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Time for action

How private sector instruments are undermining aid budgets

By Cecilia Caio and Nerea Craviotto • February 2021

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The contents of this report are the sole responsibility of the authors.

List of acronyms

CRS	Creditor Reporting System
CSOs	Civil society organisations
DAC	Development Assistance Committee
DFIs	Development Finance Institutions
ESG	Environmental, Social and Governance (standards)
GNI	Gross National Income
ICT	Information and communications technology
HLM	High-Level Meeting
LDCs	Least Developed Countries
LIC	Lower Income Countries
LMICs	Lower Middle-Income Countries
MNEs	Multinational enterprises
ODA	Official Development Assistance
PPPs	Public-private partnerships
PSIs	Private sector instruments
SDGs	Sustainable Development Goals
SME	Small and medium-sized enterprises
TOSSD	Total Official Support for Sustainable Development
UMICs	Upper Middle-Income Countries
UN	United Nations

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Executive summary

Official development assistance (ODA) plays a fundamental role in an increasingly complex development finance landscape. In the midst of the Covid-19 pandemic, the United Nations (UN) estimated that developing countries would need an extra US$ 2.5 trillion in external finance to cope with the consequences of the crisis – from health and social protection needs, to addressing the increasing levels of extreme poverty and the economic recovery – while also staying on track with the Sustainable Development Goals (SDGs).[1] In this context, ODA has a crucial role to play in tackling the impacts of the current crisis and supporting a recovery centred on human rights, gender equality and a just transition.

However, ODA levels have been stagnating in recent years, with the proportion of ODA actually transferred to developing countries showing a downward trend. This paints a bleak picture of ODA supply. On the one hand, volumes are stagnating while on the other, there is an increasing need for ODA funds. Together with the increasing frequency, intensity and interconnectedness of crises – as illustrated most recently by the Covid-19 pandemic – this will undermine the SDGs and even reverse any progress made towards achieving them.

In recent years, the mainstream narrative has been arguing that ODA, and public finance more broadly, will be insufficient to meet the huge funding gaps that remain to be filled if the SDGs are to be achieved. This goes hand in hand with the narrative that places 'the private sector' at the heart of resource mobilisation efforts. In this context, blended finance has come to dominate the development finance discourse. In line with this trend, development finance institutions have been shifting towards the direct mobilisation of private finance for development, increasingly using concessional finance from donors as leverage.

The evidence required to confirm and justify this narrative as the key path to financing and achieving the SDGs is lagging far behind.

Within this context, the Organisation for Economic Co-operation and Development (OECD) Development Assistance Committee (DAC) launched a process in 2012 to modernise "the measuring and monitoring of external development finance provided by its members", and to review the ODA concept.[2] This included a commitment to better reflect, in ODA, donor efforts to catalyse private sector investment in development and the related use of private sector instruments (PSIs). These include loans, equity investments, mezzanine finance provided to private sector enterprises, and guarantees extended to financers who back them. New (though provisional) reporting arrangements for PSIs were then agreed in 2018.

Since the start of the ODA modernisation process, civil society organisations (CSOs) have been actively engaging in the discussions around donors' use of private sector instruments at the DAC, as well as around the broader trends in the financialisation and privatisation of development cooperation. They have been raising key issues addressing the far-reaching implications of these discussions on the quantity and quality of ODA, including the erosion of the fundamental ODA criteria of concessionality.

This report brings together and analyses all agreements and commitments made to date by DAC members on the topic of ODA and private sector instruments, their implications and the main issues at stake. It also analyses the first two rounds of PSI data reported by DAC members in 2018 and 2019 following the 2018 interim rules, highlighting information about the volumes of ODA spent through private sector instruments, the types of private sector instruments used, the type of countries receiving ODA through private sector instruments, the sectors supported through PSI ODA, and how additionality has been reported.

The objective is to support additional and renewed civil society advocacy and engagement on the topic, particularly if discussions and negotiations on PSIs resume in 2021, as should be expected.

Civil society has a vital role to play in protecting the quantity and quality of ODA, and in ensuring that ODA responds to its core mandate of eradicating poverty and inequalities

The analysis of this report finds that:

- The amount of ODA reported as PSIs is increasing (from 1.7% to 2.2%)[3] and is mainly reported through the institutional method (52% in 2018, and 69% in 2019).
- Aggregate PSI levels may seem small but their scale is significant compared to allocations to specific purposes or sectors. Gross PSI ODA in 2018 and 2019 (US$ 4.6 billion) was above the amount of gross bilateral ODA that DAC members spent on basic health (US$ 4.3 billion) in 2018 and just equal in 2019; it equalled almost twice the amount spent on primary education in 2018 and 2019 (US$ 2.5 billion and US$ 2.4 billion respectively); it represented almost three times the amount spent on general budget support in 2018 and 2019 (US$ 1.8 billion and US$ 1.9 billion respectively); and approximately five times the DAC bilateral ODA spent in 2018 and 2019 on social protection (US$ 934 million and US$ 891 million respectively).
- The vast majority of PSI ODA goes to middle-income countries, with 59% (2018) and 51% (2019) of country-allocable PSI ODA going to upper middle-income countries, compared to 7% (2018) and 2% (2019) going to Least Developed Countries (LDCs).
- The UK and France reported substantially higher amounts of PSIs compared to other DAC members for both years: US$ 1.4 billion and US$ 680 million respectively in 2019, up from US$ 1 billion and US$ 543 million in 2018 respectively.
- Additionality – both in financial terms and in terms of value – is a key rationale for channelling aid through PSIs. Although between 2018 and 2019 the number of DAC members reporting the type of additionality increased from six (2018) to ten (2019), still a third of PSI ODA (US$ 1.5 billion) in 2019 was left unreported in terms of which type of additionality the PSI initiative was bringing. Even in cases where donors reported additional information describing their PSIs initiatives, this information was limited and nonspecific.

The analysis of the first two rounds of PSI data highlights several issues, which CSOs have been consistently raising. These can be grouped into three broad categories:

i. issues related to the fundamental nature and role of ODA;

ii. transparency and accountability issues; and

iii. statistical issues, threatening the quality and integrity of ODA as a statistical measure.

As this report shows, there are key issues at stake with regards to the implications for the quantity and quality of ODA. The main implications include: the dilution of the distinctive role and value of ODA compared to other types of development finance; a potentially weaker evidence base on which decision-making on ODA allocation would be based; and compromised transparency and accountability standards. Additionally, depending on the outcome of the pending decisions around how to calculate the grant equivalent of PSIs, there is a risk of diverting scarce ODA resources away from uses for which evidence of impact exists and which ODA is better placed to serve, towards others for which such evidence is still elusive. For example, by supporting domestic governments to strengthen those sectors that are proven to tackle inequality – such as public health, education, social protection – or by supporting developing countries in raising taxes progressively and spending them in an accountable manner.

Civil society has a vital role to play in protecting the quantity and quality of ODA, and in ensuring that ODA responds to its core mandate of eradicating poverty and inequalities, including agreed international commitments to 'leave no one behind'. Maintaining momentum on PSIs is critical. The stakes are too high for DAC members' reservations around returning to the negotiating table to be left unchallenged. CSOs have an important role to play in:

- Stressing the need for the donor community to provide evidence that justifies the inclusion of PSIs in ODA. While the evidence is insufficient, CSOs should continue to advocate for PSIs to be reported as Other Official Flows.
- Maintaining the spotlight on the continued need for non-PSI ODA and remind the donor community about the longstanding commitment to provide 0.7% of Gross National Income (GNI) as ODA, on concessional terms.
- Ensuring ODA is allocated to its most effective use. Public investment in key social, economic and governance areas is a fundamental precondition for private sector development and private investment.

- Contributing to nuancing the conversation regarding 'the private sector', by gathering evidence and analysis that contributes to more informed discussions on the impact of PSIs on eradicating poverty and inequalities, environmental and development sustainability and on 'leaving no one behind'.

In 2021, there should be a review of the provisional reporting arrangements for PSI and the related ODA data collected since they were first agreed. This review is an opportunity to open up negotiations to reach a permanent agreement that includes PSI 'implementation details' and safeguards in line with the commitments made at the 2016 DAC High Level Meeting.

The time is now for DAC members to make sure ODA is channelled through the best possible instruments and mechanisms to ensure that the progress of the poorest and most marginalised people remains at the heart of ODA allocations.

CSOs should continue to put pressure on DAC members to resume negotiations. DAC members should not miss this opportunity and should go back to the negotiating table with raised ambitions. With the deadline for achieving the SDGs rapidly approaching, taking stock of the implications of the impact of PSI rules should be a top priority.

In addition, CSOs should call for an external review of the whole ODA modernisation process and its impact on the quantity and quality of ODA. Such a review should look into the expansion of the ODA concept, its definition and related reporting rules.

The time is now for DAC members to make sure ODA is channelled through the best possible instruments and mechanisms to ensure that the progress of the poorest and most marginalised people remains at the heart of ODA allocations.

1. Introduction

Official development assistance (ODA) plays a fundamental role in an increasingly complex and expanding development finance landscape. Given its mandate and concessional character[4] (see Box 1), ODA is uniquely placed to support the needs of the poorest and most vulnerable people in the world. Recent events – notably the Covid-19 pandemic – make ODA's role even more crucial.

Currently, the world is witnessing a global healthcare crisis that is unleashing interrelated humanitarian, food security, social, economic, ecological and financial crises. It is likely that millions of people were pushed back into poverty by the end of 2020 alone,[5] and sustainable development gains in many developing countries are being reversed. In spite of this looming crisis, the shifting global narrative on the role of ODA, as well as recent changes and rules related to the way ODA is to be reported and measured, threaten to undermine its potential to improve millions of people's lives around the globe.

In 2012, the Development Assistance Committee (DAC) launched the modernisation of its statistical system in order to improve its accuracy while reflecting the changes in the development cooperation sector. These included the growing importance of other providers – non-DAC providers and philanthropic foundations – the diversification of financial instruments for development, and the increasing overlap of development cooperation policy objectives with those of other sectors such as migration and security. In the process, the DAC took a series of decisions at its High-Level Meetings (HLM) in 2014, 2016 and 2017.

The purpose of this report, among others, is to bring together all agreements and commitments made to date by DAC members on the topic of ODA and private sector instruments.

At the 2016 HLM, members of the DAC agreed on the principles to better reflect, in ODA, the donor effort involved in the use of private sector instruments (PSIs). Although efforts were made to agree on the implementation rules as well, DAC members were only able to agree on a temporary solution when it came to reporting ODA spent through PSIs.[6] Work on the implementation details was still ongoing at the time of writing this report and the DAC has stated it is committed to reaching a conclusion by consensus on this topic.

The purpose of this report is to bring together all agreements and commitments made to date by DAC members on the topic of ODA and private sector instruments, which is a key part of the ODA modernisation process at the DAC, their implications and the main issues at stake. The objective is to support additional and renewed civil society advocacy and engagement on the topic, particularly if discussions and negotiations on PSIs resume in 2021, as should be expected.

The report is organised in six sections.

- Section 2 provides an overview of the global context that led to the ODA modernisation process at the DAC and the agreement to report PSIs as ODA.
- Section 3 provides an overview of DAC agreements to date, with a specific focus on the 2016 PSI principles, and the 2018 provisional reporting arrangements.
- Section 4 analyses the first two rounds of PSI data reported by DAC members following the 2018 interim rules, 2018 and 2019, and highlights what it does and does not show.
- Section 5 highlights what is at stake and the key implications on the role and potential of ODA as a specific type of development finance, as well as on its integrity and credibility as a statistical measure.
- Section 6 builds on existing CSO work and positions and proposes some criteria to further guide civil society engagement in relation to PSIs.
- Section 7 concludes with a summary of key lessons learned.

Box 1: Definition of ODA

Official development assistance (ODA) flows to countries and territories on the **DAC List of ODA Recipients** and to multilateral development institutions that are:

i. provided by official agencies, including state and local governments, or by their executive agencies; and

ii. concessional (i.e. grants and soft loans) and administered with the promotion of the economic development and welfare of developing countries as the main objective.

ODA does not include:

- military aid and promotion of donors' security interests;
- transactions that have primarily commercial objectives, e.g. export credits.

Source: https://www.oecd.org/dac/financing-sustainable-development development-finance-standards/What-is-ODA.pdf

Box 2: What are private sector instruments?

Private Sector Instruments (PSIs) are financing instruments that ODA providers can use to make direct investments in private enterprises or in 'PSI vehicles'[7] – such as development finance institutions (DFIs), investment funds, or other special purpose vehicles – which in turn invest in private entities (e.g. enterprises or investment funds) in developing countries. They consist of loans to private sector entities, equity investments, mezzanine finance instruments (such as subordinated loans, preferred equity, and convertible debt/ equity) and guarantees. Capital contributions to DFIs are also considered PSIs – whether they are provided as grants or equity investments.

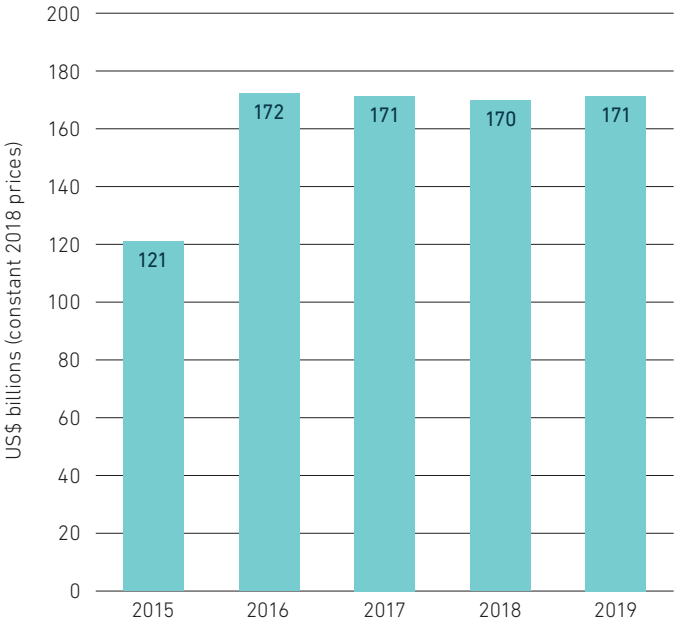
PSIs should not be confused with ODA channelled through private sector institutions, which is a specific channel of delivery in the DAC Creditor Reporting System (CRS). There are several ODA grants channelled through private sector entities, and, similarly, there are PSI transactions that are not channelled through private sector entities.

PSIs are also not the same as blended finance although the two are very linked. PSIs are instruments, while blended finance is a structuring approach.[8] PSIs are used by ODA providers to invest in private sector entities (whether directly or via PSI vehicles such as DFIs). With blended finance, ODA providers (or other providers of concessional finance) invest alongside private sector entities or investors and may or may not use PSIs to do so (e.g. they could also use grants or technical assistance, which are not PSIs).[9]

2. Global context: ODA trends and narrative

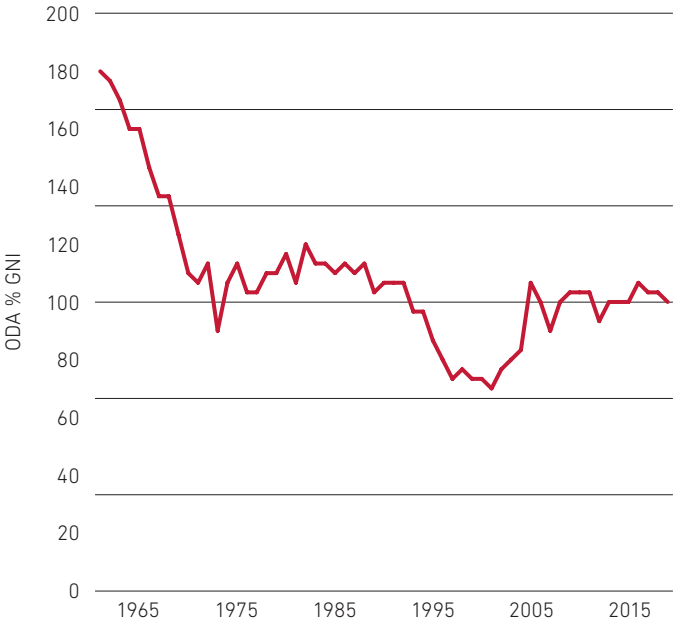
Headline ODA levels have been stagnating in recent years (see Figure 1), with the proportion of ODA actually transferred to developing countries decreasing.[10] ODA levels as a share of DAC countries' Gross National Income (GNI) have been stuck at around 0.3% since 2005 – not even half-way to the long-standing United Nations (UN) target of 0.7% (see Figure 2). Only eight DAC members[11] have ever met the target since it was established in 1970, and only a handful of them have done this consistently.[12] This points to a bleak picture in terms of the supply and demand of ODA, with stagnant volumes of ODA on the one hand, and increasing need for ODA on the other. Meanwhile, progress towards the SDGs continues to be undermined and in certain cases reversed by the increasing frequency, intensity and interconnectedness of crises, as illustrated most recently by the Covid-19 pandemic.

Figure 1: ODA levels have been stagnating since 2016



Source: OECD DAC Table 1 data extracted on 14 November 2020
Note: Data shows 'Official Development Assistance, grant equivalent measure' for DAC Countries and EU Institutions.

Figure 2: ODA as a percentage of DAC countries' GNI



Source: OECD DAC Table 1 data extracted on 14 November 2020
Note: Data for 1961-2017 is reported on a cash-flow basis; data for 2018-2019 is reported on a grant equivalent basis. Data is for DAC countries only.

As a result of a widespread argument that ODA, and public finance more broadly, will not be enough to meet the huge funding gaps that remain to be filled if the SDGs are to be achieved by 2030, a global narrative has developed placing 'the private sector' at the heart of resource mobilisation efforts. This trend started to take shape during the 2008 economic crisis. However, the agreement of the SDGs and the Addis Ababa Action Agenda[13] in 2015 pushed the idea of using official public resources even further, especially ODA, to directly support (or subsidise) the mobilisation of finance from private sector actors and has been picking up momentum since then.[14] Blended finance has come to dominate the development finance discourse and the role of DFIs, which have long been instrumental in supporting private sector development in developing countries (mostly through the deployment of non-concessional finance).

However, over the last few years, DFIs have been shifting their focus towards the direct mobilisation of private finance for development, increasingly using concessional finance from donors. The 'Billions to Trillions' campaign launched in 2015 by various multilateral development banks[15] and more recently the World Bank's 'Maximising Finance for Development approach'[16] clearly laid out the subordination of public finance to the goal of mobilising private finance and illustrate the ongoing trend of **financialisation** of international cooperation.[17] The outcome of the 2020 OECD DAC High Level Meeting underlines additional calls for promoting blended finance and expanding the use of guarantees and other innovative financing instruments, as part of Covid-19 recovery efforts.[18]

While the narrative continues to dominate policy dialogues and to influence development cooperation policies and the approaches of key donors,[19] the evidence required to confirm and justify this route as the best approach towards financing and achieving the SDGs is lagging far behind.[20]

2.1 ODA modernisation process at the DAC and private sector instruments

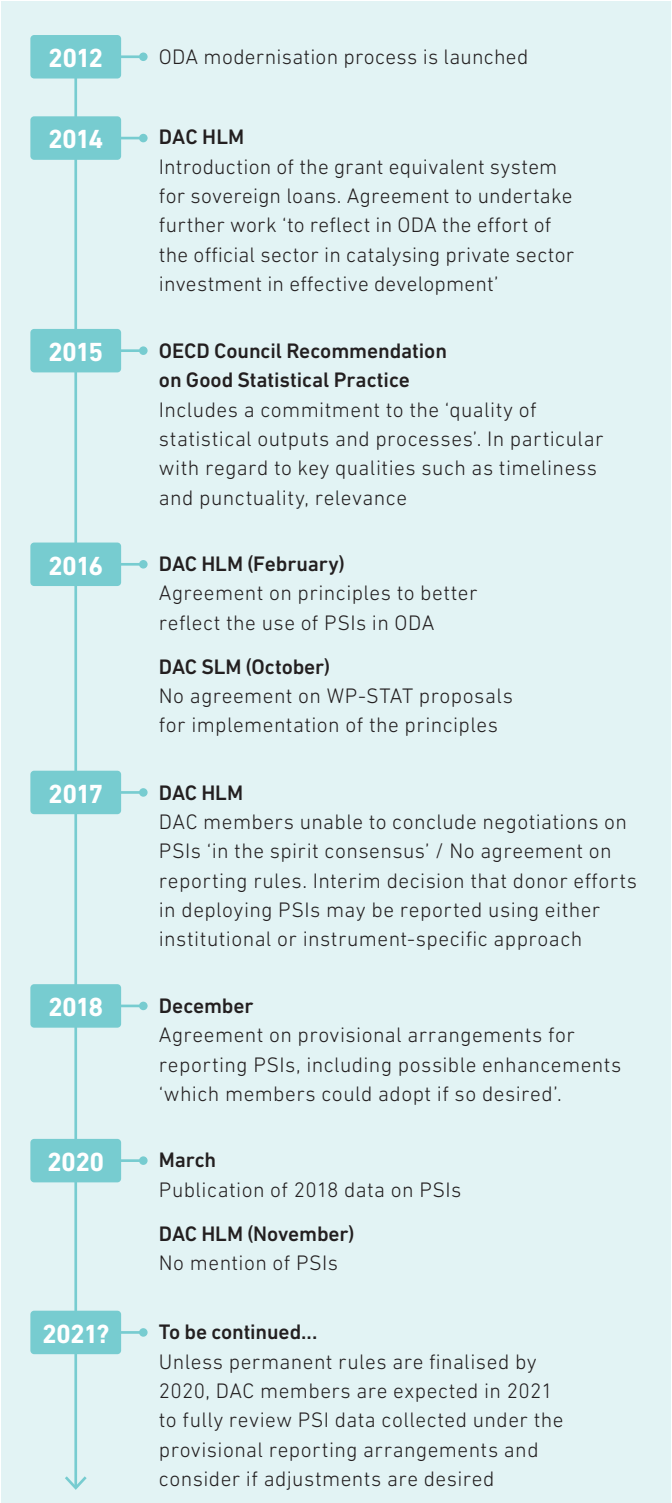
In 2012, the OECD Development Assistance Committee (DAC) launched a process to modernise "the measuring and monitoring of external development finance provided by its members", including, among other things, an investigation of "whether any resulting new measures of external development finance (including any new approaches to measurement of donor effort) suggest the need to modernise the ODA concept".[21] This opened the door, two years later, to a commitment "to urgently undertake further work to reflect in ODA the effort of the official sector in catalysing private sector investment in effective development", underlining the explicit wish by DAC members "to encourage the use of ODA to mobilise additional private sector resources for development".[22]

Against this backdrop, in 2016, DAC members further articulated a "dual role" for ODA – consisting of "supporting sustainable development where it is most needed and catalysing the mobilisation of other public and private resources". They also agreed, among other things, "to a series of principles [...] designed to ensure that the DAC statistical system reflects the effort of the official sector in providing private sector instruments in a credible and transparent way while offering the right incentives and removing disincentives in the use of these instruments".[23] (See Box 2 for more information on what Private Sector Instruments are). The explicit expectation in defining these principles was to increase the use of ODA "to boost efforts to scale up engagement by the private sector in development finance".[24]

In 2018, DAC members agreed to provisional reporting arrangements for the implementation of the 2016 principles, which they are now expected to be revisited in 2021, given that no permanent rules have yet been finalised.

Figure 3 summarises milestones related to PSI in the ODA modernisation process at the DAC.

Figure 3: DAC ODA modernisation milestones related to private sector instruments



Source: Authors through a combination of sources

2.2 Civil society engagement in the DAC discussion on private sector instruments

Since the start of the ODA modernisation process, civil society organisations (CSOs) have been actively engaging in the discussions around PSIs at the DAC, as well as around the broader trends in the financialisation and privatisation of development cooperation.[25]

CSOs have consistently highlighted the far-reaching implications of reporting PSIs as ODA, which could undermine both the quantity and quality of ODA, including the erosion of the fundamental ODA criteria of concessionality. One of the concerns raised by CSOs has been the threat of diverting concessional resources away from their core mandate of eradicating poverty and reducing inequalities, as well as from the essential importance of strengthening and growing public sector investment for these purposes. CSOs stress that any erosion of concessionality could easily blur the boundaries between ODA and commercial transactions. CSOs have also stressed the lack of evidence of PSIs' alignment with the development effectiveness principles, their impact on the eradication of poverty and inequalities and the risks for increased aid tying.

Since the agreement of the provisional reporting arrangements for PSIs in 2018, CSOs have been highlighting the need for DAC members to resume negotiations in order to reach a permanent agreement that addresses the implementation rules, safeguards and incentives/disincentives and clarifies issues related to additionality. In the absence of a permanent agreement, CSOs have been recommending the reporting of donor investments in PSI as Other Official Flows,[26] rather than as ODA.

Last but not least, CSOs have been asking DAC members to ensure the requirements of the 2018 PSI agreement are either fulfilled or exceeded in their reporting of PSIs – including taking full advantage of the fields devoted to provide the rationale for the additionality of the reported activity. A complete data picture is essential for meaningful public scrutiny of how PSI ODA is being spent, as well as to inform future negotiations on PSIs. In the framework of discussions and negotiations on PSIs, CSOs are also asking DFIs to improve their transparency, to ensure proper accountability – especially for contracts involving ODA.

3. DAC agreements on private sector instruments to date

Since the start of discussions and negotiations on PSIs, DAC members managed to agree on a set of guiding principles (in 2016). However, they failed to agree on rules for implementing these principles, establishing interim reporting guidelines instead in 2018. As part of the interim reporting rules agreement, DAC members also agreed to "fully review" collected data (from 2018 and 2019) in 2021 and "consider if adjustments are desired".[27]

3.1 2016 PSI principles

In 2016, DAC members agreed a set of principles (11 in total) to better reflect their efforts in investing ODA through PSIs[28] and to frame the related discussions going forward. Prior to this, investments in private sector entities, including by DFIs, were not reportable as ODA. There were two main reasons for this exclusion:

i. **Their non-concessional character**: It was not considered desirable to subsidise private sector entities in developing countries because of competition concerns; since without subsidies there is no concessionality, and since ODA was defined as concessional, such investments did not qualify as ODA.

ii. '**Point of measurement' rules at the DAC**: These tried to avoid internal payments within donor countries and focus on measuring flows between donor countries and recipient countries, meaning that investments such as capital injections in DFIs would not qualify as ODA.

The aim of the PSI principles agreed by the DAC in 2016 was to allow the reporting of these types of investments as ODA, despite their non-concessional character and despite the 'point of measurement' rules. By doing this, DAC members effectively removed concessionality as a condition for ODA and opened the door for a revision of the definition of ODA, placing the focus on additionality instead (see definition of additionality in Section 3.2). They also allowed the reporting of ODA within donor countries (see institutional approach described under 'Method of reporting' below). Overall, they attempted to maintain some level of consistency with the reporting rules for non-PSI ODA – for example, by establishing the grant equivalent approach as the method to measure 'donor effort' (see Box 3) and by setting out minimum transparency and accountability standards, such as the requirement to provide activity-level data in the CRS (see 'Transparency and data disclosure' point). However, the very nature of PSIs (non-concessional and profit-seeking) makes it hard to believe that the consistency with the reporting rules for non-PSI ODA will in fact be possible.

More specifically, the principles agreed at the 2016 DAC High-Level Meeting (HLM)[29] set out the following guidelines:[30]

ODA characteristic: The 'ODA characteristic' in the case of PSIs will be conveyed by the *additionality* of the finance provided,[31] as well as the primary development objective of the investment. The principles note explicitly that "the 'concessional in character' criterion is not appropriate for assessing the ODA characteristics of PSI". This is because applying the concessionality thresholds and discount rates agreed in the context of sovereign loans[32] to PSI transactions "could incentivise unnecessary subsidisation of finance", and also fail to give donors additional credit for taking additional risk ("financing the private sector is generally riskier than the official sector").[33] Nevertheless, concessionality remains a defining characteristic for flows that are reported as ODA (see Box 1), which calls into question the place that PSIs should have in ODA.

Method of reporting: 'Donor effort' in deploying PSIs will be reported as ODA following, whenever possible, the 'grant equivalent' method (see Box 3), while the actual amounts of finance invested or spent by DAC members using PSIs (i.e. the financial flows) will be reported as part of a new measure that captures total official support for sustainable development (TOSSD). However, no specific discount rates were included in the principles that could guide the calculation of grant equivalents for PSIs. Furthermore, the disagreement on the discount rates was the primary reason for the DAC's failure to agree implementation rules for the PSI principles and for the decision to report PSIs on a cash-flow basis in the interim (see Section 3.2).

Under the interim agreement, donor effort on a cash-flow basis will be measured either at the point of transfer of funds to a vehicle (such as a DFI, investment fund or other special purpose vehicle), which in turn provides finance in the form of PSIs to private sector entities in developing countries ("institutional approach"); or at the transaction (project) level between the PSI vehicle and the private sector entity receiving the funding ("instrument-specific approach").

Under the institutional approach, an ODA eligibility assessment of PSI vehicles will determine what share of total funding provided to them can be counted as ODA (see 'ODA eligibility for PSI vehicles' below). The UK, for example, follows the institutional approach and reports its capital contributions to the CDC as ODA (its bilateral DFI); on the other hand, France uses the instrument-specific approach, meaning that PSI ODA is reported whenever a transaction between its bilateral DFI (Proparco) or other PSI vehicles takes place, and not when capital is injected by the French government into these vehicles.

Box 3: Grant equivalents and PSIs

In 2014, as part of the ODA modernisation process, DAC members agreed to change the rules for reporting ODA loans to sovereigns. Until that point, loans to developing country governments were reported as ODA if concessional; and concessionality was defined as having a grant element of at least 25% (calculated using a discount rate of 10%).[34] If this condition was satisfied, the full value of the loan was counted as ODA. For example, a loan of US$ 10 million with a 25% grant element would count as US$ 10 million in gross ODA; similarly, a loan of US$ 10 million with a 60% grant element would also count as US$ 10 million in gross ODA (and capital repayments on existing loans were subtracted to calculate the headline ODA figure, 'net ODA').

The rule changes resulted in only the 'grant equivalent' counting as ODA (and capital repayments on existing loans not being subtracted from headline ODA figures). With reference to the examples given above, this means that the reported ODA figures would become US$ 2.5 million and US$ 6 million respectively – with the more concessional loan (i.e. the one with the higher grant element) counting as more ODA.

In addition, three tiers were established to calculate grant equivalents, depending on the geographical allocation of the loans – loans given to countries with lower per capita income levels counted for more ODA than loans going to better-off countries. Specific discount rates and grant element thresholds were set to identify these three tiers, and to incentivise lending at more concessional terms according to the lower the levels of per capita income of the receiving country:[35]

- **Discount rates**: A 'base' discount rate of 5% was set to which 'adjustment factors' of 1% for Upper Middle-Income Countries (UMICs), 2% for Lower Middle-Income Countries (LMICs), and 4% for Least Developed Countries (LDCs) and other Lower Income Countries (LICs), were added to reflect the different levels of risk donors would face lending money to countries with different levels of per capita income.
- **Grant elements**: Different thresholds were set to establish the minimum level of concessionality for a loan to be reportable as ODA. For LDCs and other LICs, the grant element of a loan needs to be at least 45%; in LMICs, at least 15%, and in UMICs, at least 10%.

With regard to PSIs, the principles agreed by DAC members at the 2016 DAC HLM state that, under the instrument-specific approach, donor effort will be based on risk-adjusted grant equivalents (see principle v) – meaning that the same logic described above would apply (i.e. the value to be reported as ODA would not represent the full volume of financing, but only the grant equivalent). However, the principles also state that "PSIs are non-concessional in nature"[36] and thus the concessionality thresholds agreed for sovereign ODA loans would not apply to PSI loans. The principles even suggest that "there should either be no threshold or a purely technical threshold".[37] The rationale provided was that using the same rates could incentivise unnecessary subsidisation of private finance, and that since lending to the private sector is considered to be riskier than lending to governments, the discount rates to be applied to PSIs should include a risk premium additional to that applied to sovereign loans. Thus, no rates were agreed.

ODA eligibility for PSI vehicles. For all bilateral DFIs and, upon request, for other PSI vehicles, an ODA eligibility assessment will be carried out using a common template and focusing on mandate, project portfolio, investment strategy and due diligence mechanisms (additional detail on this is provided in Section 3.2 below). To be ODA eligible, the institution (or vehicle) has to:

- **Invest in ODA-eligible countries**:[38] In instances in which investments are made in other countries too, the share of ODA-eligible activities out of the total portfolio will be estimated and used to establish a coefficient for ODA reporting.
- **Demonstrate additionality**: Work on defining additionality was undertaken as a follow-up to the HLM and is discussed in Section 3.2 below.

Method for calculating ODA across different instruments: The calculation of ODA will vary depending on the financial instrument. Grant contributions will be counted at their face value, equity contributions by donors to DFIs or other PSI vehicles will be counted at their face value (with any reflows counting as negative ODA), and everything else (i.e. reimbursable grants, loans and equity investments in private sector entities, and guarantees) will be counted on a grant equivalent basis. More specifically:

1. The discount rates to calculate grant equivalents will be differentiated by income group and, for PSI loans, will reflect the fact that lending to the private sector is riskier than lending to sovereigns (see Box 3); for guarantees, which are non-funded instruments, discount rates will only take into account operating costs and risk-adjustment factors (not the funding cost).
2. Equity investments by DFIs and other PSI vehicles in private sector entities will be counted on a *'grant equivalent ex-post'* basis, initially counted at face value with reflows (i.e. proceeds from sales) discounted upon exit using differentiated discount rates by income groups. A cap on reflows corresponding to the original investment will be applied, meaning that if proceeds from the investment exceed the original investment (i.e. if a profit is generated), such profit would not reduce the ODA credit given to the investment. Where enough information is available to estimate reflows and risk from the outset, equity investments will be reported on a *'grant equivalent ex-ante'* basis (and adjusted ex-post as needed).

Transparency and data disclosure: All members should report on PSIs in the same format and apply the same information disclosure rules, whether they adopt the institutional or instrument-specific approach (see principle xiv). This means reporting PSI flows in the Creditor Reporting System (CRS) at the activity level, even if the institutional approach is chosen to report on 'donor effort'; and providing data on inflows to DFIs to the DAC Secretariat, even if the instrument-specific approach is chosen to report on 'donor effort'. The principles also highlight that the detail on financial terms of each investment should be included as part of the activity-level reporting in the CRS, but only in compliance with confidentiality obligations to private sector clients; and that reporting on capital returns and dividends is requested at the aggregate level only.

Monitoring and safeguards: ODA reporting on PSIs will be subject to safeguards and regular monitoring by the DAC. Principle xv refers to a biennial report that the DAC or a body designated by the DAC would publish, looking at the additionality of DFI financing and evidence around the crowding out of private investors, among other issues. Minimum standards may be developed based on the findings of the first report. Notably, this report (and nothing else) seems to be the safeguard put in place to avoid blurring the lines between developmental and commercial interests.[39]

3.2 2018 interim reporting rules

In December 2018, after DAC members were unable to reach a consensus on the implementation rules for the PSI principles agreed in 2016, provisional reporting arrangements were approved via a silent procedure for reporting PSI data from 2018 (and onwards). However, given the lack of agreement on some fundamental issues (such as the discount rates to be used to calculate grant equivalents), the provisional arrangements effectively pushed to one side many of the principles agreed in 2016. Still, they provided, in line with the 2016 principles, the introduction of the institutional approach for reporting donor effort in deploying PSIs, and the effective removal of concessionality as a defining characteristic of ODA (see 'Definition of additionality' below).

More specifically, the provisional arrangements spelled out the following reporting rules:[40]

What to include and how: Mezzanine finance and guarantees are not to be reported as ODA, due to the lack of agreement on how to account for ODA eligibility. The exception is in cases where guarantees are invoked and payments made, in which case they would be reported according to existing processes. Remaining instruments, including PSI loans and equity investments, can be reported using either the institutional or instrument-specific approach (as set out in the 2016 principles). However, due to disagreement on discount rates to calculate grant equivalents, they are to be reported on a *cash flow basis* (contrary to the 2016 principles). Until discount rates are agreed, PSI loans are to be reported as ODA if they have a grant element of at least 25% calculated using a discount rate of 10% (with reflows from previous years counting as negative ODA provided that the original loan had been counted as ODA), meaning that PSI ODA loans and sovereign ODA loans will be reported differently. For equity investments the rules regarding reflows set out in the 2016 principles stand (i.e. they are reported as negative ODA but a cap is applied corresponding to the original investment). Reporting on additionality[41] is to be included in the CRS for all PSIs, including both the type of additionality (in a drop-down field), and the possibility to add explanatory text about additionality assessments and the development objectives being pursued.

As we will see in Section 4, however, the vast majority of donors did not comply with this rule.

Granularity of data: PSI activities should be separately identified in the CRS through a flag; and detailed information on terms and conditions of PSI loans, as well as on sales and dividends on PSI equity, is to be provided for the purpose of internal analysis and future DAC deliberations. However, this information will not be disclosed beyond the OECD Development Co-operation Directorate, unless already publicly available.

Template for ODA eligibility assessment: ODA-eligibility of PSI vehicles is to be carried out on a *self-assessment* basis by DAC members following a template that includes questions relating to the mandate of the vehicle, its shareholder structure, project portfolio, development focus (i.e. how its investment strategy promotes the economic development and welfare of developing countries as a main objective), additionality (i.e. the methodology used to assess additionality and commercial sustainability of its operations) and due diligence mechanisms (including Environmental, Social and Governance (ESG) standards), compliance with internationally accepted minimum standards and mechanisms to prevent tax evasion. The assessments are to be shared with the DAC Secretariat, but no provision is made for their public disclosure, raising questions about the extent to which requirements are fulfilled.

Definition of additionality: The rules define additionality according to three dimensions (financial, value and development). To be additional, an official transaction must fulfil either financial or value additionality, combined with development additionality. A transaction is considered to be **financially additional** if it is extended to an entity that cannot obtain finance from the private capital markets (local or international) with similar terms or quantities and for similar developmental purposes without official support, or if it mobilises investment from the private sector that would not have otherwise been invested. It is considered to be **additional in value** if the official sector offers to recipient entities or mobilises, alongside its investment, non-financial value that the private sector is not offering and that will lead to better development outcomes, e.g. by providing or catalysing knowledge and expertise, promoting social or environmental standards or fostering good corporate governance. It is considered to be **additional from a development perspective** if the development impact of the investment would not have occurred without the partnership between the official and the private sector.

4. What reported data on PSIs does and does not tell us

In February 2020, data on PSI ODA was published for the first time by the DAC following the reporting rules outlined above. It includes aggregate and activity-level figures related to 2018 spending. Later in the same year, preliminary aggregate data for 2019 was also published, which was completed in January 2021. The analysis in this section is based on 2018 and 2019 data.

4.1 What is the scale of PSI ODA and which DAC members are the largest providers?

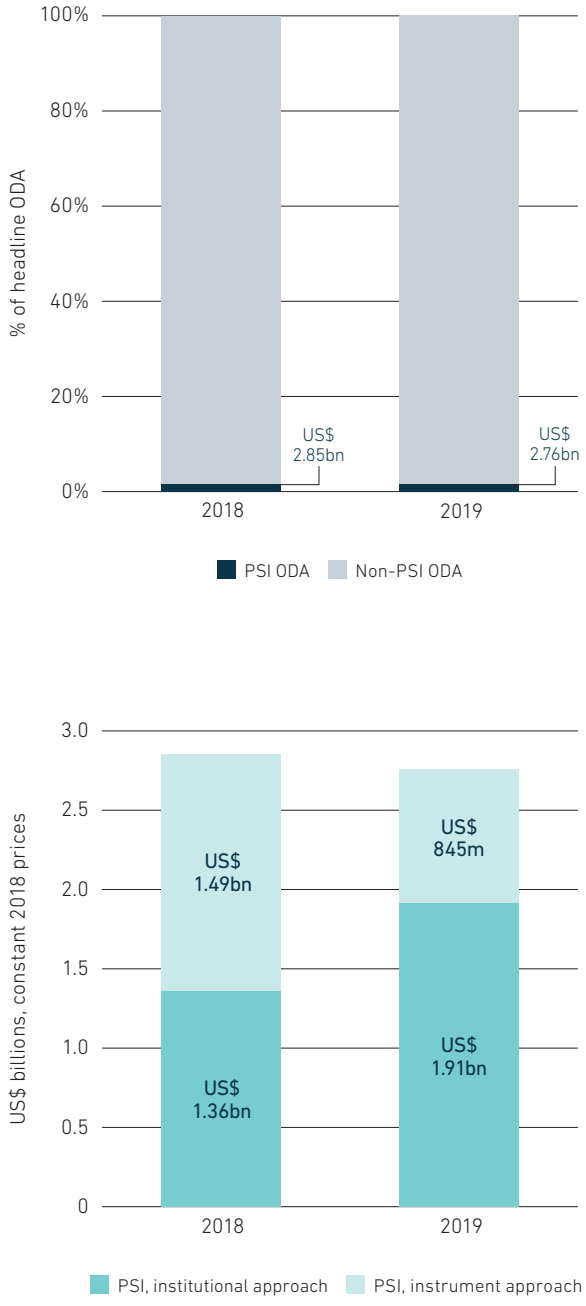
Figure 4 shows headline ODA data reported by DAC members for the two years for which aggregate PSI data is available. PSIs accounted for 1.7% of total ODA in 2018 (or 2.3% of bilateral ODA) and 1.6% of total ODA in 2019 (or 2.2% of bilateral ODA). Excluding the EU, which in 2019 reported negative US$ 631 million in PSIs, the share of PSIs in total ODA increased to 2.2% (or 3.1% in bilateral ODA).

In both years, the majority of PSI ODA was reported according to the institutional method (52% in 2018, and 69% in 2019). Excluding the EU in 2019, the share of ODA reported via the institutional method was 56%.

The two largest donors were the same in both years: the UK and France, which both reported substantially higher levels of PSIs compared to other DAC members: US$ 1.4 billion and US$ 680 million respectively in 2019, up from US$ 1.0 billion and US$ 543 million in 2018 respectively (see Figure 5). For the UK, PSI ODA accounted for 5.2% of headline ODA in 2018 and 7% in 2019; for France, it accounted for 4.5% of headline ODA in 2018 and 5.4% in 2019. For other large PSI donors, PSI ODA accounted for 6.8% of headline ODA in 2018 and 5% in 2019 (Canada); 1.2% and 1.3% respectively (Germany); 0.7% in 2018 and 1.6% in 2019 (Japan); and 4.9% in 2018 and 5.2% in 2019 (Norway).

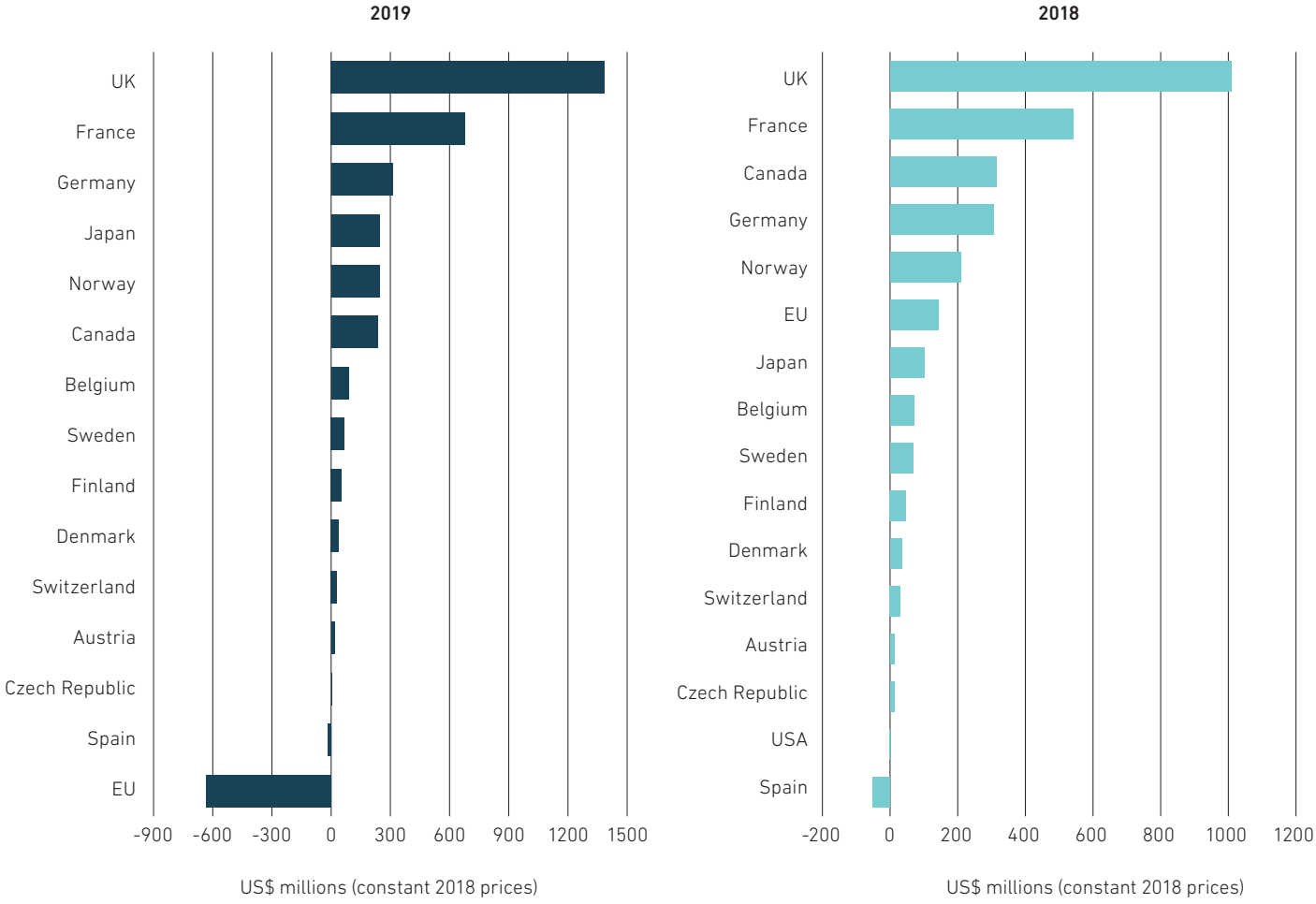
PSI ODA volumes across other DAC members remained relatively stable between 2018 and 2019, with the exceptions of Canada (which decreased by 25%), Belgium (which increased by 26%), Austria (which increased by 36%), Japan (whose PSI ODA more than doubled) and the EU (which reported US$ 143 million in 2018 and negative US$ 631 million in 2019).[42] That said, recent research points to future increases in PSI ODA volumes.[43]

Figure 4: Headline data on PSI ODA



Source: OECD DAC Table 1 data extracted on 11 October 2020
Note: Data is for DAC countries and EU Institutions. Data for 2019 is based on preliminary data published by the DAC in April 2020. Data is reported in DAC Table 1 on a grant equivalent basis alone; however, as per the interim reporting rules agreed in 2018, PSI data is reported on a cash flow basis. The headline ODA figures thus consist of a combination of both grant equivalents and cash flow figures.

Figure 5: PSI donors



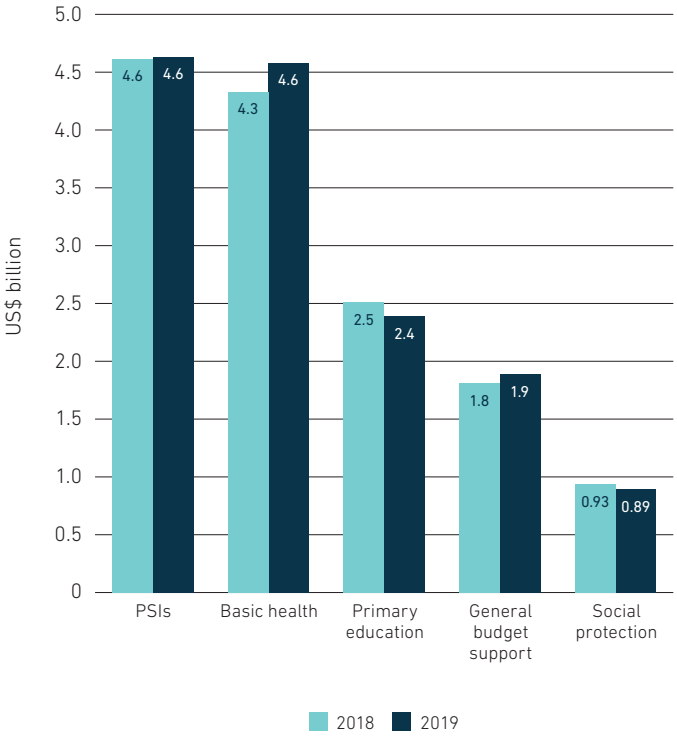
Source: OECD DAC Table 1 data extracted on 11 October 2020
Note: Only data for DAC members that reported PSI ODA in 2018 and/or 2019 is included in the chart. Data for 2019 is based on preliminary data published by the DAC in April 2020.

Aggregate PSI levels may seem small but their scale is significant when compared to allocations for specific purposes or sectors. Data reported in the OECD DAC CRS shows that the amount of gross PSI ODA in 2018 was US$ 4.6 billion and the same for 2019. Looking at gross disbursements provides a better measure of donor 'intent' as compared to net disbursements (or grant equivalents). Gross PSI ODA in 2018 and 2019 (US$ 4.6 billion) was above the amount of gross bilateral ODA that DAC members spent on basic healthcare in 2018 (US$ 4.3 billion) and just equal in 2019; it equalled almost twice the amount spent on primary education in 2018 and 2019 (US$ 2.5 billion and US$ 2.4 billion respectively); it represented almost three times the amount spent on general budget support in 2018 and 2019 (US$ 1.8 billion and US$ 1.9 billion respectively); and it represented approximately five times the DAC bilateral ODA spent in 2018 and 2019 on social protection (US$ 934 million and US$ 891 million respectively) (see Figure 6).

4.2 What does PSI ODA consist of?

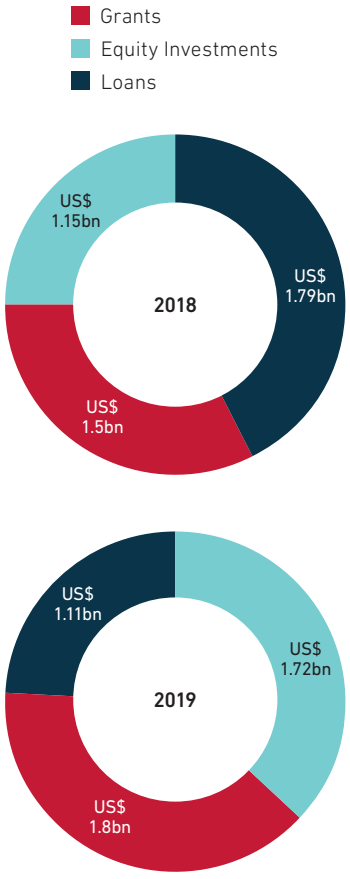
In 2018, most of the ODA reported as PSIs was in the form of loans (43%), followed by grants (33%) and equity investments (25%). This picture changed for 2019 data, with most ODA reported as PSIs in the form of grants (39%), followed by equity investments (37%) and loans (24%). In line with the reporting rules, no guarantees or mezzanine finance instruments were included in the data. The vast majority of PSI ODA reported as grants in 2018 and 2019 refers to capital contributions to DAC members' DFIs, although some donors (e.g. France in 2018) reported grants provided to public sector entities as PSIs, which may flag the need to further clarify the rules with reporting members. This is also true in relation to loans, where some donors (e.g. Canada in 2018) included loans extended to developing country governments as PSIs.

Figure 6: Contextualising the scale of PSI ODA



Source: OECD DAC CRS data extracted on 25 January 2021
Note: All data is for 2018 and 2019, gross disbursements of bilateral ODA from DAC members.

Figure 7: Instruments used

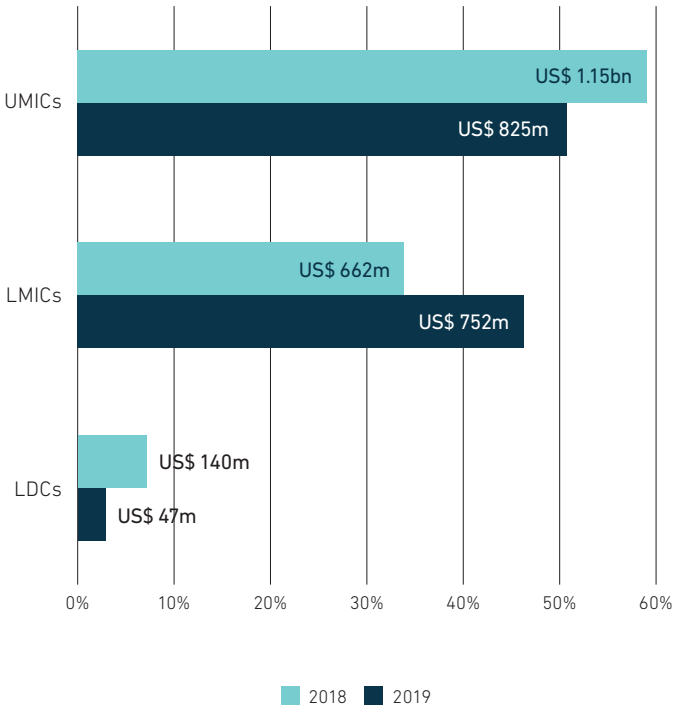


Source: OECD DAC CRS data extracted on 11 October 2020 (for 2018) and on 25 January 2021 (for 2019).

4.3 Where does PSI ODA go?

The detail available on the countries where PSI ODA was invested shows that, in 2018, the vast majority was going to middle-income countries, with 59% of country-allocable PSI ODA going to upper middle-income countries, compared to 7% going to LDCs (see Figure 8). In 2019, the detail available on the countries where PSI ODA was invested shows that 51% of country-allocable PSI was going to upper middle-income countries, compared to 3% going to LDCs (even less than the previous year). However, in 2019, PSI ODA going into LMICs increased compared to the previous year (from US$ 662 million to US$ 752 million – an increase of 12% compared to the previous year). These findings are not surprising and reaffirm findings in similar research on the matter that points out that PSIs tend to favour middle-income countries, while it is critical to ensure that increasing PSI ODA will not result in less (non-PSI) ODA available to be spent in LDCs (see Section 6).

Figure 8: Allocation of PSI ODA by income groups



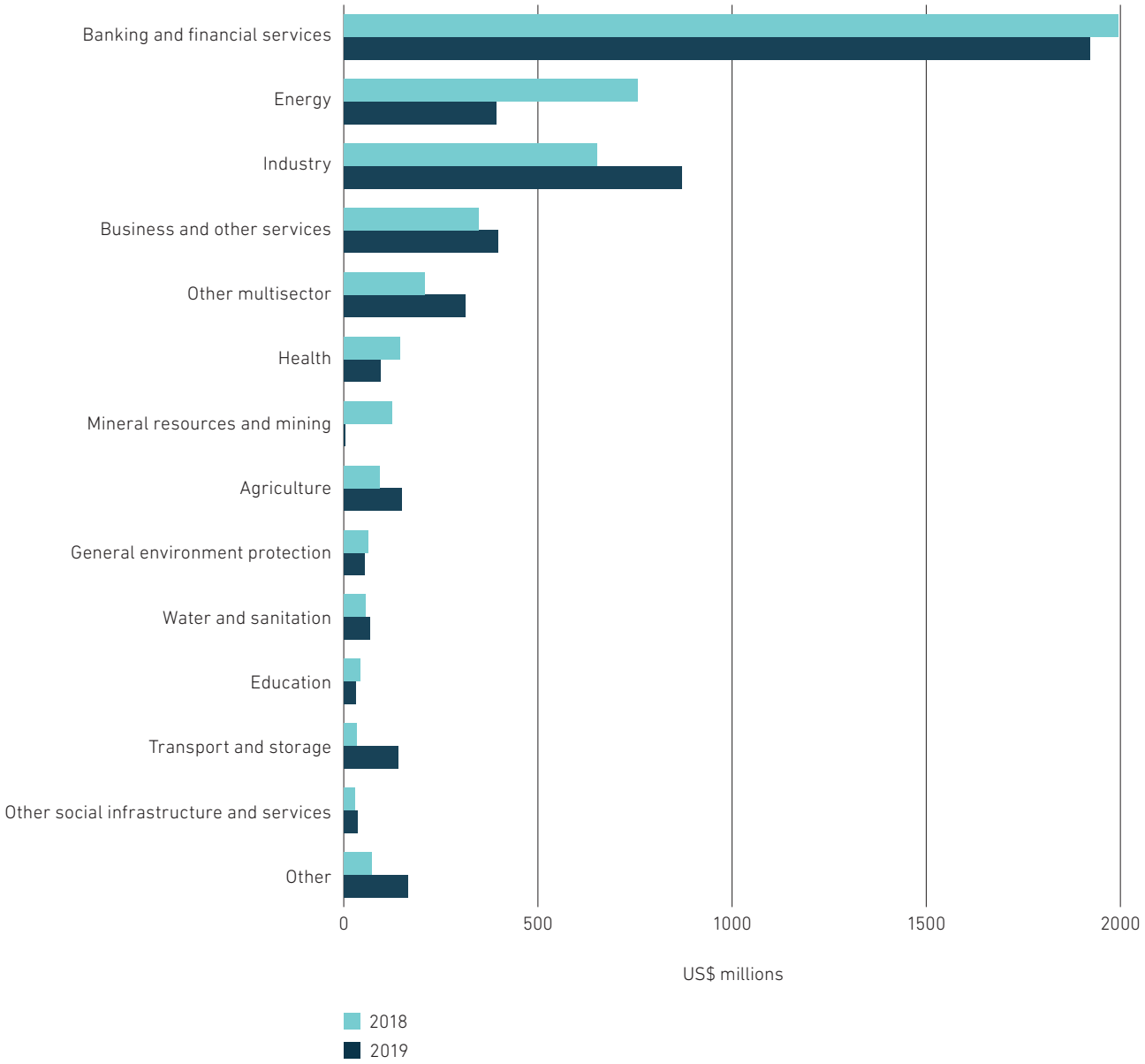
Source: OECD DAC CRS data extracted on 11 October 2020 (for 2018) and on 25 January 2021 (for 2019)

For most PSI ODA, however, this basic level of recipient country information was not available. For 58% of gross PSI ODA invested in 2018 (equivalent to US$ 2.7 billion), the recipient country was unknown. US$ 1.5 billion of this was PSI ODA reported using the institutional approach, for which detail beyond aggregate figures tends to be scarce. In 2019, the percentage of gross PSI ODA for which the recipient country was unknown was even higher, 65% (equivalent to US$ 3 billion). For 2019, US$ 1.9 billion of this PSI ODA is reported using the institutional approach. Notably, this gap in evidence, combined with the lack of clear information about the ODA eligibility of PSI vehicles, means that it was impossible for the general public to know for sure that these investments were being made in countries or territories that were eligible to receive ODA and the trend seems to be increasing. The remaining US$ 1.2 billion (for 2018) and US$ 1.1 billion (for 2019) is PSI ODA reported using the instrument-specific approach, but for which recipient country detail was also not disclosed.

4.4. What is PSI ODA spent on?

Almost a quarter of PSI ODA goes to four sectors: banking and financial services (43% in 2018 and 41% in 2019); energy (16% in 2018 and 8% in 2019); industry (14% in 2018 and 19% in 2019); and business and other services (8% for 2018 and 2019). In 2018, support to industry included the construction of an oil refinery in Egypt (US$ 114 million) and support to small and medium-sized enterprise (SME) development (US$ 362 million), through grants, equity investments in venture capital or private equity funds focusing on SMEs, and loans to establish lines of credit. As for the geographical distribution of PSI ODA, this is not surprising and it is critical that an increase in PSI ODA does not result in less (non-PSI) ODA available for investment in basic services like health, education and social protection, nor that it encourages the privatisation of such services, as the analysis of data suggests it could. A recent study estimates that, if current trends continue, investment of ODA in PSIs may influence the allocation of US$ 1.14- 5.96 billion of ODA in social and humanitarian sectors.[44] For example, 2018 PSI ODA invested in health consisted, among other things, of the construction and operation of hospital facilities through a public-private partnership (PPP) project in Turkey. Health PPPs have been the focus of attention from CSOs as they can lead to questionable development impacts, as well as being an expensive and risky business for the public sector, and hence, for citizens.[45]

Figure 9: Allocation of PSI ODA by sector



Source: OECD DAC CRS data extracted on 11 October 2020 (for 2018) and 25 January 2021 (for 2019)
Note: Other multisector includes disaster risk reduction, unspecified multisector aid, urban and rural development; Other social infrastructure and services includes employment creation, housing and multisector aid for basic social services; Other includes ICT, trade policies and regulations, tourism, government and civil society, forestry and fishing, development food assistance, reconstruction relief and rehabilitation, conflict peace and security, disaster prevention and preparedness, and sector unspecified ODA.

4.5. How additional is PSI ODA?

Despite the reporting requirements on additionality outlined in Section 3, in 2018 only six DAC members[46] reported any information regarding the financial and/or value additionality of their PSI ODA in the newly established drop-down field in the CRS (these countries were Austria, Finland, Japan, Portugal, Spain and Sweden). Austria and Portugal completed this field for 14% and 25% of their total PSI ODA, respectively; while the other four members completed this field for the entirety of their PSI ODA. In aggregate, this means that for 5.5% of the reported PSI ODA (or US$ 255 million), there is an indication of financial and/or value additionality. No additional evidence or information is provided that could bring understanding and justification about the type of additionality. The reporting of additionality improved slightly in 2019, with ten DAC members reporting information regarding the financial and/or value additionality of their PSI ODA (Austria, Czech Republic, the EU institutions, Finland, France, Germany, Japan, Korea, Sweden and UK). Most of them provided this information for the totality of the ODA reported as PSI – only the EU, France and Germany reported just partly the type of additionality for 46%, 13% and 48%, respectively, of their PSI ODA, which leaves a total of US$ 1.5 billion (equivalent to almost one third of total PSI ODA for 2019) unreported in terms of type of additionality. There is, unfortunately, little additional information that could shed light on or justify this type of additionality.

As part of the reporting method approved in 2018, DAC members also agreed to provide information on the expected development additionality of PSIs in a text field in the CRS. In 2018, this was completed by five members out of 15 (the same countries as listed above, excluding Spain). Together, the amount of PSI ODA for which any information on development additionality was available was equivalent to 5.2% of reported PSI ODA, or US$ 242 million. In 2019, this information was completed by seven DAC members (Austria, Czech Republic, the EU institutions, Finland, Japan, Korea and the UK). Together, the amount of PSI ODA for which any information on development additionality was available improved significantly, compared to 2018, with an equivalent of 44% of reported PSI ODA, or US$ 2 billion. However, even where information exists, it is limited and lacks sufficient detail to be able to really clarify the grounds on which development additionality is claimed. Entries refer to high-risk countries, clients and sectors as an indication of development additionality and to the increased scale and quality of development impact as a result of the PSI investment. However, no detail is provided on key aspects, such as, who is set to benefit from the investment (who may not have otherwise been able to) and how.

According to the definition of additionality adopted in the 2018 reporting rules (see Section 3.2), an official transaction is additional if it fulfils financial or value additionality combined with development additionality. However, considering that additionality risks replacing concessionality as a defining characteristic for PSI ODA, it is highly concerning that, for 56% of reported PSI ODA in 2019, there is still no information on additionality provided at all. And where there is some evidence provided for the share of PSI ODA, the information does not offer much insight.

5. Implications and key issues at stake

The PSI agreements outlined in Section 3 and the analysis of the first round of PSI data included in Section 4 flag several issues that CSOs have been consistently raising (see Section 2.2). These issues can be grouped into three broad categories:

i. issues related to the fundamental nature and role of ODA;

ii. transparency and accountability issues; and

iii. statistical issues, threatening the quality and integrity of ODA as a statistical measure.

Table 1 lays out these issues and provides more detail as to why they are important and what exactly is at stake if DAC members do not strengthen, or in places, altogether revisit, current arrangements.

The main implications include the dilution of the distinctive role and value of ODA compared to other types of development finance, a potentially weaker evidence base on which decision-making on ODA allocation would be based, compromised transparency and accountability standards. Additionally, depending on the outcome of the pending decisions around how to calculate the grant equivalent of PSIs, there is a risk of diverting scarce ODA resources away from uses for which evidence of impact exists and is better placed to serve, towards other purposes for which such evidence is still elusive. This includes, for example, supporting domestic governments to strengthen those sectors that are proven to tackle inequality – such as public health, education, social protection – or supporting developing countries in raising taxes progressively and spending them accountably.

Table 1: Key issues and possible implications

Key issues	What is at stake	Possible implications
Issues related to the nature and role of ODA		
Replacing concessionality with additionality as defining characteristic for PSI ODA[47] (see Section 3.1).	The **definition of ODA.** The removal/ weakening of the concessionality criteria, which has been fundamental to the role of ODA and its comparative advantage in the development finance landscape, confuses ODA in relation to other types of (non-concessional) official development finance and **blurs the line between development and commercial interests.**	• Effective change in the definition of ODA without a discussion of its broad implications. • A diluted value and role of ODA in the wider development finance landscape, leading to the potential diversion of scarce ODA resources beyond its clear comparative advantage of addressing poverty and inequalities directly, to other purposes where other resources could be used instead. • ODA being used in support of entities and projects whose benefits may not be felt by those most at risk of being left behind – who are those whose interests ODA is uniquely placed to serve and thus bypass the principle of country ownership and inclusive partnerships. • Undermines the principle of ODA as a measure of donor effort, and the purpose of having a UN ODA target.
Difficulties/impossibility of assessing additionality (due to both inherent measurement challenges[48] and lack of adequate reporting on it by donors, as illustrated in the 2018 PSI data) (see Section 4.5).	The **effective allocation of ODA** according to where the evidence points it is needed the most and can have the greatest impact.	• The value and positive contribution of PSI ODA is likely going to be presumed rather than demonstrated. • The lack of evidence on the reasons why spending ODA through PSIs is a good use of ODA will make it harder to hold DAC members to account, leading to the potential waste of scarce ODA resources. • Undermined credibility of the DAC and its statistics due to members disregarding/ not being able to implement their own reporting provisions.

Key issues	What is at stake	Possible implications
Transparency and accountability issues		
ODA eligibility of PSI vehicles is based on self-assessments that have no public disclosure requirements (see Section 3.2).	The **availability** of information on the ODA-eligibility of PSI vehicles, and consequently, of PSI transactions.	• Different standards/levels of accountability for PSI ODA and other ODA. • The inclusion in ODA of activities that may involve tied aid (as some DFIs have explicit mandates to facilitate investment by private sector companies from the donor country), or that may not follow key country ownership principles.
Commercial confidentiality requirements (see Section 3.2).	The **availability** of data and evidence on PSI ODA transactions.	• Different standards/levels of transparency for PSI ODA and other ODA. • Use of commercial confidentiality as a justification for not disclosing valuable information related to the recipients of PSI investments, meaning that it would become impossible to establish who the actual beneficiaries of PSI ODA are (the private sector is not homogenous, which private sector – e.g. multinational enterprises (MNEs) versus small and medium-sized enterprises (SMEs) – is being supported matters and must be visible in the reported data).[49] • Undermines budget transparency and accountability of donor governments to their citizens on how public money is being spent.
Lower levels of transparency and complex/ non-standardised reporting rules.	The **accessibility and interpretability** of ODA figures.	• Decreased ability to understand, analyse and engage with issues around how ODA is being allocated and used, resulting in lower levels of accountability from DAC members.

Key issues	What is at stake	Possible implications
Statistical issues		
DAC members can choose how to report their PSI based on different reporting approaches – whether at a more aggregate level (institutional approach) or a more disaggregated level (instrument-specific approach) (Section 3).	The **comparability** of ODA figures across DAC members; the **transparency** of ODA figures (especially for PSI reported using the institutional approach); and, more broadly, the **credibility** of ODA as a statistical measure.[50]	• Reduced quality of the evidence on which decision-making on ODA allocations can be based. • Different transparency standards for different DAC members, depending on the approach used.
'Grant equivalent' methodology (issue not limited to PSIs, also applicable to ODA loans to sovereigns, see Box 3).	The **accuracy**[51] of ODA figures: actual resources transfers will not match what is reported in the ODA statistics, meaning that the full scale of public finance being spent in support of private sector entities in developing countries (in the case of PSIs, but also more broadly in the case of non-PSI ODA) will be concealed. In the case of PSIs, the effect is likely to be even more pronounced than for non-PSI ODA given the lower levels of concessionality and thus smaller 'grant equivalents'; the **credibility** of ODA figures: high discount rates fixed by the DAC underestimate the present value of loan repayments and inflate grant equivalents.[52]	• Reduced quality of the evidence on which decision-making on ODA allocations can be based. • Potential diversion of ODA (e.g. if discount rates set for PSIs are higher than for non-PSI ODA) away from uses for which evidence of impact exists (and for which other resources are not as well placed to contribute), and towards uses for which little / no evidence of impact exists (and for which it's dubious whether ODA is the best placed to contribute.)[53] • Artificial inflation of ODA figures, unless grant equivalents are calculated based on current market interest rates.
Lack of agreement on discount rates needed to calculate PSIs on a grant equivalent basis have left the headline ODA figures as a mix of grant equivalent and cash flow figures: grants and sovereign loans figures reflect 'donor efforts' (grant equivalent method) while PSIs reflect actual flows of resources (see Section 3.2).	The **coherence**/ internal consistency and **credibility** of ODA figures.	• Reduced quality of the evidence on which decision-making on ODA allocations can be based.
The cap on 'reflows' applied to equity investments, which leaves the measurement of donor effort unchanged, even if a profit is made out of the investment (see Section 3.2).	The **accuracy** of ODA figures (profits made by donors on PSI equity investments will be concealed); and **blurring of development and commercial interests**.	• Reduced quality of the evidence on which decision-making on ODA allocations can be based. • A potential diversion of ODA away from non-profitable sectors and towards profit-making investments (e.g. to counter budget cuts in many donor countries).

6. Key actions for CSOs ahead of the future discussions on PSIs

The analysis of the first round of data on PSIs and the key issues that current agreements and reporting rules raise underline the importance of resuming negotiations on the inclusion and reporting of PSIs in ODA. Merely "consider[ing] if adjustments are desired"[54] is not sufficient. At stake is not only the accuracy, comparability, coherence and credibility of ODA figures – and their availability, accessibility and interpretability – but also the fundamental nature of ODA, its role and comparative advantage in the wider development finance landscape, and the ability to effectively allocate it. These issues cannot be resolved by simply adjusting current principles and reporting rules.

However, there is little interest from DAC members to resume negotiations. Some fear an outcome worse than what the current interim rules define. Some wonder if spending so much time and attention on defining how to report a relatively small proportion of ODA (it took 18 months to get to the interim rules of 2018, which were then applied to approximately 2% of ODA) is the best use of DAC resources. Furthermore, it seems that positions among the DAC membership may not have shifted sufficiently since the last agreement to suggest that the issues that prevented consensus previously would not do so again.

Civil society has a vital role to play in protecting the quantity and quality of ODA, thus maintaining momentum on PSIs is critical. The stakes are too high for DAC members' reservations around returning to the negotiating table to be left unchallenged. More specifically, CSOs have an important role to play in the following areas:

1. **Demanding evidence to justify the inclusion of PSIs in ODA**: The comparative advantage of ODA is in addressing poverty and inequalities directly, something that is underpinned by its concessional character and development mandate. While the PSI principles of 2016 note the 'developmental criterion of ODA' would apply to PSIs, allocations of ODA in PSIs are political and so far seem to pay little attention to development impact considerations. In some cases, in fact, the amount of ODA to be dedicated to PSIs is determined before geographical or sectoral priorities are set and, thus, with limited understanding about the suitability of PSIs as a delivery mechanism for the related ODA to achieve such priorities.[55]

   What is the evidence DAC members have that shows ODA can fulfil its potential in reaching those most at risk of being left behind via PSIs? Research suggests that, for example, in the case of DFIs, this is limited and that while the intent to have positive development impact is there, adequate practices to ensure and assess it are not in place.[56] Relying on self-assessments of ODA eligibility of PSI vehicles (which include DFIs) is insufficient to guarantee adequate levels of accountability.

2. **Maintaining the spotlight on the continued need for non-PSI ODA**: Spending ODA on PSIs has an opportunity cost, yet there is no evidence that donors have a robust process in place to support their choice of PSIs over alternative uses of aid.[57] While the global narrative supporting private sector engagement in development focuses on the overall scale of SDG funding gaps, it fails to recognise that some critical gaps – such as the annual US$ 125 billion[58] gap in health, education and social protection – will not (and should not) be filled by private capital, which furthermore risks contributing to an increased privatisation of public services. The Covid-19 pandemic was estimated to have pushed 100 million people into extreme poverty during 2020 alone[59] – further expanding calls on ODA beyond supporting private sector engagement to meet the scale of the needs the pandemic is creating.

   What is the evidence DAC members have that shows that spending ODA in PSIs will not reduce the amount of resources available for directly addressing poverty and inequalities? In countries where domestic public resources are not enough to meet basic services and human rights, ODA plays a fundamental role in plugging the gap. Choosing to direct ODA towards PSIs means taking ODA away from uses that more directly and more effectively benefit the poorest and most marginalised people. So far, evidence on the catalytic role that PSIs can play, as well as on their development impact is insufficient (contrary to what the mainstream development narrative seems to suggest).

3. **Ensuring ODA is allocated to its most effective use**: ODA has long been used to support private sector development in developing countries, even prior to the advent of PSIs. Public investment in areas such as governance, rule of law, health (to ensure a healthy workforce), infrastructure, and even research and development that may be considered too high-risk for private investors to engage in,[60] is fundamental to putting in place the preconditions for private sector development and private investment.[61]

   What is the evidence DAC members have that shows that using ODA for project- or investment-level interventions (through PSIs) will not reduce the amount available to support longer-term enabling environment-type interventions? While DFIs have been investing in private sector projects in developing countries for decades, it is unclear why ODA providers should now be called to take over that role. On the one hand there is no shortage of priority areas that only ODA can arguably fulfil (including public investment support), and on the other, the overall ODA envelope is not likely to get any larger in the near future.

4. **Nuancing the conversation regarding 'the private sector'**: The private sector has an important role to play in sustainable development; it can contribute to the creation of jobs and livelihoods, support economic growth, pay taxes that increase governments' fiscal envelopes, and invest directly in sectors that are key to the achievement of the SDGs, such as agriculture, technology, renewable energy, among others. However, the private sector is not a homogenous category. It is formed of a diversity of actors and as such its overall positive contribution to the SDGs should not be presumed.

   What private sector entities are PSIs supporting? Without evidence of this, there is a risk that PSIs may be supporting private sector entities that do not fulfil minimum criteria of sustainability and alignment with recent related agreements such as the Kampala Principles on Effective Private Sector Engagement in Development Co-operation,[62] with leave no one behind[63] and coherence with global agreements on gender equality, climate and biodiversity, which could in turn undermine the sustainable development outcomes being achieved through non-PSI ODA interventions. Furthermore, the complexity of the existing rules creates a risk that donors could conceal tied transactions. And thus, tighter rules are needed to avoid ODA funds becoming a back-door subsidy for companies in donor countries and a way of 'tying' aid.

   Further, research and analysis on PSIs initiatives undertaken since the last round of negotiations can offer new perspectives and evidence to support revived negotiations.

In addition to holding DAC members to account in relation to these fundamental issues related to the basic definition and role of ODA in the wider development finance landscape, CSOs also have an important role to play in **holding DAC members to account in relation to the application of the current rules** – especially if negotiations do not, or are slow to, resume. Furthermore, **CSOs should call for an external review of the whole ODA modernisation process. This review should look into the expansion of the ODA concept, its definition and related reporting rules.**

7. Conclusion

Over the last few years, the use of development finance to 'catalyse' private finance has been a growing trend in the development cooperation sector. The private sector has an important role to play in development and engaging the public and the private sectors will be critical to achieve the SDGs. However, it is important to acknowledge that the private sector is composed of a diverse set of actors and, thus, its contribution to the SDGs should just not be assumed as *a fait accompli*.

The analysis of 2019 PSI data shows an increase of PSIs in total ODA, from 1.7% in 2018 to 2.2%,[64] with the UK and France reporting the higher amounts of PSIs. These PSI figures are mainly reported through the institutional method (52% in 2018, and 69% in 2019). Although, aggregate PSI levels may seem small, their scale is significant compared to allocations to specific purposes or sectors. Gross PSI ODA in 2018 and 2019 (US$ 4.6 billion) was above the amount of gross bilateral ODA that DAC members spent on basic healthcare (US$ 4.3 billion) in 2018 and just equal in 2019; it equalled almost twice the amount spent on primary education in 2018 and 2019 (US$ 2.5 billion and US$ 2.4 billion respectively); it represented almost three times the amount spent on general budget support in 2018 and 2019 (US$ 1.8 billion and US$ 1.9 billion respectively); and it represented approximately five times the DAC bilateral ODA spent in 2018 and 2019 on social protection (US$ 934 million and US$ 891 million respectively).

Geographically, the vast majority of PSI ODA goes to middle-income countries, with 59% (2018) and 51% (2019) of country-allocable PSI ODA going to upper middle-income countries, compared to 7% (2018) and 2% (2019) going to LDCs.

When it comes to additionality – a key rationale for channelling aid through PSIs – the number of DAC members reporting the type of additionality they use (in financial terms and/or value terms) is increasing from six (2018) to ten (2019). However, a third of PSI ODA (US$ 1.5 billion) in 2019 was still left unreported in terms of which type of additionality the PSI initiative was offering. Even in cases where donors report additional information describing their PSIs initiatives, this information is limited and nonspecific.

The global narrative stressing the need to fill the SDG funding gap with private sector resources will likely encourage the increased use of ODA in direct support of private sector engagement. Thus, in the years to come, it can be expected that PSI will further increase – some donors have already stated their ambition to allocate additional resources to PSIs.[65] And although the amounts currently reported under PSIs may be considered small, overall, they are increasing as a share of total ODA for some key donors. Relative to other uses of ODA, they are quite substantial already (see notably Figure 6).

While ODA allocated to PSIs is being reported, Section 4 shows important gaps and inconsistencies in the data reported so far on PSIs. For example, although disclosure of activity-level data is required by the 2016 principles and guidance on how to report it in the CRS is included in the 2018 interim reporting rules, not all DAC members are fulfilling this requirement. Only six members in 2018 and ten in 2019 provided any information at all regarding the additionality of their PSIs; only five in 2018 and seven in 2019 included information on development additionality as part of it. In addition, not all members consistently applied the PSI flag (with some including non-PSI ODA transactions such as loans to sovereigns).

There is also still insufficient information on the added-value of PSI both in terms of financial and development additionality, its alignment with the SDGs and its impact on recipient populations to make sure nobody is left behind. And there is no consistency in how DAC members are applying the current agreed rules.

Without access to complete and consistent activity-level data, including on the way in which development impact is expected to be achieved (or has been achieved) through PSIs, it will be impossible to ensure appropriate levels of accountability in the use of ODA resources and to ultimately build the necessary evidence base to justify the inclusion of PSIs in ODA.

Section 5 shows the serious issues raised by the current agreements, including the fundamental redefinition of what characterises ODA, away from concessionality and towards additionality – which so far cannot be easily measured or assessed. It also raises issues related to transparency and accountability or the credibility of ODA as a statistical measure. Furthermore, the current PSI rules have the potential of disincentivising aid channelled through the public sector, which in many contexts – particularly those affecting the most vulnerable – remains vital for achieving the globally agreed SDGs.

It is critical that DAC members resume negotiations on the inclusion and reporting of PSIs in ODA. In 2021, there will be a review of the provisional reporting arrangements for PSI and the related ODA data collected since the interim rules were established.[66] This review brings the opportunity to open up negotiations to reach a permanent agreement that includes PSI 'implementation details' and safeguards in line with the commitments made at the 2016 DAC HLM.[67] DAC members should not miss this opportunity and should go back to the negotiating table with raised ambitions. With the deadline for achieving the SDGs rapidly approaching, taking stock of the implications of PSI rules' impact should be a top priority.

CSOs have a critical role to play in this process in terms of protecting the quantity and quality of ODA and in ensuring that ODA responds to its core mandate of eradicating poverty and inequalities, including agreed international commitments to 'leave no one behind'. To do so, CSOs should:

- Stress the need for the donor community to provide evidence that justifies the inclusion of PSIs in ODA. While the evidence is insufficient, CSOs should continue to advocate for PSIs to be reported as Other Official Flows.
- Maintain the spotlight on the continued need for non-PSI ODA and remind the donor community about the longstanding commitment to provide 0.7% of GNI as ODA, on concessional terms.
- Ensure ODA is allocated to its most effective use. Public investment, key social, economic and governance areas are fundamental to putting in place the preconditions for private sector development and private investment.
- Contribute to nuancing the conversation regarding 'the private sector', by continuing to develop evidence and analysis that contributes to more informed discussions on the impact of PSIs in eradicating poverty and inequalities, contributing to environmental and development sustainability and 'leaving no one behind'.

Last but not least, CSOs should continue to put pressure on DAC members to return to the negotiating table with higher ambitions on PSIs. There is a need to call for an external review of the whole ODA modernisation process, including its impact on the quantity and quality of ODA.

The time is now for DAC members to make sure that ODA is channelled through the best possible instruments and mechanisms to ensure that eradicating poverty and addressing inequalities remain at the heart of ODA allocations. The 2030 deadline is getting closer and closer.

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Endnotes

1 The UN calls for US$ 2.5 trillion coronavirus crisis package for developing countries: https://unctad.org/news/un-calls-25-trillion-coronavirus-crisis-package-developing-countries.
2 For further information see: https://www.oecd.org/development/financing-sustainable-development/modernisation-dac-statistical-system.htm.
3 With the exclusion of US$ 631 million in PSIs reported as negative by the EU in 2019.
4 The principle that ODA should be offered on terms that involve a cost to the donor, not at market rates is a fundamental concept in ODA since its origins in the late 1960s.
5 World Bank (2020) *Poverty and Prosperity Report: Reversals of Fortune*. Available at: https://www.worldbank.org/en/publication/poverty-and-shared-prosperity
6 See: https://www.oecd.org/development/financing-sustainable-development/modernisation-dac-statistical-system.htm.
7 The institutions that deploy PSIs.
8 See for example Convergence's description of blended finance here: https://www.convergence.finance/blended-finance.
9 Table 1 in Oxfam (2017) *Private-Finance Blending for Development: Risks and Opportunities*, provides an overview of the most common instruments used to blend, which include both PSIs and other instruments, such as grants and technical assistance. Available at: https://www-cdn.oxfam.org/s3fs-public/bp-private-finance-blending-for-development-130217-en.pdf.
10 See Chapter 2 in Development Initiatives (2018) *Investments to End Poverty Report*. Available at: https://devinit.org/resources/investments-end-poverty-2018/strengthening-critical-role-aid/.
11 Sweden, Netherlands, Norway, Denmark, Luxembourg, United Kingdom (since 2013), Finland (in 1991 alone), Germany (in 2016 alone).
12 See the list of DAC members here: https://www.oecd.org/dac/development-assistance-committee/.
13 See particularly paragraph 54: https://sustainabledevelopment.un.org/content/documents/2051AAAA_Outcome.pdf.
14 Including possibly to the detriment of other more structural approaches that development partners could adopt to encourage sustainable private sector involvement in development. For example, see https://devinit.org/resources/enabling-environment-private-sector-development/.
15 See: http://pubdocs.worldbank.org/en/622841485963735448/DC2015-0002-E-FinancingforDevelopment.pdf.
16 See overview of Maximising Finance for Development approach at: http://documents1.worldbank.org/curated/en/168331522826993264/pdf/124888-REVISED-BRI-PUBLIC-Maximizing-Finance.pdf.
17 See https://us.boell.org/2018/11/28/understanding-financialisation-international-development-through-11-faqs, as cited in Oxfam (2019) *Faith is not Enough: Ensuring that aid donor-private sector partnerships contribute to sustainable development*. Available at: https://www.oxfamamerica.org/explore/research-publications/faith-not-enough/.
18 See especially paragraphs 8-10 of the DAC HLM Communiqué 2020; available at: http://www.oecd.org/dac/development-assistance-committee/DAC-HLM-Communique-2020.pdf.
19 For example, as reflected in the recent establishment of new Development Finance Institutions (DFIs), such as in Canada and the US, and the recapitalisation of existing DFIs, such as in the UK and Norway.
20 For example, see https://devinit.org/resources/blended-finance-poorest-people/.
21 See paragraphs 15 and 17 of DAC HLM Communiqué 2012. Available at: https://www.oecd.org/dac/HLM%20Communique%202012%20final%20ENGLISH.pdf.
22 See paragraph 13 of DAC HLM Communiqué 2014. Available at: https://www.oecd.org/dac/OECD%20DAC%20HLM%20Communique.pdf.
23 See paragraphs 5-6 of DAC HLM Communiqué 2016. Available at: https://www.oecd.org/dac/DAC-HLM-Communique-2016.pdf.
24 See Annex I in DAC HLM Communiqué 2016. Available at: https://www.oecd.org/dac/DAC-HLM-paCommunique-2016.pdf
25 See, for example: Recommendations on the Development Assistance Committee's Approach to Incorporating Private Sector Instruments in ODA (2016): https://drive.google.com/drive/folders/1lbmltXxLSl9u5_5CnOUdE3MutpHkcgig;
Civil society organisations' position on Private Sector Instruments (2018): https://drive.google.com/drive/folders/1lbmltXxLSl9u5_5CnOUdE3MutpHkcgig;
Why 2019 is a Make-or-Break Year for International Aid, by Polly Meeks (2018): https://www.eurodad.org/private-sector-instruments and *Four Critical Steps to Ensure International Aid Works for the Poorest*, by Polly Meeks (2018): https://www.eurodad.org/international_aid.
26 This category is used for official sector transactions that do not meet official development assistance (ODA) criteria. It includes, by definition: export credits extended directly to an aid recipient by an official agency or institution (official direct export credits); the net acquisition by governments and central monetary institutions of securities issued by multilateral development banks at market terms; subsidies (grants) to the private sector to soften its credits to developing countries; and, funds in support of private investment (OECD Library).
27 Reporting Methods for Private Sector Instruments, 12 December 2018, DCD/DAC(2018)47/FINAL.
28 These principles were presented as an Annex to the 2016 DAC HLM Communiqué, see Annex 1 in 2016 DAC HLM Communiqué. Available at: https://www.oecd.org/dac/DAC-HLM-Communique-2016.pdf.
29 Ibid.
30 See Annex 1 of the 2016 DAC HLM Communiqué for full list. Available at: https://www.oecd.org/dac/DAC-HLM-Communique-2016.pdf.
31 A PSI transaction is considered 'additional' if it extends finance to companies in countries and regions where the private sector would not invest in developmental projects without official support (see footnote 8 in in Annex I of the 2016 DAC HLM Communiqué. Available at: https://www.oecd.org/dac/DAC-HLM-Communique-2016.pdf
32 Agreed at the 2014 DAC HLM.
33 See principle v and footnote 9 in Annex I of the 2016 DAC HLM Communiqué. Available at: https://www.oecd.org/dac/DAC-HLM-Communique-2016.pdf.
34 A discount rate is used to calculate the present value of future repayments on the loan. If such value is less than the face value of the loan today, it means that the loan has a 'grant element', or in other words that part of it can be considered a gift. The difference is called a 'grant equivalent' if expressed in monetary value, and a 'grant element' if expressed as a percentage of the amount being extended today. See here for additional detail and illustrative examples on grant element calculations: http://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=DEV/DOC/WKP(2017)5&docLanguage=En.
35 See paragraph 11 of 2014 DAC HLM Communiqué. Available at: https://www.oecd.org/dac/OECD%20DAC%20HLM%20Communique.pdf.
36 See principle v in Annex I of 2016 DAC HLM Communiqué. Available at: https://www.oecd.org/dac/DAC-HLM-Communique-2016.pdf.
37 Ibid.
38 Every three years, the DAC publishes a list of countries and territories eligible to receive ODA. Available at: http://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/daclist.htm.
39 Principle v states: "At the same time there is a need to avoid blurring the lines between developmental and commercially-motivated operations (trade and investment) with the private sector, hence a need for safeguards (see principle xv)."
40 For additional detail on the reporting arrangements for PSIs agreed in 2018, including specific reporting requirements for individual CRS fields. See: https://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=DCD/DAC(2018)47/FINAL&docLanguage=En.
41 As defined further below, the rules define the additionality of a transaction according to three dimensions (financial, value and development).
42 Based on available data, it is not possible to assess what drove the changes in headline PSI ODA; the full dataset for 2019, including recipient level breakdowns and activity-level detail, is required to further investigate this and this is not expected to become available before the end of 2020.
43 EBA (2020) *Mobilising private development finance: implications for overall aid allocations*. Available at: https://eba.se/en/rapporter/mobilising-private-development-finance-implications-for-overall-aid-allocations/11579/.
44 EBA (2020) *Mobilising private development finance: implications for overall aid allocations*. Available at: https://eba.se/en/rapporter/mobilising-private-development-finance-implications-for-overall-aid-allocations/11579/.
45 Eurodad (2018) *History RePPPeated - How Public Private Partnerships are failing*. Available at: https://www.eurodad.org/historyreppeated; see also https://www.eurodad.org/health-ppp.
46 Total number of DAC members is 30. Of these 30, half (15) reported PSI ODA data for 2018. Of these 15, only 6 reported any information regarding additionality of their PSI ODA.
47 Principle v in Annex 1 of 2016 DAC HLM Communiqué explicitly states that PSIs are "non-concessional in nature" and that "the 'concessional in character' criterion is not appropriate for assessing the ODA characteristics of PSI". Available at: https://www.oecd.org/dac/DAC-HLM-Communique-2016.pdf
48 For example, see CGD (2018) *The Elusive Quest for Additionality*, Working Paper 495. Available at: https://www.cgdev.org/publication/elusive-quest-for-additionality; and summarised in blog format at: https://www.cgdev.org/blog/elusive-quest-for-additionality
49 Minimum requirements that would not violate commercial confidentiality could include the size of the recipient private sector entity and whether it is foreign or domestic. For example, see p. 26 in Development Initiatives (2016) *Blended Finance: Understanding its potential for Agenda 2030*, where these are considered in the context of blended finance data disclosure. Available at: http://devinit.org/wp-content/uploads/2016/11/Blended-finance-Understanding-its-potential-for-Agenda-2030.pdf
50 See paragraph 8 of the OECD Council Recommendation on Good Statistical Practice (which is the the OECD's first legal instrument concerning statistics) for further detail and for definitions of these characteristics. Available at: http://www.oecd.org/statistics/good-practice-toolkit/Brochure-Good-Stat-Practices.pdf.
51 Defined as 'statistics accurately and reliably portray reality' in the *OECD Recom-*

mendation on Good Statistical Practice. See paragraph 8 here: http://www.oecd.org/statistics/good-practice-toolkit/Brochure-Good-Stat-Practices.pdf

52 See Scott, Simon (2019). A *note on current problems with ODA as a statistical measure in Brookings*. Available at: https://www.brookings.edu/blog/future-development/2019/09/26/a-note-on-current-problems-with-oda-as-a-statistical-measure/.

53 See Development Initiatives (2018) *The enabling environment for private sector development: donor spending and links to other catalytic uses of aid*. Available at: https://devinit.org/resources/enabling-environment-private-sector-development/.

54 Reporting Methods for Private Sector Instruments, 12 December 2018, DCD/DAC(2018)47/FINAL.

55 EBA (2020) *Mobilising private development finance: implications for overall aid allocations*. Available at: https://eba.se/en/rapporter/mobilising-private-development-finance-implications-for-overall-aid-allocations/11579/.

56 Development Initiatives (2018) *How blended finance reaches the poorest people: theory and practice*. Available at: https://devinit.org/resources/blended-finance-poorest-people/.

57 EBA (2020) *Mobilising private development finance: implications for overall aid allocations*. Available at: https://eba.se/en/rapporter/mobilising-private-development-finance-implications-for-overall-aid-allocations/11579/.

58 ODI (2018) *Financing the end of extreme poverty*. Available at: https://www.odi.org/publications/11187-financing-end-extreme-poverty

59 World Bank (2020) *Poverty and Shared Prosperity Report: Reversals of Fortune*. Available at: https://www.worldbank.org/en/publication/poverty-and-shared-prosperity

60 Mazzucato (2013) *The Entrepreneurial State: Debunking Public vs. Private Sector Myths*.

61 See for example, Oxfam (2017) *Private Finance Blending for Development: Risks and Opportunities*. Available at: https://www-cdn.oxfam.org/s3fs-public/bp-private-finance-blending-for-development-130217-en.pdf.

62 The Kampala Principles can be found here: https://www.effectivecooperation.org/content/kampala-principles-effective-private-sector-engagement-through-development-co-operation.

63 For example, see key criteria for private sector investments put forward by ITUC at: https://www.ituc-csi.org/making-private-sector-investments

64 Excluding the EU, which in 2019 reported negative US$ 631 million in PSIs.

65 EBA (2020) *Mobilising private development finance: implications for overall aid allocations*. Available at: https://eba.se/en/rapporter/mobilising-private-development-finance-implications-for-overall-aid-allocations/11579/.

66 As agreed in the interim reporting arrangements, see: https://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=DCD/DAC(2018)47/FINAL&docLanguage=En.

67 See: https://www.oecd.org/dac/DAC-HLM-Communique-2016.pdf.

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