For the kind attention of International Forum on TOSSD Interim Governing Body

February 16th, 2024

Subject: concerns over suggested decisions on TOSSD definition and Pillar II revisions

Dear Colleagues,

we look forward to next week's discussions as another milestone towards a fully-fledged governance for TOSSD, which is crucial to its legitimacy and credibility. We acknowledge and are thankful for the farsighted decision to keep these discussions open to CSO observers, which is an opportunity we are committed honouring as much as possible.

In this spirit, we would like to anticipate our concerns over the agenda item dedicated to addressing a more effective delineation of Pillar 2.

Firstly, we note that suggested decision points for this meeting might radically change the scope of TOSSD as it has been discussed since 2017. As we will further clarify in our concerns further below, we would like to suggest deferring decisions of this magnitude to the incoming governance bodies of the International Forum on TOSSD, soon to be convened.

On a substantive level, the suggested change to Pillar II and its implication for the current TOSSD definition is not a mere adjustment. Shifting from "development in partner countries" to "development of partner countries" is a departure point from the notion that this new metric should serve the core purpose of supporting Partner Countries. The TOSSD Task Force discussed this matter already at the face-to-face meeting in Pretoria of Feb 2020, where it was agreed that "... there is no intention in the definition to reduce the focus on developing countries, so a revision may need to be made to that effect. TOSSD is about resources in / for developing countries, and there should be no shift of the concept away from developing countries." We believe these considerations are still valid today.

We acknowledge that current practice in delineating resource flow for IPGs in Pillar II requires more guidance. Consistently with the need to safe-guard TOSSD's focus on developing countries, we suggest an approach whereby the criterion of the substantial benefit for Partners countries should be further developed and safeguarded. In the interest of transparency, there is the possibility of using satellite metrics, similar to those currently capturing mobilized private finance, which capture all those flows that broadly and sometimes indirectly also benefit partner countries, beyond those of substantial benefit.

Lastly, we are very glad to point your attention to a set of briefings published by AidWatch Canada, Oxfam USA and ActionAid Italy, available from <u>https://aidwatchcanada.ca/</u>, which cover from general trends to focuses on LNOB, IPGs, Provide and Recipient profile.

We look forward to a fruitful discussion next week,

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