

DEVELOPMENT CO-OPERATION DIRECTORATE
DEVELOPMENT ASSISTANCE COMMITTEE

Cancels & replaces the same document of 06 May 2010

Working Party on Statistics

REPORTING OF IN-DONOR REFUGEE COSTS

Room document 1: Finland and the Secretariat

9-10 June 2010, OECD Conference Centre, Paris

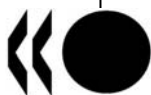
The attached note examines issues concerning the ODA reporting of in-donor refugee costs.

The note is organised in two parts. The first, by Finland, describes its statistical methodology for counting these costs. A more detailed Excel spreadsheet has been distributed to members by e-mail to facilitate precise understanding of this methodology. Members' COMMENTS are invited on paragraph 12.

The second part, by the Secretariat, asks whether members have similar methods they could share; whether they count similar costs; and what further action, if any, they would wish the Secretariat to take to clarify data or instructions on this aspect of reporting. These questions (paragraphs 13 and 14) are for DISCUSSION.

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REPORTING OF IN-DONOR REFUGEE COSTS

PART 1 – Presentation by Finland

Background

1. Most DAC donors include in-donor refugee costs in their ODA.¹ However, their reporting practices vary considerably. A divergence of views on the subject has precluded agreement on proposed ways for standardising reporting and improving the comparability of the data between donors. A survey on donors' reporting practices conducted in 2006 [DCD/DAC/STAT(2006)13] was very informative. Existing variations in practices were confirmed, both as regards the categories of refugees and the types of expenditure covered. As discussed at the WP-STAT workshop in December 2009, some political pressures have been felt in several countries on the national level to clarify the reporting practices further. Local systems vary and so do data available, but there seems to be room for improving transparency in ODA reporting in this field.

2. This document has emerged from a domestic attempt to clarify issues involved in the reporting of in-donor refugee costs in Finland. It presents Finland's reporting methodology which seeks a reasonable balance between accuracy, data requirements, practicality and robustness. The attached "draft template for calculating ODA-eligible refugee costs" and data included therein are for demonstration purposes only. The illustrated method is the one we are attempting to use in our reporting, beginning with reporting on 2009 flows.

Principles of calculation

3. In-donor country refugee costs are reportable in DAC statistics as a lump sum. However, at least in the case of Finland, to assemble the information according to the Directives, we need some key background figures. Certainly, the availability of migration data varies in detail within donor countries. In the enclosed calculation template we have indicated some data as "*required inputs*". These include the identification data (year, donor, currency) and main cost sub-totals. In addition, there are a number of "*background data*" fields. Some of these help to put the ODA-eligible costs in a broader context. Others help in identifying decisions, timing and locations. Finally, there are some additional "*calculated items*", which at least for us, facilitate both consistency checks and budget planning for coming years.

4. Very briefly, the required data inputs can be described as follows:

- Two groups of people (refugees and asylums seekers);
- Two time periods (duration of stay at reception centres and subsequent stay in municipalities);
and

1. In 2008, only Australia, Korea, Luxembourg and the United Kingdom did not include any amount for this item in their reporting.

- Two types of data (numbers of persons and annual costs).

5. In summary, in our case, we need three key figures as the required input to calculate the data for inclusion in our reporting to the DAC on in-donor country refugee costs. These annual sub-totals (labelled A,B,C in the template) are:

- ODA cost of refugees (transfer from country of origin and costs at reception centre)
- ODA cost of asylum seekers who have been granted asylum (at reception centre)
- ODA cost in municipalities for both categories (refugees and asylum seekers).

6. A central issue remains, concerning each of the three sub-totals (A,B,C): How to separate the ODA-eligible costs from the rest of the accounting data? The basic principles to follow include: a) only ODA countries of origin; b) the first 12 months only; and c) variable sustenance costs only (thus including such items as food, shelter, hygiene and health services; but excluding such items as investments in fixed capital). It is likely that each reporter will need to reflect on these principles. The calculated average cost items are likely to be useful in controlling actual cost and items included.

Template for calculating ODA-eligible refugee costs

7. **Annex 1** illustrates the template (see also “Template refugee cost.xls” spreadsheet distributed to members by email). The template is a very basic data entry tool with some simple validation rules and calculation formulae. In addition, each data entry cell contains an explanatory note on the respective input. By defining the information requirements and calculation rules in this way, it was hoped that the transparency of reporting would be improved.

8. For the number of refugees we have indicated the planned level as a background data item, in the Finnish case this is due to the fact that only quota refugees are counted in this category. For the number of ODA asylum granted we have added the total number of asylum seekers, as background data. As a matter of fact, in the case of Finland, we use the ratio of “ODA asylum granted to total asylum seekers” to come up with ODA specific cost (this is because the immigration statistics do not make the ODA classification but only give the total).

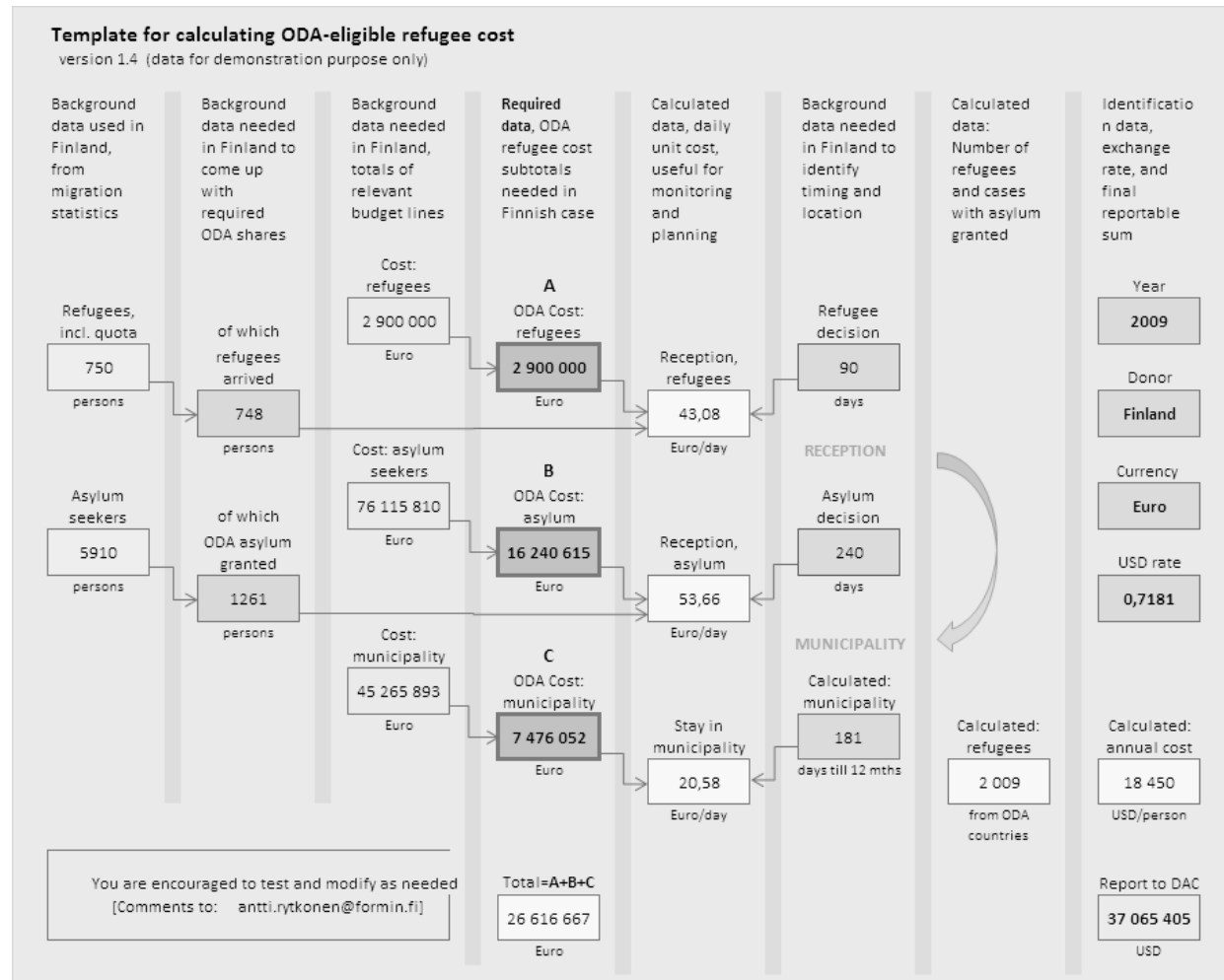
9. For the required annual ODA cost sub-totals (A,B,C) we have included background data entries for total cost from respective immigration statistics (as mentioned above, in the case of Finland, there is a need to elaborate the accounting budget lines to be able to retrieve the relevant ODA-eligible items). For the same reasons, for the ODA-eligible costs in municipalities we have added a background total cost item which covers the non-ODA cost after 12 months as well (in Finland the state support to municipalities is for a three-year period, thus we need a way to calculate the ODA part in the beginning of this period).

10. In the template, we have included the handling of the time aspect, as needed in our case. Our immigration office keeps a record of their productivity by reporting the average days taken to reach particular types of decisions. A separate statistic is given both for refugees and for asylum applications granted. These figures are the best information we have that reflect the number of days spent in reception centres. The relevance for cost reporting comes from the fact that, after the initial stay in the reception centres, the remainder (N.B. according to the Directives, the total ODA-eligible stay is a maximum of 12 months) is spent in municipalities, with different unit costs. So, in Finland we use these data to calculate the ODA periods spent (and cost shares accordingly) in reception centres and in municipalities.

11. In our experience, keeping an eye on unit costs is very helpful for monitoring of efficiency as well as in planning for future budgets. Accordingly, we included calculations on unit cost per day, and for

total annual cost per person. Of course, if the number of refugees as well as unit costs were to become a feature of reporting (at least internally in the background) this would likely improve the consistency, and possibly the comparability of the calculation basis. For reporters who have good data on unit costs, possibly because official subsidies are based on a norm, such data allow another valid alternative route to calculate the cost involved.

12. **Finland invites WP-STAT colleagues to comment on the applicability of the template, and to test, modify and suggest improvements on the approach or implementation.** If members find this of any help, this could hopefully facilitate the process towards more transparent and standardised practises for reporting on in-donor refugee costs.

Annex 1. Template for calculating ODA-eligible refugee cost²

2. A separate Excel spreadsheet for data entry has also been distributed to members by e-mail to facilitate precise understanding of this methodology, it includes formulas for calculated fields and definitions of each cell.

PART 2 – Secretariat observations and questions for discussion at WP-STAT

13. The Secretariat thanks Finland for sharing its methodology for reporting on in-donor refugee costs with members. Finland's presentation clearly demonstrates the complexity of the calculations and the practical difficulties in information gathering which may be common to all donors. Therefore, in addition to Finland's request for feedback on the template, the Secretariat would like to address the following questions to members:

1. Do members count ODA-eligible costs in similar ways?

a) Average annual cost per refugee

Finland estimates that the average annual cost per person received that can be reported as ODA is USD 18 450 (see template from Finland). **Do other members come up with similar figures?**

b) Treatment of asylum seekers

Finland only includes in its ODA reporting costs for asylum seekers whose application has been approved. It does not include any costs related to rejected asylum seekers, including for the period before their applications were rejected. **Do other members:**

- i. not include any costs related to rejected asylum seekers; or**
- ii. include costs for asylum seekers for the period before rejection (when the application is still pending); or**
- iii. include costs for rejected asylum seekers before and after the decision for rejection?**

2. Do members have similar methodological notes they could share with the Secretariat?

These would be very informative about the comparability of members' reporting and help in understanding the extent to which members report estimated as opposed to measured costs under this heading.

14. Based on members' responses to the above questions **the WP-STAT is invited to consider whether further work should be carried out on in-donor refugee costs.** The Secretariat is of the view that WP-STAT should strive to make reporting on this subject more transparent. There is scope for updating the 2006 survey [DCD/DAC/STAT(2006)13] but such an exercise would be worth the investment only if members are in a position to provide more detailed information on their methodologies and explain how the costs are calculated in practice. Depending on the degree of variation in members' methodologies and the amounts involved, another policy discussion on in-donor refugee costs may be justified to attempt clarify and possibly tighten up the reporting rules.