



Joint CSO recommendations on the clarification of DAC reporting rules for ODA to in-donor refugee costs

Introduction

Supporting refugees arriving in our territories is vital – it forms part of our international responsibilities and human rights obligations. However, it is not development aid: in-donor refugee expenditures provide no resources to developing countries, and are not linked to ODA's objective of improving economic development and welfare of developing countries. **In-donor country refugee costs should therefore not be reported as ODA, and DAC donors should urgently phase out all in-donor refugee costs from their ODA budgets.**

With this paper, we present joint recommendations from civil society regarding the on-going process to clarify DAC reporting rules on in-donor refugee costs. **Our recommendations aim at ensuring that the clarification process results in more consistent and transparent reporting of in-donor refugee costs by DAC donors, and in stricter reporting rules as a first step towards phasing out all in-donor refugee costs from ODA budgets.** Our analysis and position will potentially be updated in the light of findings from the OECD-DAC's recent survey on members' rationales and methodologies for calculating in-donor refugee costs, which has not been made public yet.

Recommendations

The clarification process should result in improved consistency and transparency of DAC donors' reporting of ODA to in-donor refugee costs:

- **Consistency and alignment.** We strongly support increased consistency and comparability of members' methods and categories used to report on in-donor country refugee costs. Detailed guidelines must prevent members from individualized interpretations and the DAC Secretariat must enforce a more consistent and collective interpretation on the basis of existing reporting directives. Donors' current reporting of generic averages and estimations provides too much room for individualized interpretations, and undermines the capacity of parliaments or the OECD DAC to check whether reported costs are justified. Donors' reporting should therefore be based on actual expenditures of individual refugees, not on generic averages and estimations.
- **Full transparency.** We expect increased transparency in members' reporting of in-donor refugee costs, including full disclosure of the relevant disaggregated data. The DAC Secretariat must ensure detailed and comparable annual reporting in order to promote greater transparency. Until this is achieved, members' reporting of in-donor refugee costs should be subject to regular external auditing by the DAC Secretariat.

The clarification process should be guided by a strict interpretation of existing reporting rules. It should serve as a first step towards phasing out all in-donor refugee costs from ODA budgets. Under no circumstances should the process result in members increasing their current level of in-donor refugee costs. In particular, based on a strict interpretation of existing directives, we ask the DAC to **exclude the following costs in revised reporting guidelines:**

- **Exclude costs beyond the first twelve-months.** Current rules allow covering the sustenance of refugees during the first twelve months of their stay. Revised guidelines should maintain the twelve-month period as an absolute maximum (up to 365 days).
- **Exclude integration costs.** Current guidelines exclude "amounts spent to promote integration of refugees into the economy of the donor country", but don't specify what these costs are. Revised guidelines should reaffirm that integration costs are not eligible, and should further

specify that integration costs include the following categories: all costs related to national language training, scholarships, mentor training, wage subsidies, professional training, skills development and job training.

- **Exclude administrative costs.** Existing directives do not refer to administrative costs. We interpret the absence of reference to administrative costs in existing directives as an exclusion of any administrative costs (at federal, provincial and municipal level). Guidelines should explicitly state that this excludes estimated salaries and administrative costs at the reception centres (staffing costs for reception and other accommodation centres), asylum case handling by the National Immigration Services (staffing costs for asylum-processing), and costs related to security, policing, patrolling, border protection (military and police), rescue-at-sea, and costs for detention.
- **Exclude voluntary and forced returns.** Existing directives exclude costs related to forced returns, this should be maintained in revised guidelines. In addition, the clarification process should be an opportunity to exclude voluntary returns, which usually occur after the 12 month period and cannot be considered as contributing to temporary sustenance.

Finally, we ask the DAC to make the process of clarifying reporting guidelines on in-donor refugee costs transparent and inclusive, in line with what was promised in the 2016 HLM Communiqué, and with commitments in the Addis Ababa Action Agenda (§55).