



**Statistical Consultation**

**The reporting of Official Development Assistance from Development Finance Institutions**

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**Consultation Details and Contacts**

**To:** Users of official development assistance statistics and statistics on international development published by DFID.

**Duration:** 19 December 2014 to 5 February 2015 (7 weeks)

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**Introduction**

DFID reports statistics on how much money has been spent on Official Development Assistance (ODA) by the UK government. ODA is the internationally agreed measure of aid spend. The ODA statistics include equity investments (shares in businesses) purchased by the UK’s Development Finance Institution, CDC. CDC is an important part of DFID’s portfolio of interventions to promote private sector development. CDC invests in businesses in Africa and South Asia which would struggle to attract investment otherwise.

A previous internal quality review recommended that DFID statisticians consider whether the UK’s approach is in line with the international rules and best practice in this area. There are many different interpretations of how equity investments from a Development Finance Institution are recorded as ODA. This is in contrast to most other areas of ODA statistical reporting where the guidelines are clear and international practice is consistent.

This consultation sets out the results of the internal review. It also requests feedback on three options for reporting this type of ODA in the future:

1. Continue to report the value of equity investments made by CDC as ODA.
2. From 2015 flows onwards, report the value of equity investments as OOF rather than ODA.
3. From 2015 flows onwards, report only the capital flow from the UK government to CDC as ODA but continue to track outflows from CDC.

**Background**

1. In June 2013, the statistics team in DFID’s Finance and Corporate Performance Department carried out a [short review](https://www.gov.uk/government/organisations/department-for-international-development/about/statistics#quality-review)[[1]](#footnote-2) of the quality of DFID’s National Statistics. The findings included a recommendation that the team carry out a review to consider whether equity investments made by CDC[[2]](#footnote-3) (formerly known as the Commonwealth Development Corporation), the UK’s Development Finance Institution (DFI), fall within the OECD definition of Official Development Assistance (ODA)[[3]](#footnote-4). It recommended the review consider:
	* 1. how the existing guidance for ODA applies to CDC’s equity investments;
		2. how UK practice compares with international practice;
		3. whether there are any statistical benefits from making changes to the UK treatment rather than wait until the OECD Development Assistance Committee (DAC) has completed its work on possible improvements to the ODA treatment of DFIs.
2. This consultation reports on the findings from our review of the ODA reporting of equity investments made by CDC and sets out options for how DFID reports these investments for 2015 flows onwards. The report is structured as follows:
3. Reporting of UK ODA;
4. CDC and current reporting arrangements;
5. Challenges with current approach;

 *i. International comparability and different interpretations of DAC guidance*

 *ii. Additional concerns with the current approach*

1. Options for how to report CDC’s equity investments in UK ODA statistics for 2015 flows onwards
2. Conclusion
3. Consultation arrangements

Annex A. Consultation Response Template

Annex B. Glossary

Annex C. Background information on CDC

## A. Reporting of UK ODA

1. Official Development Assistance (ODA) is the measure of aid spent on international development in accordance with international standards overseen by the OECD. DFID collects ODA data on an annual basis across government and returns this to the OECD. The indicator *Official Development Assistance (ODA) as a proportion of Gross National Income (GNI)* is an internationally recognised indicator used to monitor aid spend*.* The ODA/GNI ratio is reported within two UK National Statistics publications[[4]](#footnote-5) and is also reported by DFID to the OECD for inclusion in their statistics on ODA[[5]](#footnote-6). In the 2004 Spending Review, the UK Government set a target date to increase total UK Overseas Development Assistance to 0.7 per cent of GNI by 2013. This target for 2013 has been re-endorsed by successive administrations. The 2010 Spending Review included funding to increase ODA to 0.7 per cent from 2013 and the remainder of the spending review period.
2. An additional measure presented alongside ODA is ‘Other Official Flows’ (OOF). OOF is a wider measure of official support to developing countries. For a flow to be defined as OOF it must only meet the first two ODA conditions (i.e. can be either non-concessional and convey a grant element of less than 25 per cent or non-developmental purposes or both).

*B. CDC and the current reporting arrangements*

1. CDC is the UK’s Development Finance Institution (DFI). It is 100% owned by the UK government but governed by an independent board of directors. CDC is an important part of DFID’s portfolio of interventions to promote private sector development. Profits from successful CDC investments are re-invested back into businesses in Africa and South Asia.
2. Beginning in 2004, CDC operated as a “fund of funds” investing primarily through specialist investment funds which then take equity stakes in businesses. In March 2012 CDC published a new strategy agreed[[6]](#footnote-7) with DFID and HM Treasury. The following changes have been made under the new strategy:
3. CDC now invests through different instruments (through funds, direct equity and loans, mezzanine products and guarantees),
4. CDC’s geographic remit has narrowed to South Asia and Africa with incentives to invest in countries with more difficult investment climates,
5. CDC’s development mandate is more explicit.
6. **Equity[[7]](#footnote-8):** CDC’s equity investments[[8]](#footnote-9) score as UK ODA. Where CDC takes an equity stake in an enterprise, the value of the investment is recorded as positive ODA. When CDC sells the stake, the value of the proceeds is recorded as negative ODA. This means that profitable equity investments, where the value of realisation exceeds the value of the initial investment, will have an overall negative impact on UK ODA, over the lifetime of the investment. Figure 1 below shows how financial flows between different organisations are treated, either as positive ODA flows, negative ODA flows or non-ODA flows. Table 1 shows the value of positive, negative and net ODA flows from equity investments over the last 5 years.



Fig 1: Current approach to ODA reporting of DFI activities, as followed by the UK and other DAC Members that report equity investments as ODA

|  |
| --- |
| **Table 1. ODA flows reported by CDC, £millions** |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|   | **2009** | **2010** | **2011** | **2012** | **2013** |
| Gross positive ODA from CDC | 366 | 425 | 296 | 284 | 326 |
| Gross negative ODA from CDC | 133 | 197 | 205 | 181 | 226 |
| **Net ODA from CDC** | **233** | **228** | **91** | **103** | **100** |
|  |  |  |  |  |  |
| **Total UK Net ODA**  | **7,301** | **8,529** | **8,629** | **8,802** | **11,462** |
| **CDC Net ODA as a proportion of UK ODA (%)** | **3%** | **3%** | **1%** | **1%** | **1%** |

*C. Challenges with current approach*

*i. International comparability and different interpretations of DAC guidance*

1. The DAC Secretariat conducted a statistical review of DFIs in 2012 which highlights some important differences in the reporting practices of DFI operations[[9]](#footnote-10). We have investigated the current reporting practices of DAC donors in more detail. It has been difficult to arrive at a complete understanding of current practices, and the picture has changed since we started to look at this following the short quality review in July 2013. Our broad understanding is that of the 27 DAC donors in 2013 (excluding the EU):
* 9 do not have a DFI;
* 9 do not report their DFI’s equity investments to the DAC; and
* 9 do report their DFI’s equity investments to the DAC. Of these:
* 8, including the UK, report equity investments as ODA;
* 1, Sweden, reports equity investments as Other Official Flows[[10]](#footnote-11) (OOF).
1. International guidance on how to report ODA is set out in the OECD’s converged statistical reporting directives[[11]](#footnote-12). Paragraph 16 of the guidance defines whether a transaction is treated as ODA or OOF, respectively. The text implies that a flow should be treated as ODA, if the following four conditions are met:

i. The flow needs to be provided by an official agency (including state and local government agencies, or their executive agencies);

ii. The flow should be restricted to countries and territories on the DAC list of ODA Recipients and to multilateral development institutions;

iii. The main objective of the flow should be the promotion of the economic development and welfare of developing countries; and

iv. The flow should be “concessional in character”.

1. CDC’s equity transactions meet the first three ODA conditions identified above[[12]](#footnote-13). For the fourth condition, the only information provided in the DAC guidance on concessionality is the reference in para 16, that a flow “is concessional in character and conveys a grant element of at least 25 per cent (calculated at a rate of discount of 10 per cent).” This information can be used to judge the concessional nature of certain financial instruments, for example, loans. It is much less straightforward to apply this rule to equity investments, since it is not clear what form a concessional equity investment would take.
2. In practice, the UK has always reported CDC’s equity investments as ODA, rather than OOF. OOF is a wider measure of official support to developing countries. For a flow to be defined as OOF it must only meet the first two ODA conditions (i.e. can be either non-concessional and convey a grant element of less than 25 per cent or non-developmental purposes or both). The current practice of reporting CDC’s equity investments as ODA is in line with the reporting practices of other DAC members who report equity investments to the DAC, with the exception of Sweden. This approach is supported by historic DAC working papers[[13]](#footnote-14), which suggest that the only condition equity investments must meet to be defined as ODA is the primary objective of promoting the economic development and welfare of developing countries.
3. In summary, draft guidance from 1969 implied that the concessionality condition did not apply to equity investments, and they should be reported as ODA. This information was not included in the relevant OECD Directives. This may help to explain why different DAC members have adopted different approaches to the reporting of equity investments. We conclude that the DAC guidance on whether equity investments should be reported as ODA or as OOF needs to be clarified.
4. We have found an additional important feature of how some countries report the activities of their DFIs. Three countries that do not report equity investments as ODA, Sweden, Belgium and Netherlands, report capital contributions to their DFIs as ODA. This, in effect means reporting how much taxpayer money goes into a DFI, rather than tracking the individual equity investments of the DFI. The approach is illustrated in figure 2 below. It contrasts with the approach in figure 1, which illustrates the current approach followed by the UK and the 7 other DAC Members that report individual equity investment flows as ODA.

 

Fig 2: Alternative approach to ODA reporting of DFI activities, as followed by Sweden, Belgium and Netherlands.

1. The Netherlands has only recently started to report capital contributions as ODA. It has justified this approach by linking it back to specific parts of the DAC Directives which state that in the case of intra-governmental transfers, the agency that receives the spending authority (the donor) should designate its first implementing partner (the DFI) as the channel of delivery.[[14]](#footnote-15) The DAC secretariat has informed the Netherlands that this is an acceptable interpretation of the DAC guidance.
2. The approach taken by Netherlands, Belgium and Sweden is aligned with the ODA treatment of Multilateral Development Banks (MDB) and multi-donor entities. With multilateral entities, positive ODA is captured at the point of providing capital or grant to the MDB by the donor government and individual equity or loan deals are not scored as ODA at an instrument level. Bilateral DFI’s and multilateral development banks have the same mandate and operate in similar ways in the same market. The only difference is their shareholding.
3. A combination of the different approaches on DFI equity investments set out in paragraph 7, and the approach taken by the Netherlands, Belgium and Sweden to reporting capital contributions, suggests that international comparability of ODA statistics for DFI activities is already weak.

*ii. Additional concerns with the current guidance*

1. Profitable equity investments are considered critical to the development impact of CDC. Successful investments grow sustainable businesses in developing countries and these are expected to create employment and wealth, crowd in private investors and demonstrate to the market that investments in these countries and sectors can be financially viable.
2. The UK’s current approach to the ODA-reporting of CDC activities does not adequately capture the donor effort of providing market-based financial instruments and can create disincentives at the instrument level for equity, debt and guarantees. This is set out below.
3. Successful equity investments (those which make a profit) will create net negative ODA (the amount coming back will be higher than the amount originally extended). This current treatment incentivises DFIs against the use of equity which is often the most scarce and developmental form of finance as it bears the highest risk. The fact that equity investors wait for their returns makes their capital particularly essential to a business with a longer pay-back period or where returns are uncertain. At its extreme this negative incentive from ODA treatment of equity could encourage DFIs to make unsuccessful equity investments.
4. Furthermore the contribution that the successful investment makes to sustainable jobs and wealth creation to promote economic development and welfare of the developing country is not recognised by the ODA reporting.
5. The current reporting system incentivises governments to channel development finance for private sector development through multilateral institutions like the multilateral development banks (e.g. the International Finance Corporation - IFC) rather than through bilateral DFIs, even when this may not be the most effective or efficient choice in all circumstances.
6. Since the ODA rules were established, private sector development has become a core part of the development agenda. The ongoing OECD discussions on ODA modernisation recognise the need for strengthening private sector engagement in development and encouraging the use of ODA to mobilise additional private sector resources for development. There is a recognition that the current ODA reporting arrangements are not suitable for instruments to support the private sector and do not adequately capture the donor effort of providing market-based financial instruments. These issues were discussed, most recently at a High Level Meeting (HLM) on 15 and 16 December. The HLM communique[[15]](#footnote-16) recognised that the present statistical reporting system does not fully reflect the changing way in which members are engaging with the private sector, and agreed the need to undertake further work to reflect in ODA the effort of the official sector in catalysing private sector investment in effective development.

*D. Options for how to report CDC’s equity investments in UK ODA statistics for 2015 flows onwards*

1. In light of i) the different concerns around the current arrangements for reporting equity investments to the DAC, and (ii) ongoing discussions about modernising the ODA reporting system, we have been considering whether it would be appropriate for DFID to make changes to the way in which it reports CDC’s equity investments. We see three main options, as follows:
2. Continue to report the value of equity investments made by CDC as ODA.
3. From 2015 flows onwards, report the value of equity investments as OOF rather than ODA.
4. From 2015 flows onwards, report only the capital flow from the UK government to CDC as ODA but continue to track outflows from CDC.
5. We have assessed these options against two key criteria: the promotion of international comparability; and ability to reflect the true contribution of the UKs development activity. Table 2 shows the impact of each of these options on the reported net ODA flow from CDC.
6. The current approach (option a) has the obvious benefit that it is consistent with previous practice and has been adopted by 7 other DAC members. The lack of clarity around the concessionality condition in the DAC guidance means that there are some doubts about whether this approach is consistent with the guidance. The UK has been engaging with other DAC members and the DAC secretariat to modernise the DAC guidance consistent with emerging best-practice use of financial instruments for development. Decision making at the DAC is by consensus. Although there was agreement at the recent HLM to take forward work in this area, previous experience suggests that it will be years before any agreed approach is operational.
7. Option a) does not reflect the true contribution of the UK’s development activity. Successful investments will result in negative ODA. This approach i) may incentivise DFIs against the use of equity, ii) potentially incentivises governments to channel development finance for private sector development through multilateral institutions rather than through bilateral DFIs and iii) incentivises DFIs to undertake creative structuring for innovative programmes, sometimes to their detriment, solely to suit ODA requirements. Finally due to the reporting of both negative and positive flows it can be confusing for users to interpret these statistics.
8. The case for option (b) relies on a particular interpretation of the DAC guidance. If it is accepted that the concessionality condition should apply to equity investments, and that equity investments are not concessional, then these investments should be reported as OOF. In practice, Sweden is the only DAC Member that reports the value of equity investments as OOF. Unusually, Sweden also reports the capital contributions to its DFI as ODA. No other DAC Member reports its equity investments as OOF, and so this option does not further international comparability. Option (b) has a slight advantage over option (a), since it avoids the negative impact of successful investments on ODA (although the negative impact will still be recorded as OOF). But otherwise, it does not reflect the contribution of the UKs development activity in the ODA statistics.
9. Three DAC members report the flow of capital to the DFI (option c). This option is attractive as it more effectively demonstrates the true contribution of the UK’s activity. Related to this, it is also simpler for users to interpret the ODA statistics. This option appears to be in line with the OECD ODA directives, through the application of a rule relating to intra-government transfers. Although this option does not promote international comparability in the short-term, as noted this is in any case already limited.
10. A potential downside to option c) is a reduction in the amount of detailed transaction level information being available[[16]](#footnote-17) in the public domain. Currently detailed information on CDC investments is reported to the DAC and published by the OECD and it is important that this information continues to be available. We would continue to report transaction level information, since the OECD recommend that outflows of DFIs is reported in as much detail as possible.

**Table 2. Reported net ODA flow from CDC under options a), b) and c)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|   | **2009** | **2010** | **2011** | **2012** | **2013** |
| Option A | 233 | 228 | 91 | 103 | 100 |
| Option B | 0 (OOF 233) | 0(OOF 228) | 0 (OOF 91) | 0 (OOF 103) | 0 (OOF 100)  |
| Option C | 0 | 0 | 0 | 0 | 0 |

1. Table 2 shows the impact of the each of the options on the ODA flows in previous years. Under option a) we would report the same value of ODA as currently set out in table 1. Under option b) we would report the same value as option a) but as OOF. Under option c) we would have reported zero ODA flow, as there was no capital flow from the UK government to CDC.

*E. Conclusion*

1. This area of ODA reporting is complex, with unclear rules and varied practice across DAC members. Of the three options set out above none fully meet the two assessment criteria set out in para 23. We recommend that option c) should be adopted for the reporting of flows from 2015 onwards. We conclude that the benefits of more effectively capturing the true contribution of DFID’s activity outweigh the other considerations. None of the options are strong on international comparability, because of the different reporting practices by DAC Members.

*F. Consultation Arrangements*

1. Before any firm decision is taken on the implementation of these changes we are carrying out user consultation lasting 7 weeks, during which time we welcome any views, questions and concerns you might have about this change. A response template is included in Annex A.
2. Once the consultation period has ended, we will collate the responses received and will publish a note informing users of the final decision.
3. We will accept and register written responses received through other media, such as by email or letter. Please do not telephone DFID with your response, as only written submissions will be accepted.
4. You may send consultation responses to statistics@dfid.gov.uk or send paper responses to: Finance, Performance and Impact team, 2nd floor South, Department for International Development, Abercrombie House, Eaglesham Road, East Kilbride, G75 8EA

Annex A.

**Consultation Response Template**

1. The report sets out three options for the reporting of equity investments made by CDC from 2015 onwards:

1. Continue to report the value of equity investments made by CDC as ODA.
2. From 2015 flows onwards, report the value of equity investments as OOF rather than ODA.
3. From 2015 flows onwards, report only the capital flow from the UK government to CDC as ODA but continue to track outflows from CDC.

Please indicate which option you think DFID should adopt and why in the box below:

Answer to Q1:

2. Other feedback (please give us any further feedback on any aspects of this consultation, including more information about your reasoning behind the option choice):

Answer to Q2:

3. Your Details – please fill boxes to the right hand side:

|  |  |
| --- | --- |
| Name |  |
| Organisation |  |
| Telephone number |  |
| Email address |  |
| Postal address |  |

4. Are you are responding as an individual or representing the views of an organisation?

Answer Q4.

5. What sector do you work in? Please put an ‘X’ in the relevant box

|  |  |
| --- | --- |
| Academic / research |  |
| Voluntary |  |
| Business |  |
| Journalists / Media |  |
| Local or regional government / public organisation |  |
| National government department / organisation |  |
| International organisation |  |
| Other – [please specify] |  |

6. Any other comments:

Answer Q6.

**Annex B. Glossary of key terms**

**Concessional**

A loan, the terms of which are more favourable to the borrower than those currently attached to commercial market terms is described as concessional (or a soft loan) and the degree of concessionality is expressed as its grant element. For more detail on how these are calculated, please see the OECD DAC Aid Statistics website.

**Development Assistance Committee (DAC)**

The Development Assistance Committee of the Organisation for Economic Co-operation and Development (OECD) is a forum for consultation among 28 donor countries, together with the European Commission, on how to increase the level and effectiveness of aid flows to all aid recipient countries. The member countries are Australia, Austria, Belgium, Canada, Czech Republic, Denmark, European Union, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Japan, Korea, Luxembourg, The Netherlands, New Zealand, Norway, Portugal, Poland, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, UK and USA.

The DAC sets the definitions and criteria for aid statistics internationally. Statistical Directives exist to encourage comparability of reporting of resource flows by DAC members. The countries receiving aid are set out in the DAC List of Recipients of Official Development Assistance (ODA).

**Gross National Income (GNI) - formerly Gross National Product (GNP)**

GNI comprises the total value of goods and services produced within a country (i.e. its Gross Domestic Product or GDP), together with income received from other countries (notably interest and dividends), less similar payments made to other countries.

**Official and Private Flows**

The flow of resources to aid recipient countries is a term used in DAC reporting and corresponds broadly to the following transactions with recipient countries and multilateral institutions (for the benefit of recipient countries).

* Grants and long term capital transactions effected by governments or the official sector of DAC countries;
* Private flows which are long term (over one year) capital transactions by UK residents (as defined for balance of payment purposes) with aid recipient countries, or through multilateral agencies for the benefit of such countries. They include all forms of investment, including bank lending and export credits where the original maturity exceeds one year. Private flows are reported to DAC separately for direct investment, export credits and bank lending.
* Grants by private voluntary agencies (often referred to as "private grants").

It excludes:

**a) military equipment or services**: grants, official loans, or credits (guaranteed or not) for the supply or financing of military equipment or services. However from 1993 onwards forgiveness of debt generated by military lending is recorded as OOF.

**b) transfers to private individuals**: transfer payments to private individuals are not included unless they are part of technical co-operation or relief programmes.

**c) transfers by private individuals**: private payments are excluded except for grants by private voluntary organisations for development assistance and welfare purposes (see third bullet above).

**Official Development Assistance (ODA)**

Official development assistance is defined as those flows to developing countries and multilateral institutions provided by official agencies or by their executive agencies, each transaction of which meets the following tests:

* it is administered with the promotion of the economic development and welfare of developing countries as its main objective; and
* it is concessional in character and conveys a grant element of at least 25 per cent.

Official development assistance is shown both gross and net of loan repayments. From 2005 only aid to countries on the DAC List of Recipients of Official Development Assistance is eligible to be recorded as ODA.

**Other Official Flows (OOF)**

Other Official Flows are defined as flows to developing countries by the official sector which do not satisfy both criteria necessary for ODA (i.e. can be either non-concessional and convey a grant element of less than 25 per cent or non-developmental purposes or both).

**Annex C. Summary of CDC Group PLC (formerly Commonwealth Development Corporation)**

CDC is the world’s first Development Finance Institution and was set up in 1948. It is fully owned by the UK government. CDC’s business model has changed considerably over time. In the period 2004-2012, CDC operated exclusively as a fund of funds, investing in private equity funds across a range of emerging markets including South East Asia and Latin America. Following a review in 2010-11, DFID and CDC agreed a fundamental change in CDC’s strategy and business model.

CDC’s mission now, set out in its 2012 Investment Policy[[17]](#footnote-18) is to “support the building of businesses throughout Africa and South Asia, to create jobs and make a lasting difference to people’s lives in some of the world's poorest places”. CDC’s objectives, are to:

* invest in businesses and activities, especially when private investors are reluctant to do so, so as to contribute to sustainable development and economic growth that directly or indirectly benefits the poor, and in particular to create lasting employment opportunities.
* demonstrate that profitable, commercially sustainable and responsible investments can be made and/or developed over time in these environments and, where possible, mobilise both direct and indirect private investment in these countries, states or territories.

CDC executes its mission by making investments in businesses that have a strong likelihood of creating good quality, permanent employment opportunities. CDC seeks to make such investments in countries (or areas) that are particularly difficult to invest in. In addition to its capital, CDC offers to add value to the businesses it invests in by assisting in management, seeking to improve a business’s environmental systems, improving its climate footprint and similar developmental improvements.

1. The short review is available from here: <https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/236279/short-quality-review-DFID-National-Statistics.pdf> [↑](#footnote-ref-2)
2. See Annex C for background information on CDC. [↑](#footnote-ref-3)
3. See Glossary in Annex B for more information. [↑](#footnote-ref-4)
4. <https://www.gov.uk/government/organisations/department-for-international-development/about/statistics> [↑](#footnote-ref-5)
5. <http://www.oecd.org/dac/stats/analyses.htm> [↑](#footnote-ref-6)
6. http://www.cdcgroup.com/Documents/Additional%20Publications/cdcstrategypresentation\_2012.pdf [↑](#footnote-ref-7)
7. CDC also provides loans and guarantees – but these are generally not counted as ODA – see below for more information: **Loans:** CDC’s debt transactions do not meet the concessionality requirements in the ODA rules and therefore do not count as ODA. **Guarantees**: ODA is only captured when a project fails and the guarantee is called upon, ignoring the development benefits associated with guarantees that are not called. [↑](#footnote-ref-8)
8. **Equity securities (also called shares)** are evidence of ownership of a corporation that gives the owner claims on the residual value of the corporation after creditors claims have been met. Shares and other equity may pay property income in the form of dividends and may be held with the expectation of holding gains. **Investment fund shares** are issued by collective investment undertakings and represent a share in an investment portfolio. Para 31 – OECD DAC Statistical Reporting Directives. [↑](#footnote-ref-9)
9. See DCD/DAC/STAT(2012)8 and DCD/DAC/STAT(2013)4. [↑](#footnote-ref-10)
10. See glossary in Annex B for more information. [↑](#footnote-ref-11)
11. See [DCD/DAC(2013)15/FINAL](http://www.oecd.org/dac/stats/documentupload/DCD-DAC%282013%2915-FINAL-ENG.pdf). [↑](#footnote-ref-12)
12. CDC is 100% owned by the UK government, and so all its investments, including its equity investments, should be treated as official flows. CDC’s investments are restricted to countries and territories on the DAC List of ODA Recipients. [CDC’s website](http://www.cdcgroup.com/What-we-do/Our-Mission/) explains that the primary purpose of CDC’s investments are the promotion of the economic development of developing countries [↑](#footnote-ref-13)
13. This refers specifically to an unpublished 1969 DAC working paper DAC/STAT 69/13 that we have seen. The paper is referred to in OECD Development Cooperation Working Paper 12, [*The Evolution of Official Development Assistance*](http://www.oecd.org/dac/stats/documentupload/Evolution%20of%20ODA.pdf). [↑](#footnote-ref-14)
14. In the case of intra-governmental transfers, it is important to distinguish between i) use by the central aid authorities of other public sector agencies in the donor country for implementation of specific activities and ii) transfers of funds, together with the spending (budgetary) authority, to other public sector agencies. For i), report “donor government” as the channel of delivery. For ii), the agency that receives the spending (budgetary) authority should designate its first implementing partner as the channel of delivery.(Para 118 - [DCD/DAC(2013)15/FINAL](http://www.oecd.org/dac/stats/documentupload/DCD-DAC%282013%2915-FINAL-ENG.pdf)) [↑](#footnote-ref-15)
15. <http://www.oecd.org/dac/OECD%20DAC%20HLM%20Communique.pdf> [↑](#footnote-ref-16)
16. Details of individual investments are also available on the CDC website. <http://www.cdcgroup.com/> [↑](#footnote-ref-17)
17. <http://www.cdcgroup.com/Documents/Transparency%20and%20reporting/CDC%20Investment%20Policy%202012_16.pdf> [↑](#footnote-ref-18)