

Inter-American Development Bank
Comments on TOSSD proposal
July 2016

1. Given the inclusive nature of the 2030 Sustainable Development Agenda, it is essential that all countries wishing to receive TOSSD be eligible to do so. Poverty and inequality remain important concerns for countries that have seen recent improvements in per capita GNI. Graduation from concessional finance should be considered a separate matter from eligibility to receive TOSSD. Inequality between and within LAC countries remains unacceptably high. In fact, the largest numbers of poor in the region are living in upper middle-income countries. There is a real challenge to avoid regression and protect the vulnerable middle-class. IDB's most recent *Update to the Institutional Strategy* directs us to work to address these significant pockets of poverty.
2. The perspective of environmental sustainability as a regional and global public good should also be taken into consideration when determining the criteria for TOSSD eligibility. In LAC—as in other regions in the world—countries across all income levels are systemically important to addressing climate change. Additionally, island states (*e.g.* Caribbean countries)—most of which are in the upper middle income bracket—remain vulnerable to the effects of climate change.
3. The reporting burden on development providers for capturing TOSSD should aim to be minimal and take advantage of existing reporting (*e.g.* DAC CRS and IATI). Efforts to define TOSSD present an important opportunity to further the work towards the Common Standard that was committed to in Busan.
4. The attribution of multilateral outflows back to provider countries on the basis of their core contributions is problematic given that recipient countries also hold significant shares in MDBs.
5. During the 2016 WB-IMF Spring Meetings, MDB heads commissioned a task force to measure private investment catalyzed. Building on their joint work to measure climate finance, MDBs are developing harmonized definitions, taking into account issues of aggregation, attribution and double-counting. This work should be taken into consideration as efforts continue to define TOSSD.