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Development Co-operation Directorate  
Development Assistance Committee

## DAC Working Party on Development Finance Statistics

### Summary record of the formal WP-STAT meeting of 15-16 December 2022

This revised draft summary record was submitted for APPROVAL under the written procedure on a non-objection basis.

The Secretariat received no objections by COB 31 May 2023.

The summary record is considered approved, issued as final, and declassified.

Julia Benn:  
Giorgio Gualberti:

[Julia.Benn@oecd.org](mailto:Julia.Benn@oecd.org)  
[Giorgio.Gualberti@oecd.org](mailto:Giorgio.Gualberti@oecd.org)

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## SUMMARY RECORD

### DAY 1 – 15 December

#### Thematic area 1 – WP-STAT procedural items

##### Welcome and introduction

1. The Chair, Ms. Katrine Heggedal, opened the meeting and welcomed the participants in person and online. She greeted the vice-chairs, Ms. Miryam Rordorf Duvaux and Ms. Megumi Muto, and thanked the Secretariat for the organisation of the meeting.
2. The DAC facilitator, Ms. Leveke Neumann, informed the participants of the recent discussions and decisions in the Committee. She recalled that Lithuania had become a new member of the DAC in November, and that the DAC had elected a new Chair – Mr. Carsten Staur from Denmark – who will take office in March 2023. Furthermore, she mentioned that Ms. Heggedal and Ms. Muto had briefed the DAC on the WP-STAT special session on PSI held on 29 November. The DAC had also approved the terms of reference for the review of the Untying Recommendation and asked the WP-STAT to work on this topic. Ms. Neumann also recalled the discussions held on the implementation of the DAC Declaration to look at progress and possible messages for both the CoP 28 on climate and the CoP 15 on biodiversity. Additionally, the DAC mandate had been renewed. Ms. Neumann also flagged a few upcoming meetings, such as the global meeting with development co-operation providers and a roundtable on food security, both in February, and the DAC High level Meeting that had been postponed to later in 2023.

##### Adoption of the agenda

3. The Chair commented on the fact that the agenda of the meeting included many different topics that might need extended discussions. She affirmed that in 2023 the Bureau would take a closer look at the sequencing of the items for discussion in order to make sure that enough time was allocated to each of them and that meetings were not overcharged.
4. Two members thanked the Secretariat for having provided a large number of valuable documents but noted that many papers had been issued too late for a proper intra-governmental assessment. As a consequence, for some topics, it would be impossible for them to fully participate in the debate, in particular for documents that had been submitted for approval. One of these members noted that it would not be possible to approve the document on migration during the meeting.
5. The Secretariat acknowledged the complexity of the agenda, noting that it was based on the action points of the previous meeting and had been approved by the Bureau. Regarding the availability of documents, the Secretariat flagged that several had been issued two weeks prior to the meeting (target date for the Secretariat) while two papers had been shared six days before. It apologised for the delays – noting the extremely busy period – and acknowledged the concerns of the members.
6. To allocate more time for the discussions, the Chair proposed moving the agenda item 8 on administrative costs to the morning session of the second day of the meeting and postponing item 11 on the concept of commitments to the next meeting of the WP-STAT.
7. The agenda of the meeting was approved.

##### Designation of the 2023 WP-STAT Bureau

8. The Secretariat (Ms. Julia Benn) chaired this session of the meeting. Ms. Benn recalled that the Secretariat had sent a message to all WP-STAT members on 16 November, inviting nominations by 30 November in accordance with the Organisation's guidance on the elections of

the bureaus. The Secretariat had received the nominations of the current bureau members – Ms. Katrine Heggedal (for Chair) as well as Ms. Miryam Rordorf Duvaux and Ms. Megumi Muto (for vice-Chairs) – who had explained their motivations and future plans in a message on the WP-STAT community space. On 24 November the Secretariat had informed members that it had received a request for an extension of the deadline for nominations until 7 December. As no further nominations had been received, Ms. Benn asked if the WP-STAT was willing to approve the designation of Ms. Katrine Heggedal as the Chair and Ms. Miryam Rordorf Duvaux and Ms. Megumi Muto as vice-Chairs.

9. Members approved the designation of the bureau. Ms. Heggedal, Ms. Rordorf Duvaux and Ms. Muto thanked members and made a few remarks on the work ahead in 2023.

## **Thematic area 2 – Review of the provisional reporting methods for private sector instruments (PSI)**

### **Update from the WP-STAT PSI project team and the special WP-STAT session on PSI of 29 November [*For discussion*]**

10. Ms. Megumi Muto, the Vice-Chair of the WP-STAT and co-Chair of the PSI Project Team provided a brief update on the status of discussions, emphasising the progress made and positive spirit in the Project Team. She explained that the discussion in this session would focus on the main sticking points and solutions to overcome the identified challenges.

### **Stocktake on loans to the private sector, guarantees and the ODA eligibility assessment of PSI vehicles**

11. The Secretariat (Mr Tomas Hos) presented methodological proposals on the ODA-eligibility assessment [DCD/DAC/STAT(2022)51], treatment of credit guarantees [DCD/DAC/STAT(2022)50] and treatment of loans to the private sector [DCD/DAC/STAT(2022)49]. These proposals reflected outcomes of members' discussions in the PSI Project Team, WP-STAT meeting in September 2022 and a special WP-STAT session on PSI on 29 November 2022.

12. Members expressed strong support for the review and appreciated progress made to date.

13. As regards the ODA-eligibility assessment, most members generally considered the proposal approvable “in principle”, although some refinements and clarifications would still need to be made. These include for example rules for self-assessments of members' PSI vehicles, assessment frequency and timeline as well as the template questions. Further, members appreciated the strong role given to development focus and additionality mechanism in the assessment but highlighted that the ODA coefficient should reflect the allocation of the vehicles' disbursements to ODA recipients vs. other countries and territories. In this context, the ODA-eligibility of PSI channelled to developing countries through institutions in third or donor countries would need to be clarified. Members also highlighted that the assessment should refrain from measuring additionality. One member suggested that the ODA coefficient should be first proposed by the member, and only then reviewed by the Secretariat. One member also asserted that language on the comparability of the institutional and instrument approaches should be included as a future commitment. In addition, two members cautioned about the budget and workload implications on the Secretariat's side.

14. Concerning the treatment of credit guarantees and loans to the private sector, most members generally agreed on the calculation method, discount rate architecture and technical threshold at 0%. The calculation parameters, however, need to be conservative to address some members' concerns about potential ODA inflation, diversion of scarce ODA resources from countries that need them most and blurring the lines with officially supported export credits. This is particularly relevant in the case of loans. In this context, the private sector surcharge was identified as a possible area for compromise, strengthened with solid safeguards promoting ODA integrity. While the

Secretariat had proposed 1% private sector surcharge for the sake of simplicity (and inspired by past discussions), some members raised the possibility for other percentages. In any case, at least one member found it important that members' discussion be well informed by deliberations in the past, especially those around discount rates in 2017-18. Furthermore, while some members could agree to park certain elements of the proposals for future discussion (e.g. guarantees on official loans), a clear rationale behind such decisions would need to be provided. Two members stated they would prefer resolving these elements as part of the review, even if this could lead to excluding them from ODA reporting. One member mentioned that the treatment of guarantees on multilateral lending should not be considered in the context of the PSI review. Additionally, clarifications may need to be developed for the treatment of portfolio guarantees as well as guarantee calls and, to ensure reporting alignment, the reporting on flows resulting from activated guarantees in TOSSD and OOF. Lastly, members generally agreed that a biennial assessment as a safeguard was desirable.

15. Members welcomed the consultation with CSOs that had been organised prior to the WP-STAT. The World Bank requested a consultation too. Some members would also follow up in writing. The Secretariat stated bilateral consultations could be organised with members upon request.

#### Action Points

16. Members are invited to provide written comments on the proposed treatment of loans to the private sector, credit guarantees and ODA-eligibility assessment by 6 January 2023.

17. Members are welcome to contact the Secretariat from 2 January onwards should they wish to have a bilateral discussion on any PSI-related matter.

#### Schedule of work in 2023

18. Ms Megumi Muto presented a possible schedule of work in 2023, keeping in mind the 10-month period allocated for the review and progress of work to date. While discussions on the ODA-eligibility assessment can be considered almost finalised and improvements would be integrated based on comments received at the WP-STAT meeting and shortly thereafter, discussions on loans to the private sector and credit guarantees could be completed in January 2023. Work on the second batch of issues (treatment of equities, mezzanine finance, reimbursable grants and other instruments) would start in February 2023. Moreover, consultations with CSOs and MDBs would be organised in January 2023.

#### Action Points

19. A PSI Project Team meeting will be scheduled in the week of 9 January to fine-tune the proposal on credit guarantees and seek compromise on the treatment on loans.

20. The Secretariat will take into account members' comments when finalising the proposal on the ODA-eligibility assessment.

21. A consultation with CSOs will be held on 12 January, to which WP-STAT members will be invited as observers. A consultation with MDBs will be organised thereafter.

22. Another PSI project team meeting will be scheduled in early February.

23. A WP-STAT special session on PSI will be organised mid-February to conclude work on batch 1 and start discussions on batch 2. The Secretariat will circulate the discussion papers two weeks before the meeting.

### Thematic area 3 – Climate and environment

#### Item 1.a. Implementation of the transparency measures of the DAC Declaration on Climate – round-up

24. The Secretariat (Mr. Giorgio Gualberti) presented a round-up [DCD/DAC/STAT(2022)39] of the actions taken by the WP-STAT Secretariat and members to implement the data transparency measures for each of the five thematic areas foreseen in the DAC Declaration.

#### Item 1.b. Reporting rules for Internationally Transferred Mitigation Outcomes (ITMOs)

25. The Secretariat (Mr. Giorgio Gualberti) presented a revised note on the reporting rules on internationally-transferred greenhouse gas offsets, including those referred to in article 6 of the Paris Agreement [DCD/DAC/STAT(2022)35/REV1]. The note proposed applying to ITMOs the same principles as those adopted in 2004 by the DAC on the ODA eligibility of Clean Development Mechanism activities [DAC/CHAIR(2004)4/FINAL] and inserting a specific text in the Statistical Directives. This issue had first been discussed in the WP-STAT meeting of September 2022 and, subsequently, on the community space.

26. Members provided detailed comments on the note during the meeting, and some members asked for the possibility to send them in writing to the Secretariat, due to technical nature of the topic.

27. Members expressed different views on the various aspects contained in the note, in particular:

- Two members expressed concerns over the **ODA eligibility of the activities in support of Art.6 ITMOs** if their main purpose is to achieve the donor's mitigation goal. They noted that differences exist between the Kyoto protocol's CDM and the ITMOs foreseen by the Paris Agreement and therefore the rules decided in 2004 by the DAC might not be applicable. The main difference was that an ITMO transfer constitutes a liability for a developing country in terms of a mitigation action that cannot be anymore counted towards the national objectives, while this was not the case under the CDM. A third member expressed concerns on the the risk of "overreporting" on ODA if ITMO measures are ODA-eligible and marked with a mitigation marker (at the time of commitment ITMO deductions taking place in future years are not taken into account, unless ITMOs are cancelled).
- Several members agreed on the ODA eligibility of ITMOs with a corresponding deduction of the value of the carbon offset. One member proposed a pilot period for this new method. The member also commented on the need to have clear rules for various cases besides ODA-only projects, including when ODA and OOF were mixed.
- **On the issue of the cancellation or retirement of ITMOs**, one member affirmed that in this case there is still a transfer of an asset from the host country, and therefore the value of cancelled ITMOs should be deducted from ODA. Another member agreed with the approach proposed in the paper. Two members pointed out that cancellation and retirement were not fully defined in the Paris Agreement and asked for further clarifications on the terminology.
- **On the extension to other offsetting schemes, such as CORSIA**, one member affirmed that the rules should apply if the transfer of the unit is accompanied by a corresponding adjustment. Another member invited the Secretariat to present in detail the characteristics of any other offsetting scheme to consider for inclusion, another member called for a cautious approach and avoid extending the practice to other less well-regulated mechanisms. Three members stated that the extension to other offsetting schemes was meaningful.

- **On how to calculate the value of the deduction**, one member appreciated the centrality of the price documented in the transaction as a basis for the deduction. Another member flagged that the value of transaction could be confidential and asked if publicly available averages could be used instead. Yet another member suggested that the paragraph mentioning non-GHG metrics be deleted.
- **On transparency, one member** asked for ITMO activities to be tracked using a purpose code, rather than a keyword, while another member supported the use of a keyword.
- **Three members** stated that no reference should be made to the CDM in the proposed text as it was part of the previous framework, the Kyoto Protocol.
- **A few members** asked that the definitions of the terms used be included in the document and refined in line with the latest UNFCCC processes.

### Action Points

28. Members are invited to provide written comments to the proposed reporting rules [Annex I of DCD/DAC/STAT(2022)35/REV1] by 13 January 2023.
29. Members are invited in particular to provide feedback on whether the 2004 principles on CDM Projects are applicable to co-operative approaches involving ITMOs.
30. The Secretariat will consult with UNFCCC and climate experts.

### Tracking members' support for sustainable energy transition

31. The Secretariat (Mr. Giorgio Gualberti) presented a revised methodology for tracking support for sustainable energy transition and an initial analysis of the data available [DCD/DAC/STAT(2022)36/REV1].
32. Members welcomed the paper. Two members suggested the Secretariat produce regular synthetic reports, that could be presented in main international fora.
33. One member pointed at possible inconsistencies in the treatment of non-renewable power generation activities – included in the revised version of the methodology only if marked principal for mitigation – and the indicative tables which suggest that in most cases these activities should not be marked as such. The member noted however that the indicative tables are under revision. Four members supported the stricter criteria adopted in the revised methodology and suggested using the same approach for other codes on energy distribution.
34. One member inquired if more detailed analysis on multilateral development finance could be done and mentioned the need to connect with the Just Energy Transition Partnerships.
35. Several members made comments over the inclusion (or exclusion) of specific sector codes, including waste management, air transport, road transport, education or health (when connected with an investment flag). One member suggested not excluding outright certain sectors but rather looking at specific cases.
36. One member pointed to the difficulties in estimating GHGs reductions in the construction sector. Another member suggested including the new sector code for clean cooking activities.

### Action points

37. Members are invited to provide written comments on the updated methodology [DCD/DAC/STAT(2022)36/REV1] and on analytical products they would like to see developed.
38. The Secretariat will fine-tune the methodology in parallel with the update to the indicative tables in the first quarter of 2023.

### Disclosure of climate-related OOF data at the activity level

39. The Secretariat (Mr. Giorgio Gualberti) presented a note on the full disclosure of climate-related Other Official Flows (OOFs) at the activity level [DCD/DAC/STAT(2022)40].

40. Members welcomed the paper. Several Members supported a greater transparency of OOF data as proposed in the paper. Others asked more time to make internal consultations. One member pointed to the necessity of this issue not to be discussed only in the climate context. One member asked for more information on the data use. Two members asked how the percentages of climate-related ODA had been calculated in the paper.

41. The Secretariat welcomed the comments and clarified the calculations in the paper.

42. The Secretariat noted that for most members OOF data are partially disclosed and partially not (being associated only in part with a PSI flag 3 or 4). The Secretariat asked the members for which data are only partially disclosed if they would agree that more permissive disclosure rules be applied to all their reported activities.

#### Action points

43. The Secretariat will follow up bilaterally with members for which OOF data are only partially disclosed at the activity level and prepare a proposal for subsequent consideration by the WP-STAT.

### Data compatibility in light of the latest decisions of the UNFCCC (Enhanced Transparency Framework and Loss and Damage)

44. The Secretariat made a presentation proposing next steps on the issue of tracking capacity building and technology transfer. The Secretariat also introduced the topic of tracking loss and damage.

45. One member asked if an updated written proposal for technology transfer had been developed.

#### Action points

46. Members are invited to provide comments in response to the PowerPoint presentation available on the Community Space.

47. The Secretariat will consult with UNFCCC and other climate experts and will present a proposal at a subsequent WP-STAT meeting.

### Updating Rio marker indicative tables

48. The Secretariat (Mr. Giorgio Gualberti) presented the workplan to update the indicative tables in 2023.

#### Action points

49. Members are invited to participate in three technical meetings on the revision of the indicative tables. The first meeting is scheduled on 25 January 2023. The Secretariat will share a partial draft one week in advance of the meeting.

### Thematic area 4 – ODA methodologies

#### Reporting on aid in kind (paragraph 174 of the Reporting Directives)

50. The Secretariat (Ms Alba Vazquez Garcia) presented its findings on aid in kind, the extent to which it is still a modality used in development co-operation and the interpretation issues raised by paragraph 174 of the Reporting Directives, see DCD/DAC/STAT(2022)41.

51. Members generally agreed with the main conclusions of the Secretariat’s analysis. Paragraph 174 does not impose any constraint on the types of in-kind donations – originating from domestic surplus or otherwise – that can be counted as ODA and therefore the general ODA-eligibility criteria should apply (main developmental focus of the transaction).

52. While several members supported keeping paragraph 174 in its current wording, a few members would have favoured some modifications to minimise interpretation issues. One member believed that the paper’s conclusion should be added to the Reporting Directives as an explanatory guideline for providers.

53. Regarding the risk of market distortions involved with aid in kind, which had been a concern in the past with food aid originating from agricultural surpluses, it was noted that this risk did not necessarily exist in all contexts, e.g. there was no established global market for the COVID-19 vaccines yet.

54. Several members pointed out that the aid-in-kind discussion went in any case beyond ODA-eligibility considerations. However, for some members, acquiring the goods without a development purpose, as had been the case with COVID-19 vaccine doses, should lead to excluding the donations of these vaccines from ODA reporting. One member shared the view that, when assessing the ODA-eligibility of the donations, the development focus should be assessed from the demand (rather than supply) side.

55. One member shared the view that excess domestic supply of COVID-19 vaccines should not be considered a “surplus”, given that the shortage was primarily due to developed countries stockpiling doses and not to a lack of means to purchase them. This member also saw key distinctions between the donation of excess COVID-19 vaccine doses and aid in-kind generally, as the latter is now supported by cash donations from donors to purchase locally, and that these commodities are purchased explicitly based on the needs to the populations receiving them.

56. Two members supported the introduction of a new financial instrument code to separately identify in-kind donations in CRS reporting, which would bring transparency and allow to more accurately measure this type of flows. In response to a question, the Secretariat explained that it had to make assumptions and use proxies to produce the statistics on aid in kind included in the discussion paper, and this could have caused some data misrepresentation.

57. The Chair concluded that the reporting on aid in kind was an open issue that could be further discussed.

### Action points

58. No further work is required on the interpretation of paragraph 174, but the Secretariat will investigate the possibility of introducing a new category under grants to separately identify aid in kind in ODA statistics.

### ODA eligibility of SDR loans

59. Members agreed to follow the Secretariat’s guidance not to report SDR loans in ODA (2024 ODA at the latest), as indicated in DCD/DAC/STAT(2022)45. The Secretariat noted that this guidance would not be included in the Reporting Directives. One member would have preferred the guidance to apply as soon as from 2022 ODA onwards. Another member stated its surprise for the Secretariat’s recommendation not to count in ODA the implicit subsidy embedded in some of the SDR loans to the PRGT, given the IMF recognition that they constituted substantial subsidy savings for the PRGT.

### Action points

60. Pending implementation by all members of the Secretariat's guidance to not report SDR loans in ODA, for the sake of transparency, a line will be added to the Advanced Questionnaire to separately collect ODA reported for SDR loans.

### Administrative costs: proposal to clarify the Reporting Directives

61. The Secretariat presented the document [DCD/DAC/STAT(2022)43]. Members' comments on the different areas were as follows.

#### *Assigning recipient codes to administrative costs (paragraphs 14-15)*

62. Most members agreed with not using recipient codes for donors' embassies in developing countries, and with using them for evaluation of projects. Two members requested clarification on the rationale for this latter proposal. The Secretariat clarified that for most members, evaluation is reported as part of the project, and there is a cross-border "knowledge" flow for evaluation linked to projects, which is not the case for administrative costs of embassies.

#### *Options for classifying evaluation costs of projects and the need for a specific purpose code (paragraphs 19-20)*

63. Most members preferred option 1 (reporting evaluation costs of projects with modality C01) and some of them expressed that they could not report them separately from the projects so it would not be possible to apply any other option. One member expressed that strategic evaluations (not linked to concrete projects) would be better classified as D02.

64. Four members preferred option 3 (creating a new modality G02) although one of them could accept option 1. However, three of these members also considered that evaluation costs should not be classified as administrative costs. The Secretariat clarified that modality G refers to administrative costs and if members do not want to classify them as such, then it should either be C01 or a new modality not part of the G category. The Secretariat will follow up bilaterally with these members to clarify their position.

#### *Types of ODA-eligible and non-ODA-eligible administrative costs (non-exhaustive lists)*

65. Members generally agreed with the Secretariat's proposal and one member suggested adding the cost of dialogue with partner countries in the list of eligible items.

66. Three members asked clarification on the exclusion of receiving developing country dignitaries when the objective is to discuss development co-operation issues. The Secretariat clarified that the exclusion refers to receiving dignitaries for diplomatic or courtesy purposes, and not for discussing development co-operation policies or strategies, or for capacity building (that would be more in-kind technical co-operation).

67. A member asked for clarification on what can be considered as high-level officials e.g., Director at MFA or development co-operation agency. The Secretariat will make a more concrete proposal on the level of officials at the next meeting.

#### *Method to estimate ODA-eligible administrative costs of multi-purpose institutions*

68. Members agreed with the Secretariat proposal.

69. One member asked whether the methodology can be applied to units within an institution and another member would follow up bilaterally with the Secretariat on their methodology for multi-purpose agencies.

70. All members agreed with the inclusion of costs of delegations to international organisations, applying the coefficient for core contributions to such organisations (paragraph 18).

***The Secretariat proposal of producing a shorter version of the results of the Survey and publishing it on the website (paragraph 24)***

71. All members but one agreed with publishing a short version of the Survey results. A member showed concerns and requested clarification on how it would be published. One member mentioned that ideal timing would be once the clarifications of the Directives are agreed by the WP-STAT.

72. The Secretariat will prepare a short report of the Survey results for publication and will share it with members at the next WP-STAT meeting.

**Action Points**

73. The Secretariat will update the proposed clarifications on ODA-eligibility with a view to concluding this discussion at the beginning of 2023.

74. Further discussion on the more technical aspects of reporting will be pursued in the course of 2023.

## DAY 2 – 16 December

### Thematic area 4 – ODA methodologies (continued)

#### Valuation of COVID-19 vaccine donations

75. The Secretariat (Ms. Valérie Gaveau) presented a proposal for reporting the donations of excess COVID-19 vaccine doses in 2022 ODA and future years, following consultations with Gavi, see DCD/DAC/STAT(2022)44. Members had diverging views on the Secretariat's proposal. A majority supported the proposal to count the donations of excess COVID-19 vaccine doses in ODA for one more year (2022 ODA, applying a price of USD 6.73 and with the appropriate safeguards), and discontinue this reporting thereafter. However, a few wanted to continue counting the donations on a more permanent basis also beyond 2022 ODA.

76. **Ten members supported the Secretariat's proposal for 2022 and future years.** Although a number of these members shared some of the concerns regarding the discontinuation of reporting from 2023 onwards, they were willing to support the Secretariat's proposal to ensure consensus and consistency across providers. One of these members recalled that ODA accounting rules do not preclude members from donating COVID-19 vaccines to developing countries.

77. **Three members supported the proposed valuation for 2022 ODA but disagreed with phasing out reporting from 2023 onwards.** They believe the donations of excess doses should be counted in ODA on a permanent basis. These donations are not different from other in-kind transactions and should therefore be treated in the same way for consistency reasons (excluding this type of donations from ODA would set a precedent in relation to the application of paragraph 174 of the Reporting Directives). They remarked that it is impossible to predict the evolution of the pandemic and future developing countries' needs in this regard; taking the decision now of excluding the donations in 2023 was therefore premature. It would disincentivise donations while Gavi is planning a vaccination programme for 2023 and asking providers to support the immunisation also through donations.

78. **Three members believed that the donations of excess COVID-19 vaccines should not be counted as ODA, neither in 2022 nor beyond.** They remained concerned that counting them as ODA would artificially inflate ODA and could impact future ODA budgets. Notably, several members had chosen not to report their excess domestic supply in their ODA. Additionally, many safeguards had not been followed, and logistical issues had led to many doses expiring before their use. Other arguments put forward included the fact that vaccines were originally not purchased

with a development objective and therefore do not fulfil ODA-eligibility criteria. In these members' views, the WP-STAT decision last year to count these donations had been made on an exceptional basis and was not meant to become permanent. They emphasized that including in ODA the donations of vaccines originating from domestic supply could reward vaccines hoarding, that the CSOs had raised strong concerns about this and that Gavi, a fundamental stakeholder, did itself not support such a valuation going forward. Gavi had indicated that donations did play an important role in the pandemic in 2021 and that they were comfortable to value them in ODA for that year as an exceptional measure. However, going forward, Gavi would need more predictable agreements for planning routine immunizations, and it did not support a valuation of donations in ODA for year 2022 (although it had provided a price upon request by the Secretariat).

79. **Two members needed more time to formulate a position** and one of them requested extending the deadline for the written procedure until January.

80. In the discussion, specific points were raised. In response to a question, the Secretariat confirmed that, according to the safeguards, disbursements for donations can be recorded in ODA at the time the beneficiary countries take the delivery of the doses. One member pointed out that the period used by Gavi to calculate the average price (January-September 2022) was not necessarily representative, as it excluded the last months of the year where it had made large donations of higher-price vaccines. The Secretariat and Gavi explained that the period derived from practical reasons, to be able to collect the information and provide an updated price in time for the WP-STAT meeting.

81. One member also raised concerns regarding the decision-making process on this topic in the WP-STAT as it had accepted the inclusion of excess doses in last year's ODA based on the understanding that it was a one-off exception. The Secretariat noted that the WP-STAT document last year referred to a commitment by the WP-STAT to re-assess the methodology for valuing the donations in 2022 (there was no mention that it should not be discussed at all).

82. Given the diverging views, the Secretariat highlighted the likely need to discuss the topic at the DAC, early 2023. It urged all members to state their position in writing, to have clarity on the state-of-play. The Chair wrapped up by highlighting the complexity of the discussion and the need for further conversation with the Secretariat, DAC facilitators and members. She took note that members wished a decision as soon as possible, to allow them to plan 2023 budgets accordingly.

### Action points

83. Members were invited to provide comments on the Community Space by 6 January 2023 and signal if they wished to receive further information from Gavi on the pricing.

84. If divergences remained and based on comments received, the Bureau would decide on next steps, including possible discussion at the DAC.

### ODA eligibility of migration-related activities: Update from DAC and discussion on labour mobility

85. The Secretariat (Ms. Valérie Gaveau) presented the status of the principles and criteria for clarifying the ODA-eligibility of migration-related activities. A proposal had been submitted to the DAC for approval under the written procedure, which had not yet concluded. Criterion 7 on labour mobility had been left out from the proposal to the DAC as it required further finetuning by WP-STAT first. Once all principles and criteria are approved, the Secretariat intends to include them in the Reporting Directives and to develop a casebook with examples of ODA and non-ODA activities in the field of migration.

86. The meeting discussed the criterion 7 and its proposed revised wording. Most members were comfortable with the wording proposed but two members suggested substantial changes to soften the criterion:

- One member proposed to relax the exclusion of costs beyond the 12-month limit period of migrant stay when the worker participates in a time-limited, circular programme that delivers on the skills requests of the developing country of origin, as this type of programme clearly complies with the ODA definition.
- Another member suggested removing the reference to the exclusion of “activities that promote the permanent integration of migrants into the economy and society of non-ODA eligible host countries” and deleting the third sentence in Note 2: “However, costs should be excluded if they only remotely or indirectly benefit ODA-eligible countries (if and when migrants go back to their origin country) while benefitting substantially the provider country where migrants fill in labour market gaps.” Moreover, it requested further clarification on the concept of “skills transfer” and “upskilling of migrants”.

87. Other members favoured a strict application of the criterion to protect ODA integrity and recommended paying attention to not expand the ODA boundaries for in-donor costs. In this spirit, a member suggested the inclusion of Note 2 into the main body of the text, to further emphasise that, to qualify as ODA, labour mobility programmes should first and foremost benefit developing countries. Another member advised to clarify the status of migrants eligible under this criterion, as well as the circular nature of labour mobility programmes covered (not all categories of migrants are eligible).

88. The Secretariat thanked members for their broad-based support to the proposal and suggested the possibility of organising a small group meeting to discuss members’ concerns and suggestions on the wording.

### Action points

89. Members were invited to provide comments on the proposed criterion 7 on labour mobility in the Community Space by 6 January 2023.

90. Most members were comfortable with the wording proposed but two members had additional suggestions. A small group meeting might be needed to go over them.

91. Once agreed by the WP-STAT, the criterion would be submitted to the DAC for approval.

### Concept of commitment in DAC statistics: interpretation and reporting practice of selected DAC members

92. This item was removed from the agenda and will be discussed in a subsequent meeting of the WP-STAT.

### Annex 2 update

93. The Secretariat (Mr. Harsh Desai) presented recommendations for the four organisations that were assessed as part of this year’s Annex 2 procedure: the Asian Infrastructure Investment Bank (AIIB), Coalition for Epidemic Preparedness Innovations (CEPI), the International Monetary Fund’s Resilience and Sustainability Trust (IMF-RST), and Sustainable Energy for All (SEForAll). Members were invited to approve the Secretariat’s recommendations at the meeting.

94. **AIIB:** Members recalled that, when the AIIB had been added to the List in 2017, the WP-STAT had agreed to an annual review of the coefficient over five years (2018-22), and that the latest coefficient for AIIB (if it changed from the original one of 85%) at the end of this five-year period would be fixed on the List. This year’s review is the final one of this annual review process. Members asked clarifying questions about the Secretariat’s methodology for calculating this coefficient, such as the relevance of calculating the “share of regional members that are ODA

countries”. Following the Secretariat’s response, including the clarification that adjusting the methodology at this stage would require a reopening of the procedure agreed to in 2017, members agreed to the Secretariat’s assessment to fix the coefficient for AIIB to 85% and allow it to follow the regular rhythm for reviews of organisations on the List (i.e., every five years).

95. **CEPI:** Members generally expressed support for CEPI 2.0.’s mission and thanked the Secretariat for its collaboration with CEPI to reach an accurate and fair coefficient. Several members advised the Secretariat to further review the categories in Table 2 of the document with a pro-rated coefficient of 0%, such as contributions to Disease X, part of which may still have direct benefits to developing countries and thus may warrant a higher coefficient. Members also notified the Secretariat of an update to CEPI’s budget that had been discussed at its recent investors’ council meeting and that would allow donors to earmark specific activities for developing countries to align with ODA criteria. Finally, a couple of members indicated that they would provide more comprehensive feedback on the community space in the coming weeks. The Secretariat indicated that it would resume correspondence with CEPI to react to members’ feedback and provide an update ahead of the March WP-STAT meeting.

96. **IMF RST:** Members asked clarifying questions about the link between the Annex 2 assessment of the RST and discussions around the ODA eligibility of SDRs, which are a significant modality of contributions to the RST. Some members were hesitant to approve the inclusion of the RST on Annex 2 because they did not agree that SDRs were ODA-eligible and concluded that contributions to the RST would retain a reserve asset character, thus not requiring donor effort. One member indicated that they did not view contributions to the RST and PRGT as contributing towards additional resources for the SDGs because the funds are intended to provide balance of payments support to countries undertaking reforms, and therefore it is not correct to describe them as mobilising additional resources for the SDGs in developing countries. This member retains scepticism that contributions to the RST demonstrate sufficient donor effort, pending further analysis. The Secretariat clarified that, as discussed in the paper, the ODA eligibility of the RST is not conditional on the modalities used to contribute to it, as Annex 2 assessments are intended to analyse the mandate, governance structure, and activities of an organisation, rather than the eligibility of specific inputs. The Chair asked the Secretariat to further delineate between the Annex 2 assessment and decisions around the ODA eligibility of SDRs and clarify what exactly it was asking the WP-STAT to approve as part of its assessment.

97. **SEForALL:** The WP-STAT approved the Secretariat’s recommendation that members can report their contribution to SEForALL as bilateral ODA in full, and that a channel code will be assigned under the channel category, “21000 – International NGO” in the Single Table for reporting on 2022 flows.

### Action Points

98. Members approved the ODA coefficient of AIIB and the inclusion of SEForAll on Annex 2. The Secretariat will follow up on CEPI and RST assessments for further discussion at the March 2023 WP-STAT meeting.

## Thematic area 5 – Updates on data collection and management

### Update on 2021 data collection

99. The Secretariat (Ms. Yasmin Ahmad and Mr. Harsh Desai) announced that the 2021 detailed statistics had been finalized and were being uploaded on stats.oecd.org, with an expected publication date of 18 December 2022. The Secretariat also presented interactive data visualizations that highlighted key findings from the data and indicated that these visualizations would be sent to the WP-STAT and DAC in the coming days. The Secretariat thanked members for their timely submission of data and fruitful collaboration during the data validation and publication process.

### Changes to the DAC statistical collections to be implemented in 2023 for the reporting of 2022 data

100. The Secretariat (Mr. Xavier Bryant) presented three changes to DAC statistical collections to be implemented for reporting on 2022 data: (1) the addition of keywords to track financing for refugee situations in developing countries; (2) the addition of modality H06 to track funding for refugees and asylum seekers in other provider countries; and (3) the reinstatement of Palau on the DAC List of ODA Recipients as of 1 January 2022, following the DAC's approval at its November 2022 meeting. Members did not have any questions or comments on these changes.

### Updating the Statistical Reporting Directives

#### Action Points

101. The Secretariat will prepare an updated version of the Directives to share with members before the next WP-STAT meeting.

### Master database on statistical code lists

102. The Secretariat (Ms. Valérie Thielemans) presented a master database for all codes in CRS and TOSSD. The goal is to keep all taxonomies in one place and keep track of changes/revisions to CRS-TOSSD codes. The master database enables the centralisation and maintenance of these codes, provides an external interface for the general public and a feature to export code lists to excel, json and xml formats.

103. Key features of the tool include: an up-to-date dictionary of CRS-TOSSD codes with the description of the concept behind the codes, its category, historical changes, acronyms, ODA coefficients, and when relevant, distinctions between CRS and TOSSD. Future codes are also available (e.g. H06) with description and start date for use of code. There is a search feature: one could look for keyword "child" and get all associated codes (purpose code, channel, etc.). The export procedure can generate a file in the format of the official DAC-CRS codes currently disseminated on the website.

#### Action Points

104. The Secretariat will share the link to the application with members in January and develop and API for members in the course of 2023.

### Thematic area 6 – Statistical peer reviews

#### Insights from Austria [*For information*]

105. The peers (Italy and Denmark), alongside the Netherlands as an observer and the Secretariat, presented key impressions and initial recommendations from the peer review of Austria's development finance statistics conducted in November 2022. The presenters thanked Austria for hosting the week-long review, which had been fruitful and productive for all sides. The peers especially highlighted opportunities for learning throughout the week, such as Austria's presentation of its experience with TOSSD reporting as well as automated data processing and extensive data validation processes; Italy's experience with managing complexity from a range of reporting institutions; and Denmark's work with IT systems and IATI. Austria thanked the peers for their contributions and indicated that the initial key impressions and recommendations document, which the peer review team had presented in Austria on the last day, had already resonated with parties in Austria and led to discussions within the Austrian government. Austria also highlighted the desire for a full report to be issued soon to allow them to capitalize on momentum generated by the peer review.

#### Action Points

106. The report on the statistical peer review for Austria will be circulated by March 2023.

### Scheduling the reviews for 2023

107. The Secretariat is discussing with members the opportunities to participate in 2023 peer reviews. The European Union institutions have informally agreed to host a statistical peer review during the first semester of the year.

#### Action Points

108. The Secretariat will be in contact with members to schedule the peer reviews and determine the examiners for 2023.

### Any Other Business

#### Update on TOSSD data collection and highlights from the 18<sup>th</sup> and 19<sup>th</sup> TOSSD Task Force meetings

109. The TOSSD Secretariat presented the main takeaways of the 18th and 19th TOSSD Task Force meetings (held in October and December 2022). The Secretariat notably informed WP-STAT members that the TOSSD Task Force had prepared a first version of the Terms of Reference for the envisaged ‘International Forum on TOSSD’, presenting its main bodies and the tentative next steps to host the Forum at the OECD. Furthermore, the Secretariat informed that 107 countries and multilateral organisations had already reported 2021 data in TOSSD, including 25 DAC members. The Secretariat concluded by presenting next steps envisaged regarding the finalization of the data collection and publication of TOSSD data this year.

110. A member stated that the Terms of Reference might need further discussion, and therefore a session about TOSSD at the DAC February meeting would be relevant in the route of the consolidation of the future TOSSD governance to be hosted by the OECD. Two members announced they will send a new version of the 2021 datafile very soon. A member commented about its efforts to bring new funders for TOSSD, adding that success in the outreach process may take time. A member congratulated the TOSSD Secretariat for its technical support on the data collection and processing round and proposed to have a peer learning session for providers reporting to both CRS and TOSSD. The Secretariat added that the Terms of Reference document is the product of 10 months of continuous collaboration and discussion in the TOSSD Task Force. The Secretariat also mentioned that TOSSD is a recipient-perspective measure, and this must be clear for providers interested in joining TOSSD both as reporters and/or funders. Finally, the Secretariat recalled that TOSSD will not have financial support from the DAC PWB from 2024 onwards and mentioned that mobilizing resources for TOSSD and the new Forum is a top issue for the Secretariat’s agenda in the months to come.

#### Follow-up to the WP-STAT roundtable session of September 2022

111. The Chair listed the items to be covered in forthcoming WP-STAT meetings:

- ODA eligibility
- Data systems and good practices for data collection, such as the use of IT systems
- Aid effectiveness and its touchpoints with statistics
- Results and their dissemination
- Transparency: analyse the current state and future improvements
- TOSSD reporting and results
- Commitments: to be discussed in the next WP-STAT meeting

112. The Chair committed to share all the topics online and asked members to indicate which ones are to be discussed in formal/informal settings and what kind of workshops should be provided in future WP-STAT meetings.

#### Action Points

113. The Bureau will plan the agendas of the upcoming meetings of the WP-STAT ensuring that there will be sufficient time for discussions.

114. The Bureau will share with members its proposals for workshops to be organised in 2023.

115. The Secretariat was requested to circulate WP-STAT papers at minimum two weeks before the meeting. Issuing papers closer to the meeting date should be exceptional.

#### In-donor refugee costs: 2022 expenditures and share in total ODA

116. The vice-Chair (Ms. Miryam Rordorf Duvaux) introduced the topic of in-donor refugee costs and possible 2022 ODA distortion due to the war in Ukraine. Members were asked about projections for 2022 ODA figures. The vice-Chair remarked the importance of developing safeguards and a common narrative among WP-STAT participants to ensure transparency and consistency of ODA statistics.

117. For most members in-donor refugee costs are funded from a different budget line than the rest of ODA, so their overall ODA increased in 2022 due to additional in-donor costs related to Ukrainian refugees.

118. Members for which in-donor refugee costs are part of the overall ODA budget were concerned that their long-term development co-operation programmes were impacted because of the higher in-donor refugee costs. As a safeguard, one member suggested introducing a cap (in the form of a percentage of total ODA budget) on in-donor refugee costs reportable as ODA, which was seconded by two members and one participant explained that the measure is already being used by its national government. Other suggestions were the inclusion of a line in the Advance questionnaire on in-donor refugee costs for Ukrainians; the creation of an expert group on in-donor refugee costs; and the presentation of ODA figures with and without in-donor refugee costs.

119. In general, members were concerned about the long-term sustainability of development co-operation budgets and the need for the WP-STAT to be prepared for other possible international crises. For all members, in-donor refugee costs have increased in 2022 and they were willing to reach consensus on this topic.

120. A non-DAC member highlighted that some countries implement in-donor refugee activities but are unable to report them as ODA because they have not signed the Geneva Convention on refugees. They asked for a section in the Directives allowing them to report that kind of expenses. The Secretariat responded that the TOSSD Reporting Instructions explicitly refer to that situation and allow members to report equivalent in-donor refugee cost activities.

121. Members agreed on the importance to comply with the 12-month rule regarding in-donor refugee costs to be reported as ODA.

122. The vice-Chair concluded by agreeing to prepare a common narrative and to further discuss this topic in 2023 meetings and on the community space.

#### Action Points

123. A channel will be opened on the Community Space to allow for members' informal exchange on topics proposed by the Bureau and the members during the roundtable.

### WP-STAT work programme and dates for 2023

124. The Chair recognised that WP-STAT meeting agenda needs to be designed to be more effective in terms of discussions and preparation. She explored the idea of debating some items in written procedures or workshops, instead of oral discussions during in-person sessions.

125. In this context sense, members suggested extending the WP-STAT meeting to three days to have more time for informal bilateral discussions, having preliminary discussions before the WP-STAT meeting to reach consensus and compromise and reducing the number of oral presentations during in-person meetings. Workshops, unmoderated sessions, and informal discussions were explored and welcomed to increase efficiency of the WP-STAT discussions. Members agreed on the value of in-person meetings and informal discussions, which allows to exchange good practices.

126. Several members pointed out the importance of receiving papers with more time before the meeting to be able to discuss issues with national stakeholders and prepare each topic. In general, members found two weeks before the meeting to be an acceptable timeframe.

127. The Secretariat agreed with the members' concerns and committed to improve the release of documents. Although it welcomed new forms of discussion, the Secretariat remarked the need to document the whole process of creating new rules and decision.

128. The Secretariat listed the topics to be discussed during 2023:

- PSI discussions until June and the integration of the new rules in the Reporting Directives
- Migration casebook
- Review of the untying aid recommendation, for which the DAC has already agreed on the terms of reference
- Climate related issues and environment
- ITMOs
- Integration of new decisions on the Reporting Directives
- Global Public Goods

129. One member welcomed the update and review of the Reporting Directives. The Chair concluded by listing the next WP-STAT meetings (March 21-23, May 30-June 1 and October 5-6) all to be held in hybrid format and hosted at the OECD. Both the Chair and members expressed their preference to start late the first day of the meeting and end early the last day.

### Action Points

130. The WP-STAT will hold three plenary meetings in 2023: 21 – 23 March, 30 May – 1 June, and 4 – 6 October. All meetings will be hosted in a hybrid format from the OECD Conference Centre in Paris.

### Item 1.c. Any Other Business

131. The vice-Chair (Ms. Megumi Muto) presented the schedule of work for Private Sector Instruments in 2023:

- PSI project team meeting on the week of 9 January
- Consultations with CSOs on 12 January
- Special WP-STAT session on PSI on mid-February
- DAC information session towards the end of February

- Regular PSI Project Team meetings to advance work from March onwards
132. To prepare the PSI project meeting of the first week of January, the Secretariat asked for written comments by members until January 6. It was mentioned that after the WP-STAT reaches an agreement on mid-February, the discussion on PSI will be brought to the DAC, either at a special meeting at the end of February or during the regular DAC meeting in March.
133. The Chair concluded the meeting by thanking everybody.