

# PEER REVIEW ON DEVELOPMENT FINANCE STATISTICS

## AUSTRIA



# Executive summary

The Statistical Peer Review of Austria was carried out on 14-18 November 2022. The review team consisted of representatives from Denmark and Italy, an observer from the Netherlands and three staff from the DAC Secretariat. The review covered the seven dimensions outlined in the Guidance note for statistical peer reviews, namely: statistical policy issues; domestic data collection; statistical reporting; performance on DAC recommendations and international commitments; transparency; data accessibility; and publication of statistics.

The review team found that ADA's statistics team conducts admirable work to collect, verify and report ODA and other development finance data. The ADA's IT system is appropriate for the specific organisational context (largely fragmented development co-operation landscape with approximately 80 external reporting entities). Continuous, high-standard quality controls are applied throughout the reporting process. At the same time, the review team felt that the staff has reached its limits in terms of capacity, and that closer attention is needed to ensure that the team's exemplary work is not lost should there be staff turnover or other challenges. The review team would like to recommend improvements, in particular to make the current, well-performing system more sustainable and prone to take up new challenges more boldly, such as reporting on TOSSD.

## Key recommendations

### ***ODA eligibility***

- It is important for Austria to continue to safeguard ODA integrity, especially in a way that allows Austria to better define and guide the trajectory of its overall development co-operation. For the sake of clarity on ODA and ODA statistics, Austria is strongly encouraged to remove the ambiguity in current terminology (Austrian development co-operation vs. Austrian Development Co-operation).

### ***Sustainability in statistical competencies***

- To maintain its strong commitment to effective and efficient data collection, ADA should pay closer attention to sustainability and continuity so that core competencies within the ADA's statistics team can be retained over time. In particular, updated staff profiles are required to make them more specialised (with a university degree in relevant fields) and thus ensure a minimum proficient skillset.

### ***Reporting and IT infrastructure***

- Austria is encouraged to focus on addressing challenges in the collection of data from external reporting institutions. Potential measures include technical solutions and adopting incentives, both positive and negative, for better reporting from these institutions.
- ADA's careful development of its IT system is commendable. The ADA's statistics and IT teams are encouraged to assess how ADA's data processing could be executed on a more robust platform than Excel-based macros.

### ***TOSSD***

- ADA's statistics team is encouraged to collect additional TOSSD contributions from more external reporters. Austria is encouraged to explore the potential use of TOSSD data in its Voluntary National Reviews.

***Private Sector Instruments and mobilisation***

- Austria is encouraged to participate actively in the review of the provisional reporting methods for PSI. Continued improvements in transparency in the context of PSI and private finance mobilisation are needed.

# Introduction – Overview of Austria’s development co-operation

1. This chapter provides a brief description of the organisational structure of Austria’s development co-operation, the strategic and legislative framework and key issues around the budget preparation and ODA/GNI ratio.

## Organisational structure and key stakeholders

2. The Austrian development co-operation system encompasses multiple actors and stakeholders. The Directorate General for Development Co-operation of the Federal Ministry for European and International Affairs (**MFA**, see Figure 1) is in charge of the strategic planning, coordination and policy coherence for development co-operation. The Austrian Development Agency (**ADA**) oversees the effective implementation of these strategies and programmes in co-operation with partner governments, development co-operation organisations, CSOs and private entities. ADA was structured to be a centre of competence/excellence, including for statistics. Together, the MFA Directorate General for Development Co-operation and ADA form what is referred to as “Austrian Development Co-operation” (**ADC**). In 2021, they jointly provided for 21% of total Austrian ODA.

3. Austria’s development co-operation system has a larger scope than ADC and includes federal ministries, provinces (states) and municipalities that, in their role as donors, contribute to development co-operation under their own mandate and budget. The largest donor in terms of ODA is the Ministry of Finance, which provides Austria’s contributions to the EU regular budget and international financial institutions and oversees the activities of the Oesterreichische Kontrollbank AG (OeKB, export credit agency) and the Development Bank of Austria (OeEB, Austrian DFI). In-donor refugee costs also represent a significant component in Austrian ODA, financed by the Ministry of Interior as well as provinces and municipalities.

4. In Austria, Austrian development co-operation (small letters) is distinguished from Austrian Development Co-operation (ADC, capital letters, solely encompassing MFA and ADA). The review team noted that this distinction was not always clear to the outside stakeholders, and the namesakes could also easily introduce confusion internally.

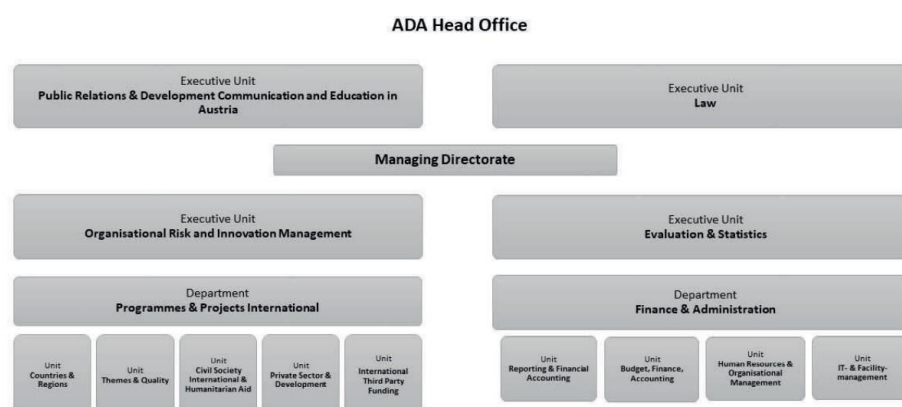
**Figure 1. Organisation of the Directorate General for Development Co-operation, MFA**



Source: MFA, Austria

5. In recent years, the MFA and ADA have expanded their role as strategic coordinators of the overall development co-operation system. ADA operates at two levels, the Head Office in Vienna and the Local Offices in the priority countries, which coordinate projects and oversee the efficient implementation of funds. In 2021, it had an overall budget of EUR 261 million<sup>1</sup> originating from multiple sources including its own budget, the European Recovery Programme fund, the Foreign Disaster fund, third party funds (domestic and foreign bilateral donor agencies). Additionally, it is accredited to implement funds from the EU and Green Climate Fund. The Executive Unit Evaluation and Statistics, which belongs to the management arm of ADA in Vienna (Figure 2), constitutes a centre of competence for development finance statistics and development evaluation. The Unit is responsible for measuring both Austria's donor effort/financial inputs into development co-operation and the results of Austrian Development Co-operation (ADC). This Unit hosts the ADA's statistics team, further discussed in Chapter 2.

**Figure 2. Organisation of the Austrian Development Agency Head Office**



Source: OECD Development Co-operation Peer Reviews: Austria 2020<sup>2</sup>

<sup>1</sup> Figure as per May 2022.

<sup>2</sup> [OECD Development Co-operation Peer Reviews: Austria 2020 | OECD iLibrary \(oecd-ilibrary.org\)](https://oecd-ilibrary.org/)

## Strategic and legislative framework

6. The Federal Development Co-operation Act (2002) provides the legal framework for long-term policy coherence of the Austrian development co-operation system and enables its strategic formulation. According to the Act, the Austrian development co-operation policy should be guided by considerations of partner countries' goals and ownership of their own development strategy and their social and cultural context, with special attention to gender equality and the needs of children as well as people with disabilities. The Act further requires that ODA provided by the Federal Government aligns with the three objectives and four principles of development policy, as well as with the guidelines of a Three-Year programme on development policy. The three objectives are expressed as follows:

- Combating **poverty** in the developing countries by promoting economic and social development that is aimed at a process of sustainable economic activity and economic growth combined with structural, institutional and social change.
- Ensuring **peace and human security**, especially by promoting democracy, rule of law, human rights, and good governance.
- Preserving the **environment** and protecting natural resources that form the basis for sustainable development.

7. The Three-Year programme on Austrian Development Policy is a multi-annual strategy negotiated across all relevant ministries and stakeholders that further specifies the Act's objectives and principles. It is an important tool to attempt to synchronise and coordinate ODA support from all actors given the fragmentation of development co-operation responsibilities across multiple ministries. Provinces and CSOs are also consulted for the elaboration of this programme. The current programme (2022-24) defines the geographical focus on LDCs in Sub-Sahara, European neighbourhood (mainly South-East Europe) and crisis regions and fragile states with the following priority countries: **Burkina Faso, Ethiopia, Uganda Mozambique, Bhutan, Moldova, Georgia, Armenia as well as West Bank and Gaza Strip**. It recognises the COVID pandemic, climate change and migration as three main challenges and introduces innovative elements such as a renewed emphasis on the whole-of-government approach, mechanisms for monitoring development co-operation during implementation and a greater attention to multilateralism.

## ODA figures and budget preparation

8. In 2021, Austria's total ODA amounted to EUR 1.24 billion on a grant equivalent basis, representing an increase of EUR 123 million or 11% as compared to the previous year and corresponding to an ODA/GNI ratio of 0.31%. Austria's ODA share of GNI has been increasing since 2018 and the country is committed to reach the 0.7% ODA/GNI target and the 0.15% ODA/GNI target for LDCs. Out of Austria's total 2021 ODA, 46.6% related to bilateral assistance and 53.4% to multilateral ODA. See Figure 3 for a breakdown of ODA by contributor.

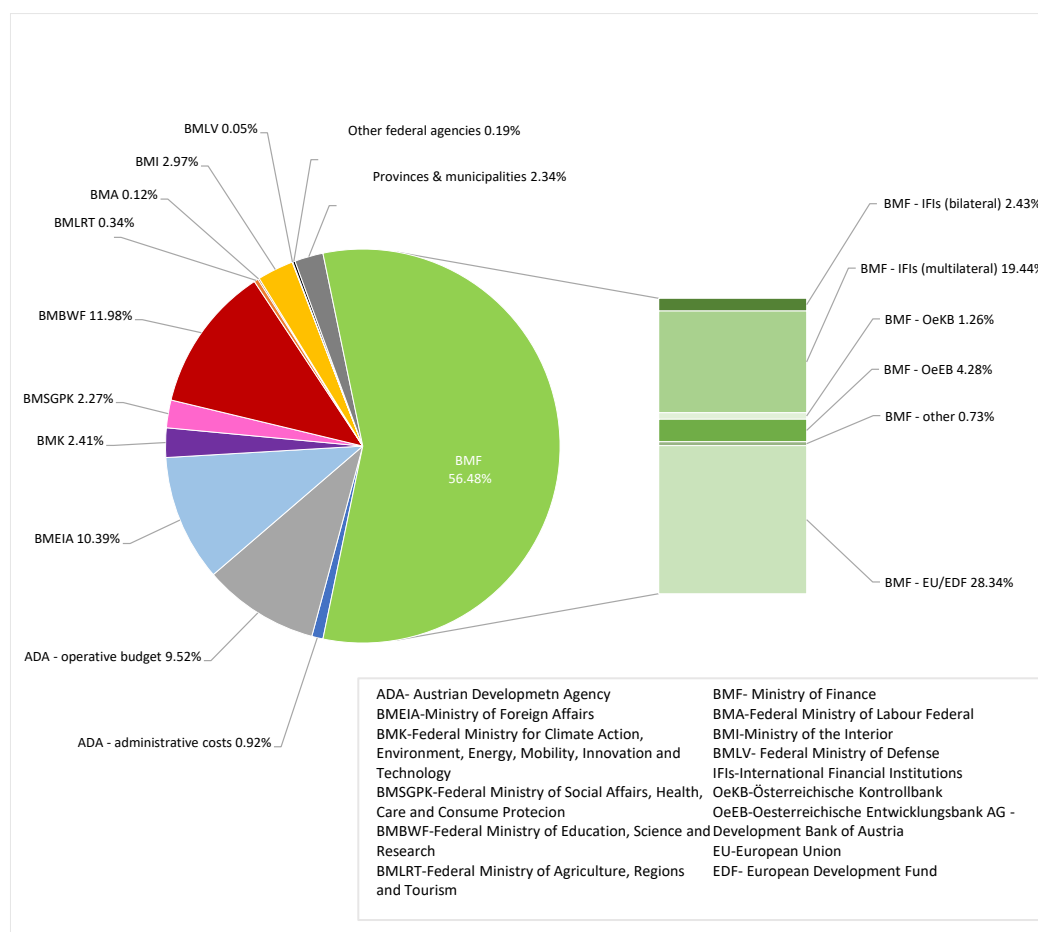
9. Austria's budgetary planning is organised at three territorial administrative levels, which enjoy budgetary autonomy: the federal level, the state government level and the municipal level. The Ministry of Finance is in charge of planning the federal budget for the six "highest institutions" (e.g. Parliament, constitutional court) and the twelve ministries. Annual budget planning occurs under the umbrella of the Medium-Term Expenditure Framework (MTEF), a four-year plan setting legally binding expenditure ceilings for the budget rubrics (thematic budget clusters) which are updated on a rolling basis. This top-down approach ensures that detailed annual budgetary allocations made by ministries comply with the Government's fiscal objectives and provides public accounts with long-term continuity and stability.

10. The planning and negotiation of Austria's budget is done in several stages. In April, the Stability Programme or the strategy report are prepared and then presented to the national Parliament and to the

European Commission. Once passed by the Parliament, the annual budget planning, a more detailed budget allocation, starts in June, together with the negotiation of the MTEF. After negotiation with the ministries, presentation to the Parliament and submission to the European Commission, the budget is discussed in October/November and usually passed in November.

11. The budget is composed of 35 budget chapters, one of which is devoted to the MFA – chapter 12. This chapter is sub-divided into two global budgets (*12.01 Foreign policy planning, infrastructure and coordination and 12.02 Foreign policy measures*) and detailed budgets (e.g., *12.02.01 Development co-operation and foreign disaster fund and 12.02.02 Contributions to international organisations*<sup>3</sup>). Apart from these budgetary items that directly link to development co-operation and ODA, the budgeting process does not contemplate ODA budget appropriation at any level (federal, state nor municipality). Line ministries remain responsible and accountable of their own budget allocation to development co-operation and, specifically, to ODA. The Ministry of Finance has started implementing a “tag” to identify all ODA expenses throughout the budget, but this work will take several years to complete, and at present, ODA can only be measured and known ex-post. The Ministry of Finance also produces a supplement to the budget which is devoted to development co-operation. This supplement is quite detailed and includes ODA forecasts for the next four years (in the most recent version<sup>4</sup>, forecasts are included until 2026).

Figure.3. ODA breakdown by reporting institution, 2021



<sup>3</sup> Covers both ODA and non-ODA shares of contributions.

<sup>4</sup> [Entwicklungszusammenarbeit 2023 \(bmf.gv.at\)](https://www.bmf.gv.at/entwicklungszusammenarbeit/2023).

Source: Austria

12. The review team discussed with Austrian representatives the pros and cons of the absence of a fixed ODA budget or ODA/GNI ratio. It noted a high degree of flexibility in the Austrian funds allocated to development co-operation. Funds can indeed be reallocated within the remit of each ministry's budget or can be set aside for the next year. Austria can also dedicate additional funds to respond to crises quickly without impacting other development co-operation expenditures, line ministries negotiate these increases with the Ministry of Finance. Recent examples include funds to address the COVID-19 crisis or refugee upsurge e.g., through the Foreign Disaster Fund that grew from EUR 5 million in 2013 to EUR 105 million in 2022. Debt relief also occasionally has huge impacts on ODA figures<sup>5</sup> but is in principle neutral on other development co-operation items. Austria is proud of a system that allows them to keep on increasing their development co-operation budget even in the current difficult economic situation. However, the review team also saw a risk that the difficult identification of ODA overall in the Austrian budget could limit the ability to effectively plan development co-operation and ensure its coherence.

#### **Observations by the peer review team**

- The ability of Austria to dedicate additional funds to respond to crises quickly without impacting the planned development co-operation budget is commendable. The funds allocated to development co-operation are steady and reliable, safeguarded from external turmoil such as debt relief, refugee upsurge etc.
- However, the confusion between “Austrian Development Co-operation” (ADC) and “Austrian development co-operation” blurs the scope of Austria's development policy and the role of ODA within it. There is a need for improved communication on the ODA budget and its links with reported ODA figures (see Chapters 1 and 5).
- Additionally, the reviewers were unclear about the division of labour between ADA's statistics team and the MFA, especially when it came to ODA-eligibility issues or participation in the WP-STAT/DAC. ADA holds the knowledge and expertise on statistical issues while the MFA brings policy perspectives on some of the statistical issues of its particular interest but does not necessarily have the overview of WP-STAT direction of work and dynamics of consensus building.

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<sup>5</sup> The Ministry of Finance forecasts that, due to debt relief to Sudan, total ODA in 2023 will abnormally increase to EUR 4.1 billion and experience considerable fluctuations in the subsequent years. Based on these predictions, Austria will surpass the 0.7% ODA/GNI target in 2023 (0.86%) but this increase seems transitory as the ratio is expected to remain below target for the subsequent three years.



# 1. What are the main statistical policy issues?

13. The statistical policy issues discussed during the review encompassed ODA-eligibility issues and the treatment of private sector instruments.

## 1.1. ODA and ODA eligibility

14. Given that there are no budget lines for ODA and that ODA is determined only ex-post (see Introduction), the ODA concept is not necessarily prominent in the Austrian development co-operation system, and it was not clear to the review team how Austria sees this concept in relation to its foreign policy priorities such as migration, climate/environment, peace & security and other global challenges. The confusion between “Austrian Development Co-operation” (ADC) and “Austrian development co-operation” also blurs the role of ODA in Austria’s development policy.

15. ADA’s statistics team is responsible for the ODA-eligibility assessment of all Austrian development co-operation projects (ADC and beyond). The statistics team takes multiple steps to verify eligibility and there is a high rigour to ODA-eligibility assessments. For projects implemented by ADA, an eligibility assessment is carried out upon request/when in doubt before the approval by ADA’s managing director. This is an ongoing process throughout the year which informs decisions to undertake certain activities (only ODA-eligible projects are undertaken). For projects implemented by other actors, the statistics team verifies the ODA-eligibility after receiving data files and drawing on the project description and other available information (including from previous years’ reporting). If needed, the team also conducts some web research, requests additional information or reaches out to the Secretariat for advice.

16. The absence of dedicated ODA budget lines facilitates objective ODA-eligibility assessments: there is little pressure on the statistics team to count maximum projects as ODA, relative to practices of some other DAC members. However, reporters both within and external to ADA rely heavily on the statistics team assessment, which constitutes a significant burden considering the number of external reporters and the scope of the whole system. The statistics team offers one in-depth training to ADA staff per year and customised training sessions and information exchanges on statistical policy issues for external reporters, including ODA eligibility, based on demand.

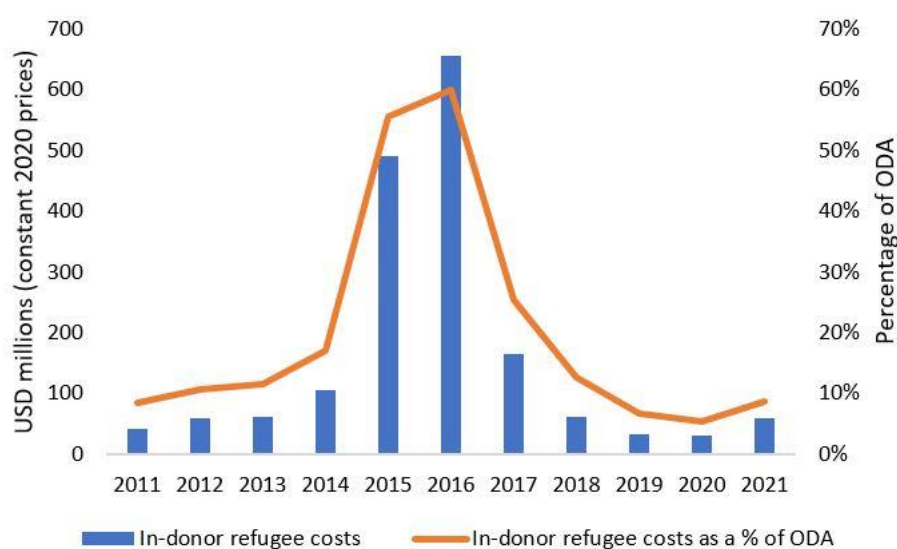
17. The statistics team highlighted three areas requiring special attention: peace and security (e.g. bilateral engagement in peacekeeping operations), migration (labour mobility, return and reintegration) and contributions to multilateral organisations with a global mandate (removed from their ODA report in recent years: among others, Stockholm Convention on Persistent Organic Pollutants, Rotterdam Convention on the Prior Informed Consent, Vienna Convention for the Protection of the Ozone Layer). In addition, the topics of administrative costs and in-donor refugee costs were discussed.

18. ADA’s administrative costs are counted 100% in ODA as the agency is entirely concerned with ODA delivery. For the Ministry of Finance, OeEB and selected provinces, an estimation is made based on the staff involved in ODA delivery. For the MFA, the cost for units involved in ODA delivery is counted in ODA as well as a fixed share of embassies’ costs: 50% for embassies based in least developed countries (LDCs) and 20% for other countries. These shares are historical estimates and are being reconsidered.

19. The implementation of the clarifications on in-donor refugee costs agreed in 2017 led to a decrease in the amounts reported by Austria as in-donor refugee costs, as a consequence of excluding costs post rejection and those after 12 months of stay. Three main aspects were discussed:

- Austria uses a sound method to calculate the ODA figure for in-donor refugees, which is based on an individual monitoring of asylum seekers and real costs attached to them. However, one question was left unanswered in relation to the inclusion or exclusion of costs related to asylum seekers that ultimately get rejected.<sup>6</sup>
- The case of Ukrainian refugees was also discussed, and the review team was impressed by the Austrian system that will allow to calculate real costs and not rely on estimates. In other countries, Ukrainians are not necessarily registered (as they have not applied for asylum), and associated costs will need to be estimated. Due to the upsurge of Ukrainian refugees, Austrian ODA will increase a lot in 2022 but as explained in Chapter 1, these fluctuations do not affect other items of development co-operation in Austria.
- Regarding support provided for refugees hosted in other, non-ODA eligible, countries (such as Poland), the peer review team discussed Austria's ability to ensure compliance with ODA rules. Despite the recognition that the rules did apply irrespective of the channel of delivery, their strict application was found more challenging when the channel was an international NGO or a multilateral organisation (in particular the eligibility being limited to temporary sustenance and first twelve months).

**Figure 4. In-donor refugee costs – volume and share in Austrian ODA**



Source: ODA statistics, <https://stats.oecd.org>

### Request to the Secretariat

- Maintain a repository on eligible/non-eligible contributions (e.g., environmental conventions, other trust funds) and share with members, to ensure comparability of reporting.

<sup>6</sup> Austria subsequently clarified that they do count in ODA the costs of rejected asylum seekers, pre-rejection.

## 1.2. Private sector instruments and mobilisation

20. Austria promotes private sector development in developing countries and private finance mobilisation by means of its support to relevant multilateral channels and through bilateral activities. The latter mainly consists of activities of the Development Bank of Austria (Oesterreichische Entwicklungsbank AG – OeEB) and grant subsidy programmes administered by ADA and OeEB. OeEB mainly deploys shares in collective investment vehicles, standard loans, mezzanine finance and risk-sharing mechanisms to mobilise private finance and develop local private sector. In support of these objectives, Austria also administers grant subsidy programmes targeting private investors. (See Untying section in Chapter 4.)

### *Review of the provisional reporting methods for PSI*

21. Acknowledging the limitation of the current ODA reporting arrangement on PSI, Austria welcomed its on-going review, calling for more permanent directives. Although Austria could not commit to active participation in the review discussions due to resource considerations, the statistical staff follows other members' deliberations and contributes constructive comments to the items discussed. From Austria's perspective, the review should ideally deliver directives that:

- Provide clear, comprehensive and solid statistical methods that foster predictability and allow for better long-term policy planning, including to maximise Austria's potential to mobilise private finance for development. For Austria, current rules are overly complex, and the different treatment of loans depending on the nature of borrower (public/multilateral vs. private channel, enterprises/banks vs. collective investment vehicles) further complicates reporting (grant equivalent or cash flows).
- Allow for reporting on donor effort by all PSI in line with the 2016 HLM principles. In Austria's context, this would be particularly important for mezzanine finance projects as the current treatment in DAC statistics fails to reflect their role in taking risk by DFI when extending such instruments.
- Remove grey zones, such as whether grant subsidies to the private companies should be considered PSI, or ODA eligibility and accounting rules for debt investments to collective investment vehicles in donor/third countries.

### *Private finance mobilisation*

22. Austria considers the current reporting framework on private finance mobilisation comprehensive although the existence of different methodologies – from the DAC or MDBs – is found confusing. Aside from its regular reporting in DAC statistics on private mobilisation by OeEB and ADA activities, Austria also actively participates in the on-going two-year data pilot on the mobilisation effect of technical assistance.

### *Data reporting on PSI and private finance mobilisation*

23. In terms of reporting on PSI, Austria provides quality information on PSI to the Secretariat, mentioning however the following challenges:

- Obtaining information on the additionality of individual PSI activities that is exhaustive and comparable.
- Disclosing some information to the public. This concerns investee names, interest rates of debt instruments and expected returns of direct investments and equity shares in collective investment vehicles. These challenges have impacted Austria's ability to report/count some of OeEB operations in ODA.
- Accessing information on private investors and other official co-financiers. Getting these details requires substantial efforts on Austria's side.

**Observations by the peer review team**

- The quality and breadth of OeEB's reporting to the DAC is commendable, although there is room for improvement in disclosing more financial details.

**1.3. Proposed recommendations – Dimension 1****ODA eligibility**

- It is important for Austria to continue to safeguard ODA integrity, especially in a way that allows Austria to better define and guide the trajectory of its overall development co-operation. For example, the MFA could devise a more coherent, whole-of-government approach to defining the scope of the full ODA budget and for this purpose identify mechanisms to strengthen co-ordination of all public development actors and alignment with the Three-year Programme. For safeguarding ODA integrity and for the sake of clarity on the scope of Austrian development co-operation and ODA and ODA statistics, Austria is strongly encouraged to remove the ambiguity in current terminology (ADC).
- Austria has a sophisticated system which provides a solid basis for the calculation of in-donor refugee costs. The ADA's statistics team should continue to reach out and engage with relevant reporting institutions to obtain from them the necessary detailed information on the calculation of the ODA figures for these in-donor refugee costs as well as for administrative costs.

**Private sector instruments**

- Austria is encouraged to continue to participate actively in the review of the provisional reporting methods for PSI. Austria's participation in the review could help set priorities to members' discussions and ensure the reviewed directives will meet Austria's needs.
- Continued improvements in transparency are encouraged in the context of PSI and private finance mobilisation. OeEB could continue exploring ways to allow for sharing data on its activities with the OECD and beyond, such as on investee company names (channels) and terms and conditions of individual loans. For example, as an official financier, OeEB's additionality could possibly be leveraged in negotiating non-disclosure agreements (NDAs) with its clients.

## 2. How to make domestic data collection more effective and efficient?

24. This chapter describes how ADA collects and manages Austria's aid statistics.

### 2.1. Data collection

25. The Executive Unit Evaluation and Statistics of ADA is a centre of competence for development evaluation and development finance statistics. It collects, verifies and publishes statistics on Austria's development co-operation. ADA's statistics team, with a head (shared with the evaluation team) and three statistics advisors, generates statistics on development co-operation and climate finance activities of all Austrian provider agencies.

26. Although it is unusual that a development agency, rather than the MFA, generates statistics from all provider agencies, there can be several benefits to such an arrangement. ADA's statistics team has strong competence, technical skills and expertise on ODA statistics, particularly on complex issues related to ODA-eligibility. ADA also has more flexibility to recruit specialised staff and, on average, experiences less turnover than the MFA, due to the MFA's rotation principle.

27. In addition to its core function related to development finance statistics, ADA's statistics team performs various tasks related to reporting, representation and coordination, dissemination and capacity building (Box 1). The breadth of tasks is commendable, as is the increased focus in recent years on activities that add value, such as quality assurance and automation, analysis and visualisation, and the routine production of guidance and documentation. The reviewers felt that the staff were technically proficient and motivated to produce high-quality statistics effectively and efficiently. Such technical sophistication was evident, for example, in the automated verification and quality control procedures implemented throughout the reporting process (see Chapter 3).

#### Box 1. Main duties of ADA's statistics team

##### Data processing

- Collecting, compiling, and processing Austria's data on development and climate finance.
- Providing statistical data to the OECD and other institutions, including responding to ad-hoc surveys.
- Responding to statistical queries.

##### Coordination

- Representing (alongside the MFA) Austria in the WP-STAT and other working groups.
- Serving as a coordination interface for reporting institutions.

##### Capacity building and dissemination

- Developing communication products.
- Providing statistical trainings.
- Organising information events.

28. At the same time, the reviewers were concerned that ADA's statistics team had reached its limits in terms of capacity. Particular attention is needed to ensure that core competencies are retained. An

emphasis on sustainability and continuity is especially important as ODA statistics are already highly technical – and becoming increasingly complex.

29. Different processes exist for compiling, processing and validating data internal to ADA and data from external reporting institutions. In 2021, 38 external institutions (or 84 reporting entities, e.g., units [see also the executive summary]) reported 3 770 project records, compared to 619 records internal to ADA, thus accounting for 86% of all data records. Prominent reporting institutions (~150 records+) include the Ministry of Finance, Austrian provinces and municipalities, the Federal Ministry of Education, Science and Research, the MFA, and the OeEB (Development Bank of Austria). The reviewers were impressed by the breadth of reporting institutions being processed by ADA and felt that they could learn from ADA's experience with managing complexity.

30. Data from these external institutions is reported once a year in Excel sheets. The standard reporting form is sent to them by end-December, with a deadline by mid-February. It requires inputs for 38 variables, with additional modules for select reporting institutions (e.g., loan and equity information; information on the additionality of PSI; and data for TOSSD).

31. The number of external reporting institutions, and the lack of a legal obligation for them to report their data to ADA, creates challenges for efficient data collection from these institutions (at least, compared to similar data collection within ADA). These challenges include inconsistencies in data quality (e.g., insufficient project descriptions for ODA-eligibility checks or inconsistent assignment of purpose codes); the broad scope of reported data; issues with managing metadata, especially to reflect rule changes in the WP-STAT; the multiple, manual steps involved in the transfer of data into the ADA's funding management system (FMS); and the need for ADA's statistics team to provide extensive training and guidance to external reporters. Although Austria's reporting to the OECD-DAC is exemplary, these challenges merit further consideration to improve the efficiency of reporting, reduce burden on statistical staff, and create space to pursue other opportunities, such as TOSSD data collection.

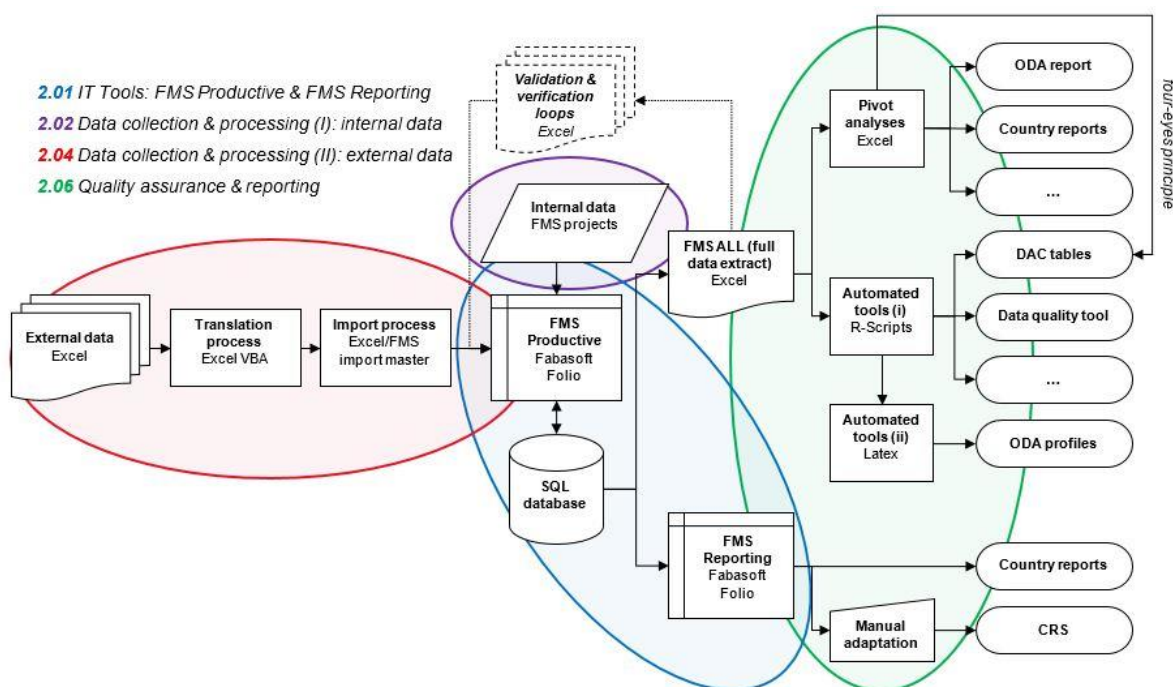
32. Data internal to ADA is already in ADA's FMS and thus require less manual adjustment. Formal statistical checks are conducted throughout the year as part of the approval process, involving an internal checklist. Further automated and manual checks are done when consolidating all of the data for the Advance Questionnaire and CRS reporting (see Chapter 3).

## 2.2 Data management process and tools

33. The main IT tools for ADA's statistics team – FMS Productive and FMS Reporting – are well-maintained and fit-for-purpose for ADA's organisational context. They complement a range of other automated tools to validate and disseminate data (Figure 5). FMS Productive, a web-based content management system built on Fabasoft Folio, was introduced in 2015 as part of the Unit's effort to modernise and centralise different IT systems. It has a dynamic link to a SQL database that stores all project records.

34. These tools are managed internally within ADA's IT department, with assistance from external IT contractors for FMS Productive. The IT team has the ability to adapt some items, e.g., development co-operation modalities, purpose codes, and channel codes, while others (e.g., new fields, list items) require a formalised change request that is implemented by external contractors once or twice annually.

Figure 5. Austria's IT tools and infrastructure for development finance statistics



35. ADA's project managers create project records and enter information directly into FMS Productive. This information includes project documents, transaction details and evaluation reports, among other attributes, underscoring the breadth available to users. The system has an object-oriented design: modifying an object within a record (e.g., an organisation code) will affect all other records with that same object, thus allowing for a standardised approach to organising, modifying and managing data. The statistics team enters data from external reporting institutions into FMS Productive through its import tool. This tool, while sophisticated in its design, often requires the statistics team to manually modify files to prepare them for entry.

36. FMS Reporting, another IT tool built on Fabasoft Folio and using SQL Server Reporting Services and SQL Report Builder, allows the statistics team to generate statistical reports from the project information in FMS Productive. These reports contribute to country-level profiles and the CRS raw file for reporting to the OECD-DAC.

37. ADA's statistics team has also developed other automated tools for quality assurance and reporting that are linked to the IT tools. These automated tools, which are primarily based on R, LaTeX, and Excel VBA, facilitate automated data verification (see Chapter 3) and the production of various outputs (see Chapter 5).

## 2.3 Proposed recommendations – Dimension 2

- ADA is encouraged to maintain its strong commitment to effective and efficient data collection. This includes paying closer attention to sustainability and continuity within the statistics team so that core competencies, as well as recent improvements in data processing and validation, can be retained over time. For example, ADA could invest in staff training to match increasingly broad needs, as well as update staff profiles to make them more specialised (with a university degree in relevant fields) and thus ensure a minimum proficient skillset. ADA's statistics team could also

invest further in documenting its processes and the maintenance of its tools, as well as continuing to brainstorm further applications of its tools to encourage their mainstreaming into the Unit's processes and beyond.

- ADA's careful development of its IT systems is commendable. The statistics and IT teams are, however, encouraged to pursue server-based alternatives, e.g., replacing current Excel-macro routines with data refinement as Extract-Transform-Load steps on a DataWarehouse platform. Given these teams' technical sophistication, there is considerable scope to be bold and ambitious in improving IT systems for effective and efficient data collection. The statistics team could also consider the potential of IATI to introduce standard methods to publish and exchange available data more efficiently, in a machine-readable format.
- Austria is encouraged to focus on addressing challenges with collecting data from external reporting institutions. Potential measures include submitting a more simplified and consistent reporting template across all institutions (and consequently designing tools to process these standardised templates); consolidating various macros, or developing automated procedures in statistical software, to validate data and transform it in the format of FMS Productive; and adopting incentives, both positive and negative, for better reporting from these institutions. Positive incentives include involving external institutions more actively in policy planning and programming and raising the visibility of activities and data in the Three-Year programme, other high-profile government publications, or ODA profiles, or in highlighting their use in other products (e.g., the OECD's Development Co-operation Report Provider profiles). Enhancing the value of external institutions' contribution to sustainable development, and global challenges such as peace and security and climate/environment at both the national and international level, might raise their interest in improving ODA data quality and thereby incentivise TOSSD reporting (see Chapter 4).



## 3. How to improve reporting to the OECD and how to consolidate quality reporting over time?

38. This chapter discusses how Austria can improve its quality assurance and reporting to the OECD, building on findings from Chapter 2.

### 3.1 Quality assurance process and DAC reporting

39. ADA's statistics team has implemented rigorous quality assurance procedures to ensure complete, accurate, and timely reporting to the OECD-DAC. Austria consistently ranks highly in the OECD-DAC Secretariat's annual assessment of DAC members' CRS reporting. The team places a high emphasis on submitting its reporting to the OECD by end-June to receive early feedback and publish the data by the Q3 OECD online update.

40. Austria's high ranking partly reflects the implementation of initiatives from an internal concept paper in 2019 to increase the quality of development finance statistics through improved tools and processes. For example, the paper outlined the expansion of automated quality tools and validation/verification loops. Other priorities since 2019 have included increased analysis, documentation and visualisation of the data. The concept paper also recommended the introduction of focal points among external reporting institutions and intensified exchanges with reporting institutions, in addition to a division of labour within ADA's statistics team.

41. The statistics team has invested significant resources in developing automated quality tools. These tools are primarily R-based, alongside the use of Excel VBA and LaTeX, and facilitate processes at each step of collecting, quality assuring and disseminating data. The reviewers felt that these tools improved the quality and timeliness of Austria's reporting and particularly helped the team manage the complexity of Austria's development finance statistics landscape (see Chapter 2).

42. At the same time, maintaining these automated tools raises questions about sustainability, continuity, and sufficient staff resourcing. For example, the choice of R-based tools partly reflects staff competencies and personal preferences. As indicated in Chapter 2, it is important for ADA to pay greater attention to such questions to ensure the continuity of the statistics team's exemplary work.

43. The team's 'four-eyes principle' is another example of a process-related improvement that the reviewers felt greatly benefited Austria's reporting. Important submissions are verified by two statisticians independently or by at least one statistician if an automated process is also used. Such a structured approach has allowed the team to identify reporting issues and verify the quality of data.

44. The improvements introduced in recent years have helped ensure a high degree of consistency along the entire data value chain. For example, the statistics team uses Excel VBA, customised R-based tools, and manual checks alongside its sophisticated IT tools (see Chapter 2) to translate data into a machine-readable format, import it into FMS Productive, and conduct an initial verification to produce the Advance Questionnaire (AQ).

45. After the submission of the AQ, the statistics team undertakes a detailed validation of records for CRS reporting. This process also involves a hybrid approach of manual and automated verification, in addition to consultations with reporting institutions and the OECD-DAC Secretariat. For example, the team works with the ADA Themes and Quality Unit to validate policy markers based on manual checks and

validation loops. It also uses an automated reporting checklist tool, based on the checklist published by the OECD-DAC Secretariat, for internal consistency checks. Such a mix of manual and automated checks have complemented each other and allowed the team to process data efficiently, as well as devote more time to issues that may require greater discretion, such as ODA-eligibility. Consequently, there is high rigour applied to ODA-eligibility assessments, with the team taking multiple steps to verify eligibility (see Chapter 1).

## 3.2 Data quality and specific reporting issues

46. The OECD-DAC Secretariat noted minor reporting issues in recent years' reporting, with the statistics team being quick and comprehensive in its responses. Issues also do not recur over time. Overall, the Secretariat noted the high degree of completeness, accuracy, and timeliness of Austria's reporting in 2021, with the team having reported well in advance of the July 15 deadline.

47. ADA's statistics team had identified policy markers, particularly on gender equality and climate, as a topic of interest for the review. The next two sections thus focus on the statistics team's process for quality assuring and validating these markers.

### ***Gender equality and women's empowerment***

48. Gender is a crosscutting priority across all ADC programmes. It is referenced in the Three-Year programme, and Austria's approach aligns with the broader European Union gender action plan. For example, in the longer term, Austria is targeting 85% of its programmes in priority countries and regions financed under the core budget of ADA with a gender objective, and at least 50% of such programmes in Africa as having gender as a principal objective. Parliamentary committees regularly request and receive information based on the gender marker.

49. All ADC programmes and projects apply minimum standards for the inclusion of gender in design and implementation. In practice, this means that gender (and specifically, the OECD-DAC's gender policy marker) is considered in each stage of the programme approval process, from the design of the concept note to the full application, final approval, and validation in reporting to the OECD-DAC. This process has strengthened the use of the marker as a policy tool.

50. ADA has instituted two layers of validation for the gender marker of all projects. Project managers are responsible for assigning the marker in the system during the project approval process, with a gender and development advisor validating this assignment. Before Austria submits the data to the OECD, a gender and development advisor from ADA validates all activities from external ODA actors. The reviewers were impressed with the strategic use of the marker in the planning process, alongside the rigorous quality assurance in the validation process.

### ***Climate reporting***

51. Climate is a priority issue in Austrian development co-operation, with the Government targeting 55% of its programmes in priority countries and regions financed under the core budget of ADA with an environment objective by 2022. Major strategies codify this prioritisation, such as the Three-Year programme, forthcoming ADC Strategy on Environment, Climate and Development, and the Austrian Climate Finance Strategy. The scope of this target, however, was unclear to the reviewers. Beyond simply being mainstreamed across programmes, climate and environment are increasingly priority issues in country and regional strategies, reflecting a broader process underway to implement the DAC Declaration on Climate Change at ADA and in ADC.

52. Project managers assign environment and Rio markers to project records, with an environmental advisor validating the assignment during the approval process. Meanwhile, the environment team in ADA validates the assignment of policy markers for records from external reporting institutions. The latter often requires frequent exchanges to verify the assigned markers based on available descriptive information and project documentation. Overall, the reviewers felt that this process of assigning Rio markers was advanced and resulted in accurate assessments, which the OECD Secretariat confirmed in their review of Austria's 2021 reporting.

### ***Request to the Secretariat***

- Representatives from ADA recommended continuing the dialogue on issues such as loss and damage, capacity-building and technology-support, the calculation of imputed multilateral shares for biodiversity support, and possible revisions to the environment marker. The reviewers would encourage Austria to raise these issues at the WP-STAT and Environet with the Secretariat's support.
- ADA requested that the Secretariat continue to provide early feedback to CRS and TOSSD reporting, in order to allow them to finalise reporting sooner in the year and direct their attention to other activities that rely on the data.

### **3.3 Proposed recommendations – Dimension 3**

- ADA's statistics team's rigorous quality assurance processes, based on a hybrid approach using automation and manual verification, has contributed to excellent reporting to the OECD-DAC. ADA is encouraged to assess the sustainability and continuity of these processes, for example through an organisational sustainability plan (which also considers IT and staffing needs). ADA's statistics team is also encouraged to continue to be bold in identifying opportunities for innovation in data processing and quality assurance, and to take the lead in communicating these improvements at the WP-STAT, Environet, and other fora.
- ADA's statistics team and thematic policy advisors could consider building the capacity of external reporting institutions to assign and validate policy markers before the data reaches the team. For example, they could offer the expertise of thematic policy advisors to improve the ability to assign policy markers and to increase accuracy and quality of the marker data reported to ADA. These initiatives could be packaged with other efforts pertaining to improving reporting and quality assurance from other reporting institutions (see Chapter 2).

## 4. How to better monitor recommendations and commitments in the field of development co-operation?

53. For dimension 4 of the statistical peer review, the topics of TOSSD, results orientation and SDG reporting as well as untying were discussed.

### 4.1. TOSSD –Total Official Support for Sustainable Development

54. Austria is an Observer to the International TOSSD Task Force. It has reported to TOSSD from the start, following an incremental approach: it started reporting for 4 agencies in 2019 and this number increased to 5 agencies in 2020 and 2021. The Secretariat shared a positive feedback on this reporting, commanding the pragmatic approach and the inclusion of activities beyond ODA such as cultural expenses linked to the prevention of terrorism (TOSSD Pillar I) and contributions to security-related organisations such as International Tribunals or Arms Trade Treaty (TOSSD Pillar II). The statistical peer review was also a great opportunity for the Secretariat, the ADA's statistics team, and the peers to share their experiences on TOSSD reporting with broad participation of actors across Austria's Government. After a presentation by the Secretariat on TOSSD, exchanges covered the topics below:

- *TOSSD is about measuring inputs, what about outputs?* TOSSD is not only about volumes, especially in the case of South-South Co-operation (SSC) providers who do not necessarily monetise their co-operation. SSC providers can report their co-operation in TOSSD in line with the SSC conceptual framework developed for SDG indicator 17.3.1.
- *Can TOSSD be used to complete the Voluntary National Reviews (VNR)?* A number of TOSSD Task Force members support the use of TOSSD to compile the VNR for the HLPF. The provider perspective needs to be developed first, and the Secretariat will follow up with potential volunteers to test this approach.
- *It is clear what ODA measures, but what is the scope of TOSSD?* TOSSD covers concessional and non-concessional flows, it also encompasses contributions to global public goods.
- *What is the format for reporting in TOSSD? What is the additional burden in comparison with CRS?* The two main additional fields in TOSSD refer to the Pillar and the SDG target. Otherwise, a similar format can be used for both reporting.

55. Participants in this session came from various Ministries and showed interest in reporting on TOSSD their activities beyond ODA, e.g. in the security or environmental fields.

#### **Requests to the Secretariat**

- Advise on how the Development Co-operation Report (DCR) profiles, or other tools developed by the Secretariat, could be fit-for-purpose for ADA's efforts to increase uptake of their data. This request could be taken by the Secretariat by expanding the DCR profiles to include a TOSSD section, which could in turn incentivise reporting of additional activities by providers.

### **Observations by the peer review team**

- We commend Austria for its incremental approach to TOSSD reporting, with five agencies having reported thus far. As a broader measure of financing for sustainable development, TOSSD would more appropriately capture Austria's contributions to address global challenges. The expansion to other Ministries is however hampered by the lack of a centralised mandate, and consequently appropriate resources, for TOSSD reporting.

## **4.2. Results reporting**

56. Results orientation is well-integrated in ADC through "Outcome orientation in Austria", a policy framework to guide the monitoring, reporting and evaluation efforts of ADC through performance-based management and outcome-oriented impact assessments.

57. As part of the Annual Budget Report of the Federal Government, the MFA defines impact goals and SDG-related performance indicators related to gender equality, environment and natural resources, and development co-operation and humanitarian aid, among other issues. Development co-operation falls under impact goal 3, measured using three indicators that provide criteria to guide the selection and design of programmes. The aim is to monitor Austria's contributions to Agenda 2030 and track implementation of the SDGs.

58. In this spirit, ADA introduced in 2017 the SDG-Target-Indicator-System, which facilitates the tracking of aggregated inputs to SDG targets and results per SDG. In doing so, it supports the mainstreaming of Managing for Sustainable Development Results principles across ADA and is the basis for ADA's SDG reporting to the OECD-DAC and TOSSD. However, its potential has not been maximised due to its narrow scope (only covers ADA's funds) and capacity limitations.

59. In addition to tracking support to SDGs, ADA assesses ADC's results through programme and project evaluations and broader strategic evaluations in accordance with a strategic ADC evaluation plan. Evaluations are carried out by independent, external evaluators. To learn from these evaluations and further its results orientation, ADA has invested considerably in results-based management and knowledge exchange on programme implementation, as well as in organising learning sessions with an emphasis on operational aspects, effectiveness and impact.

## **4.3. Untying**

60. More than half of Austria's ODA is multilateral, and a significant share of bilateral ODA falls within co-operation modalities that are tied in nature. Bilateral programmable aid represents only 13% of total ODA which, according to the interlocutors during the review, leaves little room for the implementation of the DAC Recommendation on Untying. Still, Austria is exploring ways towards compliance with the Recommendation. A trial phase on how to handle projects under a possible Austrian untied concessional financing scheme is currently ongoing.

61. Besides student and other types of in-donor costs that are tied by definition<sup>7</sup>, cross-border tied aid from Austria is usually mainly comprised of interest subsidies for export projects. In 2021, exceptionally, interest subsidies constituted 76% of cross-border tied aid, the rest relating to COVID-19 vaccine donations and ADA's business partnerships. Concerning the latter, requirements on residence of bidders/candidate

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<sup>7</sup> In 2021, these in-donor costs tied by definition represented 74% of overall Austrian tied aid.

companies<sup>8</sup> could be lifted to foster open international competition and untying of ODA and strengthen participation of local enterprises<sup>9</sup> with implied benefits to knowledge transfer and local ownership and private sector development.

62. ADA's statistics team is in charge of verifying the tying status for ADA's projects and of assigning it for external reporters' programmes. It has recently started a more in-depth discussion with selected organisational units on contract awards and untying. ADA's statistics team also prepares reporting on contract awards and submits it to the OECD/DAC on an annual basis. Austria does not submit ex-ante notifications since they rarely have contracts above the ex-ante notification threshold.

#### 4.4. Proposed recommendations – dimension 4

##### **TOSSD**

- Building on the openness of participants in the TOSSD session, ADA's statistics team is encouraged to collect additional TOSSD contributions from many more if not all external reporters. For some Ministries, it seems that it would require marginal additional work as there seems to be an opportunity for 'quick wins' such as in the areas of peace & security and climate/environment.
- Austria is encouraged to explore the potential use of TOSSD data in its Voluntary National Reviews.

##### **Results**

- ADA (in a collaborative effort between the Department of Programmes and Projects International and the statistics team) has taken proactive steps to collect specific indicator data on MFA's impact goals and SDG indicators. However, the link between inputs and outputs is unclear, as is the potential use of these data for policymaking or external accountability. ADA could improve the relevance of these data by integrating them more in its suite of existing communication products.

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<sup>8</sup> It is required that companies that apply for funding are registered in the European Economic Area (EU, Norway, Liechtenstein, Iceland) or in Switzerland.

<sup>9</sup> With regard to the ongoing projects, European applicants are partnering with local enterprises, therefore local businesses are participating and benefitting from the business partnerships.

## 5. How to improve transparency, make the data better fit for purpose, and improve dissemination?

63. This chapter synthesises the reviewers' observations and recommendations for Dimensions 5 (transparency), 6 (fit for purpose), and 7 (communication and dissemination).

### 5.1 Transparency, communication, and dissemination

64. ADA's statistics team, in partnership with colleagues in the communications team, have invested considerably in visualising and disseminating their data in various formats. These efforts are linked to the improvements in data collection and quality assurance from Dimensions 3 and 4; for example, ADA's automated quality assurance tools allow the statistics team to translate data from FMS Productive into a suite of communication products such as ODA profiles for priority countries and country reports (Figure 5). The team's efforts to process and report their data earlier in the year create space for them to invest in these initiatives.

65. The reviewers felt the technical expertise of the statistics team provides much potential to further disseminate these data through other outputs, such as an interactive tool and platform or more targeted efforts to increase the use of data for decision-making. At the same time, the team should carefully consider the specific use cases for these resources and pursue a user-centred design perspective.

66. Despite the various products to visualise and analyse trends in Austrian development co-operation, there is relatively less available current- and forward-looking budget data. Such data would help improve the credibility of these statistics and broaden their use case.

67. There is a broad audience for statistics on Austrian development co-operation, even though development co-operation is not as prominent as other issues in Austrian politics. The statistics team regularly responds to queries from users, which include the parliamentary budget committee, the committee on foreign affairs and the sub-committee on development policy, other members of parliament, staff within ADA and other Ministries, the media, and civil society organisations. Government officials in particular use these statistics to ask further questions, provoke discussion, and support evidence-based debate.

68. The statistics also contribute to a breadth of outputs across the Government and support ADA's internal knowledge management efforts for its country and regional offices. Examples of prominent use cases include Austria's national SDG reporting; the SDG matrix accompanying the Three-Year programme; the Impact Goals of the Austrian federal government; climate financing reporting to the European Commission or UN Framework Convention on Climate Change; and the ODA report, among other applications.

### 5.2 A perspective from civil society organisations and other external users

69. The reviewers met with representatives from Austrian civil society and academia that are working on aid transparency and accountability. The session focused on the accessibility and usability of Austria's development finance statistics.

70. Participants stressed the need for clarity on the scope of Austrian development co-operation, ADC and ODA, especially in relation to OECD-DAC standards. Confusion on these terms, as outlined in Chapter 1, has affected the usability and credibility of statistics. For example, it has prevented users from replicating the results of the Government's performance indicators on its development co-operation. It has also raised questions about the Government's treatment of sensitive issues in its ODA-related budget items such as debt relief.

71. Participants also referenced the issue with the timeliness of available data, including budget forecasts and detailed data to enable an analysis of trends. Though they acknowledged a potential use case for IATI, the usefulness of these data could be limited if they were restricted only to ADA (which represents ~10% of ODA).

### ***Requests to the Secretariat***

72. The Secretariat could advise ADA on the use of the DCR profiles to build capacity within the organisation on data visualisation and use, and to further disseminate statistics on Austrian development co-operation.

## **5.3 Proposed recommendations – Dimension 5, 6, and 7**

- The statistics team's focus on visualisation, analysis, and dissemination through a broad array of products is commendable. There is further scope to consider the cohesiveness of these products and the extent to which they provide a single, compelling narrative of Austrian development co-operation.
- The process in place to produce the ODA profiles is particularly impressive and speaks to the team's technical expertise and initiative. There is an opportunity to expand the scope of these profiles, such as by showcasing indicators that are requested regularly from ADA's statistics team. The team could also consider thematic profiles, such as on gender and climate, to draw attention to these issues, or profiles on certain aspects of ODA that are particularly relevant to their users. While an interactive tool or platform is also appealing, particularly as a step forward from static visualisations, ADA is encouraged to consider the specific use case for such a tool and adopt a user-centred design perspective when developing it.
- ADA is encouraged to continue to report early to the OECD-DAC to make the data available in a timelier fashion, especially given the broad audience for these statistics. Additionally, since it is possible for ADA to deliver high-quality, albeit preliminary, data sooner based on existing sources, we suggest that ADA do so in an inclusive manner and with attention to the accessibility and credibility of Austrian development finance statistics.