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Development Co-operation Directorate
Development Assistance Committee

Cancels & replaces the same document of 18 October 2022

DAC Working Party on Development Finance Statistics

Summary record of the WP-STAT meeting

WP-STAT meeting 28-30 June 2022

This revised summary record was sent to the WP-STAT for APPROVAL via the written procedure.

The Cancel/Replace corrects a typo in the document title.

No objections were expressed by the 23 September 2022's deadline; the record is therefore considered approved, issued as FINAL, and declassified

Please note, one sentence in par. 39 was modified to increase clarity.

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WP-STAT meeting, 28-30 June 2022

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, Mr. Dirk Platzen, summarised the main topics discussed at recent DAC meetings. He recalled that the DAC had held several discussions on the implementation of the DAC declaration on climate and that all networks are working on this topic. He also recalled that a group of co-facilitators of the DAC networks and subsidiary bodies had come together to improve coordination and support to the Secretariat in the implementation of the Declaration, also in light of the several upcoming international meetings on climate change and biodiversity. Regarding other topics debated at DAC meetings, he noted that several discussions had been held on the consequences of the Russian invasion of Ukraine and its impact on developing countries, including on global food security. On PSI, he flagged that the DAC would discuss this topic in its July meeting and take into account the outcome of the WP-STAT discussion. The DAC had also discussed the channelling of special drawing rights (SDRs) and decided to have a Major Policy Issues (MPI) group meeting on this topic later in the year. Finally, Mr. Platzen noted that the WP-STAT Chair had addressed the DAC and given his readout on WP-STAT work, in particular on the topic of ODA modernisation. The DAC had thanked him for his service to this committee.

Item 2. Adoption of the agenda

3. The Chair signalled that a revised agenda had been issued before the meeting. Members adopted the revised meeting agenda.

Item 3. Monitoring the grant equivalent system – annual report

For discussion [DCD/DAC/STAT(2022)14]

4. The Secretariat (Mr. Olivier Bouret) presented the analysis of the impact of the grant equivalent system on the composition and allocation of ODA in 2020. The analysis

confirmed the previous years' conclusions that the grant equivalent system had had little impact on ODA figures. There had been no significant changes in members' lending practices. The Secretariat also presented its assessment on the Adherents' (all DAC members) status of the implementation of the 1978 DAC Recommendation for 2020. Members appreciated the Secretariat's analysis and the fact that their comments from last year had been taken into account.

5. Members proposed improvements for this report and/or following iterations of the report:

- Caveat the paper around the impact COVID-19 had, especially as 2020 may have been an outlying year.
- Specify that PSI ODA loans (instrument approach, passing the 25% grant element when calculated using a 10% discount rate) were included in the report for the sake of completeness of the analysis although they are measured on a flow (and not grant equivalent) basis. Further specify that, for members following the institutional approach, the PSI loans had not been included. Improve table 2a of the annex to include more breakdowns in this regard.
- Specify that it is most likely the market rates, rather than the ODA reporting methodology, that influences concessional interest rates.
- One member pointed out its name was missing from several paragraphs and it would send written comments to make the appropriate corrections.
- The World Bank signalled that more countries than indicated in the report had provided loans to IDA.

6. One member also proposed that a summary of the main conclusions of this paper be issued in a separate document, for the DAC consideration. Additional comments in relation to the conclusions of the report include:

- While the grant equivalent system was expected to incentivise higher concessionality to LDCs and greater provision of highly concessional loans to these countries, it was worrying to note that such trends were not observed so far.
- One member mentioned concerns around the treatment of reimbursable grants, currently measured on cash-flow and not grant equivalent basis. In its view, large reimbursable grants where terms are known should be treated as regular loans and their grant equivalent counted in ODA. The Secretariat was called upon to help rectify this issue and signalled that this topic would be addressed as part of the PSI agenda item of the meeting.
- While the average grant element had been stable over the last period, a decrease was to be expected as interest rates were on the rise.

7. Concerning the 1978 DAC Recommendation, members had different views about the targets set out in the Recommendation. One member supported the continued calculation of the average grant element as per the Recommendation, while a few other members supported the update to the Recommendation, noting its impact on disincentivising loans.

8. The Secretariat thanked members for their comments and suggestions and announced that the need to update the 1978 DAC Recommendation would be discussed when the DAC presents its mandate renewal to the Council.

9. Linked to the topic of ODA modernisation, the Chair signalled an article published in the Financial Times, critical in particular to the discount rates used in the calculation of

the grant equivalent of loans. The DAC Chair had replied to the article and the Secretariat was preparing an FAQ to be posted soon to address the more technical aspects of the criticism.

10. The Chair closed the item by noting with satisfaction that the ODA modernisation and the grant equivalent system had not led to ODA inflation so far. The Secretariat would continue monitoring the trends going forward. Despite little appetite from members to revise the Recommendation, this file would need to be tackled in the second half of 2022.

Action point

- Members will signal any factual error in the Secretariat's report by 14 July 2022. The report will then be considered approved, declassified and posted on the DAC website.

Item 4. Update on Private Sector Instruments (PSI) – insights from key stakeholder consultations in the context of the 2022 review of the provisional reporting methods

For comment [DCD/DAC/STAT(2022)15]

11. The Secretariat (Mr. Tomas Hos) made a presentation on the status of work on the review of the provisional reporting methods for PSI, including a summary of the main takeaways from the key stakeholder consultations (part 1 of the review), and next steps, namely a possible plan for the part 2 of the review in 2022, to be organised in four distinct steps and continued key stakeholder consultations.

12. The OECD Export Credit Secretariat (Ms. Juliette Schleich) shared its perspectives on the reviews of four members' self-assessments of the ODA-eligibility of their PSI vehicles, carried out jointly with the DAC Secretariat. While the export credit community remains concerned about the level playing field for guarantees and loans to the private sector, the risks involved were considered small. Moreover, equity investments and mezzanine finance were not of particular concern.

13. There was strong support for the next steps proposed by the Secretariat. The discussion highlighted members' commitment to engage and find a solution in the interest of ODA integrity and development effectiveness. However, many members found the suggested timeline overly ambitious, if not unrealistic. Further, some members explicitly endorsed the step-by-step approach for the second part of the review, focusing on guarantees and loans to the private sector first, also seeking ways to simplify the current methods. A few members also mentioned that guarantees should not be treated in isolation as they are issued in relation to other instruments.

14. Some members emphasised that the coexistence of the instrument and institutional approaches remains a key principle of PSI, and that this was out of scope of the review. Some also maintained that part 2 of the review should primarily concern the instrument approach, although the Secretariat stressed that the review concerns all DAC members, irrespective of the approach they use. The Secretariat confirmed that the co-existence of the two reporting approaches is anchored in the 2016 HLM Communiqué and that the focus of the review lies on improving the provisional methods, rather than revising the HLM principles.

15. Members welcomed the proposed continued consultations with key stakeholder communities in part 2 of the review. In this context, one member suggested that the Secretariat reached out to the DFI community to collect additional inputs (e.g. on defaults) to support members' discussions on grant equivalent methods. Furthermore, the consultations could include private sector actors beyond the development landscape.

16. One member asserted that ODA should remain a measure of concessional finance, promoting assistance to underserved communities and sectors.

Action point

- The Secretariat will relay WP-STAT members' feedback on the recommended next steps to the DAC at its meeting on 5-6 July 2022.

Item 5. ODA-eligibility issues related to rechanneling SDRs to developing countries, contributions to the PRGT and the new RST: update and Secretariat's guidance on eligibility of SDR loans

For discussion [DCD/DAC/STAT(2022)16]

17. The Secretariat (Ms. Lola Touitou) presented a note providing members with guidance on the reporting of SDR loans to the Poverty Reduction and Growth Trust (PRGT) and Resilience and Sustainability Trust (RST). The paper also discussed RST features and first statistical considerations related to future contributions to the Trust, summarising the documentation provided by the IMF.

18. The Secretariat has concluded that SDR loans to the PRGT and RST, despite decisive to mobilise additional resources for the SDGs in developing countries, should not be reported as ODA in DAC statistics. This recommendation was supported by the majority of members, while one member expressed disagreement. A few members, while agreeing with the non-eligibility of SDR loans as ODA in general, still argued for exceptions to be made in certain cases.

19. The debate on the use of SDRs revolved around the level of donor effort, central bank involvement, risk incurred by the donor, concessionality, transferability and encashment of SDRs as well as the question of flow of funds, as follows:

- The majority of members that agreed that SDR loans were not ODA-eligible also agreed with the Secretariat's reasoning (the fact that SDRs retained their reserve asset character and that SDR "loans" therefore did not constitute a real flow; that there was no or limited effort by the donor and close to no risk associated with this type of loans; that recording them in ODA would entail a serious risk of crowding out ODA budgets and could be problematic if perceived as violating the Central Banks' independence treaties). However, one of these members signalled that the arguments related to the liquidity of funds (encashment regime and transferability of funds) as well as to the type of currency (SDR versus hard currency) were irrelevant as the loans should be non-ODA eligible in any case. Another member highlighted that other types of non-flow transactions (i.e. imputed student costs, debt relief) were reflected in ODA.
- Regarding the few members arguing for a small donor effort being recognised in ODA in some exceptional circumstances, one suggested that the member that had been reporting its SDR loans as ODA with interest rates below the market should rather report its contribution as an implicit subsidy (grant) to the PRGT subsidy account. As for the State guarantee that some members have to provide to their Central Bank in relation to the SDR loans, a few members expressed the view that the cost could be estimated and counted in ODA while others recalled that guarantees were currently not reportable as ODA.

- One of the two members that had previously counted their SDR loans to the PRGT as ODA expressed disagreement over the arguments in the Secretariat's paper (the loans are not as liquid as described in the paper given the strict conditions of the encashment regime, the loans do entail a certain risk hence the safeguards put in place by the IMF). The member expressed the view that SDR loans were actual transfers of funds entailing a donor effort and that their grant equivalent should be counted in ODA applying a 5% discount rate. It indicated that a DAC MPI Group meeting would take place on this topic in the near future. The other member that used to report its SDR loans to the PRGT as ODA highlighted that they had done so in good faith, in line with the grant equivalent method, and would provide written comments on the substance of the analysis, including on issues that may be relevant such as the management of foreign exchange reserves.

20. Several members also inquired whether the guidance only applied to SDR loans to the PRGT/RST or other Multilateral Development Banks as well, and the World Bank suggested clarifying that it only applies to SDR rechanneling specifically to the IMF PRGT and RST, as it may lead to a different conclusion for flows that would be rechanneled to other funds (e.g. through MDBs).

21. On the advisability to report SDR loans as TOSSD instead, some members welcomed the suggestion, emphasising that this would provide more transparency on development finance and account of the increasing role of SDR channelling to mobilise additional resources for development. Nonetheless, some had concerns that the same statistical problems on the nature of contributions encountered in the context of the CRS would also apply in the TOSSD framework (i.e. that SDR loans do not necessarily constitute a flow). Another member wanted to study the feasibility of introducing a separate section on SDR loans in the TOSSD Reporting Instructions that for the moment only included official flows and funds mobilised by the official sector. In any case, a member reminded the WP-STAT that it was up to the TOSSD Task Force to discuss the reporting and statistical treatment of such contributions.

22. On the preliminary analysis regarding the RST assessment and reporting of contributions to its different accounts, members indicated that they looked forward to the Secretariat's recommendation for inclusion of the RST on the List of ODA-eligible international organisations. One member expressed its doubts on the possible ODA-eligibility of the reserve account and called for further analysis.

Action points

- A page would be opened for comments (due by July 16th) on the WP-STAT community space.
- The discussion with the member that disagreed would be taken forward bilaterally.
- Updated guidance would be presented at the September WP-STAT meeting (November at the latest). In parallel, the Secretariat would proceed with the assessment of the RST.

Item 6. Update on the United Nations' Regular Budget (UNRB) ODA coefficient

For information [DCD/DAC/STAT(2021)20/REV3]

23. The Secretariat (Mr. Aussama Bejraoui) informed members that the revised proposal had been approved on 17 June under the written procedure. As a consequence, the UNRB ODA coefficient increased from 47% to 52% and the UNEP ODA coefficient is confirmed at 100%.

24. Members agreed with applying the revised ODA coefficients for UNRB and related UN entities in this year's ODA reporting (2021 data). Two members preferred applying them only from next year's reporting onwards (for consistency with their budget figures) but did not block consensus for other members to apply them already this year.

Action points

- Members who have not yet sent their CRS reporting will indicate in their submission whether they have applied the new coefficients.
- The Secretariat will reach out to those members who have already submitted their 2021 CRS reporting to revise their data.

Item 7. Update on COVID-19 ODA data collection

Oral presentation

25. The Secretariat had analysed the data reported on donations of COVID-19 vaccine doses in 2021 ODA and reported that the guidance it had issued had successfully prevented ODA inflation: these donations accounted for USD 2.3 billion in total preliminary ODA figures, or 1.3% of ODA. In brief, the data showed that:

- Australia, Finland, Greece, Iceland, Luxembourg, the Netherlands and the United States did not report excess doses; Luxembourg, the Netherlands and the United States did donate excess of domestic supply but specifically didn't report these as ODA.
- All members but Hungary used the recommended price of USD 6.72 to value their donations.
- Moreover, reporting on the donations proved to be complex and time-consuming, both for the members and the Secretariat.

One member recalled that the guidance on counting donations of excess vaccine doses in ODA was applicable for one year only, and that a new discussion was needed for 2022. The Secretariat confirmed that, as agreed by members, the methodology would be reviewed and a new assessment conducted for donations made in 2022. One member made a plea for the Secretariat to communicate about the positive aspects of development work in this area, beyond the concern of ODA inflation. Another member asked how to report the donations in the CRS, e.g. the channel of delivery (COVAX versus bilateral). The Secretariat stated it expected members to report full details of their donations in the CRS for 2021 ODA, including the number of doses and names of manufacturers.

26. On reporting COVID-19 expenditures, one member reported that it had opted not to specifically label activities as COVID-19 in cases where aid was shifting towards longer-lasting repercussions of the pandemic, or where aid related to COVID-19 had become part of a broader programme. The member indicated that it only labelled activities with the COVID-19 keyword where an activity was purely targeted towards COVID-19.

Action points

- The Secretariat will prepare a background document to support members' discussions at the WP-STAT meeting in September on the methodology to apply for valuing donations made in 2022.
- Members are encouraged to pay special attention to the reporting of their COVID-19 expenditures in 2021 in CRS data.

Item 8. Imputed multilateral flows by sector

Oral presentation

27. The Secretariat (Mr. Mark Baldock) made an oral presentation on the method used for the calculation of the imputed multilateral flows by sector. For the moment, the calculation has been done for the sectors of health and population, agriculture, education and energy, based on 2020 commitments, (gross disbursements were used as a proxy where there were data gaps). The imputed multilateral flows by sector are stored in a separate data set from imputed multilateral shares by recipient.

28. One member expressed its appreciation for the availability of these figures and inquired about the possibility of obtaining figures for previous years. Another member inquired if the calculation could be available for both disbursements and commitments.

Action points

- The Secretariat will post imputed multilateral flows in 2020 for health and population, agriculture, education and energy in the coming days in Table DAC5 in OECD.stat. It will gradually expand imputed flows to other sectors and look into the possibility of calculating these flows for past years, noting that this would lead to a break in series compared to previous calculations.
- The work on imputed multilateral flows for climate change is already being done and available on the climate change page.

Item 9. Tracking support for refugee and IDP situations in ODA recipient countries in the CRS – updated proposal

For approval [DCD/DAC/STAT(2022)18]

29. The Secretariat (Ms. Marisa Berbegal-Ibanez) presented a proposal to track support to refugees, refugee returnees and IDPs in ODA recipient countries in the CRS. Following comments by one member after the issuance of DCD/DAC/STAT(2022)18 on the difficulty to estimate the proportion of refugees, refugee returnees and IDPs in activities they support, the Secretariat proposed adding a footnote to the keywords to allow for flexibility in implementation.

30. Mr Hervé de Villeroche, UNHCR Special advisor on development, highlighted the importance of the proposal for the implementation of the UN Global Compact on Refugees (GCR). Regular and systemic tracking of funding for refugee situations by the OECD is essential and could counter-balance the weight (and associated narrative) of in-donor refugee costs.

31. Most members supported the proposal and many appreciated the flexibility added by the footnote. However, the WP-STAT could not reach consensus.

- A few members expressed concerns about the establishment of a 50% threshold, given the difficulty to estimate the percentage of funding that benefits the target population (refugees, refugee returnees, IDPs), and some asked to include support to host communities within this threshold, alongside the target population. The Secretariat proposed to allow also activities whose principal objective is to support the target population: refugees, refugee returnees, IDP's and host communities.
- One member suggested including “sustainable development support” within the description of the keyword #refugees&host_communities.
- In the list of exclusions of Table 1, one member proposed separate bullet points for IDPs and migrants, to make it clear that they are two distinct groups.
- One member stated it would welcome advice from other members on the implementation of the keyword field in their internal reporting systems. Canada informed that it was in the process of including the keyword field in its system and offered to share its experience.
- One member requested clarification that the 50% threshold does not relate to the ODA eligibility of the activity but rather the use of the keyword, and that the recipient country should be the hosting country (where the activity takes place). The Secretariat confirmed both points.

32. The Secretariat thanked members for their comments and suggestions that would be included in a revised version of the proposal. It also clarified, together with the UNHCR expert that the threshold had been included to prevent using the keywords for large programmes only vaguely related to refugees or refugee programming. Two particular examples were provided of activities that should not be assigned the keyword: (i) an education programme at a national scale that also benefits refugees (small component) and (ii) the construction of a road that also connects a refugee camp (the infrastructure project cannot be seen as support to refugees in its entirety). The Secretariat also informed that UNHCR will update the definition of the GCR indicators (not the indicators themselves) depending on the final proposal adopted by the WP-STAT.

Action points

- The Secretariat will issue a revised version of the document. Members are invited to send written comments by the end of August.
- The Secretariat will then circulate the proposal, eventually updated on the basis of the comments received, for approval under the written procedure on non-objection basis.

Item 10. Tracking in-donor refugee costs – identifying aid to refugees in other provider countries

For approval [DCD/DAC/STAT(2022)19]

33. The Secretariat (Ms Valérie Gaveau) presented a note proposing the adoption of a new modality H06, within the overall category of in-donor refugee costs, for tracking support to refugees in other provider countries.

34. There was large support for the introduction of this new modality, and several members could agree to it immediately, indicating that it was especially timely in the context of the Ukrainian refugee crisis. However, several other members asked for clarifications on the reporting of this type of support, as detailed below. As reporting on the proposed new modality would occur only next year, a follow-up discussion could take place later this year before finalising the proposal.

35. Clarifications required on the reporting of this type of support included:

- How to report on the recipient of such an activity (country of origin of refugees vs. country where refugees are being supported, or 998-Developing countries unspecified). The Secretariat and the Chair clarified that, for support to refugees in a developing country, the reported recipient should be the country where refugees are being supported in, not the country of origin of refugees (e.g. Lebanon in the case of support to Syrian refugees hosted in Lebanon). With the same logic, in the case of support provided to refugees in other provider countries, code 998 should be assigned.
- How to handle the redundancy between modality H0x and purpose codes 930xx. One member suggested a future proposal to withdraw the 93010 purpose code to eliminate this redundancy.
- Concerning footnote 33 in the Reporting Directives (“Contributions by one donor to another donor to cover such expenditures should be recorded as ODA by the contributing country. The receiving country should reduce the expenditure reported under this item by the same amount.”) several countries worried about the verifiability of such a recommendation and how double-counting would be avoided in practice. The Secretariat clarified that checks could not be conducted in a systematic manner for capacity reasons. It remained members’ responsibility to follow the Reporting Directives and report in good faith, the Secretariat could only ask for clarifications on the basis of descriptive fields when there was a doubt.
- Several members mentioned it would be difficult to implement the new modality and to comply with the 12-month rule. One member, while supportive of the newly proposed modality, asked for flexibility on the reporting of other modalities (C01, B03) for support channelled through NGOs and multilateral organisations.

36. The question of how to report these costs and the appropriate reporting modality in TOSSD was also raised, stressing the fact that to avoid adding unnecessary reporting burden, codes would have to be as aligned as possible. This point would be conveyed to the TOSSD Task Force.

Action point

- Members are invited to send written comments by the end of August. The Secretariat will complement its proposal with concrete examples of reporting, and provide the necessary clarifications, for a follow-up discussion in September.

Item 11. Preliminary findings from the two-year data pilot related to mobilised private finance by technical assistance and the 2022 portfolio review

For discussion [DCD/DAC/STAT(2022)20]

37. The Secretariat (Ms. Cecile Sangare) updated members on the ongoing work related to measuring private finance mobilisation. This included, in particular, the preliminary assessment by the Secretariat of the two-year data pilot on technical assistance and the progress related to the 2022 portfolio survey.

38. Members welcomed the work of the Secretariat on measuring mobilised private finance. They generally supported the Secretariat's preliminary analysis and assessment of the first year of the data pilot on the feasibility to include the mobilisation effect of some technical assistance in the current measure. However, some members expressed reservations on the proposal to discontinue the pilot in 2022 (for reporting on 2021 flows) for projects where a causal link cannot be clearly established (i.e. classified in the paper under categories C, D and E). They believed that it would be premature and considered that more examples were needed for those project categories.

39. A few members further expressed interest for undertaking more work to capture the more indirect / catalytic effect of their technical assistance. IFC offered to collaborate with the Secretariat and the WP-STAT on this matter including by making specific recommendations to adjust the OECD approach based on its own reporting requirements under the MDB joint methodology and its indicators used to report bilaterally, as well as by sharing concrete examples taken from their own experience.

40. It was agreed that the data pilot will continue in 2022 (for reporting on 2021) as initially planned, without limitations on the types of technical assistance. The Chair encouraged members and other participants to the meeting to share as many examples as possible, including information on the rationale for considering projects beyond categories A and B (using the screening questionnaire).

Action points

- The pilot will continue in 2022 as initially planned, with no limitations on the type of technical assistance.
- Members are encouraged to share as many examples as possible, including information on the rationale for considering projects beyond categories A and B (using the screening questionnaire).
- Written comments are invited by 15 July.

Item 12. DAC/CRS Reporting issues in 2021

For discussion [DCD/DAC/STAT(2022)21]

41. The Secretariat (Ms. Yasmin Ahmad) presented the annual report on reporting issues which included feedback on 2020 data and specific reporting issues on ODA and

non-ODA flows. This year the traditional ranking table was exceptionally challenging due to late reporting of a few members together with the shortage of staff in the Secretariat. Instead, the Secretariat provided members with a general assessment by country on timeliness, comprehensiveness and accuracy of their reporting in 2021 on 2020 data.

42. The Secretariat informed the WP-STAT that it was fully staffed now and that three members have already reported. The Secretariat encouraged all members to report in a timely manner and indicated that submissions after October could compromise the publication of the final and detailed 2021 data in December.

43. Members thanked the Secretariat for this report which is considered very useful, and some indicated when they planned to report their final 2021 data.

44. Regarding the specific reporting issues covered in the paper:

- There was a general agreement that the new purpose code 12264 for COVID-19 had a direct correspondence with the keyword COVID-19. One member found it sometimes difficult to set the delimitation between humanitarian aid and the COVID-19 code, especially at the first stages of the pandemic.
- Several members expressed concerns on the suggestion to consider splitting transactions with multiple purpose codes in order not to create inconsistencies with other fields such as policy markers or keywords. The Secretariat provided clarifications on the problems derived from incoherencies due to the use of purpose codes. The problem is not so much that some checks are not applicable anymore but rather when the data is disaggregated for publication in the bulk files. For example, there can be transactions with multiple purpose codes that are not marked gender that have as purpose code women's organisations, which leads to questions from users. The use of metadata could be a solution. However, members were requested to pay attention to these situations.
- One member stated it was working to improve the short descriptions.
- Two members stated they would find useful to have further guidance on what can be included under OOF and on the boundaries OOF/global public goods.
- One member mentioned that descriptions were not relevant for some co-operation modalities such as administrative costs or core contributions to multilateral organisations.
- Another member asked clarification on whether the Secretariat would produce the ranking table again as from next year. They would also find useful to receive a summary of the most important reporting issues from the Secretariat's view after finalising the reporting. The Secretariat indicated that it would resume the ranking table next year and examine how to provide an overview of feedback after the reporting cycle was completed. It encouraged members to implement any suggestions received from the Secretariat.

45. As regards the LDC flag, there was a general agreement for extending the trial period for one more year. One member indicated that there was a time lag between the technical implementation of the field in the system and the actual use of it, but it intended to report on 2021 data. Some members stressed the importance of reporting on this field to have a complete picture of the total aid going to the LDCs and encouraged members to use it.

46. The Chair stressed the importance of publishing the data on time in December even without members that reported too late and the need to reduce the time of ‘dialogue’ between the donor and the Secretariat.

47. The Secretariat confirmed that available data is published in December but what users look for are the totals that cannot be calculated without all donors finalised. The timely publication has to be a joint effort and any donor reporting after October will be problematic.

Action points

- The Secretariat indicated that it would produce the ranking table for the next reporting exercise on 2021 data. This table had not been produced this year due the extremely late reporting and processing of 2020 data.
- Members agreed to extend the trial period for the LDC flag for one more year (2021 data). Activities with flag 1 will continue to be included in the calculation of total ODA to LDCs.
- Members reporting the DAC/CRS data before the end of June will receive feedback by the end of July.
- Members are strongly invited to respect the deadline for reporting of 15th of July.

Item 13. Update on the semantic tool

Oral presentation

48. The Secretariat (Ms Yasmin Ahmad) presented the semantic tool for the CRS, which would facilitate the verification of CRS purpose codes using descriptive information for each CRS activity. The tool demonstrates how artificial intelligence can facilitate the processing of large volumes of data.

49. Members welcomed the new tool. The Secretariat emphasised that high quality and granular descriptions were key to the good performance of the tool. It also highlighted that ultimately the tool would not be able to detect subtleties in descriptive data and that the human eye was still the best manner to verify the data. One member indicated it had developed a similar tool and expressed that with a larger sample size, AI functioned more accurately. This member was willing to share how it had addressed issues around confidentiality to use the tool.

50. The Secretariat indicated that depending on funding, it was exploring Phase 2 of the semantic tool, which would adapt it to the French language, and expand it to verify data reported against policy objectives and keywords.

51. Spain requested the dictionary of terms used in English and proposed to translate them into Spanish, which could lead to a Spanish version of the tool.

Action point

- The Secretariat will circulate a link to the semantic tool in the coming days and invites members to test it during the coming months on their 2021 data. The Secretariat will collect feedback from members on the tool in September through a survey, and based on feedback received fine-tune the tool before the end of the year. Members asked the Secretariat to make available an API for the tool, if technically possible.

Item 14. Forward Spending Survey – new proposal to streamline the data collection

For discussion [DCD/DAC/STAT(2022)22]

52. The Secretariat (Mr. Mark Baldock) presented proposals to streamline the Forward Spending Survey (FSS), based on comments received at the informal WP-STAT in March 2022.

53. Most members agreed to the Secretariat's proposal to further streamline the FSS from 2022 onwards. Some members voiced the difficulties within their administrations to obtain forward looking data by the proposed deadline of 31 July and asked if the deadline could be moved to mid-September.

54. Three members requested that the FSS not be a mandatory exercise but remain reportable on a voluntary basis.

55. Several members raised questions about the usefulness of the FSS data and suggested that an evaluation of the FSS be carried out.

56. The Chair concluded that the FSS streamlining proposal was approved, but given the substantial number of members who had difficulties reporting on FSS, the survey will not be mandatory. He asked that members post any further comments in the WP-STAT community space within 2 weeks after the meeting. Given the number of members who voiced timing issues, the Chair suggested that the Secretariat move the deadline to mid-September. The Chair also highlighted the necessity to look at the use that is made of the FSS data.

Action points

- Voluntary FSS reporting deadline is postponed to 15 September.
- Members should provide written comments to the proposals in the document within 2 weeks.

Item 15. Development Co-operation Report Country Profiles – pre-launch

Oral presentation

57. The Secretariat (Mr. Jonas Wilcks and Ms. Ida McDonnell) presented the DCR country profiles which will be launched on July 1st. It thanked members for their engagement in fact checking the profiles these past few weeks.

Action point

- The Development Country Profiles will be launched on July 1st 2022.

Item 16. Data production for the SDG indicators framework

Oral presentation

58. The Secretariat (Mr. Mark Baldock) presented the dataset that is being developed to present the SDG indicators for which the Secretariat is custodian and that are provided to UDESA every year.

Action point

- The Secretariat will post the ODA-relevant SDG indicators in the new dataset in OECD.Stat and will inform members when this is available. It will also create a webpage and circulate the link once it becomes available.

Item 17. Update on TOSSD governance and reporting

Oral presentation

59. The TOSSD Task Force Secretariat (Mr. Guillaume Delalande) updated members on the ongoing work related to TOSSD reporting, governance and other initiatives. In particular, the Secretariat informed members that, as of 27 June, 23 providers had already reported their 2021 TOSSD activities, including two DAC members. Also, the Secretariat indicated that the TOSSD Task Force is discussing the future governance arrangement for TOSSD and Terms of Reference for a future, more formalised, governance entity for TOSSD. The transition to this new entity is planned for January 2024. The TOSSD Secretariat also updated members on activities related to capacity-building, pilot studies, and communication and outreach.

60. Several members welcomed the work of the TOSSD Secretariat on the data collection process and the discussions for the future governance of TOSSD. On the latter, they generally recognised the importance of having a more formalised governance arrangement for TOSSD in order to keep the decision making processes effective while having an inclusive membership. One member highlighted the importance that the OECD hosts the new governance entity at least until 2030, since the Organisation is a co-custodian for SDG indicator 17.3.1. Two members stressed the need to carefully review the number and objectives of potential working groups inside the new governance arrangement, to avoid duplication of efforts. Furthermore, some members pointed out the need to ensure long-term sustainability of the future TOSSD governance arrangement.

61. In response, the TOSSD Secretariat flagged that almost 100 providers had reported to TOSSD and that further expansion requires a more formalised, long-term structure to keep a high level of efficiency and interaction. The Secretariat also stressed the need for more voluntary contributions to ensure TOSSD's long-term sustainability. Interested members were invited to read the draft ToRs of the new governance entity and other TOSSD Task Force background documents available online at www.tossd.org.

62. Finally, in response to members' questions on the agenda of the 17th TOSSD Task Force meeting (11-13 July), it was noted that the topics included further guidance on sustainability for TOSSD, a data validation mechanism for recipient countries, the potential inclusion of a provider perspective and data collected by TOSSD on South-South co-operation.

Action points

- The Chair welcomed progress on TOSSD data collection and governance, and encouraged members and participants that have not reported to TOSSD yet to start doing so in the current data collection round.
- Moreover, TOSSD Task Force members that are also OECD members were invited to participate in a face-to-face meeting on 11 July, for a preliminary discussion on the future governance arrangement for TOSSD.

Item 18. DAC Survey on the coefficients or other adjustments applied by members to Rio markers data when reporting to the UN Conventions

For information [DCD/DAC/STAT(2022)24]

63. The Secretariat (Ms. Sandie Xu) presented the results of the 2022 survey on coefficients applied to Rio marker data when reporting to the UN conventions on Climate Change, Biodiversity and Desertification. Members welcomed the paper and found this exercise useful as it creates the space for discussion to increase understanding of the different methodologies applied.

64. Several members acknowledged the diversity in members' practices and raised the need to further harmonise. In particular, members commented on the measurement basis to use when reporting to the UN Conventions. One member noted that the use of disbursements is to be preferred, as commitments are more volatile. One member noted that they have no preferences as they are told to report both commitments and disbursements, while another member expressed that they are not able to report both to the UNFCCC at this moment. One member raised the importance to recall the history of Rio markers, which are meant to indicate intentions rather than measure volumes, and therefore coefficients are initially applied on commitments and reporting on disbursement basis might create misunderstanding that figures are accounting measures.

65. Two members provided further clarifications on how they apply coefficients: one explained that coefficients are available but not used for reporting to Conventions on Biodiversity and Desertification and another explained that other markers such as aid to environment are considered in the process.

Action point

- Member will signal to the Secretariat any error or omission, or submit additional data. The Secretariat will issue a revised version accordingly.

Item 19. Follow-up on the implementation of the DAC Declaration

For discussion [DCD/DAC/STAT(2022)25]

66. The Secretariat (Mr. Giorgio Gualberti) presented a note for discussion on various implementation options for the DAC Declaration. Due to the complexity of the topic, several members asked to have the possibility to send written comments through the community space after the meeting.

67. Members commented on the various implementation options proposed in the paper, as follows:

- On thematic areas 1.1.a and 1.1.b (Rio markers coefficients), several members expressed their availability to accommodate either solution, two members expressed a preference for option 1.1.a (add new columns) and five expressed a preference for the option 1.1.b (updated survey). Several members welcomed the option to publish the coefficients alongside climate-related data, one member suggested to pre-fill the survey with previous years' values, considering the stability of coefficients over time. Three members pointed to the differences in the reporting schedule between the CRS and the environmental conventions.
- The World Bank recalled that the climate components methodology adopted by the MDBs assures consistency, transparency, and comparability of climate finance data across sectors and institutions. The methodology is conservative and robust. It also recalled that, in collaboration with stakeholders, the MDBs are developing a new Paris alignment framework.
- On thematic area 1.2.a (reporting climate-related OOFs), members agreed on the necessity to increase the coverage of OOFs, and committed to do so whenever possible.
- On thematic area 1.2.b (disclose all OOF information), while several members agreed on the transparency principle, others said that this was not possible due to legal constraints or that they would need more time to evaluate the subject internally to make sure that confidentiality concerns are thoroughly addressed. One member also questioned if the only viable option was to make all activity level data accessible, or if disclosing certain necessary fields could be sufficient to facilitate transparency and comparability.
- On thematic area 1.2.c (incentivize international organisations to report biodiversity), all members agreed and several pointed to the role of the Secretariat in selecting the list of more strategic institutions. Few members also suggested improving the methodology for the imputed multilateral shares to identify the shares for adaptation, mitigation and cross-cutting.
- On thematic area 3.1 (unique identifier), one member affirmed that it already uses this system, three members said that this could be a valuable option and two said that this was not applicable in their case. One member said that they could test the unique identifier but foresees some difficulties in adding too much information in the notes field.
- On thematic area 3.2 (tracking the new ETF fields in the CRS), members appreciated in particular the methodology proposed to identify capacity building activities, but several also highlighted that more work would be needed on technology transfer.
- On thematic area 3.3 (sector correspondence), six members welcomed the idea, in one case stressing its voluntary nature. One member affirmed that this was not applicable to them.
- On thematic area 3.4 (measurement basis), five members agreed on the idea (but one pointed that this would substantially increase the number of records reported to the UNFCCC). Three members said that they would be unable to report both commitments and disbursements, and one that would need more time to discuss this topic internally.

68. Some members also commented on the other areas of the DAC Declaration.

- One member stressed the importance of the revision of the indicative tables (thematic area 4) in particular to assure that activities that are harmful for climate are marked zero.
- One member highlighted the need to debate what sustainable energy transition means (thematic area 5) in the context of support for developing countries.
- One member also pointed that, while transparency and harmonization shall be pursued, intrinsic differences between climate finance and development finance will continue to exist.

Action point

- The Secretariat will open a page on the community space to collect the comments. It will update the WP-STAT in September.
- Members asked the Secretariat to provide some materials to help reach out to the multilaterals.

Item 20. Any Other Business

69. The Secretariat informed members that a revised version of the WP-STAT mandate [DCD/DAC(2022)8/REV2] will be circulated after the meeting. The new version takes into account the comments received from two members. The document will subsequently be submitted to the DAC, which will be invited to approve the draft revised mandate and report back to Council on the evaluation of its sub-structure and legal instruments before the end of the year.

70. The Secretariat also informed members that the updated versions of the handbooks on the governance marker [DCD/DAC/GOVNET(2022)2] and of the SDG handbook [DCD/DAC/STAT(2020)7/REV3] will be available after the meeting.

Closing

71. The Chair recalled that the next WP-STAT meeting is scheduled for 28-30 September. He thanked all members and the Secretariat and closed the meeting.