



TOTAL OFFICIAL SUPPORT FOR SUSTAINABLE DEVELOPMENT

MAIN HIGHLIGHTS OF THE PILOT STUDY IN COSTA RICA

1) WHAT IS TOSSD?

The Total Official Support for Sustainable Development (TOSSD) statistical framework aims to provide a comprehensive picture of officially-supported resource flows toward the implementation of the 2030 Agenda and the sustainable development goals (SDGs). It is a two-pillar framework that tracks officially-supported i) cross-border resource flows to developing countries and ii) global and regional expenditures, in support of development enablers, International Public Goods and to address global challenges. TOSSD is designed to complement statistics on Official Development Assistance (ODA) in many ways:

- **TOSSD is a recipient-focused metric.** It measures cross-border resources (financial and in-kind) to developing countries, but can also include support to countries and territories that have graduated from ODA and still face important development challenges.
- **There is no target attached to TOSSD, and only resources complying with the UN definition of sustainable development (in practice, linked to a SDG target) are included.** ODA remains the measure to assess traditional donors' performance against the 0.7% ODA/GNI UN target.
- **TOSSD is designed to fill the knowledge gap about financing beyond ODA.** It includes resources provided by official bilateral and multilateral agencies as well as public corporations, and private resources mobilised from the private sector through official means. In addition to cross-border flows to TOSSD recipient countries (Pillar I), regional and global expenditures in support of sustainable development in the form of international public goods and enablers of development (Pillar II) are included in the measure.
- **TOSSD is a global metric that can be used by all countries** – providers and recipients, and those with a dual role. It is being developed in an open, inclusive and transparent way (as called for in the Addis Ababa Action Agenda) by an international Task Force composed of statistical experts and development policy specialists.

Regional perspectives to sustainable development are taken into account in the development of TOSSD. The Task Force membership includes several representatives from the Latin American region – Colombia, Costa Rica and the Inter-American Development Bank (as members) and Brazil (as an observer). Specific consultations have also been organised with countries and organisations from the LAC region. For example, the Task Force Secretariat has discussed with several Latin American countries and institutions the question of how to value in-kind technical co-operation in TOSSD in a way that is statistically relevant and that addresses the needs and concerns of Southern providers. Following these consultations, the use of Purchasing Power Parity factors to take into account the differences in salaries of public officials across countries was adopted by the Task Force. The Task Force also explicitly stated in the TOSSD Reporting Instructions that the methodology to measure in-kind technical co-operation may be reviewed to take into account any outcome of the BAPA+40 process regarding the valuing of technical co-operation.

In order to be as inclusive as possible, and beyond the consultations on specific items with relevant stakeholders, TOSSD pilot studies have been conducted by the Task Force Secretariat. In 2018, pilots were conducted in Nigeria and Costa Rica, and three additional pilots are planned for 2019. Furthermore, regional consultations are planned to be held in 2019, including one with LAC countries.



Having completed its work on the first draft of Reporting Instructions relating to Pillar I, the TOSSD Task Force will conduct a survey to collect activity-level data on TOSSD from the main traditional and emerging providers. The survey will be rolled out in February 2019 and its results presented at relevant international meetings during the second half of 2019.

2) COSTA RICA: AN IDEAL CANDIDATE FOR A PILOT STUDY ON TOSSD

Costa Rica represented an ideal candidate for hosting a TOSSD pilot. First, Costa Rica is an active member of the International TOSSD Task Force. Costa Rica possesses 6% of global biodiversity and is committed to sustainable development, as reflected in its National Development Plan. It has been pioneering the implementation of the 2030 Agenda – it is the first country in the world to sign a National Pact for delivering the SDGs and has expressed its intention to become a carbon neutral country by 2021.

Costa Rica is an upper middle-income country but nonetheless has significant financing and structural development challenges. It is both a recipient and a provider of development co-operation. It possesses considerable experience in providing technical co-operation to other countries, notably through its Ministry of National Planning and Economic Policy (MIDEPLAN).

3) MAIN FINDINGS: USEFULNESS OF TOSSD FROM COSTA RICA'S PERSPECTIVE

TOSSD data will be used primarily by MIDEPLAN. These data may also be useful for the Ministries of Foreign Affairs and of Finance, the Office of the Controller-General and the Office of the President as an approach to open government. In particular, TOSSD could prove useful in terms of:

- **Development Planning:**
 - Identifying financing needs for implementing the 2030 Agenda. In this regard, TOSSD will be useful to the extent that there is a direct relation to the SDG targets.
 - Facilitating planning for development co-operation and investment in the medium and long term by including information on commitments that are not currently collected in their International Co-operation Project Management System – SIGECI.
 - Understanding how development co-operation aligns with the national strategy for sustainable development.
- **Transparency of information and monitoring:**
 - Increasing overall transparency and accountability in the country. TOSSD will help the monitoring and evaluation functions of development co-operation in the country.
 - Accessing information on investments or flows of resources directed towards Costa Rica to inform national fiscal policy decision-making.
 - Triangulating information on sustainable development funding available to the government, although it has been acknowledged that the task of reconciling differences would be complex and that it would therefore be necessary to build capacity for the reconciliation process.
 - Establishing a system to collect information on support provided to migrants and refugees to determine how much Costa Rica is spending as a provider in this area.
 - Providing information on the private funds that have been mobilised through official interventions, which are not currently collected.
- **International visibility of Costa Rica's efforts toward sustainable development:**
 - Providing visibility to Costa Rica's sustainability agenda, which could attract additional funds.
 - Making national funding efforts visible.



- Understanding which activities are implemented through NGOs and other stakeholders, because the Government does not currently collect this information.

4) COSTA RICA'S FEEDBACK ON THE EMERGING TOSSD REPORTING INSTRUCTIONS

Costa Rica expressed support for most of the concepts and classifications included in the TOSSD Reporting Instructions¹. The main findings and suggestions that emerged from the pilot study were as follows:

- **There is wide support among Costa Rican stakeholders for the definition of “sustainable development” as proposed in TOSSD**, even though the operational eligibility criteria outlined in the TOSSD Reporting Instructions were considered as relatively broad. In Costa Rica, the sustainable development agenda is at the centre of the National Development Plan (NDP). The next version of the NDP will be aligned to the goals and targets of the 2030 Agenda for Sustainable Development. Costa Rica considers important that, in order to be TOSSD-eligible, activities need to be linked to specific SDG targets.
- **There is broad support for the definition of the terms “resource flows” and “officially supported” proposed in TOSSD**. Costa Rica emphasises the importance of in-kind technical co-operation and non-reimbursable financial co-operation. For Costa Rica, technical co-operation includes training, the sharing of experience, knowledge, technology and awareness-raising activities.
- **Costa Rica proposes to include a number of elements to the TOSSD framework**. The country proposed to add either a third regional pillar, or a second pillar disaggregated by region. Many activities taking place in Costa Rica relate to the management of protected areas or natural resources, which has spill over effects on neighbouring countries. As a small country, Costa Rica is more inter-dependent with the Central American region than with the rest of Latin America and the Caribbean, and therefore proposes that the statistical classifications also include sub-regions. Several suggestions for additional fields in the TOSSD reporting format were also made, such as the geographical location of projects.
- **Costa Rica proposes adding a category in TOSSD for “dual countries”, i.e. countries that are both providers and recipients**. As a recipient, Costa Rica would be prepared to report data on inflows as recorded in national systems. As a provider, the country would be able to report as of 2019. In order to report on all flows, Costa Rica would however have to further build its internal capacity, amend its legislative and political framework, and improve in-country co-ordination. Support from co-operation partners would be welcome in that regard.
- **Costa Rica supports the inclusion of debt relief and short-term finance in TOSSD**. Debt relief is considered as a cross-border flow. Data on short-term finance are collected by the Central Bank and, for the most part, are considered as flows that contribute to general business operations, affecting economic well-being and employment.
- **Costa Rica is a country with a dual role. As a provider, it would be prepared and able to report under TOSSD the following elements:**
 - Contributions to multilateral bodies made by the Ministry of Finance, although they are not deemed by Costa Rica as development co-operation flows;
 - In-kind technical (South-South and Triangular) co-operation;
 - Contributions to peace-keeping operations;

¹ The latest draft of the TOSSD reporting instructions are available at: http://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/Emerging-Reporting-Instructions%20-V1.3-validatedbyTF_WEB.pdf. All relevant background documents on the work of the Task Force are available at: <http://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/tossd-task-force.htm>.



- Aid to refugees and migrants in Costa Rica;
 - Humanitarian aid, although it was not possible to interview the unit with responsibility for this area;
 - Research on development issues by public universities - provided that the current law changes allowing these institutions to share this data;
 - Operational administrative expenditures.
- **Costa Rica could in particular report in-kind technical co-operation, both as a provider and as a recipient.** The country has an International Cooperation Project Management System to report development co-operation, including in-kind. Costa Rica has recently drawn up a methodology to quantify in-kind technical co-operation both for the co-operation it provides and to quantify the financial effort incurred as a recipient of technical co-operation. The methodology includes a very innovative aspect estimating the value of the knowledge acquired by officials over time, based on their number of years of experience. The country will start quantifying technical co-operation in monetary terms as of 2019.
 - **Costa Rica already collects data beyond traditional development co-operation flows.** The Central Bank collates information on foreign direct investment (FDI) and, to a certain extent, on philanthropic grants and migrants' remittances. On FDI, several institutions linked to the Ministry of Foreign Trade are working to ensure that investment aligns with the sustainability aspects of the National Development Plan, and especially with environmental sustainability. There is no alignment policy towards sustainable development for philanthropic grants or remittances. Costa Rica does not collect data on private funds mobilised from the private sector. However, two decrees have recently been published to regulate Public Private Partnerships (PPPs) and PPPs for Development. It is anticipated that more information on activities involving the private sector and mobilised finance will be available in the coming years.
 - **Costa Rica also takes a positive view on the fact that countries can voluntarily opt-in to the list of TOSSD-eligible countries.** If Costa Rica were to graduate from ODA, there would in principle opt in to TOSSD.
 - **Costa Rica could improve its strategic approach towards multilateral organisations.** The bulk of the country's contributions to multilateral institutions are assessed contribution. Decisions of allocations to multilateral institutions are taken without broader co-ordination at national level.
 - **Concerning the governance structure of TOSSD, there is wide support by Costa Rica for anchoring TOSSD in the United Nations system.** If a regional data collection system is established in TOSSD, Costa Rica indicated that the United Nations Economic Commission for Latin America and the Caribbean (ECLAC) would probably be the proper institution to collect TOSSD data, given its capacity in this area.