Making additionality count:

Assessing disclosure in private sector instrument reporting

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This report was researched and authored by Ella Remande-Guyard, as part of Publish What You Fund's ongoing work to improve the transparency of Development Finance Institutions (DFIs). The DFI transparency team maintain the DFI Transparency Tool and publish the biennial DFI Transparency Index. The next iteration of the DFI Transparency Index will be published in June 2025. Greater DFI transparency can lay the foundation for more informed decision making, more accountability and better allocation of resources, including information to assess the development impact of and learnings from DFI investments.

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Design by Steve Green.

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Acronyms

BII	British International Investment
BIO	Belgian Investment Company for Developing Countries
COFIDES	Spanish Development Finance Company
CRS	Creditor Reporting System
DEG	German Investment Corporation
DFC	U.S. International Development Finance Corporation
DFI	Development Finance Institution
EDFI	The Association of European Development Finance Institutions
FMO	Dutch Development Finance Institution
HLM	High Level Meeting
ICAI	Independent Commission for Aid Impact
IFU	Investment Fund for Developing Countries (Denmark)
MDB	Multilateral Development Bank
ODA	Official Development Assistance
OECD-DAC	Organisation for Economic Cooperation and Development – Development Assistance Committee
OeEB	Development Bank of Austria
PSI	Private Sector Instrument
SDGs	Sustainable Development Goals
SIFEM	Swiss Investment Fund for Emerging Markets

Executive summary

This report presents an initial assessment of how bilateral development finance institutions (DFIs) are disclosing the additionality of private sector investments. Early findings raise important questions about the robustness of current practices.

As the volume of public finance directed towards private sector engagement grows, so too does the need to demonstrate that such investments are well justified. The concept of *additionality* – that public resources should only be used where private finance alone would not deliver the desired development outcomes – is central to that justification. Clear and consistent disclosure of additionality allows public stakeholders both to assess whether investments are building markets, not displacing private finance, and to justify the use of public funds to support private sector activity. This will become even more important as overall ODA levels decline, making scarce resources even scarcer and increasing pressure to demonstrate the added value of every investment.

This report explores how DFIs are applying the new OECD Development Assistance Committee's (OECD-DAC) reporting requirements for private sector instruments (PSIs), focusing on their use of additionality classifications and narrative statements. It finds that while some institutions have begun to report in line with the revised framework, disclosure practices vary significantly. Many DFIs are not yet providing the required data, and where disclosures do exist, they are often inconsistent, overly formulaic, or incomplete.

A key concern is the widespread reliance on broad financial additionality classifications, in many cases applied uniformly across different portfolios, which raises questions about whether investments are being assessed on a case-by-case basis. An examination of additionality statements reveals that, in some instances, statements are incomplete, overly generic, or misaligned across different reporting platforms, undermining their utility for stakeholders seeking to assess whether investments are delivering added value.

If these patterns continue, there is a risk that increasing volumes of public finance will be channelled through DFIs without sufficiently robust justification. This undermines both accountability and development rationale for private sector engagement.

With the OECD's transition period for reporting using the new requirements set to conclude in 2026, donors and DFIs have a critical window to strengthen internal systems, improve reporting quality, and align fully with the updated standards. This will help safeguard the integrity of public investment into the private sector and ensure future decisions are grounded in credible, transparent evidence. Ultimately, strong disclosure is not just a technical requirement; it is essential to upholding public trust and ensuring that scarce public resources are being used effectively.

1. Introduction

Over the past decade, the role of Official Development Assistance (ODA) in engaging the private sector has expanded significantly. This shift has been driven by a growing emphasis on using public resources to mobilise private investment to support the Sustainable Development Goals (SDGs). The 2015 Addis Ababa Action Agenda reinforced this trend, introducing the 'billions to trillions' agenda, which advocates for ODA to play a role in de-risking and mobilising private capital at scale to bridge financing gaps in development.

A key development in this landscape has been the introduction of private sector instruments (PSIs): financial tools such as loans, guarantees, equity investments, and mezzanine finance that enable donors to support private sector activity in developing countries.[1] These instruments mark a departure from traditional grant-based ODA, allowing donors to channel funds through DFIs and other vehicles with the aim of generating both financial returns and development impact.

The concept of 'additionality' has become central to DFI investments being classed as PSI by the OECD and hence counted towards a country's ODA contributions. In short, additionality refers to an attribute – either in terms of financial value or developmental value – that would not be provided by private investors. Justifying why and how these investments go beyond what the market would provide is crucial to demonstrate impact and legitimise the use of public capital for private sector engagement. Without clear disclosure of how PSIs are additional, it becomes difficult to assess whether investments made through DFIs truly serve a development purpose or simply replicate commercial financing. With the significant expansion of DFIs and the private sector, transparent reporting is essential for accountability and public scrutiny of how – and essentially *why* – public funds are being used to finance PSIs through DFIs.

This report explores how the additionality of PSIs is currently being reported within the OECD Creditor Reporting System (CRS). The report focuses on the transparency of *DAC members and their bilateral DFIs*, rather than multilateral DFIs, because additionality is a core criterion for counting PSI investments as ODA, and only DAC members are required to report ODA through the OECD CRS. To explore current disclosure practices, the report uses four DAC members and their bilateral DFIs that meet relevant criteria as illustrative examples: the UK (British International Investment (BII)), Switzerland (Swiss Investment Fund for Emerging Markets (SIFEM)), Austria (Development Bank of Austria (OeEB)) and Sweden (Swedfund).[2] The report reviews current patterns of disclosure with particular focus on the classification of additionality types and the use of additionality statements. In preparing this report, a comprehensive research approach was employed, including an analysis of the DAC's revised reporting requirements, a review of various DFI additionality definitions and frameworks, and an examination of current disclosures via the OECD's CRS.

The rest of the report is structured as follows. Section 2 discusses the concept of additionality, including the challenges associated with proving the additionality of investments and the need for transparency. Section 3 provides a brief overview of OECD-DAC additionality reporting requirements. Section 4 analyses current disclosure of PSI additionality with a focus on overall disclosure patterns, the disclosure of 'additionality type' data, and the disclosure of additionality statements. Finally, section 5 provides conclusions and recommendations resulting from our analysis.

2. The concept of additionality

Additionality is a key principle of the DFI business model and generally means that DFIs contribute something that is not readily available in the market. There is a strong push for DFIs to demonstrate the additionality of the PSIs they facilitate, ensuring transparency in the use of public resources for these instruments.

Different conceptions of additionality exist, creating difficulties in standardised disclosure across DFIs. The most common use of additionality refers to **financial additionality**, where "any specific DFI-financed project would not have happened as it happened without the support of the DFI".[3] Financial additionality is present where DFIs increase overall investment in lower- and middle-income countries, rather than crowding out private investment. This narrower definition of additionality is endorsed by Heinrich who suggests that, to prove additionality, a DFI must establish that the company is (a) unable to self-finance the project; or (b) does not have the knowledge or skills to implement the project activities alone and/or (c) is unwilling to implement the project without support.[4]

Broader definitions of additionality beyond financial aspects also exist. For example, the multilateral development bank (MDB) harmonised framework claims that DFI involvement can be additional if it provides financing not available in the market, risk mitigation, improved project design, better development outcomes, or if it adds environmental, social and governance standards.[5] This suggests that DFIs are expected not only to enable investments, but also to increase their impact.

The DAC's ODA modernisation process aims to standardise definitions of additionality and distinguishes between three types: financial, value, and development additionality. **For a PSI activity to be ODA-eligible, it must be "additional financially or in value, together with its development additionality"**.[6] In other words, it must demonstrate either financial or value additionality, with development additionality always required as one of the two – meaning a minimum of two types are needed for PSI to qualify as ODA.

According to the DAC, a PSI activity conveys

- **Financial additionality** in cases where private sector partners are unable to obtain financing from capital markets (local or international) for a specific activity at the necessary terms and/or scale, or where it mobilises finance from the private sector that would otherwise not have been invested.
- **Value additionality** in cases where the official sector provides or mobilises, alongside its investment, non-financial value to private sector partners that the capital markets would not offer, and which will lead to better development outcomes. It is often pursued through investment conditionality, active ownerships (e.g. board participation), capacity building activities, advisory services and other technical assistance, and other ways.
- **Development additionality** if it is intended to deliver development impact that would not have occurred without the partnership between the official and the private sector.

Despite the importance of additionality in legitimating the use of ODA to support PSIs, the feasibility of providing true evidence of a DFI investment's additionality has been contested. Carter et al. have shown that proving additionality relies on an unobservable counterfactual – whether a private investment would have occurred without DFI involvement.[7] Nevertheless, additionality statements still have the potential to act as sources of *'good enough'* evidence that additionality is present at the time that the decision to invest is made. **This is why additionality disclosure remains important.** Carter *et al.* present examples of 'good-enough' evidence such as:

- Tacit knowledge of trusted market participants who are familiar with investor behaviour
- Project sponsor and private investor surveys
- Process tracing

Carter *et al.* argue that instead of measuring additionality, the focus should be on identifying the conditions under which additionality is most likely. This approach provides a useful framework for DFIs to assess additionality disclosure, emphasising how they can present the strongest evidence that additionality was likely in specific investments. Under current DAC rules, additionality is treated as a binary criterion, with PSI investments qualifying as ODA only if DFIs can definitively classify them as additional. Treating additionality probabilistically could enable trade-offs between financial additionality and other objectives, such as development additionality.

While the challenge of proving additionality is an important issue, it lies beyond the scope of this report. Instead, our focus is on how DFIs are currently disclosing their justifications for additionality, and the implications this may have for future conceptualisations and reporting practices, particularly once the OECD-DAC transition period is complete. This analysis aims to lay the groundwork for further research to inform recommendations on how DFIs can strengthen their publicly disclosed evidence base for additionality.

2.1 The case for additionality transparency

In a context of shrinking aid budgets, the role of DFIs and their PSI activities in development finance is becoming increasingly significant. ODA investment in PSIs is increasing fast – between 2018 and 2021, the amount of ODA reported as PSI increased from US$4.6 billion to US$5.4 billion.[8] More recent changes have suggested a further incentive to increase the role of PSIs through DFIs. The Association of European DFIs (EDFI) report that European DFIs have backed a large expansion of DFI portfolios and publicly backed development finance provided by DFIs for private sector projects has risen by an average annual rate of around 10 percent.[9]

This trend is illustrated in the UK where the Independent Commission for Aid Impact (ICAI) noted how, following the reduction in aid spending announced in February 2025, the UK government has identified the growing importance of UK development finance, particularly through BII. Since 2015, the UK has scaled up its investment in BII by providing £3.9 billion in new capital – equivalent to 4.1% of UK development finance over the 2015-21 period.[10] France similarly has a clear ambition to further mobilise the private sector with Proparco reaching a record level of activity in 2023.[11]

In the context of these changes, CSOs such as ODA Reform have been critical of the ODA modernisation process which now allow PSIs to be included in the reporting of ODA.[12] A report by Eurodad raised concerns about the lack of transparency on how ODA resources are used once allocated to PSI vehicles (DFIs), notably the potential for an unrealistic inflation of ODA with the inclusion of activities that fail to meet development objectives.[13] Critics have highlighted how, without proper transparency and justification for these investments, ODA statistics risk becoming detached measures of donor effort.

Given these risks, **transparency on the additionality of these PSI investments is essential**. Stakeholders must be able to verify whether public investments into the private sector are building markets rather than crowding out private investors and that scarce ODA resources are achieving their intended development impact. Furthermore, without clear and consistent disclosure, it is difficult to assess whether PSI investments truly add value beyond what the market would provide independently.

A lack of transparency on additionality breeds a credibility gap whereby DFIs publish PSI figures and those outside those institutions cannot assess the data. This undermines the ability of stakeholders outside DFIs to objectively analyse and discuss how DFIs are performing, as well as undermining trust in these institutions. Overall, accurate additionality data helps DFIs inform donors and stakeholders, thus contributing to future allocation of aid spending. It can also be used to help strengthen future investment decisions and implementation. Improving transparency on additionality is key for enhancing institutional accountability, learning, and addressing gaps in internal systems related to monitoring, supervision, and reporting of additionality at the project and portfolio level.

3. OECD-DAC additionality reporting requirements

Having outlined DFIs' own ways of measuring and defining additionality, this section focuses on what is required of DAC members when reporting PSI investments channelled through their DFIs.

A fundamental aspect of the new OECD-DAC rules is the requirement that DAC members convey the additionality of PSI investments for them to be considered ODA-eligible. This effort has been an on-going one. In 2014, at the DAC High-Level Meeting (HLM), members agreed to "encourage the use of ODA to mobilise additional private sector resources for development".[14] This was formalised two years later during the 2016 HLM which recognised that ODA could be used to "capture the risks" taken by private actors in deploying financial instruments.[15] The DAC approved the new reporting methods for PSI in October 2023, which members were required to implement in their data reporting starting in 2024 for 2023 activities. Therefore, as of January 2025, ODA data reflecting the new PSI reporting requirements is now available.

It is important to note that for members unable to implement these reporting methods in 2024, they could use a transition period during which the provisional reporting methods continued to apply. For loans to the private sector, guarantees, subordinated loans, and loan-type reimbursable grants, a one-year transition period applied. A two-year transition period was available for equities, preferred equities, and reflow-based reimbursable grants. As a result, a comprehensive analysis of transparency levels in CRS additionality data is not yet feasible, as the new rules will not be fully implemented until 2026. Instead, this report focuses on what the current state of additionality disclosure tells us about what disclosure might look like in 2026. We examine how additionality is reported, how disclosure varies across DAC members, and how CRS disclosure compares to DFI webpages.

The DAC allows two different approaches for reporting additionality which co-exist, allowing members to decide which approach they apply in their ODA accounting on individual PSI vehicles. The first, the **institutional** approach, measures ODA donor effort at the point of capital increases to PSI vehicles. The second, the **instrument** approach, measures ODA donor effort at the point of individual PSI activities.

Under the new rules, members using the institutional approach must still disclose individual PSI investments with additionality fields 'for memorandum'. However, these investments are not included in ODA calculations; instead, only the aggregate capital increase and dividend reduction are counted to prevent double counting. Members following the instrument approach must report both capital increases and dividends 'for memorandum', while the total of individual PSI activities determines the amount counted as ODA.

According to the new DAC rules, three new CRS additionality fields are now required to be filled, as shown in Table 1:

- **'Additionality type'** uses a standardised classification system according to the categories in Table 1.
- **'Additionality description'** provides clarifications or complementary explanations on the additionality type
- **'Additionality – development objective'** demonstrates the development additionality of individual PSI activities, particularly their intended development impact.

Table 1: OECD-DAC classification of additionality types. Source: OECD

Additionality category	Additionality code	Additionality type	Description
For any individual PSI activity reported in ODA, indicate whether it is considered additional as it:			
Financial additionality	11	Targets underserved geographies	This includes LICs, LIDCs, SIDS or other high-risk or capital-constrained markets.
	12	Targets underserved sectors	This includes high-risk or capital constrained sectors of economic activity (or parts thereof), or underserved population groups.
	13	Conveys investment terms unavailable on the market	This includes both volume and qualitative aspects (e.g. currency, maturity, interest and/or fees, amortisation schedule, flexible collateral, return expectations etc.) to promote a project bankability. Anchor investments or investments that enable financial close are included here too.
	14	Mobilise private finance	This includes interventions that aim to mobilise private finance which would not have otherwise been invested
Value additionality	21	Mitigate non-financial risks	This includes various country, regulatory, project, macroeconomic, political and other risks. The official sector may use its reputation, convening power or good relationship with authorities and/or the private sector in developing countries to mitigate such risks.
	22	Promotes pro-development business models	This includes various capacity-building activities that specifically aim to improve the business models of private sector partners to improve their development impact beyond the adoption of environmental, social and governance (ESG) standards.
	23	Promotes knowledge transfer and generation	This includes various capacity-building activities in support of in-house research and development (R&D), access to networks and associations, growth etc.
	99	Other, please specify	

4. CRS Disclosure

Below is an overview of how a range of DFIs are using the new additionality fields in the CRS. It specifically examines whether DFIs are disclosing the required additionality fields for both ODA-eligible PSI and PSI reported for memorandum, to provide a picture of current disclosure practices (for investments approved in 2023) during the transition period.

Table 2 identifies which DAC members publish PSI data using the institutional approach and which use the instrument approach for reporting PSI in the 2023 CRS data. For this paper, DAC members that do not have DFIs are excluded from analysis. Acknowledging that there are some non-DFI PSI investments from countries that do not have DFIs, this report's scope focuses on the additionality of DFI investments only. This means that Czech Republic, Australia and Korea are excluded from the table. For two DAC members (Spain and the US), it remains unclear which approach they have adopted, as neither currently reports any PSI investments as ODA or 'for memorandum'. The investments reported for US International Development Finance Corporation (DFC) and the Spanish DFI (COFIDES) are instead classed as 'PSI for which grant equivalent is not calculated', making it impossible to determine from the CRS data whether they are using the institutional or instrument method.

The remaining columns of Table 2 reveal whether DAC members are disclosing additionality fields on PSI investments reported in the 2023 period. Under the new rules, members using the institutional approach must still disclose individual PSI investments with additionality fields 'for memorandum'. However, these investments are not included in ODA calculations; instead, only the aggregate capital increase and dividend reduction are counted to prevent double counting. Members following the instrument approach must report both capital increases and dividends 'for memorandum', while the total of individual PSI activities determines the amount counted as ODA.

Table 2 shows that OeEB, FinDev, Norfund and Swedfund are disclosing additionality of all PSI investments. Some other DFIs are partially disclosing the additionality fields; these include Denmark's DFI (IFU), Proparco, German Investment Corporation (DEG), SIFEM and BII. Some are disclosing PSI investments but are leaving the additionality fields empty, including Belgium's DFI (BIO) and Finnfund. The US and Spain are marked as N/A due to none of their investments being classed as ODA or for memorandum.

Table 2: Additionality disclosures of DAC members, 2023

DAC member	DFI	Additionality fields disclosed (for ODA-eligible individual PSI activities)	Additionality fields disclosed (for memorandum)	Method of disclosure
Austria	OeEB	Yes	N/A	Instrument
Belgium	BIO	N/A	No	Institutional
Canada	FinDev	N/A	Yes	Institutional
Denmark	IFU	N/A	Partial	Institutional
Finland	Finnfund	No	N/A	Instrument
France	Proparco	Partial	N/A	Instrument
Germany	DEG	Partial	N/A	Instrument
Netherlands	FMO	No	N/A	Institutional*
Norway	Norfund	N/A	Yes	Institutional
Spain	COFIDES	N/A	N/A	Unclear
Sweden	Swedfund	N/A	Yes	Institutional
Switzerland	SIFEM	N/A	Partial	Institutional
United Kingdom	BII	N/A	Partial	Institutional
United States	DFC	N/A	N/A	Unclear

* In the case of the Netherlands, PSI investments disclosed are capital increases to funds managed by FMO, rather than direct capital increases to FMO.

4.1 Additionality type disclosure

As outlined above, DFIs are required to classify each individual PSI investment according to additionality types defined by the OECD-DAC (see Table 1). These include financial and value additionality, each with specific sub-categories intended to standardise how additionality is reported across DAC members. This section examines how the DAC framework is being applied during the current transitional period, with a focus on identifying the most frequently used additionality types.

Table 3 provides an early insight into how DFIs are interpreting the DAC classifications during the transition period, presenting data from eight DFIs that have disclosed at least some of the additionality fields in their 2023 CRS reporting. By focusing on these early adopters of the revised DAC reporting requirements, we can highlight emerging patterns in how additionality is being used to justify PSI investments as ODA. BII is excluded from Table 3 due to applying additionality type codes that are not in the OECD-DAC classification.

What Table 3 shows is that, firstly, **there is a wide variation in how DFIs are currently applying additionality type classifications**. Some label investments with multiple types of additionality, while others consistently apply a single label for each investment. Some, like SIFEM, are using a broad range of additionality types to label investments while others like DEG only use a select few.

Secondly, we can see that **some DFIs are assigning the same type of additionality to all investments**. For instance,

- Swedfund labels all investments as ‘targeting underserved geographies’;
- OeEB labels all investments as ‘conveying investment terms unavailable to the market’; and
- FinDev labels all investments (other than blank ones) as ‘targeting underserved sectors’, ‘conveying investment terms unavailable on the market’ and ‘mobilising private finance’.

This blanket approach to labelling PSI investments raises questions about whether the additionality framework is being applied meaningfully, or indeed if the framework is too broad. This is especially concerning in the light of type 11 (targeting underserved geographies), which allows PSI investments to qualify as ODA solely based on geography or risk, with no need to demonstrate the presence of additionality at the point of contract. In other words, eligibility is determined by the market context alone, with no need to demonstrate any added value at the time the investment is made.

Third, different **types of financial additionality are by far the most used** labels and are much more prevalent than claims of value additionality. This may indicate that DFIs are relying on broader and more easily justifiable financial claims, such as lack of market financing, rather than providing more detailed evidence of the non-financial contributions that enhance development outcomes, such as governance support or ESG improvements. If DFIs default to generic financial labels while neglecting to document value additionality, it could become difficult for external stakeholders to assess the real added value of these investments. This is particularly problematic in a context where governments are under increasing pressure to demonstrate the unique value that ODA brings, beyond what the market can provide, to justify the use of limited public resources.

Table 3: Percentage of PSI activities labelled as different additionality types by DFIs, CRS 2023 (shaded blue = >5%)

	Additionality type	Percentage of PSI activities labelled (of total PSI activities disclosed for that DFI; rounded to 1 decimal place)							
		DEG	FinDev	IFU	Norfund	OeEB	Proparco	SIFEM	Swedfund
Financial additionality	11 – targets underserved geographies	0.0%	0.0%	27.3%	80.5%	33.3%	23.3%	75.0%	100%
	12 – targets underserved sectors	0.0%	85.5%	27.3%	32.3%	51.9%	57.3%	68.8%	85.7%
	13 – conveys investment terms unavailable on the market	95.5%	85.5%	27.3%	0.0%	100%	5.3%	6.3%	0.0%
	14 – mobilise private finance	33.0%	85.5%	63.6%	66.1%	66.7%	5.3%	81.3%	85.7%
Value additionality	21 – mitigate non-financial risks	0.0%	0.0%	0.0%	0.0%	0.0%	0.7%	12.5%	0.0%
	22 – promotes pro-development business models	4.6%	0.0%	45.4%	0.0%	0.0%	4.0%	12.5%	64.3%
	23 – promotes knowledge transfer	0.0%	0.0%	45.4%	0.0%	0.0%	0.7%	87.5%	0.0%
Other (specify)	99 – other	0.0%	0.0%	0.0%	0.0%	0.0%	1.3%	0.0%	0.0%
Blank	Blank	0.0%	14.5%	9.1%	16.9%	0.0%	2.0%	0.0%	0.0%
	Total number of PSI activities disclosed for 2023	**88**	**117**	**11**	**118**	**27**	**150**	**16**	**14**

4.2 Additionality statement disclosure

Having examined whether DFIs disclose additionality fields and which additionality types they use, this section takes a closer look at the content of these disclosures. It assesses the quality of additionality statements, both in the CRS data and on DFIs' individual investment webpages.

This section examines four DAC members and their DFIs with the most comprehensive additionality disclosure: the UK (BII), Switzerland (SIFEM), Austria (OeEB), and Sweden (Swedfund). These DFIs meet the following criteria:

- **(a)** Disclose additionality type, description and objective on the CRS, whether through individual PSI activities reported as ODA (instrument method) or for individual PSI activities for memorandum (institutional method)
- **(b)** Disclose an additionality statement on the individual project pages of the DFI's website (from 2023 onwards)

The analysis focuses on investments with a 2023 commitment date, as this is the first year of implementation for the new DAC reporting rules.

British International Investment (BII)

As the UK is a member that reports PSI under the institutional approach, all BII investments are reported as individual PSI activities 'for memorandum' under the revised OECD-DAC PSI reporting method.

Table 4 gives an example of how the additionality of individual PSI activities are reported to CRS as compared to BII's individual project pages for one of its investments. The investment was selected based on its additionality fields *not being empty*; since the 2023 data is still in transition, the aim is to focus on currently available additionality data, assuming all investments will align once the data is complete in 2026. Of the 75 BII investments reported 'for memorandum' with a commitment date in 2023, 44 have additionality type disclosed, 25 have additionality description disclosed and 27 have additionality objective disclosed.

The main issue with BII's disclosure on CRS is the 'additionality type' field, which displays additionality types 1, 2, and 3 but which are not official DAC classifications. This makes it difficult to interpret the data consistently or compare BII's reporting with other DFIs that adhere strictly to the DAC classification.

Furthermore, as shown in Table 4, the CRS data is not complete, as the additionality description and objective fields are cut off mid-sentence. This incomplete disclosure contrasts with the complete justifications found on BII's individual project pages. Despite this, from what we can see on CRS, the additionality description and objective fields seem to be more specific to the project, whereas the statements on the project pages are more general.

Table 4: Example of BII's additionality disclosure

<table>
<tr><th>DFI</th><th>Project title</th></tr>
<tr><td>BII</td><td>Wavemaker Impact Sub-Fund 1</td></tr>
<tr><td colspan="2">OECD CRS disclosure</td></tr>
<tr><td>PSI Flag</td><td>PSI Additionality Type</td></tr>
<tr><td>Grant equivalents of individual PSI activities for memorandum, equities reported ex-ante</td><td>1</td></tr>
<tr><td colspan="2">PSI Additionality Description</td></tr>
<tr><td colspan="2">Financial additionality: Capital is not offered in</td></tr>
<tr><td colspan="2">PSI Additionality Objective</td></tr>
<tr><td colspan="2">Financial: BII's participation will help WMI reach</td></tr>
<tr><td colspan="2">Disclosure on project pages of the DFI website</td></tr>
<tr><td colspan="2">Financial additionality: At the time of investment, our participation was to help the fund reach its target fund size.

Value-additionality: Given the nascency of the venture building structure in South-East Asia, we identified significant value-add from including improvement of E&S and business integrity processes, HR training and impact monitoring.</td></tr>
</table>

Sweden: Swedfund

Sweden is another member that reports PSI under the institutional approach. Table 5 shows an example of two Swedfund investments from 2023 and how additionality is disclosed. Unlike BII, all Swedfund's investments have additionality fields disclosed on the CRS.

In the CRS additionality description field, Swedfund include a list of additionality justifications. The additionality objective field is used for a description of the development additionality of the investments, consistent with CRS reporting guidelines. The website includes a narrative justification for how the investment is financially or value additional. The additionality statements on Swedfund's website go further into detail than the justifications on the CRS, with descriptions that are specific to the investment rather than a stock list. This strengthens the credibility of Swedfund's additionality claims by demonstrating a genuine, case-by-case assessment. Investment-specific detail helps substantiate why public funds are being used in each case and improves stakeholder trust and overall accountability.

Table 5: Example of Swedfund's additionality disclosure

DFI	Project title
SwedFund	Sunfunder Gigaton
OECD CRS disclosure	
PSI Flag	**PSI Additionality Type**
Grant equivalents of individual PSI activities for memorandum	11, 12, 14, 22
PSI Additionality Description	
Additionality: Country income group: LDC, LMIC, UMIC, capital constrained markets, risky markets, expected to mobilize private investors, promoting social and environmental standards, increasing access to reliable energy (GHh produced), increased access tp renewable energy (SDG 7).	
PSI Additionality Objective	
Support improved access to a variety of innovative clean energy/climate smart solutions.	
Disclosure on project pages of the DFI website	
Our investment is financially additional as it is made in a difficult context where access to capital is limited, poverty rates are high and the business climate is challenging, and as it is expected to contribute to mobilising capital. The investment is value additional through a strong focus on active value creation during the investment phase, where, for example, the environment, sustainability, women's economic empowerment and human rights are prioritised.	

Switzerland: SIFEM

Switzerland reports to the CRS using the instrument method, so the individual PSI activities reported are counted in ODA and not 'for memorandum' (unlike the UK and Sweden).

The main additionality description from SIFEM can be found in the 'additionality description' field in the CRS. This field is relatively detailed and provides an explanation of the additionality type categorisation, as required by the DAC guidelines.

However, the 'additionality objective' field is filled with the sector of the activity, rather than 'the development additionality of individual PSI activities, particularly their intended development impact' as required by the DAC standards. This is not aligned with OECD-DAC benchmark of additionality definitions and means that the development additionality of SIFEM's investment is not justified. As a result, stakeholders have less clarity on intended development impacts and less data to justify the use of scarce public finance.

SIFEM's webpage additionality statements are less specific than the additionality description included in the CRS. The disclosure is split between a short description of financial and sustainability additionality. In CRS, there is a more detailed justification. To improve transparency, SIFEM could include the additionality description narrative on its individual project pages.

Table 6: Example of SIFEM's additionality disclosure

DFI	Project title
SIFEM	ACBA Bank OJSC
OECD CRS disclosure	
PSI Flag	**PSI Additionality Type**
Grant equivalents of individual PSI activities for memorandum	11, 12
PSI Additionality Description	
By providing a subordinated debt, SIFEM funding presents a material financial additionality. It significantly improves the bank's capital structure by raising Tier II qualifying subordinated debt and provides long-term financing to serve Armenian SMEs and agri-businesses in a country where this is not offered by local banks. While SIFEM's funding to ACBA is not directly linked to the development of a new product or instrument, the subordinated debt facility is earmarked to the bank's loan portfolio growth to agribusinesses, thus reaching financially excluded rural populations.	
PSI Additionality Objective	
Financial inclusion	
Disclosure on project pages of the DFI website	
Financial Additionality: subordinate debt strengthens the bank's capital structure. Earmarked for agribusinesses, an underserved sector. Sustainability Additionality: mostly aligned with international standards.	

Austria: OeEB

Table 7 shows two examples of investments by OeEB in 2023. OeEB has a complete data picture for 2023 investments with all additionality fields disclosed on CRS. A detailed and project-specific justification of additionality is included in both the description and objective CRS fields. However, OeEB's website disclosure remains limited, offering only a broad 'financial additionality' label within the project information box, without any accompanying detailed explanation.

A key recommendation for OeEB would be to align the level of additionality disclosure on its investment webpages with the detail already available in its CRS data. Making this information accessible through the project webpages would enhance transparency, facilitate stakeholder scrutiny, and improve overall accessibility.

Table 7: Example of OeEB's additionality disclosure

DFI	Project title
OeEB	Preserving biodiversity and improving resource efficiency
OECD CRS disclosure	
PSI Flag	**PSI Additionality Type**
Grant equivalents of individual PSI activities counted in ODA, equities reported ex-post	12, 13, 14
PSI Additionality Description	
Focus mainly on local SME's which are supporting the preservation of biodiversity and the sustainable use of natural resources and which do not have easy access to financing. OeEB's long term investment in mezzanine share classes of the fund is of high importance and closes a financing gap. It also is mobilizing additional funding from private investors. Since Q3/2021 private investors took over the lead in the funding share. In particular, the entry of Deutsche Bank, the Dutch ASN Bank and the Allianz Group, as well as the loan prolongation of the Austrian RBI, have contributed significantly to this trend.	
PSI Additionality Objective	
The client aims to support the preservation of biodiversity and the sustainable use of natural resources (resource efficiency). Hence, OeEB is making an important contribution to the preservation of healthy and resilient ecosystems, which are of central importance for mitigating climate change and its consequences. This would not have occured without the participation of OeEB, the official Development Bank of Austria thanks to its mandate to promote private sector development in developing countries. OeEB is regulated according to the Austrian Banking Act. Therefore, it can only invest into intermediaries which are domiciled in countries which meet the necessary regulatory requirements and secure legal compliance.	
Disclosure on project pages of the DFI website	
"Financial additionality"	

5. Conclusion and recommendations

This report set out to explore how bilateral DFIs are disclosing the additionality of PSI investments under the new OECD-DAC reporting requirements. While the dataset remains partial due to the ongoing transition period, several concerning patterns are already evident.

Variation in compliance reflects the early stage of implementation, but gaps are still significant.
Across the 2023 dataset, only a handful of DFIs – OeEB, Swedfund, Norfund and FinDev – have disclosed all required CRS additionality fields. Others, including IFU, SIFEM, BII and Proparco, disclose partial data. Several DFIs, including BIO and Finnfund, provide no additionality field data at all despite reporting PSI investments. While this variation can mostly be attributed to the OECD-DAC transition period, during which members are not yet required to fully implement the revised reporting standards, the gaps are nonetheless substantial. This suggests potential uneven levels of agreement on what is required across institutions.

Recommendation:
DFIs should use the transition period to strengthen internal systems for capturing and reporting additionality, invest in staff training on CRS requirements, and prepare to meet full compliance by 2026.

The inconsistent application of the 'additionality type' field raises concerns about the meaningful implementation of the framework.
Even among DFIs that are disclosing additionality types, there are clear inconsistencies and some signs of formulaic use. For example, some DFIs assign the same additionality type(s) to nearly all investments (e.g. Swedfund consistently using 'underserved geographies'). Others (e.g. FinDev) assign multiple types to all projects. BII's use of non-DAC codes (1, 2, and 3) undermines comparability and points to divergence from agreed standards. This inconsistent and sometimes automatic labelling suggests that the classification system risks becoming a compliance exercise rather than a meaningful disclosure tool.

Recommendation:
DFIs should adopt internal review processes to ensure additionality types are applied on a case-by-case basis, avoid copy-paste categorisations, and align strictly with DAC classification codes.

Financial additionality types dominate and may be used as a default rather than a reasoned justification.

The CRS data shows that DFIs overwhelmingly report financial additionality types, while value additionality types, such as 'promotes pro-development business models' or 'knowledge transfer' are more rarely used. While the DAC framework permits either financial or value additionality to be reported, so long as development additionality is also demonstrated, the less frequent use of value additionality claims raises concerns. The consistency with which certain financial additionality types are applied across entire DFI portfolios suggests that these categories may be used as default classifications rather than the result of tailored assessments. This is particularly evident where a single additionality type is applied to 100% of a DFI's investments, regardless of sector or context. Such blanket use of financial categories risks undermining the credibility of the reporting framework, especially where classifications appear to be driven by ease of compliance rather than a meaningful appraisal of additionality. Without clearer differentiation and justification, there is a real risk that the additionality framework will become a procedural formality, rather than a tool for meaningful accountability.

Recommendation:

DFIs should interrogate their own classification patterns and ensure financial additionality claims are evidence-based and investment-specific; internal guidance should discourage blanket application of any single type.

The quality and accessibility of additionality statements vary widely, undermining transparency and comparability.

Among the four DFIs examined (BII, Swedfund, SIFEM and OeEB), the depth and location of additionality disclosures differ significantly. Some DFIs (e.g. OeEB) provide detailed justifications in CRS fields but only minimal information on their websites, while others (e.g. Swedfund and BII) offer more comprehensive, investment-specific statements on their project pages. In some cases, CRS data is incomplete or poorly formatted (e.g. BII's fields cut off mid-sentence), and key requirements like the 'additionality – development objective' field are inconsistently applied (e.g. SIFEM using sector labels instead). This is also the case across the DFIs that have complete disclosure for their 2023-committed investments, suggesting that even when the data picture will be complete in 2026, there will still be different interpretations of additionality. DFIs should ensure, by 2026, that all CRS additionality fields are completed according to the DAC standards and definitions. DFIs should also harmonise the disclosure of additionality statements across platforms to ensure stakeholders can access consistent information regardless of the reporting source.

Recommendation:

DFIs should improve the quality of their narrative justifications by linking statements clearly to the investment context, ensure that all CRS fields are complete and coherent, and standardise disclosures across CRS and public-facing platforms to enhance usability and public trust.

Notes

1 OECD-DAC (2023). Private Sector Instruments – Batch 3 topics. Available at: https://one.oecd.org/document/DCD/DAC(2023)48/FINAL/en/pdf [Accessed 8th April 2025].

2 We acknowledge that DAC members and not their DFIs are ultimately responsible for reporting to the DAC. However, this report focuses on the additionality information provided to DFIs to donors, as we are primarily interested in the content of these claims. References to reporting practices or recommendations directed at DFIs reflect their role as the providers of data on the additionality of specific investments. Note that PSI investments not made through DFIs are excluded from this analysis.

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14 OECD-DAC (2014). Final Communiqué of the 2014 DAC High Level Meeting. Available at: https://one.oecd.org/document/DCD/DAC(2014)69/FINAL/en/pdf [Accessed 8th April 2025].

15 OECD-DAC (2016). Final Communiqué of the 2016 DAC High Level Meeting. Available at: https://web-archive.oecd.org/2016-02-19/388307-DAC-HLM-Communique-2016.pdf [Accessed 8th April 2025].

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