As part of its core task of monitoring its members’ aid efforts, the Development Assistance Committee (DAC) has mandated its Secretariat in the OECD’s Development Co-operation Directorate to collect data on aid flows. To the extent possible, this includes flows from non-DAC bilateral donors, and from multilateral donors. The data collection is the only reliable source of internationally comparable data on aid.

The DAC Working Party on Statistics reviews the operation of the data collection system. Statistical policy questions are usually decided by the DAC, which may request advice from the Working Party.

This note describes the main features of the data collection.

**COVERAGE**

DAC statistics are designed to measure international resource flows which promote the development and welfare of developing countries. Their design has been influenced:

- On a **technical level**, mainly by conventions used in balance of payments statistics.
- On a **policy level**, mainly by DAC members’ desire to show, on a comparable basis, the full extent of their national effort in promoting development.

**EXCLUSIONS**

The following are considered to have insufficient development potential to qualify for inclusion in DAC statistics:

- Loans repayable within one year.
- Grants and loans for military purposes.
- Transfer payments (e.g. pensions, workers’ remittances) to private individuals.

Flows originating in recipient countries, for example investments by their nationals in donor countries, are also ignored. However, recipient countries’ loan repayments, and repatriations of capital to the donor country, are deducted to arrive at net flows from the donor.

Returns on capital to the donor country, including investment returns and interest payments, are not taken into account in the calculation of net **flows**, which is the commonly used measure of effort. However, data are sought on interest payments, and where these are provided they may be deducted from net flows to arrive at net **transfers**.
STAGES OF MEASUREMENT

Flows can be measured either at the time they are firmly agreed (commitments) or at the time of the actual international transfer of funds (disbursements). Disbursements may be measured either gross, i.e. in the full amount of capital transfers to the recipient over a given period, or net, i.e. deducting repayments of loan principal over the same period. The usual measure of donor aid effort is net disbursements of official development assistance (see below).

TYPES OF FLOW

Flows can come either from the private sector or the official sector, and can be either at market terms or at concessional terms. Data are collected on the following broad categories:

- **Official development assistance (ODA).** Grants and concessional loans for development and welfare purposes from the government sector of a donor country to a developing country or multilateral agency active in development. A loan is considered sufficiently concessional to be included in ODA if it has a grant element of at least 25%, calculated at a 10% discount rate. ODA includes the costs to the donor of project and programme aid, technical co-operation, forgiveness of debts not already reported as ODA, food and emergency aid, and associated administrative expenses.*

- **Other official flows (OOF).** Consists of: i) grants or loans from the government sector not specifically directed to development or welfare purposes (e.g. those given for commercial reasons) and ii) loans from the government sector which are for development and welfare, but which are not sufficiently concessional to qualify as ODA.

- **Private flows at market terms.** Flows for commercial reasons from the private sector of a donor country. Includes foreign direct investment, bank loans, and the purchase of developing country bonds or securities by companies or individuals in donor countries.

- **Private grants.** Funds from non government organisations for development or welfare purposes.

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DATA COLLECTION METHODS

**DAC Questionnaire.** A set of eight statistical tables completed annually from July to September by DAC members, who report the amount and destination of their flows in the previous year. Detailed information is collected regarding the destination, form, terms, sector and tying status of official flows. A simplified form of the questionnaire is completed by multilateral agencies and some non-DAC donors. There is also a one-page “Advance Questionnaire on Main DAC Aggregates” completed by DAC members each April to give early data on their flows.

**Creditor Reporting System (CRS).** A system for reporting individual official transactions (both ODA and other official flows) relevant to development. Reports are received directly from participating official agencies, including bilateral and multilateral aid agencies, development lending institutions, and export credit agencies. Follow up reports on the disbursement and repayment status of loans allow the Secretariat to calculate the debt burden of developing countries.

**Publications**

There are three main paper publications of DAC statistics:

- **Development Co-operation Report.** This annual report, and especially its statistical annex, gives detailed data on flows to developing countries, concentrating on DAC members’ aid efforts.

- **Geographic Distribution of Financial Flows to Aid Recipients.** This annual report shows the resource inflow of developing countries, by source and type of flow.

- **Development Aid at a Glance: Statistics by Region.** This annual report provides tables and charts on development aid for the world and its five continents by donor, recipient and sector, along with a short analysis.

All these publications are also available in electronic format, and comprehensive access to the DAC and CRS databases is available by free registration at www.oecd.org/dac/stats/idsonline.