



## TOSSD Consultation with Representatives from Select Latin American and Caribbean (LAC) countries and institutions: main messages

*TOSSD Task Force Consultation  
6 June 2019  
Ottawa, Canada*

Countries and institutions from Latin America and the Caribbean met with several TOSSD Task Force members and the TOSSD Secretariat for a day-long informal presentation and discussion of the main features of TOSSD. In the subsequent paragraphs of this summary document, participants from LAC countries and institutions that are not TOSSD Task Force members are referred to as LAC representatives, Task Force members are referred to as such, and TOSSD Secretariat personnel are referred to as such. The Consultation was informal i.e. not compelling any members to officially represent their governments or institutions. LAC countries and institutions that participated in this consultation included: Argentina, Brazil (Task Force observer), Costa Rica (Task Force member), Colombia (Task Force member), CARICOM, Cuba, the Inter-American Development Bank (Task Force member), Peru as well as Saint Vincent and the Grenadines.

### I. GENERAL COMMENTS ON MAIN CONCEPTS AND DEFINITIONS OF THE TOSSD FRAMEWORK

**LAC representatives stressed that official development assistance (ODA) should remain the main source of financing for development and that TOSSD should not replace ODA.** In this regard, they welcomed the reference in the Preamble of the TOSSD Reporting Instructions that states that the TOSSD measurement framework will not by any means replace ODA as a measure of donor effort, nor will it undermine some providers' commitment to reach the UN ODA/GNI target of 0.7%.

**Some LAC representatives stressed the importance of the development effectiveness principles, while others noted these are not universally accepted, as is the 2030 Agenda.** TOSSD Task Force members noted that the Preamble of the Reporting Instructions addresses this point. It states that TOSSD assumes that all resources captured in the measure comply with prevailing global and regional economic, environmental and social standards and disciplines, as well as development co-operation effectiveness principles, in line with the standards and principles recognised and endorsed by reporting countries and organisations. However, since many of these principles do not have a universal acceptance and since TOSSD intends to be as inclusive as possible, they are not presented as eligibility criteria for TOSSD. **LAC representatives also referred to the United Nations Charter and international law, which could be considered by the TOSSD Task Force in a future meeting.**

**One LAC representative commented that remittances should not be part of the TOSSD framework as they are often used for consumption and do not necessarily contribute to sustainable development. In addition, it was not clear how export credits would contribute to sustainable development.** TOSSD Task Force members clarified that only officially supported resources are part of the TOSSD framework and as such remittances are excluded. Moreover, only export credits that contribute to sustainable development



are included. (Export credits can be reported only if they are extended in association with development finance or if they are explicitly designed to contribute to sustainable development objectives.)

**One LAC representative expressed the view that countries should report on TOSSD on a voluntary basis and as per their own capacities, and recommended triangulating the data collected from providers with data collected from the recipients to detect possible inconsistencies.** Task Force members clarified that while TOSSD is reported by the providers, it focuses on the recipients. The Reporting Instructions invite recipient countries to report on a voluntary basis. **LAC representatives also stressed the need to avoid double counting.** This is ensured in the TOSSD framework by making every provider report only on its own activities. For example, contributions from provider countries to multilateral organisations are not included; it is the multilateral organisations that report on all activities they undertake regardless of whether they are funded by core or earmarked resources.

**One participant was of the view that the definition of sustainable development in TOSSD, which refers to the Brundtland report, is outdated, and that the 2030 Agenda incorporates a more modern concept with the three dimensions of sustainability.** Task Force members clarified that the Brundtland definition of sustainable development is a starting point in TOSSD, but the three dimensions of sustainability are specified in the Preamble of the Reporting Instructions. Moreover, the concept of sustainable development is operationalised in paragraph 47 by linking it to the 2030 Agenda. An activity is deemed to support sustainable development if it directly contributes to at least one of the SDG targets and if no substantial detrimental effect is anticipated on one or more of the other targets.

## **II. COMMENTS ON TOSSD PILLAR I: CROSS-BORDER RESOURCE FLOWS IN SUPPORT OF SUSTAINABLE DEVELOPMENT**

With regard to the **list of TOSSD-eligible countries**, the Secretariat explained the voluntary opt-in procedure and asked for LAC representatives' views on whether alternative methodologies could be used<sup>1</sup> (e.g. looking at the country's status as a borrower from a multilateral development bank, analysing the capacity of countries to redistribute their own income or using a multidimensional measure of poverty). **One LAC representative was of the view that, based on the universality of the SDGs, all countries in the world could be both TOSSD providers and recipients, but acknowledged the fact that the opt-in procedure is voluntary and does not set eligibility criteria.** Other LAC representatives recognised the challenges in establishing a unique, universally applicable methodology (e.g. data required for the structural gap approach developed by ECLAC are not available for other continents) and agreed with the opt-in procedure. LAC representatives further noted that the discussion on eligible recipients is not only technical but also political, and that it should therefore be raised at appropriate UN bodies on financing for development.

**LAC representatives noted that many LAC countries (as well as many Southern providers in other regions) do not have a methodology for measuring South-South Co-operation. They further noted that TOSSD**

<sup>1</sup> More details are available at the issues paper presented for the consultation available at <http://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/List-of-TOSSD-eligible-countries-alternative-methodologies.pdf>



**should not interfere in discussions on measurement by Southern providers, but that it could provide useful inputs to these discussions.** TOSSD Task Force members flagged that some Southern providers are members of the TOSSD Task Force and have actively shaped the method for reporting on in-kind technical co-operation in TOSSD. Costa Rica in particular has greatly contributed to this work and consulted with other countries in the region. The TOSSD Secretariat has also solicited views from Southern providers in various meetings and events on measuring South-South co-operation. Moreover, Task Force members stressed that the TOSSD Reporting Instructions clearly acknowledge the leading role of Southern providers on this question, and explicitly state that the methodology might be reviewed to take into account any outcome of the Buenos Aires Plan of Action (BAPA+40) meeting regarding the valuing of technical co-operation. The Task Force will follow these debates and adjust the TOSSD methodology as appropriate.

**With regard to private resources mobilised by official interventions, LAC representatives stressed that more details were needed about the criteria and methodology used to identify the direct causal link between official interventions and private resources.**

**Some LAC representatives viewed the definition of triangular co-operation in TOSSD as static and state-centred.** The Task Force clarified that the three roles defined in the TOSSD Reporting Instructions can evolve over time, so that the partnership can be dynamic, and the reference to partners include not only countries but also international organisations, civil society organisations or the private sector. LAC representatives recommended looking at the narrative on triangular co-operation used in the BAPA+40 outcome document.

**Some LAC representatives recommended showing flows on a net basis, and not only on a gross basis.** It was clarified that while the TOSSD headline figure will be on a gross basis in order to see the scope of development co-operation activities being implemented in any given year, data on reflows will also be collected, so TOSSD figures can be calculated and published also on a net basis.

### III. COMMENTS ON TOSSD PILLAR II: INTERNATIONAL PUBLIC GOODS

**LAC representatives noted that there is no regional or global consensus on the concept of International Public Goods (IPGs) and as such it will be difficult to estimate and provide information on it. They stressed the need to further specify the scope, definition and measurement criteria of IPGs and provide concrete examples. The notion of “substantial benefit to TOSSD-eligible countries” (recipients) was perceived as unclear. They also highlighted important political implications of many of the IPGs (e.g. peace and security) and recommended both technical and political discussions on these items. Developing countries should participate in the identification of IPGs for sustainable development.** TOSSD Task Force members recognised some of the challenges inherent to capturing data on IPGs, since many of them are not currently covered in international statistics, but also stressed the potential of TOSSD to fill this important information gap. The Task Force also highlighted that it had during its 8<sup>th</sup> meeting finalised the Reporting Instructions, which contain definitions of IPGs but also additional eligibility criteria for certain items (e.g. climate change and research), including the notion of substantial benefit. The Reporting Instructions were expected to evolve over time and be refined once data have been collected. **Some LAC representatives noted that**



**there is a difference between the production of IPGs and ensuring that they are accessible and beneficial to TOSSD recipient countries.** The Task Force clarified that support for the implementation of IPGs in TOSSD-eligible countries is indeed essential and will be tracked under Pillar I. **The need for capacity building for countries to be able to report on IPGs was noted.**

**LAC representatives also recommended relating TOSSD to discussions and concepts agreed in other fora (e.g. UNFCCC in the case of climate change), because many elements are politically sensitive.** The Task Force has already consulted UN agencies on some IPGs and will continue doing so in order to avoid a duplication of efforts.

**IPGs were recognised as very important for middle-income countries, which made significant contributions to these goods.**

#### **IV. COMMENTS ON REPORTING FORMAT AND DETAILED INSTRUCTIONS**

**LAC representatives expressed appreciation for the work of the Task Force and recognised it would take time to ensure that every reporting unit (country or organisation) uses the format in the same way as they needed to socialise it with relevant stakeholders. The fact that developing countries might lack infrastructure, capacity and human resources to report on TOSSD should be taken into account.** The Task Force Secretariat emphasised the importance of comparability of the data, which is a key feature of any statistical framework, and explained that the TOSSD reporting format had been simplified compared to other statistical frameworks e.g. reporting on ODA. Moreover, the TOSSD Reporting Instructions clearly mentioned the need for building capacity of reporters. The Task Force and its Secretariat will stand ready to provide any necessary support for countries and organisations in TOSSD reporting. It was also clarified that the OECD has a lot of experience in data quality assurance and is currently exploring new tools (e.g. machine-learning) to facilitate checking data for inconsistencies.

**Some LAC representatives highlighted that grants and loans should have differentiated treatment since grants are more important for recipient countries. Data for loans should indicate if they are concessional or not.** The Task Force clarified that information on financial instruments were collected in TOSSD in a neutral manner, so that users could do their own analyses and conduct their own assessments. Grants and loans are separately identified and a distinction is made between concessional and non-concessional loans (using the IMF/World Bank definition of concessional). Non-concessional finance is key to some sectors that contribute to sustainable development e.g. infrastructure. Data on loan repayments would also be collected, so this information will be available to the users. The Secretariat clarified that TOSSD is generally a flow-based framework and that one key difference between ODA and TOSSD is that ODA is measured on a grant equivalent basis (from 2018 data onwards) while TOSSD will measure flows.

**One LAC representative was of the view that instruments that do not imply a flow, such as debt relief and guarantees, should not be included in TOSSD.** The Task Force Secretariat commented that, with regard to debt relief, stakeholders interviewed in the context of TOSSD pilot studies (e.g. Costa Rica) had generally



expressed preference for capturing these forms of support in TOSSD. Guarantees are quite complex operations, but the Task Force thought that capturing them at the time of approval is very useful (even if funds are not disbursements at that time) since they allow for innovative investments that otherwise might not have happened.

## V. COMMENTS ON ENSURING INCLUSIVE DISCUSSIONS ON TOSSD IN THE UN CONTEXT

LAC representatives were informed that the Task Force would submit a proposal to the Inter Agency Expert Group on SDG Indicators (IAEG-SDGs) for including TOSSD in the global SDG indicator framework, either as a replacement of the current indicator 17.3.1. “Foreign direct investment, official development assistance and South-South cooperation as a proportion of total domestic budget” or as an additional indicator. Some representatives stated TOSSD should be an additional indicator, since most of the data for indicator 17.3.1. are available. The Task Force Secretariat clarified that in the March 2019 meeting of the IAEG-SDGs it had been noted that data for this indicator were missing and that the indicator does not make sense as it stands (numerator bears little relation to denominator; key items such as bank lending and NGOs flows left out of numerator; data not available on denominator; desirable direction of indicator not clear etc.).<sup>2</sup>

LAC representatives referred to paragraph 55 on the Addis Ababa Action Agenda that calls for “open, transparent and inclusive discussions on TOSSD”. In their opinion, the process has been transparent, but to be open and inclusive, TOSSD would need to be discussed at the UN, and not only in side events but also in plenaries of relevant UN meetings. Moreover, they advised to bring a draft, and not a finalised methodology, to the UN. TOSSD Task Force members expressed their willingness to discuss TOSSD at any relevant UN forum or meeting. They invited LAC representatives to propose a relevant forum where TOSSD could be discussed and flagged that, to include TOSSD on the UN agenda, UN member states would need to specifically request it. The Task Force explained that it was planning to present TOSSD for discussion at meetings of the UN regional groupings, which LAC representatives recognised as a good first step. Representatives of these regional groupings could then reach out to the Bureau of ECOSOC, which could subsequently identify the appropriate forum.

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<sup>2</sup> More information available at the website of the IAEG-SDGs at <https://unstats.un.org/sdgs/files/meetings/iaeg-sdgs-meeting-09/Tier%20I%20and%20II%20Indicators%20Missing%20Data%20or%20Metadata.pdf>