

CSO letter to the DAC ahead of the next meeting of its Working Party on Development Finance Statistics



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With this letter, our organisations¹ wish to follow up on issues related to a Civil Society Observer (CSO) observer seat at meetings of the DAC's Working Party on Development Finance Statistics (WP-STAT), DAC reporting of in-donor refugee costs as ODA, and ODA-eligibility and transparency of Covid-19-related activities ahead of the 22-25 June meeting of the WP-STAT.

1. A CSO observer seat at WP-STAT meetings

Over the past few years, the DAC-CSO Reference Group has welcomed and taken every opportunity within our capacity to engage with the DAC and its members on issues of common interest, including the ODA reform. The recently held DAC-CSO Dialogue provided us a positive disposition on the DAC's reinforced objective of opening more opportunities and spaces for CSO participation. The growing support we draw generates constructive discussions on issues that are of importance to us and our constituencies.

¹ This letter was endorsed by 11.11.11, ActionAid, AidWatch Canada, Canadian Council for International Co-operation (CCIC), Coordinadora de la Mujer, Coordination Sud, Eurodad, Global Focus, Global Responsibility, IBON International, Coordination Office of the Austrian Bishop's Conference for International Development and Mission (KOO), Oxfam International, Save the Children and Wemos.

The WP-STAT is a key subsidiary body where many of the technical details of the DAC's work are considered and monitored. We respectfully reiterate and follow up on our request - expressed in our October 2019 [letter](#) to the DAC - to be granted an observer seat to the WP-STAT, in the spirit of the [Framework for Dialogue between the DAC and Civil Society Organisations](#) (DCD/DAC(2018)28/FINAL). Strengthened CSO access to relevant information, in line with the ambition set in the Framework for Dialogue, would greatly enhance CSOs' meaningful engagement on issues coming to the WP-STAT. In past months, the practice of organising specific workshops or consultations about topics of common interest (e.g. tied aid) have proven to be helpful for both the DAC and CSOs. It strengthened CSOs' participation in ongoing DAC processes and engagement, and mobilised CSOs' analysis on specific topics. We see this as an example of good practice to expand on in the context of WP-STAT discussions.

Our engagement in this space would enable discussions on common agendas and priorities. By learning more from the process we will also be able to improve the quality of our contributions to the DAC and WP-STAT discussions in the future, making the CSO-DAC dialogue more meaningful for both parties.

2. DAC reporting on in-donor refugee costs

We would also like to follow up on commitments made at the 2017 DAC High Level Meeting (HLM) with regards to the reporting of in-donor refugee costs as ODA, in particular on the commitment that the WP-STAT will 'discuss the reporting procedures for in-donor refugee costs, including the granularity in CRS reporting and the method validation process by the Secretariat' (§ 41, 42 and 43 in Annex 2 of the HLM [Communiqué](#)).

Regarding the process of validation of DAC members' calculation model for reporting in-donor refugee costs as ODA, we invite the WP-STAT to review and ensure that the calculation models for all DAC members uphold these central principles agreed upon in the reporting directives:

- Transparent, publicly available information about calculation models which will allow the DAC Secretariat and any data user to verify and track this use of ODA (§42).
- Implementing a 'conservative approach' to the calculation of in-donor refugee costs (clarification #5, §11, §26, §31). At a minimum, this should mean that DAC members' revised calculation models do not increase the reported costs per person, and do not add types of costs previously not reported as ODA.

ODA is a precious public resource, the level of which is still not up to expectations, with understandably high demands on demonstrating effective use of funds. To enable transparency and public scrutiny, both to verify the adherence to the principles of the DAC reporting instructions and the effective use of ODA resources, we ask that annual DAC member CRS reporting of in-donor refugee costs be disaggregated by:

- types of costs and categories of refugees/ asylum seekers
- average costs per person per day and per year, in addition to the total amount.

We take this opportunity to recall that, as stated in our previous submissions,² we do not believe that in-donor refugee costs meet the definition of ODA:³ there is no flow of resources to countries

² [December 2016](#), [February 2017](#), [May 2017](#), [CSO submission for the 2017 DAC HLM](#)

³ <http://www.oecd.org/dac/stats/officialdevelopmentassistedefinitionandcoverage.htm>

on the DAC list of eligible ODA recipients, and there is no direct link to the core purpose of ODA – the “promotion of the economic development and welfare of developing countries”. This view had also been publicly expressed by the OECD Secretariat in the past.⁴ We do, nevertheless, consider that the DAC’s recent efforts to clarify rules for reporting in-donor refugee costs should be used by donors as a good first step towards ultimately phasing these costs out of ODA altogether.

3. ODA-eligibility and transparency of Covid-19-related activities

COVID-19 confronts the world with an unprecedented health crisis and a deep and sustained economic recession. DAC Members are responding to the global dimensions of this crisis through a wide range of instruments and modalities. An important part of these responses will not have the ‘promotion of the economic development and welfare of developing countries’ alone as its main objective, but will benefit both developed and developing countries.

To safeguard the clarity, integrity and credibility of ODA as a measure of donor effort and in view of the DAC’s commitment to ‘strive to protect aid budgets’,⁵ we ask WP-STAT to urgently reach a clear consensus on the ODA eligibility of COVID-19-related activities. This consensus should be based on the existing rules for ODA eligibility and exclude from ODA all financing for COVID-19 activities that do not have the ‘economic development or welfare of developing countries as its main objective’ (such as research into the development of vaccines, treatments and tests for COVID-19). The distribution of the results of such research to and in developing countries could be considered ODA on the condition they are provided on terms accessible and affordable to all people in developing countries.

As an important part of donor contributions is being channelled through specialised international organisations and a number of these organizations (including GAVI and CEPI) are expanding their work into activities that should not be ODA-eligible because they benefit developed countries as much as developing countries, we invite WP-STAT to reassess the coefficients used to determine the share of core contributions that can be counted as ODA as part of its existing review process. This assessment should reflect the changing reality in terms of the mandate and work areas of relevant organisations while the eligibility of donor disbursements to these organisations beyond core funding needs to be assessed based on criteria for eligibility outlined above.

To ensure accountability and transparency in the use of resources mobilised and allocated to a global response to COVID-19, we urge WP-STAT to quickly adapt the DAC statistical system to enable all stakeholders to track and monitor changes in financial allocations in response to COVID-19. Tracking and monitoring should go beyond activities in the health sector that address COVID-19 immediately, and include all ODA-eligible activities, with the exception of core contributions to multilateral organizations, that would not have taken place if not to respond to prevention and recovery from the pandemic. Agreeing to a quick modification process of the monitoring framework can help to prevent and mitigate potential underspending in other priority areas, such as has been the case in Ebola-affected countries between 2013 and 2015.⁶ While we are cognizant of the fact that members have requested to simplify the use of Policy Markers, we ask WP-STAT to prioritise a separate ‘COVID-19-

⁴ ‘The Secretariat retains its long-held view that donors’ expenditures on refugees who arrive in their countries -- while commendable from a humanitarian point of view -- do not make a sufficiently direct contribution to the economic development and welfare of developing countries to qualify as official development assistance. Including such data undermines the credibility of the ODA concept.’ [https://one.oecd.org/document/DCD/DAC/STAT\(2005\)13/en/pdf](https://one.oecd.org/document/DCD/DAC/STAT(2005)13/en/pdf)

⁵ <https://www.oecd.org/dac/development-assistance-committee/DAC-Joint-Statement-COVID-19.pdf>

⁶ See particularly page 13 of this briefing: <https://devinit.org/publications/covid-19-and-financing-projections-developing-countries/?nav=more-about>

marker' used in a uniform way across all donors to allow for comparability while avoiding an approach based on the use of text fields, as this has proven to lead to incoherent and erratic reporting in the past undermining the objective of increased transparency and accountability. Eligibility and coverage of the marker should be set as to include all activities that have the prevention of and recovery from COVID-19 as objective and would not have been undertaken if not in response to COVID-19.

We appreciate the attention to these issues in your forthcoming meeting and look forward to the outcomes of your deliberations.

Best wishes,

- 11.11.11
- ActionAid
- AidWatch Canada
- Canadian Council for International Co-operation (CCIC)
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