

Development Co-operation Directorate  
Development Assistance Committee**DAC Working Party on Development Finance Statistics****TYPES OF AID - FREQUENTLY ASKED QUESTIONS****11-13 June 2013, OECD Conference Centre, Paris**

*Based on the stock-take on the implementation of types of aid presented to members [DCD/DAC/STAT(2012)3] at the WP-STAT meeting in February 2012 and taking into account members' reactions to this document, the Secretariat has updated the "Frequently Asked Questions (FAQs) on Types of Aid". Also, during the reporting cycle in 2012 on 2011 flows, the Secretariat identified additional points which needed clarification and were added to the FAQs. FAQs are not meant to provide strict instructions for inclusion in the Statistical Reporting Directives, but rather general guidance to improve comparability of members' reporting.*

*Members' comments are invited by end June 2013, and a final updated version will subsequently be posted on-line in July.*

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## TYPES OF AID – FREQUENTLY ASKED QUESTIONS

### FAQ 1. How to classify contributions to finance the following:

#### *a. Strategies and policy reforms for beneficiary governments*

1. Deciding on the classification depends on the form of the contribution to the developing country i.e.:
  - Capacity development to assist the government with the elaboration of policy reforms and strategies: this should be classified as *C01-Project-type interventions*;
  - General budget support for implementing the strategies and reforms: this should be classified as *A01-General budget support*. (Type of aid *A02-Sector budget support* can be used if a specific sector is targeted.)

#### *b. Budget support through the World Bank*

2. Budget support through World Bank trust funds falls under type of aid ***B03-Contributions to specific-purpose programmes and funds managed by international organisations*** and purpose code ***51010-General budget support-related aid***.
3. According to the “point of measurement” principle, these contributions are not of type *A01-General budget support* which implies direct contributions to the government budget. However, the contributions should still be recorded under purpose code *51010* as the “purpose” is indeed to provide general budget support to the governments of the recipient countries concerned.

*Example: “Budget support to Burundi through the World Bank Economic Reform Support Grant”*

#### *c. Afghanistan Reconstruction Trust Fund (ARTF)*

- The ARTF is administered by the World Bank, and jointly managed by the WB, the UNDP, the Asian DB, and the Islamic DB. Therefore, the Afghan government has no "ownership/leadership" on the ARTF, even if it can attend the Management Committee meetings as an observer.
  - The ARTF serves as a "coordinated financing mechanism for the Government's recurrent budget (recurrent costs window)" but also for "priority reconstruction programs and projects (Investment window)". Therefore, its objectives are not exclusively linked to the budget.
  - Moreover, even if earmarking of donor funds is not permitted, donors can express "preferences" for their contributions to be directed to specific programmes.
4. The contributions to ARTF should therefore generally be reported under type of aid *B03-Contributions to specific-purpose programmes and funds managed by international organisations* and purpose code *43010-Multisector* (not *51010-General budget support-related aid*).
  5. When donors express “preferences”, contributions should be coded under type of aid *C01-Project-type interventions* and under either *43010-multisector*, or any other sector for which the donor expressed its preferences.

*d. Earmarked contribution to a programme of a multilateral organisation for a specific component/project/activity of that wider programme.*

6. It is only in the case of contributions to programmes and funds managed by international organisations that type of aid B03 should be used (see the examples given in the definition of B03 i.e. “UNICEF girls’ education”, “Education for all FTI”, “ARTF”). Earmarked contributions to finance specific components of these programmes better fit under C01 even if donors do not arrange for or are actively involved in the various steps of project cycle management. This is because when a donor chooses to earmark its contribution to a specific component of a wider programme instead of providing a contribution to the wider programme as a whole, it still controls in a way the utilisation of its funds (while for contributions under category B, the donor relinquishes the exclusive control of its funds). Also, in the case of an earmarked contribution to a specific component of a wider programme, the donor’s contribution complies with the definition given for C01 “set of inputs, activities and outputs, agreed with the partner country, to reach specific objectives/outcomes within a defined time frame, with a defined budget and a defined geographical area.”, even if the donor does not participate in any project cycle management activities (and the agreement with the partner country happens through the multilateral organisation).

7. In any case, among activities classified as C01, it will still be possible to identify projects implemented by multilateral agencies using the channel of delivery.

*Examples*

Project title	Recipient	Channel of delivery	Type of aid	Purpose code
Contribution to the IFC Trust Fund Financial Crisis Response	Unallocated	IFC	B03	24010
FTI Secretariat Funds 2009	Africa, regional	World Bank Group	B03	11110
Afghanistan Reconstruction Trust Fund - Justice System	Afghanistan	World Bank Group	C01	15130
Contribution to UNICEF Trust Fund for the POLIO + Programme (earmarked for Ethiopia)	Ethiopia	UNICEF	C01	12250

8. C01 is recommended for “Afghanistan Reconstruction Trust Fund - Justice System” as the contribution targets the justice system among various components within ARTF. Likewise, the contribution to UNICEF Trust Fund for the POLIO is recorded under C01 since it is earmarked for Ethiopia, although donors are not involved in any detailed project management activities.

*e. Trust funds administered by international organisations*

9. Core contributions to funds included on the List of ODA-eligible international organisations (Annex 2 of the Statistical Reporting Directives) should be reported as **multilateral** (examples: contributions to the Central Emergency Response Fund, the Global Environment Facility climate funds, United Nations Volunteers).

10. Contributions to funds not included on the List of ODA-eligible international organisations (examples: Afghanistan Reconstruction Trust Fund, Global Facility for Disaster Reduction and Recovery) should be reported as **bilateral** with type of aid B03 for unearmarked contributions or C01 for contributions earmarked to projects implemented by the funds.

11. A contribution to a trust fund can be earmarked to a specific activity or set of activities or component of a wider programme. In this case donors still control the disposal of their funds even if they are disbursed under the strict rules of the managing organisation and the contribution should therefore be assigned type of aid C01 (see FAQ 1.d). Conversely, donors can provide unearmarked contributions to

trust funds and, by doing so, relinquish the control over the disposal of their funds; these contributions should be assigned type of aid B03.

12. Any contribution to a freestanding trust fund, financing one-shot activities, would be considered as earmarked.

*Summary of cases*

Case	Org.	Contribution	Activities funded	Geographical scope of trust fund	Type of aid
1	Multilateral agency	Unearmarked / pooled	Programme	Global	<b>B02 (multilateral)</b> if trust fund already included in the List of ODA-eligible international organisations.  <b>B03 (bilateral)</b> if a trust fund not already included in that List. (proposing such trust fund for inclusion on the List could be considered).
2	Multilateral agency	Unearmarked / pooled	Programme	Country-specific	<b>B03 (bilateral)</b> : the country-specific criterion makes the contribution bilateral by nature.
3	Multilateral agency or PPP / INGO	Earmarked	Programme or stand-alone	Global / regional or country-specific	<b>C01 (bilateral)</b> : the earmarked character of donors' contributions determines, on its own, the type of aid.
4	PPP or INGO	Unearmarked / pooled	Programme	Global / regional or country-specific	<b>B03 (bilateral)</b> .

*Examples*

Project title	Recipient	Channel of delivery	Type of aid	Purpose code
Contribution to the IFC Trust Fund Crisis Response (case 1)	Financial	Unallocated	IFC	<b>B03</b> 24010
FTI Secretariat Funds 2009 (case 1)	Africa, regional	World Bank Group	<b>B03</b>	11110
Afghanistan Reconstruction Trust Fund (case 2)	Afghanistan	World Bank Group	<b>B03</b>	43010
Afghanistan Reconstruction Trust Fund - Justice System (case 3)	Afghanistan	World Bank Group	<b>C01</b>	15130
Contribution to UNICEF Trust Fund for the POLIO + Programme (earmarked for Ethiopia) (case 3)	Ethiopia	UNICEF	<b>C01</b>	12250

***f. Researchers from developing countries***

13. Contributions to researchers from developing countries in research institutes are reported as type of aid D02. Researchers from donor countries who perform their researches in donor countries are also classified as D02. *D01 – Donor country personnel* is applied only for researchers from donor countries sent to developing countries.

***g. Capacity building for debt management***

14. Capacity building for debt management should be reported as *C01-Project-type interventions* (and not *F01-Debt relief*) and purpose code *15111-Public finance management*.

***h. “One UN” funds***

15. When the donor gathers all its contributions to UN organisations together under “one UN”, it should be reported as *B03 – contribution to specific-purpose programmes and funds managed by international organisations*.

***i. Junior Professional Officers – “JPOs”***

16. Contributions funding “JPOs” should be coded with type of aid D01.

***j. Contributions to the OECD***

- Core contributions to the Development Centre (channel code 47081) and to the Sahel and West Africa Club (47029) should be coded **B02** (multilateral);
- Voluntary contributions to the Development cluster (including Development Co-operation Directorate, African Partnership Forum and Paris 21) should be coded **B03** (bilateral);
- Any ODA-eligible contribution to any other OECD Directorate better fits under **C01** (bilateral).

***k. Emergency aid***

17. Contributions for emergency aid (purpose codes 720xx) through international organisations (INGOs, multilateral organisations) should preferably be recorded as follows:

- Contributions in response to “appeals” by international organisations e.g. flash appeals, Consolidated Appeal Process (CAP), Common Humanitarian Action Plan (CHAP): **B03**;
- Other emergency interventions: **C01** for projects channelled through international organisations, **D01** for JPOs seconded to these organisations.

18. Activities for reconstruction relief and rehabilitation (purpose code 73010) or disaster prevention and preparedness (74010) generally fall under type of aid **C01**.

19. Core contributions to INGOs/multilateral organisations are classified as **B01/B02**.

**FAQ 2. Is it possible to have only one donor in a fund coded as B04-Basket funds/pooled funding?**

20. There may be cases where the donor is actually the only donor at the design stage of the fund, but if all procedures are in place for other donors to join when the fund starts operating, it can be reported as

type of aid = *B04-Basket funds/pooled funding*. Reporting countries will need to verify that other donors actually join later on in the process.

**FAQ 3. Is it possible to report on donor core support to NGOs at the project level, based on information received (*ex-post*) from the NGOs? What type of aid should be applied in such a situation?**

21. For analytical purposes, it is useful to obtain detailed information on how NGOs have allocated donors' core funding. Where possible, the recommendation is to report project details rather than the original core contributions. However, as donors' funds were in the form of "core contributions", the activities should be reported with a type of aid ***B01-Core support to NGOs, other private bodies, PPPs and research institutes*** (and not *C01-Project-type interventions*). In these cases, the field *bi/multi* should be set to value 7 (*ex-post information on the use of core support to NGOs*).

**FAQ 4. Should all project-type interventions be flagged as "investment"?**

22. Project-type interventions (type of aid C01) cover "investment" projects e.g. infrastructure projects but also other projects such as technical co-operation activities including feasibility studies or capacity building projects. These TC activities can be recorded under C01. (Other TC activities are recorded elsewhere: sending donor country experts under D01, ad-hoc training programmes or workshops under D02.)

*Examples of project-type interventions*

Project title	Recipient	Investment	AF	FTC	Type of aid	Purpose code
Tramway project	Ukraine	1			C01	21030
UHT processing plant and dairy farm project	Mozambique	1	1		C01	32161
Feasibility study for tramway project	Ukraine			1	C01	21030
Ministry of justice capacity building: rule of law	Moldova			1	C01	15130

**FAQ 5. Are there rules on possible combinations of aid types and other CRS variables (channel codes, *bi/multi*, purpose codes)?**

23. There are indeed some rules for certain aid types, as certain combinations of values would result in inconsistencies. Rules are described below [see also the "CRS Reporting Check-list" in DCD/DAC/STAT/RD(2013)1/RD4]:

**A01: General budget support**

- A01 → Purpose code = 51010\*
- Generally, Parent channel = 12000.

\* Note that purpose code=51010 can also be associated with type of aid B03 in the case of contributions for general budget support channelled through trust funds (see FAQ 1.b).

**A02: Sector budget support**

- A02 → Purpose code different from 51010 or 99810.
- Generally, Parent channel = 12000.

**B01: Core support to NGOs, other private bodies, PPPs and research institutes**

- B01 ↔ *Bi/multi* = 3.
- Parent channel = 20000, 30000 or 51000.

**B02: Core contributions to multilateral institutions**

- B02  $\Leftrightarrow$  Bi/multi =2.
- Check that the organisation is on the DAC list of ODA-eligible international organisations (Annex 2 in the Converged Directives)
- Channel code is in Annex 9 of the Converged Directives (Parent channel = 40000), see also the list of codes available on-line.

**B03: Contributions to specific-purpose programmes and funds managed by International Organisations (multilateral, INGO)**

- Parent channel = 21000 or 40000.
- A choice has to be made between B03 (contributions to programmes and funds) and C01 (earmarked contributions to specific activities).

**C01: Project-type interventions**

- Generally, if Investment = 1, Type of aid = C01.
- Associated financing = 1  $\rightarrow$  Type of aid =C01.

**F01: Debt relief**

- Purpose code 600xx ; Type of finance 6xx.

**G01: Administrative costs**

- If Purpose code 91010  $\rightarrow$  Type of aid G01
- Generally, if Type of aid G01  $\rightarrow$  Purpose code 91010
- Purpose code 99810 not accepted.
- Channel code=11000.

**H01: Development awareness**

- If purpose code 99820  $\rightarrow$  type of aid H01
- Generally, if Type of aid H01  $\rightarrow$  Purpose code 99820

**H02: Refugees in-donor-country**

- If purpose code 93010  $\rightarrow$  type of aid H02
- Generally, if Type of aid H02  $\rightarrow$  Purpose code 93010

**FAQ 6. What is the relation between technical co-operation and types of aid?**

24. Free-standing technical co-operation (FTC) is not defined as a type of aid, but helps to more closely characterise donors' contributions. The FTC definition is based on the "purpose" of the activity (i.e. "...activities financed by a donor country whose primary purpose is to augment the level of knowledge, skills, technical know-how...") and encompasses activities delivered through various modalities. Capacity building projects recorded under type of aid *C01-Project-type interventions* comply with the FTC definition, and categories D01-D02 and E01-E02 should generally be reported as FTC.

- If Type of aid in (D01, D02, E01, E02)  $\rightarrow$  FTC = 1
- If Type of aid =C01  $\rightarrow$  FTC in (null/blanc, 1)
- Else  $\rightarrow$  FTC = null/blanc

**FAQ 7. Can a donor country-based NGO be reported as channel of delivery when type of aid is B03 - Contributions to specific-purpose programmes and funds managed by international organisations?**

25. The examples below illustrate cases where donor country-based NGOs administer contributions to funds managed by international organisations. The recommendation is to report the international organisation concerned as the channel, not the donor country-based NGO.

*Example 1* – the international organisation managing the fund is an INGO: Norway contributes to ICRC Special Fund for Disabled (type of aid = B03) but the contribution is administered by a Norwegian NGO (Norwegian Red Cross) on behalf of the Norwegian Government.

26. The Secretariat recommends that the beneficiary organisation (ICRC Special Fund for Disabled) is recorded as the channel of delivery, rather than the intermediary organisation (Norwegian Red Cross). This is because the Norwegian Red Cross will not really implement the activity, but will administer the funds on behalf of the Norwegian Government. It is important to also consider that the “channel” item is used to calculate statistical aggregates on aid channelled through NGOs, through multilateral organisations, and even through specific organisations, e.g. through ICRC. If the Norwegian Red Cross appears as the channel instead of ICRC Special Fund for the Disabled, this will not affect the “aid through NGOs” aggregate, but ICRC will not be easily identifiable as beneficiary of the contribution.

*Example 2* – the international organisation managing the fund is a multilateral organisation: In a case where an NGO would administer contributions to a fund managed by a multilateral organisation (e.g. Afghanistan Reconstruction Trust Fund-ARTF), the recommendation is to report the WB/ARTF as the channel; otherwise the contribution will be counted as “aid through NGOs” instead of “aid through multilaterals”.