that would add any burden on the reporting. Several members acknowledged the Secretariat's recommendation to provide more disaggregated data, but did not have the capacity to do so at the moment.
28. While several members expressed that the process had allowed them to better understand the rules as well as improve significantly their reporting, some members found that a complete review of the models every five years would impose a too heavy burden. A member, supported by several others, suggested that this review be grouped with the suggested session on reporting on in-donor refugee costs during the statistical peer reviews; these members supported the 5-year review cycle. One advocated for lighter exercises, possibly reviewing only new types of costs, and grey areas detected during the last reporting exercise. Two members expressed interest in only informing the Secretariat when a change in methodology was implemented. One member said that they would object to more standardized reporting requests and that any further reporting should be voluntary.
29. The Secretariat highlighted the need for a sustainable mechanism to ensure continued monitoring of in-donor refugee costs by the WP-STAT, noting that the statistical peer reviews are still conducted on a voluntary basis.

Action Points

The Secretariat will open a page on the WP-STAT community space to collect comments on next steps in WP-STAT work on in-donor refugee costs by 1 April 2022. Members are also invited to indicate their plans for further aligning their models with the Clarifications, in particular to exclude non-eligible costs, disaggregate reporting, and for members that have not yet done so, share their model with the Secretariat and indicate if they can agree to disseminate it on the web.

The Secretariat will implement any factual corrections to the report and request its declassification, so that it can be made available on the website.

Item 8. WP-STAT work on the implementation of the DAC Declaration on a new approach to align development co-operation with the goals of the Paris Agreement on climate change

30. The Secretariat (Mr. Giorgio Gualberti and Ms. Sandie Xu) presented a note on the steps to implement the transparency measures foreseen by the paragraph 13 of the DAC Declaration [DCD/DAC/STAT(2022)5]. The note included steps and options in five different thematic areas. Members welcomed the document and commented on the different areas during the meeting, but also stated their intention to provide additional comments in written form on the community space. The discussions in the five thematic areas are summarised below:
 - Thematic area 1 – Be more transparent in how we track our development and climate finance and the amount of climate-related development finance

- a On the survey on coefficients or other adjustments applied by members to Rio markers data when reporting to the UN Conventions, several members appreciated the survey and stated that they would respond. Some members stated that the survey is not sufficient to provide full transparency and preferred a more integrated reporting. One member posed the question of the different timings for the survey and the reporting to UNFCCC, CBD and UNCDD. Some members highlighted that datasets and methodologies are different so that a closer integration of reporting would face practical difficulties.
- b On imputed multilateral shares, members invited the Secretariat to increase the coverage of multilateral institutions' reporting climate change and biodiversity. Some members also mentioned expanding multilateral reporting on desertification and disaster risk reduction. Some members invited the Secretariat to focus first on the largest multilateral institutions, and to the institutions which have a stronger focus with environment and climate change adaptation and mitigation.
- c On the Enhanced Transparency Framework (ETF), several members asked the Secretariat to work – in collaboration with UNFCCC – on the topics of capacity building and technology transfer, which will need to be reported starting from 2024.
- Thematic area 2 - Review the DAC's relevant statistical reporting and data sharing processes to make them more accessible to developing countries and more easily understood.
 - a On Rio markers quality checks, members appreciated the feedback received on the 2019 and 2020 data.
 - b On the data snapshot, members welcomed an agile tool to disseminate data. Some members suggested additional analysis to be made, for example on multilateral data, other official flows, gender equality and by donor.
 - c On the data visualisation dashboards, members appreciated the tool, while some suggested their further expansion to cover disbursements or interaction with other markers, if possible.
- Thematic area 3 - Enhance the compatibility of DAC data, national databases and aid transparency initiatives.
 - a Most members that intervened favoured the option 2a described in the paper (jointly collecting climate coefficients alongside development finance data in the CRS). Three members also showed openness towards option 2b (collecting climate shares alongside TOSSD). One member was of the view that option 2b was premature, while another affirmed that the TOSSD Task Force should deliberate on this topic. Option 1 (developing unique identifiers) was mentioned by four members. Most members agreed that option 3 (quantitative reporting) would not be feasible, at least in the immediate future.. Members also mentioned the need to minimise additional data reporting burden, and the fact that for some countries the climate and development finance systems are not the same, and co-reporting the data could be challenging. One member asked more details on how each of the options could quantify climate finance.
- Thematic area 4 - Harmonise DAC members' reporting in our Creditor Reporting System (CRS), especially with regard to the Rio markers.
 - a On the indicative tables, members invited the Secretariat to proceed with their update. Some members suggested including also examples for OOFs and private finance mobilised, and one member on Disaster Risk Reduction. Three members suggested that some sector codes could be given a score of zero (not targeting climate) by default. One member suggested focusing on technical aspects, also taking into the account the MDBs methodologies.

- b On thematic climate peer reviews, some members showed interest, also suggesting more closely integrating climate in the statistical peer reviews. One member stated that they would rather focus on the feedback from the Secretariat rather than a peer review.
- Thematic area 5 - Develop a method for the CRS to measure specifically donor efforts on sustainable energy transition, in recognition of the importance of supporting transitions in sustainable development.
 - a On the issue of the metrics to track sustainable energy transition, members largely indicated option 1 (using CRS data with supplementary information as necessary) as their preferred option, at least as a starting point. Some members showed interest in options 2 and 3 (which would need additional data to be collected and for which data availability should be assessed). Two members pointed that a more thoughtful approach would be to involve Environet when discussing the definition of sustainable energy transition to be monitored.

Action Points

The Secretariat will open a page on the community space to collect written comments for each of the 5 thematic areas indicated in the paper (by 1 April 2022).

The Secretariat will start work on the revision of the indicative tables, for which there was clear consensus, and will take stock of the comments received on the other thematic areas. Follow-up actions will be aligned with the overarching DAC work plan, and presented at the June meeting, in particular regarding thematic area 3 on reporting.

Item 9. Renewal of the WP-STAT mandate

31. The Secretariat (Ms. Julia Benn) informed members of the procedure to renew the WP-Stat mandate, which is detailed in a forthcoming paper [DCD/DAC(2022)8]. The Secretariat clarified that this is a part of a broader process to renew the mandate of the DAC and of its subsidiary bodies expiring in December 2022. In this process, the DAC is requested to undertake an evaluation of the continuing relevance of its substructure and submit the results to the Council together with the proposal to renew (and possibly revise) its own mandate. To support this evaluation, the WP-STAT is invited to discuss and approve the proposed self-assessment of its continued relevance.

Action Points

The Secretariat will circulate, for comment by 15 April, the document DCD/DAC(2022)8 on the renewal of the mandate of the WP-STAT. The WP-STAT will be invited to approve the proposed self-assessment of its continued relevance and agree to transmit it along with (i) the proposal to renew and revise its mandate, (ii) the proposed assessment of the continued relevance of the legal instruments it supports, and (iii) the list of proposed international organisation (IOs) observers. The proposed changes to the mandate and reviews will be transmitted to the DAC for discussion and approval at its 10–11 May 2022 meeting.

Item 10. Presentation of the semantic tool

32. The Secretariat (Mr. Shashwat Koirala) provided members with a demonstration of the CRS semantic tool and highlighted that the user-interface was still being finalised.
33. Members welcomed the tool and many indicated they were keen to test it. One member asked if the code could be made available and whether the tool could be installed in members' systems.

Another member suggested that an Application Program Interface (API) could allow donor applications to interact directly with the tool. A third member indicated that it was in the process of reviewing its historical CRS data in order to improve the quality of the data and asked if the tool would work also in French. The Secretariat responded that it would work on a French version of the tool as well as explore if it could be expanded to other CRS fields, such as the policy markers or hashtags.

34. Two members suggested that WP-STAT could explore the creation of a community of practice on AI issues where members could share their experiences.

Action Points

The Secretariat will provide an update on the CRS semantic tool at the WP-STAT in June. The Secretariat will involve members willing to test the tool and provide feedback for its further development.

Item 11. Guidelines for dealing with the anonymization of CRS data (e.g. Afghanistan)

35. The Secretariat (Ms. Yasmin Ahmad) presented the guidelines on the anonymization of CRS data in exceptional circumstances [DCD/DAC/STAT(2022)9]. She recalled that, following members' concerns about the developments in Afghanistan in August 2021, and the heightened security risks for donor development partners in the field, the Secretariat took prompt action to temporarily remove from OECD websites any reference to names, titles and descriptions of partners in Afghanistan for all providers of development co-operation in the CRS database. The decision to remove, or anonymise some detailed data was taken as a temporary measure, under exceptional circumstances in order to protect lives. The Development Co-operation Directorate is committed to public and transparent data and members asked the Secretariat to develop guidelines for CRS data protection in emergency situations.
36. The Secretariat affirmed that in the case of Ukraine the Secretariat had used a different approach and asked members if they considered the identification of individuals or organisations in the CRS data could lead to a security risk and if they wished their data to be anonymised. Several members replied affirmatively and consequently the Secretariat had started the data anonymization process.
37. Members welcomed the Guidelines that the Secretariat had drafted. One member suggested adding therein a clarification whereby the decision to anonymise data was a decision to be made by each member. Several members indicated that they did not yet have a timeline by which data for Afghanistan could be restored to its original granular and transparent version on-line. One member also pointed out the fact that once the data is published on the internet it cannot be completely removed, although these measures can certainly reduce the risk. One member suggested to develop guidelines on pre-publication redactions and to implement measures that balance the needs for transparency with the safety of our development partners.
38. The Chair concluded by indicating that members needed to conduct a risk analysis with regards to anonymising data and take a decision on the issue.

Action Points

The Secretariat will revise the guidelines on anonymising CRS data, to clarify that the decision to anonymise data is a decision to be made by each member.

The anonymisation of data for Afghanistan and Ukraine will be reviewed by WP-STAT at its meeting in September 2022 (i.e. in 6 months).

Item 12. Updated guidance on co-operation modalities

39. The Secretariat (Ms. Marisa Berbegal-Ibáñez) presented a note on the updated guidance on co-operation modalities [DCD/DAC/STAT(2022)7].
40. Members welcomed the updated guidelines and made some technical comments. One member asked if it would be possible to report in the Table DAC 1B Other Official Flows loans with a modality B03 and a channel category 40000. An observer requested an update to the development co-operation modality of the ‘Partnership for Market Implementation’ (the column “previous modality” should be empty as this is a new channel). Another member commented on the link between the modality B02 and bi-multi code 2, flagging that unearmarked contributions to multi-donor trust funds managed by multilateral organisations are not categorised as multilateral unless these funds have gone through the Annex 2 procedure.
41. The Secretariat thanked members for the comments, which will be followed up. It also affirmed that changing the link between B02 and bi-multi code 2 would be a major change which members had opposed to in previous discussions and that it will discuss bilaterally with the member that raised the question.

Action Points

Members are invited to use the guidance in their reporting.

Item 13. Reporting triangular co-operation activities in the CRS – Review of the use of the bi_multi code

42. The Secretariat (Ms. Marisa Berbegal-Ibáñez and Ms. Nadine Piefer-Soyler) presented an assessment of the reporting triangular co-operation activities in the CRS through the use of the bi_multi code [DCD/DAC/STAT(2022)8].
43. Members welcomed the document. Some members noted that they still find challenges in reporting their triangular co-operation activities so the Secretariat’s guidance and the flexibility of using the keyword field were much appreciated. A member suggested that the guidance could be updated to include an example of misclassification of triangular flows.

Action Points

The Secretariat will open a discussion page on the WP-STAT community space to collect best practices in identifying triangular co-operation components in larger programmes and triangular co-operation activities in members’ internal reporting systems.

Item 14. SDG reporting guidance

44. The Secretariat (Mr. Giorgio Gualberti and Ms. Madeleine Lessard) presented a revised edition of the SDG handbook [DCD/DAC/STAT(2020)7/REV2].

45. Members praised the expanded version of the handbook, and welcomed the possibility of sending written comments on the various technical aspects. One member asked for the handbook to be translated into French. Two members highlighted the need for a more detailed discussion on how to report on the SDG focus of core contributions to multilateral organisations (modality B02), as also indicated in the text, and one member wished further clarification of the treatment of core contributions to NGOs (modality B01) in this context. Another member called for further harmonisation of the SDG reporting between members and a possible evolution of the rules to mark the reported SDGs as principal or significant. One member raised the question of the application of the SDG flag to administrative costs and possible discrepancies in the approach to these costs in the reporting on the Rio markers and SDG 13.

Action Points

The Secretariat extended the deadline for comments to 1 April 2022. A final version will be published thereafter and will be translated to French.

Item 15. Findings from the 2021 survey on the reporting on administrative costs and proposed next steps

46. The Secretariat (Ms. Anna Rybkowska) presented the results of the survey on members' methodologies for calculating administrative costs [DCD/DAC/STAT(2022)10]. This work originated in the lessons learnt from the statistical peer reviews conducted between 2017 and 2019, that indicated a need for more information on how ODA-eligible administrative costs are calculated by the government departments and agencies involved in aid delivery.
47. The Chair highlighted the importance of this discussion on the different practices by members and the need for consistency, adding that the harmonisation of the practices is long overdue issue. Members welcomed the summary of the findings and emphasised the need for further harmonisation in members' reporting, clarifications in the methodology and improvements in transparency.
48. During the discussion it was highlighted that co-operation modality G01 should be the main tracking tool for administrative costs. Some members noted that introducing a new G02 modality for monitoring and evaluation is a good idea, but needs to be based on detailed methodology.
49. Some members expressed their views that the current mapping between G01 and purpose code 91010 should be dropped. One member was not in favour of removing this connection. Four members were also supportive to open administrative costs' reporting for additional channel codes (now only 11000 or 51000 allowed). There were different views on the rationale for assigning recipient codes for embassies' administrative costs. Regarding delegations to international organisations, one member proposed that diplomatic delegations could account administrative costs by applying the coefficient of the IO in question.
50. The Chair concluded that despite the fact that administrative costs are difficult to compare, they are an indispensable part of ODA. He invited members to share their written comments in order to improve classification, guidance and transparency on the reporting on administrative costs.

Action Points

The Secretariat will open a page on the WP-STAT community space to collect comments on findings from the survey, suggestions for improvement presented in the paper, and next steps in WP-STAT work on administrative costs ODA reporting (by 1 April 2022).

Based on the results of the survey and of members' comments the Secretariat will present a proposal for discussion at the June meeting.

Item 16. ODA eligibility issues related to rechanneling special drawing rights (SDRs) to developing countries, contributions to the Poverty Reduction and Growth Trust (PRGT) and the proposed Resilience and Sustainability Trust (RST)

51. The Secretariat (Ms. Lola Touitou) presented a note [DCD/DAC/STAT(2022)11] providing an overview of the loan contributions to the PRGT reported as ODA in the past as well as recent discussions held with members and the IMF. The note provided a first analysis of the nature and ODA-eligibility of loan contributions to the PRGT. An indicative timeline for the ODA-eligibility assessment of the RST and its potential inclusion on the Annex 2 of the Reporting Directives was also provided to members.
52. Members welcomed the Secretariat's paper and highlighted that the topic was complex. Discussions demonstrated different views on the ODA-eligibility of SDR loans to the PRGT.
 - Some members argued that given the low risk incurred on loans to the PRGT and that there was no budgetary effort in providing SDRs, SDR loan contributions to the PRGT should not be counted as ODA. One member stated that it was a matter of ODA integrity, and several put forward a risk of inflated ODA figures that would not convey the actual financial effort made by providers for development finance.
 - The two members that have recorded the loans concerned in ODA in the past consider these represent a transfer and entail a donor effort. One of these members expressed that it would be strongly opposed to applying a discount rate lower than 5% for calculating the ODA grant equivalent of these loans – it saw the 5% as the discount rate for non-risky loans, and applying a lower discount rate would challenge the whole ODA grant equivalent accounting.
 - On the question of budgetary implications, one member noted that the European Central Bank had advised European States to provide guarantees to the national Central Banks extending loans to the PRGT. This would potentially be mandatory for lending to the new RST in light of expected longer maturities. These (sometimes substantial) off-balance sheet commitments have an impact on the debt sustainability of the provider countries, which in turn has an effect on the financing terms the provider countries obtain for themselves. One European member confirmed the existence of a State guarantee when lending to the PRGT, while another member explained it did not have such a guarantee (the risk was considered entirely covered by the PRGT risk management framework).
 - One member, while expressing the view that such loans should be ODA reportable, suggested to create a temporary working group to discuss how they should be counted.
 - The IMF stated they would be happy to participate in further discussions on the reporting on loans to the PRGT if needed.
53. Several members also stressed the importance of harmonising the reporting of contributions to the PRGT, taking into account differences in modalities (grants or loans, SDRs or currency) in the interest of ODA comparability. Members requested clear guidance on the ODA-eligibility of SDR loans, especially in the context of the upcoming creation of the RST.

Action Points

The Secretariat will open a page on the WP-STAT community space to collect members' comments. Members, in particular those extending loans to the PRGT, are invited to consult with their relevant experts (ministry of finance, central banks...) on the questions raised in the Secretariat's paper.

An update on this work will be presented at the next WP-STAT meeting in June.

Item 17. Review of the provisional reporting methods for private sector instruments

54. The Secretariat (Mr. Tomas Hos) presented an update on the current activities in relation to Private Sector Instruments (PSI), including the status of members' data reporting in 2021 and the review of the provisional Reporting Methods for PSI in 2021-22. While members' reporting has been improving over time, more work may be needed in the reporting of detailed data on the additionality of individual activities as well as financial details on equities and non-concessional loans. Moreover, the Secretariat updated members on some of the practical arrangements of the upcoming key stakeholder group consultations in the context of the PSI review.
55. The delegate from France (Mr. Thomas Garreau) presented a room document "Non-paper on the accounting of guarantees in official development" [DCD/DAC/STAT/RD(2022)1]. Building upon past discussions on PSI, France's paper suggested concrete ways to possibly calculate the donor effort in issuing various kinds of guarantees on a grant-equivalent basis and invited a debate with other members in this area.
56. The Secretariat welcomed the alignment of France's document with the 2016 HLM principles and outcomes of the past discussions, and the 2017 proposal on the implementation details of PSI principles [DCD/DAC(2017)18/REV1] in particular.
57. Members welcomed the PSI review process and thanked France for their work on guarantees. One member suggested inviting private sector specialists outside the development finance community in the stakeholder group consultations, in particular on the issue of defining risk-adjusted discount rates. Another member mentioned that attention needs to be paid to guarantees that have been called to minimise the risk of double counting. One member also stressed that guarantees are extremely important but that they should cover risks of ODA recipients, not risks of ODA providers, and stressed the need of transparency and of being conservative on this topic. The World Bank offered to share its methodology on accounting for guarantees in blended finance projects.

Action Points

Members are encouraged to actively take part in the key stakeholder group consultations organised during the first half of 2022. In this context, the Secretariat would appreciate receiving names and contact details for interested participants. Details on the practical arrangements of the consultations can be found at the WP-STAT Collaborative Space.

Item 18. Update on total official support for sustainable development (TOSSD)

58. The Secretariat provided members an update of the latest developments of the TOSSD framework. The main highlight of the presentation was that TOSSD is now recognised as a data source in the SDG global indicator framework, following a decision at the UN Statistical Commission in early March. The Secretariat also updated members on the data collection on 2020 expenditures, capacity building seminars, as well as pilot studies. Members welcomed the updates.
59. The Chair called upon the members to continue reporting and actively participate in the next TOSSD data collection cycle.

Item 19. Any other business

60. The next WP-Stat meetings are scheduled as follows:

- 28 to 30 June 2022
- 28 to 30 September 2022
- 28 to 30 November 2022.