

**Development Co-operation Directorate
Development Assistance Committee**

DAC Working Party on Development Finance Statistics

PROPOSAL TO INTRODUCE A MULTIPLE COUNTRY CODING IN THE CRS

**Formal meeting of the Working Party on Development Finance Statistics (WP-STAT)
13-15 June 2018, OECD Conference Centre, Paris**

This document presents a proposal to introduce a multiple country coding system in the CRS format, following the same approach as the one developed for the multiple purpose codes adopted in July 2017. It is presented for discussion at the meeting of the WP-STAT scheduled on 13-15 June 2018.

Contacts:

Valerie Thielemans valerie.thielemans@oecd.org

Julia Benn julia.benn@oecd.org

JT03432822

Proposal to introduce a multiple country coding in the CRS

1.1. Background

1. OECD DAC statistics are a cornerstone in the global accountability system and the main source for monitoring the UN ODA targets to provide 0.7% of GNI in ODA to developing countries and 0.15-0.20% of GNI in ODA to least developed countries (LDCs).
2. The decision reached by DAC Ministers at the 2014 HLM to allocate more of total ODA to countries most in need and to collectively reverse the declining trend of ODA to LDCs further underscored the importance of effective monitoring of members' performance against these targets. The Addis Ababa Agenda for Action (AAAA) also encouraged ODA providers to consider setting a target to provide at least 0.20 per cent of GNI in ODA to LDCs and was encouraged by those who are allocating at least 50 per cent of their ODA to LDCs.
3. Furthermore, LDCs are mentioned at least 24 times in the SDG indicator framework, underscoring the continued relevance of tracking flows to this country group. Target 17.2 recalls all these commitments: *“Developed countries to implement fully their official development assistance commitments, including the commitment by many developed countries to achieve the target of 0.7 per cent of ODA/GNI to developing countries and 0.15 to 0.20 per cent of ODA/GNI to least developed countries; ODA providers are encouraged to consider setting a target to provide at least 0.20 per cent of ODA/GNI to least developed countries”*.
4. With a view to enhancing the reporting on aid to LDCs and other country groupings, the Working Party on Development Finance Statistics has discussed methodologies to improve the country breakdown of regional and global ODA in 2015 [DCD/DAC/STAT(2015)29] and 2017 [DCD/DAC/STAT/RD(2017)10]. One proposal put forward in this context is to allow the reporting on multiple recipient codes in the CRS system, thereby reducing the amounts reported as “unallocated”.
5. Multiple recipient codes could also be beneficial for the TOSSD statistical framework, one objective of which is to improve the accuracy of the data on cross-border resource flows to developing countries. In that context, regional projects implemented in multiple recipient countries and involving direct resource transfers to those countries could be best tracked using multiple recipient codes.
6. In the case of loans in the form of multi-country agreements, if known at the time of the commitment, the exact debtor countries will be indicated in order to check the ODA eligibility and calculate the grant equivalents applying the appropriate discount rates and thresholds. Multiple recipient coding may ease this process.
7. This document presents a proposal to introduce a multiple country coding system in the CRS format, following the same approach as the one developed for the multiple purpose codes adopted in July 2017 [DCD/DAC/STAT(2017)5/REV1]. It is presented **for discussion** at the meeting of the WP-STAT scheduled on 13-15 June 2018.

1.2. Modalities of implementation and general guidelines

8. It is proposed to:

- **Limit to ten the number of recipient codes that can be assigned to a project.**
- **Attribute a percentage of the project’s global amount to each recipient code; the sum of all percentages for each project must equal 100%.**
- **Collect data on multiple recipient codes and the corresponding percentages (with maximum one decimal) in field 2 “Reporting country” through either a string that can be parsed¹ or using an XML string².**

9. Members who are already **reporting in the CRS projects with multiple recipient codes by splitting them into several lines** (see Box below) will be allowed to continue doing so as long as the lines pertaining to a single project can be easily reassembled using either the field *projectnumber*, or the field *crsid* (with suffixes).

10. In cases where projects are assigned more than 10 recipient codes in members’ internal systems, members can report in one of the following ways: split the project into 2 (or more, if appropriate) lines, or report on the first 9 recipient codes and apply the remaining share of the project to the 10th recipient code.

11. In the Secretariat’s data base, projects reported on several lines will be stored in several lines.

Based on members’ reporting for 2016:

- Only 4% of CRS transactions have been identified³ as relating to projects reported in several lines.
- 60% of this set of projects is split at least⁴ by recipient.
- The bulk (56%) of these projects relate to types of aid C01, then D01 and D02 (12% and 9% respectively).

1.3. Using multiple codes in data analysis

12. Multiple codes are applicable at project level, which means that the breakdown by recipients or sectors is established for the entire project and the project is reported in a single line (using strings that can be parsed or XML strings). Analysis on a particular dimension (sector, recipient) would take into account the percentages associated with the codes in that dimension. For an analysis across several dimensions (e.g. recipient and sector), the Secretariat will apply the percentages in each of the dimensions to each of the

1. E.g. “269:40|255:25|248:15|247:10|241:10”.

2. E.g. “<recipients><recipient code="269" percentage="40"/><recipient code="255" percentage="25" /><recipient code="248" percentage="15"/><recipient code="247" percentage="10"/>< recipient code="241" percentage="10"/></ recipients >”

3. Identified through either the *projectnumber* or the *crsid* complemented with a suffix.

4. Some of these projects (33%) have been split by more than one dimension.

elements of the breakdown of other dimensions⁵. While it can be assumed that this would generally produce a good proxy⁶, it will never reflect the actual flows.

13. If the project is designed in such a way that the breakdown for one dimension (e.g. recipient) is completely different depending on another dimension (e.g. sector), then applying the percentages in each of the dimensions to each of the elements of the breakdown of other dimensions is not appropriate. For example, for large programmes implemented by several actors and targeting different sectors and different partner countries splitting the project seems to be a better solution. In this case, members will need to choose on which dimensions to base the splitting on.

14. **Members are invited to express their views on whether they are in principle in agreement with the proposal in paragraphs 8 through 11.** If so, it will be integrated in the next version of the Reporting Directives to guide the reporting from 2018 data onwards.

⁵ An example of analysis on projects with multiple coding on more than one dimension is presented in the Annex.

⁶ The Secretariat will calculate proxies for flows based on information reported by members.

Annex: Example of projects with multiple codes and various analyses

Example: 3 projects with multiple recipient and purpose codes

Crsid	Project number	Recipient codes	Purpose codes	Commitment
2015123456	XAZD-1234	130:70 136:30	12240:60 43040:40	100 000
2015123457	AAZD-1237	130:40 136:30 139:30	31130:60 43040:40	200 000
2015123458	BARW-1288	130:100	12240:90 31130:10	150 000
				450 000

Analysis by recipient country:

130	$(0.7 \times 100000) + (0.4 \times 200000) + (1 \times 150000)$	300 000
136	$(0.3 \times 100000) + (0.3 \times 200000)$	90 000
139	(0.3×200000)	60 000
	Total	450 000

Analysis by purpose code:

12240	$(0.6 \times 100000) + (0.9 \times 150000)$	195 000
43030	$(0.4 \times 100000) + (0.4 \times 200000)$	120 000
31130	$(0.6 \times 200000) + (0.1 \times 150000)$	135 000
	Total	450 000

Analysis by recipient and sector:

130	12240	$(0.7 \times 0.6 \times 100000) + (0.9 \times 150000)$	177 000
	43030	$(0.7 \times 0.4 \times 100000) + (0.4 \times 0.4 \times 200000)$	60 000
	31130	$(0.4 \times 0.6 \times 200000) + (0.1 \times 150000)$	63 000
		Sub-total	300 000
136	12240	$(0.3 \times 0.6 \times 100000)$	18 000
	43030	$(0.3 \times 0.4 \times 100000) + (0.3 \times 0.4 \times 200000)$	36 000
	31130	$(0.3 \times 0.6 \times 200000)$	36 000
		Sub-total	90 000
139	12240		0
	43030	$(0.3 \times 0.4 \times 200000)$	24 000
	31130	$(0.3 \times 0.6 \times 200000)$	36 000
		Sub-total	60 000
		Total	450 000