

**Development Co-operation Directorate  
Development Assistance Committee**

**DAC Working Party on Development Finance Statistics**

**SECRETARIAT'S PROPOSAL TO CLARIFY THE REPORTING  
DIRECTIVES ON TRIANGULAR CO-OPERATION**

Formal meeting of the Working Party on Development Finance Statistics (WP-STAT)  
1-2 July 2019, OECD Conference Centre, 2 rue André Pascal 75016 Paris

This paper proposes a clarification to the DAC statistical converged reporting directives on triangular co-operation, in order to better capture data on triangular co-operation projects by DAC members and other development co-operation providers. The paper follows discussions and incorporates comments made at the meeting of the WP-STAT in November 2018.

The proposal is presented for members' APPROVAL under item 4.d of the draft annotated agenda DCD/DAC/STAT/A(2019)2.

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# ***SECRETARIAT’S PROPOSAL TO CLARIFY THE REPORTING DIRECTIVES ON TRIANGULAR CO-OPERATION***

## **BACKGROUND**

1. In October 2015, the Secretariat presented a proposal<sup>1</sup> to monitor triangular co-operation (TrC) in the OECD DAC statistical framework, which consisted of the introduction of a bi-multi code “8” in the Creditor Reporting System (CRS). The proposal was approved by the WP-STAT at its meeting in November 2015 and the new code came into effect for reporting in 2016 on 2015 flows. Some members did however raise concerns about the working definition of triangular co-operation adopted: “*Activities where one or more bilateral providers of development co-operation or international organisations support South-South co-operation, joining forces with developing countries to facilitate a sharing of knowledge and experience among all partners involved. (Activities that only involve bilateral providers or multilateral agencies without a South-South co-operation element (e.g. joint programming, pooled funding or delegated co-operation) should not be assigned bi\_multi 8).*” At the November 2015 meeting, members also agreed that the Secretariat would report back to the WP-STAT on the implementation of the proposal after two years, possibly with a view to refining the definition in consultation with partners within and beyond the OECD.<sup>2</sup>

2. In 2017, only Germany reported on TrC using the bi multi code 8 (reporting on 2016 flows) and in 2018 eight members (Czech Republic, European Union, Germany, Italy, Luxembourg, Portugal, Slovak Republic, United Kingdom) did so. However, many members known to carry out TrC activities still do not use the code and have indicated challenges in the reporting on them<sup>3</sup>. This paper therefore proposes a clarification to the reporting directives on TrC.

3. Improving data on TrC is critical in follow-up to the second High-level United Nations Conference on South-South Cooperation (BAPA+40 Conference), which took place in Buenos Aires, Argentina, from 20 to 22 March 2019. The BAPA +40 Outcome document provides a clear mandate to step up efforts for reporting on South-South and triangular co-operation. While no agreement on a definition of triangular co-operation was reached at BAPA +40, a full article was dedicated to this modality in the Buenos Aires

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<sup>1</sup> See DCD/DAC/STAT(2015)23.

<sup>2</sup> See DCD/DAC/STAT/M(2015)5 for the summary record.

<sup>3</sup>An example would be delegated co-operation by the European Union, which does not necessarily imply TrC but could in some cases be classified as TrC (e.g. institutions in Spain and Italy are partners in the Triangular Co-operation Facility of the EU with Latin America and the Caribbean – ADELANTE).

outcome document of the second High-level United Nations Conference on South-South Cooperation. Below is an extract from its article 28:

“We recognize that triangular cooperation is a modality that builds partnerships and trust, among all partners, and that combines diverse resources and capacities, under the ownership of the requesting developing country, to achieve the Sustainable Development Goals; and that it provides added value by leveraging and mobilizing additional technical and financial resources, sharing a wider range of experiences, promoting new areas of cooperation, and combining affordable and context-based development solutions under flexible arrangements and agreed shared modalities, we:

[...]

(b) Note the inclusive and diverse nature of triangular cooperation that supports partnerships where each partner can contribute according to its own capacities and means, and call for the establishment and promotion of innovative development solutions and partnerships, involving various stakeholders at different levels, including local and regional authorities, civil society, the private sector, academia, research centres and non-governmental organizations;

[...]

(d) Recognize the need to better understand triangular cooperation and to provide more evidence and rigorous information on its scale, scope and impact, and encourage the continuation of information and knowledge sharing and mutual learning from various experiences of triangular cooperation and to make best use of its comparative advantages, sharing knowledge, learning jointly, and co-creating development solutions;

(e) Note that triangular cooperation offers an adaptable and flexible approach to evolving development challenges, builds on the complementary strengths of different actors to find innovative and cost-effective, flexible context-specific solutions to development challenges, and can arise from a combination of South-South and North-South cooperation, creating partnerships around the pursuit of shared development goals. [...]

(f) Welcome the ongoing voluntary efforts to map and document good practices in triangular cooperation, and note that scaling up effective private sector involvement, where appropriate, can multiply the potential of development cooperation and mitigate risks when resources are limited; and in this context, we note voluntary initiatives such as Global Partnership for Effective Development Cooperation, including the Global Partnership Initiative on Effective Triangular Cooperation.”

4. The OECD can support the BAPA +40 implementation process by illustrating the importance and encouraging an increased use of this modality of development co-operation as well as by mapping and documenting TrC activities. The OECD Repository of Triangular Co-operation Projects<sup>4</sup> includes information on TrC activities since 2012, gathered through surveys (2012 and 2015), additional research with TrC providers and exchanges with members of the Global Partnership Initiative (GPI) on Effective Triangular Co-operation. Reporting on TrC in the CRS will assure the availability of rigorous data on TrC on a regular basis.

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<sup>4</sup> The Repository is available here: <http://www.oecd.org/dac/dac-global-relations/triangular-co-operation-repository.htm>. At the time of writing, the Repository includes information on over 760 triangular co-operation projects.

5. This paper proposes a clarification to the description of the *bi multi code 8* to facilitate the reporting on TrC in the CRS. The proposal is presented for members' **approval** at the meeting of the WP-STAT on 1-2 July 2019.

## UNDERSTANDING TRIANGULAR CO-OPERATION

6. TrC is a modality of multi-country partnership that has gained traction in recent years. Although there is no internationally agreed definition of TrC, an understanding is emerging on the three roles that actors engaged in TrC need to take (and which may evolve throughout implementation):

- i. The **beneficiary partner** that requests support to tackle a specific development challenge.
- ii. The **pivotal partner** that has relevant domestic experience of addressing the issue in a context similar to that of the beneficiary country and that shares its financial resources, knowledge and expertise.
- iii. The **facilitating partner** that helps connect the partners, supporting the collaboration financially and technically.

7. Partners may include countries and international organisations but also actors from civil society, private philanthropy, private sector and academia as well as partners at the sub-national level. Pivotal partners are usually other developing countries or institutions, or countries from the same region as the beneficiary country.

8. The above description captures both past and present models of TrC. In the past, TrC was understood as an activity where a DAC member (or an international organisation) was supporting South-South co-operation. While this model is still used by some United Nations agencies and by some DAC members, TrC has evolved to a broader concept, moving away from a binary spatial categorisation of “North” and “South” to better reflect the complexity of an ever-changing development co-operation landscape, where other stakeholders such as civil society organisations and the private sector are increasingly involved in TrC activities. A broad concept also reflects the current practice of several DAC members and other development co-operation providers as well as the conclusions of the GPI on Effective Triangular Co-operation.<sup>5</sup>

## PROPOSED CLARIFICATION ON THE REPORTING DIRECTIVES

9. Based on the above, it is proposed to revise the description of the CRS *bi\_multi code* for TrC (edit text in current paragraph 366 of the Converged Statistical Reporting Directives) as follows:

~~“ activities where one or more bilateral providers of development co-operation or international organisations support South-South co-operation, joining forces with developing countries to facilitate a sharing of knowledge and experience among all partners involved. (Activities that only involve bilateral providers or multilateral agencies without a South-South co-operation element (e.g. joint programming, pooled funding or delegated co-operation) should not be assigned bi\_multi 8.)~~

“Activities where there are at least three partners and where three main roles can be identified as follows: (i) a beneficiary partner, which has requested support to tackle a specific development challenge and which is an ODA-eligible country; (ii) a pivotal partner, which has relevant domestic experience of addressing the issue in a context similar

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<sup>5</sup> See <http://www.expo.unsouthsouth.org/2017-antalya/programme/side-events/29-nov-d/>

to that of the beneficiary country and that shares its financial resources, knowledge and expertise; and (iii) a facilitating partner, which helps connect the partners, supporting the collaboration financially and technically. These roles might evolve over time. Partners include countries (at national and sub-national levels), international organisations, civil society, private philanthropy, private sector and academia. The pivotal partner is likely to be a country or institution from another developing country or a country from the same region as the beneficiary. Joint programming, pooled funding or delegated co-operation should not be assigned *bi\_multi 8*, unless the three roles are represented in the activity.”

10. It is also proposed to include in the Reporting Directives (insert after paragraph 367), additional clarifications on reporting on TrC as follows:

Reporting on triangular co-operation relates to cases where the beneficiary countries are ODA-eligible. A triangular co-operation activity can be reported as ODA if its objective is to provide assistance to an ODA-eligible country. It can be counted as ODA even if the resources committed and disbursed are channelled through a non ODA-eligible country.

To identify the pivotal partner of TrC, use the CRS fields “Channel of delivery name” and “Channel of delivery code”.

11. **Members are invited to:**

**(i) approve the revision of paragraph 366 of the Reporting Directives as proposed in paragraph 9 above; and**

**(ii) approve the inclusion in the Reporting Directives (paragraph 367) of the additional clarifications in paragraph 10 above.**