



## Stock-take and further considerations regarding the definition of TOSSD

*TOSSD Task Force Issues Paper<sup>1</sup>*

*6-7 December 2017*

### I. INTRODUCTION

1. The concept of “Total Official Support for Sustainable Development” (TOSSD) was first acknowledged by the international community on the occasion of the Third International Conference on Financing for Development in Addis Ababa, Ethiopia in July 2015, where the international community called on holding “open, inclusive and transparent” discussions on this new proposed statistical measure<sup>2</sup>. Following a process of consultation carried out in 2016<sup>3</sup>, the following working definition of TOSSD was developed: *“TOSSD includes all officially-supported resource flows to promote sustainable development in developing countries and to support development enablers and/or address global challenges at regional or global levels.”*

2. To ensure that TOSSD becomes a functional international statistical standard that can be used by a range of actors with an adequate degree of uniformity and precision, a number of specific terms in the definition need to be clarified. In discussing aspects of the TOSSD definition during their first meeting on 6 July 2017 in Paris, TOSSD Task Force members provided guidance<sup>4</sup> and requested the Secretariat to elaborate clearer definitional elements of the following terms: “sustainable development” (developed in Section II of this paper), “officially supported” (described in Section III) and “developing countries” (set out in Section IV).

### II. THE TERM “SUSTAINABLE DEVELOPMENT”

#### Key conclusions and guidance from the first TOSSD Task Force meeting

3. At the July 2017 meeting<sup>5</sup>, the TOSSD International Task Force agreed that “sustainable development” should be defined using the UN definition of sustainable development as a basis (see Box 1 below) and that the concept should also be linked to development activities that directly support an explicit Sustainable Development Goal (SDG) target<sup>6</sup>.

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<sup>2</sup> See paragraph 55 of the Addis Ababa Action Agenda ([http://www.un.org/esa/ffd/wp-content/uploads/2015/08/AAAA\\_Outcome.pdf](http://www.un.org/esa/ffd/wp-content/uploads/2015/08/AAAA_Outcome.pdf)).

<sup>3</sup> See <http://www.oecd.org/dac/financing-sustainable-development/tossd-public-consultation.htm>

<sup>4</sup> See the informal summary of discussions and action points of the 6 July 2017 meeting at <http://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/tossd-task-force.htm>

<sup>5</sup> See footnote 4.

<sup>6</sup> <https://unstats.un.org/sdgs/indicators/indicators-list/>

### Box 1. What is sustainable development?<sup>7</sup>

- *Sustainable development has been defined as development that meets the needs of the present without compromising the ability of future generations to meet their own needs.*
- *Sustainable development calls for concerted efforts towards building an inclusive, sustainable and resilient future for people and planet.*
- *For sustainable development to be achieved, it is crucial to harmonize three core elements: economic growth, social inclusion and environmental protection. These elements are interconnected and all are crucial for the well-being of individuals and societies.*
- *Eradicating poverty in all its forms and dimensions is an indispensable requirement for sustainable development. To this end, there must be promotion of sustainable, inclusive and equitable economic growth, creating greater opportunities for all, reducing inequalities, raising basic standards of living, fostering equitable social development and inclusion, and promoting integrated and sustainable management of natural resources and ecosystems.*

4. In addition, during the 6 July meeting, one Task Force member recommended looking at the work the Conference of European Statisticians (CES), in particular its 2013 recommendations on measuring sustainable development.<sup>8</sup> Research carried out by the Secretariat on the work of the CES highlighted that:

- The TOSSD Task Force has taken the same direction as the CES by taking as a starting point the definition of sustainable development contained in the “Brundtland Report”<sup>9</sup> and by linking the definition with the SDG framework.<sup>10</sup>
- It seems appropriate to operationalise the definition of sustainable development at the level of SDG targets, which are global, rather than indicators, which are more meaningful at the regional, national and local levels<sup>11</sup>. (The findings from a CES Survey on NSOs’ strategies and plans related to statistics for SDGs illustrate this – in the European region 68% of countries plan to develop specific national SDG indicators.<sup>12</sup>)

<sup>7</sup> See the section “What is Sustainable Development?” in the FAQ section at: <http://www.un.org/sustainabledevelopment/development-agenda>

<sup>8</sup> See: <https://www.unece.org/stats/sde.html>. The CES has carried out a systematic programme of work to assist national statistical offices in the United Nations Economic Commission for Europe (UNECE) zone to measure and monitor the SDGs. An initial set of [recommendations on measuring sustainable development](#) agreed in 2013 provided UNECE countries with a measurement framework based on then-current theoretical concepts and policy concerns.

<sup>9</sup> The Brundtland Report summarised sustainable development as “... development that meets the needs of the present without compromising the ability of future generations to meet their own needs. It contains within it two key concepts: i) the concept of ‘needs’, in particular the essential needs of the world’s poor, to which overriding priority should be given; and ii) the idea of limitations imposed by the state of technology and social organisation on the environment’s ability to meet present and future needs. This definition laid the groundwork for subsequent work by the international community to clarify how sustainable development could be achieved through the 17 goals agreed at the UN Sustainable Development Summit in 2015. See Report of the World Commission on Environment and Development: Our Common Future”, Chapter 2 “Towards Sustainable Development”, p. 41 (New York: UN, 1987).

<sup>10</sup> In 2015, following adoption of the 2030 Agenda, the CES established a special task force to adjust the CES recommendations to the SDGs and their targets. The task force has completed the first phase of this work, which inter alia defined how the themes and dimensions in the CES framework should be adjusted in the light of the SDGs and targets, and explored different ways of mapping the SDGs and targets to the adjusted CES framework. The second phase, which is focused on assessing the suitability of the global indicator list for the UNECE region, is currently underway. See paragraph 1 in [ECE/CES/BUR/2016/FEB/4](#).

<sup>11</sup> See ECE/CES/2017/2 - [Conference of European Statisticians’ Road Map on Statistics for Sustainable Development Goals, First Edition](#) - 13 July 2017.

<sup>12</sup> See the “[Findings from Survey on NSOs’ strategies and plans related to statistics for SDGs](#)”, carried out by the United Nations Economic Commission for Europe Statistical Division (April 2017).

- Strong engagement with the United Nations, e.g. the UN Inter Agency Group on the SDGs (IAEG SDG), is instrumental in elaborating and maintaining a measurement framework for SDG indicators or finance.

### Proposed definition of sustainable development in the context of TOSSD

5. Following guidance provided by the Task Force, the following definition is proposed for the term “Sustainable Development” in the context of TOSSD:

#### Box 2. Proposed definition of sustainable development in the context of TOSSD

- *The concept of “Sustainable Development” in the context of TOSSD is defined as development that meets the needs of the present without compromising the ability of future generations to meet their own needs.*
- *An activity is defined to support sustainable development if it directly contributes to a specific SDG target as identified in the official list of SDG targets developed and maintained by the United Nations Statistical Commission (UNSC<sup>13</sup>).*

6. The definition of “sustainable development” as outlined above raises two further questions. First, how can the time-bound nature of the SDG framework, which sets targets only up to the year 2030, be reconciled with the necessity to implement a TOSSD framework tracking cross-border flows to developing countries over a longer period, beyond the year 2030? Secondly, how can the TOSSD framework accommodate changes to the SDG targets in a pragmatic way?

7. While the SDG framework and its related targets are time-bound, it seems reasonable to assume that a framework to support international development at the global level will continue to be in place beyond the year 2030, and that it will be possible to adjust this definition in the future in line with the evolution of the SDG framework beyond 2030. As any changes to the SDG framework will have to be agreed by the UNSC, it is proposed that providers be authorised automatically to report against any new target (or any amended target) the year following its adoption by the UNSC. Similarly, in the event that a target is removed from the SDG target list, providers would no longer be able to report activities against this target the year following its removal from the list.

#### Issue for discussion

TOSSD Task Force members are invited to express their views regarding the following questions:

- *Is the proposed definition of sustainable development for the TOSSD statistical system as outlined above appropriate and adequate?*
- *Should a TOSSD eligibility criterion stipulate that the resources provided directly support an SDG target – despite the time-bound nature of the SDG targets? Would there be alternatives?*
- *Do Task Force members agree with the proposed mechanism for aligning TOSSD reporting to any future changes made to the SDG targets?*

<sup>13</sup> <https://unstats.un.org/sdgs/indicators/indicators-list/>

### III. THE TERM “OFFICIALLY SUPPORTED”

#### Key conclusions and guidance from the first TOSSD Task Force meeting

8. During the meeting of 6 July 2017<sup>14</sup>, Task Force members agreed that limiting TOSSD eligibility to only “official” flows would not enable development actors to see the full and exact picture of development finance at country level. They thus supported including “officially supported” resources in the TOSSD framework. Most Task Force members were of the view that while amounts mobilised from the private sector through official interventions should be part of the framework, they should be presented separately. Finally, “official flows” were interpreted as including both state-owned enterprises and companies “under significant government influence”.

9. The Task Force asked the Secretariat to further elaborate an operational definition of the terms “officially supported” and “companies under significant government influence” to clarify how data on these companies’ activities could be captured in a practical manner.

#### The definition of the term “officially supported” in the TOSSD definition

10. The issues paper for the 6 July meeting<sup>15</sup> provided key elements to take into account in defining the term “officially supported”. In particular, it recalled that, in the context of traditional aid, “official” flows are defined as flows provided by i) official agencies, including state and local governments or by their executive agencies or ii) public enterprises. It also recalled critical notions covered in the term “officially supported”, namely i) official resources provided through a grant, a debt instrument or an equity investment and ii) private resources mobilised by official interventions, recognising that these interventions may or may not constitute flows themselves (e.g. guarantee schemes do not constitute flows as such until their activation).<sup>16</sup> The term “official” would not cover adequately this latter dimension.

11. The IMF *Balance of Payments and International Investment Position Manual - Sixth Edition (BPM6)*<sup>17</sup> provides an international reference point for defining “control” or “influence” (see Box 3 below). The definition is based on ownership of equity that gives voting power in an enterprise; a voting power above 50 per cent is defined as control while a voting power above 10 but less than 50 per cent is defined as significant influence. There are two ways of achieving control – through direct ownership or indirectly through a chain of ownership. (See illustration in Figure 1.)

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<sup>14</sup> See the informal summary of discussion and action points of the 6 July 2017 meeting at <http://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/tossd-task-force.htm>

<sup>15</sup> See the issues paper and entitled “Clarifying key concepts embedded in the TOSSD definition” on the [TOSSD International Task Force web page](#).

<sup>16</sup> See also the issues paper entitled “TOSSD reporting in practice” for discussion under item 4 of the meeting agenda.

<sup>17</sup> <http://www.imf.org/external/pubs/ft/bop/2007/pdf/bpm6.pdf>

### Box 3. Extract of the IMF BoP Manual

(See Chapter 6, Section B., Sub-Section c., para 6.12. to 6.14 – pp 101-102)

6.12 Control or influence may be achieved directly by owning equity that gives voting power in the enterprise, or indirectly by having voting power in another enterprise that has voting power in the enterprise. Accordingly, two ways of having control or influence are identified:

(a) Immediate direct investment relationships arise when a direct investor directly owns equity that entitles it to 10 percent or more of the voting power in the direct investment enterprise.

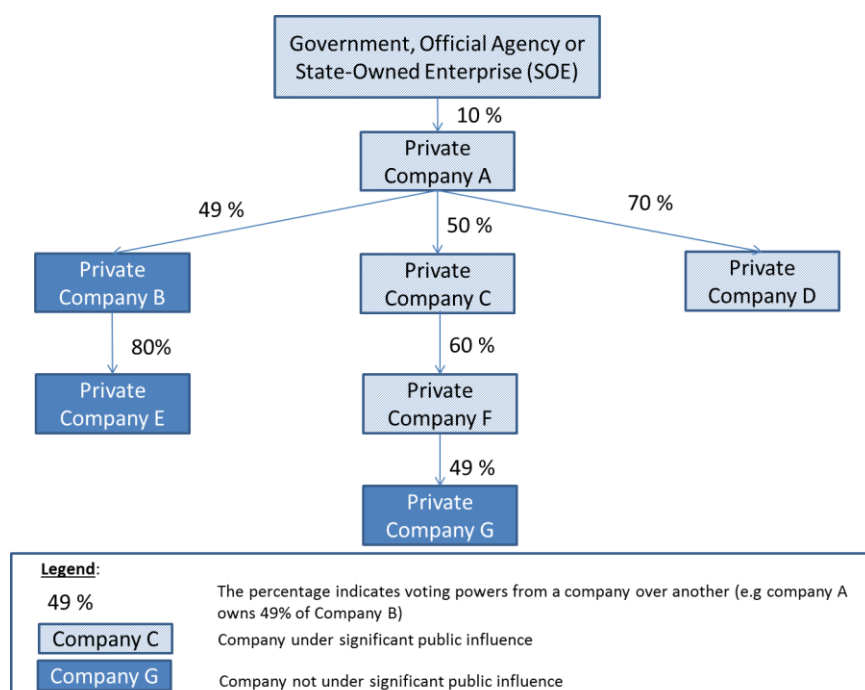
- Control is determined to exist if the direct investor owns more than 50 percent of the voting power in the direct investment enterprise.
- A significant degree of influence is determined to exist if the direct investor owns from 10 to 50 percent of the voting power in the direct investment enterprise.

(b) Indirect direct investment relationships arise through the ownership of voting power in one direct investment enterprise that owns voting power in another enterprise or enterprises, that is, an entity is able to exercise indirect control or influence through a chain of direct investment relationships. (...)

6.14 The principles for indirect transmission of control and influence through a chain of ownership for the purposes of paragraph 6.12(b) are as follows: (...)

(c) Influence can be passed only through a chain of control but not beyond.

Figure 1: Simplified illustration of government influence through a chain of ownership



12. Based on the above, one option for TOSSD reporting would be to define companies under significant government influence as “enterprises where an official entity owns 10 to 50% of voting powers”. A more comprehensive but also more complex definition would be to also include “enterprises influenced through an indirect chain of control of 50% or more of voting powers”. A third option could be to acknowledge influence through an indirect chain of control without defining it through voting powers, i.e. leaving the interpretation to the provider.<sup>18</sup>

13. Taking into account the definitions of the term “official” in the context of traditional aid outlined above, the scope of the term “officially-supported” as defined in the issues paper proposed for discussion at the 6 July meeting, and the IMF definition of “companies under a significant degree of influence”, the following definition of “officially-supported” in the context of TOSSD can be proposed.

#### **Box 4. Proposed definition of “officially-supported resources” in the context of TOSSD**

1. In the context of TOSSD, “officially-supported resources” are defined as:

a) resources provided by:

- i) official agencies, including state and local governments, or by their executive agencies,
- ii) state-owned companies and enterprises under government control, and
- iii) enterprises under significant public influence defined as

**OPTION 1:** *enterprises where an official entity directly owns 10 to 50% of voting powers.*

**OPTION 2:** *enterprises where an official entity directly owns 10 to 50% of voting powers or enterprises influenced through “indirect” direct investment relationships with a chain of control of 50% or more of voting powers.*

**OPTION 3:** *enterprises where an official entity directly owns 10 to 50% of voting powers or other enterprises under significant public influence as defined by the TOSSD provider.*

b) private resources mobilised by official interventions.

2. Officially-supported resources in the TOSSD definition thus cover:

- i) official resources provided through a grant, a debt instrument or an equity investment and
- ii) private resources mobilised by official interventions, recognising that these interventions may or may not constitute resource flows themselves.

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<sup>18</sup> This is to take into account several cases where influence can be exercised inside or outside of a direct investment relationship. See paragraphs 6.13 to 6.24 in Balance of payments and international investment position manual, Washington, D.C.: International Monetary Fund, 2009, 6th edition (Chapter 6, Section B., Sub-Section c.).

## Issues for discussion

Task Force members are invited to consider the following questions:

- *Do Task Force members agree with the definition of the term “officially supported” as outlined above?*
- *Which option for defining “enterprises under significant public influence” would Task Force members favour, also taking into account the feasibility of collecting the relevant data?*

## IV. THE TERM “DEVELOPING COUNTRY”

### Key conclusions and guidance from the first TOSSD Task Force meeting

14. In the first meeting of the Task Force on 6 July, there was no consensus on how “developing country” would be defined in the TOSSD measure – and therefore how to establish a list of developing countries to use in the context of TOSSD. Several Task Force members proposed that the OECD DAC List of ODA Recipients or the World Bank Country and Lending Groups be used for the sake of simplicity. Others felt that these lists could be a starting point for discussions, with the possibility of establishing a broader list.

15. Several options were put forward towards establishing an initial list of developing countries, recognising that this was a very sensitive issue, including within the UN:

- One Task Force member emphasised the high number of poor people residing in middle-income countries and proposed investigating the United Nations Economic Commission for Latin America and the Caribbean’s (UNECLAC’s) work on structural gaps, which takes into account several dimensions beyond GNI per capita. For example, in line with the SDG’s “leaving no one behind” principle, TOSSD could include countries that have recently graduated from ODA.
- Others proposed adding additional criteria (still to be determined) to existing criteria, and setting upper boundaries to determine eligibility.
- One Task Force member proposed a mixed approach with a first process where countries would opt-in voluntarily, and a second phase where additional countries would be added to the list of TOSSD-eligible countries based on SDG criteria still to be developed.
- One Task Force member thought that making the list flexible – with an opt-in, opt-out option – given the universality of the 2030 Sustainable Development Agenda would nevertheless need to rely on a technical threshold to have a clear criterion for eligibility.
- One Task Force member proposed having two lists, the DAC List of ODA Recipients and the opt-in list, to signal opportunities for investments.

16. Future Task Force work on the definition of developing country should include a reflection on the mechanism for updating the “List of TOSSD-eligible countries” over time.

17. Taking into account comments by Task Force members from the July meeting, the Secretariat has undertaken further research and proposes three options to advance the discussion,

highlighting for each of these options their respective advantages and drawbacks. The three broad options are i) **an existing list of “developing countries” (Option 1)**, ii) **a list based on a multidimensional approach to sustainable development (Option 2)** or iii) **a voluntary list (Option 3)**.

18. **Option 1 – relying on an existing list of “developing countries”** TOSSD would rely on one of the existing lists, such as the DAC List of ODA recipients<sup>19</sup>, the World Bank Country and Lending Groups List<sup>20</sup>, or one of the other lists developed by international organisations for their analyses, such as the UNCTAD<sup>21</sup> list in the context of their foreign direct investment analysis or the IMF list<sup>22</sup> in the context of the World Economic Outlook.

**Table 1: Preliminary analysis of pros and cons of using an existing list of developing countries**

Pros	Cons
<b>Simplicity:</b> the lists already exist and processes are in place for updating them.	<b>Degree of alignment with the 2030 agenda:</b> the new 2030 agenda covers many dimensions and none of the main existing lists allow for a comprehensive view on all the social, economic and environmental dimensions that are found in the 2030 Agenda.
<b>Existing lists are already agreed as international references:</b> the sources of these lists (the UN or the World Bank) would ensure wide international acceptance.	<b>Existing lists are currently challenged internationally:</b> existing lists are currently challenged by some countries because of their perceived inadequacy to accompany developing countries along their development pathways (e.g. transition from middle- to high-income categories).
<b>Existing lists rely on technical thresholds:</b> the World Bank and the UN LDC lists rely on technical thresholds.	

19. **Option 2 – relying on a list based on “multidimensional” criteria** The rationale for this option is the recognition that GNI per capita – which is the basis for the existing lists in Option 1 - may not be sufficient to assess i) countries’ level of social, economic and environmental development (e.g. vis-à-vis the various dimensions of the SDGs) or ii) specific country circumstances (e.g. vulnerability issues faced by high-income Small Island Developing States with regards to climate change) or capacities (e.g. the capacity of countries to mobilise resources). These approaches are high on the agenda in the context of SDG monitoring efforts.<sup>23</sup>

<sup>19</sup> <http://www.oecd.org/dac/stats/daclist.htm>, which includes the UN list of Least developed countries (LDCs – available at <http://unohrls.org/about-ldcs/>). It is worth noting that the LDC list is based on a multi-dimensional approach and could therefore fall into the option 2 further below, but this list would be considered as far too restrictive in the context of TOSSD.

<sup>20</sup> <https://datahelpdesk.worldbank.org/knowledgebase/articles/906519-world-bank-country-and-lending-groups>

<sup>21</sup> <http://unctad.org/en/Pages/DIAE/FDI%20Statistics/FDI-Statistics-Bilateral.aspx>

<sup>22</sup> <http://www.imf.org/external/pubs/ft/weo/faq.htm#g4b>

<sup>23</sup> <https://sustainabledevelopment.un.org/index.php?page=view&type=20000&nr=2198&menu=2993>



20. There are several key international indices and measurement frameworks that allow for a clustering of groups of countries based on multidimensional criteria that could be drawn up in establishing a “List of TOSSD-eligible countries”:

- *The Human Development Index (HDI)*<sup>24</sup>: the Human Development Index aims to be “a summary measure of average achievement in key dimensions of human development: a long and healthy life, being knowledgeable and have a decent standard of living”. This measurement system classifies countries according to four different levels of human development: very high, high, medium and low human development.<sup>25</sup>
- *Well-being approach*: a possible approach would be to look at well-being approaches, as most of the dimensions analysed<sup>26</sup> are similar, though not fully identical to, the SDGs.
- *The multidimensional measurement of poverty and the structural gap analysis by UNECLAC*: as recommended by Task Force members, the Secretariat has made contact with UNECLAC and reviewed material related to the multi-dimensional measurement of poverty including the Multidimensional Poverty Index<sup>27</sup>, and work carried out in specific country contexts<sup>28</sup>. Since 2010<sup>29</sup>, UNECLAC has been developing multidimensional approaches, notably the “structural gaps approach” which assesses various sectors and dimensions that constrain development (e.g. fiscal policies, level of education, level of development of infrastructure, etc.). UNECLAC is now applying this approach in several countries<sup>30</sup>.
- *The vulnerability dimension*: the OECD-DAC has developed a multidimensional approach to vulnerability, which serves as a basis for clustering countries along different dimensions of vulnerability in its annual “States of Fragility Report”.<sup>31</sup>

21. As highlighted during the first Task Force discussion in July, an important principle to follow, if Option 2 was favoured by the Task Force, would be the establishment of clear technical thresholds for TOSSD-eligibility.

22. The review of these different approaches led the Secretariat to draw the pros and cons of adopting such an approach in the context of TOSSD.

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<sup>24</sup> <http://hdr.undp.org/en/content/human-development-index-hdi>

<sup>25</sup> <http://hdr.undp.org/en/composite/trends>

<sup>26</sup> See for example the OECD Better Life index (<http://www.oecdbetterlifeindex.org/>).

<sup>27</sup> <http://ophi.org.uk/multidimensional-poverty-index/global-mpi-2017/>

<sup>28</sup> For example, the National Institute of Statistics of Costa Rica has made available a document (in Spanish) on a new methodology to measure poverty in Costa Rica:

[http://www.inec.go.cr/sites/default/files/documentos/pobreza\\_y\\_presupuesto\\_de\\_hogares/pobreza/metodologias/mepobrezaenaho2015-01.pdf](http://www.inec.go.cr/sites/default/files/documentos/pobreza_y_presupuesto_de_hogares/pobreza/metodologias/mepobrezaenaho2015-01.pdf)

<sup>29</sup> <https://www.cepal.org/en/publicaciones/los-paises-de-renta-media-un-nuevo-enfoque-basado-en-brechas-estructurales>

<sup>30</sup> E.g. in Argentina (in Spanish): <https://www.cepal.org/es/notas/documento-la-cepal-enfoque-brechas-estructurales-desarrollo-aplicado-al-analisis-provincias>

<sup>31</sup> <http://www.oecd.org/dac/conflict-fragility-resilience/states-of-fragility-report-series.htm>

**Table 2: Preliminary analysis of pros and cons of using an existing list based on a multidimensional approach**

Pros	Cons
<p><b>Capturing the complexity of development situations and contexts:</b> multidimensional approaches would permit broad acceptance, in particular the perspective of Latin American countries and other middle-income countries (MICs).</p>	<p><b>Alignment with the 2030 agenda dimensions:</b> available global indices, even if multidimensional, only look at specific development dimensions (e.g. poverty, human development, vulnerability) and are not customised to the 2030 agenda.</p>
<p><b>Relies on technical parameters</b> reflecting several dimensions of development.</p>	<p><b>Maturity of measurement frameworks:</b> some of the available frameworks (e.g. UNECLAC) are constantly being improved.</p>

23. Future work on this option would include carrying out a full mapping of existing approaches, gauging their potential for global acceptance in the UN context.

24. **Option 3 – a “voluntary” list** The rationale for this option is based on the view that the universality of the 2030 Agenda would require that all countries wishing to receive TOSSD resources should be eligible. Some international organisations, such as the WTO,<sup>32</sup> have already taken this approach. Other international processes have instead undertaken international negotiations to develop a list that best serves their specific purpose (e.g. United Nations Framework Convention on Climate Change - UNFCCC<sup>33</sup>).

25. Several sub-options could be studied, should the Task Force wish to deepen this option:

- Option 3.1: As proposed by one Task Force member in July, one approach would be to start with a process where countries would opt-in voluntarily, and a second phase where additional countries would be added to the list of TOSSD-eligible countries based on SDG criteria still to be developed.
- Option 3.2: As proposed by another Task Force member in July, an existing list could be used in combination with an additional one signalling opportunities for investment.
- Option 3.3: Building on the proposal by another Task Force member, an option could be that the initial “List of TOSSD-eligible countries” includes all countries unless they opt out (OECD countries and other major providers would be expected to opt-out). A mechanism could be established to allow countries faced with extraordinary external economic, environmental or social shocks to opt-in.

<sup>32</sup> [https://www.wto.org/english/tratop\\_e/devel\\_e/d1who\\_e.htm](https://www.wto.org/english/tratop_e/devel_e/d1who_e.htm): “There are no WTO definitions of “developed” and “developing” countries. Members announce for themselves whether they are “developed” or “developing” countries. However, other members can challenge the decision of a member to make use of provisions available to developing countries”.

<sup>33</sup> For more information, see [the list of Parties and Observers](#) to the UNFCCC.

**Table 3: Preliminary analysis of pros and cons of using a voluntary list of developing countries**

Pros	Cons
<b>Alignment with the 2030 agenda:</b> this approach could better suit the new SDG framework which, for the first time, encompasses all economies, not just the developing ones.	<b>Institutional arrangement and process for agreeing on a new list:</b> agreeing on a new list would probably need to take place in the context of the UN to ensure broad international acceptance, and could take some time before it is operationalised.
<b>Flexibility:</b> this option leaves room for international negotiation to take into account the various sensitivities around official support to developing countries.	

26. Option 3 would require that, after a first list is established, a clear mechanism be put in place to allow countries to opt-in (e.g. in case of social, economic or environmental shocks negatively impacting their economies) or opt-out (once development conditions have changed for their countries).

#### Issues for discussion

- *Can Task Force members identify additional pros and cons for each of the three options outlined?*
- *Which option among those outlined above would Task Force members favour?*