

Unclassified

English - Or. English

6 February 2023

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

Cancels & replaces the same document of 6 February 2023

DAC Working Party on Development Finance Statistics

Summary record of the WP-STAT meeting of 28-30 September 2022

28 – 30 September 2022
Paris, France

This revised summary record of the WP-STAT meeting of 28-30 September 2022 was submitted for approval under the written procedure on a non-objection basis.

No objections were received by the 31 January 2023 deadline, the record is therefore considered approved, issued as FINAL, and declassified.

The Cancel/Replace corrects the title.

Contacts:

Julia Benn: Julia.Benn@oecd.org

Giorgio Gualberti: Giorgio.Gualberti@oecd.org

JT03511859

DAC Working Party on Development Finance Statistics (WP-STAT) 28-30 September 2022 – Summary Record

Introduction and welcome

Item 1. Introduction and welcome by the WP-STAT Bureau

1. Ms. Katrine Heggedal, who took over the role of Chair of the WP-STAT on 1 July 2022, opened the meeting and welcomed the participants. The Chair presented herself and emphasised her role to represent the views and positions of all WP-STAT members. She recalled the importance of the WP-STAT deliberations on various topics including ODA eligibility, credibility of the ODA measure, integrity of DAC statistics and improvements of the DAC statistical system. Ms. Heggedal presented the Vice-Chairs, Ms. Miryam Rordorf Duvaux and Ms. Megumi Muto, and thanked the Secretariat for the organisation of the meeting. She also thanked the previous WP-STAT Chair Mr. Jérôme Le Roy.
2. Ms. Heggedal recalled that the DAC CSO Reference Group had sent a letter to the DAC Chair, the WP-STAT Chair and DAC delegates–, expressing their concerns on the quality and integrity of ODA statistics, in particular on the topics of Private Sector Instruments (PSI) and Special Drawing Rights (SDRs). She noted that the letter had been shared with members and that the WP-STAT should reflect on how to keep the CSOs involved in general and in particular on the PSI process.
3. The Vice-Chairs Ms. Rordorf Duvaux and Ms. Muto also welcomed the participants and wished fruitful and open discussions.
4. The DAC facilitator, Ms. Leveke Neumann, informed the participants of the recent discussions in the Committee. She mentioned the discussions on the monitoring of the implementation of the DAC Declaration, both in the context of the upcoming UNFCCC COP 27 and of the CBD COP 15 and recalled that the DAC is following closely the work carried out at WP-STAT on this topic. Ms. Neumann also recalled the discussions on the Untying Recommendation, the DAC enlargement, gender equality, humanitarian needs and PSI. Furthermore, Ms. Neumann informed the participants on recent outreach activities, such as the dialogue with SIDS, the Arab-DAC dialogue and the DAC-CSO dialogue, as well as on upcoming work on the DAC global relations strategy.

Item 2. Adoption of the agenda

5. The agenda was adopted.

Thematic area 1 – Private Sector Instruments (PSI)

Item 3. PSI – general approach [DCD/DAC/STAT(2022)29]

6. The Secretariat (Mr. Tomas Hos) presented its proposal for the approach to follow for the second part of the review of the provisional reporting methods for PSI. The proposal put in the forefront the principles of simplicity and pragmatism as well as sequencing work step by step. It suggested pursuing technical discussions on individual steps in meetings of a PSI project team, with WP-STAT kept informed through dedicated special sessions. Members' discussions would

also build upon work done and decisions taken in the past and the 2016 HLM Principles in particular.

7. Members generally welcomed the Secretariat’s proposal. They appreciated pragmatism and simplicity as the core principles guiding the upcoming deliberations and agreed to pursue discussions in the context of the WP-STAT PSI project team. While several members indicated their availability to actively participate in the PSI project team, some felt constrained to do so due to resource issues, indicating a need for further internal coordination. In any case, forthcoming discussions on PSI should benefit to the extent possible from the Secretariat’s technical support (e.g. analysis and statistical simulations), if need be also engaging with members’ DFIs and other key stakeholders. One member proposed making greater use of the WP-STAT Collaborative Space to support members’ discussions online. Some members also highlighted that sufficient time should be granted to resolving individual steps on PSI, referring to the originally agreed timeline of 10 months. Regarding the calendar of work, the World Bank asked about the timing of the technical consultation with MDBs, previously mentioned in the TORs of the review and during the June meeting with MDBs. Lastly, one member stressed that, in the interest of ODA integrity, only concessional finance should be included in ODA.

Item 4. ODA-eligibility assessment of PSI vehicles [DCD/DAC/STAT(2022)30]

8. The Secretariat (Mr. Tomas Hos) presented its proposal for a strengthened ODA-eligibility assessment procedure and a streamlined ODA-eligibility assessment template, building upon the 2016 HLM Principles.

9. In general, members welcomed the Secretariat’s proposal.

10. As regards the assessment procedure, members supported the strengthened role of the Secretariat in carrying out the ODA-eligibility assessments of individual PSI vehicles, eventually replacing the self-assessment procedure currently in place. Still, more clarity was requested on the frequency of the assessments and the interval during which the assessment outcome would remain applicable. In this context, a few members suggested that the assessments be undertaken biennially or once every three years. One member asked about the process to follow should members disagree on the outcomes of the assessment. Further, some members requested more work on the definition of a “PSI vehicle” (to be assessed on ODA eligibility) and the relevance of conducting the institution assessments for vehicles reported under the instrument approach. One member asked if a leaner treatment could be considered for smaller PSI vehicles (under a certain threshold). Moreover, some members considered 2023 as the year of implementation unfeasible.

11. Concerning the proposed streamlined template, a more balanced approach may be needed between financial and value additionality, also pointing to the role of impact. While one member maintained that the ODA coefficient should integrate concessionality considerations, another stressed that this coefficient may only take into account the geographic allocation of individual investments of the PSI vehicle in question, in line with the 2016 HLM Principles. Lastly, one member questioned the relevance of ODA coefficients for vehicles reported under the instrument approach.

Item 5. PSI – treatment of loan guarantees [DCD/DAC/STAT(2022)31]

12. The Secretariat (Mr. Tomas Hos) presented its proposal on the treatment of guarantees, covering development eligibility, parameters and methods, reporting requirements and data disclosure, possible implementation timeline and other issues, building upon past work and decisions, and the 2016 HLM Principles in particular.

13. Members generally welcomed the Secretariat’s proposal and invited further discussion on this topic in the WP-STAT PSI project team. Several members highlighted the need to treat guarantees in conjunction with the guaranteed instruments to avoid potential double counting of risk. This is especially relevant for guarantees covering official loans and guarantees on DFI activities. One member questioned if the grant equivalent is the right approach for guarantees and inquired how this had been decided in 2016. Clarification was also requested on the role of called guarantees in the grant equivalent accounting system and the treatment of partial guarantees. A few members commented on the proposed discount rate architecture, one of them maintaining that the private sector surcharge should apply to guarantees covering all loans to the private sector, irrespective of the official/private nature of the creditor. Another member requested more details on the origin of the proposed discount rates and how they reflect the true cost/effort of implementing a guarantee. Moreover, several members emphasised that special attention needs to be paid to avoiding ODA inflation. Furthermore, a few members stressed a need for a cautious approach to the rules for data disclosure, with a reference to commercial sensitivities of certain PSI. Safeguards (e.g. reporting on additionality and engagement with the Export Credit Group) and monitoring mechanisms remain key for strengthening ODA integrity and dilute concerns in the area of market distortions. Several members argued that, going forward, discussions of the PSI project team should prioritise loan and portfolio guarantees, building upon simulations and evidence. Although some members wished to build upon work done in the past, some also called for considering multiple methods. Last but not least, one member insisted that ODA should remain a measure of concessional finance. A few members would follow up in writing.

Item 6. PSI – treatment of loans [DCD/DAC/STAT(2022)32]

14. The Secretariat (Mr. Tomas Hos) presented its proposal on the treatment of loans to the private sector, covering development eligibility, parameters and methods, reporting requirements and data disclosure, possible implementation timeline and other issues, building upon past work and decisions, and the 2016 HLM Principles in particular.

15. Members generally welcomed the Secretariat’s proposal and invited further discussion in the PSI project team. Still, some members called for careful consideration of rules for data disclosure in the context of potential commercial sensitivities of some private sector instruments and related legal aspects. A few members maintained that the implementation of the grant equivalent accounting would not be feasible in 2023. Safeguards (e.g. reporting on additionality and engagement with the Export Credit Group) and monitoring mechanisms were deemed an important aspect of the review of treatment of loans to the private sector. Some members found the current accounting system not fit-for-purpose, calling for grant equivalent accounting, another preferred maintaining the status quo. A few members would follow up in writing.

16. The meeting also discussed the treatment of concessionality in the 2016 HLM decision. One member recalled that the HLM had explicitly dropped the concessionality requirement for PSI to qualify as ODA, pointing to footnote 9 of the 2016 HLM communiqué: “*The Reporting Directives will be updated to take into account the fact that the “concessional in character” criterion is not appropriate for assessing the ODA characteristics of PSI*”. Another member was of the view that the concerned footnote only applied to one paragraph of the 2016 HLM Communiqué (principle iii) and did not imply the ODA definition would need to change. The Secretariat then explained that there is no formal hierarchy between the legal statuses of an HLM decision and the Reporting Directives. This means that the Reporting Directives did not take precedence, and members had to implement their decision taken at the HLM.

Action points

Members are invited to provide written comments on the four short papers on PSI by 10 October.

- The first meeting of the PSI project team will be held mid-October. Members interested to participate in the project team are invited to contact the Secretariat. The Secretariat will circulate information on logistics and sequencing of the discussions.
- The Secretariat will set up a dedicated communication platform at the WP-STAT Collaborative Space for each review step.
- The Secretariat will develop a concept note outlining the mission, organisation and timeline of work of the PSI project team, which will be shared with members.
- Members are invited to share simulations or examples that could be useful to inform the discussion.

Thematic area 2 – Climate change and environment

Item 7. Reporting rules for Internationally Transferred Mitigation Outcomes [DCD/DAC/STAT(2022)35]

17. The Secretariat (Mr. Giorgio Gualberti) presented a note on the reporting rules for the co-operative action on Internationally Transferred Mitigation Outcomes (ITMOs) foreseen by the Paris Agreement. The note proposed modalities for applying the 2004 DAC decision on the Clean Development Mechanism (CDM) to the ITMOs.

18. All members that intervened expressed their overall agreement with the proposal, while pointing on possible refinements. In particular, three members noted that the language on the price of the offset should be further clarified. Two members inquired to what extent the proposed rules should apply to OOFs and one member questioned their association with the climate mitigation Rio marker. Some members also asked more time to consult with their capitals to obtain feedback on the language to be used.

Action points

The Secretariat will post the paper on the community space to receive comments by 20 October and subsequently prepare a revised version for further discussion.

Item 8. Update on the implementation of the DAC Declaration

19. The Secretariat (Mr. Giorgio Gualberti) updated members on the status of implementation of the transparency measures foreseen by paragraph 13 of the DAC Declaration. The Secretariat indicated, for each of the five thematic areas foreseen in the Declaration, a number of deliverables and the timeline for their completion. Members commented on the progress achieved so far and made a series of recommendations on the various deliverables. A summary of the status of implementation and main comments is provided below:

- Thematic area I – Transparency
 - 1.1.a/b – The Secretariat will implement option 1.1.b and will continue collecting the data through a survey. It will also attempt to add the coefficients collected through the survey to the climate dataset. A draft table will be shared with members.
 - One member suggested that the next survey be pre-filled with the values of previous years. One member pointed out the need to align the timing with the data collection of the three Conventions (UNFCCC, CBD and UNCCD).
 - 1.2.a Increase the reporting of climate OOFs. The Secretariat invited members to increase their reporting.
 - 1.2.b. Disclosure of all climate-related OOF data at the activity level. The Secretariat will prepare a paper on this topic.

- Some members expressed legal constraints.
 - 1.2.c. Incentivise biodiversity reporting from multilateral institutions. The Secretariat stands ready to process data submissions from multilateral institutions on biodiversity. It shared a list of the most active multilateral institutions in support of biodiversity.
 - The World Bank confirmed that they are working on a methodology to report on biodiversity.
- Thematic area II – data collection and review processes
 - 2.1 Rio markers quality checking for the 2021 data is ongoing.
 - 2.2. Climate datasets and visualization tools are up to date with 2020 data and will be refreshed as new data become available. New data sharing options will be explored in 2023.
 - 2.3 A climate data snapshot was published.
 - One member suggested to include further analysis on sectors.
- Thematic area III – data compatibility
 - 3.1 CRS identifier in UNFCCC data submissions. The Secretariat took note that some members already include this in their submissions while for some the reporting was not possible. One member affirmed that the inclusion of a CRS number might not be compatible with UNFCCC reporting rules.
 - 3.2 UNFCCC Enhanced Transparency Framework. The Secretariat will prepare a proposal on how to track the new ETF fields of capacity building and technology transfer in the CRS.
 - Several members welcomed the idea of a common approach for reporting the new ETF fields.
 - 3.3. Sector correspondence. The Secretariat will continue enhancing compatibility with UNFCCC data reporting and will continue reporting on this topic in the context of the coefficients survey (see 1.1.b).
 - 3.4 The Secretariat took note of the different approaches of members and will continue monitoring this item in the context of the coefficients survey (see 1.1.b).
 - 3.5 ITMOs – As discussed in Item 7, the Secretariat will present an updated version of the proposal to members for further discussion.
- Thematic area IV – data harmonisation
 - 4.1 Strengthening climate section of the statistical peer reviews. To be implemented in the upcoming reviews.
 - 4.2 Indicative tables. The Secretariat will share a draft version in advance of the next WP-STAT meeting.
- Thematic area V – support to sustainable energy transition
 - 5. The Secretariat presented a paper (see item 9) and will follow up as suggested.

Action points

The Secretariat will follow-up on several actions by the next WP-STAT, in particular on the following:

- 1.2.b The Secretariat will prepare a note on transparency of climate-related OOFs.
- 3.2 The Secretariat will continue to work and prepare a proposal on the ETF reporting.

- 4.2 The Secretariat will share revised draft indicative tables in October-November.

WP-STAT members will receive an invitation to a joint ENVIRONET/WP-STAT session of the next ENVIRONET meeting to be held on 29 November 2022

Item 9. Tracking members' support for sustainable energy transition [DCD/DAC/STAT(2022)36]

20. The Secretariat (Mr. Giorgio Gualberti) presented a paper on ODA support for sustainable energy transition.

21. Members welcomed the note and shared their initial reactions. Several members appreciated the general approach of the paper and the efforts made to build a methodology out of available CRS data. Three members expressed the need to build stronger safeguards for activities in the non-renewable energy sector. Two members flagged the linkages with the climate change indicative table. Two members invited broader discussions on the definition of sustainable energy transition, including both social and environmental aspects, and two other members mentioned the need to look also at climate change adaptation aspects. One member suggested explicitly mentioning that the activities considered as supporting sustainable energy transition should support the temperature goal (global warming not exceeding 1.5 °C). One member asked that discussions on this issue be shared with the environment sector CSO community, in addition to ENVIRONET, to ensure the methodology is backed by climate sector stakeholders. Several members affirmed that they would provide written comments to the Secretariat.

Action points

The Secretariat will post the paper on the community space for comments and subsequently prepare a final version. A paper for ENVIRONET will be produced using the same methodology.

Item 10. ODA for Green Jobs [DCD/DAC/STAT/RD(2022)2]

22. Ms. Tania Fabricius (BMZ) presented a room document on ODA for green jobs prepared in the context of Germany's G7 presidency.

23. Several members noted the importance of the issues raised in the paper and the value of tracking green jobs and skills. One member asked if the theme could be tracked through TOSSD. Some members noted the methodological difficulties in defining and tracking green jobs and skills, and questioned how to operationalise reporting. One member asked how the activities that only partially support green jobs and skills should be accounted for, and suggested using shares. One member affirmed that the use of keywords to track these activities is feasible, but it would need time to get implemented. One member questioned if the WP-STAT should collectively work to implement a commitment of G7.

24. Ms. Domenica Preysing (BMZ) also intervened in the meeting to comment on the process that led to the selection of the purpose codes indicated in the paper. Ms. Sabine Becker (GIZ) also intervened describing the ongoing work with ILO and OECD on tracking employment and skills promotion programmes targeting green sectors and monitoring their impact.

Action points

The Secretariat will post the room document on the community space for additional comments and will follow-up based on the feedback received.

Thematic area 3 – Data Collection

Item 11. Status of DAC/CRS data reporting (oral presentation)

- Anonymisation

25. At the request of members in August 2021, the Secretariat implemented a temporary and exceptional measure to anonymise sensitive descriptive information in the CRS (for Afghanistan initially, then in Ukraine). In September 2021, the DAC discussed this issue and requested that the Secretariat develop guidelines for anonymising data under exceptional circumstances. The Secretariat issued and presented these guidelines at the WP-STAT meeting in March 2022. At that meeting, members indicated that they did not have a timeline for restoring the data to its original transparent and granular form and agreed to revisit the issue in six months.

26. In this session, the Secretariat asked members if the data could be restored. Several members signalled that they were not yet prepared to do so, and that the issue should be revisited in the future.

- Reporting for 2021 flows

27. The Secretariat indicated that 21 members had submitted their 2021 data as of 26 September. The Secretariat had received three files by the end of June, all of which had been processed and were awaiting publication. By 15 July, the Secretariat had received files from ten members, one of which has already been processed/prepared for publication, with processing for the other nine files well underway. By 30 August, the Secretariat had received eight additional files, with processing for five of them underway; three of these files are pending. The Secretariat asked the remaining nine members to submit their data as soon as possible. Files received after 31 October will compromise the timely publication of an overall ODA figure in December. Similarly, a delayed response to the Secretariat's feedback would affect the Secretariat's ability to validate and finalise the data. One member highlighted that publishing DAC statistics in year+2 would undermine the credibility of the DAC.

28. Several members acknowledged the Secretariat's deadlines and indicated that they are working to submit their file as soon as possible. One member expressed concern over agreed amendments to the Directives being applicable to the reporting year in progress. The member suggested that any changes agreed by the WP-STAT in year 1 (e.g. 2022) should be implemented in year 2 (2023) with effect on reporting of year 1 (2022) and not of year 0 (2021). This would also avoid reporting delays. There was also a discussion about the merits of publication of partial data, for which the Chair requested a brief note from the Secretariat.

Action points

- **Anonymisation:** The Secretariat has noted that some members are not yet ready to restore the CRS data to its original transparent and granular form. The WP-STAT will revisit this issue in 6 months' time.
- **Reporting for 2021 flows:** The Secretariat has contacted the 9 members that have yet to submit their data in order to ensure that submissions are received by the end of October to meet the deadline for publication in December. The Secretariat will prepare a brief note outlining issues related to the partial publication of data.

Item 12. Annex 2 issues (oral presentation)

29. The Secretariat updated members on the proposals that had been submitted for changes to the Annex 2 List of ODA-eligible international organisations, as well as assessments that were underway based on previous years' discussions. The Secretariat had received one proposal by the deadline of 15 September: Sustainable Energy for All (from Ireland). Two other organisations are under consideration: the IMF's Resilience and Sustainability Trust and the 2022-26 budget of the Coalition for Epidemic Preparedness Innovations, both of which had been discussed at previous WP-STAT meetings. The Secretariat will also provide an update to the annual review of the

coefficient for the Asian Infrastructure Investment Bank. This year's assessment will be submitted under written procedure for members' approval by mid-December, in time for the WP-STAT meeting.

Item 13. Revised reinstatement rules for the DAC List of ODA Recipients (oral presentation)

30. The Secretariat informed the WP-STAT that the DAC had agreed to shorten the reinstatement period for a country that had graduated from the DAC List of ODA Recipients. The latest World Bank GNI per capita figure show that Palau fell below the high-income threshold and is now eligible for reinstatement on the DAC List. A document proposing this reinstatement had been submitted to the DAC, who have until 18 October to approve the proposal via the written procedure. At the DAC meeting on 22 September, one member had recommended reviewing graduation criteria as well. The Chair had proposed an informal discussion at the DAC before bringing this for its formal consideration.

31. The WP-STAT will be informed of the outcome of these proposals.

Thematic Area 4 – ODA Methodology

Item 14. ODA valuation of Covid-19 vaccine donations in 2022 [DCD/DAC/STAT(2022)33]

32. The Secretariat (Ms. Valérie Gaveau) presented lessons learnt from reporting COVID-19 vaccine donations in 2020 ODA and described the evolution of the situation since last year. On that basis, it proposed two options for valuing donations of excess vaccine doses in this year's reporting on 2021 ODA figures: 1/ not count the donations in 2022 (2021 was an exceptional year)¹ or 2/ apply the same method in 2022 than in 2021 for counting donations of excess doses in ODA, using an updated price as determined by Gavi.

33. One member had found the text of the ODA press release too negative on the issue of vaccine donations. It asked that due diligence be given to this product, and that members be allowed to contribute to it as it was the main product delivered by the WP-STAT.

34. One member proposed a third option, derived from option 1, which would consist in not counting donated excess domestic supply but counting the vaccines procured specifically for developing countries. This third option was supported by a few members. Regarding donations of excess doses, a majority of members supported counting them in ODA, while four supported not counting them. Arguments were as follows.

35. Arguments in favour of not counting the donations of excess doses, but possibly counting the vaccines procured specifically for developing countries (option 3):

1. ODA inflation: Counting these donations had led to some ODA inflation at the level of certain individual members. Also, the total figure would have been the double had the donations by four members that decided not to report them in ODA been taken into account.
2. Role of donations in 2022: 2022 was no longer an exceptional year, donors had had time to prepare to donate through procurement specifically for developing countries.
3. ODA-eligibility: The doses had been bought for domestic purposes and relabelling them as ODA would be at the expense of other development co-operation expenditures. Members should continue donating their excess doses, but not count them in ODA.

¹ This option also proposed excluding from ODA the donations of COVID-19 vaccines specifically procured for developing countries.

4. Setting a precedent: Paragraph 174 of the Reporting Directives refers to the price paid “for the purpose of acquiring the goods for shipment to the recipient country.” and does not refer to excess of domestic supply. While counting the donations of vaccines specifically procured for developing countries was legitimate on the basis of this paragraph, counting excess doses, beyond the agreed one-year exception, would not be aligned with the Directives and would set a precedent.
36. Arguments in favour of option 2, counting the donations of excess doses:
 1. ODA inflation: There had been no inflation of ODA, with ODA reported for donations of excess doses representing less than 1% of total ODA in 2021, which is small in relation to the scale of the crisis. The ODA figure for excess doses had been surpassed by ODA reported for donations of doses bought specifically for developing countries. The reporting had been transparent and comparable.
 2. Role of donations in 2022: The donations remain an important instrument of solidarity and still have a role to play in Covax; one member indicated that it had increased the number of donations in 2022. Not counting the donations in ODA would be a disincentive for donors to donate.
 3. ODA-eligibility: The donations of vaccines is a form of aid in kind. It is legitimate to count these donations based on the Reporting Directives, paragraph 174. Vaccines in excess had not been necessarily bought to exclusively serve the donors’ national interests, a further motivation to buy large quantities of vaccines was to support developing countries (see e.g. the EU vaccine strategy that promotes this approach).
 4. Setting a precedent: Not counting the donations of excess vaccines in 2022 would lead to a worrying inconsistent application of the Directives on aid in kind and set a precedent. What would be the rationale for excluding the donations of excess COVID-19 vaccines from ODA?
 37. Members in favour of option 2 also noted that the option was not binding, and members could still decide, as for any other ODA-eligible expenditures, not to report their donations of excess doses in ODA.
 38. Regarding the price to apply if option 2 were chosen, a few members mentioned that a conservative approach should be followed, and a “reasonable price” applied (or a cap). One member remarked that there was no second market for doses in excess, and the price used for the purpose of ODA reporting should thus be much lower than the purchase price. Another member though supported the use of the purchase price. Members urged the Secretariat to obtain an updated price for 2022 from Gavi as soon as possible, as it was becoming urgent to know the cost of donations that would be imputed to the ODA budget in 2022.
 39. The discussion also highlighted diverging views among members on the interpretation of paragraph 174 on aid in kind.
 40. Some were of the view that paragraph 174 applied to donations of goods bought specifically for developing countries (or at least goods that the donor would need to replace), but not to surpluses. This argument supported the third option proposed during the meeting (to count the donations of vaccines when they were bought specifically for developing countries but to not count them when they related to domestic surplus).
 41. Others remarked that aid in kind, such as food aid, has always counted in ODA, including when originating from domestic surpluses. Moreover, in the case of food aid, the donation of surplus participated to an intent to support the domestic agricultural markets. Option 3 would not be appropriate as it would send a signal that ODA records the doses arising from donors’ contracts with their pharmaceutical companies and not the ones donated and delivered by Covax, symbol of global solidarity.

42. The term “surplus” needed to be clarified too, as part of domestic surpluses could correspond to doses bought from the start with the objective to support developing countries.

43. It was decided to look at paragraph 174 in more depth, to better understand its relevance in today’s development co-operation and applicability to the case of vaccine donations.

Action points

To make progress, it was decided the Secretariat would work on two parallel tracks and report to the WP-STAT December meeting:

- Contact Gavi for the determination of a “reasonable” updated price for 2022.
- Prepare a document for discussion on members’ interpretation of paragraph 174 on aid in kind of the Reporting Directives.

Item 15. Tracking in-donor refugee costs (identifying aid to refugees in other provider countries) updated proposal [DCD/DAC/STAT(2022)19/REV1]

44. The Secretariat presented an updated proposal for introducing a new modality, H06, to track support for refugees in other provider countries. Members thanked the Secretariat for the clarifications made in the paper on the applicability of the twelve-month rule, the flexibility to assign other modalities in special circumstances (e.g. humanitarian large-scale aid programme), and the cases where the receiving country should deduct support received to avoid double-counting. One member proposed two edits in the description of the modality, which did not raise objections. Another member asked that the date of implementation be specified.

45. One member indicated that it would be preferable to publish the figure on support to refugees in other provider countries separately from the “in-donor refugee costs” aggregate, given the different nature of the expenditures.

Action points

- Members will be invited to approve via the written procedure the introduction of the new co-operation modality H06 for tracking in-donor refugee costs in other provider countries. Two small edits will be incorporated.

Thematic area 5 – Perspectives on development co-operation

Item 16. Updating the definition on the tying status of aid [DCD/DAC/STAT(2022)34]

46. The Secretariat (Ms Julia Benn) presented the proposal for classifying procurement contracts set aside for local organisations as untied.

47. Most members welcomed the proposal but stressed the need to clarify first what is meant by “local organisations and businesses”, for example, whether locally-registered branches of foreign companies should be considered local. One member stressed that the definition of “local” should be linked to the capital of the company and suggested consulting with external experts, e.g. the OECD Investment Committee. One member stressed that classifying contracts set aside for local organisations as “tied” is unfair vis-à-vis efforts from donors to promote local and regional business development supporting private sector and in line with the principle of localisation. Some members also warned against rushing the discussion and requested more time for the WP-STAT to discuss the issue and carefully consider the implications of the potential change to the statistical Reporting Directives. One member raised concerns on the proposal as it runs counter open procurement principles.

48. On a different note, one member stressed the need to urgently clarify in the statistical Reporting Directives that in-kind aid is by definition tied, in a context where aid in-kind seems to be growing for many donors.

Action points

- Members are invited to post additional comments on the community space by 20 October.
- The Secretariat will prepare a revised version for discussion, incorporating in particular text to clarify if “local organisations and businesses” cover locally-registered branches of international companies.
- The Secretariat will update the DAC on the ongoing WP-STAT discussion in the broader context of the review of the Recommendation on untied aid. This update will also include information on a request to specify in the Directives that aid in kind is tied by definition.

Item 17. Statistical peer review of Finland: final report [DCD/DAC/STAT(2022)37]

49. The Secretariat presented the findings of the final report of the peer review on development finance statistics of Finland. The review team, consisting of representatives from Austria and Hungary as well as three staff from the Secretariat, had carried out the review on 15-19 November 2021. The review had offered recommendations for Finland to address main statistical issues (e.g., ODA eligibility; migration and in-donor refugee costs; PSI and mobilisation); make domestic data collection more effective and efficient; improve its reporting to the DAC; better monitor recommendations and commitments in development co-operation, e.g., TOSSD and results reporting; and make the data fit for purpose.

50. The Secretariat commended the Statistics team of the Ministry of Foreign Affairs’ Unit for Administrative and Legal Development Co-operation Matters for undertaking a diverse set of tasks and responsibilities for the Ministry, alongside their core function of collecting, verifying, and publishing statistics on Finland’s development co-operation. The review had provided an important opportunity for the peers and Finland to learn from each other’s experience on statistical issues, such as TOSSD or tying status.

51. Following the Secretariat’s presentation, the representative from Finland offered remarks on the final report. The report was helpful in providing external validation on issues that were already known in the Ministry, as well as highlighting new issues that required attention. It also allowed the statistics team to learn from the insights and inputs of other actors in Finland’s development co-operation landscape, such as civil society and NGOs. Finally, the initial read-out at the end of the week-long mission and the final report outlined specific, concrete recommendations that Finland could follow to improve the quality and efficiency of its reporting to the DAC and beyond.

52. Other members also congratulated Finland for the accomplishments that were highlighted in the report and indicated that the findings of the report resonated with the types of issues that they were facing with their statistical reporting. The plenary discussion thus offered members an opportunity to share further lessons and brainstorm potential solutions. Some members expressed interest in hosting a peer review in the near future – the Secretariat noted the interest but acknowledged that resource constraints to-date had prevented more frequent reviews from being conducted. The Secretariat will assess resourcing for future peer reviews and address this issue at the December WP-STAT meeting.

Item 18. Roundtable: ideas from the new WP-STAT Bureau

53. The Chair of the WP-STAT invited members to a roundtable session to share their thoughts on two themes, the first reflecting on the core work of WP-STAT, the common goals and ambitions, and what is the role of ODA in a changing development landscape; and the second how WP-STAT

members could better work together, find new ways to share ideas, best practices and difficulties in the work of development finance reporters, with the aim of improving the system.

54. Members openly discussed this wide range of topics and reflected on the main challenges on the ODA rules, ODA statistics and credibility as well as the interaction of the political and technical levels. Members commented on the challenges in their work as producers of development finance statistics and made suggestions on how to improve working interactions between peers and engage with external stakeholders.

55. The Chair thanked members for the inputs received and will revert to the WP-STAT for any follow-up action.

56. The Secretariat expressed its willingness to host a workshop, back to back with a future WP-STAT meeting, presenting the process on how it handles incoming data

Action points

The Bureau will take into account comments and ideas from members in their planning of the upcoming WP-STAT meetings.

Thematic area 6 - Information items

Item 19. Update on the ODA-eligibility of SDR loans

57. The Secretariat updated members on work conducted on the topic of SDR loans since the last WP-STAT meeting (June 2022). It had collected written comments on the guidance presented in June and held bilateral meetings with the IMF and with the two members that had previously reported their SDR loans to the PRGT in ODA. These consultations had clarified several points but had not brought any decisive new element regarding ODA-eligibility. Therefore, the Secretariat general guidance presented in June stood: SDR loans to the RST/PRGT are not reportable as ODA. The Secretariat would present an updated paper at the December WP-STAT meeting, with the same general guidance and appropriate clarifications, e.g. on the fact that the guidance is not applicable retroactively as members had reported in good faith. In parallel, the Secretariat would proceed with the ODA-eligibility evaluation of the RST and issue for the December WP-STAT meeting a recommendation for including this Trust on the List of ODA-eligible international organisations.

Item 20. Update on TOSSD – key outcomes from July’s Task Force meeting

58. The TOSSD Secretariat presented an update on the outcomes of the 17th TOSSD Task Force meeting. For example, the Task Force had agreed on the implementation of a data validation mechanism for recipient countries in TOSSD, on an extended list of recipient countries and fine-tuned criteria for assessing sustainability in TOSSD. Discussions on the future governance arrangement for TOSSD, the financing of the framework as well as the presentation of pillar II data are also ongoing in the Task Force. Regarding data collection, the TOSSD Secretariat also mentioned that, as of 26 September, 67 providers had already reported their TOSSD file on 2021 activities.

Item 21. Any Other Business

59. The Secretariat informed members of the date of the next WP-STAT meeting, scheduled for 15-16 December 2022 in Paris.

60. The Secretariat informed members of the status of the revision of the WP-STAT mandate, which is now being discussed at the DAC level, together with the mandates of the other subsidiary bodies. The Secretariat recalled the comment received in August on the inclusion of EIB in the list of observers.

61. The Secretariat also informed members that the community space will be redesigned and moved to a new software platform in November 2022 but will remain accessible at the same address.